

Canebrake County Water District Financial Reporting

Board Meeting
March 9, 2024

FY 2023-2024



"BOIL WATER" signs will be posted at each entrance *when needed*.



Tank #3 New Vault & New Metal Valves

Asset Dashboard

Asset	Condition
Buildings - Hall & Huts	Fair
Documentation	Fair
Inventory - Parts	Fair
Inventory - Tools	Fair
Investments - Portfolio	Good
Flow - Blow Offs (24)	Fair
Flow - Meters (77)	TBD
Flow - Valves (30)	Fair
Pipes - to/from Meter	Poor
Pipes - Pipeline	Good
Pipes - Price Line	Fair
Pipes - Repairs	Good
Pipes - Seepage	Fair
Power - Generator	Good
Power - Solar Panel	Good
Pump - Mooney	Good
Pump - Peterson	Good
Roads	Fair
Tank - Concrete	Off-line 2024
Tank - Poly	Good
Tank - Steel	TBD
Tank - Steel Liner	Good
Vehicle - Tractor Loader	Good
Vehicle - Dump Truck	Good
Vehicle - Golf Cart	Good
Vehicle - Trailer	Good
Vehicle - Truck	Good
Water Condition	Fair
Well - Mooney	Good
Well - Peterson	Good
Volunteers	Fair

Asset Details

- Building** - rats and snakes can enter huts. Hut #1 (left most) needs securing to mitigate snakes in the Summer. Huts need organizing. Hut #3 needs a door to secure tractors.
- Documentation** - Need SOPs, schedules, shared contact list
- Inventory Parts** - need checklist of supplies. Tool shed needs streamlining. Parts no longer working or of poor quality should be removed. Long pipes stored are difficult to unload & disinfect (need caps to to seal and helps disinfect overnight).
- Inventory Tools** - waterboard should own its own common tools (grinder, drills, sockets, pipe straps, etc).
- Blow Offs** - 5 are brittle, border ones unsecured
- Valves** - 15 are very old, some turn but do not seal! Unable to shut off a branch causes the Main line to be shut off possible for days!
- Price Line** - need securing and possibly covering
- Pipes To/From Meter** - polypipe brittle, needs replacing
- Seepage** - 1227 gallons per day (5.3 inches/day Steel Tank)
- Roads** - rocky, need berms, Stafford crossing floods easily
- Water Condition** - high fluoride, high coliform in Summer
- Volunteers** - need training schedule and regimen

Water Manager - replacement happens March 2025!

All Bank Transactions
as Expected.

Bank Transactions

Transactions Jan 1, 2024 to Mar 1, 2024

Posting Date	Description	Amount	Type	Check or Slip #
03/01/2024	Online Transfer from Morgan Stanley to Chase	12075.03	ACCT_XFER	
02/29/2024	DEPOSIT ID NUMBER 370137	1200	DEPOSIT	
02/27/2024	CHECK 7190 - Fuel and Tractor Parts Reimbursement (D Holmes Jr)	-441.61	CHECK_PAID	7190
02/26/2024	CHECK 7184 - Clarkson Lab Fluoride Test	-50	CHECK_PAID	7184
02/26/2024	CHECK 7189 - Clarkson Lab Full Spectrum Mooney Well	-400	CHECK_PAID	7189
02/21/2024	ORIG CO NAME:INTUIT PAYROLL Water Manager	-1278.9	ACH_DEBIT	
02/20/2024	CHECK 7188 - Vault Material Reimbursement (B Dimmock)	-207.35	CHECK_PAID	7188
02/16/2024	CHECK 7186 - Valves, PVC Parts for Tank #3 Vault Reim. (G Ramstrum)	-343.9	CHECK_PAID	7186
02/16/2024	DEPOSIT ID NUMBER 153345	171.79	DEPOSIT	
02/16/2024	DEPOSIT ID NUMBER 153347	2978	DEPOSIT	
02/15/2024	CHECK 7182 - Payroll Akey	-184.7	CHECK_PAID	7182
02/15/2024	CHECK 7183 - Payroll Akey	-184.7	CHECK_PAID	7183
02/14/2024	DOMESTIC WIRE FEE	-35	FEE_TRANSACTION	
02/14/2024	CHECK 7187 SDGE Electricity Bill end of year	-290.77	CHECK_PAID	7187
02/14/2024	DOMESTIC WIRE TRANSFER HAWTHORNE MACHINERY (Mini Excavator)	-50985.15	WIRE_OUTGOING	
02/14/2024	ORIG CO NAME:TTC TREASURY Government Property Tax Revenue	548.56	ACH_CREDIT	
02/14/2024	ORIG CO NAME: Morgan Stanley to Chase	25000	ACH_CREDIT	
02/12/2024	DEPOSIT ID NUMBER 462437	6200	DEPOSIT	
02/06/2024	CHECK 7185 - Accountant Fee	-525	CHECK_PAID	7185
02/02/2024	CHECK 7181 - Ferguson Plumbing Parts for Tank #3 and Repairs	-1275.1	CHECK_PAID	7181
01/29/2024	CHECK 7180 - Property Insurance SDRMA	-228.03	CHECK_PAID	7180
01/29/2024	DEPOSIT ID NUMBER 153344	371.33	DEPOSIT	
01/29/2024	DEPOSIT ID NUMBER 153343	3082.14	DEPOSIT	
01/24/2024	DOMESTIC WIRE FEE	-35	FEE_TRANSACTION	
01/24/2024	DOMESTIC WIRE TRANSFER to HAWTHORNE MACHINERY Forklift Part	-689.6	WIRE_OUTGOING	
01/22/2024	CHECK 7179 - SC Fuels	-92.92	CHECK_PAID	7179
01/18/2024	ORIG CO NAME:INTUIT PAYROLL S Water Manager	-1278.9	ACH_DEBIT	
01/17/2024	ORIG CO NAME:TTC TREASURY Governement Property Tax Revenue	3560.47	ACH_CREDIT	
01/16/2024	CHECK 7177 - Home Depot	-103.14	CHECK_PAID	7177
01/12/2024	CHECK 7176 - Clarkson Lab	-100	CHECK_PAID	7176
01/11/2024	CHECK 7174 - Taxes US Treasury	-717.6	CHECK_PAID	7174
01/09/2024	CHECK 7178 - Sonnenberg Audit Fee	-2000	CHECK_PAID	7178
01/09/2024	CHECK 7175 - Calif Special District Assoc (Gov Fee)	-343	CHECK_PAID	7175
01/08/2024	CHECK 7173 - Accountant Fee	-525	CHECK_PAID	7173
01/03/2024	CHECK 7172 - SD Dept of Health Yearly Permit	-1478	CHECK_PAID	7172

Financial Dashboard (as of March 1, 2024)

Portfolio Total	\$176,595
* Portfolio Rate of Return %	3.11
2023 Inflation Rate %	3.4
Morgan Stanley Total (\$)	\$104,524
Chase Total (\$)	\$72,071

Portfolio Reduced by \$32k from Jan 2024 Board Meeting to pay for Mini Excavator

[Investment Calculator](#)

* CCWD Rate of Return includes the investments from the Brokerage AND Bank accounts.

Summary

- Bank Transactions within Budget
- Bought Mini Excavator **\$51k** (not in budget)
- CIA Fundraising **\$10k** (not in budget)
- Changed Price Acct to Business Complete (saved \$360/year)

Action Item - Invest Any Money over **\$40k**
in the Chase Checking to Morgan Stanley

Vendor Review - Ferguson (PVC Fittings)

Item - all schedule 80	Ferguson	PVC Online
2" Slip Coupling	\$13.24	\$5.80
2" Elbow 90 degree	\$10.65	\$4.55
2" Tee Slip	\$37.69	\$16.39
Bushing 3" to 2"	\$41.81	\$18.78

[Ferguson](#)

[PVC Fittings Online](#)

PVC Fittings Online

American company that sells *high quality Spears American* PVC supplies. Shipping cost per item for our volume is 75 cents per item. Parts ship within a few days.

[Plumbing Parts Comparison](#)

Financial Suggestion: Start using online vendors. Need credit card for purchasing. Stock up on supplies for a season of 5 repairs. Save time, gas and money. Less work for Water Manager and volunteers to have more parts at hand.

[Plumbing Parts Inventory](#)

Vendor Review - Property Insurance (SDRMA)

Coverage Clarification

If any volunteer performs actions aligned with our Operations, they are covered.

Like shoveling, driving heavy equipment, welding, as long as they are working on our operations (doing something for the district).

If a worker damages another person's property, the coverage is \$2.5M

If a worker harms another person, the coverage is \$2.5M

See slide 8 under [General Liability](#)

Added New Asset to Coverage

The new Mini Excavator has been added to the Property Insurance.

Vendor Review Summary

Vendor	Changes to Save Money per Year
Liability Insurance	Reduce 10% by taking training (could save \$400) Property Damage Coverage 2.5M, Bodily Injury Damage 2.5M
Fuel	Stock more inventory, buy online (could save \$200) Aligning lab test with board meetings (saved \$320) Waterboard owns its own tools (could save \$50) Automate reading tank levels, less driving (could save \$400)
Plumbing Supply	Migrate to online purchases (could save hundreds or thousands)
CaIPERS	Removed Retirement System Account Terminated (\$0)
Clarkson Lab	Lab fees lowest, turn around good
Chase Bank Accounts	Changed to Price Savings to Business Complete (\$360)
TOTAL SAVINGS Per Year	\$680

Next Vendors to Review

- SC Fuels
- Streamline Web Hosting

Making CCWD a Tax-Deductible Entity

CCWD is designated as a special district. California has nearly 3,400 special districts. Special districts are limited purpose local governments—separate from cities and counties. Within their boundaries, special districts provide focused public services such as fire protection, sewers, water supply, electricity, parks, recreation, sanitation, cemeteries, and libraries.

The IRS has determined that governmental entities, such as states and their political subdivisions, include counties or municipalities and their agencies or departments. Charitable contributions to governmental units are tax-deductible under **section 170(c)(1)** of the Internal Revenue Code if the contribution is made for exclusively public purpose, and its tax exempt status can be verified by requesting and receiving an **IRS governmental information letter** to that effect. [Governmental Information Letter](#) (March 17, 2017).

In order for individuals to make tax deductible contributions to the CCWD, the CCWD would need to request and receive an IRS government information letter that would verify its tax exempt status. As a special service to government entities, IRS will issue a “governmental information letter” free of charge. This letter describes government entity exemption from Federal income tax and cites applicable Internal Revenue Code sections pertaining to deductible contributions and income exclusion. Most organizations and individuals will accept the governmental information letter as the substantiation they need.

Need to apply and it may or may not be approved. But it is one possible path.

Creating a 501(C)(3) as Sharon Sherman stated, a Friends of the CCWD is another possible options. *From Jim and Alice Ward*

If the CIA became a 501(c)(3) organization, it could no longer do anything for the benefit of its members. A separate 501(c)(3) could perhaps be formed to assist the CCWD, in the nature of a Friends of the Library which supports the civic/governmental Library itself. The donations to the 501(c)(3) would be tax deductible to those who gave them.

The issue of forming a Friends of the CCWD is what its specific purpose is.

The exempt purposes set forth in section 501(c)(3) are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals.

I could see an argument for framing a Friends of the CCWD to provide funds for educational, scientific or testing for public safety purposes. I would have to further research to verify this.

Long story short...CIA - NO, a separate entity -YES.

From Sharon Sherman