

Canebrake County Water District Financial Reporting

Board Meeting
January 13, 2024

FY 2023-2024



Tank #3 Approved for Operation January 5, 2024

Financial Dashboard

2023 Financial Improvements

ACCOUNTING

- Budget Creation - calculator created
- Audit Preparation - SOP
- State Transaction Report - SOP

INVESTMENTS

- Investments - portfolio calculator
- Expand Team - investment broker

ASSETS

- Assets - created dashboard
- Condition - site survey
- Lifespan - researched
- Maintenance Schedule - TBD

DOCUMENTATION

- Map - printable, phone, web-based
- SOPs (google docs - disinfection, audit, lab forms)
- [5 Year Plan \(guide\)](#)
- [Finance Calculators](#)

2024 Upcoming Improvements

Expense Analysis

- Budgeted vs Actual
- Operating Costs
- Vendor Analysis
- Unexpected Expenses

Income Analysis

- Water Rates
- *Gov 1% Property Tax Revenue*
- Donations & Fundraising
- Grant Funding
- Government Support Programs

Rates & Reserves

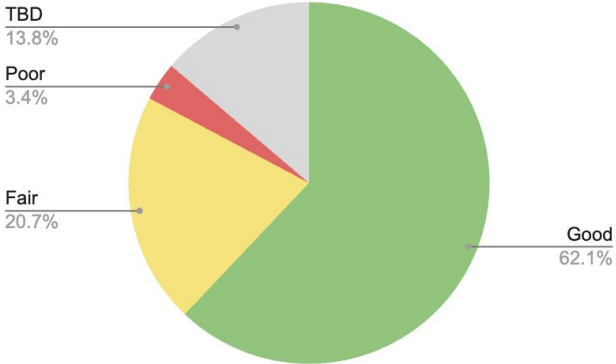
- Reserve Items
- Money needed per Reserve
- Target date per Reserve
- Future Conditions not covered

Research

- Training/Learning Resources
- Newer Technologies
- Leak Detection
- Automation

Asset Dashboard

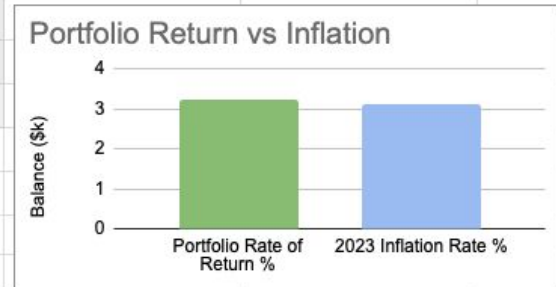
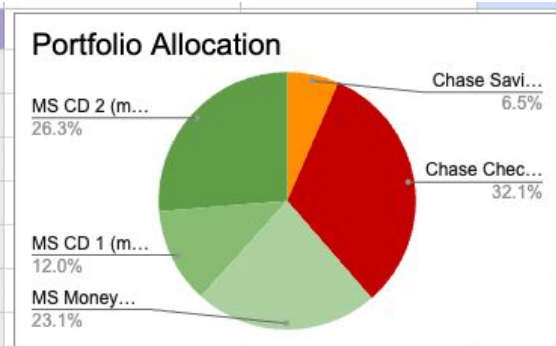
Asset	Details	Condition
Buildings - Hall & Huts	Needs organizing. <i>Improve long pipe storage.</i>	Good
Documentation	Made 5 SOPs, 5 Year Plan. <i>Need Logs and Schedules.</i>	Good
Inventory - Parts	Full parts inventory not at hand.	TBD
Inventory - Tools	Full tools inventory not owned by Water District.	TBD
Investments - Portfolio	Above inflation rate.	Good
Flow - Blow Offs (24)	Many brittle stems, hard to open, not secure.	Fair
Flow - Meters (77)	Positive Displacement meters.	TBD
Flow - Valves (30)	Some gate valves are leaking, hard to turn.	Fair
Pipes - after the Meter	Brittle and have leaked, end of life.	Poor
Pipes - Pipeline	1965. Lifespan 110+ yrs, see ref	Good
Pipes - Price Line	Needs stabilizing and maybe covering.	Fair
Pipes - Repairs	Since 1965. 100's repairs. <i>Some improper old repairs.</i>	Good
Pipes - Seepage	1226 gallons/day. Unknown locations.	Fair
Power - Generator	2009. 120/240 Cont. Duty 15 KW - 62.5 Amps	Good
Power - Solar Panel	2017. Cost \$51k. Lifespan TBD.	Good
Pump - Mooney	2022. Lifespan 8 yrs, 550 gph. <i>Generator connection needed.</i>	Good
Pump - Peterson	2021. Lifespan 8 yrs, 975 gph. 2023 Phase inverter.	Good
Roads	Rocks, flooded. Stafford Crossing needs bigger pipe(s).	Fair
Tank #1 - Steel	1976. 42k gallon. Bottom rusted some, top seals seep.	TBD
Tank #1 - Steel Liner	2008. 2 part epoxy. Lifespan 15-20 yrs	Good
Tank #2 - Concrete	1972. Liner Leaks. Decommissioned Jan 2024 for potable water.	Off-line 2024
Tank #3 - Poly	2023. 10k gallon. Lifespan 50+ yrs. Operational Jan 2023	Good
Vehicle - Tractor Loader	2018. CAT Skid Steer. Purchased 2023.	Good
Vehicle - Dump Truck	1965. Ford F600, Inspected Sept 2023.	Good
Vehicle - Golf Cart	2019. EZGO Gas.	Good
Vehicle - Trailer	Metal framed.	Good
Vehicle - Truck	2004. Ford Ranger. Overhauled 2023.	Good
Water Condition	Summer coliform. High fluoride Mooney well. Spectrum good.	Fair
Well - Mooney	1978. Lifespan varies, TBD by an expert	Good
Well - Peterson	2014, Install Cost \$127k.	Good



What Assets are we missing?

Investment Dashboard

Organization	Balance (\$k)	APY *	% Portfolio
Chase Savings Priceline	14	0.045%	6.5
Chase Checking	67	0%	32.1
Chase Saving		0.045%	0.0
MS Money Market	48	5%	23.1
MS CD 1 (matures 01/16/2024)	25	5.25%	12.0
MS CD 2 (matures 10/10/2024)	55	5.50%	26.3
MS CD 3 TBD		0	0.0
MS CD 4 TBD		0	0.0
MS CD 5TBD		0	0.0
Portfolio Total	\$209,060		100.0
Portfolio Rate of Return %	3.23		
2023 Inflation Rate %	3.1	Inflation Rate	
Morgan Stanley Total (\$)	\$128,360		
Chase Total (\$)	\$80,700		



[Finance Calculator - Investment Calculator](#)

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

Board Vote Needed

- Allow CFO to rebuy CD's when they mature to improve the efficiency of reinvesting.
- Allow CFO to adjust move monies to/from Bank and Investment Broker to maintain enough to pay bills.
- Change Chase target balance from 50k to 40k.

Note

If interest is considered income, then inflation should be an expense in the budget OR adjust expenses with inflation rate.

Bank Transaction Dashboard

Date	Description	Type	Amount
Dec 27, 2023	CHECK # 7171 Galvanized pipe reimbursement	Check	-\$126.71
Dec 20, 2023	ORIG CO NAME:INTUIT PAYROLL S ORIG ID:1722616679 DESC DATE:231220 CO ENTRY DESCR:QUICKBOOKSSEC:CCD TRACE#:021000023063529 EED:231220 IND ID:956199168 IND NAME:CANEBRAKE COUNTY WATER ERVICES 956199168 TRN: 3543063529TC	ACH debit	-\$1,269.65 >
Dec 5, 2023	ORIG CO NAME:CA DEPT TAX FEE ORIG ID:2822162215 DESC DATE:231204 CO ENTRY DESCR:CDTFA EPMTSEC:CCD TRACE#:042000012537598 EED:231205 IND ID:16360142 IND NAME:CANEBRAKE COUNTY WATER TRN: 3392537598TC	ACH debit	-\$304.20 >
Dec 5, 2023	CHECK # 7170 Bookkeeper fee	Check	-\$500.00
Dec 4, 2023	CHECK # 7169 Lab fee	Check	-\$50.00
Nov 27, 2023	CHECK # 7168 Fuel	Check	-\$124.78
Nov 20, 2023	ORIG CO NAME:INTUIT PAYROLL S ORIG ID:1722616679 DESC DATE:231120 CO ENTRY DESCR:QUICKBOOKSSEC:CCD TRACE#:021000021078426 EED:231120 IND ID:956199168 IND NAME:CANEBRAKE COUNTY WATER ERVICES 956199168 TRN: 3241078426TC	ACH debit	-\$1,269.65 >
Nov 20, 2023	DOMESTIC WIRE TRANSFER VIA: COMERICA SCO VLY121137522 A/C: HAWTHORE MACHINERY CO REF: INVOICE NUMBER:30610201 IMAD: 1120MMQFMP2M029238 TRN: 3595363324ES 11/20	Outgoing wire transfer	-\$43,100.00 >
Nov 20, 2023	DOMESTIC WIRE FEE	Fee	-\$35.00
Nov 13, 2023	CHECK # 7167 Home Depot	Check	-\$35.93
Nov 8, 2023	CHECK # 7166 Bookkeeper fee	Check	-\$550.00
Nov 3, 2023	CHECK # 7164 Lab fee	Check	-\$300.00
Nov 1, 2023	CHECK # 7165 United States Treasury	Check	-\$717.60

Transactions

- All transactions expected
- Bought Tractor Skid Steer

Additional Docs, see Bookkeeper Attachments

- Profit_Losses_YTD_Actual_Vs_Budgeted_2023Dec.pdf
- Bimonthly_Income_Expenses_2023Nov_Dec.pdf
- CANEBRAKE_BALANCE_SHEET_2023Dec31.pdf

Government 1% Property Tax Revenue

The government calls their financial support: "1% Property Tax Revenue". See Reference [apportionment101.pdf](#)

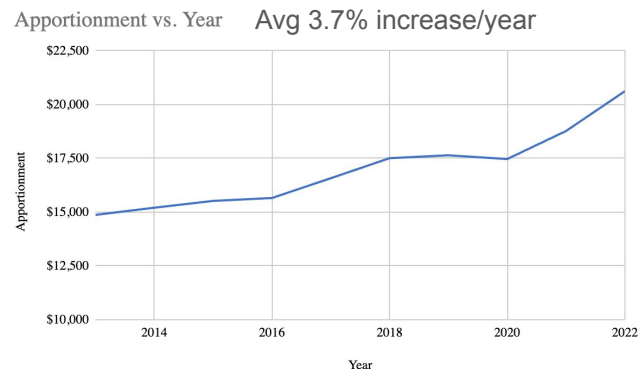
The Government charges property owners 1%. Those monies go into an account that is later given to local government agencies that provide a government service like water, sewage, fire, power, school, library, etc. (Ref slide 17)

Each district gets a piece of that money based on their assets, the services they provide in their district and a slice for Special Districts.

Our base rate was computed based on average property tax from 1975 to 1978 using SB 154 (Ref slide 5). Increases in the base rate are computed based on growth in assessed values within the boundaries of your district via AB 8 methodology (Ref Slide 6).

Why does Canebrake get only a small increase each year?

- Our assets are much fewer and cheaper compared to other districts
- Our growth is small (not many new properties)
- Special Districts get a small slice of the allocated Revenue
- We provide only one government service - water
- Reassessment happens when owners change which for years was not often
- Some properties are degrading or abandoned

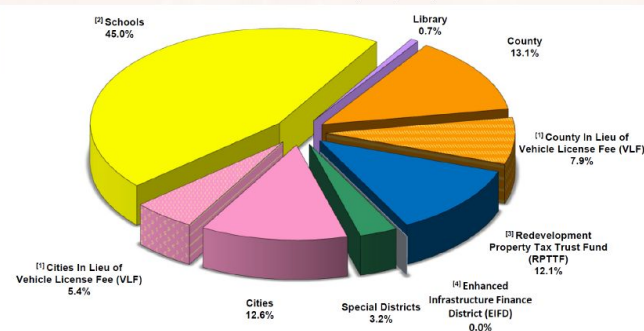


[CCWD Historical Apportionments](#)

[Special District Asset Valuations](#)

ESTIMATED 1% PROPERTY TAX REVENUE ALLOCATION FY 2020-21

TOTAL REVENUE \$5,856,551,713



Government Revenue Financial Issue - because inflation is more than their yearly increase, this government revenue has less buying power every year. (20% less buying power per 10 years)

We need new Revenue Streams

CFO Suggestion - Form a working group to "Establish New Revenue Streams"

Vendor Review - Property Insurance (SDRMA)

Item	Description	Address	Building Value	Contents Value	Under Construction	BIRI	BIRI Coverage	Net Premium	Effective Date	Termination Date
1	Office	140 Smoketree Lane	\$128,661	\$61,123				\$762		
2	Concrete Water Storage Tank #2	414-020-57 Canyon Road	\$25,732	\$0				\$103		
4	Steel Water Storage Tank #1	Canyon Road 414-020-32	\$25,732	\$0				\$103		
6	Polyethylene Storage Tank #3	425 Canyon Road	\$13,000	\$0				\$28	12/16/2023	
Totals			\$193,125	\$61,123						

Item	VIN	Year	Make / Model	Type	GVW	Value	Comp / Coll Limits	AL Net Premium	APD Comp Gross Premium	APD Coll Gross Premium	Effective Date	Termination Date
1	1FTZR45E74PA26410	2004	Ford Ranger	Pick-Up Truck	4,500	\$7,000	\$500 / \$1,000	\$524.41	\$50.11	\$116.88		
4	160BR637062	1965	Dump Truck Ford Model 1K	Light Truck	7,660	\$15,000	\$500 / \$1,000	\$524.41	\$99.90	\$208.82		
Totals						\$22,000						

Item	Serial Number	Description	Original Value	Actual Cash Value	Net Premium	Effective Date	Termination Date
2	6387	Case 580K Backhoe	\$18,000	\$18,000	\$140.54		12/23/2023
6	5048	Enclosed Carson Trailer 6'x8' w/Perkins	\$11,000	\$11,000	\$179.63		
9	1350141	EZ Go Work Horse		\$3,150	\$51.44		
10	BL902411	CAT Skid Steer COMPACT TRACK LC	\$69,400	\$43,100	\$380.75	12/16/2023	
Totals			\$98,400	\$75,250			

Our Property Liability insurance carrier (SDRMA) and Workman's Comp were reviewed by a subject matter expert Eugene P. Yale ESQ. He has decades law practice experience including insurance cases. His assessment is both our insurances are very good - complete and comprehensive coverage.

Note: Can take yearly safety classes with SDRMA which can reduce cost by 10% (~\$400).

Vendor Review - Property Insurance (SDRMA)

LINE OF COVERAGE	ITEM COUNT	TOTAL INSURED...	DEDUCTIBLE	LIMIT	EFFECTIVE DATE	TERMINATION DATE
Property	4	254,248			07/01/2023	07/01/2024
Property			1,000	1,000,000,000		
Boiler & Machinery			1,000	100,000,000		
Flood (excluding A and V)			500,000	10,000,000		
Flood (A and V)			500,000	10,000,000		
Pollution			250,000	2,000,000		
Cyber			50,000	2,000,000		
Catastrophic Loss			500,000	1,000,000,000		
Mobile Equipment	4	75,250			07/01/2023	07/01/2024
Mobile/Contractors Equipment			1,000	1,000,000,000		
General Liability					07/01/2023	07/01/2024
Bodily Injury			0	2,500,000		
Property Damage			500	2,500,000		
Public Officials Personal			500	500,000		
Employment Benefits			0	2,500,000		
Employee/Public Officials E & O			0	2,500,000		
Employment Practices Liability			0	2,500,000		
Employee/Public Officials Dishonesty (Crime)			0	1,000,000		
Auto Liability	2	22,000			07/01/2023	07/01/2024
Auto Bodily Injury			0	2,500,000		
Auto Property Damage			1,000	2,500,000		
Non-Owned Auto Bodily Injury			0	2,500,000		
Non-Owned Auto Property Damage			1,000	2,500,000		
Uninsured Motorist			0	1,000,000		
Auto Physical Damage	2	22,000			07/01/2023	07/01/2024
Auto PD - Comp				100,000		
Auto PD - Collision				100,000		
High Dollar Vehicles				1,000,000,000		
Trailer	0				07/01/2023	07/01/2024
Trailer			250	100,000		

Vendor Review - Chase Bank

We have three bank accounts:

- Chase Checking Primary (Business Complete account type)
- Chase Savings (Performance Banking account type)
- Price Line Checking (Performance Banking account type)

Two Account Types

Business Complete

- min \$2k to have no monthly service fees
- \$5k deposit at ATM no charge
- Electronic deposits no charge

Performance Banking

- min \$35k to have no monthly service fees
- \$20k deposit at ATM no charge
- Electronic deposits no charge

We are getting charged monthly service fees of \$30 in the Price Line Checking account since July because our balance on the Performance Banking is less than \$35k.

Suggest

Change from Performance Business to Business Complete and maintain minimum of \$2k daily to bypass \$15 monthly service. No cost to convert. Go into bank to execute.

OR

Use up the PriceLine or move money into Chase Primary Checking and close the Performance Banking accounts.

Vendor Review - Clarkson Lab

Our current Lab is **Clarkson Lab**. They have the most affordable prices and are very efficient.

El Centro has one public lab - Babcock Laboratories (min cost \$250/quarter). Other San Diego labs were researched but cost more than Clarkson lab. [Certified Labs Map](#)

We have reduced the cost of gas and labor to take water samples by aligning testing water with board meeting dates.

The County has approved our new Site Map & Bacteriological Dates. Saves **\$1280** gas per 4 years & **1 week** of time!

Master Schedule - Finance

Item	Description	Participants (CFO on all)	Start Date	Due Date	SOP	Progress
CIA FUNDRAISER	Projects and bigger purchases for next 2 years	BOARD	December 1	Jan CIA Meeting	Fundraiser	--
Investment Portfolio Reallocation	Biannual investment reallocation	Investment Broker	January 1	Jan Board Meeting	Investment Reallocation	In Progress
RATE ADJUSTMENT analysis	Analyze Rates regarding Access Fees & Water Usage.	President	November 1	Jan Board Meeting	Rate Analysis	In Progress
Vendor & Expenses Review	Price compare and quality reviews.	Equipment Mgr, Water Mgr	February 1	Mar Board Meeting	Vendor Review	In Progress
Insurances Review	Proper coverage, deductible and price.	President, Equipment Mgr	April 1	May Board Meeting	Insurance Review	Completed
CPA Cost Estimates	Email CPA for Audit cost estimate.	CFO Only	March 1	March 15		--
Preliminary Budget Analysis	Inflation & future projects.	President	April 1	May Board Meeting	Budget	--
RATE ADJUSTMENT final	Yearly Rate Adjustment for Access Fees & Water Usage.	President	February 1	May Board Meeting	Rate Analysis	--
Investment Portfolio Reallocation	Biannual investment reallocation	Investment Broker	June 1	June Board Meeting	Investment Reallocation	--
Final Budget Analysis	Include bigger projects, inflation, staffing needs.	President	June 1	June Board Meeting	Budget	--
Government Yearly AUDIT	From July 31 to June 30, start 2 months after year end	bookkeeper, CPA, President	September 1	December 1	Audit	Completed
State Financial Transaction Report	Inform State about budget. Actual due date: Jan 31.	bookkeeper, CPA	December 1	January 25	Financial Transaction Report	In Progress
Grant Funding	Seek grant writing	Vice President, Secretary	December 1	May Board Meeting		--
FINANCIAL REPORT - January	Adjustments to the Five Year Guide	BOARD	January 1	Jan Board Meeting	Financial Report	Completed
FINANCIAL REPORT - March	Rates Discussion, Vendor review	BOARD	March 1	Mar Board Meeting	Financial Report	--
FINANCIAL REPORT - May	Preliminary Budget & Vote on Rate Increase	BOARD	May 1	May Board Meeting	Financial Report	--
FINANCIAL REPORT - June	Vote on Final Budget	BOARD	June 1	June Board Meeting	Financial Report	--
FINANCIAL REPORT - September	Include Financial Lessons Learned	BOARD	September 1	Sept Board Meeting	Financial Report	--
FINANCIAL REPORT - November	Prep for Fundraising, Volunteers & Training.	BOARD	November 1	Nov Board Meeting	Financial Report	--
Government Compensation Report	Could be OBE. Consult Bookkeeper.	Bookkeeper	April 1	April 30	Gov Compensation Report	--

Master Schedule - Finance

Audit is done!

Three Master Schedules are in progress

- Administration
- Finance
- Maintenance

These documents help execute and train the board members and volunteers. They include SOP's, Checklists, Logs and Maps.