

**Donner Summit Public Utility District  
Board of Directors Regular Meeting  
Agenda  
Tuesday, March 15, 2022 - 6:00 P.M.  
DSPUD Office, 53823 Sherritt Lane, Soda Springs California**

For the Regular Meeting (Section 54954), March 15, 2022 at 6:00 P.M., the meeting will be conducted via Zoom due to the COVID-19 pandemic and in accordance with Governor Newsom's Executive Order N-29-20 and Assembly Bill 361. **The Zoom Webinar ID 82331312341 Password 822751 If your computer does not have audio or visual capabilities, you may participate in the meeting by phone 1 669-900-6833.**

Any member of the public desiring to address the Board on any matter within the Jurisdictional Authority of the District or on a matter on the Agenda before or during the Boards consideration of that item may do so **by logging into Zoom and using the meeting ID and password or dial in only number referenced above.** After receiving recognition from the Board President, please give your Name and Address (City) and your comments or questions.

Unless specifically noted, the Board of Directors may act upon all items on the agenda.

**1. Call to Order**

**2. Roll Call**

**3. Clear the Agenda**

**4. Public Participation** – *This is time set aside for the public to address the Board on any matter not on the agenda. Comments related to any item already on the agenda should be addressed at the time that that item is considered. Each speaker will be limited to five minutes, but speaker time may be reduced at the discretion of the Board President if there are a large number of speakers on any given subject.*

**5. Consent Calendar**

*All items listed under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board requests an item to be removed from the Consent Calendar for a separate action. Any items removed will be considered after the motion to approve the Consent Calendar.*

**A. Approve Finance Report for March 15, 2022**

- 1. Cash Disbursements–General, Month of February**
- 2. Cash Disbursements–Payroll, Month of February**
- 3. Schedule of Cash and Reserves, January**
- 4. Accountants Financial Statements, January**

**B. Approve Regular Meeting Minutes February 15, 2022**

**C. Approve Monthly Safety Meeting Minutes – March 9, 2022**

**6. Department Reports**

**A. Administration - Steven Palmer, General Manager**

**B. Sewer and Water Department**

**1. Waste Water Flow Data, February**

**2. Fresh Water Flow Data, February**

**3. Operations and Maintenance Summary - NONE**

**7. Information Items**

**A. Financial Statements for Fiscal Year 2020/2021 with Independent Auditors Report**

**8. Action Items**

**A. Adopt a Resolution to Continue Remote Board Meetings in Accordance with Assembly Bill 361**

**9. Director Reports:** *In accordance with Government Code Section 54954.2(a), Directors may make brief announcements or brief reports on their own activities (concerning the District). They may ask questions for clarification make a referral to staff or take action to have staff place a matter of business on a future agenda.*

**10. Adjournment**

Schedule of Upcoming Meetings

Regular Meeting – April 19, 2022

Regular Meeting – May 17, 2022

Regular Meeting – June 21, 2022

We certify that on March 11, 2022, a copy of this agenda was posted in public view at 53823 Sherritt Lane Soda Springs, California, and the Soda Springs/Norden Post Office.

Deleane Mehler  
Administrative Assistant



Steven Palmer  
General Manager

**March 15, 2022**  
**Agenda Item: 5A.1**

**Donner Summit Public Utility District**

**March 15, 2022  
Agenda Item: 5A.1**

**Check List**  
All Bank Accounts  
February 2, 2022

Check Number	Check Date	Payee	Amount
<b>Vendor Checks</b>			
10661	02/02/22	BARNARD, VOGLER & CO.	2,300.00
10662	02/02/22	ENERGY SYSTEMS	581.29
10663	02/02/22	ALHAMBRA & SIERRA SPRINGS	116.93
10664	02/02/22	ALSCO	197.02
10665	02/02/22	AQUASIERRA	1,334.00
10666	02/02/22	AT&T	347.39
10667	02/02/22	BLUE SHIELD OF CALIFORNIA	8,790.52
10668	02/02/22	FED-EX	114.55
10669	02/02/22	HUMANA DENTAL INS. CO.	889.53
10670	02/02/22	INTEGRATED FIRE SYSTEM, INC.	420.00
10671	02/02/22	MOUNTAIN HARDWARE & SPORTS	114.71
10672	02/02/22	NATIONAL LIFE INSURANCE CO.	124.34
10673	02/02/22	O'REILLY AUTOMOTIVE, INC.	232.82
10674	02/02/22	PG&E COMPANY	3,839.68
10675	02/02/22	PIONEER ELECTRIC LTD	1,007.76
10676	02/02/22	SIERRA MOUNTAIN PIPE & SUPPLY	23.44
10677	02/02/22	SUBURBAN PROPANE	14,222.69
10678	02/02/22	SWRCB ACCOUNTING OFFICE	6,039.00
10679	02/02/22	THE OFFICE BOSS, INC.	283.67
10680	02/02/22	TRANSAMERICA LIFE INSURANCE	194.19
10681	02/02/22	TRUCKEE AUTO PARTS	227.06
10682	02/02/22	TUCKER SNO-CAT CORP	1,118.08
10683	02/02/22	VARIED PRODUCT LINES	489.69
10684	02/02/22	AT&T	68.81
10685	02/02/22	PG&E COMPANY	23,499.78
10686	02/02/22	PG&E COMPANY	2,231.36
<b>Vendor Check Total</b>			<u>68,808.31</u>
<b>Check List Total</b>			<u><u>68,808.31</u></u>

Check count = 26

**Donner Summit Public Utility District**

**March 15, 2022  
Agenda Item: 5A.1**

**Check List**

All Bank Accounts

February 24, 2022

Check Number	Check Date	Payee	Amount
<b>Vendor Checks</b>			
10687	02/24/22	AIRGAS NCN	445.38
10688	02/24/22	ALHAMBRA & SIERRA SPRINGS	295.78
10689	02/24/22	ALSCO	202.53
10690	02/24/22	BATTERIES PLUS	312.76
10691	02/24/22	EMPLOYER DRIVEN SOLUTIONS	2,866.01
10692	02/24/22	EVERS LAW GROUP	758.50
10693	02/24/22	FED-EX	21.22
10694	02/24/22	GLOBAL OFFICE	87.40
10695	02/24/22	HACH COMPANY	880.98
10696	02/24/22	PANDO PUBLIC RELATIONS	360.00
10697	02/24/22	PDM STEEL SERVICE CENTERS, INC.	587.16
10698	02/24/22	PITNEY BOWES	52.07
10699	02/24/22	RICK MARTIN	3,850.00
10700	02/24/22	RYAN PROCESS INC.	3,683.21
10701	02/24/22	SUBURBAN PROPANE	16,449.89
10702	02/24/22	TAHOE TRUCKEE SIERRA DISPOSAL	1,748.99
10703	02/24/22	SUBURBAN PROPANE	16,752.32
10705	02/24/22	SUBURBAN PROPANE	14,820.87
10708	02/24/22	ALSCO	197.02
10709	02/24/22	49ER WATER SERVICES	280.00
10710	02/24/22	EMCOR SERVICES INC.	2,567.50
10711	02/24/22	HUMANA DENTAL INS. CO.	1,211.61
10712	02/24/22	MOUNTAIN HARDWARE & SPORTS	100.63
10713	02/24/22	NATIONAL LIFE INSURANCE CO.	62.17
10714	02/24/22	PG&E COMPANY	113.29
10715	02/24/22	PRINCIPAL LIFE INSURANCE COMPANY	732.72
10716	02/24/22	RAIN FOR RENT	568.58
10717	02/24/22	RK CONTRACTORS, INC.	1,305.00
10718	02/24/22	SWRCB ACCOUNTING OFFICE	1,112.00
10719	02/24/22	THATCHER COMPANY OF NEVADA, INC.	1,630.03
10720	02/24/22	TRANSAMERICA LIFE INSURANCE	194.19
10721	02/24/22	WELLS FARGO VENDOR FINANCIAL SRVCS	226.83
10722	02/24/22	49ER WATER SERVICES	2,290.00
10723	02/24/22	RAIN FOR RENT	4,086.55
10724	02/24/22	SWRCB ACCOUNTING OFFICE	2,935.68
<b>Vendor Check Total</b>			<u>83,788.87</u>
<b>Check List Total</b>			<u>83,788.87</u>

Check count = 35

**March 15, 2022**  
**Agenda Item: 5A.2**

# PAYROLL JOURNAL

March 15, 2022  
Agenda Item: 5A.2

0085 0085-T591 Donner Summit Public Utility

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS	
	DESCRIPTION	RATE	HOURS	EARNINGS				REIMB & OTHER PAYMENTS
*** 30 WATER SEWER King, James R 49	Regular			5,910.40		Social Security 372.64	150.00	Direct Deposit # 4177
	Holiday		M8:00			Medicare 87.15	1,292.31	Check Amt 0.00
	Life Ins Reimb Txble			100.00		Fed Income Tax 732.32		Chkg 730
	Sick Accr-Memo				M1:85	CA Income Tax 399.21		
	Vacation -Memo					CA Disability 66.11		2,910.66
	EMPLOYEE TOTAL		8.00	6,010.40		1,657.43	1,442.31	Net Pay
Patrick, Sean M 59	Regular	44,780.00	70:00	3,134.60		Social Security 277.04	250.00	Direct Deposit # 4178
Standby				315.00		Medicare 64.79	37.41	Check Amt 0.00
Overtime	67,170.00	8:50		570.95		Life Ins EE Post Tax 480.88		Chkg 717
Holiday	44,780.00	10:00		447.80		CA Income Tax 285.81		3,023.27
	EMPLOYEE TOTAL		88.50	4,468.35		1,157.67	287.41	Net Pay
Schott, Paul A 14	Regular	48,800.00	80:00	3,904.00		Social Security 320.58	850.00	Direct Deposit # 4179
Standby				270.00		Medicare 74.98	150.00	Check Amt 0.00
Overtime	73,200.00	4:25		311.10		Fed Income Tax 759.72		Chkg 019
Double Time	97,600.00	1:00		97.60		CA Income Tax 296.28		2,662.26
Holiday	48,800.00	10:00		488.00		CA Disability 56.88		
Life Ins Reimb Txble				100.00				
Sick Accr-Memo					M1:85			
Vacation -Memo					M6:15			
	EMPLOYEE TOTAL		95.25	5,170.70		1,508.44	1,000.00	Net Pay
Shelton, Joshua M... 64	Regular	31,570.00	66:50	2,099.41		Social Security 156.59	150.00	Direct Deposit # 4180
Holiday	31,570.00	10:00		315.70		Medicare 36.62		Check Amt 0.00
Vacation	31,570.00	3:50		110.50		Fed Income Tax 208.11		Chkg 722
	EMPLOYEE TOTAL		80.00	2,525.61		112.84		1,983.67
Vosburgh, Justin E 57	Regular	47,230.00	61:50	2,904.65		Social Security 251.41	150.00	Direct Deposit # 4181
Standby				135.00		Medicare 58.80	35.00	Check Amt 0.00
Overtime	70,845.00	2:00		141.69		Life Ins EE Post Tax 333.27	112.73	Chkg 400
Holiday	47,230.00	10:00		472.30		Loan Payment 132.63		2,936.65
Vacation	47,230.00	8:50		401.46		CA Income Tax 44.61		
	EMPLOYEE TOTAL		82.00	4,055.10		820.72	297.73	Net Pay
*** 40 BOARD MEMBER Garnick, Philip 28	Board Meet			250.00		Social Security 64.40		Direct Deposit # 4182
Health Stipend				788.60		Medicare 15.06		Check Amt 0.00
						Fed Income Tax 54.25		882.68
						CA Income Tax 10.89		
						CA Disability 11.42		

# PAYROLL JOURNAL

0085 0085-T591 Donner Summit Public Utility

March 15, 2022  
Agenda Item: 5A.2

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS
	DESCRIPTION	RATE	HOURS	EARNINGS			
**** 40 BOARD MEMBER (cont.) Gamick, Philip (cont.) 28							
<b>Kaufman, Joan B</b> 67	EMPLOYEE TOTAL			1,038.60		156.02	Net Pay 882.58
	Board Meet			250.00		78.37	Direct Deposit # 4183
	Health Stipend			1,014.06		18.33	Check Amt 0.00
						84.01	Chkg 974 1,044.61
						24.84	
						13.90	
	EMPLOYEE TOTAL			1,264.06		219.45	Net Pay 1,044.61
<b>Medveczky, Alexan...</b> 58	Board Meet			275.00		54.48	Direct Deposit # 4184
	Health Stipend			603.71		12.75	Check Amt 0.00
						38.06	Chkg 111 763.35
						0.40	
						9.67	
	EMPLOYEE TOTAL			878.71		115.36	Net Pay 763.35
<b>Parkhurst, Dawn E</b> 66	Board Meet			250.00		54.58	Direct Deposit # 4185
	Health Stipend			630.41		12.76	Check Amt 0.00
						13.43	Chkg 495 778.60
						11.36	
						9.68	
	EMPLOYEE TOTAL			880.41		101.81	Net Pay 778.60
<b>Preis, Cathy</b> 44	Board Meet			300.00		54.36	Direct Deposit # 4186
	Health Stipend			576.66		12.72	Check Amt 0.00
						57.37	Chkg 011 736.75
						5.82	
						9.64	
	EMPLOYEE TOTAL			876.66		139.91	Net Pay 736.75
**** 50 ADMIN Mehler, Deleane 51	Regular	39.9600	72.00	2,877.12		198.20	Direct Deposit # 4187
	Holiday	39.9600	8.00	319.68		46.35	Check Amt 0.00
						47.591	Chkg 963 2,170.10
						171.08	
						35.16	
	EMPLOYEE TOTAL		80.00	3,196.80		926.70	Net Pay 2,170.10
<b>Palmer, Steven V</b> 65	Regular		168.00	6,731.00		417.33	Direct Deposit # 4188
	Holiday					97.60	Check Amt 0.00
						1,406.94	Chkg 779 3,410.86
						522.20	Savg 330 600.00
						74.04	
	EMPLOYEE TOTAL		168.00	6,731.00		1,406.94	Net Pay 3,410.86



# PAYROLL JOURNAL

0085 0085-T591 Donner Summit Public Utility

March 15, 2022  
Agenda Item: 5A.2

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS			WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS
	DESCRIPTION	HOURS	EARNINGS REIMB & OTHER PAYMENTS			
**** 50 ADMIN (cont.) Palmer, Steven V (cont.) 65	EMPLOYEE TOTAL	8.00	6,731.00	2,518.11	201.93	4,010.96 Net Pay
<b>COMPANY TOTALS</b>						
12 Person(s)	Regular	350.00	27,561.18	Social Security	1,701.93	0.00
12 Transaction(s)	Standby		720.00	Medicare	150.00	23,903.46
	Double Time	1.00	97.60	Credit Un 2	1,292.31	
	Overtime	14.75	1,023.74	Garnishment	72.41	
	Board Meet		1,325.00	Life Ins EE Post	112.73	
	Health Stipend		3,613.44	Loan Payment		
	Holiday	64.00	2,043.48			
	Life Ins Reimb Txble		200.00			
	Vacation	12.00	511.96			
	Sick Accr-Memo		3.70			
	Vacation -Memo		10.77			
	COMPANY TOTAL	441.75	37,096.40	9,863.56	3,329.38	23,903.46 Net Pay
				<i>Employer Liabilities</i>		
				Social Security	2,299.97	
				Medicare	537.90	
				Fed Unemploy	37.85	
				CA Unemploy	353.35	
				CA Emp Train	6.31	
				TOTAL EMPLOYER LIABILITY	3,235.38	
				TOTAL TAX LIABILITY	1,309.94	

(IC) = Independent Contractor

# CASH REQUIREMENTS

**CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 02/04/22: \$40,259.37**

**IMPORTANT COVID-19 INFORMATION: If you filed IRS Form 7200, please notify your Paychex representative to avoid owing a balance at the end of the quarter and ensure your Form 941 is accurate.**

**TRANSACTION SUMMARY**

<b>SUMMARY BY TRANSACTION TYPE -</b>	TOTAL ELECTRONIC FUNDS TRANSFER (EFT)	40,259.37
	CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR EFT	40,259.37
	TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES	2,037.07
	CASH REQUIRED FOR CHECK DATE 02/04/22	42,296.44

**TRANSACTION DETAIL**

**ELECTRONIC FUNDS TRANSFER - Your financial institution will initiate transfer to Paychex at or after 12:01 A.M. on transaction date.**

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	<u>BANK DRAFT AMOUNTS &amp; OTHER TOTALS</u>
02/03/22	WELLS FARGO BANK, NA	xxxxxxx393	Direct Deposit	Net Pay Allocations	23,903.46
02/03/22	WELLS FARGO BANK, NA	xxxxxxx393	Readychex®	Check Amounts	3,256.97
02/04/22	WELLS FARGO BANK, NA	xxxxxxx393	Taxpay®	Employee Withholdings Social Security Medicare Fed Income Tax CA Income Tax CA Disability <b>Total Withholdings</b>	<b>EFT FOR 02/03/22</b> 2,299.98 537.91 4,644.27 1,973.36 408.04 <b>9,863.56</b>
				Employer Liabilities Social Security Medicare Fed Unemploy CA Unemploy CA Emp Train <b>Total Liabilities</b>	<b>EFT FOR 02/04/22</b> 2,299.97 537.90 37.85 353.35 6.31 <b>3,235.38</b>
					<b>13,098.94</b>
				<b>TOTAL EFT</b>	<b>40,259.37</b>

# PAYROLL JOURNAL

March 15, 2022  
Agenda Item: 5A.2

0085 0085-T591 Donner Summit Public Utility

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS
	DESCRIPTION	RATE	HOURS	EARNINGS			
**** 30 WATER SEWER King, James R 49	Regular			5,910.40		Social Security 366,457	Direct Deposit # 4189 150,000
	Sick Accr-Memo				M1:85	Medicare 86,700	Check Amt 1,292,310
	Vacation -Memo				M4:62	Fed Income Tax 708,320	Chkg 730 2,863,630
						CA Income Tax 388,980	
						CA Disability 65,010	
	EMPLOYEE TOTAL			5,910.40		1,614,460	Net Pay 2,853,630
Patrick, Sean M 59	Regular	44,7800	74.00	3,313.72		Social Security 256,500	Direct Deposit # 4190 275,000
	Standby	44,7800		270.00		Medicare 59,775	Check Amt 0,000
	Overtime	67,1700	4.00	268.68		Fed Income Tax 398,980	Chkg 717 2,838,790
	Sick	44,7800	6.00	268.68		CA Income Tax 247,773	
						CA Disability 45,330	
	EMPLOYEE TOTAL		84.00	4,121.08		1,007,290	Net Pay 2,838,790
Schott, Paul A 64	Regular	48,8000	77.00	3,757.60		Social Security 289,040	Direct Deposit # 4191 850,000
	Standby	73,2000	4.00	270.00		Medicare 67,600	Check Amt 0,000
	Overtime	97,6000	2.00	195.20		Fed Income Tax 637,630	Chkg 019 2,372,210
	Double Time	48,8000	3.00	146.40		CA Income Tax 244,240	
						CA Disability 51,280	
	EMPLOYEE TOTAL		86.00	4,662.00		1,288,790	Net Pay 2,372,210
Shelton, Joshua M... 64	Regular	31,5700	76.50	2,415.11		Social Security 157,320	Direct Deposit # 4192 150,000
	Overtime	47,3550	0.25	11.84		Medicare 36,790	Check Amt 0,000
	Vacation	31,5700	3.50	110.50		Fed Income Tax 209,530	Chkg 722 1,992,020
						CA Income Tax 113,880	
						CA Disability 27,910	
	EMPLOYEE TOTAL		80.25	2,537.45		545,430	Net Pay 1,992,020
Vosburgh, Justin E 57	Regular	47,2300	75.00	3,542.25		Social Security 276,170	Direct Deposit # 4193 150,000
	Standby	70,8450	7.00	495.92		Medicare 64,590	Check Amt 0,000
	Overtime	47,2300	2.50	118.08		Fed Income Tax 390,660	Chkg 400 3,247,610
	Sick	47,2300	2.50	118.08		CA Income Tax 163,580	
						CA Disability 49,000	
	EMPLOYEE TOTAL		87.00	4,454.33		943,990	Net Pay 3,247,610
**** 50 ADMIN Mehler, Deleane 51	Regular	39,9600	77.25	3,086.91		Social Security 196,210	Direct Deposit # 4194 100,000
	Vacation	39,9600	2.75	109.89		Medicare 46,350	Check Amt 0,000
						Fed Income Tax 475,910	Chkg 963 2,170,090
						CA Income Tax 171,080	
						CA Disability 35,160	
	EMPLOYEE TOTAL		80.00	3,196.80		926,710	Net Pay 2,170,090

# PAYROLL JOURNAL

0085 0085-T591 Donner Summit Public Utility

March 15, 2022  
Agenda Item: 5A.2

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS
	DESCRIPTION	RATE	HOURS	EARNINGS REIMB & OTHER PAYMENTS			
**** 50 ADMIN (cont.) Palmer, Steven V 65	Regular		18:00	6,731.00	Social Security 417,324.57	201:93	Direct Deposit # 4195
	Holiday		M5:00		Medicare 97:60		Check Amt 0.00
	Sick				Fed Income Tax 1,406:94		Chkg 779 3,410.97
					CA Income Tax 522:20		Savg 330 600.00
	EMPLOYEE TOTAL		13:00	6,731.00	CA Disability 74:04	201:93	Net Pay 4,010.97
COMPANY TOTALS 7 Person(s) 7 Transaction(s)	Regular		379:75	28,756:99	Social Security 1,960:01	1,726:93	Check Amt 0.00
	Standby			720:00	Medicare 458:38	150:00	Dir Dep 19,485.32
	Double Time		2:00	195:20	Credit Un 2 4,227:96	1,292:31	
	Overtime		15:25	1,069:24	Garnishment 1,851:69	112:73	
	Holiday		8:00		Loan Payment 347:73		
	Sick		16:50	533:16			
	Vacation		8:75	338:47			
	Sick Accr-Memo			3:70			
	Vacation -Memo			10:77			
	COMPANY TOTAL		430:25	31,613:06	8,845:77	3,281:97	19,485:32
				Employer Liabilities			
				Social Security 1,960:00			
				Medicare 458:39			
				TOTAL EMPLOYER LIABILITY 2,418:39			
				TOTAL TAX LIABILITY 11,264:16			

(IC) = Independent Contractor

# CASH REQUIREMENTS

**CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 02/18/22: \$34,233.38**

**IMPORTANT COVID-19 INFORMATION:** If you filed IRS Form 7200, please notify your Paychex representative to avoid owing a balance at the end of the quarter and ensure your Form 941 is accurate.

**TRANSACTION SUMMARY**

<b>SUMMARY BY TRANSACTION TYPE -</b>	34,233.38
TOTAL ELECTRONIC FUNDS TRANSFER (EFT)	<b>34,233.38</b>
CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR EFT	1,989.66
TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES	36,223.04
CASH REQUIRED FOR CHECK DATE 02/18/22	

**TRANSACTION DETAIL**

**ELECTRONIC FUNDS TRANSFER -** Your financial institution will initiate transfer to Paychex at or after 12:01 A.M. on transaction date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	<u>BANK DRAFT AMOUNTS &amp; OTHER TOTALS</u>
02/17/22	WELLS FARGO BANK, NA	xxxxxxxxxxxxxxxx393	Direct Deposit	Net Pay Allocations	19,485.32
02/17/22	WELLS FARGO BANK, NA	xxxxxxxxxxxxxxxx393	Readychex®	Check Amounts	3,483.90
02/18/22	WELLS FARGO BANK, NA	xxxxxxxxxxxxxxxx393	Taxpay®	Employee Withholdings Social Security Medicare Fed Income Tax CA Income Tax CA Disability <b>Total Withholdings</b>	<b>22,969.22</b> 1,960.01 458.38 4,227.96 1,851.69 347.73 8,845.77
				Employer Liabilities Social Security Medicare <b>Total Liabilities</b>	<b>11,264.16</b> 1,960.00 458.39 2,418.39
				<b>EFT FOR 02/17/22</b>	<b>11,264.16</b>
				<b>EFT FOR 02/18/22</b>	<b>11,264.16</b>
				<b>TOTAL EFT</b>	<b>34,233.38</b>

**REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES -** Paychex does not remit these funds. You must ensure accurate and timely payment of applicable items.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	<u>TOTAL</u>
02/18/22	Refer to your records for account Information		Payroll	Employee Deductions 457 Credit Un 2	1,726.93 150.00

**March 15, 2022**  
**Agenda Item: 5A.3**

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 SCHEDULE OF CASH AND DEBT RESTRICTED RESERVES  
 JANUARY 31, 2022

<u>Bank Account</u>	<u>Reserve</u>	<u>Book Balance</u>	<u>Reserves Restricted</u>
Wells Fargo - Checking		\$ (157,489.88)	
Wells Fargo - Deposit		778,295.85	
Wells Fargo - Savings		304,587.11	
Wells Fargo - Payroll		-	
LAIF		3,387.08	
	SWRCB Loan Construction		719,191.03
	WTP Loan Construction		18,187.00
	Big Bend Water Loan Reserve 1		9,019.98
	Big Bend Water Loan Reserve 2		3,704.63
	Big Bend Assessment		15,578.64
<b>Totals</b>		<u>928,780.16</u>	<u>765,681.28</u>
Unrestricted Cash Available			<u><u>\$ 163,098.88</u></u>

**March 15, 2022**  
**Agenda Item: 5A.4**



DONNER SUMMIT PUBLIC UTILITY DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT  
JANUARY 31, 2022

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
TABLE OF CONTENTS  
JANUARY 31, 2022

---

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Statement of Activities and Changes in Net Position – Budgetary Basis Combined Business-Type Activities	2
Statement of Activities and Changes in Net Position – Budgetary Basis Budget and Actual – Business-Type Activity – Water	3
Statement of Activities and Changes in Net Position – Budgetary Basis Budget and Actual – Business-Type Activity – Sewer	4
Statement of Activities and Changes in Net Position – Budgetary Basis Budget and Actual – Business-Type Activity – Wastewater Treatment	5
Statement of Activities and Changes in Net Position – Budgetary Basis Budget and Actual – Business-Type Activity – Admin	6
SUPPLEMENTARY INFORMATION	7
Schedule of Big Bend Transactions	8



**BARNARD VOGLER & CO.**  
Certified Public Accountants

**March 15, 2022**  
**Agenda Item: 5A.4**

100 West Liberty St.  
Suite 1100  
Reno, NV 89501

775.786.6141  
775.323.6211  
bvccpas.com

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Donner Summit Public Utility District

Management is responsible for the accompanying financial statements of the business-type activities of Donner Summit Public Utility District (the District) which comprise the statements of activities and changes in net position – budgetary basis for the seven months ended January 31, 2022 in accordance with the budgetary basis of accounting, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The financial statements have been prepared on the budgetary basis of accounting, which includes expensing capital outlay purchases and principal payments on long-term debt. The budgetary basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America.

### Supplementary Information

The accompanying supplementary information contained on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Reno, Nevada  
February 24, 2022

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
COMBINED BUSINESS-TYPE ACTIVITIES  
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2022

	Water	Sewer	Treatment	Admin	Total
<b>Program Revenue</b>					
Water fees	\$ 374,826.18	\$ -	\$ -	\$ -	\$ 374,826.18
Sewer fees	-	447,581.05	1,149,606.37	-	1,597,187.42
Big Bend service fees	22,191.40	-	-	-	22,191.40
Big Bend assessment	15,578.64	-	-	-	15,578.64
Total Program Revenue	<u>412,596.22</u>	<u>447,581.05</u>	<u>1,149,606.37</u>	<u>-</u>	<u>2,009,783.64</u>
<b>Expenses</b>					
Salaries-Operations	70,769.11	59,510.30	191,398.08	185,836.46	507,513.95
Employee benefits	31,457.99	22,708.95	77,457.27	37,760.66	169,384.87
Board expense	-	-	-	34,654.97	34,654.97
Professional fees	1,102.00	266.19	26,323.06	49,765.88	77,457.13
Dues and subscriptions	671.16	-	1,975.62	6,028.90	8,675.68
Fees, permits, certifications, leases	6,641.08	2,088.45	18,381.55	6,217.69	33,328.77
Training, education, travel	250.00	-	982.01	-	1,232.01
Insurance	18,064.62	15,190.70	48,856.64	9,123.59	91,235.55
Office supplies and miscellaneous	-	201.45	433.04	3,770.44	4,404.93
Utilities, communications, telemetry	20,488.34	13,851.59	188,868.27	15,575.15	238,783.35
Chemicals and lab supplies	17,483.73	313.75	114,729.24	-	132,526.72
Laboratory testing	-	-	6,895.00	-	6,895.00
Equipment maintenance and repair	3,803.64	1,167.23	31,552.85	-	36,523.72
Small equipment and rental	2,347.70	-	5,283.42	451.20	8,082.32
Operating supplies	2,501.37	1,834.15	752.68	1,744.53	6,832.73
Sludge removal	-	-	10,920.60	-	10,920.60
Vehicle maintainance, repair, fuel	5,724.09	4,851.19	6,993.67	-	17,568.95
Infiltration and inflow program	-	-	-	-	-
Facility maintenance and repair	13,264.50	1,572.50	23,807.90	1,580.06	40,224.96
Amortization of land lease	-	-	11,812.50	-	11,812.50
Debt service	-	-	795,895.09	-	795,895.09
Capital outlay	55,310.83	32,755.88	24,704.40	-	112,771.11
Capital projects	-	43,512.31	-	-	43,512.31
2021 Winter Emergency	-	19,832.33	-	-	19,832.33
Total Expenses	<u>249,880.16</u>	<u>219,656.97</u>	<u>1,588,022.89</u>	<u>352,509.53</u>	<u>2,410,069.55</u>
<b>Excess (Deficiency) of Program</b>					
Revenues Over Expenses	<u>162,716.06</u>	<u>227,924.08</u>	<u>(438,416.52)</u>	<u>(352,509.53)</u>	<u>(400,285.91)</u>
<b>General Revenues</b>					
Interest revenue	-	-	-	90.68	90.68
Sierra Lakes	-	-	248,591.60	-	248,591.60
Property tax	17,496.41	36,731.24	161,815.99	-	216,043.64
Other income	-	-	-	2,754.04	2,754.04
Grants	22,642.38	-	-	-	22,642.38
Total General Revenues	<u>40,138.79</u>	<u>36,731.24</u>	<u>410,407.59</u>	<u>2,844.72</u>	<u>490,122.34</u>
Increase (Decrease) in Net Position	<u>\$ 202,854.85</u>	<u>\$ 264,655.32</u>	<u>\$ (28,008.93)</u>	<u>\$ (349,664.81)</u>	<u>\$ 89,836.43</u>
Net Position, Beginning of Year					<u>12,720,079.34</u>
Net Position, End of Period					<u>\$ 12,809,915.77</u>

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
 BUDGET AND ACTUAL  
 BUSINESS-TYPE ACTIVITY - WATER  
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 2022

	Actual Year to Date 1/31/22	Budget Total Fiscal Year 2022	Budget Percent Complete 1/31/22	Remaining Budget 1/31/22
<b>Program Revenue</b>				
Water fees	\$ 374,826.18	\$ 547,511.00	68.46%	\$ 172,684.82
Big Bend service fees	22,191.40	29,732.00	74.64%	7,540.60
Big Bend assessment	15,578.64	20,772.00	75.00%	5,193.36
Total Program Revenue	<u>412,596.22</u>	<u>598,015.00</u>	<u>68.99%</u>	<u>180,225.42</u>
<b>Expenses</b>				
Salaries-Operations	70,769.11	123,535.00	57.29%	52,765.89
Employee benefits	31,457.99	57,658.00	54.56%	26,200.01
Professional fees	1,102.00	15,000.00	7.35%	13,898.00
Dues and subscriptions	671.16	379.00	177.09%	(292.16)
Fees, permits, certifications, leases	6,641.08	11,743.00	56.55%	5,101.92
Training, education, travel	250.00	942.00	26.54%	692.00
Insurance	18,064.62	31,281.00	57.75%	13,216.38
Office supplies and miscellaneous	-	549.00	0.00%	549.00
Utilities, communications, telemetry	20,488.34	27,593.00	74.25%	7,104.66
Chemicals and lab supplies	17,483.73	26,379.00	66.28%	8,895.27
Laboratory testing	-	5,000.00	0.00%	5,000.00
Equipment maintenance and repair	3,803.64	8,000.00	47.55%	4,196.36
Small equipment and rental	2,347.70	6,750.00	34.78%	4,402.30
Operating supplies	2,501.37	5,000.00	50.03%	2,498.63
Vehicle maintenance, repair, fuel	5,724.09	2,524.00	226.79%	(3,200.09)
Facility maintenance and repair	13,264.50	5,000.00	265.29%	(8,264.50)
Angela WTP debt service	-	9,350.00	0.00%	9,350.00
Big Bend debt service	-	21,655.00	0.00%	21,655.00
Capital equipment	55,310.83	71,880.00	76.95%	16,569.17
Total Expenses	<u>249,880.16</u>	<u>430,218.00</u>	<u>58.08%</u>	<u>180,337.84</u>
<b>Excess of Program</b>				
Revenues Over Expenses	<u>162,716.06</u>	<u>167,797.00</u>	<u>96.97%</u>	<u>(112.42)</u>
<b>General Revenues</b>				
Property tax	17,496.41	29,700.00	58.91%	29,700.00
Grants	22,642.38	-		
Total General Revenues	<u>40,138.79</u>	<u>29,700.00</u>	<u>58.91%</u>	<u>29,700.00</u>
<b>Increase in Net Position</b>	<u>\$ 202,854.85</u>	<u>\$ 197,497.00</u>	<u>155.88%</u>	<u>\$ 29,587.58</u>

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
BUDGET AND ACTUAL  
BUSINESS-TYPE ACTIVITY - SEWER  
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2022

	Actual Year to Date 1/31/22	Budget Total Fiscal Year 2022	Budget Percent Complete 1/31/22	Remaining Budget 1/31/22
<b>Program Revenue</b>				
Sewer fees	\$ 447,581.05	\$ 450,919.00	99.26%	\$ 3,337.95
<b>Total Program Revenue</b>	<u>447,581.05</u>	<u>450,919.00</u>	<u>99.26%</u>	<u>3,337.95</u>
<b>Expenses</b>				
Salaries-Operations	59,510.30	103,882.00	57.29%	44,371.70
Employee benefits	22,708.95	52,453.00	43.29%	29,744.05
Professional fees	266.19	7,000.00	3.80%	6,733.81
Fees, permits, certifications, leases	2,088.45	3,376.00	61.86%	1,287.55
Training, education and travel	-	273.00	0.00%	273.00
Insurance	15,190.70	31,281.00	48.56%	16,090.30
Office supplies and miscellaneous	201.45	563.00	35.78%	361.55
Utilities, communications, telemetry	13,851.59	29,149.00	47.52%	15,297.41
Chemicals and lab supplies	313.75	565.00	55.53%	251.25
Small equipment and rental	-	2,400.00	0.00%	2,400.00
Operating supplies	1,834.15	1,000.00	183.42%	(834.15)
Sludge removal	-	1,200.00	0.00%	1,200.00
Infiltration - inflow	-	26,000.00	0.00%	26,000.00
Equipment maintenance and repair	1,167.23	10,178.00	11.47%	9,010.77
Vehicle maintenance, repair, fuel	4,851.19	3,794.00	127.86%	(1,057.19)
Facility maintenance and repair	1,572.50	8,000.00	19.66%	6,427.50
Capital equipment	32,755.88	133,423.00	24.55%	100,667.12
Capital projects - sewer extension	43,512.31	105,000.00	41.44%	61,487.69
2021 Winter Emergency	19,832.33	-	0.00%	(19,832.33)
<b>Total Expenses</b>	<u>219,656.97</u>	<u>519,537.00</u>	<u>42.28%</u>	<u>299,880.03</u>
<b>Excess (Deficiency) of Program</b>				
Revenues Over Expenses	<u>227,924.08</u>	<u>(68,618.00)</u>	<u>-332.16%</u>	<u>(296,542.08)</u>
<b>General Revenues</b>				
Property tax	<u>36,731.24</u>	<u>19,481.00</u>	<u>188.55%</u>	<u>(17,250.24)</u>
<b>Total General Revenues</b>	<u>36,731.24</u>	<u>19,481.00</u>	<u>188.55%</u>	<u>(17,250.24)</u>
<b>Increase (decrease) in Net Position</b>	<u>\$ 264,655.32</u>	<u>\$ (49,137.00)</u>	<u>-538.61%</u>	<u>\$ (313,792.32)</u>

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
BUDGET AND ACTUAL  
BUSINESS-TYPE ACTIVITY - WASTEWATER TREATMENT  
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2022

	Actual Year to Date 1/31/22	Budget Total Fiscal Year 2022	Budget Percent Complete 1/31/22	Remaining Budget 1/31/22
<b>Program Revenue</b>				
Sewer fees	\$ 1,149,606.37	\$ 1,352,757.00	84.98%	\$ 203,150.63
Recycled water sales	-	50,000.00	0.00%	50,000.00
CFD revenue for WWTP loan	-	282,392.00	0.00%	282,392.00
Non CFD revenue for WWTP loan	-	281,044.00	0.00%	281,044.00
Total Program Revenue	<u>1,149,606.37</u>	<u>1,966,193.00</u>	<u>58.47%</u>	<u>816,586.63</u>
<b>Expenses</b>				
Salaries-operations	191,398.08	334,107.00	57.29%	142,708.92
Employee benefits	77,457.27	165,653.00	46.76%	88,195.73
Professional fees	26,323.06	81,250.00	32.40%	54,926.94
Dues and subscriptions	1,975.62	1,200.00	164.64%	(775.62)
Fees, permits, certifications, leases	18,381.55	17,623.00	104.30%	(758.55)
Training, education and travel	982.01	2,745.00	35.77%	1,762.99
Insurance	48,856.64	86,022.00	56.80%	37,165.36
Office supplies and miscellaneous	433.04	823.00	52.62%	389.96
Utilities, communications, telemetry	188,868.27	285,896.00	66.06%	97,027.73
Chemicals and lab supplies	114,729.24	175,497.00	65.37%	60,767.76
Laboratory testing	6,895.00	41,910.00	16.45%	35,015.00
Small equipment and rental	5,283.42	7,200.00	73.38%	1,916.58
Operating supplies	752.68	7,632.00	9.86%	6,879.32
Equipment maintenance and repair	31,552.85	34,240.00	92.15%	2,687.15
Vehicle maintenance, repair, fuel	6,993.67	12,325.00	56.74%	5,331.33
Sludge removal	10,920.60	43,000.00	25.40%	32,079.40
Facility maintenance and repair	23,807.90	20,000.00	119.04%	(3,807.90)
Amoritization of land lease	11,812.50	20,250.00	58.33%	8,437.50
Debt service	795,895.09	719,191.00	110.67%	(76,704.09)
Capital outlay	24,704.40	-	0.00%	(24,704.40)
Total Expenses	<u>1,588,022.89</u>	<u>2,056,564.00</u>	<u>77.22%</u>	<u>468,541.11</u>
<b>Excess (Deficiency) of Program</b>				
Revenues Over Expenses	<u>(438,416.52)</u>	<u>(90,371.00)</u>	<u>485.13%</u>	<u>348,045.52</u>
<b>General Revenues</b>				
Sierra Lakes	248,591.60	381,152.00	65.22%	132,560.40
Property tax	161,815.99	85,820.00	188.55%	(75,995.99)
Total General Revenues	<u>410,407.59</u>	<u>466,972.00</u>	<u>87.89%</u>	<u>56,564.41</u>
<b>Increase (decrease) in Net Position</b>	<u>\$ (28,008.93)</u>	<u>\$ 376,601.00</u>	<u>-7.44%</u>	<u>\$ 404,609.93</u>

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
 BUDGET AND ACTUAL  
 BUSINESS-TYPE ACTIVITY - ADMIN  
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 2022

	Actual Year to Date 1/31/22	Budget Total Fiscal Year 2022	Budget Percent Complete 1/31/22	Remaining Budget 1/31/22
Program Revenue				
Service Fees	-	-	0.00%	-
Total Program Revenue	-	-	0.00%	-
Expenses				
Salaries-operations	185,836.46	324,358.00	57.29%	138,521.54
Employee benefits	37,760.66	105,724.00	35.72%	67,963.34
Board expense	34,654.97	61,846.00	56.03%	27,191.03
Professional fees	49,765.88	73,800.00	67.43%	24,034.12
Dues and subscriptions	6,028.90	7,062.00	85.37%	1,033.10
Fees, permits, certifications, leases	6,217.69	20,593.00	30.19%	14,375.31
Training, education and travel	-	1,500.00	0.00%	1,500.00
Insurance	9,123.59	7,820.00	116.67%	(1,303.59)
Office supplies and miscellaneous	3,770.44	7,000.00	53.86%	3,229.56
Utilities, communications, telemetry	15,575.15	28,420.00	54.80%	12,844.85
Equipment maintenance and repair	-	6,552.00	0.00%	6,552.00
Small equipment and rental	451.20	-	0.00%	(451.20)
Operating supplies	1,744.53	-	0.00%	(1,744.53)
Facility maintenance and repair	1,580.06	2,600.00	60.77%	1,019.94
Total Expenses	352,509.53	647,275.00	54.46%	294,765.47
Deficiency of Program				
Revenues Over Expenses	(352,509.53)	(647,275.00)	54.46%	(294,765.47)
General Revenues				
Interest revenue	90.68	-	0.00%	(90.68)
Other income	2,754.04	14,500.00	18.99%	11,745.96
Total General Revenues	2,844.72	14,500.00	19.62%	11,655.28
Decrease in Net Position	\$ (349,664.81)	\$ (632,775.00)	55.26%	\$ (283,110.19)



SUPPLEMENTARY INFORMATION

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
SCHEDULE OF BIG BEND TRANSACTIONS  
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2022

---

Revenue	\$	37,770.04
Expenses		
Interest		-
Repairs and maintenance		<u>4,424.87</u>
Total expenses		<u>7,756.87</u>
Excess of revenue over expenses	\$	<u><u>30,013.17</u></u>

**March 15, 2022**  
**Agenda Item: 5B**

**Donner Summit Public Utility District  
Board of Directors Regular Meeting  
Minutes  
Tuesday, February 15, 2022 - 6:00 P.M.  
DSPUD Office, 53823 Sherritt Lane, Soda Springs California**

**1. Call to Order**

For the Regular Meeting (Section 54954), February 15, 2022 at 6:00 P.M., the meeting was conducted via Zoom due to the COVID-19 pandemic and in accordance with Governor Newsom's Executive Order N-29-20 and Assembly Bill 361.

The Regular Meeting of February 15, 2022 of the Donner Summit Public Utility District Board of Directors was called to order at 6:06 p.m. by President Cathy Preis.

**2. Roll Call**

Cathy Preis, President	- Present
Philip Gamick, Director	- Present
Alex Medveczky, Secretary	- Present
Joni Kaufman, Director	- Present
Dawn Parkhurst, Director	- Present

**3. Election of Board Officers for 2022**

**Motion: 2021 Board Officers to Remain the Same for 2022. Cathy Preis, President; Joni Kaufman, Vice President; Alex Medveczky, Secretary**

By: Alex Medveczky

Second: Phil Gamick

Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

**Motion Carries**

**4. Clear the Agenda**

**5. Public Participation** – *This is time set aside for the public to address the Board on any matter not on the agenda. Comments related to any item already on the agenda should be addressed at the time that that item is considered. Each speaker will be limited to five minutes, but speaker time may be reduced at the discretion of the Board President if there are a large number of speakers on any given subject.*

**6. Consent Calendar**

*All items listed under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board requests an item to be removed from the Consent Calendar for a separate action. Any items removed will be considered after the motion to approve the Consent Calendar.*

**A. Approve Finance Report for February 15, 2022**

**1. Cash Disbursements—General**, Month of January

**2. Cash Disbursements—Payroll**, Month of January

**3. Schedule of Cash and Reserves**, December

**4. Accountants Financial Statements**, December

- B. Approve Regular Meeting Minutes January 18, 2022**
- C. Approve Monthly Safety Committee Meeting Minutes, January**

**Motion: Accept the Consent Calendar**  
**By:** Alex Medveczky  
**Second:** Joni Kaufman  
**Vote:** 5 Ayes, 0 Noes, 0 Absent, 0 Abstain, 0 Vacancy  
**Motion Carries**

**7. Department Reports**

- A. Administration - Steven Palmer, General Manager**

The General Manager presented his report.

- B. Sewer and Water Department - Jim King, Chief Plant Operator**

- 1. Waste Water Flow Data, January**
- 2. Fresh Water Flow Data, January**
- 3. Operations and Maintenance Summary**

The Chief Plant Operator presented the data and summaries for the month of January.

**8. Information Items**

- A. Staff Presentation of First and Second Quarter Budget to Actual Report for Fiscal Year 2021/2022**

The General Manager presented the First and Second quarter Budget to Actual date report.

**9. Action Items**

- A. Adopt a Resolution to Continue Remote Board Meetings in Accordance with Assembly Bill 361**

**Motion: Adopt Resolution 2022-12 to Continue Remote Board Meetings in Accordance with Assembly Bill 361**

**By:** - Dawn Parkhurst

**Second:** Joni Kaufman

**Roll Call Vote**

Cathy Preis - Aye

Phil Gamick - Aye

Alex Medveczky - Aye

Joni Kaufman - Aye

Dawn Parkhurst - Aye

**Motion Carries**

- B. Approve Grant of Easement to NV Energy to Relocate Utility Lines near Lake Angela**

**Motion: Approve Resolution 2022-13 Grant of Easement to NV Energy to Relocate Utility Lines near Lake Angela**

**By:** Phil Gamick

**Second:** Alex Medveczky

**Vote:** 5 Ayes, 0 Noes, 0 Absent, 0 Abstain, 0 Vacancy

**Motion Carries**

**C. Staff Presentation of Outline of Fiscal Year 2022/2023 Budget Preparation Process for Board Discussion.** The General Manager presented the outline and preparation process for the Budget for the fiscal year 2022/2023.

**10. Director Reports:** *In accordance with Government Code Section 54954.2(a), Directors may make brief announcements or brief reports on their own activities (concerning the District). They may ask questions for clarification make a referral to staff or take action to have staff place a matter of business on a future agenda.*

**11. Adjournment**

**Motion: Adjourn Meeting at 6:56 p.m.**

By: Alex Medveczky

Second: Phil Gamick

Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain, 0 Vacancy

**Motion Carries**

Schedule of Upcoming Meetings

Regular Meeting – March 15, 2022

Regular Meeting – April 19, 2022

Regular Meeting – May 17, 2022

Respectfully Submitted,

Deleane Mehler  
Administrative Assistant





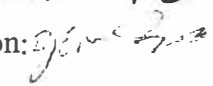
**March 15, 2022**  
**Agenda Item: 5C**

**Safety/Plant Training  
Donner Summit PUD WWTP**

**Safety Topic(s): March 9, 2022**  
Personal Protective Equipment

**Training Notes:**  
DVD

Attendance:

1. Jim K:
2. Paul Schott: 
3. Justin V: 
4. Deleane M: 
5. Steve Palmer
6. Sean Patrick: 
7. Josh Shelton: 



**March 15, 2022**  
**Agenda Item: 6A**



## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, General Manager *SP*

**SUBJECT:** General Manager Report

---

### Grant Applications

#### Cosumnes, American, Bear, and Yuba River (CABY) IRWM

CABY has \$1,001,788 from State Proposition 1 Funds to be available to stakeholders in Spring 2022 for projects that meet the IRWM objectives. Submitted five projects for consideration:

- Drought Resilience Plan
- Sugar Bowl Sewer Extension Phase 1
- Water Main Rehabilitation Program
- Big Bend Raw Water Tank Rehabilitation
- Big Bend Treated Water Pipe Rehabilitation

CABY intends on submitting for Proposition1 Funding in the Fall.

#### Placer County Water Agency (PCWA) Financial Assistance Program (FAP)

Entered Lake Angela resiliency study and Big Bend water line replacement projects into the masterplan. Submitted Lake Angela resiliency study for funding this year. Only \$185,000 is available in Fiscal Year 2022.

#### USDA Rural Development FY2022 Emergency Community Water Assistance

This Program is focused on ensuring access to clean drinking water for rural areas and towns with a median household income less than the State's median for non-metropolitan areas. The Program funds water transmission line grants up to \$150,000 to construct water line extensions, repair breaks or leaks, and address related maintenance. It also funds grants up to \$1,000,000 to construct a water source, intake, or treatment facility. Applications are accepted year-round. Intend to submit Big Bend Treated Water Pipe Rehabilitation.

#### Small Community Drought Relief Program

As authorized by the Board at the last meeting, application for the Big Bend Raw Water Tank Rehabilitation Project was submitted on January 28, 2022.

### **Winter Storm Update**

The storms in mid to late December caused damage to lift stations 4 and 8. Multiple pumps and the control panel at lift station 8 were damaged due loss of power and the re-energization process. Placer County and Nevada County both declared local emergencies and have submitted initial damage estimates (IDEs) to California Office of Emergency Services (CalOES) in the hopes that disaster relief funding will become available from the State. We submitted IDEs totaling \$102,595 and are updating as more accurate costs become available. CalOES made a visit to the lift stations on February 2. No updates from the County or CalOES at this time.

Claims were denied by Pacific Gas & Electric.

### **Sugar Bowl Sewer Extension**

We are working with one owner to find a way to get the sewer they need constructed and cooperate on forming the assessment district to fund the entire Project. Also looking for grant opportunities.

### **Lake Angela Dam Emergency Action Plan**

This work was mandated because of the Oroville Dam Spillway failure in February 2017. Received additional comments from California Division of Safety of Dams which are being addressed. Anticipate resubmittal of Emergency Action Plan (EAP) within next few weeks.

### **Upcoming Board Items**

- Third Quarter Budget Update
- Personnel Manual Update
- Draft FY 22/23 Budget
- Draft Five Year Capital Improvement Plan
- Sewer Connection/Capacity Fee Update
- Sugar Bowl Sewer Agreement

**March 15, 2022**  
**Agenda Item: 6B**



**March 15, 2022**  
**Agenda Item: 7A**



## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, General Manager *SP*

**SUBJECT:** Financial Statements for FY2020-2021 with Independent Auditors Report

---

### **RECOMMENDATION**

Receive Financial Statements for FY2020-2021 with Independent Auditors Report from Gibson and Company, Inc. Certified Public Accountant.

### **BACKGROUND**

The independent auditor, Gibson and Company, Inc. Certified Public Accountant (Gibson), conducted an audit of the District's financial reporting and processes for Fiscal Year 2020-2021. Letter from Gibson to the Board regarding Audit Findings and Internal Controls are included in Attachments 1 and 2, respectively. Fiscal Year 2020-2021 Financial Statements along with the Audit Report from Gibson are included as Attachment 3.

### **DISCUSSION**

Joe Julio from Gibson will present the auditors report to the Board.

The Audit Findings presented in the letter in Attachment 1 noted the following:

- All significant transactions have been recognized in the financial statements in the proper period.
- The financial statement disclosures are neutral, consistent, and clear.
- No significant difficulties in dealing with management in performing and completing the audit.
- There were no material misstatements, either individually or in the aggregate, to the financial statements taken as a whole.
- There were no "disagreements with management" during the course of the audit.
- The District's financial statements do not follow the guidance of Governmental Accounting Standards Board Statement No. 83 that requires the District to record an Asset Retirement Obligation, a deferred outflow of resources, and annual expenses over the life of the related asset related to the District's wastewater treatment plant. Management believes recording this liability would not present an accurate representation of the District's financial position. Accordingly, the District is not following the guidance required by Statement No. 83 of the Governmental Accounting Standards Board and this is a departure from generally accepted accounting principles. A note has been added to the report on the financial statements to document this deviation.

The Internal Controls Letter included in Attachment 2 states that no material weaknesses were identified. Gibson did identify one opportunity to strengthen internal controls and operating efficiency. District staff was unable to readily locate some of the requested supporting

documentation. Gibson recommends that the District review internal process to ensure that original documentation is timely acquired and accurately maintained.

### **ANALYSIS**

The District Management's Discussion, and Analysis identified the following Financial Highlights:

- The District's assets exceeded liabilities at the close of the fiscal year by \$12,720,079. This represents the net position of the District as of June 30, 2021.
- The District's net position decreased by \$418,643.
- Total revenues for the fiscal year were \$3,246,463, an increase of \$200,361 or 6.6% over the prior fiscal year.
- Total operating expenses for the fiscal year were \$3,665,106, an increase of \$154,934 or 4.4% over the prior fiscal year. Consistent with generally accepted accounting principles, operating expenses do not include principal payments or capital asset purchases.
- In addition to the operating expenses, the District also made principal payments on long term debt in the amount of \$777,756 during the fiscal year.
- In addition to the operating expenses, the District acquired \$285,564 in capital assets during the current fiscal year, of which \$168,192 was financed under loan agreements.
- Cash and Cash Equivalents on June 30, 2021 totaled \$1,067,580.
- Cash and Cash Equivalents decreased by \$606,023 during the fiscal year. This decrease is in part due to the long-term debt payments.
- During the prior fiscal year (FY2019/2020), Cash and Cash Equivalents decreased by \$564,151. Similar to this fiscal year, the decrease was in part due to long-term debt payments.

### **FISCAL IMPACT**

There is no fiscal impact by this agenda item. This is informational only.

### **CEQA ASSESSMENT**

This is not a CEQA Project

### **ATTACHMENTS**

1. Letter to Board from Independent Auditor Regarding Audit Findings
2. Letter to Board from Independent Auditor Regarding Internal Controls
3. Financial Statements for FY2020-2021 with Independent Auditors Report



**GIBSON & COMPANY, INC.**  
**CERTIFIED PUBLIC ACCOUNTANT**

4600 NORTHGATE BLVD., SUITE 115 • SACRAMENTO, CALIFORNIA 95834-1121  
(916) 484-1252 FAX (916) 484-1123  
WEBSITE WWW.GIBSONCOCPA.COM

**March 15, 2022**  
**Agenda Item: 7A**  
**ATTACHMENT 1**

February 11, 2022

To the Board of Directors  
DONNER SUMMIT PUBLIC UTILITY DISTRICT  
53823 Sherritt Lane  
Soda Springs, CA 95728

We have audited the financial statements of the business-type activities of Donner Summit Public Utility District for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 10, 2021. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Findings**

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting polices were adopted and the application of existing policies was not changed during the year ended June 30, 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. At June 30, 2021, there were no significant sensitive estimates affecting the financial statements. We evaluated the key factors and assumptions used to develop the less sensitive estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 11, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management has determined that the District's financial statements will not follow the guidance of Governmental Accounting Standards Board Statement No. 83 that requires the District to record a Asset Retirement Obligation, a deferred outflow of resources, and annual expenses over the life of the related asset related to the District's wastewater treatment plant. Management believes recording this liability would not present an accurate representation of the District's financial position. Accordingly, the District is not following the guidance required by Statement No. 83 of the Governmental Accounting Standards Board and this is a departure from generally accepted accounting principles. Our report on your financial statements has been modified to include the following paragraph:

As explained in footnotes to the financial statements, management has omitted the Asset Retirement Obligation from the financial statements. Accounting principles generally accepted in the United States of America require the District to develop a reasonable estimate regarding its Asset Retirement Obligation and record that estimate as a liability and a deferred outflow of resources. In addition, those standards require recognition of this expense over the asset's remaining useful life. The amount by which this departure would affect the assets, liabilities, net position and expenses of the business-type activities has not been determined.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. We appreciate the opportunity to be of service to you and would like to express our appreciation to the individuals at the District who assisted in our services. We look forward to a continued relationship with the District.

GIBSON & COMPANY, INC.  
CERTIFIED PUBLIC ACCOUNTANT

*Gibson + Company, Inc.*  
*Certified Public Accountant*

To the Board Directors and  
Steven Palmer, General Manager

Donner Summit Public Utility District  
53823 Sherritt Lane  
Soda Springs, CA 95728

In planning and performing our audit of the financial statements of the business-type activities of Donner Summit Public Utility District as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Donner Summit Public Utility District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Donner Summit Public Utility District's internal control. Accordingly, we do not express an opinion on the effectiveness of Donner Summit Public Utility District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Page 2

However, during our audit we became aware of one matter that represent an opportunity for strengthening internal controls and operating efficiency as follows:

This year's audit was delayed in part due to District staff being unable to readily locate requested supporting documentation. The District's records should be timely acquired and maintained in such a way that the original documentation that supports the transactions recorded in the accounting system can be readily located. We recommend that the District review their processes in this area and assure that those processes are adequate to meet the goal of being able to readily locate original documentation that supports the accounting records.

We will review the status of this comment during our next audit engagement. We have already discussed these comments and suggestions with the Director of Finance, and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the board of directors, and others within Donner Summit Public Utility District, and is not intended to be, and should not be, used by anyone other than these specific parties.

GIBSON & COMPANY, INC.  
CERTIFIED PUBLIC ACCOUNTANT

*Gibson & Company, Inc.*  
*Certified Public Accountant*

February 11, 2022  
Sacramento, California  
N:\117500 Donner\2021\Admin 72 for PDF Controls Letter.docx

**DONNER SUMMIT PUBLIC UTILITY DISTRICT**

**Financial Statements**

**June 30, 2021**

**(With Independent Auditor's Report Thereon)**

## Table of Contents

June 30, 2021

	<u>Page</u>
Independent Auditor's Report	3 - 5
Management's Discussion and Analysis	6 - 11
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position	12 - 13
Statement of Activities and Changes in Net Position	14 - 15
Statement of Cash Flows	16 - 17
<b>Notes to the Financial Statements</b>	18 - 30
<b>Fund Financial Statements</b>	
Balance Sheet	31 - 32
Statement of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual - Proprietary Fund	33 - 34
Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	35 - 36



**GIBSON & COMPANY, INC.**  
**CERTIFIED PUBLIC ACCOUNTANT**

4600 NORTHGATE BLVD., SUITE 115 • SACRAMENTO, CALIFORNIA 95834-1121  
(916) 484-1252 FAX (916) 484-1123  
WEBSITE WWW.GIBSONCOCPA.COM

**March 15, 2022**  
**Agenda Item: 7A**  
**ATTACHMENT 3**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Donner Summit Public Utility District

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

We have audited the accompanying financial statements of the business-type activities of Donner Summit Public Utility 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.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Basis for Qualified Opinion**

As explained in Note 11 to the financial statements, management has omitted the Asset Retirement Obligation from the financial statements. Accounting principles generally accepted in the United States of America require the District to develop a reasonable estimate regarding its Asset Retirement Obligation and record that estimate as a liability and a deferred outflow of resources. In addition, those standards require recognition of this expense over the asset's remaining useful life. The amount by which this departure would affect the assets, liabilities, net position and expenses of the business-type activities has not been determined.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Donner Summit Public Utility District as of June 30, 2021, and the changes in the financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6-11 and 33-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 11, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

GIBSON & COMPANY, INC.  
CERTIFIED PUBLIC ACCOUNTANT

*Gibson & Company, Inc.*  
*Certified Public Accountant*

February 11, 2022  
Sacramento, California

Management's Discussion and Analysis

For the Year Ended June 30, 2021

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This section of the District's annual financial report is provided as supplementary information to the audited financial statements. It is Management's intention that this information provides the financial statement reader with a brief and concise overview and analysis of the District's financial activities for the fiscal year ended June 30, 2021.

**REQUIRED FINANCIAL STATEMENTS**

The District's annual report consists of: Management's Discussion and Analysis, Financial Statements, and Notes to the Financial Statements.

The basic financial statements following this discussion are: Statement of Net Position, Statement of Activities and Changes in Net Position, and Statement of Cash Flows. The District's basic statements report "Business-Type Activities" of the Water and Sewer operations. Following the basic financial statements are Notes to the Financial Statement that provide accounting methodology and other disclosures related to specifically identified financial statement reporting. The basic financial statements include Fund Financial Statements that consist of Balance Sheets and Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual.

**FINANCIAL HIGHLIGHTS**

- The District's assets exceeded liabilities at the close of the fiscal year by \$12,720,079. This represents the net position of the District as of June 30, 2021.
- The District's net position decreased by \$418,643.
- Total revenues for the fiscal year were \$3,246,463, an increase of \$200,361 or 6.6% over the prior fiscal year.
- Total operating expenses for the fiscal year were \$3,665,106, an increase of \$154,934 or 4.4% over the prior fiscal year. Consistent with generally accepted accounting principles, operating expenses do not include principal payments or capital asset purchases.
- In addition to the operating expenses, the District acquired \$285,564 in capital assets during the current fiscal year, of which \$168,192 was financed under loan agreements.
- In addition to the operating expenses, the District also made principal payments on long term debt in the amount of \$777,756 during the fiscal year.
- Cash and Cash Equivalents on June 30, 2021 totaled \$1,067,580.
- Cash and Cash Equivalents decreased by \$606,023 during the fiscal year. This decrease is in part due to the long-term debt payments.
- During the prior fiscal year (FY2019/2020), Cash and Cash Equivalents decreased by \$564,151. Similar to this fiscal year, the decrease was in part due to long-term debt payments.

(Continued)

## Management's Discussion and Analysis

For the Year Ended June 30, 2021

**NET POSITION**

The analysis below focuses on the Net Position and Changes in Net Position for June 30, 2020 and June 30, 2021. The analysis of Net Position provides a snapshot in time that shows assets, liabilities, and net assets as of June 30, 2021 and compares it to the same data from June 30, 2020. The analysis of Changes in Net Position compares the revenues and expenses from the same snapshots in time.

## Net Position (In Thousands)

	Primary Government	
	Business-Type	
	Activities	
	June 30, 2021	June 30, 2020
Current and other assets	\$ 1,665	2,026
Capital assets	26,400	27,011
Total Assets	<u>28,065</u>	<u>29,037</u>
Long-term debt outstanding	14,218	14,814
Other liabilities	1,127	1,084
Total Liabilities	<u>15,345</u>	<u>15,898</u>
Net Position		
Net investment in capital assets	11,385	11,387
Restricted for debt payment	739	737
Unrestricted	596	1,015
Total Net Position	<u>\$ 12,720</u>	<u>13,139</u>

## Changes in Net Position (In Thousands)

Program revenue	\$ 2,758	2,605
General revenues		
Property tax	441	425
Grants	-0-	(31)
Interest and other	29	23
Contributed capital	18	24
Total revenues	<u>3,246</u>	<u>3,046</u>
Expenses	<u>3,665</u>	<u>3,510</u>
Increase (Decrease) in net position	<u>\$ (419)</u>	<u>(464)</u>

(Continued)

Management’s Discussion and Analysis

For the Year Ended June 30, 2021

**NET POSITION (CONTINUED)**

The above analysis shows that the District’s net position decreased by \$419,000 from June 30, 2020 to June 30, 2021. This data also shows that Total Revenues increased by \$200,000 and Expenses increased by \$155,000. This means that even though the revenue increase outpaced the expense increase, expenses still exceeded revenues by \$419,000.

**REVENUES**

The District receives revenue from two major sources, service fees and property taxes. Services fees are considered as operating revenue and for the purposes of the financial statements they are labelled Program Revenue. Property taxes are consolidated with other non-operating revenues such as interest income into the category of General Revenue. The table below compares Program Revenue and General Revenue for the year ended June 30, 2021 to the year ended June 30, 2020.

**Revenue Summary and Comparison**

	Business-Type Activities		Change (\$)	Change (%)
	June 30, 2021	June 30, 2020		
<i>Program Revenue</i>				
Service Fees	2,757,894	2,604,664	153,230	5.9%
<i>Total Program Revenue</i>	2,757,894	2,604,664	153,230	5.9%
<i>General Revenue</i>				
Property Tax	440,711	425,408	15,303	3.6%
Grants	0	(30,622)	30,622	100%
Interest	441	956	(515)	(53.9%)
Gain on disposal of capital assets	3,000	0	3,000	
Other	26,362	21,666	4,696	21.7%
<i>Total General Revenues</i>	470,514	417,408	53,106	12.7%
Contributed Capital	18,055	24,030	(5,975)	(24.9%)
<i>Total Revenues</i>	3,246,463	3,046,102	200,361	6.6%

Program revenue increased by \$153,230, or 5.9%. This is due to increases in the Big Bend Water Service Fees, and an increase in sewer revenues. General Revenues increased by \$53,106 or 12.7%. The increase in General Revenue is primarily due to an increase in the property tax revenue and grant funding that was adjusted in Fiscal Year 2019/2020.

(Continued)

Management's Discussion and Analysis

For the Year Ended June 30, 2021

**OPERATING EXPENSES**

**Expense Summary and Comparison**

	Business-Type Activities		Change (\$)	Change (%)
	June 30, 2021	June 30, 2020		
Salaries	974,165	988,546	(14,381)	-1.5%
Employee benefits	370,538	362,649	7,889	2.2%
Board expense	58,912	54,629	4,283	7.8%
Professional fees	138,475	95,704	42,771	44.7%
Equipment maintenance	45,619	67,854	(22,235)	-32.8%
Operating supplies	24,524	18,271	6,253	34.2%
Vehicle maintenance	41,393	52,657	(11,264)	-21.4%
Facility maintenance	103,654	131,610	(27,956)	-21.2%
Dues and subscriptions	17,720	12,492	5,228	41.9%
Fees, permits, cert	48,895	43,551	5,344	12.3%
Training	908	2,772	(1,864)	-67.2%
Travel	0	1,481	(1,481)	-100.0%
Insurance	135,572	94,195	41,377	43.9%
Office supplies	6,318	7,401	(1,083)	-14.6%
Utilities, communications	378,057	392,405	(14,348)	-3.7%
Chemicals and lab supplies	145,570	150,385	(4,815)	-3.2%
Laboratory testing	52,315	42,957	9,358	21.8%
Small tools and rental	42,834	10,409	32,425	311.5%
Inflow and infiltration	0	2,295	(2,295)	-100.0%
Sludge removal	35,551	27,115	8,436	31.1%
Depreciation	895,859	806,926	88,933	11.0%
Interest	127,977	123,346	4,631	3.8%
Land Lease	20,250	20,250	-	0.0%
Miscellaneous	0	272	(272)	-100.0%
<i>Total Expenses</i>	<i>3,665,106</i>	<i>3,510,172</i>	<i>154,934</i>	<i>4.4%</i>

(Continued)

Management's Discussion and Analysis

For the Year Ended June 30, 2021

**OPERATING EXPENSES (CONTINUED)**

Operating expenses increased by \$154,934 or 4.4%. Notable increases include the cost of business insurance, professional fees, and depreciation.

**CAPITAL**

As noted in Note 3 to the Financial Statements the District acquired \$285,564 of capital assets this fiscal year. This is a decrease of \$478,486 or 62.6% as compared to last fiscal year's acquisition of capital assets in the amount of \$764,050. The prior fiscal year was significantly higher due to the construction of the Big Bend Water System project.

Capital improvements this fiscal year include repairs to Lake Angela Dam, vehicle purchases, and replacement equipment for the water treatment plant and wastewater treatment plant.

**LONG TERM DEBT**

As detailed in Note 4 to the Financial Statements, the District's long term debt is \$15,014,986. The three largest borrowings are \$13,925,551 for the wastewater treatment plant upgrade, \$481,693 for the Lake Angela Water Treatment Plant upgrade, and a total of \$474,000 for the Big Bend Water System upgrade. The final payments on these loans are due in 2041, 2048, and 2061, respectively.

The District will continue to make significant loan payments in the years ahead. Note 4 to the Financial Statements shows the annual requirements to amortize the direct borrowings through 2058. For the next fiscal year, the annual requirement is \$824,966 and declines to \$766,449 for the following four years.

**EFFECTS OF COVID-19**

District revenues and expenses were not significantly impacted by COVID-19 during this fiscal year. In order to minimize labor disruptions caused by sickness and extended quarantines, District Staff observe State of California COVID-19 regulations, and the District Board of Director meetings are conducted virtually.

The District does expect that the impacts of COVID-19 will extend into the next fiscal year. During Fiscal Year 2021/2022, the District is likely to experience cost increases from suppliers due to COVID-19 supply chain and labor disruptions.

(Continued)



## Management's Discussion and Analysis

For the Year Ended June 30, 2021

**NEXT YEAR BUDGET AND RATES**

The Board of Directors adopted the District's Fiscal Year 2021/22 budget on June 22, 2021, and a Revised Budget on November 16, 2021. The District adopted new water and sewer rates on June 15, 2021 that began with the July 2021 customer billing. The adopted rates included increases each year until July 1, 2025. These new rates were calculated so that the District could begin to build reserve funds, with the goal of having 6 months of operating expenses in reserve by June 30, 2026. Additionally, the Board adopted water rates for the Big Bend Water System in 2018, and those rates increase on January 1 each year with the last increase occurring on January 1, 2024.

**ADDITIONAL FINANCIAL INFORMATION**

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations for the year ended June 30, 2021 and the District's financial condition as of June 30, 2021. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Donner Summit Public Utility District General Manager, Steven Palmer, at P.O. Box 610, Soda Springs, California 95728 or call 530-426-3456.

Statement of Net Position

June 30, 2021

Assets

		<u>Primary Government Business-Type Activities</u>
Current Assets		
Cash	\$	1,064,200
Investments		3,380
Total Cash and Cash Equivalents		<u>1,067,580</u>
Accounts receivable		218,587
Allowance for doubtful accounts		(1,000)
Net accounts receivable		<u>217,587</u>
Other receivable		139,880
Prepaid expenses		<u>239,256</u>
Total Current Assets		1,664,303
Noncurrent Assets		
Capital assets, net		<u>26,400,274</u>
Total Noncurrent Assets		<u>26,400,274</u>
Total Assets	\$	<u><u>28,064,577</u></u>

See the accompanying notes to the financial statements

Statement of Net Position

June 30, 2021

Liabilities and Net Position

	Primary Government Business-Type Activities
Liabilities	
Current Liabilities	
Accounts payable	\$ 145,843
Accrued expenses	215,604
Interest payable	59,004
Current portion of long-term debt	706,310
Total Current Liabilities	1,126,761
Noncurrent Liabilities	
Long-term debt	14,217,737
Total Noncurrent Liabilities	14,217,737
Total Liabilities	15,344,498
Net Position	
Net investment in capital assets	11,385,288
Restricted:	
Restricted for debt payment	739,375
Unrestricted	595,416
Total Net Position	12,720,079
Total Liabilities and Net Position	\$ 28,064,577

## Statement of Activities and Changes in Net Position

For the Year Ended June 30, 2021

			Primary Government
	Water	Sewer	Business-Type Activities
Program Revenue			
Service fees	\$ 484,448	2,273,446	2,757,894
Total Program Revenue	484,448	2,273,446	2,757,894
Expenses			
Salaries	222,431	751,734	974,165
Employee benefits	83,783	286,755	370,538
Board expense	14,139	44,773	58,912
Professional fees	32,372	106,103	138,475
Equipment maintenance and repair	12,718	32,901	45,619
Operating supplies	9,192	15,332	24,524
Vehicle maintenance and repair	4,972	36,421	41,393
Facility maintenance and repair	31,522	72,132	103,654
Dues and subscriptions	9,265	8,455	17,720
Fees, permits and certifications	15,208	33,687	48,895
Training and education	270	638	908
Insurance	22,047	113,525	135,572
Office supplies	1,037	5,281	6,318
Utilities, communications and telemetry	36,597	341,460	378,057
Chemicals and lab supplies	35,375	110,195	145,570
Laboratory testing	4,000	48,315	52,315
Small tools and rental	12,665	30,169	42,834
Sludge removal	-0-	35,551	35,551
Depreciation	177,139	718,720	895,859
Interest	12,252	115,725	127,977
Land lease	-0-	20,250	20,250
Total Expenses	736,984	2,928,122	3,665,106
Net Program Revenue (Expense)	(252,536)	(654,676)	(907,212)

(Continued)

See the accompanying notes to the financial statements

Statement of Activities and Changes in Net Position

For the Year Ended June 30, 2021

			<u>Primary Government</u>
	<u>Water</u>	<u>Sewer</u>	<u>Business-Type Activities</u>
Net Program Revenue (Expense)	\$ (252,536)	(654,676)	(907,212)
General Revenues			
Property tax	34,781	405,930	440,711
Interest	106	335	441
Gain on disposal of capital assets	720	2,280	3,000
Other	<u>6,327</u>	<u>20,035</u>	<u>26,362</u>
Total General Revenues	41,934	428,580	470,514
Contributed Capital	<u>-0-</u>	<u>18,055</u>	<u>18,055</u>
Increase (Decrease) in Net Position	\$ <u>(210,602)</u>	<u>(208,041)</u>	(418,643)
Net Position – Beginning of Year			<u>13,138,722</u>
Net Position – End of Year			\$ <u><u>12,720,079</u></u>

See the accompanying notes to the financial statements

## Statement of Cash Flows

For the Year Ended June 30, 2021

	<u>Primary Government</u> <u>Business-Type</u> <u>Activities</u>
Cash Flows From Operating Activities:	
Cash receipts from customers	\$ 2,679,735
Cash payments to suppliers for goods and services	(1,774,635)
Cash payments to employees for services	(975,473)
Other receipts	26,362
Net Cash Used by Operating Activities	<u>(44,011)</u>
Cash Flows From Non-Capital Financing Activities:	
Receipt of property taxes	<u>440,711</u>
Net Cash Provided By Non-Capital Financing Activities	440,711
Cash Flows From Capital and Related Financing Activities:	
Proceeds from long-term debt	94,951
Repayment of long-term debt	(777,756)
Interest paid on long-term debt	<u>(126,656)</u>
Net Cash Used By Capital and Related Financing Activities	(809,461)
Cash Flows From Investing Activities:	
Purchase of capital assets	(196,703)
Proceeds from disposal of capital assets	3,000
Interest received on cash and investments	441
Net Cash Used By Investing Activities	<u>(193,262)</u>
Net Decrease In Cash	(606,023)
Cash and Cash Equivalents - Beginning of Year	<u>1,673,603</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,067,580</u></u>

(Continued)

See the accompanying notes to the financial statements

## Statement of Cash Flows

For the Year Ended June 30, 2021

	<u>Primary Government Business-Type Activities</u>
Reconciliation of Increase in Net Position to Net Cash Provided by operating activities:	
Increase (Decrease) in net position	\$ (418,643)
Adjustments to reconcile increase in net position to net cash provided by operating activities:	
Depreciation	895,859
Gain on disposal of capital assets	(3,000)
Non-operating revenue	(459,207)
Non-operating expenses	127,977
(Increase) decrease in:	
Accounts receivable, net	21,323
Other receivable	(99,431)
Prepaid expenses	(148,028)
Increase (decrease) in:	
Accounts payable	35,500
Accrued expenses	<u>3,639</u>
Total adjustments	<u>374,632</u>
Net Cash Used By Operating Activities	<u>\$ (44,011)</u>

See the accompanying notes to the financial statements

## Notes to the Financial Statements

June 30, 2021

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Donner Summit Public Utility District (the “District”) operates under a state charter adopted March 24, 1950. The District operates under a board-manager form of government and provides water and sewer services.

The District’s government wide financial statements include the accounts of all operations.

Government-Wide Financial Statements

The District Financial Statements include a Statement of Net Position, a Statement of Activities and Changes in Net Position and a Statement of Cash Flows. These statements present summaries of business-type activities for the District.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred.

The District applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinion, and Accounting Research Bulletins of the committee on Accounting Procedure. The District applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

(Continued)



Notes to the Financial Statements

June 30, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

The Proprietary Fund includes a Statement of Net Position and a Statement of Revenues, Expenses and Changes in Fund Net Position.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues.

Budgets and Budgetary Accounting

By state law, the District's governing board must adopt a budget prior to the beginning of each fiscal year. The budget must be adopted in a properly noticed meeting.

Actual revenues and expenditures/expenses are compared to budgeted amounts monthly as a management control device for all budgeted funds. The District monitors capital expenditures by comparison to specific project appropriation accounts.

The District prepares its budgets on the cash basis of accounting. The nature and amount of adjustments necessary to reconcile the budget to GAAP are immaterial other than depreciation expense. A budget is prepared for the governmental and business-type activities.

Reserved Net Position

The District records reserves to indicate that a portion of the net position balance is legally segregated for a specific future use. Designated net position balances represent tentative plans for future use of financial resources.

(Continued)

Notes to the Financial Statements

June 30, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets having an extended useful life are capitalized as capital assets at cost.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair acquisition value on the date donated. Maintenance and repair costs are charged to expenses as incurred. Replacements and capital improvements over \$2,500 are charged to capital asset accounts.

Capital assets are recorded in their respective fund. Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation expense includes amortization of assets under capital leases. The estimated useful lives are as follows:

Facilities	5-50 years
Vehicles, furniture and equipment	3-25 years

Revenue Recognition – Property Taxes

Placer and Nevada Counties bill property taxes which attach as an enforceable lien on property. Property tax revenues are recognized when they become available. Available revenues include those property tax receivables expected to be collected within sixty days after year end. The Counties allocate property taxes to the District following the alternate method of property tax distribution as stated in California Revenue & Taxation Code Section 4701. Using this method, the Counties allocate to the District their portion of total billed property taxes less an estimated delinquency factor. The Counties then assume all responsibility for collections.

(Continued)

## Notes to the Financial Statements

June 30, 2021

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

It is the District's policy to permit employees to accumulate general leave benefits of up to 392 hours, which will be paid to the employee upon separation from District service. This accrual represents the estimated probable future payments attributable to employees' service for all periods prior to June 30, 2021 at their current rate of pay.

Estimates

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

Statement of Cash Flows

For the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At June 30, 2021, all cash and investments held by the District are considered to be cash equivalents.

Subsequent Events

The effect of subsequent events have been evaluated through February 11, 2022, which is the date the financial statements were available to be issued.

## (2) CASH AND INVESTMENTS

A summary of cash and investments held by the District at June 30, 2021 is as follows:

Cash on hand	\$	300
Cash on deposit at banks		1,063,900
Investments		3,380
	\$	<u>1,067,580</u>

(Continued)

Notes to the Financial Statements

June 30, 2021

(2) CASH AND INVESTMENTS (CONTINUED)

All cash balances on deposit at banks are entirely insured or collateralized. The California Government Code requires California banks and savings and loans to secure a District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. Such collateral, as permitted by the State of California, is held in each respective bank's collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged against all of the public deposits it holds.

With the exception of deposit insurance provided by the Federal Deposit Insurance Corporation, this collateralizing process is categorized by GASB Statement No. 3 as being collateralized with securities held by the pledging financial institution or its agent but not in the District's name.

The District has not adopted policies related to credit risk, custodial credit risk, concentration of credit risk, and interest rate risk.

The District's investment in the State investment pool is categorized by GASB Statement No. 3 as Category A investments since these investments are fully insured by the related entity. The investment pool does not release a credit quality.

Investments of the District are summarized as follows:

	Carrying Amount
State of California Local Agency Investment Fund	\$ <u>3,380</u>

## Notes to the Financial Statements

June 30, 2021

## (3) CAPITAL ASSETS

A summary of business-type activities capital assets is presented below:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Land	\$ 72,623	-0-	-0-	-0-	72,623
Sewage collection, treatment and disposal facilities	30,942,343	57,028	-0-	-0-	30,999,371
Water treatment and distribution facilities	5,378,433	116,218	192,309	660,609	5,962,951
Water equipment	319,566	5,900	63,198	173,402	435,670
Water and sewage equipment	313,564	-0-	-0-	-0-	313,564
Vehicles	309,146	95,939	21,574	-0-	383,511
Office furniture and equipment	40,195	-0-	-0-	-0-	40,195
Construction in process	834,011	10,479	-0-	(834,011)	10,479
Total Capital Assets	<u>38,209,881</u>	<u>285,564</u>	<u>277,081</u>	<u>-0-</u>	<u>38,218,364</u>
Accumulated Depreciation	<u>11,199,312</u>	<u>895,859</u>	<u>277,081</u>	<u>-0-</u>	<u>11,818,090</u>
Net Book Value	<u>\$ 27,010,569</u>				<u>26,400,274</u>

## Notes to the Financial Statements

June 30, 2021

## (4) LONG-TERM DEBT-BUSINESS-TYPE ACTIVITIES

Long-term debt as of June 30, 2021, is summarized as follows:

	<u>Direct Borrowings</u>
State of California Water Resources Control Board loan; collateralized by net revenues of the District; interest at 0.75%; interest and principal payable in annual installments of \$719,191 on December 31; final payment due December 31, 2041.	\$ 13,925,551
Sierra Lakes County Water Districts loan; uncollateralized; interest at 2.75%; principal payable in annual installments of \$65,575 (plus accrued interest) on July 1; final payment due July 1, 2021.	65,575
State of California Water Resources Control Board loan; collateralized by net revenues of the District; interest at 0%; principal payable in semi-annual installments of \$9,094; final payment due January 1, 2048.	481,963
United States of America Department of Agriculture loan; collateralized by net revenues of the District; interest at 2.75%; interest and principal payable in annual installments of \$14,156; final payment due February 2061.	336,000
United States of America Department of Agriculture loan; collateralized by net revenues of the District; interest at 2.75% interest and principal payable in annual installments of \$5,814; final payment due February 2061.	138,000

(Continued)

## Notes to the Financial Statements

June 30, 2021

## (4) LONG-TERM DEBT-BUSINESS-TYPE ACTIVITIES (Continued)

	<u>Direct Borrowings</u>
Pacific Gas and Electric Company loan; uncollateralized; interest of 0%; principal payable in monthly installments of \$697; final payment due October 2028.	\$ 61,370
Pacific Gas and Electric Company loan; uncollateralized; interest at 0%; principal payable in monthly installments of \$61; final payment due May 2030.	<u>6,527</u>
Total Long-Term Debt	15,014,986
Less Debt Issuance Costs	90,939
Less Current Portion of Long-Term Debt	<u>706,310</u>
Long-Term Debt Net of Current Portion	<u>\$ 14,217,737</u>

(Continued)

Notes to the Financial Statements

June 30, 2021

(4) LONG-TERM DEBT-BUSINESS-TYPE ACTIVITIES (CONTINUED)

Changes to the District's Long-Term Debt (Direct Borrowings) is as follows:

Long-Term Debt - Beginning of Year	\$ 15,623,831
New Long-Term Debt	168,911
Repayment of Long-Term Debt	<u>(777,756)</u>
 Long-Term Debt - End of Year	 <u>\$ 15,014,986</u>

The annual requirements to amortize District long-term debt (direct borrowings) as of June 30, 2021 is as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 705,994	118,972	824,966
2023	653,626	112,823	766,449
2024	658,465	107,984	766,449
2025	663,345	103,104	766,449
2026	668,265	98,184	766,449
2027 through 2031	3,393,476	415,659	3,809,135
2032 through 2036	3,500,441	286,301	3,786,742
2037 through 2041	3,635,385	151,356	3,786,741
2042 through 2046	866,935	43,042	909,977
2047 through 2051	107,688	28,537	136,225
2052 through 2056	81,812	18,038	99,850
2057 through 2058	79,554	5,994	85,548
	<u>\$ 15,014,986</u>	<u>1,489,994</u>	<u>16,504,980</u>

Terms of the above indebtedness provide for, among other things, restrictions on future borrowings and maintenance of certain reserves and financial ratios.



Notes to the Financial Statements

June 30, 2021

(5) PROCEEDS OF TAX LIMITATION

Article XIIB of the California Constitution, as implemented by SB 1352 of 1980, specifies that proceeds of taxes of governmental entities may increase by an amount not to exceed the change in population, and the change in the United States Consumer Price Index or California per capita personal income, whichever is less.

The proceeds of taxes limit for the fiscal year ended June 30, 2021 was \$3,463,593.

The proceeds of taxes limit adopted by the District for the year ended June 30, 2022 is \$3,684,224.

The District is allowed to assess a property tax rate sufficient to cover its debt service requirements for the general obligation bonds for the business-type activities. These funds are restricted for debt service exclusively.

(6) RETIREMENT PLANS

The District self-administers the Donner Summit Public Utility District Money Purchase Pension Plan (defined contribution) for its employees who have attained age 18, been employed for 12 months and have worked a minimum of 1,000 hours in order to be eligible to participate in the plan. The District can amend the plan at any time. The contribution ranges from 4% to 6% of the annual compensation for all qualified employees. Participants begin to vest at 20% after 2 years of service and are fully vested after 6 years of service. Forfeitures from non-vested participants are used to offset employer contribution requirements.

The required contribution for the year ended June 30, 2021 was \$57,983. This amount was paid after June 30, 2021 and is included in Accrued Expenses.

A 457 Deferred Compensation Plan has also been established by the District with Nationwide Retirement Solutions. Employees who completed ninety days of continuous service may elect to defer compensation up to 100% of their salary or \$19,500 (\$26,000 if employee will have obtained age 50 by the end of the calendar year), whichever is less. This Plan is fully funded with Nationwide Retirement Solutions.

It is the District's position that it has a fiduciary obligation for the due care required of a prudent investor in the management of the plan's resources but is not responsible for any loss due to the investment or failure of investment funds and assets of the plan, nor shall the District be required to replace any loss which may result from such investments.

## Notes to the Financial Statements

June 30, 2021

## (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. The District is a member of two Joint Powers Authorities for the operation of common risk management and insurance programs. The programs cover workers' compensation, property, liability and employee dishonesty insurance. The Authorities are governed by Executive Boards consisting of representatives from member districts. The Executive Boards control the operations of the Authorities, including selection of management and approval of operating budgets.

The relationship between the District and the Joint Powers Authorities is such that the Authorities are not a component unit of the District for financial reporting purposes.

For workers' compensation insurance, the District has joined together with other special districts within the state to form the Special Districts Workers' Compensation Authority ("SDWCA"). The District pays estimated annual premiums to the SDWCA based upon estimated payroll classified into rate categories pursuant to the rules published by the California Workers' Compensation Insurance Rating Bureau. Actual premium due is determined after the fiscal year end and is based upon actual payroll. The SDWCA is entitled to assess additional premiums or to refund premiums based upon a pro rata allocation of the District's premium paid to total premiums paid. The District is not assessed additional premiums or refunded premiums on an individual basis based upon claims or loss experience. The SDWCA agrees to pay all amounts legally required by California workers' compensation laws. The amounts of settlements have not exceeded coverage provided by SDWCA for the last three fiscal years.

For property, liability and employee dishonesty insurance, the District has joined together with other special districts within the state to form the Special Districts Risk Management Authority ("SDRMA"). The District pays an annual premium to SDRMA for its property, liability and employees dishonesty coverage. The SDRMA is entitled to assess additional premiums or to refund premiums based upon a pro rata allocation of the District's premium paid to total premiums paid. The District is not assessed additional premiums or refunded premiums on an individual basis based upon claims or loss experience. The amounts of settlements have not exceeded coverage provided by SDRMA for the last three fiscal years.

## Notes to the Financial Statements

June 30, 2021

## (8) OPERATING LEASE AND RENTAL COMMITMENTS

The District leases office equipment under operating leases. Future minimum lease payments at June 30, 2021, are as follows:

<u>Year Ending June 30</u>		
2022	\$	3,395
2023		3,395
2024		3,395
2025		2,964
2026		<u>2,532</u>
	\$	<u>15,681</u>

Total rent expense was \$4,288 for the year ended June 30, 2021.

## (9) RESTRICTED NET POSITION - DEBT PAYMENT

A portion of the net position balance has been restricted in accordance with provisions of the debt due to various government agencies. The loan provisions require the District to maintain this amount in a reserve account.

## (10) LEASE COMMITMENT

The District has a lease agreement with the Truckee Fire Protection District (TFPD) for the District's fire station facility. The lease expires June 30, 2027. TFPD has the option to renew the lease for two 25-year periods. The District receives \$1 per year under the terms of the lease.

Notes to the Financial Statements

June 30, 2021

(11) DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

During the fiscal year, Statement No. 83 of the Governmental Accounting Standards Board became effective that requires the District to recognize the future cost of dismantling and removing the wastewater treatment plant, which is categorized by the standard as an “Asset Retirement Obligation”. The standard requires the District to record the Asset Retirement Obligation, a deferred outflow of resources, and annual expenses over the life of the related asset related to the District’s wastewater treatment plant. The standard requires these actions because the wastewater treatment plant sits on United States Forest Service property under a Special Use Permit that requires the land to be restored to its original condition at the end of the term of the Special Use Permit. Management believes recording this liability would not present an accurate representation of the District’s financial position. The wastewater treatment plant provides an essential service to thousands of residents and management believes it is highly unlikely it would no longer be needed in the community. In addition, management believes it is highly unlikely, given the related infrastructure, that the facility could be relocated. Further, the United States Forest Service has a history of routinely renewing Special Use Permits such that the District anticipates the wastewater treatment plant will occupy the site indefinitely. Accordingly, the District is not following the guidance required by Statement No. 83 of the Governmental Accounting Standards Board and this is a departure from generally accepted accounting principles.

(12) CASH FLOW INFORMATION

During the fiscal year, the District purchased vehicles utilizing a financing agreement. This non-cash transaction effected investing and financing activities in the amount of \$73,961.

(13) SUBSEQUENT EVENTS

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have effected economic activity. The District has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our essential operation.

At this stage, the impact on the District and its results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our essential operations in the best and safest way possible without jeopardizing the health of our people.

Fund Financial Statements

Balance Sheet

June 30, 2021

Assets

	<u>Primary Government Proprietary Fund</u>
Current Assets	
Cash	\$ 1,064,200
Investments	3,380
Total Cash and Cash Equivalents	<u>1,067,580</u>
Accounts receivable	218,587
Allowance for doubtful accounts	(1,000)
Net accounts receivable	<u>217,587</u>
Other receivable	139,880
Prepaid expenses	<u>239,256</u>
Total Current Assets	1,664,303
Noncurrent Assets	
Capital assets, net	<u>26,400,274</u>
Total Noncurrent Assets	<u>26,400,274</u>
 Total Assets	 \$ <u><u>28,064,577</u></u>

See the accompanying notes to the financial statements

Fund Financial Statements

Balance Sheet

June 30, 2021

Liabilities and Fund Balances

		<u>Primary Government</u> <u>Proprietary</u> <u>Fund</u>
Liabilities		
Current Liabilities		
Accounts payable	\$	145,843
Accrued expenses		215,604
Interest payable		59,004
Current portion of long-term debt		706,310
Total Current Liabilities		<u>1,126,761</u>
Noncurrent Liabilities		
Long-term debt		<u>14,217,737</u>
Total Noncurrent Liabilities		<u>14,217,737</u>
Total Liabilities		15,344,498
Fund Balances		
Net investment in capital assets		11,385,288
Restricted:		
Restricted for debt payment		739,375
Unrestricted		595,416
Total Fund Balances		<u>12,720,079</u>
Total Liabilities and Fund Balances	\$	<u><u>28,064,577</u></u>

Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Budget and Actual  
 Proprietary Fund

For the Year Ended June 30, 2021

	Original and Final Budget	Actual	Budget Variance (Over) Under
Program Revenue			
Service fees	\$ 2,383,066	2,757,894	(374,828)
Total Program Revenue	2,383,066	2,757,894	(374,828)
Expenses			
Salaries	905,374	974,165	(68,791)
Employee benefits	371,914	370,538	1,376
Board expense	63,533	58,912	4,621
Professional fees	170,050	138,475	31,575
Equipment maintenance and repair	83,763	45,619	38,144
Operating supplies	7,632	24,524	(16,892)
Vehicle maintenance and repair	44,143	41,393	2,750
Facility maintenance and repair	46,168	103,654	(57,486)
Dues and subscriptions	8,165	17,720	(9,555)
Fees, permits and certifications	49,128	48,895	233
Training and education	5,460	908	4,552
Insurance	134,239	135,572	(1,333)
Office supplies	8,935	6,318	2,617
Utilities, communications and telemetry	339,747	378,057	(38,310)
Chemicals and lab supplies	143,753	145,570	(1,817)
Laboratory testing	49,306	52,315	(3,009)
Small tools and rental	9,284	42,834	(33,550)
Inflow and infiltration	26,000	-0-	26,000
Sludge removal	43,000	35,551	7,449
Depreciation	-0-	895,859	(895,859)
Interest	162,733	127,977	34,756
Amortization Land Lease	20,250	20,250	-0-
Total Expenses	2,692,577	3,665,106	(972,529)
Operating Income (Loss)	(309,511)	(907,212)	597,701

(Continued)

See the accompanying notes to the financial statements

Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Budget and Actual  
 Proprietary Fund

For the Year Ended June 30, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Budget Variance (Over) Under</u>
Operating Income (Loss)	\$ (309,511)	(907,212)	597,701
General Revenues			
Property tax	132,000	440,711	(308,711)
Interest	-0-	441	(441)
Gain on disposal of capital assets	-0-	3,000	(3,000)
Other	<u>14,500</u>	<u>26,362</u>	<u>(11,862)</u>
Total General Revenues	146,500	470,514	(324,014)
Contributed Capital	<u>-0-</u>	<u>18,055</u>	<u>(18,055)</u>
Increase (Decrease) in Fund Balance	\$ <u>(163,011)</u>	(418,643)	<u>255,632</u>
Fund Balance – Beginning of Year		<u>13,138,722</u>	
Fund Balance – End of Year		<u><u>12,720,079</u></u>	

See the accompanying notes to the financial statements



**GIBSON & COMPANY, INC.**  
**CERTIFIED PUBLIC ACCOUNTANT**

4600 NORTHGATE BLVD., SUITE 115 • SACRAMENTO, CALIFORNIA 95834-1121  
(916) 484-1252 FAX (916) 484-1123  
WEBSITE WWW.GIBSONCOCPA.COM

**March 15, 2022**  
**Agenda Item: 7A**  
**ATTACHMENT 3**

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

Board of Directors  
Donner Summit Public Utility District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of Donner Summit Public Utility 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 and have issued our report thereon dated February 11, 2022.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

GIBSON & COMPANY, INC.  
CERTIFIED PUBLIC ACCOUNTANT

*Gibson & Company, Inc.*  
*Certified Public Accountant*

**March 15, 2022**  
**Agenda Item: 8A**



## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, General Manager *SP*

**SUBJECT:** Consider Adopting a Resolution to Continue Remote Board Meetings in Accordance with Assembly Bill 361

---

### **RECOMMENDATION**

Consider adopting a resolution that will allow the Board to continue meeting remotely.

### **BACKGROUND**

Starting in March 2020 California Governor Gavin Newsom issued a series of Executive Orders (N-25-20, N-29-20, N-35-20) aimed at containing the novel coronavirus. These Executive Orders collectively modified certain requirements created by the Ralph M. Brown Act (“the Brown Act”). The effect of these modifications was to allow legislatively bodies to meet without requiring the physical presence of members of the legislative body, staff, or of the public. Since that time, The Board has been conducting its’ meetings over Zoom, in compliance with the Executive Orders.

On June 11, 2021, the Governor issued Executive Order N-08-21 which rescinds those Brown Act modifications effective on September 30, 2021. After that date, local agencies are required to observe all the usual Brown Act requirements such as providing a physical location with public access for the meeting, publishing the location of teleconferencing board members, posting meeting notices and agendas in those teleconference locations, and making those locations available to the public.

In response the California legislature passed Assembly Bill 361 (AB361), which provides local agencies with the ability to meet remotely during proclaimed state emergencies under modified Brown Act requirements, similar to the procedures established by the Governor’s Executive Orders. AB361 allows local agencies to meet remotely if any of the following conditions exist:

1. The legislative body holds a meeting during a proclaimed state of emergency and state or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

In order to continue to hold virtual meetings the legislative body shall, not later than 30 days after teleconferencing for the first time in compliance with AB361, and every 30 days thereafter must make the following findings by majority vote:

1. The legislative body has reconsidered the circumstances of the state of emergency.
2. Any of the following circumstances exist:
  - a. The state of emergency continues to directly impact the ability of the members to meet safely in person.
  - b. State or local officials continue to impose or recommend measures to promote social distancing.

AB 361 shall remain in effect only until January 1, 2024.

### **DISCUSSION AND ANALYSIS**

Since the October meeting, the Board has taken action at each meeting to adopt a resolution to allow the continuation of remote meetings.

The State of California still has an active emergency declaration. Nevada County recently took action to revert to the State of California Department of Public Health guidance which, beginning on March 1, 2022, includes a strong recommendation to wear masks in all indoor public setting and businesses and a mask requirement for certain high-risk situations.

Due to the State declaration and Public Health guidance, the Board can continue to meet remotely without the typical Brown Act teleconference notifications (Government Code 54953(e)(1)(A)). If the Board wishes to continue to meet remotely, they will need to adopt the attached resolution that makes the findings required by AB361. To continue meeting remotely after April, the Board will need to make the required findings every 30 days (Government Code 54953(e)(3)).

If the Board does not adopt the attached resolution at this meeting, then the March meeting will need to take place in person.

### **FISCAL IMPACT**

There is no direct fiscal impact to this action.

### **CEQA ASSESSMENT**

This is not a CEQA Project

### **ATTACHMENTS**

1. Resolution

**RESOLUTION NO. 2022-14**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DONNER SUMMIT PUBLIC UTILITY DISTRICT RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS IN RESPONSE TO THE NOVEL CORONAVIRUS (COVID19) FOR ALL LEGISLATIVE BODIES OF THE DISTRICT FOR THE PERIOD APRIL 1, 2022 THROUGH APRIL 30, 2022 AS THIS IS THE TIME PERIOD THAT ENCOMPASSES THE NEXT SCHEDULED BOARD MEETING PURSUANT TO BROWN ACT PROVISIONS**

**WHEREAS**, the Donner Summit Public Utility District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

**WHEREAS**, all meetings of Donner Summit Public Utility District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

**WHEREAS**, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

**WHEREAS**, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

**WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, the Board of Directors previously adopted Resolution Number 2021-07 on October 19, 2021, finding that the requisite conditions exist for the legislative bodies of the Donner Summit Public Utility District to conduct remote teleconference meetings without compliance of paragraph (f) of subdivision (b) of section 54953; and

**WHEREAS**, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

**WHEREAS**, emergency conditions now exist in the District, specifically, as proclaimed in the Proclamation of a State of Emergency regarding the Novel Coronavirus (COVID19) issued on March 4, 2020 by the Governor of the State of California; and

**WHEREAS**, the County of Nevada Public Health Officer issued guidance regarding COVID19 on February 11, 2022 which reverted to the State Public Officer Guidance which includes a

strong recommendation for wearing masks in indoor public settings indoors and businesses, and requires masks in certain high-risk situations; and

**WHEREAS**, the Board of Directors does hereby find that the Governor of the State of California's Proclamation of Emergency, and the Nevada County Public Health Officer guidance indicate that the outbreak of COVID19 has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California, and ratify the California Public Health Order; and

**WHEREAS**, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of Donner Summit Public Utility District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

**WHEREAS**, the next scheduled meeting of a legislative body of the Donner Summit Public Utility District is April 19, 2022; and

**WHEREAS**, public access to meetings will be ensured by posting the agenda with meeting links, and allowing public comment in real time during the meeting.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF DONNER SUMMIT PUBLIC UTILITY DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Recitals.** The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

**Section 2. Affirmation that Local Emergency Persists.** The Board hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and the County of Nevada Public Health Officer issued an Health Officer issued guidance regarding COVID19 on February 11, 2022 which reverted to the State Public Officer Guidance which includes a strong recommendation for wearing masks in indoor public settings indoors and businesses, and requires masks in certain high-risk situations.

**Section 3. Re-Ratification of Governor's Proclamation of a State of Emergency.** The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency and the State of California Public Health Order.

**Section 4. Remote Teleconference Meetings.** The General Manager and legislative bodies of Donner Summit Public Utility District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

**Section 5. Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption and shall be effective until the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during

which the legislative bodies of Donner Summit Public Utility District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**PASSED AND ADOPTED** by the Board of Directors of Donner Summit Public Utility District, this 15<sup>th</sup> day of March 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

DONNER SUMMIT PUBLIC UTILITY DISTRICT

By: \_\_\_\_\_

Cathy Preis  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Alex Medveczky  
Secretary of the Board