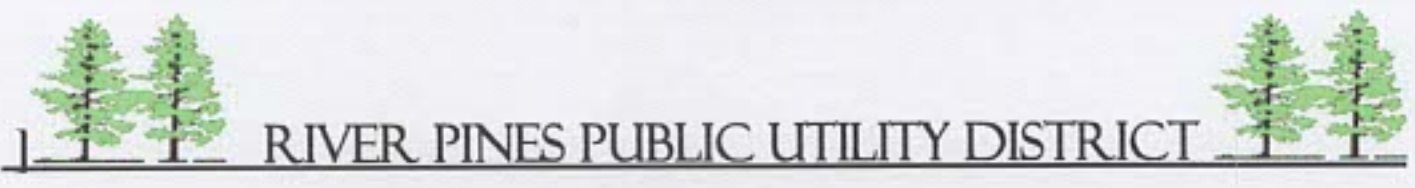


6a



REGULAR MINUTES

**Wednesday, April 22, 2020
ACTION MINUTES**

**In Compliance with Executive Department State of California
Executive Order N-29-20**

**Join Hangouts Meet: meet.google.com/znf-uhci-itf
Join by Phone: +1 470-485-9331 PINL 655 883 817#**

1. CALL TO ORDER: The meeting was called to order by Chairman Henry at 6:03 p.m.

2. ROLL CALL: Via Phone
Director Roscoe Raymond Candi Bingham, General Manager
Director Anita Ebbinghausen Gisele Wurzburger, Board Clerk
Director Patrick Henry
Director John Chapman
Director Karla Christensen

3. PLEDGE OF ALLEGIANCE: Chairman Henry led the Pledge of Allegiance.

4. AGENDA:

Motion by Vice-Chairman Christensen, seconded by Chairman Henry, and carried by a 5 to 0 vote to approve the Regular Agenda dated April 22, 2020 as presented. Motion passed by the following vote:

AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond
NOES: None
ABSTAIN: None
ABSENT: None

5. PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA:
Vice-Chairman Christensen inquired if Nell Raymond had an update on FEMA funding available. Board Member Raymond stated they were working on the paperwork and that no meeting had been scheduled.

6. MINUTES: Discussion / Approval.
A. February 19, 2020 Regular Meeting.

Motion by Board Member Raymond, seconded by Board Member Chapman, and carried by a 5 to 0 vote to approve the Minutes dated February 19, 2020 as amended. Motion passed by the following vote:

AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond
NOES: None
ABSTAIN: None
ABSENT: None

7. CONSENT ITEMS:

- a. Monthly Financial Statements - Period Ending February 29 and March 31, 2020.
- b. Expenditure Report - Submitted Check Approval through February 29 and March 31, 2020.

Chairman Henry opened the public discussion. Hearing no further comments from the public, Chairman Henry closed the public discussion.

Motion by Board Member Raymond, seconded by Board Member Ebbinghausen, and carried by a 5 to 0 vote to approve the Consent Items - Period Ending February 29 and March 31, 2020.

Motion passed by the following vote:

AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond
NOES: None
ABSTAIN: None
ABSENT: None

8. MONTHLY OPERATIONS REPORT: Discussion. Any matter requiring action will be placed on an upcoming agenda for consideration.

A. Monthly Operations Report.

The report included updates from AWA staff, construction, wastewater and water – see report for complete details for Regulatory Compliance Specialist, Wastewater, Water, Distribution and Electrical.

February 1 thru February 29 Water Production/Sold Information:

Well 2 - 416,100 gallons Total Produced – 1816,980 gallons
Well 3R – 366,100 gallons Total Sold – 426,655 gallons
Well 6R - 34,780 gallons Unaccounted Loss - 48%
Staff Hours: Water 95.75 hours

February Wastewater Production:

Influent flow: 1,033,700 gallons Effluent Discharged: 872,000 gallons
Staff Hours: Wastewater 109.75 hours

March 1 thru March 31 Water Production/Sold Information:

Well 2 - 485,800 gallons Total Produced – 983,215 gallons
Well 3R – 461,600 gallons Total Sold – 560,755 gallons
Well 6R - 35,793 gallons Unaccounted Loss - 43%
Staff Hours: Water 55 hours

March Wastewater Production:

Influent flow: 1,233,300 gallons Effluent Discharged: 629,500 gallons
Staff Hours: Wastewater 164.5 hours

Chairman Henry opened the public discussion. Hearing no comments from the public, Chairman Henry closed the public discussion.

B. Monthly General Manager Report.

The Monthly General Manager Report included updates from the General Manager – see report for complete details.

General Manager Bingham reported she would be at the office May 18 through May 20 provided the Coronavirus Home Order has been lifted.

Chairman Henry opened the public discussion. Hearing no comments from the public, Chairman Henry closed the public discussion.

9. **BOARD MATTERS:** Discussion/Action.

a. **Public Hearing - Proposition 218 - Vote Water Rate Increase.** Discussion/Action.

General Manager Bingham provided an email from District Attorney Gary B. Bell regarding the Proposition 218 Hearing. The Proposition 218 Hearing can still take place entirely by teleconference. The agenda for the meeting would have to include a statement stating “this meeting including the Public Hearing will be conducted as authorized by the Governor’s Executive Orders N-25-20 and N-29-20.” These orders authorizing remote teleconference for meetings under the Brown Act. The tabulation of the ballots will still need to occur at a location accessible to the public in a way that allows the public to monitor the process. Because this meeting will be held by teleconference, the tabulation likely can’t occur on the same as the meeting and also comply with these requirements. He recommended the Board continue the tabulation to a future date and time when the ballots can be tabulated in public with public access. After the tabulation occurs, the Board can then act on the fee to declare the results and adopt or reject the fee.

Chairman Henry opened the public discussion. Hearing no comments from the public, Chairman Henry closed the public discussion.

No action was taken and this item was continued to the May 20, 2020 meeting.

b. **District Credit Card.** Discussion/Action.

General Manager Bingham provided a list of companies to consider in order to obtain a business credit card for the District. The report provided information regarding the following companies.

1. OpenSky Secured Visa Credit Card
2. First Progress Platinum Prestige Mastercard
3. Metro Credit Union Visa Secured Business Card
4. Wells Fargo Business Secured Credit Card
5. BBVA Compass Business Secured Credit Card
6. Credit One Bank Platinum Visa for Rebuilding Credit
7. Discover it Secured

Chairman Henry opened the public discussion. Hearing no comments from the public, Chairman Henry closed the public discussion.

After consideration discussion amongst the Board and staff the following motion was made:

Motion by Board Member Raymond, seconded by Board Member Ebbinghausen, and carried by a 5 to 0 vote to authorize staff to contact Discover It and to Secure the Credit Card with \$1,000 Deposit. Motion passed by the following vote:

AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond

NOES: None
ABSTAIN: None
ABSENT: None

c. Monitoring Well Contract with NV5. Discussion/Action.

General Manager Bingham provided NV5 Proposal for the preparation of the Sampling and Chlorination Plan Update and the Quarterly Ground Water Monitoring Reports for RPPUD Wastewater Treatment Plant.

<u>Scope of Services</u>	<u>Compensation</u>
<u>Task 1</u> Separate Sampling and Chlorination Plan Update	\$600.00
<u>Task 2</u> RPPUD – Four Quarterly Ground Water Monitoring	\$4,200.00
<u>Task 3</u> Regulatory Liason with Plan Updates and Reporting as Necessary	\$500.00
Total	<u>\$5,300.00</u>

Chairman Henry opened the public discussion. Hearing no comments from the public, Chairman Henry closed the public discussion.

After consideration discussion amongst the Board and staff the following motion was made:

Motion by Board Member Raymond, seconded by Board Member Ebbinghausen, and carried by a 5 to 0 vote to Draw up the Purchase Order to Create the One-Year Contract for the NV5 Proposal for the Preparation of the Sampling and Chlorination Plan Update and the Quarterly Ground Water Monitoring Reports for RPPUD Wastewater Treatment Plant in the amount of \$5,300. Motion passed by the following vote:

AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond
NOES: None
ABSTAIN: None
ABSENT: None

Staff was also directed to inquire if NV5 would extend this Contract to a 3 to 5 years period at the same amount so that in the future new Board Members would not be burden with drafting a new contract.

d. Establish Community Clean Up Committee. Discussion/Action.

No written report was submitted on this item. General Manager Bingham stated Board Member Chapman requested this item be place on the agenda for discussion and action.

Board Member Chapman felt the District needed a community clean up especially in the culvert behind the Town Hall. He provided his phone number for members of the public who would like to donate their time 530-391-5980

Vice-Chairman Christensen recommended this information be provided the public through social media and said she could create a flyer for posting.

Board Member Ebbinghausen said this location is Amador County Public Works responsibility and that staff should also contact Public Works to assist with this cleanup.

Chairman Henry opened the public discussion. Hearing no comments from the public, Chairman Henry closed the public discussion.

No action taken.

e. District to Credit, during Coronavirus, Customer's Cost for \$2.95 for Online Payments. Credit will be applied to Customer Account. Discussion/Action.

General Manager Bingham reported with the CPVOD-10 "Stay-at-Home Order" (except for those essential services), there is an inconvenience for customers to pay their bills.

Paymentus, the District's online payment service which allows customers to pay their utility bill using a credit card, debit card or e-check, charges the customers \$2.95 per transaction.

The recommendation is that during this time, the District issue a \$2.95 credit to any customer who uses the online payment option. This credit would be applied to their account and reflected on their next month's invoice. This credit would terminate once the "Stay-at-Home Order" or a date determined by the District.

Chairman Henry opened the public discussion. Hearing no comments from the public, Chairman Henry closed the public discussion.

After consideration discussion amongst the Board and staff the following motion was made:

Motion by Board Member Raymond, seconded by Board Member Ebbinghausen, and carried by a 5 to 0 vote to approve the Issuance of a Monthly Credit in the amount of \$2.95 to Customers using Paymentus Online Payment Service to make their District Online Payments during CPVOD-10 "Stay-at-Home Order" for the term of 4 months. Motion passed by the following vote:

AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond
NOES: None
ABSTAIN: None
ABSENT: None

f. District to Provide Self-Addressed Envelopes for Payments. Discussion/Action.

No written report was submitted on this item. General Manager Bingham reported one customer has requested that the District provide self-addressed envelopes for payments.

Chairman Henry opened the public discussion. Hearing no comments from the public, Chairman Henry closed the public discussion.

After consideration discussion amongst the Board and staff the following motion was made:

Motion by Chairman Henry, seconded by Board Member Raymond, and carried by a 5 to 0 vote to direct staff to order 1,000 Self-Addressed Envelopes for Payments. Motion passed by the following vote:

AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond
NOES: None
ABSTAIN: None
ABSENT: None

- 10. BOARD OF DIRECTORS COMMENTS/REPORTS:** Discussion Only.
A. Capital Improvements and general repairs necessary at the District. Continued Item.

There was additional discussion regarding general maintenance and cleanup at the Town Hall.

No action taken.

- 11. COMMITTEE COMMENTS/REPORTS:** Continued Item.

a. Solar Panel Committee. Discussion/Possible Action.
No action taken.

b. Water Rights Committee. Discussion/Possible Action.
No action taken.

There was additional discussion regarding general maintenance and graffiti cleanup.

- 12. FUTURE AGENDA TOPICS:**

- a. Public Hearing Rate Increase. Discussion/Action.
- b. District Credit Card Policy. Discussion/Action.
- c. Community Clean Up Committee. Discussion.
- d. Signage Template to be Placed at the Creek. Discussion/Action.
- e. Sewer Plant Solar Panel Options. Discussion/Action.

PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA:

- 13. ADJOURNMENT:** The meeting adjourned at 7:42 p.m.

14.

River Pines Public Utility District
Profit & Loss by Class
 April 2020

Ta

	Sewer	Water	TOTAL
Ordinary Income/Expense			
Income			
Base Fee Income			
Maintenance Fees	330.00	330.00	660.00
Sewer	14,387.49	0.00	14,387.49
Voluntary Lock-Off	175.00	175.00	350.00
Water	0.00	11,222.72	11,222.72
Total Base Fee Income	14,892.49	11,727.72	26,620.21
Interest Income	0.00	0.41	0.41
Variable Income			
Late Fees	146.80	148.11	294.91
Water - Usage	0.00	1,330.47	1,330.47
Total Variable Income	146.80	1,478.58	1,625.38
Total Income	15,039.29	13,206.71	28,246.00
Gross Profit	15,039.29	13,206.71	28,246.00
Expense			
Bank Charges			
Paymentus Fees	209.45	188.80	398.25
Total Bank Charges	209.45	188.80	398.25
Contracted Expenses			
Manager	2,416.66	2,416.68	4,833.34
Total Contracted Expenses	2,416.66	2,416.68	4,833.34
Sewer Expenses			
Electricity - Sewer	4,874.00	0.00	4,874.00
Telephone - Sewer	148.99	0.00	148.99
Total Sewer Expenses	5,022.99	0.00	5,022.99
Water/Distribution Expenses			
Electricity - Water	0.00	2,533.80	2,533.80
Parts/Supplies	0.00	783.33	783.33
Total Water/Distribution Expenses	0.00	3,317.13	3,317.13
64900 · Office Expenses			
Postage/Shipping	56.04	56.06	112.10
Software	25.49	25.50	50.99
Supplies	40.90	40.90	81.80
Total 64900 · Office Expenses	122.43	122.46	244.89
68600 · Utilities			
Electricity - Street Lights	116.16	116.17	232.33
68100 · Telephone - Office	0.00	61.59	61.59
Total 68600 · Utilities	116.16	177.76	293.92
Total Expense	7,887.69	6,222.83	14,110.52
Net Ordinary Income	7,151.60	6,983.88	14,135.48
Net Income	<u>7,151.60</u>	<u>6,983.88</u>	<u>14,135.48</u>

River Pines Public Utility District
Account QuickReport-Board Meetings
As of April 30, 2020

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Type	Date	Num	Name	Memo	Amount	Balance
Bank Accounts						
El Dorado Checking						
Deposit	04/01/2020			Deposit	300.00	-3,949.61
Check	04/01/2020	debit	Amazon	Office Supplies	-81.80	-3,649.61
Check	04/01/2020	debit	Candi Bingham		-2,416.67	-3,731.41
Check	04/01/2020	debit	Ferguson Enterprises	Water Parts	-783.33	-6,148.08
Deposit	04/02/2020			Deposit	617.37	-6,931.41
Check	04/02/2020	debit	Google Services	Email Services	-36.00	-6,314.04
Deposit	04/03/2020			Deposit	793.41	-5,556.63
Check	04/03/2020	debit	USPS	Postage	-23.60	-5,580.23
Deposit	04/06/2020			Deposit	149.75	-5,430.48
Deposit	04/07/2020			Deposit	149.92	-5,280.56
Deposit	04/07/2020			Deposit	152.72	-5,127.84
Check	04/07/2020	debit	Adobe PDF	Deposit	-14.99	-5,142.83
Deposit	04/08/2020			Deposit	292.85	-4,849.98
Deposit	04/09/2020			Deposit	307.06	-4,542.92
Deposit	04/10/2020			Deposit	155.53	-4,387.39
Deposit	04/13/2020			Deposit	3,113.45	-1,273.94
Deposit	04/13/2020			Deposit	250.00	-1,023.94
Deposit	04/14/2020			Deposit	1,492.34	468.40
Check	04/14/2020	debit	AT&T - Sewer	209 245-3984 701 9	-148.99	319.41
Deposit	04/15/2020			Deposit	450.33	769.74
Deposit	04/15/2020			Postage	300.00	1,069.74
Check	04/15/2020	debit	USPS		-7.75	1,061.99
Check	04/15/2020	debit	Candi Bingham		-2,416.67	-1,354.68
Deposit	04/16/2020			Deposit	4,423.91	3,069.23
Deposit	04/17/2020			Deposit	345.80	3,415.03
Deposit	04/20/2020			Deposit	592.91	4,007.94
Deposit	04/21/2020			Deposit	611.35	4,619.29
Deposit	04/21/2020			Deposit	1,125.82	5,745.11
Deposit	04/21/2020			Deposit	476.73	6,221.84
Deposit	04/21/2020			Deposit	1,243.99	7,465.83
Check	04/21/2020	debit	USPS	Box Rental	-73.00	7,392.83
Check	04/22/2020	debit	PG&E - Street Lights	7368064062-7	-232.33	7,160.50
Check	04/22/2020	debit	PG&E - Water 2	2458584137-2	-504.03	6,656.47
Check	04/22/2020	debit	PG&E - Water 2	2458584137-2	-2,029.77	4,626.70
Check	04/22/2020	debit	PG&E - Sewer	8721806002-5	-4,874.00	-247.30
Transfer	04/22/2020			Funds Transfer	15,000.00	14,752.70
Deposit	04/22/2020			Deposit	2,078.15	16,830.85
Deposit	04/23/2020			Deposit	907.04	17,737.89
Deposit	04/24/2020			Deposit	5,510.58	23,248.47
Check	04/27/2020	debit	USPS	Postage	-7.75	23,240.72
Check	04/27/2020	debit	RingCentral	Office Phone	-61.59	23,179.13
Deposit	04/28/2020			Deposit	652.70	23,831.83
Deposit	04/28/2020			Deposit	665.18	24,497.01
Deposit	04/28/2020			Deposit	150.83	24,647.84
Deposit	04/29/2020			Deposit	320.30	24,968.14
Deposit	04/30/2020			Interest	0.41	24,968.55

River Pines Public Utility District
Account QuickReport-Board Meetings

As of April 30, 2020

Type	Date	Num	Name	Memo	Amount	Balance
Total EI Dorado Checking					28,918.16	24,968.55
Total Bank Accounts					28,918.16	24,968.55
TOTAL					28,918.16	24,968.55

River Pines Department Report

April 1, – April 24, 2020

Water Production/Sold

Well 2 428,500 gallons	Total Produced: 888,662 gallons
Well 3R: 414,000 gallons	Total Sold: 555,120 gallons
Well 6R: 46,162 gallons	Unaccounted Loss: 37%

Regulatory Compliance Specialist-

- Monthly reporting for water and wastewater, including No Spill report on CIWQS
- Completed Consumer Confidence Report. Approved by Division of Drinking Water and sent to GM.
- Working on Annual Report. Approximately 75% complete

Wastewater-

- Influent flow 1,012,100 gallons. Effluent Discharged 348,400 gallons.
- Running plant irrigation daily. Flows are up and a lot of excess paper towels being removed from lift stations.
- Continued to monitor collection system

Water-

- Routine Well operation and maintenance
- Operator re-plumbed piping at 2/3R facility due to previous break

Electrical-

- Onan generator repair effort on-going. Replaced generator diodes. Generator engine still does not start. Will continue to work on it as time allows.

Staff Hours: 81.25 hrs Water 109.5 hrs WW

Prepared by: Andrea Hinton, Regulatory Compliance Specialist

Reviewed by: Rick Ferriera, Operations and Maintenance Manager



AGENDA ITEM – 8B

GENERAL MANAGER'S REPORT

For the Month of April/May 2020

1. **NV5** agreed to three (3) year contract and gave the District a 7% discount. Total cost for three (3) years is \$14,787 (instead of \$15,900).
2. **Prepared 2020 Consumer Confidence Reports** for distribution to Customers. Can also be found on the District's website.
3. **Main pump at storage pond** has been refurbished. Total cost \$6,804.64 (Labor - \$600.00; Parts - \$5,647.00)
4. **Well 2/3R was replumbed.** This was done to help prevent constant leaks/breakage due to the high pressure. See attached photos. Looks great!
5. **Created Capital Improvement Plan** – requested by USDA. Currently USDA needs to see that our Capital Reserve funds are allocated for projects. If not, then the District must spend it on the project and USDA will deduct from Grant amount. Agenda Item
6. **AWA's customer service office** is still closed to the public.
7. **District has been secured the \$5,000,000** with the state for the Distribution project. I have been working with USDA all month for the \$1,300,000. They know the high importance of this project and are trying to push it through.
8. **Trying to find a Chlorine company** to deliver chlorine. Company that AWA uses will not deliver low quantity. Another company I have tried requires a plumbed eye wash station and shower. I am worried that all chlorine company will require this. Trying to get estimate to trench water line through AWA construction. Plumbed eye wash station is approx. \$250 and shower is approx. \$1,000. Looking for other chlorine distributors. Will update in June.
9. **CalFire invoiced for the spray fields.** Invoice was \$845. I contacted them to look at the ravine on Oak/Canyon to clear the blackberry bushes. They were going to access it, but due to it being in a populated area, they were not sure. Waiting to hear.
10. **Completed the Amador County Planning Area Mitigation Actions** for District future projects/disasters. Included four (4) projects/disasters to

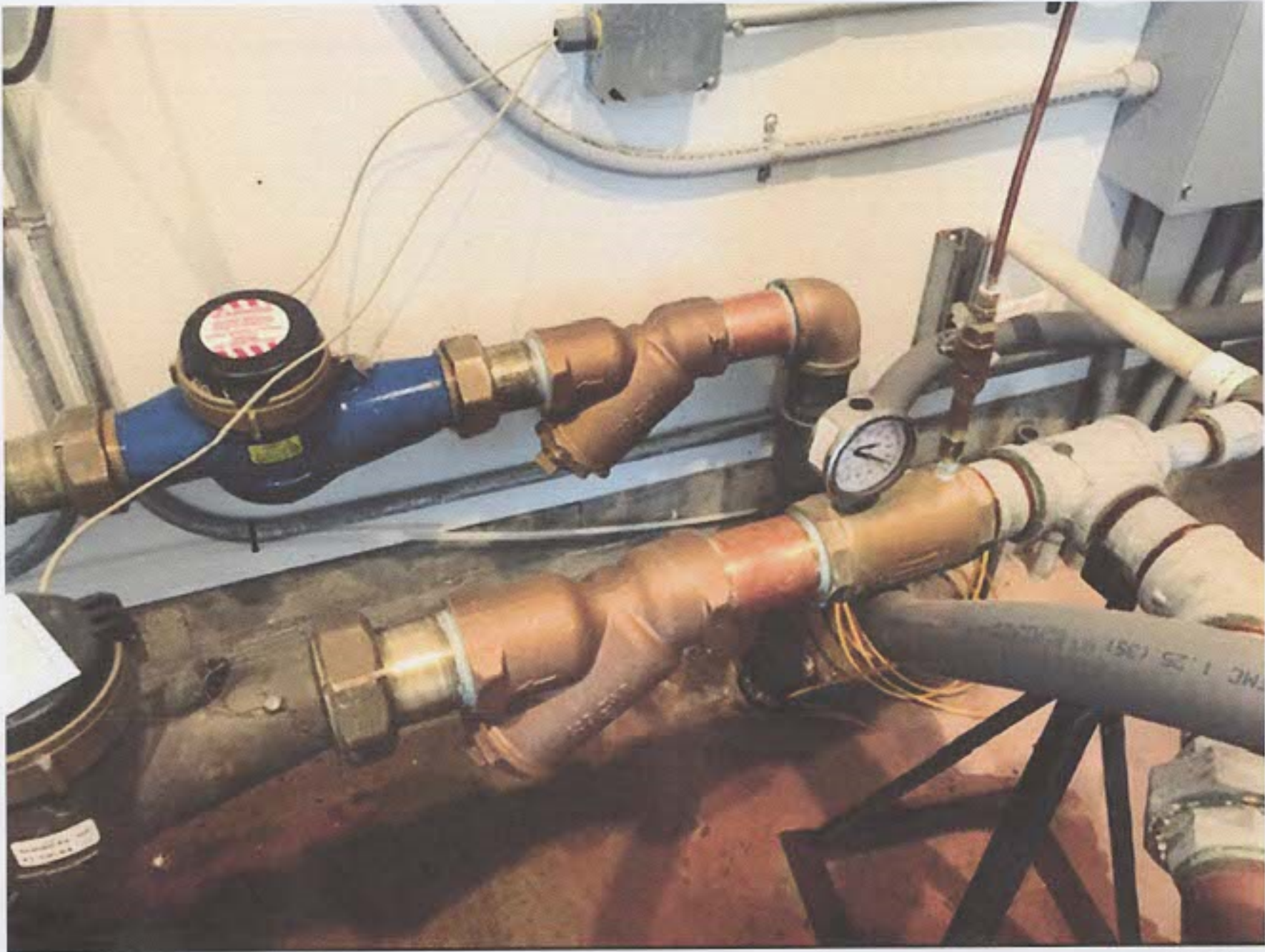
be covered through county for FEMA funding. Projects are: Emigrant Trail culvert (flooding – access to sewer pond); Generators (all lift stations & grinders – power outages); Fire; Stormwater – drainage/erosion. In having these projects listed in the Amador County’s Mitigation Strategy Plan for FEMA, funding could be provided to the District for these projects. I have also reached out to FEMA for funding directly to the District without going through the county. This was recommended.

11. **A-TEEM finished their assessment of the SCADA.** Agenda Item.
12. **Prepared District bills** and mailed to Director Ebbinghausen for signature and to mail. (Thank you!!)
13. Bank Deposits
14. Monthly Billing & Monthly Late Notices
15. Monthly 48 Hour Notices
16. Updated Website
17. Agenda & Packets

June Office Visit has not yet been determined. Waiting on Coronavirus update.









May 8, 2020

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Ms. Candi Bingham
General Manager
River Pines Public Utility District
rppud@riverpinespod.org

ATEEM Field Service Report	
Date	04/21/2020
Location	River Pines PUD
Employee on site	Erik Burns, Don Alexander - Kore Systems

Candi,

I brought two sets of WiFi type radios to test connectivity between your water and wastewater sites. We had trouble with the radios connecting because of the density of WiFi radios already installed around River Pines. This tells us that we must use another frequency to connect your sites.

I performed a radio survey on my computer and found that a licensed radio frequency will be the best option. I recommend using a 450Mhz frequency and GEMDS Orbit radios similar to Amador Water Agency. One radio placed at Jaybird tank is able to connect to all three lift stations, the WWTP, Well 6R, and Well 2/3R. The licensed frequency will avoid interference from the WiFi in the town. I believe that the four grinders are reporting on another radio system (which you may own) and may not need to be directly part of this radio network.

The Orbit radios are significantly higher in price than the Ubiquity WiFi radios that I originally proposed at about \$1,700 each (we will need seven) but will be more stable than the WiFi radios that are subject to the interference that exists in River Pines. The radio can also house a cellular internet connection. I noticed that there was AT&T phone connectivity at the RPPUD office which leads me to believe that we will be able to get cell-based internet.

River Pines PUD will also need to obtain a radio frequency license. I can file the paperwork through APCO for less than \$1,000.

The system, once completely built will have no recurring costs except for internet service.

Sincerely,

Erik Burns, P.E.
A T.E.E.M. Electrical Engineering

9c

**Credit Card Policies and Procedures
River Pines Public Utility District**

Purpose

The purpose of this policy is to communicate eligibility, usage, and payments for Agency credit cards.

Policies

1. River Pines Public Utility District will issue an Agency credit card to General Manager for job-related expenses. Credit card limit is set at \$1,000.
2. Credit Card cash advances are NOT permitted.
3. The cardholder is responsible for all charges made to the card. The cardholder will be held liable for any unauthorized items appearing on the credit card statement unless the activity is fraudulent.
4. Personal purchases of any type are strictly prohibited. If the card is used for personal purchases or for purchases for any other entity, River Pines Public Utility District will be entitled to a reimbursement by the cardholder for such purchases within two weeks of receiving the statement.
5. The cardholder must notify the Credit Card Company immediately in the event a card is lost or stolen. The cardholder will also have to notify the bank.
6. The Agency credit card is the property of RPPUD. Upon General Manager leaving the employment of RPPUD, credit card must be surrendered to the District and Credit Card Company must be notified to cancel the credit card.
7. General Manager is required to sign this policy indicating they accept these terms. Not adhering to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.

Procedure

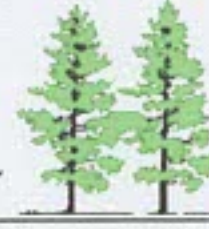
1. Before any purchase is made, the cardholder should verify that the funds are available in the Agency budget to cover the expense.
2. The cardholder must obtain a receipt and any receiving documents for each purchase.
3. Any items that do not have a receipt will need a "Missing Receipt Form," which will be signed off on by the Board Chair.
4. Upon receipt of the credit card statement, the cardholder will match the receipts to the individual items and assign the appropriate accounting and jobs codes. These codes need to be written on each receipt included in the statement. Receipts need to be taped to a piece of paper and the statement along with all the receipts will be submitted to the Board of Director for review.
5. Credit Card balance shall not exceed 30% of credit balance.
6. Credit Card balance shall be paid in full monthly

As a holder of an Agency credit card, I agree to accept the responsibility and accountability for the protection and proper use of the Agency credit card. I accept and acknowledge the policies and procedures listed above.

Cardholder Signature _____ **Date** _____



RIVER PINES PUBLIC UTILITY DISTRICT



22900 Canyon Ave. • P.O. Box 70 • River Pines, CA 95675

(209) 245-6723 • (209) 245-5710 FAX

rppud@rppud.org

9d

CAPITAL IMPROVEMENT POLICY

SECTION 1: POLICY STATEMENT

The River Pines Public Utility District (RPPUD) has a significant investment in a variety of capital assets, which are used to provide water and sewer services to customers. The purpose of this policy is to ensure that the District's capital assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, generally accepted accounting principles, internal controls, and audit requirements. This policy addresses the following related to capital assets:

- A. Asset types and lives
- B. Scope
- C. Budgeting for Capital Asset purchases
- D. Funding Sources
- E. Accounting
- F. Depreciation
- G. Management of Assets

SECTION 2: DEFINITIONS

Term definitions as utilized by RPPUD:

- A. CAPITAL ASSET: Non-financial assets that re used in operations and have an initial useful life more than one year.
- B. CAPITALIZATION THRESHOLD: The minimum cost which an asset must exceed to be capitalized.
- C. CIP: (Capital Improvement Project) RPPUD defines CIP as any expenditure that relates to the purchase of a Capital Asset.
- D. DEPRECIATION: The process of allocating the cost of an asset over a period of time.
- E. DEPRECIATION METHOD: RPPUD utilizes the straight-line method with the half-year convention.
- F. INTANGIBLE ASSETS: An asset that is not physical in nature. RPPUD's most important intangible asset is water rights.
- G. TANGIBLE ASSETS: An asset that has a physical form.
- H. USEFUL LIFE: The amount of time that an asset is expected to provide benefit to the District.

SECTION 3: GENERAL PROVISIONS

A. Capital Asset Types and Lives

See the table below for the capital asset categories used by RPPUD.

Asset Types	Asset Categories	Current Age	Asset Life	Examples
Land	Land	NA	Infinite	Real Estate
Improvements	Water Wells	6, 25, 22	30-50	Drilling, piping, Concrete Work
	Pipelines	45	30-50	Waterlines, sewer lines
	Pumping Plant	20, 45	15-20	Motors, tanks
Buildings	Buildings	45,30,25, 22	40	Offices, Plants, Storage Facilities
Equipment	Meters	1-22	15	PD, turbine, or compound meters
	Telemetry	5-22	10	Control Panels, Electrical
Office	Software	2	3	For PC's, phones, security, etc.
	Computers	2	3-5	PC's, printers, servers
	Furniture	1-5	7-10	Desks, Chairs

B. Scope

RPPUD will employ a CIP plan that has a 5-year timeline including the current year carryover. This 5-year timeline helps RPPUD to prioritize projects from year to year and establish plans for funding sources.

C. Budgeting

The General Manager (GM) is responsible for the oversight of the Capital Asset Program and the development of the CIP Budget. The GM may delegate responsibility to various operation supervisors to identify what capital assets are needed and requested in the CIP Budgeting process.

Asset purchases are authorized through the CIP Budgeting process (except for emergency projects) which involves the following steps:

- a. Need is identified – either a new asset is needed, or an asset needs replacement or major repair
- b. Operation Supervisor who is responsible for operating the asset submits a Capital Project Request form during the CIP Budget process (GM shall submit such form to operations prior to process)
- c. Funding source for the project is identified
- d. Project funding is granted by the Board of Directors

The CIP Budget will be reviewed in detail and approved by the Board of Directors.

If actual costs are lower than budgeted, the balance will be unappropriated and allocated to another project.

If actual costs are expected to be higher than what was budgeted, these options may be followed:

- a. Cancel the project or reduce the scope of the project
- b. Transfer funds from another project with lower priority or excess funds available
- c. Request carryover of the project with additional funding in the following fiscal year.

D. Funding Sources

All expenditures included in the Capital Budget must not exceed estimated funding sources available for capital spending.

The source of funding for each project must be identified as part of the capital budgeting process. Possible sources of funding include:

- a. Pay-Go – this source means that the asset will be purchased with resources provided by the current year operating funds of the District
- b. Capital Reserves – this source may only be used with Board approval
- c. Grant or other outside source – this source may be used only if there is preliminary or guarantee approval of the project
- d. Carryover – this source may be used when a project was budgeted in the previous year but was not completed. If a carryover request is not submitted as part of the new CIP Budget, the project will be cancelled, and the funds will be reallocated to the Capital Reserve.

Due to the significant size and cost of some assets, GM/Board may wish to fund only preliminary engineering/planning activities before committing to funding the whole project. This policy permits funding preliminary activities.

E. Accounting

Asset purchases will be accounted for in the Capital Asset Accounts.

The Accounting will track all assets in a subsidiary ledger that will contain at a minimum: asset name, description, cost, year placed in service, and expected life.

F. Depreciation

To be determined and completed by District CPA.

G. Management of Assets

The operation department that requests and purchases the assets is responsible for the operation and maintenance of the assets. Department supervisors will periodically measure and quantify the condition of assets. GM, annually prior to CIP Budget, must collect this information from the operating supervisors.

The tools that should be utilized to manage assets include but are not limited to:

- a. Master plans which are utilized for long-term planning of capital asset needs.
- b. Historical and projected operating costs are considered. If an asset requires excessive amounts of repairs, then the GM should consider replacing the asset. When a new asset is requested, the operating costs over the life of the new asset should be considered.
- c. Inventories should be kept to track assets that are susceptible to theft.