River Pines Public Utility District

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2026-2027 Annual Operating Budget

Adopted 6-30-26

RIVER PINES PUBLIC UTILITY DISTRICT

FY 2026-27 BUDGET MESSAGE AND STAFF REPORT
GENERAL MANAGER'S BUDGET MESSAGE

The Fiscal Year 2026-27 Budget represents a significant milestone in the District's recovery and rebuilding efforts following the discovery of extensive financial fraud committed against the District over multiple years.

Since assuming management of the District, staff, the Board of Directors, and our professional consultants have undertaken a comprehensive review of the District's financial records, operational practices, contracts, and internal controls. That review revealed that District funds had been improperly diverted through fraudulent payroll transactions, unauthorized expenditures, and manipulated financial reporting. The financial impact to the District is currently estimated to exceed $700,000, with ongoing review indicating the total loss may be substantially higher.

The effects of this misconduct extended beyond the direct loss of public funds. Financial records required reconstruction, audits were delayed, vendor balances required verification, and operational decisions were made using information that was later determined to be inaccurate.

Among the accomplishments achieved during the past year:

- Past-due obligations owed to Amador Water Agency were brought current.
- Completion of a Proposition 218 vote.
- Financial records were reconstructed and reconciled.
  • Independent forensic auditing services were completed and provided to law enforcement.
  • Annual audit work resumed after significant delays.
  • District expenditures were reviewed line-by-line and unnecessary costs were reduced or eliminated.
  • Banking, accounting, payroll, purchasing, and approval procedures were strengthened.
  • Multiple levels of financial oversight and review were implemented.
  • Board financial reporting was expanded to improve transparency and accountability.
  • Administrative policies and internal control procedures are being updated and formalized.

The proposed Fiscal Year 2026-27 Budget reflects a conservative and responsible financial approach. The budget prioritizes core water and wastewater operations, regulatory compliance, infrastructure maintenance, and continued financial accountability.

This budget has been developed with the understanding that every dollar entrusted to the District belongs to the ratepayers. District staff and the Board remain committed to protecting those resources through strong internal controls, transparent reporting, and responsible stewardship of public funds.

While significant work remains ahead, the District has made substantial progress toward restoring financial stability and public trust.

This next fiscal year, we anticipate starting Phase 1 of our Distribution Project. This is a grant funded capital project and is not currently reflected in the Budget. Once we receive the Agreement, we will prepare a Budget Amendment.

With this highly anticipated Distribution Project, it is anticipated that our operating expenses will decrease with less loss from the system resulting in reduced electrical costs.

CONCLUSION:

The Fiscal Year 2026-27 Budget represents more than an annual financial plan; it reflects the District's commitment to recovery, accountability, and responsible stewardship of public resources.

Over the past year, the District has confronted the significant challenges created by years of financial misconduct, including the reconstruction of financial records, completion of a forensic audit, repayment of outstanding obligations, implementation of enhanced internal controls, and restoration of financial oversight practices. While the impacts of the fraud continue to require staff time and financial resources, substantial progress has been made toward restoring the District's financial stability and public trust.

The proposed budget balances the need to maintain reliable water and wastewater services with the responsibility to protect ratepayer funds, strengthen reserves, and address future infrastructure needs. It reflects a disciplined approach to spending, continued investment in compliance and operational integrity, and a commitment to transparency in all District operations.

District staff and the Board of Directors recognize that the funds entrusted to the District belong to the community we serve. This budget demonstrates our commitment to ensuring those funds are managed responsibly, safeguarded through strong financial controls, and used to provide safe, reliable utility services for the residents of River Pines.

With the adoption of the Fiscal Year 2026-27 Budget, the District is positioned to continue its recovery efforts, maintain essential services, and build a stronger and more financially resilient organization for the future.

River Pines Public Utility District
Profit and Loss by Class
July 1, 2025-June 9, 2026

	1 General Fund	2 Water	3 Sewer	4 Capital Water	Not specified	Total
Income						
40100 Amador County Auditor's Warrant						
40125 Secured Taxes	41,166.69					41,166.69
40140 Unsecured Appointment	460.32					460.32
Total for 40100 Amador County Auditor's Warrant	**41,627.01**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$41,627.01**
40200 Base Fee Income	$0.00					$0.00
40215 Maintenance Fees		12,315.00				12,315.00
40220 Sewer			250,424.06			250,424.06
40225 Voluntary Lock-Off		4,042.50			52.50	4,095.00
40230 Water		201,710.58	-513.10			201,197.48
Total for 40200 Base Fee Income	**$0.00**	**218,068.08**	**249,910.96**	**$0.00**	**52.50**	**$468,031.54**
40234 Cell Tower Income	2,770.90					2,770.90
40235 Grant Reimbursement				31,844.00		31,844.00
40245 Dividends Income	181.50					181.50
40280 Services		396.21				396.21
40300 Interest Income	2.77	11.21	2.07			16.05
40400 Town Hall Rental	120.00					120.00
40600 Variable Income						
40625 Door Hanger Fee		770.00				770.00
40630 Late Fees		2,803.09	2,760.64			5,563.73
40640 Reconnection Fee		600.00				600.00
40650 Service Connection Fee		32.88	32.87			65.75
40660 Water - Usage		45,645.85				45,645.85
Total for 40600 Variable Income	**$0.00**	**49,851.82**	**2,793.51**	**$0.00**	**$0.00**	**$52,645.33**
49900 Uncategorized Income	991.00					991.00
Total for Income	**45,693.18**	**268,327.32**	**252,706.54**	**31,844.00**	**52.50**	**$598,623.54**
Gross Profit	**45,693.18**	**268,327.32**	**252,706.54**	**31,844.00**	**52.50**	**$598,623.54**
Expenses						
60000 Advertising and Promotion		131.06	131.06			262.12
60399 Bank Charges						
60400 Bank Service Charges		24.00				24.00
60404 Loan Service Charge		45.00				45.00
Total for 60399 Bank Charges	**$0.00**	**69.00**	**$0.00**	**$0.00**	**$0.00**	**$69.00**
61050 Contracted Expenses						
61055 Manager		25,278.00	25,277.94			50,555.94
Total for 61050 Contracted Expenses	**$0.00**	**25,278.00**	**25,277.94**	**$0.00**	**$0.00**	**$50,555.94**
63025 Reimbursements		111.56	120.15			231.71
63300 Insurance Expense						
63310 Insurance - Property/Liability		1,647.74	1,647.73			3,295.47
63315 Worker's Compensation		509.43	509.43			1,018.86
Total for 63300 Insurance Expense	**$0.00**	**2,157.17**	**2,157.16**	**$0.00**	**$0.00**	**$4,314.33**
64000 Sewer Expenses			9,333.41			9,333.41
64005 Amador Water Agency			100,126.04			100,126.04
64033 Electricity - Sewer			58,346.44			58,346.44
64035 Emergency Services			19.77			19.77
64052 Permit/Fees			355.92			355.92
64054 Repairs/Maintenance			2,219.33			2,219.33
64056 SCADA Service		150.00	3,572.03			3,722.03
64058 Sewage - Pump Service			910.00			910.00
64060 Sewer - Parts/Supplies			11,336.58			11,336.58
64068 Telephone - Sewer			1,025.36			1,025.36
Total for 64000 Sewer Expenses	**$0.00**	**150.00**	**187,244.88**	**$0.00**	**$0.00**	**$187,394.88**
64200 Town Hall Expenses						
64204 Landscape/Cleanup		431.45	431.46			862.91
64208 Supplies		20.40	20.39			40.79
Total for 64200 Town Hall Expenses	**$0.00**	**451.85**	**451.85**	**$0.00**	**$0.00**	**$903.70**

	1 General Fund	2 Water	3 Sewer	4 Capital Water	Not specified	Total
64900 Administration Expenses						
64901 Computer and Internet Expenses		205.00	205.00			410.00
64902 Admin Cost - Tax Roll		314.68	314.69			629.37
64904 Filing Fees		67.50	67.50			135.00
64906 Maintenace/Improvements		300.00	300.00			600.00
64908 Postage/Shipping		156.00	156.00			312.00
64911 Software		3,163.88	3,163.84			6,327.72
64912 State Fees		6.00	6.00			12.00
64913 Supplies		394.56	394.52			789.08
64914 Training		1.00				1.00
64915 Website Service		992.50	992.50			1,985.00
Total for 64900 Administration Expenses	**$0.00**	**5,601.12**	**5,600.05**	**$0.00**	**$0.00**	**$11,201.17**
65000 Water Expenses						
65005 Amador Water Agency		192,009.41				192,009.41
65032 Chlorine		4,706.78				4,706.78
65038 Electricty - Water		21,737.30				21,737.30
65040 Emergency Services		19.77				19.77
65046 Permit Fees		9,722.46				9,722.46
65050 SCADA Service		1,350.00				1,350.00
65056 Telephone - Water		64.39				64.39
65060 Water Testing		9,612.00				9,612.00
Total for 65000 Water Expenses	**$0.00**	**239,222.11**	**$0.00**	**$0.00**	**$0.00**	**$239,222.11**
66000 Payroll Expenses						
66005 Wages		14,231.25	14,231.25		$0.00	28,462.50
66010 Taxes		1,368.40	1,369.03		-0.05	2,737.38
Total for 66000 Payroll Expenses	**$0.00**	**15,599.65**	**15,600.28**	**$0.00**	**-0.05**	**$31,199.88**
66700 Professional Fees		1,804.67	1,804.68			3,609.35
66701 Accounting		3,552.50	3,552.50			7,105.00
66702 Attorney/Legal Expenses		2,480.00	2,280.00			4,760.00
66703 Audits - External		15,903.60	15,903.60			31,807.20
66704 I.T. Services		1,142.50	1,127.50			2,270.00
66706 Security Service/Maintenance			15.00			15.00
Total for 66700 Professional Fees	**$0.00**	**24,883.27**	**24,683.28**	**$0.00**	**$0.00**	**$49,566.55**
68600 Utilities						
68602 Telephone - Office		940.51	940.51			1,881.02
68604 Disposal		305.99	306.04			612.03
68606 Electricity - Office		83.11	94.63			177.74
68608 Electricity - Town Hall		69.42	57.92			127.34
68610 Electricty - Street Lights		462.86	462.81			925.67
Total for 68600 Utilities	**$0.00**	**1,861.89**	**1,861.91**	**$0.00**	**$0.00**	**$3,723.80**
Total for Expenses	**$0.00**	**315,516.68**	**263,128.56**	**$0.00**	**-0.05**	**$578,645.19**
Net Operating Income	**45,693.18**	**-47,189.36**	**-10,422.02**	**31,844.00**	**52.55**	**$19,978.35**
Other Income						
42005 Late Fee Income					4,021.42	4,021.42
Total for Other Income	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**4,021.42**	**$4,021.42**
Other Expenses						
51000 Distribution Project				25,268.85		25,268.85
53000 Monitor Wells - Sewer			4,947.50			4,947.50
59900 Reconciliation Discrepancies-1		203.30	50.96			254.26
Total for Other Expenses	**$0.00**	**203.30**	**4,998.46**	**25,268.85**	**$0.00**	**$30,470.61**
Net Other Income	**$0.00**	**-203.30**	**-4,998.46**	**-25,268.85**	**4,021.42**	**-$26,449.19**
Net Income	**45,693.18**	**-47,392.66**	**-15,420.48**	**6,575.15**	**4,073.97**	**-$6,470.84**

Accrual Basis Tuesday, June 09, 2026 01:04 PM GMT-07:00

RESOLUTION NO. 2026-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIVER PINES PUBLIC UTILITY DISTRICT ADOPTING THE FISCAL YEAR 2026-2027 BUDGET AND AFFIRMING THE DISTRICT'S COMMITMENT TO FINANCIAL ACCOUNTABILITY, TRANSPARENCY, AND RESPONSIBLE STEWARDSHIP OF PUBLIC FUNDS

WHEREAS, the River Pines Public Utility District ("District") is responsible for providing safe, reliable, and financially sustainable water and wastewater services to the residents of River Pines; and

WHEREAS, California law and sound public administration require the District to adopt an annual budget establishing the financial plan for District operations, maintenance, regulatory compliance, capital improvements, and public services; and

WHEREAS, during the past year the District continued its recovery from extensive financial fraud and misconduct that resulted in the loss of substantial public funds, disruption of financial records, delayed audits, and significant impacts to District operations; and

WHEREAS, District staff, professional consultants, and the Board of Directors have undertaken extensive efforts to reconstruct financial records, complete forensic investigations, strengthen internal controls, improve financial oversight, and restore public confidence in the District's operations; and

WHEREAS, the District has successfully resumed annual audit activities, completed a Proposition 218 process, repaid outstanding obligations owed to the Amador Water Agency, implemented enhanced financial controls, and increased transparency through expanded financial reporting and oversight; and

WHEREAS, the proposed Fiscal Year 2026-2027 Budget reflects a conservative and responsible financial plan that prioritizes operational stability, regulatory compliance, infrastructure maintenance, reserve restoration, and protection of ratepayer resources; and

WHEREAS, the Board of Directors recognizes that all District revenues are public funds entrusted to the District by its ratepayers and taxpayers and affirms its commitment to ensuring those funds are protected, accounted for, and used solely for authorized public purposes; and

WHEREAS, the Board of Directors has reviewed the Fiscal Year 2026-2027 Budget and finds that adoption of the budget is in the best interests of the District and the community it serves.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the River Pines Public Utility District does hereby:

Section 1. Adopt the Fiscal Year 2026-2027 Budget attached hereto as Exhibit A and incorporated herein by reference.

Section 2. Direct the General Manager to administer District operations in accordance with the adopted budget and to implement such actions as may be necessary to carry out the objectives contained therein.

Section 3. Reaffirm the District's commitment to transparency, financial accountability, independent oversight, and responsible stewardship of public resources.

Section 4. Direct staff to continue implementation of strengthened financial controls, administrative procedures, audit practices, and internal safeguards designed to protect District assets and prevent future misuse of public funds.

Section 5. Declare the Board's continued commitment to restoring and maintaining the confidence of District ratepayers through open governance, responsible financial management, and prudent investment in essential water and wastewater infrastructure.

Section 6. Authorize the General Manager to make non-substantive budget adjustments necessary for day-to-day administration, provided that expenditures remain within appropriations approved by the Board.

Section 7. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the River Pines Public Utility District at a regular meeting held on June 30, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Cathy Landgraf

Cathy Landgraf, President Board of Directors

ATTEST:

__AGedney_______________________________________

Amy Gedney, General Manager/Secretary River Pines Public Utility District

River Pines Public Utility District
26-27 ADOPTED Budget

	1 General Fund	2 Water	3 Sewer	4 Capital Water	Not specified	Total
Revenue						
40100 Amador County Auditor's Warrant						
40125 Secured Taxes	$ 42,000.00					**$ 42,000.00**
40140 Unsecured Appointment	$ 460.00					**$ 460.00**
Total for 40100 Amador County Auditor's Warrant	**$ 42,460.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 42,460.00**
40200 Base Fee Income						**$ -**
40215 Maintenance Fees				$ 12,315.00		**$ 12,315.00**
40220 Sewer			$265,000.00			**$265,000.00**
40225 Voluntary Lock-Off		$ 4,000.00			$ 52.50	**$ 4,052.50**
40230 Water		$225,000.00				**$225,000.00**
Total for 40200 Base Fee Income	**$ -**	**$229,000.00**	**$265,000.00**	**$ 12,315.00**	**$ 52.50**	**$506,367.50**
Variable Income						
40234 Cell Tower Income	$ 6,000.00					**$ 6,000.00**
40235 Grant Reimbursement						**$ -**
40245 Dividends Income	$ 181.50					**$ 181.50**
40280 Services		$ 396.21				**$ 396.21**
40300 Interest Income	$ 2.77	$ 11.21	$ 2.07			**$ 16.05**
40400 Town Hall Rental	$ 120.00					**$ 120.00**
40600 Variable Income						
40625 Door Hanger Fee		$ 770.00				**$ 770.00**
40630 Late Fees		$ 2,800.00	$ 2,800.00			**$ 5,600.00**
40640 Reconnection Fee		$ 600.00				**$ 600.00**
40650 Service Connection Fee		$ 32.88	$ 32.87			**$ 65.75**
40660 Water - Usage		$ 48,000.00				**$ 48,000.00**
Total for 40600 Variable Income	**$ 6,304.27**	**$ 52,610.30**	**$ 2,834.94**	**$ -**	**$ -**	**$ 61,749.51**
49900 Uncategorized Income	**$ 991.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 991.00**
Other Income						
42005 Late Fee Income					$ 4,021.42	**$ 4,021.42**
Total for Other Income	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,021.42**	**$ 4,021.42**
Total for Income	**$ 49,755.27**	**$281,610.30**	**$267,834.94**	**$ 12,315.00**	**$ 4,073.92**	**$615,589.43**
Expenses						
60000 Advertising and Promotion		$ 150.00	$ 150.00			**$ 300.00**
60399 Bank Charges						
60400 Bank Service Charges						**$ -**
60404 Loan Service Charge		$ 45.00				**$ 45.00**
Total for 60399 Bank Charges	**$ -**	**$ 195.00**	**$ 150.00**	**$ -**	**$ -**	**$ 345.00**
61050 Contracted Expenses						
61055 Manager		$ 26,075.00	$ 26,075.00			**$ 52,150.00**
Total for 61050 Contracted Expenses	**$ -**	**$ 26,075.00**	**$ 26,075.00**	**$ -**	**$ -**	**$ 52,150.00**
						$ -
63300 Insurance Expense						
63310 Insurance - Director/Liability		$ 1,200.00	$ 1,200.00			**$ 2,400.00**
63310 Insurance - Property/Liability		$ 1,800.00	$ 1,800.00			**$ 3,600.00**
63315 Worker's Compensation		$ 600.00	$ 600.00			**$ 1,200.00**
Total for 63300 Insurance Expense	**$ -**	**$ 3,600.00**	**$ 3,600.00**	**$ -**	**$ -**	**$ 7,200.00**
64000 Sewer Expenses						
64005 Amador Water Agency			$ 90,000.00			**$ 90,000.00**
64033 Electricity - Sewer			$ 62,000.00			**$ 62,000.00**
64035 Emergency Services			$ 250.00			**$ 250.00**
64052 Permit/Fees			$ 500.00			**$ 500.00**
64054 Repairs/Maintenance			$ 5,000.00			**$ 5,000.00**
64056 SCADA Service			$ 4,200.00			**$ 4,200.00**
64058 Sewage - Pump Service			$ 2,500.00			**$ 2,500.00**
64060 Sewer - Parts/Supplies			$ 10,000.00			**$ 10,000.00**
64068 Telephone - Sewer			$ 1,200.00			**$ 1,200.00**

River Pines Public Utility District
26-27 Budget

	1 General Fund	2 Water	3 Sewer	4 Capital Water	Not specified	Total
Total for 64000 Sewer Expenses	**$ -**	**$ -**	**$175,650.00**	**$ -**	**$ -**	**$175,650.00**
64200 Town Hall Expenses						
64204 Landscape/Cleanup	$ 1,500.00	$ 200.00	$ 800.00			**$ 2,500.00**
64208 Supplies	$ 200.00	$ 150.00	$ 150.00			**$ 500.00**
Total for 64200 Town Hall Expenses	**$ 1,700.00**	**$ 350.00**	**$ 950.00**	**$ -**	**$ -**	**$ 3,000.00**
64900 Administration Expenses						
64901 Computer and Internet Expenses		$ 205.00	$ 205.00			**$ 410.00**
64902 Admin Cost - Tax Roll		$ 500.00	$ 500.00			**$ 1,000.00**
64904 Filing Fees		$ 150.00	$ 150.00			**$ 300.00**
64906 Maintenace/Improvements		$ 500.00	$ 500.00			**$ 1,000.00**
64908 Postage/Shipping		$ 150.00	$ 150.00			**$ 300.00**
64911 Software		$ 2,500.00	$ 2,500.00			**$ 5,000.00**
64912 State Fees		$ 150.00	$ 150.00			**$ 300.00**
64913 Supplies		$ 500.00	$ 500.00			**$ 1,000.00**
64914 Training		$ -	$ -			**$ -**
64915 Website Service		$ 1,500.00	$ 1,500.00			**$ 3,000.00**
Total for 64900 Administration Expenses	**$ -**	**$ 6,155.00**	**$ 6,155.00**	**$ -**	**$ -**	**$ 12,310.00**
65000 Water Expenses						
65005 Amador Water Agency		$144,000.00				**$144,000.00**
65032 Chlorine		$ 5,000.00				**$ 5,000.00**
65038 Electricty - Water		$ 22,000.00				**$ 22,000.00**
65040 Emergency Services		$ 19.77				**$ 19.77**
65046 Permit Fees		$ 10,000.00				**$ 10,000.00**
65050 SCADA Service		$ 1,350.00				**$ 1,350.00**
65056 Telephone - Water		$ 64.39				**$ 64.39**
65060 Water Testing		$ 10,000.00				**$ 10,000.00**
Total for 65000 Water Expenses	**$ -**	**$192,434.16**	**$ -**	**$ -**	**$ -**	**$192,434.16**
66000 Payroll Expenses						
66005 Wages		$ 16,000.00	$ 16,000.00		$ -	**$ 32,000.00**
66010 Taxes		$ 1,400.00	$ 1,400.00		$ -	**$ 2,800.00**
Total for 66000 Payroll Expenses	**$ -**	**$ 17,400.00**	**$ 17,400.00**	**$ -**	**$ -**	**$ 34,800.00**
66700 Professional Fees						**$ -**
66701 Accounting		$ 7,500.00	$ 7,500.00			**$ 15,000.00**
66702 Attorney/Legal Expenses		$ 10,000.00	$ 10,000.00			**$ 20,000.00**
66703 Audits - External		$ 10,000.00	$ 10,000.00			**$ 20,000.00**
66704 I.T. Services		$ 2,500.00	$ 2,500.00			**$ 5,000.00**
66706 Security Service/Maintenance						**$ -**
Total for 66700 Professional Fees	**$ -**	**$ 30,000.00**	**$ 30,000.00**	**$ -**	**$ -**	**$ 60,000.00**
68600 Utilities						
68602 Telephone - Office		$ 940.51	$ 940.51			**$ 1,881.02**
68604 Disposal		$ 305.99	$ 306.04			**$ 612.03**
68606 Electricity - Office		$ 200.00	$ 200.00			**$ 400.00**
68608 Electricity - Town Hall		$ 80.00	$ 80.00			**$ 160.00**
68610 Electricty - Street Lights	$ 1,200.00					**$ 1,200.00**
Total for 68600 Utilities	**$ 1,200.00**	**$ 1,526.50**	**$ 1,526.55**	**$ -**	**$ -**	**$ 4,253.05**
Other Expenses						
51000 Distribution Project				$ -		**$ -**
53000 Monitor Wells - Sewer			$ 5,200.00			**$ 5,200.00**
59900 Reconciliation Discrepancies-1		$ 500.00	$ 500.00			**$ 1,000.00**
Total for Other Expenses	**$ -**	**$ 500.00**	**$ 5,700.00**	**$ -**	**$ -**	**$ 6,200.00**
TOTAL REVENUE	$ 49,755.27	$281,610.30	$267,834.94	$ 12,315.00	$ 4,073.92	**$615,589.43**
TOTAL EXPENSE	**$ 2,900.00**	**$278,235.66**	**$267,206.55**	**$ -**	**$ -**	**$548,342.21**
difference	*$ 46,855.27*	*$ 3,374.64*	*$ 628.39*	*$ 12,315.00*	*$ 4,073.92*	***$ 67,247.22***