

**FIELDBROOK GLENDALE
COMMUNITY SERVICES DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS**

September 24, 2019
Fieldbrook Fire Hall, 7:30 PM
AGENDA

1. Roll Call

2. Agenda Modifications

3. Public Comments

Individuals wishing to speak on matters not listed on the agenda are asked to clearly state their name and address. No action will be taken on items not listed on the Agenda.

4. Reports

4.1 Wastewater Report

4.1.1 – Monthly report

4.2 Safety Report

4.3 Fire Chief Report

4.3.1 – Call/incident report.

4.4 District Engineer Report –

4.4.1 – Muni meeting report –

4.4.2 – Anker Tank – grant award(s) update

4.4.3 –

4.5 General Manager Report

4.5.1 – Status report for agreement for wastewater treatment – City of Arcata.

4.5.2 – Status report for Industrial Discharge Permit – Royal Gold.

4.6 Reports by members of the Board.

4.6.1 –

5. Consent Agenda

The Board will approve all of the following items by a single vote unless any member of the Board or the public asks that an item be removed and considered separately.

5.1 Approval of minutes

5.1.1 Regular Board Meeting, August 27, 2019

5.2 Correspondence/Information Items

5.2.1 – HBMWD, re: Ordinance 16, wholesale rate adjustment.

5.2.2 – HC Grand Jury, re: survey of HC water districts.

5.2.3 – HC Planning, re: HC Housing Element Availability and Prioritization

5.3 Approval to pay bills, issue payroll, county warrants, and bank transfers.

5.3.1 Interfund Transfers \$35,949.08

5.3.2 Checks (#5902-5926) \$34,954.85

5.3.3 Payroll \$3,075.64

5.3.4 General Journal Entries 424-432

5.3.5 General Manager reimbursement \$141.55 – office supplies

5.3.6 Bad Debt: 1310.02 \$835.30, 1170.02 \$158.34

6. Action/Discussion Items

6.1 – Fire Department purchase of Ipad. Action.

6.2 - Management Discussion & Analysis – Audit preparation. Discussion.

7. Future Agenda Items

7.1 – Quarterly financial reports and budget adjustments.

7.2 – Sewer flow report.

7.3 – Royal Gold Industrial Discharge Permit.

8. Executive Session/Closed Session

The Board may choose to consider items of an urgent nature that have arisen after this agenda was posted. The Board may also choose to adjourn to closed session to discuss legal or personnel matters.

9. Adjournment/Announcements

9.1 - Next regular meeting October 22, 2019.

**FIELDBROOK GLENDALE
COMMUNITY SERVICES DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS**

August 27, 2019
Fieldbrook Fire Hall, 7:30 PM
MINUTES

1. Roll Call

President Roy Sheppard called the meeting to order at 7:35 PM. Board members present were, Director Richard Grissom, Director Jason Garlick and Director Janet Miller. Vice-President Starr Kilian was absent. Fire Chief Jack Sheppard, Sewer Technician Grant Weaver, District Engineer Rebecca Crow and General Manager Richard Hanger were present. Community members Floyd & Brenda Stokes, Steve Wilson, Kathryn Donahue, and Fifth District Supervisor Steve Madrone were also present.

2. Agenda Modifications None.

3. Public Comments None.

Individuals wishing to speak on matters not listed on the agenda are asked to clearly state their name and address. No action will be taken on items not listed on the Agenda.

4. Reports

4.1 Wastewater Report

4.1.1 – Monthly report

Sewer Technician Grant Weaver reported the collection system is functioning properly. He is working with the City of Arcata to trace an odor complaint near West End Road, Arcata. The wet well is scheduled to be wet pumped and cleaned this week.

4.2 Safety Report – *fire extinguisher needed at the wastewater collection plant.*

4.3 Fire Chief Report

4.3.1 – Call/incident report.

Fire Chief Jack Sheppard reported eight calls this month. Fire hydrant flow data has been collected. The repeater project is nearly complete and may be operational prior to our next board meeting.

4.4 District Engineer Report –

4.4.1 – Muni meeting report –

District Engineer Rebecca Crow reviewed topics discussed at the recent Muni meeting. Topics included projects being planned or completed by HBMWD.

4.4.2 – Anker Tank – grant award(s) update – *no further update.*

4.4.3 –

4.5 General Manager Report

4.5.1 –

4.6 Reports by members of the Board.

4.6.1 –

5. Consent Agenda

The Board will approve all of the following items by a single vote unless any member of the Board or the public asks that an item be removed and considered separately.

5.1 Approval of minutes

5.1.1 Regular Board Meeting, July 23, 2019

5.2 Correspondence/Information Items

5.2.1 – Steve Wilson, re: Wastewater Fees.

5.2.2 – Humboldt County, re: Prop 172 revenue share

5.2.3 – HBMWD, re: Emergency Action Plan – Matthews Dam

5.3 Approval to pay bills, issue payroll, county warrants, and bank transfers.

5.3.1 Interfund Transfers \$38,881.21

5.3.2 Checks (5875-5901) \$38,593.99

5.3.3 Payroll \$2,943.04

5.3.4 General Journal Entries 414-423

5.3.5 General Manager reimbursement \$94.91 – office supplies

FIELDBROOK GLENDALE
COMMUNITY SERVICES DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS

Item 5.2.1 was pulled by the Chair for separate consideration.

Director Jason Garlic moved to approve the remainder of the consent agenda as presented. Director Janet Miller seconded the motion. The motion carried, Ayes 4, Nays 0, Abstain 0, Absent 1.

Item 5.2.1 – Steve Wilson re: wastewater Fees. Mr. Wilson was present to review his summertime wastewater fees. Mr. Wilson provided a supplemental document. His primary assertion “I already pay a high rate for the water I use and do not think it is fair to be billed for water that never enters your sewer.” Mr. & Mrs. Stokes and Ms. Donahue had similar concerns. Mr. & Mrs. Stokes provided a supplemental document. Supervisor Madrone expressed support for both the community members and the board of directors. He also suggested that the district begin the process or researching a pipeline to the City of Blue Lake.

The board took no action; however, there will be a review of the December 2018 rate restructure during the winter of 2019/2020. The board will consider if the rate alternative chosen in 2018 should be continued as authorized or adjusted to respond to rate payer concerns. A winter review will allow for a Prop 218 process to occur in the spring of 2020 with subsequent implementation for the summer of 2020.

6. Action/Discussion Items

6.1 – Royal Gold Industrial Discharge Permit. Tabled from July 23rd. Action.

Item tabled per request of General Manager.

6.2 – Wastewater service agreement. Action.

Item tabled per request of General Manager.

6.3 – Public Hearing – Final Budget Adoption FY 2020. Action.

President Roy Sheppard opened the public hearing and received the staff report. General Manager Richard Hanger provided the staff report. President Sheppard opened the hearing for public comment, hearing none, the public hearing was closed and the item returned to the board for consideration.

Director Richard Grissom moved to approve the final budget for fiscal year 2020 as presented.

Director Janet Miller seconded the motion. The motion carried, Ayes 4, Nays 0, Abstain 0, Absent 1.

7. Future Agenda Items

7.1 – Management Discussion & Analysis – Audit. September.

7.2 –

8. Executive Session/Closed Session

The Board may choose to consider items of an urgent nature that have arisen after this agenda was posted. The Board may also choose to adjourn to closed session to discuss legal or personnel matters.

9. Adjournment/Announcements

9.1 - Next regular meeting September 24, 2019.

Meeting adjourned at 8:45 PM.

Respectfully submitted,

*Richard Hanger
Secretary to the Board*

*Janet Miller
Director*

Attachments

CCCU fund transfer

Initialed disbursement register

Steve Wilson,

DATE		CUBIC FEET		\$ H2O	\$ SEWER	TOTAL
JANUARY	2018	1000/2	500/mo	44.81	71.86	116.67
FEBRUARY	2018				71.86	
MARCH	2018	900/2	450/mo	44.81	71.86	
APRIL	2018				71.86	
MAY	2018	2000/2	1000/mo	69.31	71.86	
JUNE	2018				71.86	
JULY	2018	3500/2	1750/mo	111.68	71.86	
AUGUST	2018				71.86	
SEPTEMBER	2018	3000/2	1500/mo	98.78	71.86	
OCTOBER	2018				71.86	
NOVEMBER	2018	1000/2	500/mo	47.18	71.86	
DECEMBER	2018			47.18	71.86	
JANUARY	2019		700 guests	52.39	128.81	181.2
FEBRUARY	2019		500	48.33	110.01	158.34
MARCH	2019		300	48.33	100.61	148.94
APRIL	2019		400	48.33	100.61	148.94
MAY	2019		500	48.33	110.01	158.34
JUNE	2019		900	58.89	147.61	206.5
JULY	2019		3300	122.25	373.21	495.46
AUGUST	2019					
SEPTEMBER	2019					
		ALL BELOW SINGLE FAMILY RESIDENCE				
	JULY	MCKINLEYVILLE CSD 1200 CUBIC FT SUMMER SEWER/H2O CAP				?124.78
	JULY	*ARCATA BILL SAME CUBIC FT OF WATER AND SEWER				261.15
	JULY	BLUE LAKE BILL SAME CUBIC FT OF WATER AND SEWER				118.42
	JULY	FIELDBROOK/G SAME CUBIC FT ADJUSTED			122.35	100.61
					495	222.96
						-272.5

*ARCATA USES A SUMMER IRRIGATION ADJUSTMENT AVERAGING FEB-AUGUST CONSUMPTION RATHER THAN THE ACTUAL AMOUNT USED. THIS IS FOR SINGLE FAMILY RESIDENCES ONLY.

Note that my wife and my increased use of water during the the summer months is for our self-sustaining garden.

We both enjoy gardening and think it is healthy to have access to fresh fruits and vegetables. I think it is reasonable that your board offer a exemption on billed sewer use of water which never enters your sewer.

I already pay a high rate for the water I use and do not think it is fair to be billed for water that never enters your sewer.

It is not right to pay for services not rendered.

Stokes

COPY OF CURRENT BILL

FIELDBROOK GLENDALE
COMMUNITY SERVICES DISTRICT
P.O. Box 95 * Eureka, CA 95502

ACCOUNT NO	READING DATE	BILLING DATE
1370.01	07/09/2019	07/31/2019



METER READING		USAGE	CODE	AMOUNT
PREVIOUS	CURRENT			
34,700	36,900	2,200	PB	
			WA	93.21
			SW	269.81
			SC	18.80 CR
			PN	.00
			SO	.00

DUE DATE	ACCOUNT NO	AMOUNT DUE
08/23/2019	1370.01	344.22

LAST PAYMENT AMOUNT -175.66CR

Stokes, Floyd and Brenda
PO Box 97
Blue Lake CA 95525-0097

SERVICE ADDRESS:
320 Myrtlewood Ln

Amount Due 344.22

Any Prior Balance listed above is PAST DUE and should be paid immediately to prevent any service interruptions.
PLEASE USE YOUR NEW ACCOUNT NUMBER WHEN MAILING IN YOUR PAYMENT

ccc
ok.
8/13/19

16842
MORE THAN
LAST YEAR

Stokes

AVERAGE BILL LAST YEAR

Fieldbrook Glendale CSD
PO Box 95
Eureka, CA 95502-0095

24792

CUSTOMER SERV. LOCATION		FLOYD & BRENDA STOKES 320 Myrtlewood Ln		ACCOUNT NUMBER		PREVIOUS BALANCE	PAYMENTS
050600		06/12/18	07/23/18	050600		02 1P 136.27	136.27
CODE	CHARGE	CODE	CHARGE	PREVIOUS	TYPE	PRESENT	USAGE
DomW	44.81	DomW	44.81	24700	A	24700	0
DomS	71.86	DomS	71.86	0		0	

Emerg:Water 822-2918/Sewer 618-9194

Billing Questions: 443-5018

*call online
8/9/18*

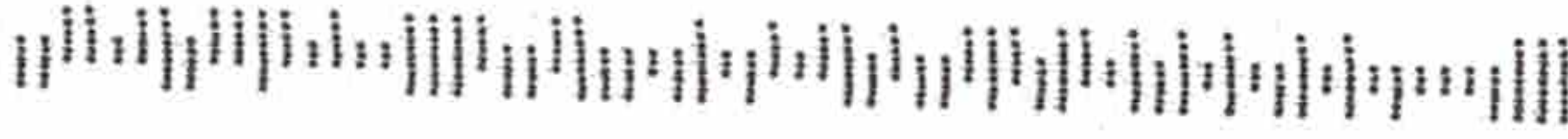
DUE NOW	116.67	128.34	AFTER	8/23/2018
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FLOYD & BRENDA STOKES
PO BOX 97
BLUE LAKE CA 95525-0097

TOTAL	116.67	TOTAL	116.67
DUE NOW	116.67		
PAY THIS	128.34		
AFTER	8/23/2018		

FORM 404

CC226248 (03/03)



HIGHEST SUMMER BILL LAST YEAR

Fieldbrook Glendale CSD
PO Box 95
Eureka, CA 95502-0095

24792

CUSTOMER SERV. LOCATION		FLOYD & BRENDA STOKES 320 Myrtlewood Ln		ACCOUNT NUMBER		PREVIOUS BALANCE	PAYMENTS
050600		07/23/18	08/10/18	050600		02 1P 116.67	116.67
CODE	CHARGE	CODE	CHARGE	PREVIOUS	TYPE	PRESENT	USAGE
DomW	103.94	DomW	103.94	24700	A	27900	3200
DomS	71.86	DomS	71.86	0		0	

Emerg:Water 822-2918/Sewer 618-9194

Billing Questions: 443-5018

*call online
9/9/18*

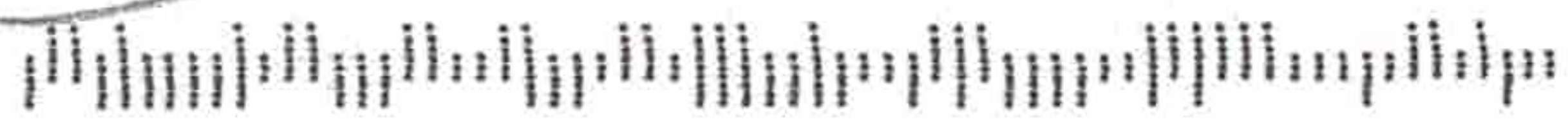
DUE NOW	175.80	193.38	AFTER	9/23/2018
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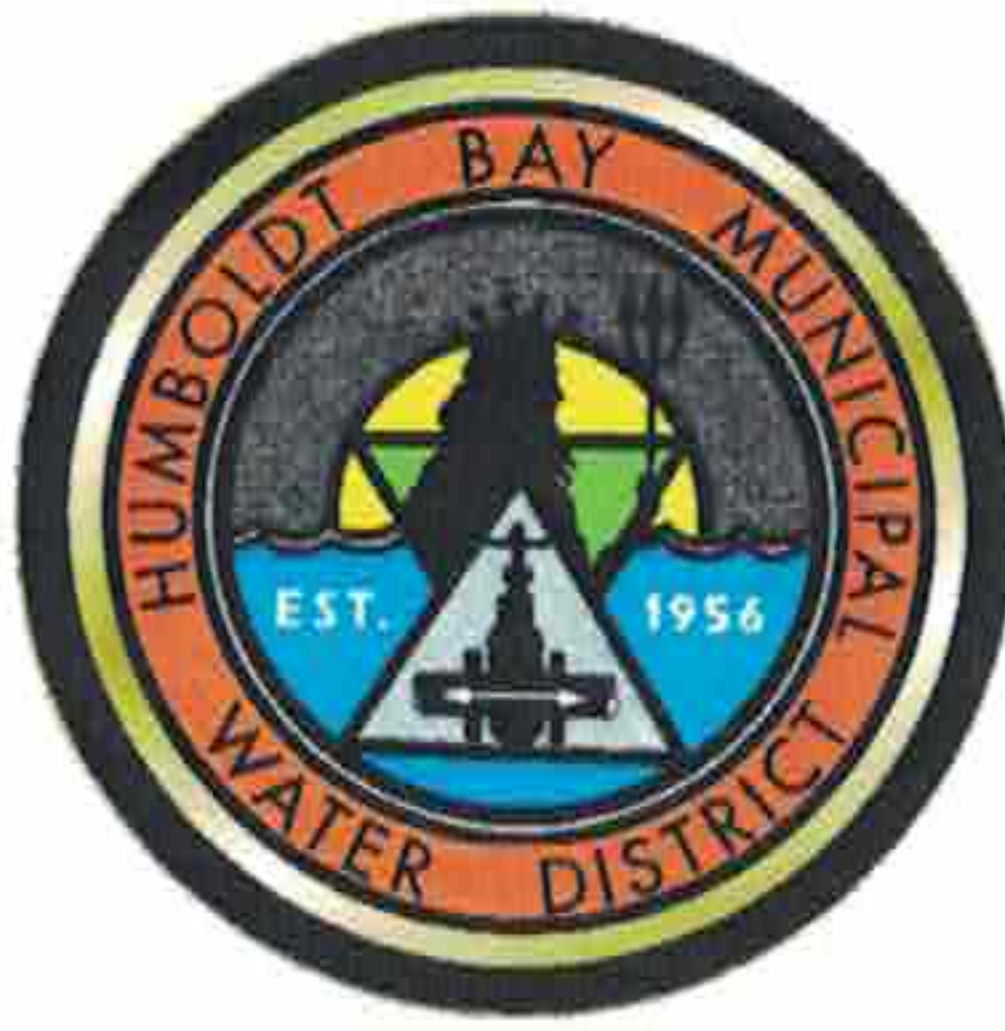
FLOYD & BRENDA STOKES
PO BOX 97
BLUE LAKE CA 95525-0097

TOTAL	175.80	TOTAL	175.80
DUE NOW	175.80		
PAY THIS	193.38		
AFTER	9/23/2018		

FORM 404

CC226248 (03/03)





HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, PO BOX 95 • EUREKA, CALIFORNIA 95502-0095

OFFICE 707-443-5018 ESSEX 707-822-2918

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

Website: www.hbmwd.com

BOARD OF DIRECTORS

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

J. BRUCE RUPP, SECRETARY-TREASURER

BARBARA HECATHORN, DIRECTOR

MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

August 21, 2019

Mark Andre, City of Arcata
Mandy Mager, City of Blue Lake
Brian Gerving and Lane Miller, City of Eureka
Rick Hanger, Fieldbrook-Glendale CSD
Dave Hull, Humboldt CSD
Chris Drop, Manila CSD
Greg Orsini, McKinleyville CSD

Dear Municipal Customers:

Last month, Humboldt Bay Municipal Water Districts' Board of Directors approved the District's FY2019/20 budget. Attached for your information are the following items related to the approved budget.

Attachment 1: The estimated wholesale water charges for each customer. These are gross charges based on the approved FY2019/20 budget.

Attachment 2: The Price Factor 2 (PF2) reconciliation from FY2018/19, in accordance with Section 7.2.4 of Ordinance 16. The PF2 reconciliation amount is \$65,221.39. Based on the many factors involved in the PF2 calculations, this reconciliation results in a credit for some agencies and a charge for other agencies. This total credit/charge will be applied to your FY2019/20 monthly billings.

Attachment 3: The estimated *net* wholesale water charges after this PF2 credit/charge has been applied.

The individual agency impact of the PF2 reconciliation is calculated based on: 1) Rolling Five-Year Average, 2) Peak Rate Allocation, and 3) Assessed Valuations (as received from Humboldt County Assessors Office). To facilitate a thorough understanding of the PF2 Reconciliation and the related calculations, this year the District has provided a color-coded spreadsheet detailing all twelve different calculations involved, including the separate calculations for Base Water Facilities (BWF) and Drinking Water Treatment Facilities (DWTF).

This past year retail revenues and non-water revenues (1% property taxes, interest earnings and miscellaneous receipts) were higher than budgeted, and expenditures were slightly over budget based on emergency expenses related to what has now been classified as "Storm Damage 2019" by FEMA. Total Storm Damage exceeded \$500,000. The District is currently working with FEMA to be reimbursed for

these costs. Once reimbursed, those funds will be credited back to the Municipal Agencies via PF2 credit in the future.

The most impactful calculation for the PF2 reconciliation was tied to the calculation of Revenue Allocation Credits. While the Revenue Credits are calculated based on the three different factors (Peak Rate, 5yr. Average, and the Assessed Valuation), the Assessed Valuation only applies to the 1% Property Taxes received by the District. The 1% Property Tax Funds (\$959,594) account for nearly half (47%) of all revenue received by the District. The Assessed Valuations change annually and are calculated by the Humboldt County Auditors Office based on properties within each Agency's recognized boundaries. The District refers to the *Humboldt County Auditors Certified Values by Tax Base Report*, using the secured property assessments and the Homeowners Exemptions assessments. Secured property assessments are reassessed any time property changes hands. The Homeowners Exemptions are a maximum exemption of \$7,000/per household (these funds are reimbursed to the County by the State of California).

Please review the attached documents and if you have any questions, please call me.

Sincerely,

A handwritten signature in blue ink that reads "John Friedenbach". The signature is fluid and cursive, with the first name being particularly prominent.

John Friedenbach
General Manager

Humboldt Bay Municipal Water District 2019/20 Budget

Summary of Wholesale Customer Charges Based on Adopted Budget (Gross Charges which do not Reflect Prior-Year Price Factor 2 Reconciliation)

	2018/19 Budget	2019/20 Budget	Comparison	
			\$	%
Pulp Mill/Harbor Dist	\$10	\$0	(\$10)	
Total Industrial:	\$10	\$0	-\$10	
Eureka	\$3,119,229	\$3,221,150	\$101,921	3.3%
Arcata	\$1,321,044	\$1,367,733	\$46,689	3.5%
Blue Lake	\$182,807	\$190,861	\$8,055	4.4%
Humboldt CSD	\$1,072,333	\$1,073,160	\$827	0.1%
McKinleyville CSD	\$1,066,249	\$1,087,747	\$21,498	2.0%
Fieldbrook CSD	\$174,392	\$173,746	(\$646)	-0.4%
Manila CSD	\$70,168	\$73,659	\$3,491	5.0%
Total Munis:	\$7,006,223	\$7,188,057	\$181,834	2.6%
Total Wholesale	\$7,006,223	\$7,188,057	\$181,825	2.6%



GRAND JURY
COUNTY OF HUMBOLDT

825 FIFTH STREET
EUREKA, CALIFORNIA 95501-1153 PHONE (707) 476-2475

September 12, 2019

Survey Humboldt County Water Districts

The Humboldt County Civil Grand Jury (HCCGJ) is charged to investigate and report on the conduct of local government entities, including special districts. At this time, the HCCGJ is surveying all districts that supply water in Humboldt County. Please complete the following survey within ten business days. If you have questions about how to complete the survey, contact the HCCGJ at: GrandJury@co.humboldt.ca.us

1. Is your district a single-function district (supply water) or a multi-function district (supply water and some other function such as sewer, fire, lights, recreation, etc.)?
2. Is your district independent (has own governing board) or dependent (governed by County Board of Supervisors or a city council)?
3. When was the last budget audit conducted for your district?
4. Please provide brief budget summaries for the past three years.
5. What is the date of your last master plan? Where can the public access a copy of that plan?
6. Describe the district plan for sustainability of service, such as rate adjustments or other income sources.
7. Please provide copies of annual water quality test results for the past three years.
8. How does the district provide water quality test results to the district customers?
9. How does the district address need for improvement when indicated by water quality testing?
10. Are there any other issues the district wants to discuss with the Humboldt County Civil Grand Jury?

Please return completed survey and documents to:
Humboldt County Civil Grand Jury
825 Fifth Street
Eureka, CA 95501
Or by email to: GrandJury@co.humboldt.ca.us

Thank you for your prompt reply.

Jim Glover
Humboldt County Civil Grand Jury Foreperson



COUNTY OF HUMBOLDT
PLANNING AND BUILDING DEPARTMENT

3015 H Street • Eureka CA 95501
Phone: (707) 445-7541 • Fax: (707) 268-3792

September 3, 2019

Fieldbrook/Glendale CSD
Attn.: General Manager
4584 Fieldbrook Road
McKinleyville, CA 95519

Re: 2019 Housing Element Availability and Prioritization of Services for Lower Income Developments

Dear Service Providers:

On August 20, 2019 the County of Humboldt adopted the 2019 Housing Element that directs the implementation of programs to address the County's housing needs. State law (Government Code Section 65589.7) requires we make available to your office a copy of the revised Element. The URL to our website with the 2019 Housing Element is: <https://humboldt.gov.org/2448/2019-Housing-Element>

Copies are also available on CD or in print if you prefer, upon request. At the end of this letter you will find my contact information to request a copy of the adopted Housing Element in either of these formats.

The same section of State law requires public and private service providers to prioritize developments that meet the housing needs for lower income persons in the allocation and planning of services.

As documented in the Housing Element, the unincorporated area has a low and very low housing need of 574 units for the 8-year planning period, which ends in 2027.

Table 8-5. Projected Fair Share Housing Needs, Humboldt County Unincorporated Areas, 2019 – 2027

Income Category	Projected Housing Needs	Percent of Total RHNA
Extremely Low*	175	12.3%
Very Low	176	12.4%
Low Income	223	16%
Moderate	256	17%
Above Moderate	583	42%
Total	1,413	100%

Source: 2019 Humboldt County Regional Housing Needs Assessment Plan, HCOAG, March 2019

*This Element assumes 12.3% of the Extremely Low-Income category is in the Very Low-Income category.

Distribution of the lower income housing need among the various unincorporated communities is shown in the below table. (The calculated distribution is based on the development potential of vacant and underutilized sites in each community plan area.)

Please let me know if you have any questions, comments, or if you would like a copy of the 2019 Housing Element. You may contact me at mnielsen@co.humboldt.ca.us or (707) 268-3708.

Sincerely,



Michelle Nielsen
Senior Planner

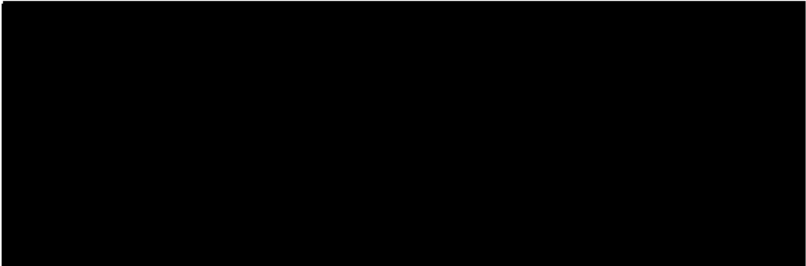
Cc: Fidel Herrera, State Housing and Community Development (via email)

Geographic Distribution of Lower Income Housing Needs as of August 31, 2019:

Service Districts	Number of Lower Income Housing Units Needed
Alderpoint County Water District	0
Benbow Water Company	0
Big Lagoon Community Services District	0
Briceland Community Services District	0
City of Arcata Sphere of Influence	0
City of Blue Lake Sphere of Influence	0
City of Fortuna Sphere of Influence	0
City of Rio Dell Sphere of Influence	1
X Fieldbrook Community Services District	4
X Fieldbrook Community Services District - Glendale	3
Garberville Sanitary District	1
Humboldt Community Services District	276
Hydesville County Water District	6
Jacoby Creek County Water District	7
Loleta Community Services District	3
Manila Community Services District	5
McKinleyville Community Services District	102
Miranda Community Services District	0
Myers Flat Mutual Water Company	0
Orick Community Services District	1
Orleans Community Services District	0
Phillipsville Community Services District	0
Redway Community Services District	10
Resort Improvement District No. 1	69
Riverside Community Services District	0
Samoa Pacific Group	80
Weott Community Services District	0
Westhaven Community Services District	1
Willow Creek Community Services District Water Service	5
Total	574

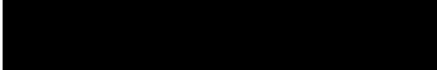
**FLDDBROOK GLENDALE
COMMUNITY SERVICES DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS**

September 24, 2019



Coast Central Credit Union
2650 Harrison Avenue
Eureka, CA 95501-3259

Please transfer the following



From: S70 Business Liquid Asset Account \$ 35,949.08
To: S61 Water Checking \$ 35,949.08

September Reconciliation

Check Register	\$	34,954.85
#5902-5926	\$	34,954.85

Transfer Totals	\$	(35,949.08)
Fire	\$	2,336.59
Sewer	\$	14,774.55
Water	\$	18,837.94

Gross Pay	\$	3,075.64
<Net Pay>	\$	(2,357.34)
Empr. Taxes	\$	237.92

Adjustments		
Verizon	\$	38.01

Reconciliation	\$	(34,954.85)
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Balance	\$	-
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Fieldbrook Glendale Community Services District
Customer Balance Detail
As of September 24, 2019

Type	Date	Num	Name	Account	Class	Amount	Balance
Interfund Expenses/Fire							1,367.73
Bill	08/31/2019	777...	Interf...	5365 · Fuel Exp...	Fire Dep...	143.62	1,511.35
Bill	08/31/2019	Aug...	Interf...	5335 · Water (...	Fire Dep...	48.33	1,559.68
Bill	08/31/2019	156...	Interf...	5320 · Electric (...	Fire Dep...	158.82	1,718.50
Bill	09/01/2019	Sept...	Interf...	5345 · Internet ...	Fire Dep...	138.20	1,856.70
Bill	09/05/2019	707-...	Interf...	5310 · Telephon...	Fire Dep...	259.07	2,115.77
Bill	09/07/2019	Sept...	Interf...	5075 · Chief Ex...	Fire Dep...	50.00	2,165.77
Bill	09/07/2019	Micr...	Interf...	5390 · Office Ex...	Fire Dep...	33.33	2,199.10
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Fire Dep...	127.72	2,326.82
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Fire Dep...	0.00	2,326.82
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Fire Dep...	7.92	2,334.74
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Fire Dep...	1.85	2,336.59
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Fire Dep...	0.00	2,336.59
Total Interfund Expenses/Fire						968.86	2,336.59
Interfund Expenses/Sewer							11.57
Bill	08/31/2019	000...	Interf...	5020 · Purchase...	Enterpris...	11,344.79	11,356.36
Bill	08/31/2019	127...	Interf...	5121 · Engineeri...	Enterpris...	138.75	11,495.11
Bill	08/31/2019	127...	Interf...	5121 · Engineeri...	Enterpris...	3.00	11,498.11
Bill	08/31/2019	021...	Interf...	5320 · Electric (...	Enterpris...	82.09	11,580.20
Bill	08/31/2019	091...	Interf...	5320 · Electric (...	Enterpris...	425.93	12,006.13
Bill	09/01/2019	W42...	Interf...	5310 · Telephon...	Enterpris...	14.10	12,020.23
Bill	09/05/2019	707-...	Interf...	5310 · Telephon...	Enterpris...	226.73	12,246.96
Bill	09/05/2019	707-...	Interf...	5310 · Telephon...	Enterpris...	261.86	12,508.82
Bill	09/07/2019	Micr...	Interf...	5390 · Office Ex...	Enterpris...	33.33	12,542.15
Bill	09/13/2019	Hen...	Interf...	5410 · Line Rep...	Enterpris...	11.92	12,554.07
Bill	09/17/2019	Cert...	Interf...	5390 · Office Ex...	Enterpris...	6.85	12,560.92
Paycheck	09/18/2019	5924	Interf...	6560 · Payroll E...	Enterpris...	1,034.64	13,595.56
Paycheck	09/18/2019	5924	Interf...	6560 · Payroll E...	Enterpris...	0.00	13,595.56
Paycheck	09/18/2019	5924	Interf...	6560 · Payroll E...	Enterpris...	0.00	13,595.56
Paycheck	09/18/2019	5924	Interf...	6560 · Payroll E...	Enterpris...	64.15	13,659.71
Paycheck	09/18/2019	5924	Interf...	6560 · Payroll E...	Enterpris...	15.00	13,674.71
Paycheck	09/18/2019	5924	Interf...	6560 · Payroll E...	Enterpris...	0.00	13,674.71
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	894.04	14,568.75
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	0.00	14,568.75
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	55.43	14,624.18
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	12.96	14,637.14
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	0.00	14,637.14
Paycheck	09/18/2019	5926	Interf...	6560 · Payroll E...	Enterpris...	125.20	14,762.34
Paycheck	09/18/2019	5926	Interf...	6560 · Payroll E...	Enterpris...	0.00	14,762.34
Paycheck	09/18/2019	5926	Interf...	6560 · Payroll E...	Enterpris...	0.12	14,762.46
Paycheck	09/18/2019	5926	Interf...	6560 · Payroll E...	Enterpris...	7.76	14,770.22
Paycheck	09/18/2019	5926	Interf...	6560 · Payroll E...	Enterpris...	1.82	14,772.04
Paycheck	09/18/2019	5926	Interf...	6560 · Payroll E...	Enterpris...	2.51	14,774.55
Total Interfund Expenses/Sewer						14,762.98	14,774.55
Interfund Expenses/Water							11.57
Bill	08/31/2019	127...	Interf...	5121 · Engineeri...	Enterpris...	1,342.50	1,354.07
Bill	08/31/2019	127...	Interf...	5121 · Engineeri...	Enterpris...	70.50	1,424.57
Bill	08/31/2019	Aug...	Interf...	5010 · Purchase...	Enterpris...	892.02	2,316.59
Bill	08/31/2019	Aug...	Interf...	5010 · Purchase...	Enterpris...	12,009.62	14,326.21
Bill	08/31/2019	Aug...	Interf...	5010 · Purchase...	Enterpris...	1,351.18	15,677.39
Bill	08/31/2019	Aug...	Interf...	5010 · Purchase...	Enterpris...	717.34	16,394.73
Bill	08/31/2019	Aug...	Interf...	5010 · Purchase...	Enterpris...	-296.98	16,097.75
Bill	08/31/2019	799...	Interf...	5320 · Electric (...	Enterpris...	1,266.18	17,363.93
Bill	08/31/2019	009...	Interf...	5320 · Electric (...	Enterpris...	21.87	17,385.80
Bill	08/31/2019	992...	Interf...	5320 · Electric (...	Enterpris...	56.93	17,442.73
Bill	09/01/2019	707-...	Interf...	5310 · Telephon...	Enterpris...	57.62	17,500.35
Bill	09/07/2019	234-...	Interf...	5310 · Telephon...	Enterpris...	91.82	17,592.17
Bill	09/07/2019	Sept...	Interf...	5070 · Directors'...	Enterpris...	50.00	17,642.17
Bill	09/07/2019	Sept...	Interf...	5070 · Directors'...	Enterpris...	50.00	17,692.17
Bill	09/07/2019	Sept...	Interf...	5070 · Directors'...	Enterpris...	50.00	17,742.17
Bill	09/07/2019	Sept...	Interf...	5070 · Directors'...	Enterpris...	50.00	17,792.17
Bill	09/07/2019	Sept...	Interf...	5070 · Directors'...	Enterpris...	50.00	17,842.17
Bill	09/07/2019	Micr...	Interf...	5390 · Office Ex...	Enterpris...	33.33	17,875.50
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	894.04	18,769.54
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	0.00	18,769.54

Fieldbrook Glendale Community Services District
Customer Balance Detail
As of September 24, 2019

Type	Date	Num	Name	Account	Class	Amount	Balance
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	0.00	18,769.54
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	55.43	18,824.97
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	12.97	18,837.94
Paycheck	09/18/2019	5925	Interf...	6560 · Payroll E...	Enterpris...	0.00	18,837.94
Total Interfund Expenses/Water						18,826.37	18,837.94
TOTAL						34,558.21	35,949.08

Fieldbrook Glendale Community Services District
Check Register for this Month
August 28 through September 24, 2019

Type	Date	Num	Name	Amount
1000 · Coast Central Credit Un.				
1012 · General Fund Checking (All Funds)				
1015 · Water Dept Checking (Water Dept Checking)				
Bill Pmt -Check	08/28/2019	5902	Advanced Securit...	-76.50
Bill Pmt -Check	08/28/2019	5903	Fieldbrook Volunt...	-750.00
Bill Pmt -Check	09/05/2019	E-Pay	Verizon	-38.01
Bill Pmt -Check	09/17/2019	5904	American Messag...	-14.10
Bill Pmt -Check	09/17/2019	5905	AT&T	-897.10
Bill Pmt -Check	09/17/2019	5906	City of Arcata	-11,344.79
Bill Pmt -Check	09/17/2019	5907	Fieldbrook Glend...	-48.33
Bill Pmt -Check	09/17/2019	5908	GHD, Inc	-1,554.75
Bill Pmt -Check	09/17/2019	5909	Humboldt Bay Mu...	-14,673.18
Bill Pmt -Check	09/17/2019	5910	Jack Sheppard	-50.00
Bill Pmt -Check	09/17/2019	5911	Janet Miller	-50.00
Bill Pmt -Check	09/17/2019	5912	Jason Garlick	-50.00
Bill Pmt -Check	09/17/2019	5913	PG&E	-2,011.82
Bill Pmt -Check	09/17/2019	5914	Renner Petroleum	-143.62
Bill Pmt -Check	09/17/2019	5915	Rich Grissom	-50.00
Bill Pmt -Check	09/17/2019	5916	Richard A. Hanger	-41.56
Bill Pmt -Check	09/17/2019	5917	Rodan Construction	-106.44
Bill Pmt -Check	09/17/2019	5918	Roy Sheppard	-50.00
Bill Pmt -Check	09/17/2019	5919	RWS Services	-347.20
Bill Pmt -Check	09/17/2019	5920	Starr Kilian	-50.00
Bill Pmt -Check	09/17/2019	5921	Sudden Link	-138.20
Bill Pmt -Check	09/17/2019	5922	Richard A. Hanger	-99.99
Bill Pmt -Check	09/18/2019	5923	Grant Weaver.	-11.92
Paycheck	09/18/2019	5924	Grant Weaver	-945.14
Paycheck	09/18/2019	5925	Richard A Hanger	-1,297.83
Paycheck	09/18/2019	5926	Robert S Lackey	-114.37
Total 1015 · Water Dept Checking (Water Dept Checking)				-34,954.85
Total 1012 · General Fund Checking (All Funds)				-34,954.85
Total 1000 · Coast Central Credit Un.				-34,954.85
TOTAL				-34,954.85

**Fieldbrook Glendale Community Services District
Payroll Summary**

August 28 through September 24, 2019

	Grant Weaver			Richard A Hanger			Robert S Lackey			TOTAL
	Ho...	Rate	Aug 28 - Sep 24, 19	Ho...	Rate	Aug 28 - Sep 24, 19	Ho...	Rate	Aug 28 - Sep 24, 19	
Employee Wages, Taxes and Adjustments										
Gross Pay	36	28.74	1,034.64	60	31.93	1,915.80	5	25.04	125.20	
Hourly Sick		28.74	0.00		31.93	0.00		25.04	0.00	
Total Gross Pay	36		1,034.64	60		1,915.80	5		125.20	
Adjusted Gross Pay	36		1,034.64	60		1,915.80	5		125.20	
Taxes Withheld										
Federal Withholding			0.00			-301.00			0.00	
Medicare Employee			-15.00			-27.78			-1.82	
Social Security Employee			-64.15			-118.78			-7.76	
CA - Withholding			0.00			-151.25			0.00	
CA - Disability Employee			-10.35			-19.16			-1.25	
Medicare Employee Addl Tax			0.00			0.00			0.00	
Total Taxes Withheld			-89.50			-617.97			-10.83	
Net Pay	36		945.14	60		1,297.83	5		114.37	
Employer Taxes and Contributions										
Medicare Company			15.00			27.78			1.82	
Social Security Company			64.15			118.78			7.76	
CA - Unemployment Company			0.00			0.00			2.51	
CA - Employment Training Tax			0.00			0.00			0.12	
Total Employer Taxes and Contributions			79.15			146.56			12.21	
TOTAL										
			1,025.69			1,680.86			137.58	
			-89.50			-617.97			-10.83	
			945.14			1,297.83			114.37	
			79.15			146.56			12.21	
			2,357.34			2,357.34			2,357.34	

7:50 PM
09/17/19
Accrual Basis

**Fieldbrook Glendale Community Services District
General Journal Transaction
July 31, 2019**

Num	Name	Memo	Account	Class	Debit	Credit
428		Royal Gold P...	4220 · Commercial ...	Enterpris...	2,943.47	
		Royal Gold P...	4245.02 · Sewer Co...	Enterpris...		2,943.47
					2,943.47	2,943.47
TOTAL					2,943.47	2,943.47

7:51 PM
09/17/19
Accrual Basis

**Fieldbrook Glendale Community Services District
General Journal Transaction
August 31, 2019**

Num	Name	Memo	Account	Class	Debit	Credit
429		Royal Gold P...	4220 · Commercial ...	Enterpris...	2,161.75	
		Royal Gold P...	4245.02 · Sewer Co...	Enterpris...		2,161.75
					2,161.75	2,161.75
TOTAL					2,161.75	2,161.75

7:51 PM
09/17/19
Accrual Basis

**Fieldbrook Glendale Community Services District
General Journal Transaction
August 31, 2019**

Num	Name	Memo	Account	Class	Debit	Credit
431		Transfer UF t...	1025.01 · Undeposit...	Enterpris...	2,002.66	
		Transfer UF t...	2315 · Deferred Rev...	Enterpris...		2,002.66
					2,002.66	2,002.66
TOTAL					2,002.66	2,002.66

7:51 PM
09/17/19
Accrual Basis

**Fieldbrook Glendale Community Services District
General Journal Transaction
August 31, 2019**

Num	Name	Memo	Account	Class	Debit	Credit
432		\$...	5595 · Returned Ch...	Enterpris...	607.99	
		\$...	1027 · Water Assets...	Enterpris...		607.99
					607.99	607.99
TOTAL					607.99	607.99

7:49 PM
09/17/19
Accrual Basis

**Fieldbrook Glendale Community Services District
General Journal Transaction
August 9, 2019**

Num	Name	Memo	Account	Class	Debit	Credit
424	Interfund Expenses/...		5600 · Returned Ite...	Enterpris...	10.00	
	Interfund Expenses/...		1027 · Water Assets...	Enterpris...		10.00
					10.00	10.00
TOTAL					10.00	10.00

7:50 PM
09/17/19
Accrual Basis

**Fieldbrook Glendale Community Services District
General Journal Transaction
August 31, 2019**

Num	Name	Memo	Account	Class	Debit	Credit
425		Aug. Merchan...	5625.02 · Merchant ...	Enterpris...	16.50	
		Aug. Merchan...	5625.02 · Merchant ...	Enterpris...	13.50	
		Aug. Merchan...	1027 · Water Assets...	Enterpris...		15.00
		Aug Merchant...	1028 · Sewer Asset ...	Enterpris...		15.00
		Returned Ite...	5600 · Returned Ite...	Enterpris...	10.00	
		Returned Ite...	1027 · Water Assets...	Enterpris...		10.00
					40.00	40.00
TOTAL					40.00	40.00

7:49 PM
09/17/19
Accrual Basis

**Fieldbrook Glendale Community Services District
General Journal Transaction
August 31, 2019**

Num	Name	Memo	Account	Class	Debit	Credit
426	Fieldbrook Custome...		1210 · A/R Water (A...	Enterpris...	0.00	
	Fieldbrook Custome...		1027 · Water Assets...	Enterpris...	0.00	
					0.00	0.00
TOTAL					0.00	0.00

7:50 PM
09/17/19
Accrual Basis

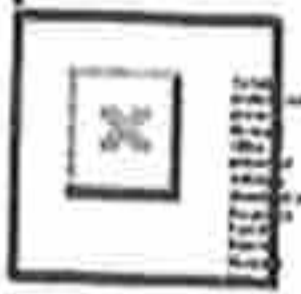
**Fieldbrook Glendale Community Services District
General Journal Transaction
August 31, 2019**

Num	Name	Memo	Account	Class	Debit	Credit
427		August Deferr...	2315 · Deferred Rev...	Enterpris...	1,976.23	
		August Deferr...	1027 · Water Assets...	Enterpris...		1,976.23
					1,976.23	1,976.23
TOTAL					1,976.23	1,976.23

rhanger50@outlook.com

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To: rhanger50@outlook.com
Subject: Office 365 Home charged successfully

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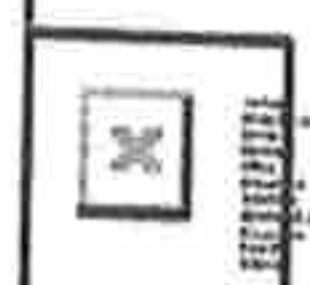
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 09/17/2019 01:12 PM

Product	Qty	Unit Price	Price
First-Class Mail® Letter (Domestic) (ARCATA, CA 95521) (Weight: 0 Lb 0.60 Oz) (Estimated Delivery Date) (Thursday 09/19/2019)	1	\$0.55	\$0.55
Certified (USPS Certified Mail #) (7018229000161256554)			\$3.50
Return Receipt (USPS Return Receipt #) (9590940233977227523987)			\$2.80
Total:			\$6.85

Cash \$7.00
 Change (\$0.15)

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 1321455 CC MEMBER 31.99 A
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 TAX 2.72
 **** TOTAL 34.71

XXXX 5605 h
 AID: 0000031010
 Seq# 7125 584120
 Cost Visa Pass: APPROVED
 Tra 92370 17125 ...
 Merc

APPL nase
 AMOUNT \$34
 08/25/2019 12:57 125 7 150 90

Costo Visa 34.71
 CHANGE 0.00

A 2.72
 TOTAL 2.72

TOTAL NUMBER OF ITEMS SOLD = 1

08/25/2019 13:51 125 7 150 90

OP#: 90 Name: MIKE W

Thank You!

Please Come Again
 Whse:125 Trm:7 Trn: OP:90

Account Number	Customer Name	Customer Address	Account Balance	Notes
1310.02			\$ 835.30	
Detail				
Water Billing	\$	254.98		Customer requested water/sewer be discontinued on June 23rd. Customer had house for sale and made payment arrangements to pay \$100 per month until house sold and then pay balance. He failed to make his payment arrangement and the house has sold.
Sewer Billing	\$	568.66		
Shut off Charge	\$	-		
Late Charges	\$	11.66		
Total	\$	835.30		

Approval to write off as a bad debt:

By:

R. H. [Signature]

Date:

9.6.2019


Please sign the above and return to us. Once approved, we will submit the above to the collection agency.

Account Number 1170.02 **Customer Name** [REDACTED] **Customer Address** 2299 Glendale Drive **Account Balance** \$ 158.34 **Notes**

Detail		
Water Billing	\$	48.33
Sewer Billing	\$	110.01
Shut off Charge	\$	-
Late Charges	\$	-
Total	\$	158.34

Customer requested account be closed on 5/31/2019 and final bill be emailed as he did not have his new address in Colorado. His final demand letter was emailed to him as well as being mailed to his former address on 7/30/2019. We have not heard from him.

Approval to write off as a bad debt:

By: 
Date: 8.7.19

Please sign the above and return to us. Once approved, we will submit the above to the collection agency.

Fieldbrook Glendale
Community Services District
Agenda Background

Agenda Item: 6.1

Agenda Title: Fire Department – Purchase of additional Ipad

Meeting Date: 09/24/2019

Presented by: Richard Hanger

Type of Item: Action Discussion Information

**Type of Action
Required:** No Action Voice Vote Roll Call Vote

Background:

The Fire Department is requesting authorization to purchase an additional Ipad for truck 8717. The cost of the unit is \$830. The cost to add the unit to our monthly service plan is approximately \$10 per month, for an annual cost of \$120.

The department budget has posted additional revenue from Cal-Fire for mutual aid assistance. The additional revenue is sufficient to cover the cost of the unit. The monthly/annual fees will increase the department budget for phone expenses.

Recommendation:

Staff recommends board approval.

Management's Discussion and Analysis For Fiscal Year Ending June 30, 2019

This section presents management's analysis of the Fieldbrook Glendale Community Services District's (the District) financial condition and activities as of and for the year ended June 30, 2018. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to the District's basic financial statements. This information should be read in conjunction with the audited financial statements that follow this section.

The information in this MDA is presented under the following headings:

- Organization and Business
- Overview of the Financial Statements
- Financial Summary
- Results of Operations
- Capital Assets
- Long-Term Debt and Interfund Loans
- Description of Currently Known Facts or Conditions that may have a Significant Effect on the Financial Position or Results of Operations
- Requests for Additional Information

Organization and Business

The District provides water, sewage collection, and fire protection services. The District contracts with Humboldt Bay Municipal Water District (HBMWD) for the purchase of water for resale, meter reading, general maintenance, regular inspection, billing and collection of funds for the Water and Wastewater Systems. Sewage is collected by the District in the Glendale area and pumped to the City of Arcata for treatment and discharge. The County of Humboldt collects tax revenue for the Fire Department fund.

Overview of the Financial Statements

The District's basic financial statements are comprised of four components: 1) Government-wide financial statements, 2) Governmental fund statements, 3) Proprietary fund financial statements, and 4) Notes to financial statements.

- Government-wide financial statements – provide both long-term and short-term information about the District's overall financial position in a manner similar to a private sector business. The District's government-wide financial statements consist of a *Statement of Net Position and a Statement of Activities and Changes in Net Position*.
- Governmental fund types – The District's governmental fund consists of one general fund which reports revenues, expenditures, assets and liabilities of the Fire Department. The Fire Department is principally supported by tax revenues. The fund is reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed *short-term* view of the District's operations and services it provides. The District's financial statements contain a *Balance Sheet, Statement of Revenues, Expenditures and changes in Fund Balance and a Budgetary Comparison Schedule*, (see *table of contents*).

- Proprietary Fund types – The District’s proprietary fund consists of two enterprise funds, the Water System and the Wastewater System. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is the costs (including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges. The District’s financial reports contain a *Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.*
- Notes to financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Summary

There may be minor rounding differences between the following tables and the financial statements.

**TABLE 1
CONDENSED STATEMENT OF NET POSITION
YEAR OVER YEAR**

	FY 2018-19			FY 2017-18			Change	
	Governmental	Business Type		Governmental	Business Type			
	(Fire)	(Water/Sewer)	Total	(Fire)	(Water/Sewer)	Total	\$	%
Current and other assets	\$ 158,220	\$ 342,642	\$ 500,862	\$ 134,297	\$ 380,745	\$ 515,042	\$ (14,180)	-2.75%
Board designated assets	\$ 61,389	\$ 50,000	\$ 111,389	\$ 46,042	\$ 50,000	\$ 96,042	\$ 15,347	15.98%
Notes Receivable/Payable	\$ (215,389)	\$ 215,389	\$ -	\$ (231,255)	\$ 231,255	\$ -	\$ -	0.00%
Capital/Fixed assets	\$ 466,076	\$ 2,341,360	\$ 2,807,436	\$ 486,194	\$ 2,406,978	\$ 2,893,172	\$ (85,736)	-2.96%
Total Assets	\$ 470,296	\$ 2,949,391	\$ 3,419,687	\$ 435,278	\$ 3,068,978	\$ 3,504,256	\$ (84,569)	-2.41%
Current and other liabilities	\$ 22,926	\$ 141,456	\$ 164,382	\$ 298	\$ 147,755	\$ 148,053	\$ 16,329	11.03%
Long term liabilities	\$ -	\$ 489,851	\$ 489,851	\$ -	\$ 519,000	\$ 519,000	\$ (29,149)	-5.62%
Total Liabilities	\$ 22,926	\$ 631,307	\$ 654,233	\$ 298	\$ 666,755	\$ 667,053	\$ (12,820)	-1.92%
Investment in capital assets (net of related debt)	\$ 466,076	\$ 1,851,509	\$ 2,317,585	\$ 486,194	\$ 1,859,597	\$ 2,345,791	\$ (28,206)	-1.20%
Unrestricted	\$ (80,095)	\$ 416,575	\$ 336,480	\$ (97,256)	\$ 492,626	\$ 395,370	\$ (58,890)	-14.89%
Board Assigned	\$ 61,389	\$ 50,000	\$ 111,389	\$ 46,042	\$ 50,000	\$ 96,042	\$ 15,347	15.98%
Net Position	\$ 447,370	\$ 2,318,084	\$ 2,765,454	\$ 434,980	\$ 2,402,223	\$ 2,837,203	\$ (71,749)	-2.53%

The district’s net position for all funds as of June 30, 2019, was \$2,765,454 a decrease of \$71,749 (2.53%) as compared to June 30, 2018. Current and other assets include cash in banks, accounts receivable, grants, other receivables and pre-paid expenses. Current and other assets decreased \$14,180 (2.75%) as compared to June 30, 2018.

Capital and fixed assets represent the largest portion of the district’s assets. These assets include the infrastructure required to provide water, sewer and public safety services. The investments in capital assets include land, buildings, equipment, the sewage collection system and the water distribution system. The value of these investments, except for land, depreciate on a fixed schedule each year, based on what is determined to be their “useful” life at the time of purchase. The district has a total of \$2,807,436 invested in capital assets, net of depreciation.

Current liabilities include accounts payable, customer deposits, interest payable, and the current portion of long-term notes payable. Long-term notes payable is comprised of debt due after one year. The net investment in capital assets is the net of capital assets less the related debt. The board has established a water rate stabilization reserve of \$50,000 to remain compliant with the terms of the installment loan from the California Infrastructure and Economic Development Bank. Also, the board has designated a fire fund reserve of \$61,389 for future debt payments.

TABLE 2
CONDENSED STATEMENTS OF NET POSITION BY FUND
JUNE 30, 2019

	Water	Sewer	Fire	Total
Current and other assets	\$ 289,018	\$ 53,624	\$ 158,220	\$ 500,862
Capital/Fixed assets	\$ 551,509	\$ 1,789,851	\$ 466,076	\$ 2,807,436
Notes Receivable/Payable	\$ 280,389	\$ (65,000)	\$ (215,389)	\$ -
Board Assigned	\$ 50,000		\$ 61,389	\$ 111,389
Total Assets	\$ 1,170,917	\$ 1,778,475	\$ 470,296	\$ 3,419,687
Current and other liabilities	\$ 117,622	\$ 23,834	\$ 22,926	\$ 164,382
Long Term Liabilities	\$ 489,851	\$ -	\$ -	\$ 489,851
Total Liabilities	\$ 607,473	\$ 23,834	\$ 22,926	\$ 654,233
Investment in capital assets net of related debt	\$ 61,658	\$ 1,789,851	\$ 466,076	\$ 2,317,585
Unrestricted	\$ 451,786	\$ (35,211)	\$ (80,095)	\$ 336,480
Board Assigned	\$ 50,000		\$ 61,389	\$ 111,389
Total Net Assets	\$ 563,444	\$ 1,754,640	\$ 447,370	\$ 2,765,454

The table above provides a condensed statement of the district's net position by fund. The district has three reporting funds or entities. Revenues, expenses, assets, liabilities, and fund equity are accounted for separately.

Current assets, current liabilities, and long-term liabilities for the water and sewer funds are presented differently from the Statement of Net Position – Proprietary Funds. The water fund is presented without the \$8,093 current portion of the \$65,000 inter-fund advance (see Note 6) in current assets. The related current and long-term liability for the sewer fund is netted against assets.

Results of Operations

TABLE 3
CONDENSED STATEMENT RESULTS OF OPERATIONS
JUNE 30, 2019

	Water	Sewer	Fire	Total
Revenues:				
Charges for services	\$ 474,034	\$ 319,392		\$ 793,425
Taxes and assessments			\$ 103,478	\$ 103,478
Unrestricted investment earnings	\$ 13,428	\$ 39	\$ 2,947	\$ 16,413
In Kind/Grant Revenue			\$ 9,338	\$ 9,338
Other Income			\$ 7,794	\$ 7,794
Total Revenues	\$ 487,461	\$ 319,430	\$ 123,556	\$ 930,448
Expenses:				
Water/Sewer services	\$ 455,555	\$ 314,474		\$ 770,029
Public Safety			\$ 63,417	\$ 63,417
Depreciation expenses	\$ 26,639	\$ 94,362	\$ 47,750	\$ 168,751
Total Expenses	\$ 482,194	\$ 408,836	\$ 111,167	\$ 1,002,198
Result of operations	\$ 5,267	\$ (89,406)	\$ 12,389	\$ (71,750)
Total net assets - beginning	\$ 558,177	\$ 1,844,046	\$ 434,981	\$ 2,837,204
Total net assets - ending	\$ 563,444	\$ 1,754,640	\$ 447,370	\$ 2,765,454

Operating revenues for the district include water and sewer charges, late payment fees, installation and connection fees, taxes, assessments and investment earnings. Total revenues from

these activities was \$930,448. In-Kind/Grant Revenue was \$9,338, \$7,000 was received from donations to offset expenses for the purchase and placement of a repeater antennae for fire dispatch and \$2,338 was received from a CalFire grant to purchase wildland fire gear and helmets. Operating expenses for water and sewer services was \$770,029. Public safety expenses for the fire department totaled \$63,417. The District had depreciation expenses of \$168,751. The District's total net position decreased \$71,750 as a result of operations and depreciation.

**TABLE 4
RESULTS OF WATER OPERATIONS
YEAR OVER YEAR – 2020 ADOPTED BUDGET**

<u>Water</u>	Column One - Year over Year				Column Two - 2020 Budget compared to 2019 Actuals			
	Actuals 2018-2019	Actuals 2017-2018	\$\$ Change	% Change	Budget 2019-20	Actuals 2018-2019	\$\$ Change	% Change
Revenues								
Water Sales	\$ 443,735	\$ 417,709	\$ 26,026	6.2%	\$ 440,674	\$ 443,735	\$ (3,061)	-0.7%
Special benefit zone	\$ 16,944	\$ 12,459	\$ 4,485	36.0%	\$ 21,750	\$ 16,944	\$ 4,806	28.4%
Fee for service	\$ 8,319	\$ 8,293	\$ 27	0.3%	\$ 6,907	\$ 8,319	\$ (1,412)	-17.0%
Installation/Meter Charge	\$ 1,096	\$ 3,057	\$ (1,961)	-64.2%	\$ -	\$ 1,096	\$ (1,096)	-100.0%
Other revenue	\$ 1,839	\$ 297	\$ 1,542	518.4%	\$ -	\$ 1,839	\$ (1,839)	-100.0%
Total Revenue	\$ 471,933	\$ 441,815	\$ 30,119	6.8%	\$ 469,331	\$ 471,933	\$ (2,602)	-0.6%
Expenses								
Purchased water	\$ 172,055	\$ 141,929	\$ 30,126	21.2%	\$ 172,519	\$ 172,055	\$ 464	0.3%
Director Fees	\$ 2,995	\$ 2,995	\$ -	0.0%	\$ 2,995	\$ 2,995	\$ -	0.0%
Contract Labor	\$ 224,396	\$ 187,480	\$ 36,916	19.7%	\$ 211,524	\$ 224,396	\$ (12,872)	-5.7%
Insurance	\$ 2,854	\$ 2,686	\$ 168	6.2%	\$ 3,245	\$ 2,854	\$ 391	13.7%
Professional services	\$ 4,558	\$ 4,879	\$ (321)	-6.6%	\$ 4,570	\$ 4,558	\$ 12	0.3%
Dues & Memberships	\$ 605	\$ 571	\$ 34	5.9%	\$ 650	\$ 605	\$ 45	7.5%
Utilities	\$ 11,722	\$ 12,953	\$ (1,231)	-9.5%	\$ 11,908	\$ 11,722	\$ 186	1.6%
Property Taxes	\$ 225	\$ 225	\$ -	0.0%	\$ 225	\$ 225	\$ -	0.0%
Supplies	\$ 741	\$ 1,468	\$ (727)	-49.5%	\$ 755	\$ 741	\$ 14	1.8%
Maintenance/Line Repairs	\$ 2,000	\$ 6,154	\$ (4,154)	-67.5%	\$ 10,000	\$ 2,000	\$ 8,000	400.0%
Bad Debt/Bank fees	\$ 3,385	\$ 949	\$ 2,436	256.6%	\$ 2,787	\$ 3,385	\$ (598)	-17.7%
Interest Expense	\$ 15,043	\$ 15,808	\$ (766)	-4.8%	\$ 13,723	\$ 15,043	\$ (1,320)	-8.8%
Licenses & Fees	\$ 3,360	\$ 8,504	\$ (5,144)	-60.5%	\$ 3,360	\$ 3,360	\$ -	0.0%
Payroll expense	\$ 11,618	\$ 11,608	\$ 10	0.1%	\$ 11,804	\$ 11,618	\$ 186	1.6%
Total expense	\$ 455,555	\$ 398,209	\$ 57,347	14.4%	\$ 450,065	\$ 455,555	\$ (5,490)	-1.2%
Results of operations	\$ 16,378	\$ 43,606	\$ (27,228)	-62.4%	\$ 19,266	\$ 16,378	\$ 2,888	17.6%
Other Income								
Interest Earnings	\$ 13,428	\$ 13,841	\$ (413)	-3.0%	\$ 15,454	\$ 13,428	\$ 2,026	15.1%
Connection Fees	\$ 2,100	\$ 10,123	\$ (8,023)	0.0%	\$ -	\$ 2,100	\$ (2,100)	0.0%
Total Other Income	\$ 15,528	\$ 23,964	\$ (8,436)	-35.2%	\$ 15,454	\$ 15,528	\$ (74)	-0.5%
Other Expense								
Depreciation	\$ 26,639	\$ 24,979	\$ 1,660	6.6%	\$ 26,639	\$ 26,639	\$ -	0.0%
Total Other Expense	\$ 26,639	\$ 24,979	\$ 1,660	6.6%	\$ 26,639	\$ 26,639	\$ -	0.0%
Net Other Income/Expense	\$ (11,111)	\$ (1,015)	\$ (10,096)	994.7%	\$ (11,185)	\$ (11,111)	\$ (74)	0.7%
Net Income	\$ 5,267	\$ 42,591	\$ (37,324)	87.6%	\$ 8,081	\$ 5,267	\$ 2,814	53.4%

Table 4 demonstrates the change in year to year operations in column one. Column two is a comparative between the district's adopted budget for the next fiscal year and the audited year actuals.

Water Revenues

In column one, year over year revenues increased \$30,119 (6.8%). The district adopted a rate increase in July 2018 of 5.28% to pass through the wholesale cost increase of purchased water. An additional rate increase of 2.44% was adopted in January 2019 based on the fluctuation in the Consumer Price Index. Special benefit zone revenues increased 36% based on an accounting change. In past years a portion of these revenues were reported in water sales, new billing software purchased in January 2019 allows these revenues to be captured within the special benefit zone.

Water Expenses

Total Expenses increased \$57,347 (14.4%). The cost of purchased water increased \$30,126 (21.2%). Contract labor increased \$36,916 (19.7%) Contract labor includes engineering services, special studies, and maintenance and operation services provided by the Humboldt Bay Municipal Water District (HBMWD). There was an increase of \$27,575 in engineering expenses related to the preparation and submittal of a Hazard Mitigation grant for the upgrade/replacement of the Anker Lane water tank. Also, the District Engineer updated a hydrology study pending requests for additional water services in the Glendale area. HBMWD provides for the day-to-day operations of the water district. These contracted services include customer billing, customer inquiry, meter reading, lab tests, maintenance, equipment, office space and administrative oversight. These costs increased \$9,341. The cost of maintenance and operations is anticipated to increase with inflation. There were minor decreases in utility costs, line maintenance and fees for annexation in 2018.

**TABLE 5
RESULTS OF SEWER OPERATIONS
YEAR OVER YEAR – 2020 ADOPTED BUDGET**

<u>Sewer</u>	Column One - Year over Year				Column Two - 2020 Budget compared to 2019 Actuals			
	Actuals 2018-19	Actuals 2017-2018	\$\$ Change	% Change	Budget 2019-2020	Actuals 2018-19	\$\$ Change	% Change
Revenues								
Sewer Sales	\$ 257,388	\$ 185,852	\$ 71,537	38.5%	\$ 364,243	\$ 257,388	\$ 106,855	41.5%
Fee for service	\$ 4,867	\$ 5,272	\$ (405)	-7.7%	\$ 5,470	\$ 4,867	\$ 603	12.4%
Other revenue	\$ 41,491	\$ 48,931	\$ (7,440)	100.0%	\$ -	\$ 41,491	\$ (41,491)	-100.0%
Total Revenue	\$ 303,746	\$ 240,054	\$ 63,692	26.5%	\$ 369,713	\$ 303,746	\$ 65,967	21.7%
Expenses								
Sewer Treatment	\$ 205,717	\$ 198,239	\$ 7,478	3.8%	\$ 209,750	\$ 205,717	\$ 4,033	2.0%
Contract Labor	\$ 45,712	\$ 33,670	\$ 12,042	35.8%	\$ 35,300	\$ 45,712	\$ (10,412)	-22.8%
Insurance	\$ 2,377	\$ 2,402	\$ (25)	-1.0%	\$ 2,641	\$ 2,377	\$ 264	11.1%
Professional services	\$ 4,558	\$ 4,879	\$ (321)	-6.6%	\$ 4,575	\$ 4,558	\$ 17	0.4%
Dues & Memberships	\$ 605	\$ 571	\$ 34	5.9%	\$ 605	\$ 605	\$ 0	0.1%
Utilities	\$ 12,141	\$ 10,973	\$ 1,168	10.6%	\$ 12,724	\$ 12,141	\$ 583	4.8%
Fuel	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%
Property Taxes	\$ 324	\$ 324	\$ -	0.0%	\$ 324	\$ 324	\$ -	0.0%
Supplies	\$ 1,015	\$ 934	\$ 81	8.7%	\$ 650	\$ 1,015	\$ (365)	-35.9%
Maintenance/Line Repairs	\$ 8,688	\$ 10,824	\$ (2,136)	-19.7%	\$ 33,200	\$ 8,688	\$ 24,512	282.1%
Bad Debt/Bank fees	\$ 5,282	\$ 192	\$ 5,091	2657.5%	\$ 2,084	\$ 5,282	\$ (3,198)	-60.5%
Interest Expense	\$ -	\$ -	\$ -	0.0%	\$ 3,925	\$ -	\$ 3,925	0.0%
Licenses & Fees	\$ 3,163	\$ 3,067	\$ 96	3.1%	\$ 3,171	\$ 3,163	\$ 8	0.3%
Payroll expense	\$ 24,892	\$ 23,590	\$ 1,302	5.5%	\$ 25,200	\$ 24,892	\$ 308	1.2%
Total expense	\$ 314,474	\$ 289,664	\$ 24,810	8.6%	\$ 334,149	\$ 314,474	\$ 19,675	6.3%
Results of operations	\$ (10,728)	\$ (49,610)	\$ 38,882	-78.4%	\$ 35,564	\$ (10,728)	\$ 46,292	-431.5%
Other Income								
Interest Earnings	\$ 39	\$ 43	\$ (4)	-10.3%	\$ 36	\$ 39	\$ (3)	-6.7%
Connection Fees	\$ 15,646	\$ -	\$ 15,646	0.0%	\$ -	\$ 15,646	\$ (15,646)	0.0%
Total Other Income	\$ 15,684	\$ 43	\$ 15,641	36374.9%	\$ 36	\$ 15,684	\$ (15,648)	-99.8%
Other Expense								
Depreciation	\$ 94,362	\$ 93,819	\$ 543	0.6%	\$ 94,362	\$ 94,362	\$ -	0.0%
Total Other Expense	\$ 94,362	\$ 93,819	\$ 543	0.6%	\$ 94,362	\$ 94,362	\$ -	0.0%
Net Other Income/Expense	\$ (78,678)	\$ (93,776)	\$ 15,098	-16.1%	\$ (94,326)	\$ (78,678)	\$ (15,648)	19.9%
Net Income	\$ (89,406)	\$ (143,386)	\$ 53,980	-37.6%	\$ (58,762)	\$ (89,406)	\$ 30,644	-34.3%

Restatement for 2018

In March of 2019 the District discovered that a commercial account had been discharging effluent into the collection system. Fortunately, the effluent was metered, and the District was able to invoice the customer \$48,931 for services received in 2018. Revenues, accounts receivable, and equity accounts were adjusted.

Revenues

Sewer revenues experienced an increase of \$63,692 (26.5%). The District adopted a new rate structure in December 2018. The new rate structure has a base fee and a consumption fee based

on water use for both domestic and commercial rate payers. Revenue from rate payers increased \$71,537 (38.5%). Other revenue of \$41,491 was received in 2019. This revenue is from the commercial account that required the restatement of revenues in 2018.

Expenses

Sewer expenses increased \$24,810 (8.6%) from the prior year. Effluent treatment costs increased \$7,478 (3.8%) from the prior year. In 2016 the district conducted an Inflow and Infiltration study. The study identified five areas where storm water was flowing into the collection system. The district authorized a capital expenditure to externally seal these areas. Effluent sent to the City of Arcata decreased 2.0 million gallons in 2018 and an additional 1.3 million gallons in 2019. Despite the decrease in flows the annual cost of treatment increased due to changes in the City of Arcata’s rate structure. Contract labor increased \$12,042 (35.8%). This increase was due to the cost of a rate study. Utility, payroll and other supply expenses remained within an acceptable variance from the prior year. Bad debt increased \$5,091 from the prior year.

**TABLE 6
RESULTS OF FIRE OPERATIONS YEAR OVER YEAR – 2020 ADOPTED BUDGET**

Fire	Column One - Year over Year				Column Two - 2020 Budget compared to 2019 Actuals			
	Actuals 2018-2019	Actuals 2017-2018	\$\$ Change	% Change	Budget 2019-2020	Actuals 2018-2019	\$\$ Change	% Change
Revenues								
Property Taxes	\$ 62,903	\$ 60,644	\$ 2,259	3.7%	\$ 62,902	\$ 62,903	\$ -	0.0%
Special Benefit Assessment	\$ 40,575	\$ 41,813	\$ (1,238)	-3.0%	\$ 40,575	\$ 40,575	\$ -	0.0%
Other Income	\$ 7,794	\$ 3,372	\$ 4,422	131.1%	\$ 100	\$ 7,794	\$ (7,694)	-98.7%
Total Revenue	\$ 111,272	\$ 105,828	\$ 5,444	5.1%	\$ 103,577	\$ 111,272	\$ -	0.0%
Expenses								
Director Fees	\$ 599	\$ 599	\$ -	0.0%	\$ 599	\$ 599	\$ -	0.0%
Benefit Assessment Fee	\$ 110	\$ 113	\$ (3)	-3.0%	\$ 113	\$ 110	\$ 3	3.1%
Insurance	\$ 17,084	\$ 17,014	\$ 69	0.4%	\$ 18,862	\$ 17,084	\$ 1,778	10.4%
Professional services	\$ 4,558	\$ 4,542	\$ 17	0.4%	\$ 4,558	\$ 4,558	\$ (0)	0.0%
Dues & Memberships	\$ 2,673	\$ 3,025	\$ (352)	-11.6%	\$ 2,673	\$ 2,673	\$ 0	0.0%
Utilities	\$ 7,731	\$ 7,476	\$ 255	3.4%	\$ 7,900	\$ 7,731	\$ 169	2.2%
Transportation/travel	\$ 1,344	\$ 1,021	\$ 323	31.6%	\$ 1,360	\$ 1,344	\$ 16	1.2%
Supplies	\$ 3,280	\$ 2,713	\$ 567	20.9%	\$ 2,985	\$ 3,280	\$ (295)	-9.0%
Maintenance expenses	\$ 2,947	\$ 9,744	\$ (6,797)	-69.8%	\$ 6,900	\$ 2,947	\$ 3,953	134.1%
Equipment	\$ 2,739	\$ 3,630	\$ (891)	-24.5%	\$ 2,050	\$ 2,739	\$ (689)	-25.2%
Interest Expense	\$ 10,230	\$ 10,921	\$ (691)	-6.3%	\$ 9,508	\$ 10,230	\$ (722)	-7.1%
Licenses & Fees	\$ 1,000	\$ -	\$ 1,000	0.0%	\$ -	\$ 1,000	\$ (1,000)	0.0%
Chief's incentive program	\$ 2,000	\$ 1,912	\$ 88	4.6%	\$ 2,000	\$ 2,000	\$ -	0.0%
Fire Grant Expenses	\$ 4,676	\$ 1,705	\$ 2,971	0.0%	\$ -	\$ 4,676	\$ (4,676)	0.0%
Payroll Expenses	\$ 2,448	\$ 1,638	\$ 810	49.4%	\$ 1,686	\$ 2,448	\$ (762)	-31.1%
Total expense	\$ 63,417	\$ 66,052	\$ (2,634)	-4.0%	\$ 61,194	\$ 63,417	\$ (2,223)	-3.5%
Results of operations	\$ 47,854	\$ 39,777	\$ 8,078	20.3%	\$ 42,383	\$ 47,854	\$ (5,471)	-11.4%
Other Income								
Interest Earnings	\$ 2,947	\$ 2,382	\$ 564	23.7%	\$ 2,900	\$ 2,947	\$ (47)	-1.6%
Grant/Donation Revenues	\$ 9,338	\$ 6,353	\$ 2,985	32.0%	\$ -	\$ 9,338	\$ (9,338)	-100.0%
Total Other Income	\$ 12,284	\$ 8,735	\$ 3,550	40.6%	\$ 2,900	\$ 12,284	\$ (9,384)	-76.4%
Other Expense								
Depreciation	\$ 47,750	\$ 45,594	\$ 2,156	4.7%	\$ 47,750	\$ 47,750	\$ -	0.0%
Total Other Expense	\$ 47,750	\$ 45,594	\$ 2,156	4.7%	\$ 47,750	\$ 47,750	\$ -	0.0%
Net Other Income/Expense	\$ (35,466)	\$ (36,859)	\$ 1,394	-3.8%	\$ (44,850)	\$ (35,466)	\$ (9,384)	26.5%
Net Income	\$ 12,389	\$ 2,917	\$ 9,472	324.7%	\$ (2,467)	\$ 12,389	\$ (14,856)	-119.9%

Revenues

Revenues for the department increased \$5,444 (5.1%). There was an increase in secured property taxes which was offset by reductions of other taxes including the special benefit assessment. Other income increased \$4,422, primarily revenues from Cal-Fire mutual aid responses.

Expenses

Expenses for the department decreased \$2,634 (4.0%). Major variances include increased utilities, transportation, supplies, licenses and fire grant expenses. These were offset by decreased expenses for truck maintenance, small equipment purchases and interest expenses.

Other Income

There was an improvement in interest earnings and the District received \$12,284 in grants and donations.

Additional Budgetary Information

Additional budgetary information for the fire department can be found on page 34 of the Required Supplementary Information section in the audited financial statements. An analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the governmental fund (fire) is required, including reasons for those variations that are expected to have a significant effect on future services or liquidity.

The General Manager submits a proposed operating budget for the governmental fund (fire) for the fiscal year commencing on July 1 to the District’s Board of Directors. Public hearings are conducted to obtain taxpayer and ratepayer comments. A preliminary budget is legally adopted in June and a final budget is legally adopted in August, following the closing of the prior period.

The budget is prepared on a detailed line item basis. Management does not budget for capital purchases but considers and approves capital purchases separately from the budget process. Revenues are budgeted by source per the California Government Code Section 61110, as amended by Senate Bill 135. The budget is reviewed and updated on a quarterly basis by the Board of Directors.

Grant expenses were not known at the time of budget development. The District develops an annual expenditure plan for capital purchases or improvements that are valued above \$5,000 and have a life expectancy of five-years or more. These expenditures are added to assets and expensed as depreciation over the anticipated life of the asset.

Changes in Net Position as a result of operations year over year

The purpose of tables seven, eight and nine is to provide the change in net position from the prior year as a result of operations. The table also includes information for the 2016-2017 year. This information can help identify trends of assets and liabilities over a three-year period.

**TABLE 7
CHANGES IN NET POSITION AS A RESULT OF WATER OPERATIONS
YEAR OVER YEAR**

Water Fund	2016-2017	2017-2018	2018-2019	Increase/Decrease from prior year
Current and Other Assets	\$ 617,930	\$ 657,441	\$ 619,407	\$ (38,034)
Capital and Fixed Assets	\$ 541,641	\$ 541,013	\$ 551,509	\$ 10,497
Current and other Liabilities	\$ 96,604	\$ 121,277	\$ 117,622	\$ (3,655)
Long Term Liabilities	\$ 547,381	\$ 519,000	\$ 489,851	\$ (29,149)
Total Net Assets	\$ 515,586	\$ 558,177	\$ 563,444	\$ 5,267
Net Assets - Beginning	\$ 493,034	\$ 515,585	\$ 558,175	\$ 42,590
Operating Revenues	\$ 466,918	\$ 465,779	\$ 487,461	\$ 21,682
Operating Expenses	\$ 421,281	\$ 398,210	\$ 455,555	\$ 57,346
Net Operating Income	\$ 45,637	\$ 67,570	\$ 31,906	\$ (35,663)
Depreciation Expenses	\$ 23,085	\$ 24,979	\$ 26,639	\$ 1,660
Change in Net Assets	\$ 22,552	\$ 42,591	\$ 5,267	\$ (37,323)
Net Assets - Ending	\$ 515,585	\$ 558,175	\$ 563,441	\$ 5,266

The water fund's net assets increased \$5,267 from the prior year. The reduction of long-term debt and an investment in capital projects account for a significant portion of this change. Operating revenues increased from the prior year due to increased rates. Operating expenses increased due to the increased cost of wholesale water and the funding of one-time engineering costs for special studies and a grant project.

**TABLE 8
CHANGES IN NET POSITION AS A RESULT OF SEWER OPERATIONS
YEAR OVER YEAR**

Sewer Fund	2016-2017	2017-2018	2018-2019	Increase/Decrease from prior year
Current and Other Assets	\$ 49,038	\$ 20,627	\$ 53,624	\$ 32,996
Capital and Fixed Assets	\$ 1,959,784	\$ 1,865,965	\$ 1,789,851	\$ (76,114)
Current and other Liabilities	\$ 21,390	\$ 26,477	\$ 23,834	\$ (2,642)
Long Term Liabilities	\$ -	\$ 65,000	\$ 65,000	\$ -
Total Net Assets	\$ 1,987,432	\$ 1,795,115	\$ 1,754,640	\$ (40,474)
Net Assets - Beginning	\$ 2,168,776	\$ 1,987,432	\$ 1,844,046	\$ (143,386)
Operating Revenues	\$ 193,464	\$ 240,098	\$ 319,430	\$ 79,333
Operating Expenses	\$ 287,428	\$ 289,664	\$ 314,474	\$ 24,810
Net Operating Income	\$ (93,964)	\$ (49,567)	\$ 4,956	\$ 54,523
Depreciation Expenses	\$ 87,380	\$ 93,819	\$ 94,362	\$ 543
Change in Net Assets	\$ (181,344)	\$ (143,386)	\$ (89,406)	\$ 53,980
Net Assets - Ending	\$ 1,987,432	\$ 1,844,046	\$ 1,754,640	\$ (89,406)

The sewer fund's net assets decreased \$89,406 from the prior year. Net operating income was positive at \$4,956. Operational losses in prior fiscal years were significant and required a loan from the water district to remain cash positive in 2018. Increased treatment expenses accounted for most of the losses experienced in these years. Capital improvements were completed in June of 2017 to address identified areas of infiltration and a new in-line flow meter was installed. These investments have reduced the amount of effluent sent to the City of Arcata. A rate study was initiated in April of 2018, and a new rate structure was adopted in December of 2018. Unfunded depreciation has historically been a challenge for the sewer fund, the board is aware that depreciation will continue to be underfunded and the position of net assets will decrease accordingly.

**TABLE 9
CHANGES IN NET POSITION AS A RESULT OF FIRE OPERATIONS
YEAR OVER YEAR**

Fire Fund	2016-2017	2017-2018	2018-2019	Increase/Decrease from prior year
Current and Other Assets	\$ 165,929	\$ 180,339	\$ 219,609	\$ 39,270
Capital and Fixed Assets	\$ 513,246	\$ 486,195	\$ 466,076	\$ (20,119)
Current and other Liabilities	\$ 680	\$ 298	\$ 22,926	\$ 22,628
Long Term Liabilities	\$ 246,430	\$ 231,255	\$ 215,389	\$ (15,866)
Total Net Assets	\$ 432,064	\$ 434,981	\$ 447,370	\$ 12,389
Net Assets - Beginning	\$ 414,138	\$ 432,064	\$ 434,981	\$ 2,917
Operating Revenues	\$ 125,645	\$ 114,563	\$ 123,556	\$ 8,993
Operating Expenses	\$ 62,111	\$ 66,052	\$ 63,417	\$ (2,634)
Net Operating Income	\$ 63,534	\$ 48,511	\$ 60,139	\$ 11,627
Depreciation Expenses	\$ 45,609	\$ 45,594	\$ 47,750	\$ 2,156
Change in Net Assets	\$ 17,925	\$ 2,917	\$ 12,389	\$ 9,471
Net Assets - Ending	\$ 432,064	\$ 434,981	\$ 447,370	\$ 12,389

The fire fund's net assets increased \$12,389 from the prior year. The voters approved an increase in the special benefit assessment in 2014. The assessment increased from \$42 per parcel to \$75 per parcel effective for the 2014-2015 fiscal year. There was a small increase in property tax revenue, an increase in revenue from Cal-Fire, improved interest earnings an increase in grants and donations. Operating expenses decreased slightly from the prior fiscal year.

**TABLE 10
CAPITAL ASSETS PROPERTY & EQUIPMENT**

	FY 2017-2018	FY 2018-2019	Difference
Water			
Land	\$ 6,461	\$ 6,461	\$0
Water System Infrastructure	\$ 1,860,863	\$ 1,897,272	\$36,410
Sewer			
Land	\$ 20,860	\$ 20,860	\$0
Sewer System Infrastructure	\$ 3,984,151	\$ 4,001,893	\$17,743
Fire			
Land	\$ 5,106	\$ 5,106	\$0
Buildings	\$ 359,674	\$ 367,424	\$7,750
Equipment - Trucks, Clothing, Radios, Tools	\$ 735,569	\$ 755,450	\$19,881
Total Property & Equipment	\$ 6,972,683	\$ 7,054,466	\$81,783
Less Accumulated Depreciation	\$ (4,079,511)	\$ (4,247,030)	(\$167,519)
Total Property & Equipment (net of depreciation)	\$ 2,893,172	\$ 2,807,436	(\$85,736)

Capital Assets

The District had \$2.80 million (net of accumulated depreciation) invested in a broad range of utility capital assets as of June 30, 2019. The investment in capital assets includes land, buildings, improvements, water transmission, water storage facilities, pump stations, wastewater transmission, and emergency trucks and equipment. The District's net revenue, long-term debt, and contributions from customers are used to finance capital investments.

**TABLE 11
LONG-TERM DEBT – NET OF CURRENT PORTION**

	FY 2017-2018	FY 2018-2019	Difference
Water			
L/T Davis Grunsky Loan	\$ 284,699	\$ 268,018	(\$16,681)
L/T Davis Grunsky Deferred Interest	\$ 48,325	\$ 45,097	(\$3,228)
L/T I-Bank	\$ 185,976	\$ 176,736	(\$9,240)
Total L/T Notes - Water	\$ 519,000	\$ 489,851	(\$29,149)
Sewer			
L/T Sewer to Water - Cash Flow	\$ -	\$ 56,907	\$56,907
Total L/T Notes - Sewer	\$ -	\$ 56,907	\$ 56,907
Fire			
L/T Fire to Water - Firehouse Expansion	\$ 133,592	\$ 127,189	(\$6,403)
L/T Fire to Water - Truck	\$ 81,797	\$ 71,612	(\$10,184)
Total L/T Notes - Fire	\$ 215,389	\$ 198,801	(\$16,588)
Total L/T Notes Payable	\$ 734,389	\$ 745,559	\$ 11,170

Long-Term Debt and Interfund Loans

Construction of the water system was financed in part by a \$675,000 loan from the State of California under the Davis–Grunsky Act. Interest at 2.5% per annum was payable semi-annually but was deferred in accordance with the provision of the loan. The loan matures January 1, 2034.

Installation of an Aluminum Dome Roof on the District’s Anker Lane redwood water reservoir was financed by a \$254,457 loan from the California Infrastructure and Economic Development Bank (I-Bank). Interest at 4.07% per annum is due semi-annually with the first payment due February 1, 2010. Principal amounts are due annually, beginning August 1, 2010, with the loan maturing on August 1, 2034. I-Bank initiated a refinancing of the loan due to lower interest rates. The loan was refinanced March 1, 2014 with an interest rate of 3.82%.

Major renovation of the existing fire house and grounds, including a new four engine bay occurred in fiscal year 2013-2014. The district financed the \$307,400 expansion utilizing \$125,000 from the fire department ending fund balance. The balance of \$182,400 was financed with an inter-fund loan from the water department. Interest is payable at 4.50% per annum with annual interest rate reviews. Principal and interest are due semi-annually beginning December 31, 2014 with the loan maturing on June 30, 2024. In January 2016 the board refinanced the loan by extending the term of the loan. The loan now matures on June 30, 2034.

The district authorized the purchase of a water tender in January 2016. The district financed the \$122,735 purchase by utilizing \$12,735 from the fire department ending fund balance. The balance of \$110,000 was financed with an inter-fund loan from the water department. Interest is payable at 4.50% per annum with annual interest rate reviews. Principal and interest are due semi-annually beginning December 31, 2016 with the loan maturing on June 30, 2026.

Both fire department loans extend beyond the special benefit tax assessment which expires in fiscal year 2024-2025. The board further resolved to annually designate a portion of the fire departments ending fund balance to establish a reserve account for future debt payments should a future tax assessment not be pursued or successful.

In April 2018 the board approved the preparation of a sewer rate study. The board met in regular session over the summer and provided comments and direction for the study. An informational meeting was held in the Glendale area in September. A rate protest hearing to approve a rate increase was held on November 13, 2018. The rate increase was approved will provide revenues equal to the cost of operations and approximately 33% of depreciation expenses. The rate increase also includes language that allows the pass-through of increased treatment costs from the City of Arcata. The annual adjustment would be valid for a period of five-years.

In June of 2018 a temporary loan was made from the water fund to the sewer fund. The amount of the temporary loan was \$65,000. The purpose of the loan was to maintain a positive cash balance in the sewer fund. In June of 2019 the board by resolution authorized a loan amount of \$65,000, for a period of seven years at an interest rate of 4.5%.

Restatement for 2018

In March of 2019 the District discovered a commercial wastewater account had been discharging effluent into the collection system for approximately two years. Fortunately, the effluent was metered, and the District was able to invoice the customer \$48,931 for services received in 2018. The District restated wastewater revenues, accounts receivable, and equity accounts for the fiscal year ending June of 2018.

Description of Currently known Facts or Conditions that may have a Significant Effect on the Financial Position or Results of Operations

In August of 2019 the board adopted a resolution authorizing the general manager to execute on behalf of the district an application to the Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program for the FGCS Water Tank Seismic Retrofit Project. The project will place a new 400,000-gallon water tank adjacent to the existing redwood water tank located on Anker Lane. The total project is estimated to be \$2.125 million and requires a local match of

\$425,000. As a condition of approval, the district is required to participate in the Local Hazard Mitigation Program. The district has completed this requirement and the LHMP is due to begin circulation for public comment in September of 2019. The district has applied to the North Coast Resource Partnership to meet the local match requirement of \$425,000.

There are no other currently known facts or conditions that may have a significant effect on the financial position or results of operations of the district.

Requests for Additional Information

The management discussion and analysis (MDA) report is designed to provide a general overview of the Fieldbrook Glendale Community Services District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the President of the Board, Fieldbrook Glendale Community Services District, P.O. Box 2715, McKinleyville CA 95519.

Fieldbrook Glendale
Community Services District
Agenda Background

Agenda Item: 6.2

Agenda Title: Draft Management Discussion & Analysis – 2019 Audit

Meeting Date: 09/24/2019

Presented by: Richard Hanger

Type of Item: Action Discussion Information

**Type of Action
Required:** No Action Voice Vote Roll Call Vote

Background:

Annually staff prepares the Management’s Discussion and Analysis (MD&A) for the audit. The draft is presented here for review and discussion. The Governmental Standards Accounting Board, commonly known as GASB, sets requirements for the MD&A. The goal of the MD&A is to present financial information in a narrative form that will assist the public’s understanding of District operations.

Recommendation:

Review and discuss.