

MINUTES

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or Dial (669) 900-6833
Meeting ID: 371 270 2590

DECLARATION OF A QUORUM

BOARD MEETING

President James Bissell called the meeting to order at 9:00 A. M. Present were Vice President Gunnar Thordarson, remotely via Zoom, Director John Boyle, and Director Diane Lundquist. District staff, General Manager Jeff Gouveia, and Office Manager Judi Silber. Absent with notice was Treasurer Ken Brown.

Public comments on agenda items will be limited to 3 minutes or otherwise at the discretion of the Board Chair.

PUBLIC FORUM

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction provided the matter is not on the agenda or pending before the Board.

BOARD BUSINESS

1. **Public Hearing** – Proposed Delinquent Sewer Service Fees to be Added to 2022-23 Alpine County Tax Rolls - Discussion and Possible Action Item

President James Bissell called the public meeting to order at 9:09 A. M. There were no public present.

Motion Boyle Second Bissell to accept the FY22-23 Alpine County Tax Roll as presented.

AYES: Bissell, Boyle, Lundquist, Thordarson

NOES:

ABSENT: Brown

MOTION CARRIED

2. **The Board will consider adoption of the June 25, 2022 Board Meeting minutes.**

MOTION Boyle SECOND Bissell to accept the June 25, 2022 Minutes with the correction of no subcommittee was formed.

AYES: Bissell, Boyle, Lundquist, Thordarson

NOES:

ABSENT: Brown

MOTION CARRIED

3. **Accounting Policies and Administrative Procedures Manual** - Discussion and Possible Action Item

General Manager Gouveia stated that the Administrative Policies Procedures Manual has been reformatted and is better organized. The GM believes that it now covers all areas of the District's current accounting and administrative policies practiced by the District.

MOTION Boyle SECOND Lundquist to accept the Policies and Administrative Procedures Manual as presented.

AYES: Bissell, Boyle, Lundquist, Thordarson

NOES:

ABSENT: Brown

MOTION CARRIED

4. Closed Session - Public Employment (GC § 54954.5 and 54957) Discussion and Possible Action Item

The board of directors requested some more information as to the amount of fees other smaller districts charge for service fees.

The board of directors adjourned to closed session at 9:57 A. M.

The board of directors reopened the public meeting at 10:17 A. M.

ACTION: The Board of Directors voted to budget \$1,500 for active staff working year-round, full time (30 hours a week or more) and \$500 for all seasonal, part time employees. The GM was authorized to prorate these funds if certain part time employees have fewer hours. This is to be a one-time bonus to employees to help in the current inflationary environment. The bonus should be distributed with the first payroll of August 2022.

5. FY 21 - 22 Final Budget Proposal – Discussion and Possible Action Item

Discussion ensued regarding capacity of sewer system with regards to the future project by Skyline Resorts or other entities, the proposed increase of CPI year over year and the 10% pay down on the loan balance. GM acknowledged that wages and insurance are both increasing. Lab fee may also be increasing in the event of a surface discharge in any of the upcoming fiscal years. The Board discussed and ultimately elected to wait for the year end audit to begin discussions surrounding reserve funding and early loan payments.

MOTION Boyle SECOND Lundquist

AYES: Bissell, Boyle, Lundquist, Thordarson

NOES:

ABSENT: Brown

6. Manager's Report - General Manager

See attachment.

7. Financial Report - General Manager

7.1 P&L and Balance Sheet Reports - Discussion and Possible Action Item. FOR REVIEW ONLY. NO ACTION TAKEN.

7.2 Accounts Payable Report - Discussion and Possible Action Item. FOR REVIEW ONLY. NO ACTION TAKEN.

7.3 A/R & Aging Reports – Discussion. FOR REVIEW ONLY. NO ACTION TAKEN.

8. Resolution No. 2022-506 - Conducting Meetings Using Teleconferencing – GC 54953 Amend AB 361

MOTION Lundquist SECOND Bissell to approve Resolution No. 2022-506 as presented.

AYES: Bissell, Boyle, Lundquist, Thordarson

NOES:

ABSENT: Brown

9. Board Member Reports

GM stated that the need to set a date for a Zoom meeting on October 11, 2022 to adopt a resolution to continue to meet remotely. The next full regular Board meeting was set for November 7, 2022.

President James Bissell adjourned the meeting at 11:16 A. M.

AGENDA ITEM

DATE: JULY 25, 2022

TO: BVWD BOARD OF DIRECTORS

FROM: JEFF GOUVEIA, DISTRICT GENERAL MANAGER

RE: MANAGER'S REPORT

1. Water Balance - Update

a. Influent Flows & Effluent Transfers

Influent Flows (MG) Total of all wastewater received July 1 – 19th was .427.

b. Effluent in Storage, Current Storage Capacity & Land / Surface Disposal Update

Transferred to PR (MG) – Volume of water moved from treatment to Storage was .342. Land application annual totals in (MG) 19.667. The current storage volume is 7072.8' = 23.54 MG = 30.8% (7/19/2022). Collection System jetted as of 7/15/22 is 5,999. Videos 4,017, as of 7/21/2022.

2. Permit Compliance & Monitoring & Reporting Programs (MRPs) - Update

a. WDR MRP - Land Discharge Permit – Compliance & Reporting Update

Order Number 05-01-208 submitted / received on 06/23/2022. Order: R5-2016-0045, submitted / received 06/24/2022.

i. Reporting Status Matrix – No Certified Violations, All Reporting Submitted On-Time

b. NPDES MRP – Surface Water Discharge Permit – Compliance & Reporting Update

i. Reporting Status Matrix – No Certified Violations, All Reporting Submitted On-Time

ii. New Order Adopted at Regional Board Meeting June 10 – Effective August 1, 2022 Order R5-2022-0037 received from the California Regional Water Quality Control Board, Central Valley Region. The NPDES Permit becomes effective on 1 August 2022

3. Other

a. PGE-SGIP-2020-3656 – WWTF Powerpack Project –Update

Heading to the one-yard line with this project. Attempted to fix breakers but was unsuccessful. Should have the breakers fixed in a week or two. SSGIP granted an extension of reservation.

b. Cal OES Community Power Resiliency Allocation – Update

Projects will be completed before the end of this year.

c. 2022 SDLF Special District Technology Grant –Update

The District purchased three Dell Laptop computers with these monies.

d. Engineering Estimates – Collection System Replacement

i. Update Cost Estimate (4) Pipe Segments in Capacity Assurance Plan - \$1500

ii. Develop Cost Estimate to Replace ALL AC Pipe - \$5000 - \$6000 \$5 - \$6K cost associated with the preparation of an estimate to replace the collection system. The estimate is only good while the prices hold true. Sitting on an estimate 5 -6 years would be a waste of funds. The collection line asbestos pipes are decaying and GM thinks that It is time to get this estimated number and begin to budget for the replacement of the collection system.



BEAR VALLEY WATER DISTRICT

BOARD MEETING

October 11, 2022 - 9 AM

Conference Room

441 Creekside Drive, Bear Valley, CA 95223

AGENDA

Join Zoom Meeting
<https://zoom.us/j/3712702590>
or Dial (669) 900-6833
Meeting ID: 371 270 2590

DECLARATION OF A QUORUM

BOARD MEETING

President James Bissell called the meeting to order at 9:00 A. M. Treasurer Ken Brown, Director John Boyle,

Director Diane Lundquist were present. Vice President Gunnar Thordarson was absent with notice. Staff present were General Manager Jeff Gouveia and Office

Manager Judi Silber.

Public comments on agenda items will be limited to 3 minutes or otherwise at the discretion of the Board Chair.

PUBLIC FORUM

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction provided the matter is not on the agenda or pending before the Board.

BOARD BUSINESS

1. Resolution No. 2022-509 - Conducting Meetings Using Teleconferencing – GC 54953 Amend AB 361

MOTION Brown SECOND Boyle to adopt Resolution No. 2022-509 Conducting Meetings Using Teleconferencing

- GC 54953 Amend AB 361.
- AYES: Bissell, Boyle, Brown, Lundquist
- NOES:
- ABSENT: Thordarson
- MOTION CARRIED

2. Board Member Reports

The next board meeting was set for November 7th, 2022 at 9:00 A. M.

President Bissell adjourned the meeting at 9:15 A.M.

AGENDA ITEM

DATE: NOVEMBER 7, 2022

TO: BVWD BOARD OF DIRECTORS

FROM: JEFF GOUVEIA, DISTRICT GENERAL MANAGER

RE: RESERVE FUND POLICY – ANNUAL REVIEW

BACKGROUND:

During the FY 22-23 final budget approval process at the District's July 25, 2022 Board meeting, Staff recommended the Board hold its annual review of year-end reserve fund target balances after completion of the District's annual audit. The annual audit was completed in October and accompanies this memorandum to better inform this annual review. Pursuant to the District's 2017 Reserve Fund Policy, the adequacy of target reserve year-end balances and/or annual contributions should be reviewed annually by the Board of Directors and revised accordingly as necessary. The Policy further stipulates that "*the Agency will strive to fully fund this Reserve every year based on excess cash flow as available.*"

The District maintains two unrestricted reserve funds with a current total unrestricted cash fund balance of \$575,000. Pursuant to the District's 2017 Reserve Policy, the O&M Emergency Reserve fund, with a current balance of \$150,000, requires a minimum target balance of 3 months of O&M expenses. The Sewer Capital Improvement Reserve Fund (CIP), with a current balance of \$425,000, requires a minimum balance "*to be determined by the Board of Directors tied to the District's current aggregate total asset value with consideration of the District's 5-Year Capital Improvement Plan.*"

Despite positive year end cash flow in the years since the Board first adopted the Reserve Fund Policy, these funds have routinely remained in the District's general operating fund and since the inception of the 2017 Reserve Fund Policy to date excess cash flow has not been redirected into any of the District's reserve funds. However, following the recent completion of the 5-year service rate study which included projections for increased monthly operating expenses and revised projections for capital expenditures over the next 5 years, Staff have recommended the Board consider approving increases to the reserve fund target balances to adhere to the target balance guidelines contained in the Reserve Fund Policy.

Below are the detailed guidelines stipulated in the 2017 Reserve Fund Policy regarding target balances and annual contributions:

- The Sewer Operations and Maintenance (O&M) Emergency Reserve Fund has a target balance of a minimum of three (3) months of O&M expenses to fund the District's operational expenditures during a potential emergency. The District is required to have sufficient cash flow to meet the next three months of budgeted District expenditures (Government Code Section 53646(b)(3)). In addition to holding enough cash for 3 months of operating expenses, industry standards also suggest setting aside sufficient cash in anticipation of an emergency system failure to replace the most vulnerable component of your system or one that would cause the greatest disruption of service. Annual contributions will vary depending on the current balance of the fund and current year regular and emergency expenditures.
- The Sewer Capital Improvement & Replacement Program (CIP) Reserve Fund has a target balance determined by the Board of Directors which considers both the District's 5-Year Capital Improvement Program (CIP) and the current total aggregate asset value as reflected in the most current depreciation schedule. The District records depreciation using the straight-line method over the estimated useful lives of facilities and equipment. The 5-Year CIP assumes replacement of capital equipment equivalent to the depreciation schedule. At a minimum, the Board should allocate to the fund enough each fiscal year to adequately fund the 5-Year CIP. At a minimum, the target annual funding amount of the CIP Fund should reflect the approved annual budgeted depreciation amount in conjunction with the approved 5-Year CIP Plan.

DISCUSSION:

Sewer Operations and Maintenance (O&M) Emergency Reserve Fund

The Board approved FY22-23 budget projects total annual operating expenses to be \$703,433 or \$56,619 average per month. The current 5-year O&M expense average is projected to be \$61,798 per month or an average of \$741,574 annually over 5 years. Based on maintaining a minimum of 3 months O&M expenses, this suggests a minimum O&M emergency fund balance between \$175,000 - \$185,000. With a current O&M reserve fund balance of \$150,000, this suggests a minimum increase to the target reserve fund balance ranging from \$25,000 and \$35,000.

As part of the recent rate study, Bartle Wells Associates (BWA) recommended the District consider as much as 6 months of annual O&M expenditures when funding its O&M reserve instead of 3 months due to potential volatility of commercial revenues following the Covid-19 pandemic and disconnections by the USFS. If the Board were to adopt this approach, the O&M reserve target balance should range between \$340,000 - \$370,000.

Sewer Capital Improvement & Replacement Program (CIP) Reserve Fund

The Sewer Capital Improvement Reserve Fund (CIP), with a current balance of \$425,000, requires a minimum balance "to be determined by the Board of Directors tied to the District's current aggregate total asset value with consideration of the District's 5-Year Capital Improvement Plan." The District's current aggregate total asset value as of June 30, 2022 is \$3,346,262 and the 5-year combined CIP budget projection is \$670,453. However, the FY22-23 CIP budget reflects grant funding for several projects of nearly \$250,000 with only \$108,202 funded with cash. Excluding the grant funding in FY22-23, the annual average of the 5-year CIP is \$84,140 with a projected 5-year total CapX budget of \$420,702. When performing its rate analysis, Bartle Wells also recommended the District's annual CIP reserve fund be calculated as 3% of the agency's total asset value or \$100,388 for FY22-23.

Table 1 – 5-Year CIP Budget:

TOTAL CIP PROJECTS	\$357,953	\$72,500	\$70,000	\$70,000	\$100,000
Proposed CIP Funding					
Bank Loans					
Grants	\$249,751				
Cash Funding	\$108,202	\$72,500	\$70,000	\$70,000	\$100,000
TOTAL CIP PROJECTS	\$357,953	\$72,500	\$70,000	\$70,000	\$100,000

RECOMMENDATION:

As codified in the 2017 Reserve Fund Policy, "the Agency will strive to fully fund this Reserve every year based on excess cash flow as available." The Board should note that the findings of the annual audit for the fiscal year ending June 30, 2022 indicate year end net operating revenue of \$48,981 but a net decrease in cash of - \$98,836 due to over budget capital projects as well unbudgeted expenses such as the 2022 rate study.

Staff analysis suggests that the O&M reserve fund is currently underfunded and will be increasingly running at a deficit over the next 5 years based on the covenants of the 2017 Reserve Fund Policy. However, the Board should determine through discussion whether, despite negative year end cash flow in FY21-22, the District's general financial health warrants topping off the O&M Reserve fund with funds available from the District's general operating fund.

Staff analysis suggests the Sewer Capital Improvement Reserve Fund (CIP), with a current balance of \$425,000, is sufficiently funded according to the terms of the Reserve Policy. The annual average of the 5-year CIP is \$84,140 and the projected 5-year total CapX budget of \$420,702, both well under the current \$425,000 in reserves.

With respect to loan allowance payments as an additional or alternate funding consideration, the Note anniversary date marks the beginning of the allowance period. The 10% allowance is available annually without penalty during the period beginning March 7 each year and ending March 6 of the following year. For the current period, the approximate allowance is \$30,435 which is calculated on the loan balance dated 3/7/2022 of \$304,345 X .10. The current period ends 3/6/2023, therefore this maximum figure must be received on or before 3/4/2023. Additionally, the allowance may be paid annually or via periodic payments, in addition to the standard P&I payments. In any case, the prepayment allowance cannot exceed the 10% calculation otherwise a penalty may be triggered.

ACTION:

1. Review current reserve fund balances.
2. Review and discuss projected O&M and capx expenditures for FY22-23 – 26-27.
3. Review and discuss 10% loan allowance payments.
4. Motion to Approve increases, if any, to any unrestricted reserve fund.
5. Motion to Approve up to a 10%, if any, loan allowance payment.

Attachments:

- 2017 Reserve Fund Policy
- Bear Valley Water District Audited Financial Statements as June 30, 2022
- Bear Valley Water District Report on Accounting Controls and Procedures as June 30, 2022
- BVWD Depreciation Schedule - Year End 6-30-2023
- BVWD FY 22-23 & 5 Year Budget – Approved July 25, 2022

RESERVE FUND POLICY

OVERVIEW

The Bear Valley Water District (District) considers careful fiscal planning essential to the long term, sustainable delivery of its core services, specifically the collection, treatment and disposal of waste water for all of its customers as well as the careful stewardship of the public's financial and environmental assets.

The District has determined that a key part of the District's financial preparedness rests on sound reserve policies and guidelines. This policy is intended to provide for the prudent accumulation and management of designated reserve funds to achieve the District's long term financial goals.

OBJECTIVES

Managed and allocated effectively, reserves ultimately provide stakeholders a variety of benefits. In addition to financial policies established to guarantee that the District can meet the future financial requirements of customer demand and system reliability, reserve policies are also considered essential to ensure stable rates for ratepayers in the District, well-maintained public assets, emergency preparedness, capital improvement and replacement of assets, savings to balance budgets and the proper allocation of funds for the future growth and expansion of facilities.

This Reserve Fund Policy was developed to clearly identify specific designated reserve funds and govern how they will be managed. It is the intent of this Reserve Fund Policy to clearly identify types of reserve funds as well as define the purpose, target balance, use and funding mechanism of each fund. The adequacy of the target reserve year-end balance ranges and/or annual contributions will be reviewed annually during the budgeting process and may be revised accordingly as necessary.

The Board of Directors establishes the following reserve funds with this policy:

1.0 - Sewer Operations and Maintenance (O&M) Emergency Reserve Fund

2.0 - Sewer Capital Improvement & Replacement Program (CIP) Reserve Fund

3.0 - Sewer System Capacity Fee Reserve Fund

1.0 SEWER OPERATIONS AND MAINTENANCE (O&M) EMERGENCY RESERVE FUND

- 1.1. Fund Type: Assigned Fund (GASB 54) - The District's Assigned Fund balance classification reflects a fund that the Board of Directors intends to be used for specific purposes but is subject to neither the restricted nor committed levels of constraint bound by legislation or formal Board action. As an Assigned Fund, this lower level of constraint provides for more flexibility by the General Manager to access and utilize this fund as emergencies arise.
- 1.2. Purpose: To ensure cash resources are available to fund the daily administration, operation and maintenance activities necessary to provide District services in the event of unplanned major maintenance or equipment failure.
- 1.3. Target Balance: A minimum of three (3) months of O&M expenses to fund the District's operational expenditures during a potential emergency.

- 1.4. Methodology/Rationale: The District is required to have sufficient cash flow to meet the next three months of budgeted District expenditures (Government Code Section 53646(b)(3)). In addition to holding enough cash for 3 months of operating expenses, industry standards also suggest setting aside sufficient cash in anticipation of an emergency system failure to replace the most vulnerable component of your system or one that would cause the greatest disruption of service.
- 1.5. Use of Funds: This fund will be used to pay for unplanned, emergency O&M expenditures determined necessary by the Board and/or the General Manager.
- 1.6. Funding: Annual contributions will vary depending on the current balance of the fund and current year regular and emergency expenditures. The 5-year O&M expense average is approximately \$600,000 suggesting an O&M emergency fund balance of a minimum of \$150,000. The Agency will strive to fully fund this Reserve every year based on excess cash flow as available.

2.0 SEWER CAPITAL IMPROVEMENT PROGRAM (CIP) RESERVE FUND

- 2.1. Fund Type: Committed Fund (GASB 54) - The District's Committed Fund balance classification is subject to internal constraints self-imposed by formal action of the District's Board of Directors. For committed fund balances, formal action of the Board is required to establish (and modify or rescind) a commitment of fund balance.
- 2.2. Purpose: Fees are collected for the future replacement of existing facilities and major equipment.
- 2.3. Target Balance: The target balance will comprise an amount determined by the Board of Directors which considers both the District's 5-Year Capital Improvement Program (CIP) and the current total aggregate asset value as reflected in the most current depreciation schedule. The District records depreciation using the straight-line method over the estimated useful lives of facilities and equipment. The 5-Year CIP assumes replacement of capital equipment equivalent to the depreciation schedule. At a minimum, the Board should allocate to the fund enough each fiscal year to adequately fund the 5-Year CIP.
- 2.4. Methodology/Rationale: The Capital Improvement Program (CIP) reserve fund is for system rehabilitation, long term equipment replacement and equipment and component purchases that meet the District's Capital Assets Policy. The fee is collected through ratepayer service fees to replace District facilities and equipment as they reach the end of their useful life and also to handle unanticipated repairs during the life-cycle. A key objective for accumulating capital reserves is to minimize external borrowing and interest expenses.
- 2.5. Use of Funds: The CIP Reserve Fund will be used to replace facilities and equipment as necessary to continue reliable and efficient delivery of District services. The Board of Directors will authorize use of planned capital reserves during the budget process. Capital reserves are also available for unplanned (unbudgeted) capital replacement projects.
- 2.6. Funding: At a minimum, the target annual funding amount of the CIP Fund should reflect the approved annual budgeted depreciation amount in conjunction with the approved 5-Year CIP Plan. However, by vote of the Board of Directors, this reserve fund balance may be fully funded either at once or incrementally to provide for capital reserves sufficient to cover the District's total depreciated fixed asset position.

3.0 SEWER SYSTEM CAPACITY CHARGE RESERVE FUND

- 3.1. Fund Type: Restricted Fund (GASB 54) - The District's Restricted Fund balance classification reflects a fund subject to externally imposed and legally enforceable constraints which limit the District's Board to redirecting these funds to other uses or funds. The California Water Code explicitly limits public water agencies use of capacity funds collected from new customers to expanding system capacity.
- 3.2. Purpose: Government Code Section 66013(b)(3) does not allow us to charge new or existing customers an arbitrary amount to fund a future, undefined capacity expansion project. On the other hand, we are permitted to charge a new customer a fee that reflects an appropriate share of the historic cost of the established capacity. The amount of this fee is periodically calculated and adjusted through an engineering report that is subject to board approval. This "capacity" fee is collected from new customers and is required by law to be reserved for future capacity expansion, even if no expansion plan is in place at that time.
- 3.3. Target Balance: The target balance shall be set as a function of any board approved capacity enhancement plans. In the absence of any such approved plans, no specific target shall be set, but the funds shall accrue as available. At the time the District may need to expand capacity in the system, the target balance will be set at the amount as determined by the District Engineer.
- 3.4. Methodology/Rationale: Capacity charges are based on the capacity of the District's wastewater system to provide service to customers. Capacity charges are determined by an engineering report that establishes the basis for the charge and how it was calculated. All applicants for new or additional sewer service to the District's Sewer System shall pay a Capacity Charge as defined by Government Code Section 66013(b)(3) and District Ordinance 71 prior to issuance of a permit by the District. Capacity Charges represent the property owner's proportional capital costs associated with existing system capacity for a new sewer connection at the time of the connection. The current capacity fee calculation reflects the recommended cost for each equivalent dwelling unit (EDU) served until such time as the District reaches its current system capacity.
- 3.5. Use of Funds: The funds shall be used only for system capacity expansion/enhancement projects which ensure the property owner's proportional share of capacity in the system is associated with the specific capital cost for a new sewer connection at the time of the connection.
- 3.6. Funding: This fee is collected with each service application from a vacant parcel with the intent to connect to the wastewater system. In addition, the per new connection value of treatment and distribution capacity will be charged to all new land development projects and deposited into this account. Interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

Bear Valley Water District
Depreciation Schedule - Book Data

ID#
COMPANY # 1050

PAGE 1
RUN 09/15/22
02:42:00 PM

Year Ended 06/30/2023

PPD BY Robert W Johnson, CPA

ASSET NO.	Asset Descr	LIFE	DATE PURCHASED	DEPREC METHOD	ORIGINAL COST	PRIOR ACCUM DEPREC	CURRENT DEPRECIATION	CURRENT ACCUM DEPREC
<hr/>								
(C) 1:	LAND							
1.0	Land	0	01/19/20	N/A	25,805	0	0	0
<hr/>								
* (C) 1:	LAND * 1 asset(s)				25,805	0	0	0
<hr/>								
(C) 21:	PLANT & ADMIN							
10.0	Radios	5	01/01/92	SL-Y	2,202	2,202	0	2,202
11.0	1993 FISO 4x4 Pickup Truck	5	06/01/93	SL-Y	12,747	12,747	0	12,747
12.0	Truck Improvements	5	07/01/93	SL-Y	756	756	0	756
14.0	Snowblower	5	10/01/97	SL-Y	1,925	1,925	0	1,925
15.0	Office Building	40	10/31/97	SL-Y	288,204	176,526	7,205	183,731
17.0	Dodge Ram PU	6	01/01/99	SL-Y	16,846	16,846	0	16,846
197.0	Utility Transfer Switch	20	08/24/15	SL-Y	1,555	507	78	585
207.0	GIS Consulting Support	10	06/30/18	SL-Y	23,562	10,602	2,356	12,958
209.0	SCADA Monitoring Alarm System	10	06/30/18	SL-Y	118,292	53,231	11,829	65,060
220.0	Rate Study	5	06/30/22	SL-Y	14,471	1,447	2,894	4,341
221.0	NPDES Permit	5	06/30/22	SL-Y	47,669	4,767	9,534	14,301
<hr/>								
* (C) 21:	PLANT & ADMIN * 11 asset(s)				528,229	281,556	33,896	315,452
<hr/>								
(C) 22:	SEWAGE - LAKE ALPINE							
19.0	Float Switches Installation	15	09/01/91	SL-Y!	979	979	0	979
20.0	Motor	2	10/01/91	SL-Y	395	395	0	395
21.0	Generator	20	11/01/91	SL-Y	12,402	12,402	0	12,402
22.0	Phase Converter	15	06/01/92	SL-Y	3,651	3,651	0	3,651
23.0	Boat Ramp	15	12/01/92	SL-Y!	6,299	6,299	0	6,299
24.0	Meter	10	07/01/93	SL-Y	535	535	0	535
25.0	Chickaree Pump House	10	06/01/98	MACRS-	3,190	3,190	0	3,190
26.0	Chickaree Pump House	10	01/01/99	SL-Y	1,126	1,126	0	1,126
27.0	Lake Alpine Pumps&Auto Dialer	15	01/01/05	SL-Y	76,657	76,657	0	76,657
28.0	Irr. Pump #2 & Upgrades	15	01/01/05	SL-Y	2,720	2,720	0	2,720
29.0	Remodel Costs	15	01/01/05	SL-Y	8,765	8,765	0	8,765
30.0	Boat Ramp	15	01/01/05	SL-Y	2,567	2,567	0	2,567
31.0	Auto Dialer	15	09/01/05	SL-Y	3,516	3,516	0	3,516
32.0	Overhaul Moyno Pump	10	11/01/05	SL-Y	6,458	6,458	0	6,458
33.0	A/B 100 HP Start w/Controls	15	10/13/06	SL-Y	13,621	13,621	0	13,621
34.0	Pump Repairs 6077 Egret Ct.	15	12/01/06	SL-Y	16,656	16,656	0	16,656
199.0	Phase Converter L.A.	10	06/30/17	SL-Y	6,891	3,790	689	4,479
<hr/>								
* (C) 22:	SEWAGE - LAKE ALPINE * 17 asset(s)				166,428	163,327	689	164,016
<hr/>								
(C) 23:	SEWAGE COLLECTION							
35.0	Station La Main	10	08/31/78	SL	325	325	0	325
36.0	Switches Station	10	12/31/78	SL	1,154	1,154	0	1,154
37.0	Main & LA Pump Station	40	09/01/79	SL	33,186	33,186	0	33,186
38.0	Connector	10	10/01/79	SL	7,846	7,846	0	7,846
39.0	Pump Station Modification	40	10/01/79	SL	6,748	6,748	0	6,748
40.0	Log Cabin Bypass	20	11/01/79	SL	8,157	8,157	0	8,157
41.0	Dump	10	06/01/80	SL	1,165	1,165	0	1,165
42.0	Containment Basin	10	09/01/79	SL	5,716	5,716	0	5,716
43.0	Commeter	10	10/01/79	SL	3,289	3,289	0	3,289
44.0	Pump	10	07/31/80	SL	2,236	2,236	0	2,236
45.0	Fix Rod	10	08/01/80	SL	455	455	0	455
46.0	Pump & Switch Gear	10	11/01/80	SL	2,478	2,478	0	2,478
47.0	Air Compressor	10	06/30/78	SL	105	105	0	105
48.0	Raco High Water Alarm	10	10/18/83	SL	1,809	1,809	0	1,809
49.0	Transformer	10	10/01/84	SL	4,567	4,567	0	4,567
50.0	Pump (rebuild)	10	03/01/85	SL	1,780	1,780	0	1,780
51.0	Grade Compistation #1	10	07/01/85	SL	597	597	0	597
52.0	ReliefControlvalve-LApumpStn	10	07/01/85	SL	1,947	1,947	0	1,947
53.0	Press Relief Valves-Boat Ramp	10	07/01/85	SL	518	518	0	518
54.0	Pump (rebuild)	10	08/01/85	SL	1,763	1,763	0	1,763
55.0	Overflow Tanks - Boat Ramp	10	09/01/85	SL	496	496	0	496
56.0	Air Compressor	10	10/08/86	SL-Y	318	318	0	318
57.0	Leak Detection System	10	09/01/86	SL-Y	1,982	1,982	0	1,982
58.0	Misc.	10	12/01/86	SL-Y	298	298	0	298
59.0	Electric Motor	10	11/01/87	SL-Y	118	118	0	118
60.0	Clorenator	10	05/01/88	SL-Y	1,604	1,604	0	1,604
61.0	Overflow Tank	10	06/01/88	SL-Y	9,339	9,339	0	9,339
62.0	New Connection LT 281	10	10/01/88	SL-Y	975	975	0	975
63.0	Smart Pump LC Unitype	10	10/01/89	SL-Y	1,129	1,129	0	1,129
64.0	New Pump - Lake Alpine	10	10/01/89	SL-Y	6,778	6,778	0	6,778
65.0	New Connections LT 60	10	10/01/89	SL-Y	251	251	0	251
66.0	Blower	10	09/01/01	SL-Y	849	849	0	849
67.0	Generator (emergency response)	15	08/01/02	SL-Y2	9,547	9,547	0	9,547
68.0	Trailer Hitch	5	09/01/02	SL-Y2	37	37	0	37
69.0	Slide Gate	10	06/01/04	SL-Y3	823	823	0	823
70.0	System Maps	10	11/01/03	SL-Y3	6,928	6,928	0	6,928
71.0	Waterman Valve	10	11/01/03	SL-Y3	5,954	5,954	0	5,954
72.0	Portable Flow Meter	10	10/01/05	SL-Y	7,597	7,597	0	7,597
73.0	Pressure Washer & Tank	15	09/01/05	SL-Y	754	754	0	754

Year Ended 06/30/2023

PPD BY Robert W Johnson, CPA

ASSET NO.	Asset Descr	LIFE	DATE PURCHASED	DEPREC METHOD	ORIGINAL COST	PRIOR ACCUM DEPREC	CURRENT DEPRECIATION	CURRENT ACCUM DEPREC
74.0	Fix Paco Pump @ MPS	10	01/09/07	SL-Y	6,075	6,075	0	6,075
75.0	2007 Chevy Truck	5	10/13/06	SL-Y	8,330	8,330	0	8,330
77.0	Confined Space Entry Equipment	10	01/01/09	SL-Y3	4,219	4,219	0	4,219
177.0	Main Pump Station FloodControl	20	06/30/12	SL-Y	171,561	90,069	8,578	98,647
182.0	Ebara K Series Pump	10	06/25/13	SL-Y!	6,114	5,805	309	6,114
183.0	Verisight Pro 200 Push Camera	10	08/30/13	SL-Y	11,910	10,124	1,191	11,315
185.0	Additional Ebara Pump Costs	10	09/30/13	SL-Y	688	586	69	655
198.0	Smartcover Monitor/Alarm	7	06/30/17	SL-Y	15,390	12,095	2,199	14,294
212.0	Hydro Jetter	20	06/30/18	SL-Y	59,272	13,338	2,964	16,302
213.0	Bee Gulch Lift Station Upgrade	25	06/30/19	SL-Y	60,408	8,456	2,416	10,872
218.0	Hydro Jetter	15	06/30/21	SL-Y	11,463	1,146	764	1,910
222.0	Versight Pro Camera	10	06/30/22	SL-Y	11,851	593	1,185	1,778
223.0	Main Pump Grinder Station	20	06/30/22	SL-Y	33,856	847	1,693	2,540

* (C) 23: SEWAGE COLLECTION * 52 asset(s)

542,755 303,301 21,368 324,669

(C) 24: SEWAGE DISPOSAL FACILITY

76.0	Bloods Creek Outfall	40	06/30/08	SL-Y3	742,797	269,265	18,570	287,835
78.0	Disposal Facilities	40	01/01/71	SL	8,587	8,587	0	8,587
79.0	Engineering	40	01/01/77	SL	6,648	6,648	0	6,648
80.0	Irrigation Pipe	10	08/01/80	SL	7,567	7,567	0	7,567
81.0	Irrigation Pipe	10	09/01/80	SL	301	301	0	301
82.0	Spray Feild Phase I	40	01/01/83	SL	48,778	48,053	610	48,663
83.0	Irrigation Pipe	40	07/01/84	SL	56	42	1	43
84.0	Roofing on New Building	20	01/01/84	SL	530	530	0	530
85.0	Sprayfeild Additions	20	09/01/85	SL	6,644	6,644	0	6,644
86.0	Pump & Irrigation Values	10	08/01/86	SL-Y	7,074	7,074	0	7,074
87.0	Irrigation System	10	08/01/87	SL-Y	5,070	5,070	0	5,070
88.0	8" Water Meter	10	06/01/88	SL-Y	589	589	0	589
89.0	New Irrigation System	7	07/01/88	SL-Y	522	522	0	522
90.0	Asorbtion Trench	10	07/01/88	SL-Y	1,970	1,970	0	1,970
91.0	Irrigation Materials	10	08/01/88	SL-Y	868	868	0	868
92.0	Trench	10	09/01/88	SL-Y	5,123	5,123	0	5,123
93.0	Irrigation Materials	10	10/01/88	SL-Y	175	175	0	175
94.0	Trench	10	11/01/88	SL-Y	78	78	0	78
95.0	Sprayfeild	10	07/01/89	SL-Y	1,068	1,068	0	1,068
96.0	Sprayfeild	10	09/01/89	SL-Y	445	445	0	445
97.0	Sprayfeild	10	04/01/90	SL-Y	10,237	10,237	0	10,237
98.0	Pump	10	07/01/90	SL-Y	7,643	7,643	0	7,643
99.0	Meter	10	09/01/90	SL-Y	855	855	0	855
100.0	Battery	10	09/01/91	SL-Y	308	308	0	308
101.0	Sprayfeild Expansion	10	10/01/91	SL-Y	4,251	4,251	0	4,251
102.0	Sprayfeild Expansion	10	06/01/93	SL-Y	420	420	0	420
103.0	Sprayfeild Expansion	10	08/01/93	SL-Y	13,353	13,353	0	13,353
104.0	Extend Sprayfeild	10	12/01/96	SL-Y!	10,131	10,131	0	10,131
105.0	Irrigation Pipe	10	03/01/98	SL-Y	898	898	0	898
106.0	Booster Pump MDL 8C-4	10	07/01/01	SL-Y	8,940	8,940	0	8,940
107.0	Guard-It Auto Dialer	10	09/01/01	SL-Y	1,053	1,053	0	1,053
108.0	Pumps	10	08/01/01	SL-Y	8,399	8,399	0	8,399
109.0	Effliemt 100 HP Pump	10	10/01/01	SL-Y2	7,000	7,000	0	7,000
110.0	Peerless Pump	10	09/01/02	SL-Y2	5,974	5,974	0	5,974
111.0	Simfloo Pump	7	10/01/02	SL-Y2!	2,365	2,365	0	2,365
112.0	Irrigation Flow Meter	10	06/01/04	SL-Y3	9,841	9,841	0	9,841
113.0	Groundwater Monitoring wells	10	01/01/05	SL-Y	10,785	10,785	0	10,785
114.0	Paco Pumps	10	10/23/06	SL-Y	4,050	4,050	0	4,050
115.0	Outfall Permit & Design	50	01/05/07	SL-Y	51,378	15,932	1,028	16,960
178.0	NPDES Permit	5	07/01/11	SL-4	60,189	60,189	0	60,189
179.0	DSP Facilities/sprayfeild pipe	5	06/30/12	SL-Y	17,442	17,442	0	17,442
181.0	Dechlorination System	10	07/01/12	SL-Y!	21,540	20,463	1,077	21,540
190.0	OUTFALL BYPASS	25	08/24/14	SL-Y	28,914	8,677	1,157	9,834
191.0	PUMP REBUILD	15	09/22/14	SL	20,199	11,401	1,213	12,614
192.0	SOFTSTART FOR PUMP	15	09/17/14	SL-Y	8,545	4,275	570	4,845
193.0	CLAVAL IRRIG. PUMP	20	11/24/14	SL-Y	7,229	2,708	361	3,069
200.0	Spray Feild Pipes	5	06/30/17	SL-Y	5,965	5,965	0	5,965
201.0	Power Fail Relay	10	06/30/17	SL-Y	1,188	655	119	774
202.0	Three Sigma Analog	10	06/30/17	SL-Y	2,072	1,139	207	1,346
203.0	USFS Special Use Permit	5	06/30/17	SL-Y	8,344	8,344	0	8,344
204.0	Mixing Zone Study	5	06/30/17	SL-Y	12,210	12,210	0	12,210
205.0	NPDES Permit	5	06/30/17	SL-Y	10,345	10,345	0	10,345
206.0	Priority Pollutant Test	5	06/30/17	SL-Y	10,378	10,378	0	10,378
208.0	Dechlorination System II	10	06/30/18	SL-Y	14,224	6,399	1,422	7,821
211.0	Mix Zone Study Phase II	5	06/30/18	SL-Y	13,234	11,912	1,322	13,234
214.0	Inundation Mapping Project	20	06/30/20	SL-Y!	19,614	2,453	981	3,434

* (C) 24: SEWAGE DISPOSAL FACILITY * 56 asset(s)

1,264,403 688,009 28,638 716,647

(C) 25: SUBSURFACE LINES

116.0	Sewage Lines	99	01/19/71	SL-Y	72,801	35,785	735	36,520
117.0	Engineering	99	08/30/71	SL	1,003	491	10	501
118.0	Manhole Cover	99	06/30/72	SL	58	41	1	42
119.0	System (1972-1)	99	01/19/74	SL	564,625	277,571	5,703	283,274
120.0	Trant #5 Sewer system (1974-1)	99	01/19/76	SL	34,732	16,376	351	16,727

year Ended 06/30/2023

PPD BY Robert W Johnson, CPA

ASSET NO.	Asset Descr	LIFE	DATE PURCHASED	DEPREC METHOD	ORIGINAL COST	PRIOR ACCUM DEPREC	CURRENT DEPRECIATION	CURRENT ACCUM DEPREC
121.0	Lake Alpine Col Sys 1 Pump Sta	99	01/01/76	SL	502,742	234,912	5,078	239,990
122.0	Main Line Collection	99	09/30/78	SL	346	346	0	346
123.0	Lot 364 - Sewer Line	75	09/19/94	SL-Y	5,500	2,009	73	2,082
124.0	Subserfact Lines	75	11/01/97	SL-Y	1,941	637	26	663
125.0	Sewer Lateral To Lot 1-7	75	12/01/01	SL-Y2	3,978	1,087	53	1,140
126.0	Sewage Lines - Pain - Inst.	99	01/01/77	SL	4,167	1,928	42	1,970
175.0	Sewer Lines Lissen Project	50	07/31/10	SL-Y	5,000	1,150	100	1,250
* (C) 25: SUBSURFACE LINES * 12 asset(s)					1,196,893	572,333	12,172	584,505
(C) 26: TREATMENT FACILITY								
127.0	Treatment Facilities	40	01/19/71	SL	27,918	27,918	0	27,918
128.0	1/3 HP Gearmotor for Pump	20	07/31/72	SL	728	728	0	728
129.0	Treatment Facilities	40	07/31/73	SL	261	261	0	261
130.0	Treatment Facilities	40	07/31/74	SL	298	298	0	298
131.0	Treatment Facilities	40	06/30/74	SL	209	209	0	209
132.0	Soil Test & Pollution Study	40	01/19/73	SL!	3,276	3,276	0	3,276
133.0	Treatment Plant & Disposal Sys	40	01/01/76	SL	658,865	658,865	0	658,865
134.0	Division of Dam Study	40	01/01/77	SL	1,092	1,092	0	1,092
135.0	Blower House	20	10/01/79	SL	1,344	1,344	0	1,344
136.0	2/500 Gal Propane Tanks	10	05/01/80	SL	900	900	0	900
137.0	Major Dam Repairs	20	10/01/81	SL	3,101	3,101	0	3,101
138.0	Major Dam Repairs	20	11/01/82	SL	4,572	4,572	0	4,572
139.0	Spillway Construction	20	10/01/84	SL	525	525	0	525
140.0	Water Heater	20	10/01/84	SL	246	246	0	246
141.0	Overhead Trucks & Bracjets	20	02/01/85	SL!	343	343	0	343
142.0	2 Motors	20	06/01/85	SL	1,166	1,166	0	1,166
143.0	Welding Pails	20	01/01/85	SL!	25	25	0	25
144.0	Blowing Equip	20	08/01/85	SL	377	377	0	377
145.0	Frnch Drain	40	09/01/85	SL	1,849	1,696	46	1,742
146.0	Duel Holeshaft	10	06/01/85	SL	915	915	0	915
147.0	Misc. Pump Work	10	10/01/86	SL-Y	11,900	11,900	0	11,900
148.0	Pump Parts	10	07/01/87	SL-Y	728	728	0	728
149.0	Paint	10	10/01/87	SL-Y	82	82	0	82
150.0	Clorenarion Inj. Point	10	10/01/87	SL-Y	71	71	0	71
151.0	Sump Pump	10	06/01/88	SL-Y	253	253	0	253
152.0	Spring Field Phase II	40	11/01/83	SL	107,354	103,757	2,684	106,441
153.0	A Frame	40	09/01/83	SL	2,669	2,594	67	2,661
154.0	Spring Feild Expansion	40	06/01/84	SL	240	229	6	235
155.0	Lake Alpine Col Sys & Pump St	99	06/12/78	SL	43,200	6,977	436	7,413
156.0	Comminutor (Moj. repair)	10	02/01/89	SL-Y	780	780	0	780
157.0	Pump, NSC	10	07/01/89	SL-Y	3,226	3,226	0	3,226
158.0	Communutor	10	10/01/89	SL-Y	11,384	11,384	0	11,384
159.0	Addition	10	11/01/89	SL-Y	52	52	0	52
160.0	Motor	10	09/01/91	SL-Y	229	229	0	229
161.0	Pump	10	10/01/91	SL-Y	6,323	6,323	0	6,323
162.0	Heater	10	12/01/91	SL-Y	208	208	0	208
163.0	Bettery	10	06/01/92	SL-Y	177	177	0	177
164.0	Pump	10	11/01/93	SL-Y	558	558	0	558
165.0	Comminutor	10	03/01/94	SL-Y	3,492	3,492	0	3,492
166.0	Truck	5	07/01/01	SL-Y!	9,322	9,322	0	9,322
167.0	WWTF Sampling	10	01/01/04	SL-Y3	1,388	1,388	0	1,388
168.0	Pressure washer & Tank	15	09/01/05	SL-Y	754	754	0	754
169.0	Chlorine Safety Upgrades	5	11/01/05	SL-Y	4,405	4,405	0	4,405
170.0	Main Station Flow Meter	10	11/01/05	SL-Y	8,184	8,184	0	8,184
172.0	Toshiba 30HP Air Compressor	10	09/05/06	SL-Y	1,329	1,329	0	1,329
173.0	PACO Pumps	10	10/23/06	SL-Y	3,930	3,930	0	3,930
174.0	2007 Chevy Truck	5	10/13/06	SL-Y	8,330	8,330	0	8,330
176.0	Chlorine Contact Tank Project	30	07/31/10	SL-Y	108,145	41,457	3,605	45,062
184.0	Chlorine Gas Detection System	10	10/01/13	SL-Y	5,420	4,607	542	5,149
186.0	Addn'l Chlorine Gas Det System	10	11/22/13	SL-Y	490	417	49	466
187.0	Addn'l Chlorine Gas Det System	10	01/31/14	SL-Y	308	263	31	294
188.0	D.O. Probe	10	09/01/14	SL-Y	10,101	7,575	1,010	8,585
189.0	Gardner Denver VFO Blower	15	12/09/14	SL-Y	41,437	20,715	2,762	23,477
194.0	TSS Probe	10	08/01/15	SL-Y	3,929	2,554	393	2,947
195.0	Lightening/Surge Protect - PH	25	11/30/15	SL-Y	3,315	864	133	997
196.0	Treatment Pond Dock	70	06/30/16	SL-Y	10,582	982	151	1,133
210.0	Equip House Transfer Pumps	20	06/30/18	SL-Y	4,829	1,085	241	1,326
215.0	Treatment Pond Dock	20	06/30/20	SL-Y	4,664	583	233	816
216.0	Treatment Pond Improve Project	30	06/30/20	SL-Y	221,096	18,425	7,370	25,795
219.0	Transfer Flow Meter	10	06/30/21	SL-Y	5,943	891	594	1,485
224.0	Tesla Battery Cover	40	06/30/22	SL-Y	104,090	1,301	2,602	3,903
* (C) 26: TREATMENT FACILITY * 61 asset(s)					1,462,927	1,000,238	22,955	1,023,193
GRAND TOTALS 210 asset(s)					5,187,440	3,008,764	119,718	3,128,482

Bear Valley Water District
Financial Year 2022 -23 Budget
5 Year Budget Forecast

	<i>Projection Year Fiscal Year Rate Increase Mo Residential Rate</i>	<i>Actual 2021 -22</i>	<i>1 2022 - 23 6.00%</i>	<i>2 2023 - 24 6.00%</i>	<i>3 2024 - 25 6.00%</i>	<i>4 2025-26 3.00%</i>	<i>5 2026-27 3.00%</i>
			\$102.13	\$108.26	\$114.76	\$118.20	\$121.75
OPERATING REVENUES							
Residential		628,852	667,800	707,868	750,340	772,850	796,036
Commercial		131,014	167,000	122,223	129,556	133,443	137,446
OPERATING REVENUE		759,866	834,800	830,091	879,896	906,293	933,482
OTHER REVENUE							
Interest Income - LAIF		700	800	800	800	800	800
Late Fees, Penalties & Interest		1,951	1,500	1,500	1,500	1,500	1,500
Expense Reimbursements - USFS		4,805	5,219	4,800	2,000	2,000	2,000
Expense Reimbursements - Concessionnaire		3,830	2,306	2,800	0	0	0
Misc Other Income - Cal OES Projects Paid		45,762	0	0	0	0	0
TOTAL OTHER REVENUE		57,048	9,825	9,900	4,300	4,300	4,300
TOTAL ALL REVENUES		816,914	844,625	839,991	884,196	910,593	937,782
OPERATING EXPENDITURES							
Salaries and Benefits		371,091	419,433	432,016	444,977	458,326	472,076
Director Expenses - Meetings, Elections, Training		3,500	2,000	2,000	2,000	2,000	2,000
Operator Education, Training & Certifications		275	1,000	1,030	1,061	1,093	1,126
Gas, Diesel, Oil & Filters		3,443	4,000	4,120	4,244	4,371	4,502
Insurance		18,815	30,000	30,900	31,827	32,782	33,765
Memberships		4,681	5,500	5,665	5,835	6,010	6,190
Office Expenses & Supplies		8,595	7,500	8,000	8,000	8,000	8,000
Field Expenses & Supplies		26,602	20,000	20,000	20,000	20,000	20,000
Grooming, Snow Removal & Vehicle Storage		2,607	3,500	3,500	3,500	3,500	3,500
General Engineering & Consulting		626	5,000	5,150	5,305	5,464	5,628
General Legal & Accounting		7,974	10,000	10,300	10,609	10,927	11,255
Equipment Rental		820	1,000	1,030	1,061	1,093	1,126
Repairs & Maintenance		64,800	60,000	60,000	60,000	60,000	60,000
Laboratory Fees		11,145	18,000	18,540	19,096	19,669	20,259
Regulatory Reporting & Compliance Projects		6,321	6,500	6,695	6,896	7,103	7,316
Taxes, Fees, Licenses & Assessments		46,705	50,000	51,500	53,045	54,636	56,275
Utilities		66,886	60,000	61,800	63,654	65,564	67,531
TOTAL ALL OPERATING EXPENDITURES		644,886	703,433	722,246	741,108	760,537	780,548
NET OPERATIONAL INCOME		172,028	141,192	117,745	143,088	150,056	157,234
OTHER EXPENSES							
Loan Interest		12,290	10,557	8,749	6,822	4,841	2,781
Depreciation		110,538	91,868	101,810	94,595	91,149	90,408
TOTAL OTHER EXPENSES		122,828	102,425	110,559	101,417	95,990	93,189
NET INCOME		49,200	38,767	7,186	41,671	54,066	64,045
NON-OPERATING INCOME / EXPENSES							
Depreciation		110,538	91,868	101,810	94,595	91,149	90,408
Capital Improvements / Replacements		(190,365)	(357,953)	(72,500)	(70,000)	(55,000)	(100,000)
Loan Payments - Principal		(44,047)	(45,780)	(47,589)	(49,515)	(51,496)	(53,556)
Loan Allowance Payments (Proposed)		0	0	0	(10,000)	(15,000)	0
CSDA Covid Grant (Unrestricted)		95,675	0	0	0	0	0
Cal OES Grant		254,544	249,751	0	0	0	0
SGIP Deposit Reimbursement		0	15,700	0	0	0	0
GSRE Reimbursement - Powerpack Proj.		0	9,997	0	0	0	0
SDLF Special District Technology Grant		0	3,000	0	0	0	0
TOTAL ADDTL INCOME / EXPENDITURES		226,345	(33,417)	(18,279)	(34,920)	(30,347)	(63,148)
NET CASH FLOW		275,545	5,350	(11,093)	6,751	23,719	897
<i>Actual Est Operational Net Cash Flow</i>		(74,674)					
<i>Actual Est Unrestricted Net Cash Flow</i>		21,001					
Wastewater Reserve Fund Balances		2021 -22	2022 - 23	2023 - 24	2024 - 25	2025-26	2026-27
O&M Reserve Fund	\$150,000						
CIP Reserve Fund	\$425,000						
Total Cash Reserve Fund Balance	\$575,000						
Minimum Target Reserve Fund Balances		2021 -22	2022 - 23	2023 - 24	2024 - 25	2025-26	2026-27
O&M Reserve Fund - 3 mo. Of Annual O&M Exp		161,222	175,858	180,562	185,277	190,134	195,137
CIP Reserve Fund - \$425,000		425,000	425,000	425,000	425,000	425,000	425,000
TOTAL MINIMUM TARGET RESERVE FUND BALANCE		586,222	600,858	605,562	610,277	615,134	620,137
Beginning Reserve Fund Balance		575,000	596,001	601,351	590,258	597,009	620,728
Increase / Decrease to Fund Balance		21,001	5,350	(11,093)	6,751	23,719	897
Ending Estimated Total Reserve Fund Balance		596,001	601,351	590,258	597,009	620,728	621,625
Over / Under Min Target Reserve		9,780	493	(15,304)	(13,268)	5,594	1,488

AGENDA ITEM

DATE: NOVEMBER 7, 2022

TO: BVWD BOARD OF DIRECTORS

FROM: JEFF GOUVEIA, DISTRICT GENERAL MANAGER

RE: MANAGER'S REPORT

1. Water Balance - Update
 - a. Influent Flows & Effluent Transfers
 - a. Effluent in Storage, Current Storage Capacity & Land / Surface Disposal Update
2. Permit Compliance & Monitoring & Reporting Programs (MRPs) - Update
 - a. WDR MRP - Land Discharge Permit – Compliance & Reporting Update
 - i. Reporting Status Matrix – No Certified Violations, All Reporting Submitted On-Time
 - b. NPDES MRP – Surface Water Discharge Permit – Compliance & Reporting Update
 - i. Reporting Status Matrix – No Certified Violations, All Reporting Submitted On-Time
 - ii. NPDES Permit 5-Year Compliance Inspection – June 20, 2022
3. Other
 - a. PGE-SGIP-2020-3656 – WWTF Powerpack Project – Update
 - b. Cal OES Community Power Resiliency Allocation - Update
 - c. Surplus Equipment Sales – Update
 - d. BVWD October 2022 Newsletter
 - e. USFS Lake Alpine Vault Toilet Project – Update
 - f. Will Serve Letter Request – Bear Valley Associates, LLC
 - g. LAWC – AL136 – Request to PUC for Shareholder Loan
 - h. Treatment Plant Solar Project - Update

Board Meeting 11-7-22

- **Influent Flows (MG) – Total of ALL Wastewater Received / % change previous year**

<u>July 2022</u>	<u>July, 2021</u>	<u>July, 2020</u>
1.092 / 89.4%	1.222 / 91.8%	1.331 / 67.5%
<u>August, 2022</u>	<u>August, 2021</u>	<u>August, 2020</u>
.833 / 106.4%	.783 / 70.4%	1.112 / 115.8%
<u>September, 2022</u>	<u>September, 2021</u>	<u>September, 2020</u>
.691 / 127.5%	.542 / 54.1%	1.001 / 125.3%
<u>October 1 - 22, 2022</u>	<u>October, 2021</u>	<u>October, 2020</u>
	.844 / 119.4%	.707 / 141.1

- **Transferred to PR (MG) - Volume of Water Moved from Treatment to Storage / % change previous year**

<u>July 2022</u>	<u>July, 2021</u>	<u>July, 2020</u>
.550 / 57.4%	.957 / 76.1%	1.257 / 53.3%
<u>August, 2022</u>	<u>August, 2021</u>	<u>August 2020</u>
.613 / 75.2%	.815 / 174.5%	.467 / 10.9%
<u>September, 2022</u>	<u>September, 2021</u>	<u>September 2020</u>
.613 / 613%	0 / 0	.724
<u>October 1 - 22, 2022</u>	<u>October, 2021</u>	<u>October, 2020</u>
	0 / 0	.396

- **Land Application - Annual Totals – MG Applied / % change previous year**

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
41.395 / 174.0%	23.788 / 77.6%	30.639 / 158.8%	19.293 / 83.1%	23.215 / 144.6%
2022 Began May 27	2021 Began May 24	2020 Began June 2	2019 Began July 12	2018 Began June 1

- **Surface Discharge - Effluent Flow Discharge Totals – MG - NO EFFLUENT WAS DISCHARGED IN 2020, 2021, 2022**

<u>March 2019</u>	<u>April 2019</u>	<u>May 2019</u>	<u>June 2019</u>	<u>Total 2019 Discharge</u>
0.0	0.0	29.5	26.9	56.5
<u>March 2018</u>	<u>April 2018</u>	<u>May 2018</u>	<u>June 2018</u>	<u>Total 2018 Discharge</u>
0.0	11.9	11.7	0.0	23.6
<u>March 2017</u>	<u>April 2017</u>	<u>May 2017</u>	<u>June 2017</u>	<u>Total 2017 Discharge</u>
15.8	29.9	29.7	16.9	92.3

- **Storage Reservoir Elevations and Volumes (based on 10/6/15 pressure chart):**

- Empty (minimum pool) = 7063.0' = 0 MG = 0
- Total Depth (w/2' Freeboard) = 7086.3' = 76.45 MG = 23.3'
- Total Depth (spillway) = 7088.3' = 85.86 MG = 25.3'
- Permitted Full Reservoir (2' Freeboard) = 7086.3' = 76.45 MG = 100%
 - Highest Level 2022 – 5/26/22 = 7078.3' = 43.50 MG = 56.9%
 - Highest Level 2021 – 5/13/21 = 7073.3' = 25.17 MG = 32.9%
 - Highest Level 2020 – 5/28/20 = 7075.6' = 33.01 MG = 43.2%
 - Highest Level 2019 – 5/1/19 = 7079.8' = 48.68 MG = 63.7%
 - Highest Level 2018 – 4/20/18 = 7078.3' = 42.88 MG = 56.1%
 - **Current Storage Volume = 7064.4' = 1.58 MG = 2.1% (10/20/2022)**
 - Storage Volume 1 Year Ago = 7063.0' = 0 MG = 0 (10/24/2021)

- **Collection System**

- **2022** Jet 12,080', % change previous year: 103%. Video 7,674', % change previous year: 76%
- **2021** Jet 11,692', % change previous year: 68%. Video 9,980', % change previous year: 88%
- **2020:** Jet 17,194', % change previous year: 266%. Video 11,367', % change previous year: 196%
- **2019:** Jet 6,468', % change previous year: 93%. Video 5,800' % change previous year: 249%
- **2018:** Jet 6,990', % change previous year: 230%. Video 2,330', % change previous year: 173%
- **2017** Jet 3030' Video 1350'

**SMR / DMR Reporting**

Facility Name: Bear Valley WWTF

Water Board Office: Region 5S - Sacramento

Reporting Level: Level I

Order Number: 5-01-208

Case Worker: Kenny Croyle

To review or submit a report, select it from the list below. To change the list of reports, check the status types and/or enter start and end dates.

Show reports that meet these criteria

Status:

- ☒ Submitted - report was already submitted to water board
- ☒ In-Progress - report has been edited but not submitted
- ☒ Past Due - report deadline has passed and report has not been submitted
- ☒ Future - report due date is in the future
- ☒ Withdrawn - report has been withdrawn

Show Report Due Between: and

Search results:

[Export to Excel](#) Show: Previous Next

ID	Report Name	Type	Frequency	Reporting Period	Due Date	Status	Date Received	Date Reviewed	Certified Violations
2582286	June 2022	MONRPT	Monthly	06/01/2022 - 06/30/2022	08/01/2022	Past Due			No
2628271	October 2022	MONRPT	Monthly	10/01/2022 - 10/31/2022	12/01/2022	Future			No
2636565	November 2022	MONRPT	Monthly	11/01/2022 - 11/30/2022	01/01/2023	Future			No
2616354	Q3 2022 (3 times per year)	GR_WATER	Quarterly	10/01/2022 - 12/31/2022	02/01/2023	Future			No
2644009	December 2022	MONRPT	Monthly	12/01/2022 - 12/31/2022	02/01/2023	Future			No
2551408	2022	MONRPT	Annual	01/01/2022 - 12/31/2022	02/01/2023	Future			No
2586251	April 2022	MONRPT	Monthly	04/01/2022 - 04/30/2022	06/01/2022	Submitted	05/16/2022		No
2574210	May 2022	MONRPT	Monthly	05/01/2022 - 05/31/2022	07/01/2022	Submitted	06/23/2022		No
2551409	Q1 2022 (3 times per year)	GR_WATER	Quarterly	04/01/2022 - 07/31/2022	09/01/2022	Submitted	08/09/2022		No
2593251	July 2022	MONRPT	Monthly	07/01/2022 - 07/31/2022	09/01/2022	Submitted	08/22/2022		No
2606634	August 2022	MONRPT	Monthly	08/01/2022 - 08/31/2022	10/01/2022	Submitted	09/26/2022		No
2593252	Q2 2022 (3 times per year)	GR_WATER	Quarterly	08/01/2022 - 09/30/2022	11/01/2022	Submitted	10/12/2022		No
2616353	September 2022	MONRPT	Monthly	09/01/2022 - 09/30/2022	11/01/2022	Submitted	10/19/2022		No

**SMR / DMR Reporting**

Facility Name: Bear Valley WWTF

Water Board Office: Region 5S - Sacramento

Reporting Level: Level II

Order Number: R5-2022-0037

Case Worker: Mohammad Farhad

All Electronic Date: 08/01/2016

To review or submit a report, select it from the list below. To change the list of reports, check the status types and/or enter start and end dates.

Show reports that meet these criteria

Status:

- ☒ Submitted - report was already submitted to water board
- ☒ In-Progress - report has been edited but not submitted
- ☒ Past Due - report deadline has passed and report has not been submitted
- ☒ Future - report due date is in the future
- ☒ Withdrawn - report has been withdrawn

Show Report Due Between: and

Search results:

[Export to Excel](#) Show: Previous Next

ID	Report Name	Type	Frequency	Reporting Period	Due Date	Status	Date Received	Date Reviewed	Certified Violations	Report	Withdrawal
2618341	October 2022	MONNPDES	Monthly	10/01/2022 - 10/31/2022	12/01/2022	Future			No		
2618342	November 2022	MONNPDES	Monthly	11/01/2022 - 11/30/2022	01/01/2023	Future			No		
2618432	2022 (MRP X.D.2 Annual Operations Rpt)	TECHRPT	Annual	01/01/2022 - 12/31/2022	02/01/2023	Future			No		
2618411	2022	MONNPDES	Annual	01/01/2022 - 12/31/2022	02/01/2023	Future			No		
2618343	December 2022	MONNPDES	Monthly	12/01/2022 - 12/31/2022	02/01/2023	Future			No		
2618344	January 2023	MONNPDES	Monthly	01/01/2023 - 01/31/2023	03/01/2023	Future			No		
2618345	February 2023	MONNPDES	Monthly	02/01/2023 - 02/28/2023	04/01/2023	Future			No		
2618445	2022 (MRP X.D.3 Annual Recyc Water Policy)	TECHRPT	Annual	01/01/2022 - 12/31/2022	04/30/2023	Future			No		
2618346	March 2023	MONNPDES	Monthly	03/01/2023 - 03/31/2023	05/01/2023	Future			No		
2618419	2022/10/01 (MRP X.D.1 Analytical Methods Rpt)	TECHRPT	Once	10/01/2022 - 10/01/2022	10/01/2022	Submitted	09/26/2022		No	Download Report	
2618339	August 2022	MONNPDES	Monthly	08/01/2022 - 08/31/2022	10/01/2022	Submitted	09/26/2022		No	Download Report	
2618340	September 2022	MONNPDES	Monthly	09/01/2022 - 09/30/2022	11/01/2022	Submitted	10/19/2022		No	Download Report	

Central Valley Regional Water Quality Control Board

12 August 2022

Jeff Gouveia
General Manager
Bear Valley Water District
P.O. Box 5027
Bear Valley, CA 95223

COMPLIANCE EVALUATION INSPECTION, BEAR VALLEY WATER DISTRICT, BEAR VALLEY WASTEWATER TREATMENT FACILITY, ALPINE COUNTY

The discharge of treated wastewater by the Bear Valley Water District (Discharger) from the Bear Valley Wastewater Treatment Facility (Facility) is regulated by Waste Discharge Requirements (WDRs) Order R5-2016-0045-01 (NPDES CA 0085146). On 10 June 2022, the Central Valley Water Board rescinded WDRs R5-2016-0045 and replaced it by WDRs R5-2022-0045, which became effective on 2 August 2022. Central Valley Water Board staff conducted an inspection of the Facility on 20 June 2022 to determine compliance with WDRs R5-2016-0045-01.

Enclosed is a copy of the inspection report for the Facility. Please review the inspection report carefully. The report includes a summary of the inspector's findings and an evaluation of the effectiveness in complying with the permit requirements. The report lists all eleven areas evaluated that were found to be satisfactory. Board staff found no violations of WDRs.

If you have any questions, please contact me at (916) 464-1181 or at Mohammad.Farhad@waterboard.ca.gov.



MOHAMMAD FARHAD
Water Resource Control Engineer
NPDES Compliance and Enforcement Unit

Enclosure: Compliance Evaluation Inspection Report

CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD

INSPECTION REPORT

DISCHARGER: Bear Valley Water District (Discharger)

LOCATION & COUNTY: Bear Valley Wastewater Treatment Facility (Facility)
441 Creekside Drive Bear Valley, CA 95223
Alpine County

CONTACT(S): Jeff Gouveia
General Manager
Bear Valley Water District
P.O. Box 5027
Bear Valley, CA 95223

NPDES Permit: R5-2016-0045-01 (NPDES No. CA0085146), rescinded
and replaced by R5-2022-0037
R5-2022-0037, adopted on 10 June 2022 and became
effective on 1 August 2022

INSPECTION DATE: 20 June 2022

INSPECTED BY: Mohammad Farhad, WRC Engineer, CVRWQCB

ACCOMPANIED BY: Jeff Gouveia, General Manager
Guy West, Chief Plant Operator (CPO)

WEATHER CONDITIONS: 64°F, Clear

Overview of Areas Evaluated During Inspection

S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated

Permit:	S	Flow Measurement:	S	Biosolids:	S
Records & Reports:	S	Self-Monitoring Program:	S	Compliance Schedules:	NA
Facility Site Review:	S	Laboratory:	S	Pretreatment (POTWs only):	NA
Effluent:	S	Receiving Waters:	S	Operations & Maintenance:	S
Stormwater:	NA	Good Housekeeping:			S

BACKGROUND

The Bear Valley Water District (Discharger), located in Alpine County, owns and operates the Bear Valley Wastewater Treatment Facility (Facility). The Discharger provides sewerage service for the communities of Bear Valley, Bear Valley Ski Resort, and the Lake Alpine/United States Forest Service. The Facility serves a population of approximately 133 permanent residents and seasonal users.

The Facility has a design average flow of 0.5 MGD. The treatment system consists of a comminutor, biological treatment in a 14.18 million-gallon aeration pond, disinfection in a 12,000-gallon chlorine contact tank, and a 76 million-gallon unlined storage/polishing reservoir.

The Discharger currently has 80 acres of land available to be used for wastewater disposal. The Discharger leases 40 acres of private land and 40 acres from the United States Forest Service (USFS). Effluent from the storage/polishing reservoir is disposed of through spray irrigation to land during the summer months (June through October), which is regulated by Waste Discharge Requirements Order No. 5-01-208 (Land Discharge WDRs).

The effluent disposal potential of the Facility is less than the amount of total treated wastewater currently produced by the Facility. Additional land for expansion of the existing land disposal and reclamation facilities is not currently available. During wet winters with heavy snow fall, wastewater may also be discharged from Discharge point EFF-001 to Bloods Creek, a water of the United States, and tributary to the North Fork Stanislaus River. Therefore, the Facility is regulated by Waste Discharge Requirements R5-2016-0045-01 (NPDES No. CA0085146) (NPDES WDRs), which regulates wastewater treatment and discharge to Bloods Creek. The NPDES WDRs allows the Discharger to discharge treated effluent to Bloods Creek between 1 January and 30 June, annually. The inspection was conducted to determine compliance with WDRs R5-2016-00045-01 and R5-2022-0037.

FACILITY OPERATION

General Manager, Jeff Gouveia, and the Facility's Chief Plant Operator (CPO), Guy West, accompanied Board staff during the inspection.

The Facility consists of 4 lift stations beginning at Lake Alpine. The lift stations are powered by diesel generators. Influent flow is measured at a manhole just before the main pump station using a magnetic flow meter. The influent goes through a comminutor to shred large solids before being pumped to the aerated treatment pond.

The 14.18 million gallon treatment pond is aerated through diffusers located at the bottom of the pond. The air is provided by one 40-horsepower blower located at the pond's pump station. From the treatment pond, wastewater flows by gravity to a pump station where it is chlorinated and sent to a 325 acre-foot storage reservoir. The storage reservoir has a spillway located on the northwest corner of the Facility's property, which drains onto privately owned land. All final effluent originates from the storage reservoir. The Facility was not discharging at the time of the inspection.

The storage reservoir appeared to be very large for the number of sewer connections. However, the large amount of infiltration and snow pack covering the ponds during the winter months can, and has, resulted in pond overflows. During winters with heavy snowfall, land discharge has been found to be insufficient to dispose of the Discharger's treated wastewater.

Recent Upgrades

The treatment pond used to be divided into two smaller ponds; however, during the last inspection only the piles that used to support the dividing structure, planks, were in place. Recently the Discharger has completed Facility improvement projects and divided the ponds into two smaller ponds by installing planks between those piles (**See Figure 4**). The Discharger also installed Tesla battery pack as a backup power source (**See Figure 6**).

LABORATORY

An on-site laboratory, which is not ELAP certified, conducts analyses for pH, dissolved oxygen, turbidity, settleable solids, and chlorine residual. All other analyses are conducted by an ELAP certified laboratory.

OPERATION AND MAINTENANCE

The Facility is rated as a Class I facility and is typically staffed eight hours per day (8:00 AM to 5:00 PM). The operation personnel consist of four operators, who work part-time from October 15 to May 15. Guy West (Grade III) is identified as the CPO.

Records

Due to the COVID-19 pandemic, all documentation review was conducted virtually. The inspection included review of the electronic self-monitoring reports (eSMRs), calibration records, laboratory SOPs, and laboratory records for days discharged to surface waters.

Attachment A—Photo Log

Bear Valley Water District – Bear Valley WWTF
20 June 2022

Page 1 of 4

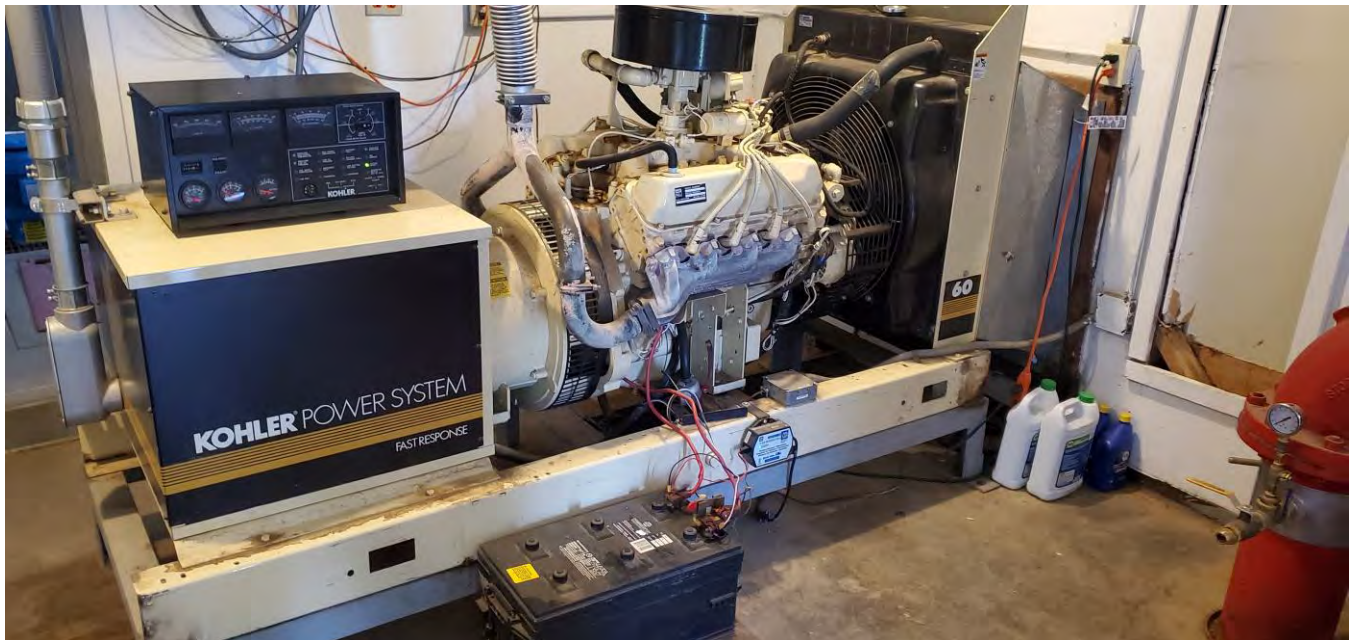


Figure 1: Diesel generator at the headworks.



Figure 2: The influent goes through a comminutor to shred large solids before being pumped to the aerated treatment pond.

Attachment A—Photo Log

Bear Valley Water District – Bear Valley WWTF
20 June 2022

Page 2 of 4



Figure 3: The 12.5 million gallon treatment pond is aerated through diffusers located at the bottom of the pond.

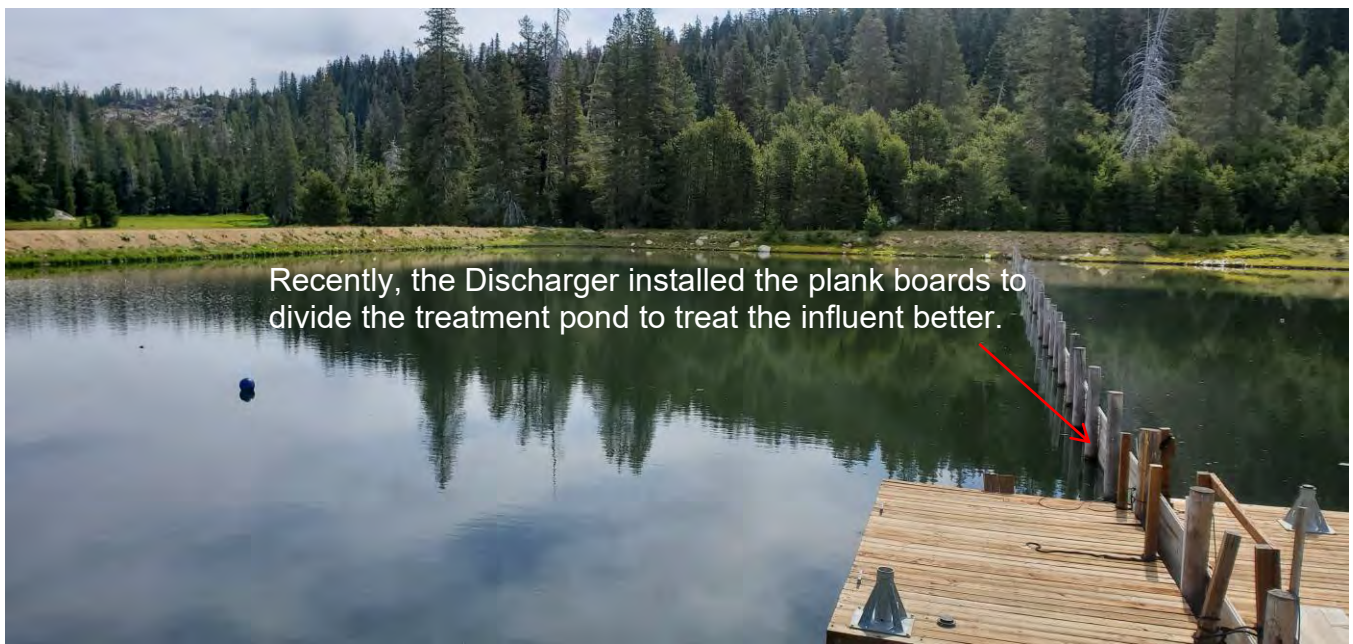


Figure 4: The treatment pond is divided into two smaller ponds.

Attachment A—Photo Log

Bear Valley Water District – Bear Valley WWTF
20 June 2022

Page 3 of 4



Figure 5: The 325 acre-foot storage reservoir.



Figure 6: Total chlorine and bisulfite analyzers located at the effluent discharge building. The Facility was not discharging to surface water at the time of the

Attachment A—Photo Log

Bear Valley Water District – Bear Valley WWTF
20 June 2022

Page 4 of 4

inspection.



Figure 6: The newly installed Tesla battery pack for emergency power generation.



Figure 7: Bear Creek, downstream discharge location.

Bear Valley Water District, CA
441 Creekside Dr
Bear Valley, CA 95223



Bill of Sale Date: 22 Aug 2022
Asset ID: 1

Bill of Sale ID: 82220221
Inventory ID: 1
Award Amount: \$7,500.00 USD

Asset Information



Description: 1993 Ford F-150 4WD
Year: 1993 **Make/Brand:** Ford **Model:** F150
Body: **Trim:** **Color:**
VIN/Serial: 1FTEF14Y3PLB05005
Meter: 82470 Miles (Accurate?: Yes)
Title Restriction: No Title Restriction

Sale Information

Actual Sold Amount: \$7,500.00
USD

Paid On: 26 Aug 2022 by Wire Transfer

Other Amount: \$0.00 USD

Other Amount Description:

Buyer's Premium: \$937.50 USD

Total Amount: \$8,437.50
USD

Buyer Information

Frederick Hawley
15637 Fieldcrest Ct
Granger, IN 46530 USA
Fred.Hawley1995@gmail.com
5749047030

Asset is sold as is, where is and without warranty. Once the asset is removed from the seller's premises there is no refund of monies previously paid.

Buyer/Agent Signature: _____

Print Name: _____

Date: _____

Bear Valley Water District, CA
441 Creekside Dr
Bear Valley, CA 95223



Bill of Sale Date: 05 Sep 2022
Asset ID: 2

Bill of Sale ID: 9520222
Inventory ID: 2
Award Amount: \$1,175.00 USD

Asset Information



Description: Kohler 30 kW 3PH, 240v LP / Propane Gas Generator Set

VIN/Serial: 286504

Year: **Make/Brand:** **Model:** 30 RZ 202

Meter: 2674 Hours (Accurate?: Yes)

Body: **Trim:** **Color:** **Title Restriction:** Not Applicable

Sale Information

Actual Sold Amount: \$1,175.00
USD

Other Amount: \$0.00 USD

Buyer's Premium: \$146.87 USD

Tax Amount: \$85.19 USD

BP Tax Amount: \$10.65 USD

Total Amount: \$1,417.71
USD

Paid On: 06 Sep 2022 by Wire Transfer

Other Amount Description:

Buyer Information

SK Johnson Enterprises
Inc.
1390 Broadway Ste B
PMB 243
Placerville, CA 95667-
5900 USA
sedjohn1000@gmail.com
9168256152

Asset is sold as is, where is and without warranty. Once the asset is removed from the seller's premises there is no refund of monies previously paid.

Buyer/Agent Signature: _____

Print Name: _____

Date: _____

Bear Valley Water District, CA
441 Creekside Dr
Bear Valley, CA 95223

Bill of Sale Date: 02 Sep 2022
Asset ID: 3

Bill of Sale ID: 9220223
Inventory ID: 3
Award Amount: \$835.00 USD

Asset Information



Description: Kohler 60 kW 3PH, 240v LP / Propane Gas Generator Set

VIN/Serial: 384913

Year: **Make/Brand:** **Model:** 60 RZ 202

Meter: 1370 Hours (Accurate?: Yes)

Body: **Trim:** **Color:** **Title Restriction:** Not Applicable

Sale Information

Actual Sold Amount: \$835.00 USD

Other Amount: \$0.00 USD

Paid On: 06 Sep 2022 by Wire Transfer

Buyer's Premium: \$104.37 USD

Other Amount Description:

Tax Amount: \$60.54 USD

BP Tax Amount: \$7.56 USD

Total Amount: \$1,007.47
USD

Buyer Information

Travis Bruce
3083 Paloma Rd
Valley Springs, CA
95252 USA
tbruce7979@yahoo.com
2099866611

Asset is sold as is, where is and without warranty. Once the asset is removed from the seller's premises there is no refund of monies previously paid.

Buyer/Agent Signature: _____

Print Name: _____

Date: _____



Estimate

Date 10/24/2022
 Estimate # 77639
 Project
 Rep CA
 Terms Net 30 Days
 Due Date 11/23/2022

Name / Address:

Bear Valley Water Dist
 P O Box 5027
 Bear Valley, CA 95223

Ship To:

Bear Valley Water Dist
 441 Creekside Dr
 Bear Valley, CA 95223

Item	Description	Quantity	Rate	Amount	Markup	Total
PURCHASE 6" CERTA LOK PIPE						
R-CL6-20-12...	6' X 20' Cert Lok W/Coupling	1,300	1.75	2,275.00		2,275.00T
R-CLC6	6' Certa-Lok Coupler	25	15.00	375.00		375.00T
Rental (Inco...	6" Certa lok fittings	15	45.00	675.00		675.00T
R-VOT-433	4' x 3' x 3' Valve Opener Tee(Clamp Stlye)	16	15.00	240.00		240.00T
R-SUCTASS...	6' x 20' Suction Hose Flg x Flg	1	125.00	125.00		125.00T
R-SUCTASS...	6' x 30' Suction Hose Flg x Flg	1	150.00	150.00		150.00T
R-SUCTASS...	6' x 28' Suction Hose Flg x Flg	1	165.00	165.00		165.00T
Rental (Inco...	6" & 3" Pipe for repair and scrap	1	0.00	0.00		0.00T

Subtotal

\$4,005.00

Sales Tax (0.0%)

\$0.00

Total

\$4,005.00



Executive Summary

District Grant Awards in 2021-22

Exceed \$1.0M:

Tesla Powerpacks, Powerwalls, New Generators and other Benefits from Grant and Incentive Funding

Rate Study Leads to New Service Rates Effective

July 1, 2022:

Increasing expenditures, Capital Improvement Plan and Debt Service Necessitate increased Revenue Requirements through Service Fees

Regional Board Adopts New

5-Year NPDES Discharge Permit:

Renewed Surface Water Discharge Permit Preserves Critical Capacity in the Wastewater System

Fats, Oil and Grease "FOG":

Disposal Alternatives

Collection System Program:

Investments in New System Components Retire Old Equipment and Expand Detection Capacity and Safety all at once

District Reserve Fund Planning:

2017 Target Reserve Fund Balances under consideration as Expenses and Capital Requirements Rise out of New Rate Study.

DISTRICT AWARDED OVER \$1.0M IN ENERGY RESILIENCY & COVID RELIEF FUNDS

Over the past several years, the District has aggressively pursued grant and incentive funds to underwrite various capital projects and these efforts appear to have paid off. Since November 2021, the District has been awarded \$1,026,075 in various grants and incentive funds, accelerating the pace of critical infrastructure projects that may have taken a decade or more to complete without these added resources.

In response to power outage events facing California Special Districts, the California Office of Emergency Services solicited proposals for its "Community Power Resiliency for Special Districts" program with funding up to \$300,000 per recipient. The District submitted a proposal for a range of projects including Tesla Powerwalls for two locations, replacement propane generators for two locations and a radio

telemetry system to improve the reliability of remote monitoring of several District facilities. On March 12, 2021, the District was notified that it was awarded the full \$300,000 to complete all of the projects included in the proposal. Each of these projects is in various phases of installation with anticipated completion for all by December 2022.

California's rate-payer funded Self Generation Incentive Program (SGIP) is one of the longest-running and most successful distributed generation incentive programs in the country. SGIP was initially conceived of as a peak-load reduction program in response to the energy crisis of 2001. SGIP was significantly modified in 2016, reallocating 75% of the incentive budget to energy storage projects.

In an effort to support the needs of vulnerable communities and critical infrastructure not entirely prepared

to provide continuous, uninterrupted service during extended power outages, cash incentives to cover the full cost of installation were made available to the critical infrastructure sector.

With annual consumption of 156,000 kWh and peak demand of 118 kW, the District qualified and applied to SGIP for up to three 58 kW Tesla powerpacks. On November 3, 2021, the District was awarded \$628,000 in SGIP incentive funds to underwrite a 174 kW (696 kWh) Tesla Powerpack project to energize the District's treatment facility in the event of a power outage. This project was initiated in August 2021 with completion anticipated in December 2022.

On October 1, 2021, a \$100 million COVID-19 relief fund for special districts was approved by the State legislature and placed into the 2021-22 State budget. The District applied and was awarded \$95,675 to help mitigate the effects of revenue losses and unanticipated costs incurred due to the COVID-19 public health emergency. Additionally, the District was awarded \$3000 from the Special District Technology Fund.

2022 RATE STUDY ESTABLISHES NEW SERVICE FEE STRUCTURE THROUGH 2027

On November 11, 2021, the District contracted with Bartle Wells Associates (BWA), independent public finance advisors, working in partnership with the California Rural Water Association (CRWA), to develop a comprehensive wastewater rate study for the District. The Study evaluated the District's 5-year budget projection and analyzed the District's capacity to implement its capital improvement and replacement (CIP/CRP) plan while maintaining debt service and reserve requirements.

The Study recommended increasing sewer service rates to meet the revenue requirements of the District and addresses forecasts for increasing expenditures. The District's Board of Directors formally accepted this Study at a regularly scheduled meeting of the Board on

March 22, 2022.

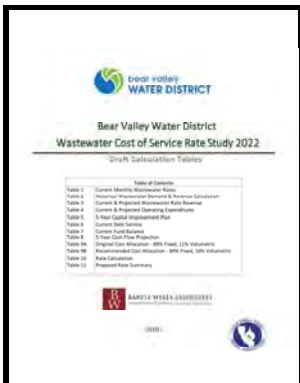
Pursuant to the 1996 "Right to Vote on Taxes Act," a Proposition 218 public hearing on the proposed new rates was held on June 25, 2022 in the Perry Walther Community Center. Insufficient objections to the rate increase proposal were received and, effective July 1, 2022, wastewater service rates increased 6%. The new monthly residential rate is \$102.13 and the new commercial volumetric rate is \$0.072 per gallon.

Each year hereafter for the following four years, from July 1, 2023, to July 1, 2027, the Board may adjust rates by percentage increase annually as necessary based on the United States Department of Labor All Item Consumer Price Index for All

Urban Consumers (CPI-U) – (1982-84 Base 100) published in January each year for the preceding reference year ending in December, but in no case will any annual increase in the wastewater service rate exceed 6% per year irrespective of the actual annual CPI-U increase.

With the successful adoption of the 6% service fee rate increase, aggregate annual residential revenue is expected to grow 6% or \$38,948 over the FY21-22 for a total of \$667,800 while commercial revenue is expected to increase \$35,986. Total service rate revenue for FY 22-23 is forecasted to be \$834,800, an increase of roughly 9% or \$ 74,934 from the year end revenue in the current fiscal cycle.

The District anticipates net income for fiscal year 2022-23 to be 4.5% or \$38,767 with net cash flow projected to be less than one percent or \$5,350.



Bear Valley Water District

PO Box 5027
441 Creekside Drive
Bear Valley, CA 95223
209.753.2112
<http://bvwd.ca.gov/>



PERMIT RENEWAL PRESERVES SYSTEM CAPACITY

The District first submitted its Report The District consistently remains in full compliance with all discharge and regulatory permits and fiscal year 2021-22 was no exception. All monitoring, surface discharge Order R5-2016-0045 reporting, discharge, collection system for another 5 years. Following two and dam maintenance requirements were satisfied over the course of the year. This June 10, 2022, the Central Valley includes all monthly, tri-annual and Regional Water Quality Board adopted annual WDR and NPDES monitoring and Order R5-2022-0037 which became reporting requirements. For all permits effective August 1, 2022 and issued to the District, no certified authorizes surface water discharges violations were identified during the fiscal year.

The renewed order provides more The renewal of the District's NPDES restrictive effluent limitations for discharge permit preserves a key copper and lead but reduces the component of the District's water balance monitoring frequency for a number of and capacity estimates. In addition to routine constituents which will help land discharge of wastewater, a surface reduce annual laboratory, labor, fuel water discharge permit is critical to the and vehicle expenses in years the District's available capacity, currently District needs to discharge under this 1196 equivalent dwelling units (EDUs).

\$10K IN FIRST SURPLUS EQUIPMENT SALES

At its March 2022 meeting, the Board of Directors approved the District's first Surplus Property Policy. As provided under California Water Code section 35604, the Policy establishes protocols that ensure appropriate controls, consistency and best practices in disposal of the District's surplus property. Surplus property is generally property that has reached the end of its useful life.

As the designated property agent, the General Manager has the authority to dispose of assets in accordance with the terms of the Policy.

Utilizing the government auction site www.Govdeals.com, the District sold a 1993 Ford F100 (\$7500), a 60 kW Kohler generator (\$835) and a 30 kW Kohler generator (\$1175) for a 2022 total of \$9510.



COLLECTION SYSTEM MAINTENANCE PROGRAM ENHANCEMENTS

The District's collection system Committed to this objective, during the includes approximately 17.38 miles past year the District invested in several (91,766 linear feet) of sewer key new components in the system collection pipeline, as well as 160 including replacing a 1989 solids grinder at manholes and 3 pump stations. The the District's headworks with a new pipeline ranges in size from 4 inches Franklin Miller Taskmaster twin shaft grinder, a new Envirosight Verisight Pro 330' sewer push camera to enhance the

Consistently maintaining this range and clarity of pipe segment collection network is both a investigations as well as a Vanguard 360 regulatory requirement as well as Pathogen Defense system to protect part of the District's Mission collection system maintenance staff from Statement, both seeking to reduce the vast range of pathogens in wastewater the occurrences of sanitary sewer including COVID, hepatitis and coliform. overflows (SSOs).

FOG – FATS, OILS & GREASE

As a reminder, fats, cooking oils, and grease (FOG) can coat and clog pipes and cause sewer lines to back-up into homes. "FOG" can also cause blockages further down sewer lines creating system overflows as well as disrupt waste water treatment processes with detrimental results. Instead of pouring fats, oil, grease or placing greasy foods down the garbage disposal or drain, dispose properly by disposing of cooking oils and grease with your trash. Practicing safe disposal of FOG is better for your pipes and for wastewater disposal operations.

DISTRICT BOARD TO REVISIT RESERVE FUND TARGETS AS EXPENDITURE FORECASTS INCREASE

In October 2017 the District's Board of Directors adopted the agency's first Reserve Fund Policy, setting aside over \$600,000 and establishing three key protective funds seeking to provide for future financial stability through deliberate planning. Citing careful fiscal planning as a key to financial preparedness rooted in sound reserve policies, the Board set out to establish a mechanism to provide for the long term, sustainable delivery of its core services.

Assets, emergency preparedness, recent adoption of a 5-year rate study which projects current fund balances may become underfunded over the coming years. As forecasted, the \$150,000 O&M Emergency Reserve Fund requires a target balance of 3 months of expenses and is projected to be potentially under funded by more than \$11,000 in FY22-23. Similarly, the \$425,000 Capital Improvement Reserve Fund (CIP) requires a minimum balance "tied to the District's current aggregate total asset value" (\$3,297,530) with "consideration of the District's 5-Year Capital Improvement Plan" (5-year average is \$404,202). With rising costs and other budgetary changes, the Board will consider reserve fund target balances tentatively this November.



Jeff Gouveia

From: Kate Cunningham <kcunningham@roanderson.com>
Sent: Wednesday, September 7, 2022 1:30 PM
To: Jeff Gouveia
Cc: Keith E. Ruben; Nicole Vasquez
Subject: Will Serve Request for Bear Valley Water District Services on Creekside Drive
Attachments: Conceptual Tentative Parcel Map - Creekside Dr.pdf

September 7, 2022

Bear Valley Water District

Attn: Jeff Gouveia, General Manager | jeff.gouveia@bvwd.ca.gov

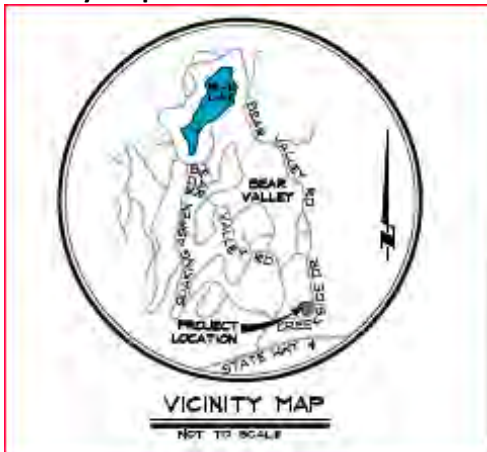
Good afternoon, Jeff,

On behalf of our client, we respectfully request a "Will Serve" letter for the development of a parcel on Creekside Drive in Bear Valley.

The owner intends to create two parcels from this .85+-acre lot and develop six units on each for a total of 12 new units.

The attached Conceptual Tentative Parcel Map illustrates the proposed parcel line. The Project Summary on the attached conceptual map confirms the proposed density as described above.

Vicinity Map



Property Details

- Location: 0 Creekside Drive / Alpine County APN 005-520-002-000
- Purpose: Land division to create two parcels, each having a maximum of 6 dwelling units.

We would appreciate receiving your letter by September 15th.

Please let me know if you need additional information.

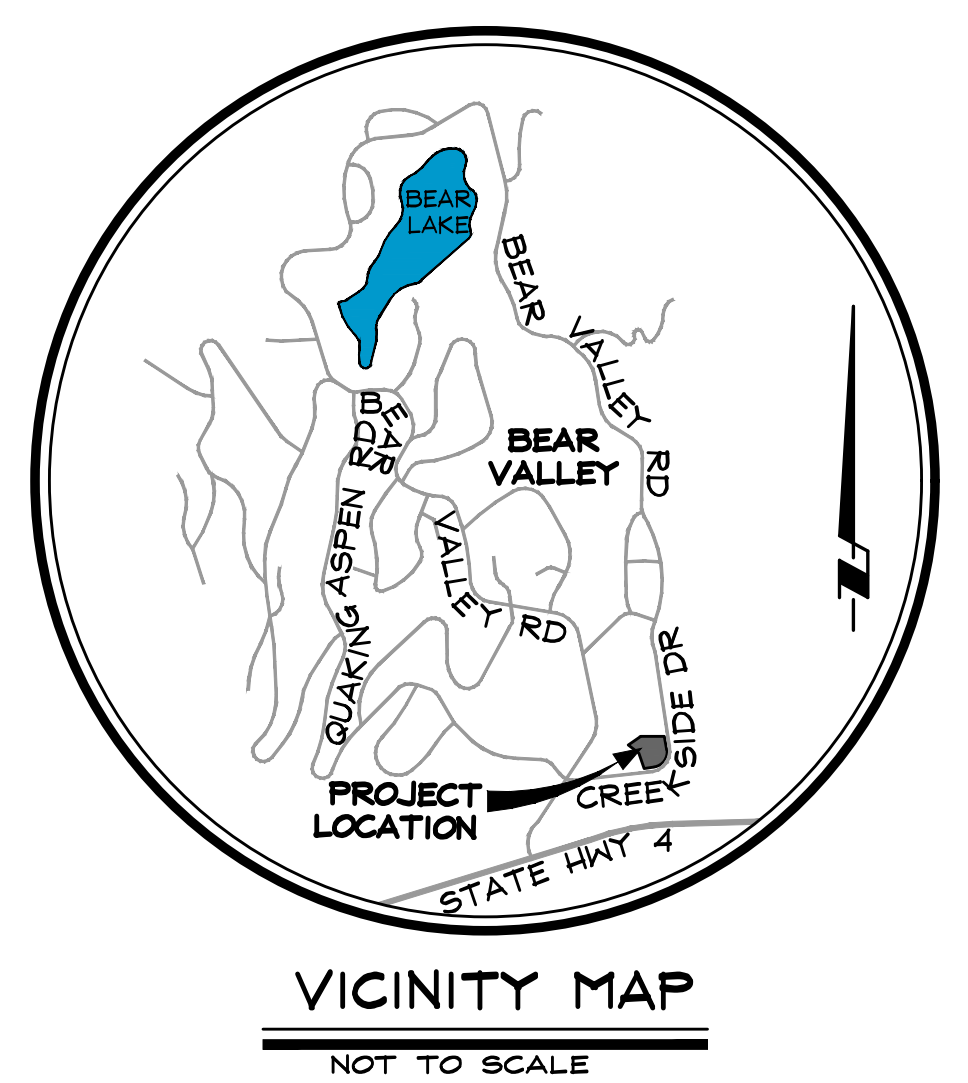
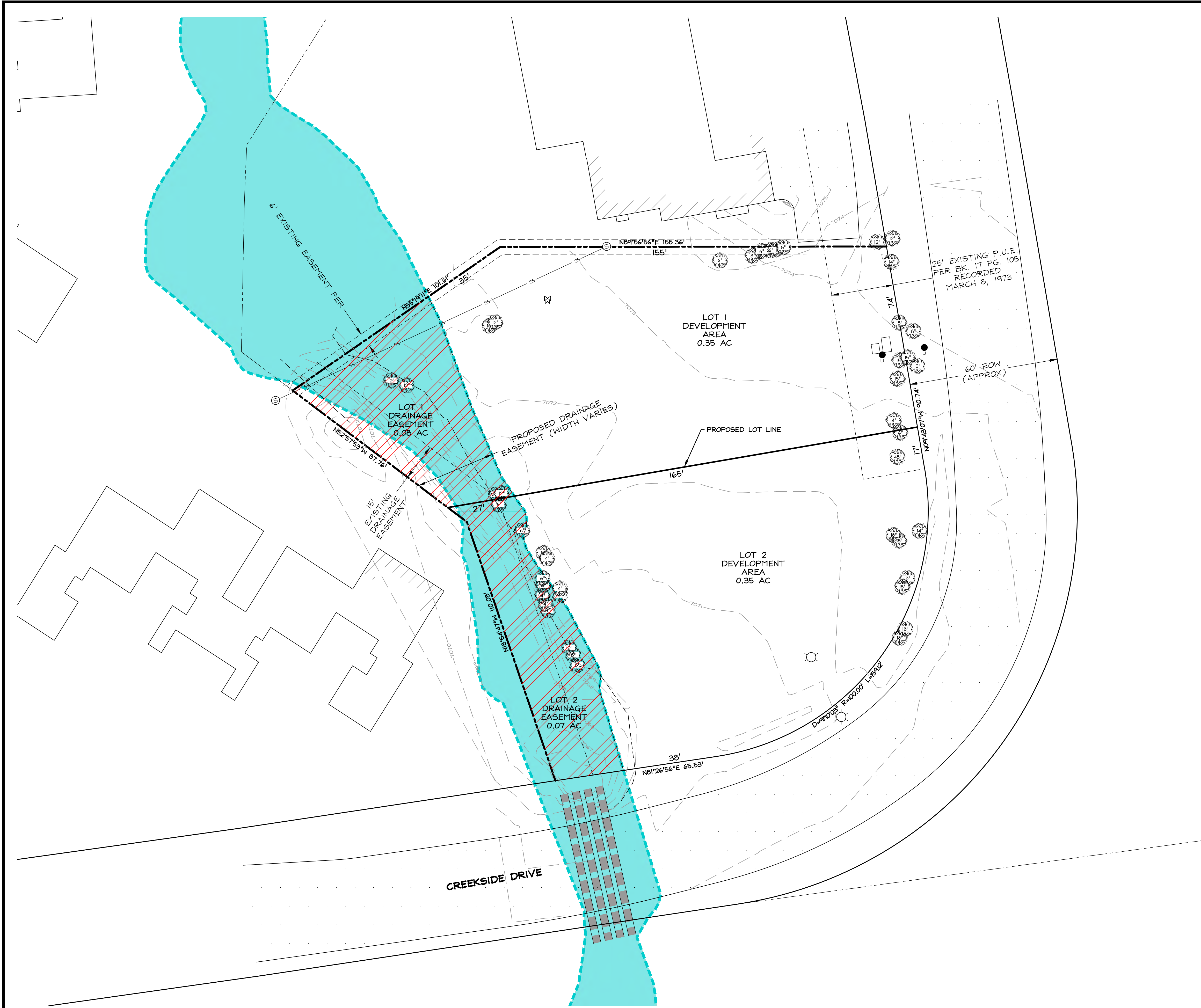
Thank you!
Kate



Kate Cunningham, MA
Associate Planner
direct line 775.392.1602
kcunningham@roanderson.com
www.ROAnderson.com

1603 Esmeralda Avenue
Minden, NV 89423
p 775.782.2322
f 775.782.7084

9060 Double Diamond Pkwy, Unit 1B
Reno, NV 89521
p 775.782.2322
f 775.782.7084



PROJECT SUMMARY

OWNER: BEAR VALLEY ASSOCIATES, LLC
6363 CHRISTIE AVE, APT 1916
EMERYVILLE, CA 94608

SUBDIVIDER: (SAME AS OWNER)

ENGINEER: R.O. ANDERSON ENGINEERING
1603 ESMERALDA AVENUE
MINDEN, NEVADA 89423
(775) 782-2322

A.P.N.: 005-520-002

PROJECT ADDRESS: CREEKSIDE DRIVE
BEAR VALLEY, CA

GROSS AREA: 0.85 AC±

PROPOSED LOT AREA:
LOT 1: 0.43 AC±
LOT 2: 0.42 AC±

LOT SUMMARY:
RESIDENTIAL LOTS: 2

LOT DENSITY: 6 UNITS/LOT MAX.

CONTOUR INTERVAL: 1' AS DIGITIZED FROM CONTOUR AND POINTS DATA SHOW ON TENTATIVE SUBDIVISION MAP BY LEGACYQUEST, INC. DATED 07-25-06 AND TOPOGRAPHIC MAP AND DEMOLITION PLAN BY PROFESSIONAL ENGINEERING AND SURVEY, INC. DATED 09-20-07.

- LEGEND
- EXISTING BUILDING
 - 36" CMP
 - PINE TREE (CAL#)
 - SEWER LINE
 - SEWER MANHOLE
 - STREET LIGHT
 - UTILITY BOX
 - UTILITY POLE
 - WATER VALVE
 - PROPOSED DRAINAGE EASEMENT AREA
 - PROPOSED FLOODWAY
 - FLOODPLAIN BOUNDARY

NO.	DATE	REVISION BLOCK	BY								

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: Lake Alpine Water Company

Date Mailed to Service List: October 24, 2022

CPUC Utility #: WTD 148

Protest Deadline (20th Day): November 13, 2022

Advice Letter #: 136-W

Review Deadline (30th Day): November 23, 2022

Tier ☐ 1 ☐ 2 ☒ 3 ☐ Compliance

Requested Effective Date: November 1, 2022

Authorization NA

Rate Impact: 0
0%

Description: Request for authorization for shareholder loan
to the LAWC company for capital
improvements

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Kimi Johnson

Utility Contact 2:

Phone: 209-753-2409

Phone 2:

Email: info@lakealpinewater.com

Email 2:

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

☐ APPROVED

☐ WITHDRAWN

☐ REJECTED

Signature: _____

Comments: _____

Date: _____



Lake Alpine Water Company

October 24, 2022

Advice Letter No. 136

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA:

Pursuant to Sections 816 through 851 of the Public Utilities Code and Rule 33 of the Commission's Rules of Practice and Procedure, Lake Alpine Water Company (LAWC) requests authorization for a \$150,000 loan from its shareholders.

To fulfill its obligations to customers and regulatory agencies, LAWC must invest additional capital then originally needed in its 2022 capital improvement budget. The projects include new granular activated carbon (GAC) vessels for organics removal and engineering access to the plant building for GAC installation, replacement of meter reading equipment, replacement of turbidimeters, and continuing the application for extension of water rights that began in 2020.

LAWC exceeded the Maximum Contaminant Level (MCL) for disinfection byproducts (DBP), Haloacetic Acids 5 in January 2022. The SWRCB issued compliance order No. 01-10-22R-001 directing LAWC to return to compliance by February 2024.

LAWC has operated a GAC filter to remove organic carbons (TOC) from the raw water since May 2017. The GAC filters out TOC therefore reducing the formation of DBPs. The volume of LAWC's modified GAC vessel is not adequate to remove enough TOC throughout the winter when the plant is inaccessible to service trucks due to snow. In September 2022 LAWC modified a second limestone contact tank and now operates two GAC vessels to increase the filter capacity.

LAWC has contracted with WaterWorks Engineers to design and engineer the installation of proper GAC vessels that can adequately remove enough TOC for LAWC to stay in compliance throughout the year. The design requires access to the 'old treatment plant' (OTP) building that houses the current modified GAC filters. Access to this OTP is prohibited by one of two backwash discharge settling ponds. Backwash from LAWC's raw strainer and membrane filtration plant is currently discharged into pond 1 where it settles and then decants into pond 2 for percolation and evaporation.

The construction period is limited to the months of June-November due to snow. Therefore, LAWC planned two phases over the 2022 and 2023 summers. In phase 1, LAWC plans to divert the backwash discharge into two traffic rated clarifying vessels that will be installed on the current footprint of pond 1. The settled backwash will then be decanted to an expanded pond 2 for percolation and evaporation. By filling pond 1 with the clarifiers and creating a traffic rated surface, LAWC can provide the construction area and service access required to replace and service the new GAC vessels. Phase 2, planned for 2023 includes the installation of the GAC vessels in the OTP and upgrades to the building.



Lake Alpine Water Company

In addition to the usual projects planned and budgeted each year, such as leak repairs and line replacements, other unplanned projects became priorities in 2022. First, the batteries on transmitters for the residential water meters are starting to die. LAWC has replaced several with their back up stock but several more dozens are showing signs of a weak signal. To read the new ME endpoints from Badger, LAWC must also upgrade its meter reading equipment and software to the new Beacon program. It has purchased a compatible tablet, ME receiver, software, training, and 36 new ME endpoints. LAWC must make these replacements before winter begins when access to the meter boxes is shut off by snow accumulation.

Also, two of LAWC's four turbidimeters failed to pass verification procedures in June 2022. LAWC replaced both failing Hach turbidimeters with Swan instruments. They require less costly materials for verification and do not require annual calibration.

Finally, in 2020, LAWC submitted its application for extension of time on permitted water rights that were granted in 2010 for only 10 years. LAWC has contracted with water rights engineers, Wagner & Bonsignore to submit the application, respond to protests, submit a CEQA Addendum, and address requests from the Department of Water Resources (DWR). The application has been reviewed but has not yet been granted. Additional work to respond to DWR will be required over the next few months.

The requested loan will be payable in 5 years at a projected interest rate of 7.0% per annum. Based on these terms, the projected monthly loan payment is \$2955.00.

CAPITAL STRUCTURE

The utility's capital ratios as of September 30, 2022, are shown below, giving pro forma effect to the \$150,000 loan transaction:

	Recorded		Adjustment	Pro forma	
SDWSRF Loan	\$ 836,996	47.5%	\$-	\$836,996	43.8%
Long-term debt	\$ 0	0.0%	\$150,000	\$150,000	7.9%
Equity	<u>\$922,356</u>	<u>52.5%</u>	<u>-</u>	<u>\$922,356</u>	<u>48.3%</u>
Total Capitalization	<u>\$1,759,352</u>	<u>100.0%</u>	<u>\$150,000</u>	<u>\$1,909,352</u>	<u>100.0%</u>

A detail of the capital improvements budgeted, and actual costs already paid and future costs estimated is attached.



Lake Alpine Water Company

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission.)

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. A response or protest must be made in writing or by electronic mail and must be received by the Division of Water and Audits within 20 days of the date this advice letter is filed.

The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Division of Water and Audits, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Kimi Johnson, General Manager
Lake Alpine Water Company
PO BOX 5013 Bear Valley, CA 95223
Email: info@lakealpinewater.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on. The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within 5 business days after the end of the protest period and shall be served on the same day to the person who filed the protest or response.

PO Box 5013, Bear Valley, CA 95223
209-753-2409 209-753-2345 FAX
info@lakealpinewater.com



Lake Alpine Water Company

If you have not received a reply to your protest within 10 business days, contact Lake Alpine Water Company, 209-753-2409.

This filing will not cause withdrawal of service, nor conflict with any other schedule or rule.

LAKE ALPINE WATER COMPANY

By: 
Kimi Johnson, General Manager

Attachments:
Service List
Capital Budget Detail

Proposed: 3.16.2022
 Approved by LAWC Board: 3.23.2022
 Updated for AL 136: 10.22.2022

Priority	LAWC Acct	Capital Expenditures Budget and Actual Expenses	Estimate	Additional Estimate	Materials	Contract	Labor	Burden	Final
2022	Water Plant	GAC Tanks and Discharge Pond							
DONE		Engineering Design	\$ 86,900						
DONE		Engineering Design				\$ 10,931		\$ -	\$ 10,931
DONE		Geotechnical Survey				\$ 16,650		\$ -	\$ 16,650
DONE		Pond excavation/sediment removal	\$ 9,800			\$ 4,100		\$ -	\$ 4,100
DONE		Plant discharges consolidated to pond 2	\$ 2,500		\$ 5,336	\$ 39,823	\$ 8,240	\$ 1,273	\$ 54,672
DONE		Clarifying tanks and pond 2 expansion	\$ 20,000		\$ 22,387			\$ -	\$ 22,387
DONE		Pond 2 expansion to move lake drain and stream bypass	\$ 22,000			\$ 61,476		\$ -	\$ 61,476
PO		Compaction analysis to place tanks				\$ 2,500		\$ -	\$ 2,500
PO		Fill pond 1 around tanks		\$ 102,000				\$ -	\$ -
2022									
DONE	Water Treatment	Second GAC vessel			\$ 3,490	\$ 5,333		\$ -	\$ 8,823
2022	Water Mains	Bloods pump/house gas-powered pump install	\$ 3,000		\$ 7,028			\$ -	\$ 7,028
CNCLD	Meters	Reduction of Pool connection to 1" meter and new box	\$ 5,000					\$ -	\$ -
2022	Water Mains	Leaks	\$ 30,000			\$ 30,595		\$ -	\$ 30,595
DONE	Service Meters	Rebuild meter boxes after leak repairs, 4 sites				\$ 6,392	\$ 432	\$ 67	\$ 6,891
DONE	Reservoirs & Tanks	Leak repairs on Clearwell and Bloods tanks				\$ 7,150		\$ -	\$ 7,150
2022	Water Rights	Professional Services Budgeted	\$ 15,000	\$ 10,500		\$ 21,511		\$ -	\$ 21,511
CNCLD	Water Treatment	Backwash Analysis by BVWD Consultants	\$ 22,000					\$ -	\$ -
DONE	Water Mains	Replace 2 inch valve near hydrant 21 & Spring Cliff Road	\$ 14,000		\$ 21,412	\$ 6,912		\$ -	\$ 6,912
DONE	Transportation	New Snowmobile-ordered in March 2021, received Feb 2022	\$ 21,412		\$ 13,042			\$ -	\$ 13,042
DONE	Water Treatment	Two Swan Turbidimeters			\$ 7,096			\$ -	\$ 7,096
DONE	Water Treatment	Two chemical pumps			\$ 1,650			\$ -	\$ 1,650
DONE	Office Equipment	Surface tablet for meter reading				\$ 5,435		\$ -	\$ 5,435
DONE	Office Equipment	Meter reading software, ME antenna and training						\$ -	\$ -
DONE	Meters	Replacement of 36 meter registers and transmitters			\$ 3,001			\$ -	\$ 3,001
Subtotal			\$ 251,612	\$ 112,500	\$ 84,442	\$ 218,808	\$ 8,672	\$ 1,340	\$ 313,262

2022

Capital Expenditures Paid to Date \$ 313,262

Plus Additional Estimates \$ 112,500

Less Capital Estimates Budgeted for 2022 \$ (251,612)

Less Snowmobile Budgeted in 2021 \$ (21,412)

Loan Request for Capital Expenditures over budget \$ 152,738

Final request rounded off \$ 150,000

Lake Alpine Water Company W-148 Service List

Creekside Condo Associations
Amber Watts, Manager
ambercreeksidecondos@gmail.com

Bear Valley Homeowners
Association
paulnordic@sbcglobal.net

Alpine County Public Works
jchevallier@alpinecountyca.gov

Paul Peterson, Bear Valley Condo
Management Company
paulnordic@sbcglobal.net

Bear Valley Water District
Jeff.Gouveia@bvwd.ca.gov

Anita Taff-Rice, Attorney
anita@icommlaw.com

Tom MacBride, Attorney
tmacbride@DowneyBrand.com

Gloria Dralla, RLAWC
ggdralla@pacbell.net

Stephen Schwabauer, Bear Valley
Resident, Inc.
steveschwabauer@yahoo.com

Terry Woodrow, County Supervisor
twoodrow@alpinecountyca.gov

Eric Jung, BV Real Estate and Cub
Reporter
eric@bearvalleyrealestate.com

Joel Barnett, Bear Valley Business
Association
joel@bearvalleyrealestate.com

Bruce Orvis, LAWC Co-owner
bporvis@juno.com

Tim Schimke, Skyline Bear Valley
Resort
tims@bearvalley.com

Don Schulz, LAWC Board Member
don@mgib.net

I hereby certify that I have this day, October 24, 2022, served a copy of Advice
Letter 135-W on the parties listed on the above Service List by email.

Executed in Bear Valley, CA on October 24, 2022.

Lake Alpine Water Company, Inc.


By:
Kimi Johnson, General Manager



Prepared For

Bear Valley
209.743.0836
Jeff.Gouveia@bvwd.ca.gov



The Sol Rebel team provides industry leading Energy Consulting, Engineering and Construction Management services to Facility Owners, Developers and Investors. We will help you evaluate the feasibility of a solar or energy storage system to lower your energy costs, with less risk.

81.6kW-dc solar

Prepared By

Randy Batchelor
(503) 896-7365
randybatchelor@solrebel.com

5/5/2022



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1 Project Summary

Payment Options	Cash Purchase
IRR - Term	20.1%
LCOE PV Generation	\$0.066 /kWh
Net Present Value	\$535,756
Payback Period	4.6 Years
Total Payments	\$421,551
Total Incentives	\$170,054
Net Payments	\$251,496
Electric Bill Savings - Term	\$1,613,352
Upfront Payment	\$326,400

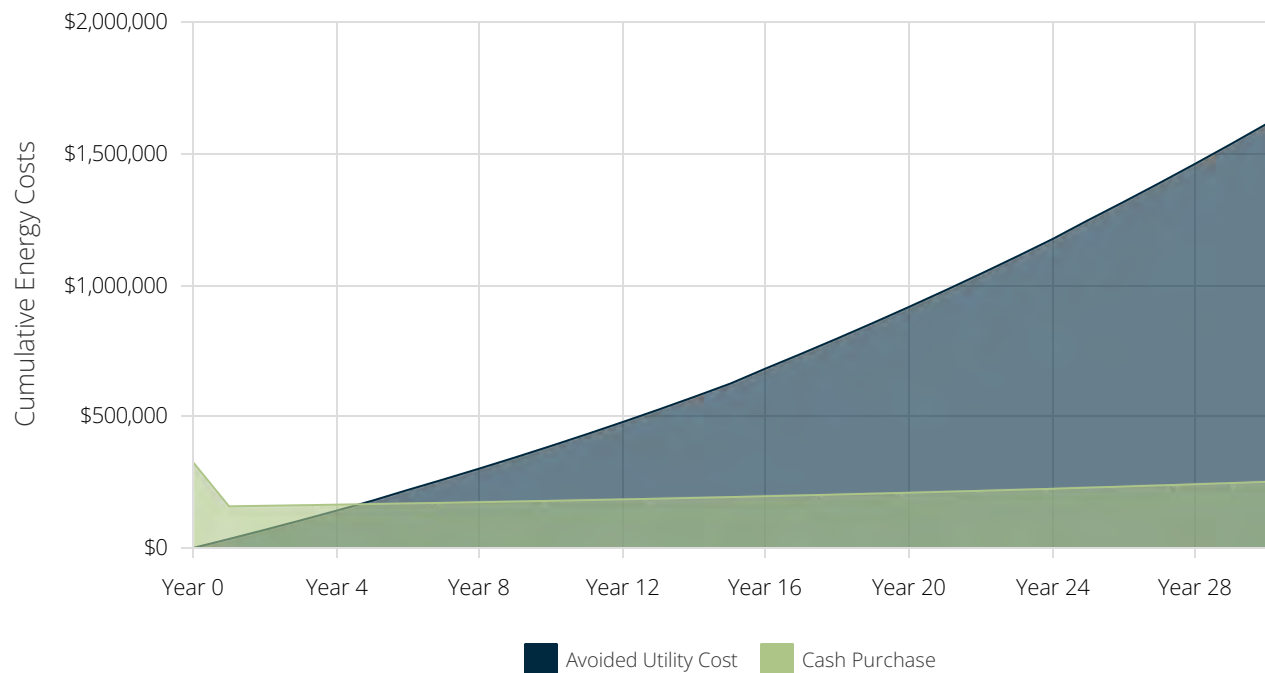
Combined Solar PV Rating

Power Rating: 81,600 W-DC
Power Rating: 69,613 W-AC-CEC

Combined ESS Ratings

Energy Capacity: 696.0 kWh
Power Rating: 140.0 kW

Cumulative Energy Costs By Payment Option



2.1.1 PV System Details

General Information

Facility: Meter #1
Address: 411 Creekside Dr Bear Valley CA 95223

Solar PV Equipment Description

Solar Panels: (240) Hanwha Q CELLS Q.PLUS L-G4.2 340
Inverters: (2) SMA Sunny Tripower_Core1 33-US-41

Solar PV Equipment Typical Lifespan

Solar Panels: Greater than 30 Years
Inverters: 15 Years

Solar PV System Cost and Incentives

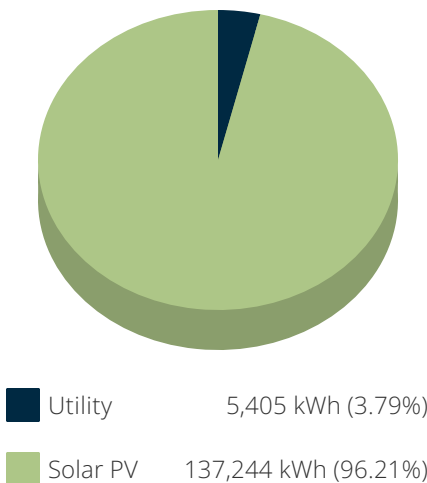
Solar PV System Cost	\$326,400
Federal - 100% Bonus Depreciation	-\$85,190
Federal Tax Credit	-\$84,864
Net Solar PV System Cost	\$156,346

Solar PV System Rating

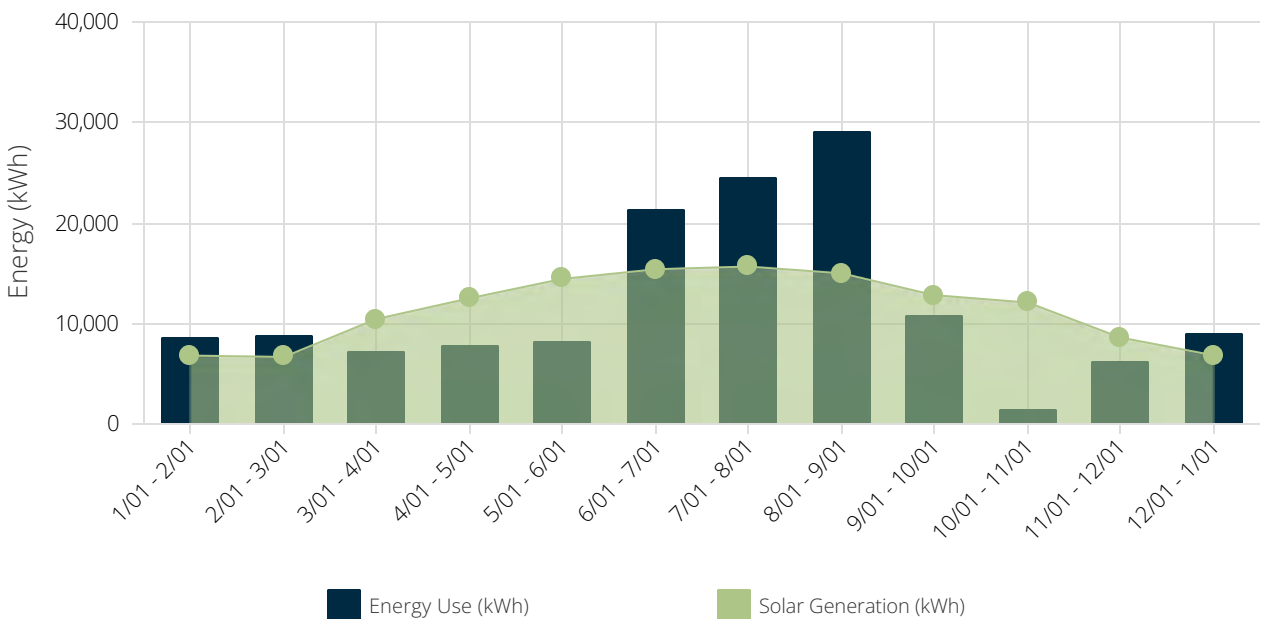
Power Rating: 81,600 W-DC
Power Rating: 69,613 W-AC-CEC

Energy Consumption Mix

Annual Energy Use: 142,649 kWh



Monthly Energy Use vs Solar Generation



2.1.2 Energy Storage System (ESS) Details

General Information

Facility: Meter #1
Address: Bear Valley CA 95223

ESS System Ratings

Energy Capacity: 696.0 kWh
Power Rating: 140.0 kW

ESS Equipment Description

Battery Banks: 140kw/696kWh Energy Storage System
Inverters: 140kw/696kWh Energy Storage System

ESS Equipment Typical Lifespan

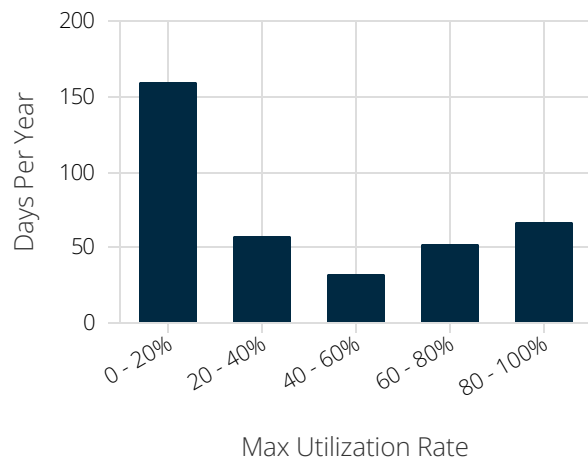
Battery Banks: 15 Years
Inverters: 15 Years

ESS Cost and Incentives

ESS Cost -

Net ESS Cost \$0

Energy Storage Annual Utilization



Energy Output and Demand Savings From Solar PV and Energy Storage				
Date Range	ESS Energy Discharge (kWh)	Solar PV Generation (kWh)	ESS Energy as % of PV Energy	Total Demand Savings
1/1/2020 - 2/1/2020	2,608	6,802	38.34%	\$0
2/1/2020 - 3/1/2020	2,641	6,672	39.58%	\$0
3/1/2020 - 4/1/2020	2,013	10,435	19.29%	\$0
4/1/2020 - 5/1/2020	2,332	12,517	18.63%	\$0
5/1/2020 - 6/1/2020	2,846	14,431	19.72%	\$0
6/1/2020 - 7/1/2020	7,571	15,398	49.17%	\$0
7/1/2020 - 8/1/2020	8,523	15,666	54.40%	\$0
8/1/2020 - 9/1/2020	7,075	14,985	47.21%	\$0
9/1/2020 - 10/1/2020	2,344	12,820	18.28%	\$0
10/1/2020 - 11/1/2020	302	12,082	2.50%	\$0
11/1/2020 - 12/1/2020	1,898	8,610	22.04%	\$0
12/1/2020 - 1/1/2021	3,797	6,826	55.63%	\$0
Total	43,950	137,244	32.02%	\$0

2.1.3 Rebates and Incentives

This section summarizes all incentives available for this project. The actual rebate and incentive amounts for this project are shown in each example.

Federal - 100% bonus depreciation (Tax Reform Bill)

The Tax Reform Bill modifies bonus depreciation under Code Section 168(k) to allow 100% expensing for property placed in service after September 27, 2017 and before January 1, 2023. By increasing bonus depreciation to 100 percent, the new tax bill essentially allows eligible entities to deduct the entire allowable tax basis of the system in the first year of operation. Under the federal Modified Cost Recovery System (MACRS), businesses may recover investments in certain property through depreciation deductions. MACRS establishes a lifespan for various types of property over which the property may be depreciated. For PV systems, the taxable basis of the equipment must be reduced by 50% of any federal tax credits associated with the system.

Total Incentive Value: \$85,190

Business Energy Investment Tax Credit (ITC) - 26%

Businesses that install solar photovoltaic (PV) systems are eligible to receive an (ITC) investment tax credit, which can be used to directly offset federal tax liability on a dollar-for-dollar basis. If the tax credit exceeds your tax liability you can roll the credit into future tax periods for 20 years. Commercial projects that commence construction through the end of 2022 are eligible to receive a 26% tax credit of the total PV system cost. The ITC steps down thereafter: 2023 projects qualify for a 22% ITC, 2024 and later projects qualify for a 10% ITC.

Total Incentive Value: \$84,864

2.1.4 Utility Rates

The table below shows the rates associate with your current utility rate schedule (B-6). Your estimated electric bills after solar are shown on the following page.

Customer Charges				Energy Charges			
Season	Charge Type	Rate Type	B-6	Season	Charge Type	Rate Type	B-6
W1	Flat Rate	per day	\$0.82	W1	On Peak	Import	\$0.30704
W2	Flat Rate	per day	\$0.82	W1	Off Peak	Import	\$0.28729
S	Flat Rate	per day	\$0.82	W2	On Peak	Import	\$0.30704
				W2	Off Peak	Import	\$0.28729
				W2	Super Off Peak	Import	\$0.27088
				S	On Peak	Import	\$0.41465
				S	Off Peak	Import	\$0.29671

2.1.5 Current Electric Bill

The table below shows your annual electricity costs based on the most current utility rates and your previous 12 months of electrical usage.

Rate Schedule: PG&E - B-6

Time Periods	Energy Use (kWh)			Charges			
Bill Ranges & Seasons	On Peak	Off Peak	Super Off Peak	Other	NBC	Energy	Total
1/1/2020 - 2/1/2020 W1	1,676	6,971	-	\$25	\$207	\$2,310	\$2,543
2/1/2020 - 3/1/2020 W1	1,385	7,338	-	\$24	\$209	\$2,325	\$2,557
3/1/2020 - 4/1/2020 W2	926	4,319	1,821	\$25	\$169	\$1,849	\$2,044
4/1/2020 - 5/1/2020 W2	1,339	4,042	2,340	\$25	\$185	\$2,022	\$2,231
5/1/2020 - 6/1/2020 W2	1,518	4,519	2,043	\$25	\$193	\$2,124	\$2,343
6/1/2020 - 7/1/2020 S	808	20,547	-	\$25	\$511	\$5,921	\$6,456
7/1/2020 - 8/1/2020 S	544	23,902	-	\$25	\$585	\$6,733	\$7,343
8/1/2020 - 9/1/2020 S	795	28,346	-	\$25	\$697	\$8,043	\$8,766
9/1/2020 - 10/1/2020 S	366	10,463	-	\$25	\$259	\$2,997	\$3,281
10/1/2020 - 11/1/2020 W1	175	1,253	-	\$25	\$34	\$380	\$439
11/1/2020 - 12/1/2020 W1	1,152	5,028	-	\$25	\$148	\$1,650	\$1,823
12/1/2020 - 1/1/2021 W1	1,768	7,267	-	\$25	\$216	\$2,414	\$2,656
Total	12,452	123,995	6,204	\$301	\$3,412	\$38,769	\$42,482

2.1.6 New Electric Bill

Rate Schedule: PG&E - B-6

Time Periods	Energy Use (kWh)			Charges			
Bill Ranges & Seasons	On Peak	Off Peak	Super Off Peak	Other	NBC	Energy	Total
1/1/2020 - 2/1/2020 W1	923	1,923	-	\$25	\$112	\$768	\$905
2/1/2020 - 3/1/2020 W1	689	2,366	-	\$24	\$112	\$818	\$954
3/1/2020 - 4/1/2020 W2	-377	90	-2,299	\$25	\$75	\$651	\$550
4/1/2020 - 5/1/2020 W2	-534	-684	-2,710	\$25	\$52	\$1,001	\$924
5/1/2020 - 6/1/2020 W2	-928	-1,060	-3,242	\$25	\$49	\$1,343	\$1,268
6/1/2020 - 7/1/2020 S	-139	9,004	-	\$25	\$260	\$2,402	\$2,686
7/1/2020 - 8/1/2020 S	258	11,795	-	\$25	\$292	\$3,318	\$3,636
8/1/2020 - 9/1/2020 S	763	16,109	-	\$25	\$404	\$4,693	\$5,122
9/1/2020 - 10/1/2020 S	-835	-254	-	\$25	\$146	\$395	\$225
10/1/2020 - 11/1/2020 W1	-814	-9,729	-	\$25	\$12	\$2,792	\$2,755
11/1/2020 - 12/1/2020 W1	566	-2,269	-	\$25	\$71	\$437	\$342
12/1/2020 - 1/1/2021 W1	728	2,946	-	\$25	\$91	\$982	\$1,099
Total	300	30,237	-8,251	\$301	\$1,676	\$6,362	\$8,339

Annual Electricity Savings: \$34,143

3.1 Cash Purchase

Assumptions and Key Financial Metrics

IRR - Term	20.1%	Net Present Value	\$535,756	Payback Period	4.6 Years
ROI	417.2%	PV Degradation Rate	0.50%	Discount Rate	5.0%
Energy Cost Escalation Rate	3.0%	Federal Income Tax Rate	30.0%	State Income Tax Rate	8.0%
Total Project Costs	\$326,400				

Years	Project Costs	O&M Costs	Electric Bill Savings	Federal Tax Effect	Total Cash Flow	Cumulative Cash Flow
Upfront	-\$326,400	-	-	-	-\$326,400	-\$326,400
1	-	-\$2,000	\$34,143	\$170,054	\$202,197	-\$124,203
2	-	-\$2,060	\$35,101	-	\$33,041	-\$91,162
3	-	-\$2,122	\$36,086	-	\$33,964	-\$57,198
4	-	-\$2,185	\$37,098	-	\$34,913	-\$22,285
5	-	-\$2,251	\$38,139	-	\$35,888	\$13,603
6	-	-\$2,319	\$39,209	-	\$36,890	\$50,494
7	-	-\$2,388	\$40,308	-	\$37,920	\$88,414
8	-	-\$2,460	\$41,439	-	\$38,979	\$127,393
9	-	-\$2,534	\$42,601	-	\$40,067	\$167,460
10	-	-\$2,610	\$43,795	-	\$41,185	\$208,646
11	-	-\$2,688	\$45,023	-	\$42,335	\$250,980
12	-	-\$2,768	\$46,284	-	\$43,516	\$294,496
13	-	-\$2,852	\$47,581	-	\$44,730	\$339,226
14	-	-\$2,937	\$48,915	-	\$45,977	\$385,203
15	-	-\$3,025	\$50,285	-	\$47,260	\$432,463
16	-	-\$3,116	\$55,345	-	\$52,229	\$484,692
17	-	-\$3,209	\$56,697	-	\$53,488	\$538,180
18	-	-\$3,306	\$58,081	-	\$54,775	\$592,955
19	-	-\$3,405	\$59,496	-	\$56,091	\$649,046
20	-	-\$3,507	\$60,944	-	\$57,437	\$706,483
21	-	-\$3,612	\$62,426	-	\$58,814	\$765,297
22	-	-\$3,721	\$63,941	-	\$60,221	\$825,518
23	-	-\$3,832	\$65,492	-	\$61,659	\$887,177
24	-	-\$3,947	\$67,077	-	\$63,130	\$950,307
25	-	-\$4,066	\$68,699	-	\$64,634	\$1,014,941
26	-	-\$4,188	\$70,358	-	\$66,171	\$1,081,112
27	-	-\$4,313	\$72,055	-	\$67,742	\$1,148,854
28	-	-\$4,443	\$73,790	-	\$69,348	\$1,218,202
29	-	-\$4,576	\$75,565	-	\$70,989	\$1,289,190
30	-	-\$4,713	\$77,379	-	\$72,666	\$1,361,856
Totals:	-\$326,400	-\$95,151	\$1,613,352	\$170,054	\$1,361,856	-

4.1 Cash Purchase

Assumptions and Key Financial Metrics

IRR - Term	20.1%	Net Present Value	\$535,756	Payback Period	4.6 Years
ROI	417.2%	PV Degradation Rate	0.50%	Discount Rate	5.0%
Energy Cost Escalation Rate	3.0%	Federal Income Tax Rate	30.0%	State Income Tax Rate	8.0%
Total Project Costs	\$326,400				

Years	Upfront	1	2	3	4	5	6	7	8	9	10
Cash											
Project Costs	-\$326,400	-	-	-	-	-	-	-	-	-	-
O&M Costs	-	-\$2,000	-\$2,060	-\$2,122	-\$2,185	-\$2,251	-\$2,319	-\$2,388	-\$2,460	-\$2,534	-\$2,610
Electric Bill Savings	-	\$34,143	\$35,101	\$36,086	\$37,098	\$38,139	\$39,209	\$40,308	\$41,439	\$42,601	\$43,795
Cash Total	-\$326,400	\$32,143	\$33,041	\$33,964	\$34,913	\$35,888	\$36,890	\$37,920	\$38,979	\$40,067	\$41,185
Federal Taxes											
Income Decrease (Federal - 100% Bonus Depreciation)	-	\$283,968	-	-	-	-	-	-	-	-	-
Change in Taxable Income	-	\$283,968	-	-	-	-	-	-	-	-	-
Federal Tax Liability	-	\$85,190	-	-	-	-	-	-	-	-	-
Federal Tax Credit	-	\$84,864	-	-	-	-	-	-	-	-	-
Change in Federal Tax Liability	-	\$170,054	-	-	-	-	-	-	-	-	-
Total Cash Flow	-\$326,400	\$202,197	\$33,041	\$33,964	\$34,913	\$35,888	\$36,890	\$37,920	\$38,979	\$40,067	\$41,185
Cumulative Cash Flow	-\$326,400	-\$124,203	-\$91,162	-\$57,198	-\$22,285	\$13,603	\$50,494	\$88,414	\$127,393	\$167,460	\$208,646

4.1 Cash Purchase

Assumptions and Key Financial Metrics

IRR - Term	20.1%	Net Present Value	\$535,756	Payback Period	4.6 Years
ROI	417.2%	PV Degradation Rate	0.50%	Discount Rate	5.0%
Energy Cost Escalation Rate	3.0%	Federal Income Tax Rate	30.0%	State Income Tax Rate	8.0%
Total Project Costs	\$326,400				

Years	11	12	13	14	15	16	17	18	19	20
Cash										
Project Costs	-	-	-	-	-	-	-	-	-	-
O&M Costs	-\$2,688	-\$2,768	-\$2,852	-\$2,937	-\$3,025	-\$3,116	-\$3,209	-\$3,306	-\$3,405	-\$3,507
Electric Bill Savings	\$45,023	\$46,284	\$47,581	\$48,915	\$50,285	\$55,345	\$56,697	\$58,081	\$59,496	\$60,944
Cash Total	\$42,335	\$43,516	\$44,730	\$45,977	\$47,260	\$52,229	\$53,488	\$54,775	\$56,091	\$57,437
Federal Taxes										
Income Decrease (Federal - 100% Bonus Depreciation)	-	-	-	-	-	-	-	-	-	-
Change in Taxable Income	-	-	-	-	-	-	-	-	-	-
Federal Tax Liability	-	-	-	-	-	-	-	-	-	-
Federal Tax Credit	-	-	-	-	-	-	-	-	-	-
Change in Federal Tax Liability	-	-	-	-	-	-	-	-	-	-
Total Cash Flow	\$42,335	\$43,516	\$44,730	\$45,977	\$47,260	\$52,229	\$53,488	\$54,775	\$56,091	\$57,437
Cumulative Cash Flow	\$250,980	\$294,496	\$339,226	\$385,203	\$432,463	\$484,692	\$538,180	\$592,955	\$649,046	\$706,483

4.1 Cash Purchase

Assumptions and Key Financial Metrics

IRR - Term	20.1%	Net Present Value	\$535,756	Payback Period	4.6 Years
ROI	417.2%	PV Degradation Rate	0.50%	Discount Rate	5.0%
Energy Cost Escalation Rate	3.0%	Federal Income Tax Rate	30.0%	State Income Tax Rate	8.0%
Total Project Costs	\$326,400				

Years	21	22	23	24	25	26	27	28	29	30
Cash										
Project Costs	-	-	-	-	-	-	-	-	-	-
O&M Costs	-\$3,612	-\$3,721	-\$3,832	-\$3,947	-\$4,066	-\$4,188	-\$4,313	-\$4,443	-\$4,576	-\$4,713
Electric Bill Savings	\$62,426	\$63,941	\$65,492	\$67,077	\$68,699	\$70,358	\$72,055	\$73,790	\$75,565	\$77,379
Cash Total	\$58,814	\$60,221	\$61,659	\$63,130	\$64,634	\$66,171	\$67,742	\$69,348	\$70,989	\$72,666
Federal Taxes										
Income Decrease (Federal - 100% Bonus Depreciation)	-	-	-	-	-	-	-	-	-	-
Change in Taxable Income	-	-	-	-	-	-	-	-	-	-
Federal Tax Liability	-	-	-	-	-	-	-	-	-	-
Federal Tax Credit	-	-	-	-	-	-	-	-	-	-
Change in Federal Tax Liability	-	-	-	-	-	-	-	-	-	-
Total Cash Flow	\$58,814	\$60,221	\$61,659	\$63,130	\$64,634	\$66,171	\$67,742	\$69,348	\$70,989	\$72,666
Cumulative Cash Flow	\$765,297	\$825,518	\$887,177	\$950,307	\$1,014,941	\$1,081,112	\$1,148,854	\$1,218,202	\$1,289,190	\$1,361,856

4.1 Cash Purchase

Assumptions and Key Financial Metrics

IRR - Term	20.1%	Net Present Value	\$535,756	Payback Period	4.6 Years
ROI	417.2%	PV Degradation Rate	0.50%	Discount Rate	5.0%
Energy Cost Escalation Rate	3.0%	Federal Income Tax Rate	30.0%	State Income Tax Rate	8.0%
Total Project Costs	\$326,400				

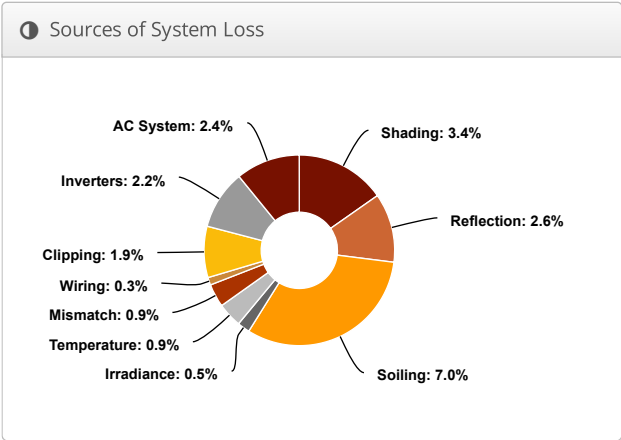
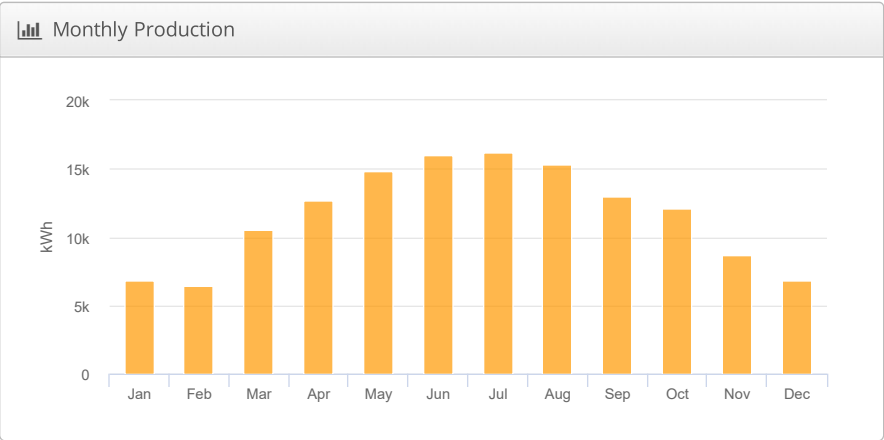
Years	Totals
Cash	
Project Costs	-\$326,400
O&M Costs	-\$95,151
Electric Bill Savings	\$1,613,352
Cash Total	\$1,191,802
Federal Taxes	
Income Decrease (Federal - 100% Bonus Depreciation)	\$283,968
Change in Taxable Income	\$283,968
Federal Tax Liability	\$85,190
Federal Tax Credit	\$84,864
Change in Federal Tax Liability	\$170,054
Total Cash Flow	\$1,361,856
Cumulative Cash Flow	-

Design 3- 4x5L Bear Valley, 411 CREEKSIDE DR. BEAR VALLEY, CA 95223

Report	
Project Name	Bear Valley
Project Address	411 CREEKSIDE DR. BEAR VALLEY, CA 95223
Prepared By	Randy Batchelor randybatchelor@solrebel.com

System Metrics	
Design	Design 3- 4x5L
Module DC Nameplate	81.6 kW
Inverter AC Nameplate	66.6 kW Load Ratio: 1.23
Annual Production	139.5 MWh
Performance Ratio	80.3%
kWh/kWp	1,710.2
Weather Dataset	TMY, 10km Grid (38.45,-120.05), NREL (prospector)
Simulator Version	12c888ebe4-6062202a62-0c8024af8e-ca4b009e37

Project Location



⚡ Annual Production			
	Description	Output	% Delta
Irradiance (kWh/m²)	Annual Global Horizontal Irradiance	1,885.6	
	POA Irradiance	2,128.9	12.9%
	Shaded Irradiance	2,057.3	-3.4%
	Irradiance after Reflection	2,004.1	-2.6%
	Irradiance after Soiling	1,863.3	-7.0%
	Total Collector Irradiance	1,863.3	0.0%
Energy (kWh)	Nameplate	152,901.3	
	Output at Irradiance Levels	152,189.5	-0.5%
	Output at Cell Temperature Derate	150,798.0	-0.9%
	Output After Mismatch	149,487.1	-0.9%
	Optimal DC Output	149,063.6	-0.3%
	Constrained DC Output	146,210.0	-1.9%
	Inverter Output	142,981.4	-2.2%
	Energy to Grid	139,549.8	-2.4%
Temperature Metrics			
Avg. Operating Ambient Temp		8.7 °C	
Avg. Operating Cell Temp		18.2 °C	
Simulation Metrics			
Operating Hours		4697	
Solved Hours		4697	

☁ Condition Set												
Description	Condition Set 1											
Weather Dataset	TMY, 10km Grid (38.45,-120.05), NREL (prospector)											
Solar Angle Location	Meteo Lat/Lng											
Transposition Model	Perez Model											
Temperature Model	Diffusion Model											
Temperature Model Parameters	Rack Type		U _{const}		U _{wind}							
	Fixed Tilt		25		1.2							
	Flush Mount		15		1.2							
	East-West		25		1.2							
	Carport		25		1.2							
Soiling (%)	J	F	M	A	M	J	J	A	S	O	N	D
	15	15	10	3	3	5	6	8	10	5	3	10
Irradiation Variance	0.015%											
Cell Temperature Spread	2° C											
Module Binning Range	0% to 1.25%											
AC System Derate	2.40%											
Trackers	Maximum Angle				Backtracking							
	60°				Enabled							
Module Characterizations	Module		Uploaded By		Characterization							
	Q.PLUS L-G4.2 340 (Hanwha Q CELLS)		HelioScope		Spec Sheet Characterization, PAN							
Component Characterizations	Device		Uploaded By		Characterization							
	Sunny Tripower_Core1 33-US-41 (SMA)		HelioScope		Default Characterization							

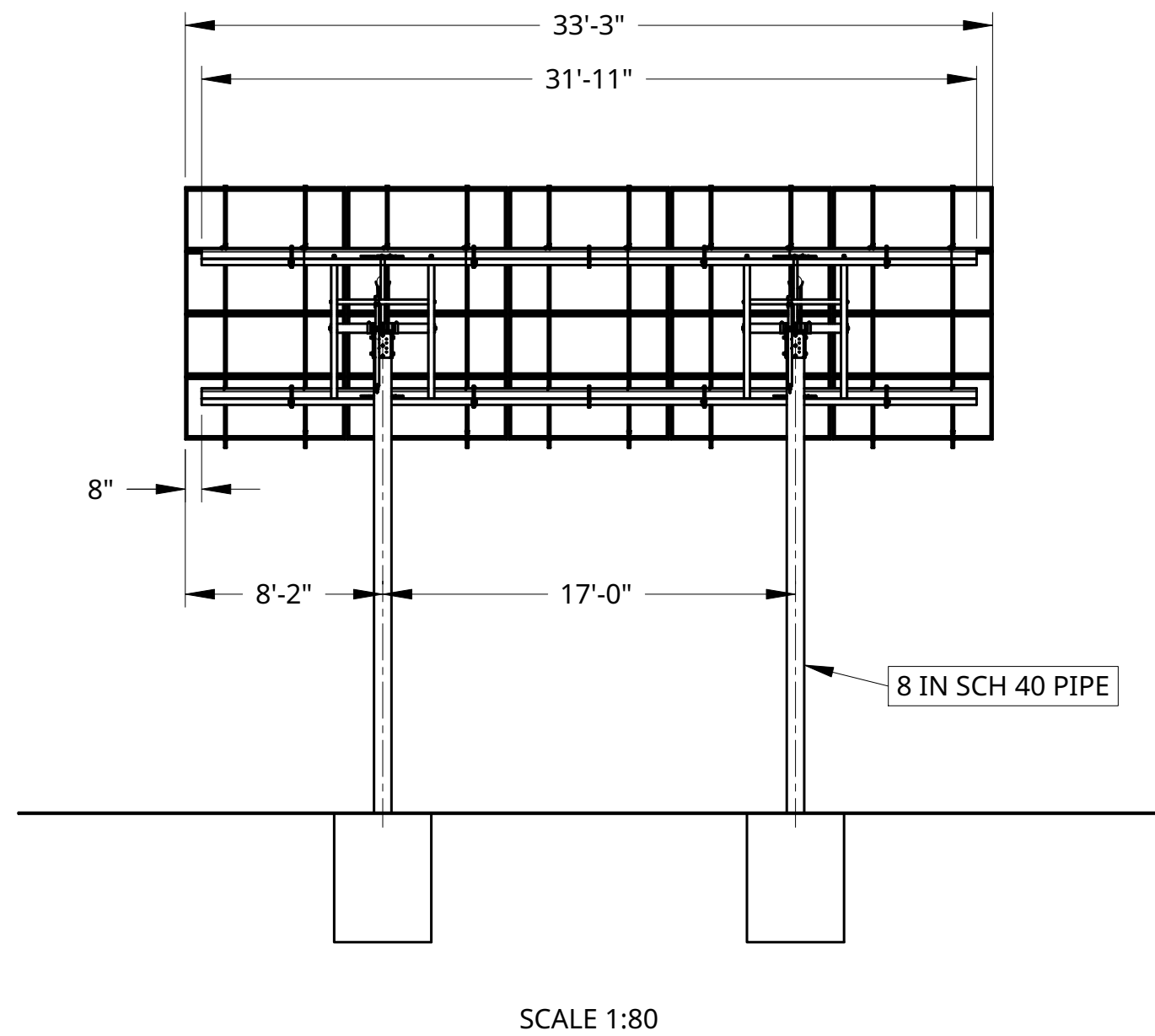
📦 Components		
Component	Name	Count
Inverters	Sunny Tripower_Core1 33-US-41 (SMA)	2 (66.6 kW)
Strings	10 AWG (Copper)	14 (1,198.5 ft)
Module	Hanwha Q CELLS, Q.PLUS L-G4.2 340 (340W)	240 (81.6 kW)

🔌 Wiring Zones			
Description	Combiner Poles	String Size	Stringing Strategy
Wiring Zone	-	5-19	Along Racking

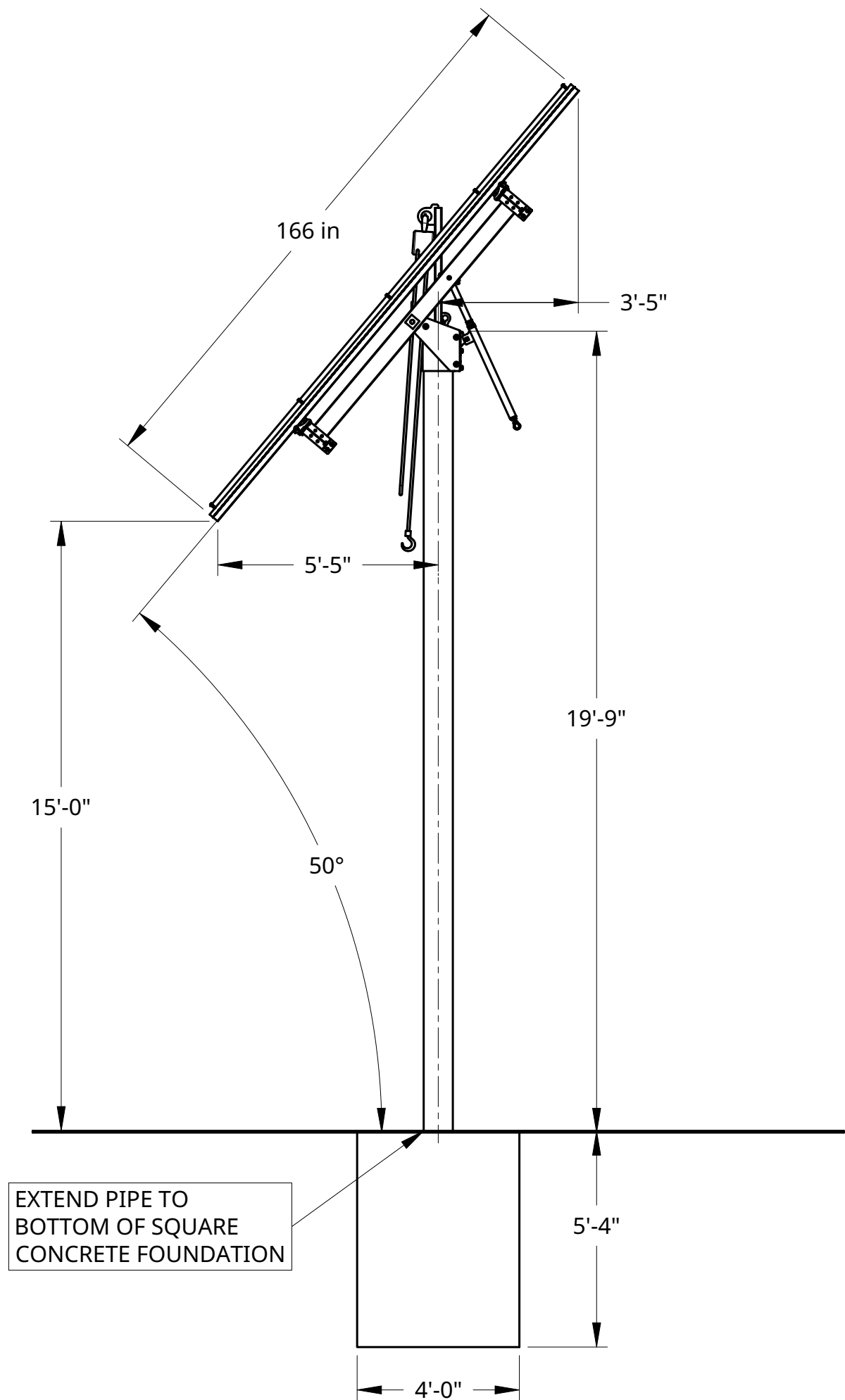
🏠 Field Segments									
Description	Racking	Orientation	Tilt	Azimuth	Intrarow Spacing	Frame Size	Frames	Modules	Power
Field Segment 1	Fixed Tilt	Landscape (Horizontal)	20°	180°	15.8 ft	4x5	12	240	81.6 kW

Detailed Layout





Item	Quantity	Name	Part number	Mass	Revision
1	20	UNIVERSAL SOLAR PANEL	UNIVERSAL-SOLAR-PANEL		
2	10	TAMARACK-3.1-RAIL-CUT-1 66.3-INCHES	TAMARACK-3.1-RAIL-SPLICED/CUT-TO-LENGTH	12.9 lb	
3	50	Tamarack Module Clamp Assembly	Tamarack-50/50-Clamp	0.1 lb	
4	20	Beam Clamp Assembly	BEAM-CLAMP-ASSEMBLY		
5	20	Tamarack Rail Adapter Kit			
6	5	Tamarack Grounding Clamp			
7	2	Pole		565.3 lb	
8	2	BACKPLATE-8	BACKPLATE-8	15.4 lb	
9	2	POLECAP-8	POLECAP-8	42.5 lb	
10	2	8TOP LIFTING INSERT	8TOP-LIFTING-INSERT		
11	2	Pivot Pipe	HD-4IN-PIVOT-PIPE	57.4 lb	
12	4	HD-3x5-Rect-Tube	HD-3x5-Rect-Tube		
13	2	HD-2IN-PIPE	HD-2IN-PIPE		
14	4	Lock Collar	Lock-Collar	1.2 lb	
15	4	8x10 Center Beam	8x10-90in-Center		
16	2	ADJUSTER-SCREW	ADJUSTER-SCREW		
17	4	8x10-57IN-SPLICE	8x10-57IN-SPLICE		
18	1	Ground Plane		1621.1 lb	
19	2	Lifting Bracket			
20	2	Chain Hoist			
21	4	HD-WING-45-INCHES			



COMPANY NAME BEAR VALLEY WATER DISTRICT		SKU 2P-17-8TOP-HD-45-4X5	
MODULE QUANTITY: 20 MODULE WIDTH: 40 INCHES MODULE LENGTH: 79 INCHES MAXIMUM TILT: 50° SUMMER TILT: 20° MAX CLEARANCE AT WINTER TILT: 15'	WIND SPEED: 89 MPH SNOW LOAD: 350 PSF EXPOSURE CATEGORY: B SOIL TYPE: SANDY GRAVEL POLE QUANTITY: 2 POLE RATING: 8" SCHEDULE 40	BWVD Treatment Facility 441 Creekside Drive PO Box 5027, CA Bear Valley	
		<div><div>MTSOLAR</div><div>MADE IN THE USA</div></div>	
		SIZE C	REV.
SCALE Not to Scale		WEIGHT	DATE 05/12/2022





ALERT

An Overview of Clean Energy Tax Legislation in the Inflation Reduction Act

[Rob O'Neill \(/people/RobONeill\)](#), Partner, [Tax Credit & Incentive Services \(/services/accounting/tax/credits-and-incentives\)](#)

[Eric Rohner \(/people/EricRohner\)](#), Partner, [Renewable Energy Practice \(/industries/renewable-energy\)](#)

[Matt Kaden \(/people/MattKaden\)](#), Managing Director, [Transactions Services \(/services/consulting/transactions\)](#)

[Jon Blitman \(/people/JonBlitman\)](#), Senior Manager, [Transactions Services \(/services/consulting/transactions\)](#)

[Keegan McClure \(/people/KeeganMcClure\)](#), Senior Manager, [Transactions Services \(/services/consulting/transactions\)](#)

AUGUST 26, 2022

The [Inflation Reduction Act of 2022 \(/articles/2022/08/inflation-reduction-act-of-2022-overview\)](#) is the largest ever commitment made by the United States to fight climate change, in the form of almost \$400 billion in tax incentives aimed at reducing carbon emissions and accelerating the country's energy transition away from fossil fuels.

While companies associated with renewable energy will likely be the largest and most direct beneficiaries of the act's incentives, companies in the fossil fuel sector also stand to benefit from several new and expanded incentives designed to cause a redeployment of capital toward decarbonization activities. Utilities will benefit from relaxation of normalization requirements for battery storage.

In many ways, the act, which was signed by President Joe Biden on August 16, 2022, is a rebranding of the [Build Back Better Act \(/articles/2022/01/clean-energy-tax-proposals-in-bbba\)](#) (BBBA), which passed in the House in 2021 before stalling in the Senate. The Inflation Reduction Act, however, differs in some key respects from BBBA.

Synopsis of Inflation Reduction Act's Clean Energy Changes

Like the BBBA, the Inflation Reduction Act generally extends existing incentives for clean energy at least at their highest rate. For example, the rate is \$27.50 per megawatt hour (MWh) for the production tax credit (PTC) for projects placed in service in 2022, which is up from \$26 per MWh pre-Inflation Reduction Act, and 30% of qualifying capital expenditure for the investment tax credit (ITC).

The act also expands the scope and value of existing incentives and adds new ones that fossil fuel companies may find attractive.

Following are some notable changes from previous law and differences from proposals in the BBBA. You can also explore an overview of the [tax implications in the act. \(/articles/2022/08/inflation-reduction-act-of-2022-overview\)](/articles/2022/08/inflation-reduction-act-of-2022-overview)

Notable Changes from Previous Law

PTC and ITC

- **Availability.** Full PTCs and ITCs are available for all projects placed in service after 2021 and prior to 2025. The PTC is also now available for solar projects that begin construction prior to 2025. This could be more beneficial than the ITC for many projects. Likewise, the ITC is now available for wind projects.
- **Standalone battery storage.** If placed in service after December 31, 2022, standalone battery storage qualifies for the ITC, regardless of whether it's charged by a renewable source.
- **New opportunities.** There are new PTCs for hydrogen and nuclear, as well as for the domestic manufacturing of components for wind and solar facilities.

New Technology-Neutral Tax Credit

A new technology-neutral tax credit applies to projects placed in service in 2025 or later at the same rates, subject to a phasedown that starts in 2034 at the earliest. This effectively allows taxpayers to choose the PTC or the ITC for all clean power technologies, which was a proposal that was originally in the House-approved version of the BBBA.

Wage and Apprenticeship Requirements

The credits noted above are available at their full rates if specific wage and apprenticeship requirements are met. Otherwise, the credit amount is 20% of the full credit. These requirements apply to projects greater than one megawatt that begin construction more than 59 days after the Treasury Department publishes guidance on the requirements.

For purposes of this article, it's assumed that most taxpayers will find it economical to meet the wage and apprenticeship requirements rather than reduce their credit amount by 80%; as a result, this article uses the full credit amount throughout. That being said, developers may consider starting construction before guidance is issued, to avoid having to comply with these requirements.

In short, workers must be paid prevailing wages at the rates published for Davis-Bacon Act purposes both during construction and for repairs during the credit period (10 years for the PTC and 5 years for the ITC); and a certain percentage of workers must be qualified apprentices during construction.

Bonus Credits

Bonus credits are available if projects are located in energy communities or meet domestic content requirements. Some projects may qualify for additional bonus credits if located in a low-income area. Bonus credits equal to 10% of basis for the ITC and 10% of the PTC amount are available for projects placed in service after December 31, 2022. These bonus credits are stackable; the total

amount of ITC for a solar project may equal 50% or more, for example.

Carbon Capture and Sequestration (CCS).

Increased credits are available for qualified CCS.

Notable Differences Compared with BBBA

- Standalone transmission doesn't qualify for the ITC.
- The ITC for battery storage is exempt from public utility normalization requirements.
- The ITC on solar remains subject to normalization, but that's mitigated through the new option to elect the PTC on solar.
- Unrestricted direct pay or refundability of credits is available only for the Internal Revenue Code (IRC) Section 45Q carbon capture and sequestration credit, Section 45V clean hydrogen PTC, Section 45X advanced manufacturing PTC, and Section 48C advanced energy project ITC. Direct pay may be available to certain tax-exempt and governmental entities for other credits.
- Most energy credits covered by the Inflation Reduction Act can be sold for cash to an unrelated party on a one-time basis when the credit is earned.

Detailed List of Tax Credits and Incentives

To help navigate the many new and expanded credits and incentives that are included in the Inflation Reduction Act, you'll find links to each section below.

Renewable Energy Generation Tax Credits

- [Section 45 production tax credit](#)
- [Section 48 investment tax credit](#)
- [NEW: Section 45Y technology-neutral production tax credit](#)
- [NEW: Section 48E technology-neutral investment tax credit](#)
- [NEW: Section 45U zero-emission nuclear production tax credit](#)

Carbon Sequestration Tax Credits

- [Section 45Q carbon capture and sequestration \(CCS\) tax credit](#)

Clean Fuels Tax Credits

- [NEW: Section 45V clean hydrogen tax credit](#)
- [Other key clean fuel proposals](#)

Clean Vehicles Tax Credits

- [Section 30C alternative fuel refueling property tax credit](#)

- NEW: Section 45W qualified commercial clean vehicles tax credit

Energy Manufacturing Tax Credits

- Section 48C advanced energy project tax credit
- NEW: Section 45X advanced manufacturing production tax credit

Energy Efficiency Tax Deduction

- Section 179D energy efficient commercial buildings tax deduction

Renewable Energy Generation Tax Credits

The following energy generation tax credits are new, expanded, or extended as part of the Inflation Reduction Act:

- Section 45 production tax credit
- Section 48 investment tax credit
- NEW: Section 45Y technology-neutral production tax credit
- NEW: Section 48E technology-neutral investment tax credit
- NEW: Section 45U zero-emission nuclear production tax credit

Section 45 Production Tax Credit (PTC)

Previous Law

Under the previous law, the PTC provided a tax credit for electricity produced from certain renewable resources and sold to unrelated parties for the 10-year period after the property was placed in service. The credit started to phase down for projects that began construction in 2017 and was completely phased out for projects that began construction after December 31, 2021.

The renewable resources that qualify for the PTC generally include wind, biomass, geothermal, hydropower, municipal solid waste, and marine and hydrokinetic energy.

What's Changed

The Inflation Reduction Act extends the PTC for facilities that begin construction by the end of 2024. The provision provides a credit of \$27.50 per MWh, adjusted for inflation and subject to certain wage and apprenticeship requirements.

For projects placed in service after December 31, 2022, if a facility either meets the domestic content requirements or is placed in service in an energy community, the PTC is increased by 10%; if both conditions are satisfied, then the credit is increased by 20% (to \$33 per MWh). To meet the domestic content requirement, taxpayers must ensure that specified percentages of certain components are manufactured in the United States. An energy community includes the following:

- Brownfield sites
- Metropolitan or non-metropolitan area with direct employment or local tax revenue over an established percentage related to the extraction, processing, transport, or storage of coal, oil, or natural gas as well as an unemployment rate at or above the

national average

- Census tract or any adjoining tract in which a coal mine closed after December 31, 1999, or a coal fired electric power plant was retired after December 31, 2009

For wind facilities, the act eliminates the previous law reduction and phaseout of the PTC rate for facilities placed in service after December 31, 2021.

That means these facilities may now be eligible to receive PTCs at full value. The previous half-credit reduction law for hydropower and marine hydrokinetic facilities was also eliminated.

Significantly, the act also reinstates the PTC for solar energy facilities in which construction begins by the end of 2024.

Post-2024, the act provides for emissions-based, technology-neutral PTCs (described below).

Section 48 Investment Tax Credit (ITC)

The ITC allows taxpayers to claim a credit based on the cost of energy property. The Inflation Reduction Act generally extends the credit for property with construction beginning by the end of 2024.

Under the act, the ITC is expanded to include energy storage technology, including batteries. Energy property also includes costs for interconnection property in connection with the installation of energy property with a maximum net output of less than five mega-watt alternating current (MWac).

In general, for energy property placed in service by the end of 2024, the act restores the credit to 30% of the cost basis, subject to specific wage and apprenticeship requirements.

Energy property placed in service beginning in 2023 that satisfies the domestic content requirements is eligible for a 10 percentage point bonus credit, meaning the credit increases from 30% of cost basis to 40% of cost basis.

Energy property placed in service within an energy community may also be eligible for a 10 percentage point bonus credit.

Solar and wind facilities (and connected batteries) less than five MWac placed in service in 2023 and 2024 may qualify for an additional 10 percentage point bonus credit if located in a low-income neighborhood or on Tribal lands. The bonus credit is subject to an annual capacity limitation of 1.8 gigawatts.

Utilities can elect out of the ITC normalization requirements on battery storage, provided that such election isn't prohibited by any state or regulatory authority.

Post-2024, the act provides for emissions-based, technology-neutral ITCs.

NEW: Sections 45Y and 48E Technology-Neutral Production Tax Credit and Investment Tax Credit

Post-2024, the Inflation Reduction Act includes incentives for clean electricity production and investment, under an emissions-based framework that's neutral and flexible between clean energy technologies.

Taxpayers may choose either the PTC under Section 45Y or the ITC under Section 48E, and power facility of any technology type may qualify for the credits if the facility's carbon emissions are at or below zero.

Taxpayers who satisfy the wage and apprenticeship requirements may be eligible for a PTC of at least \$26 per MWh of electricity generated or an ITC equal to 30% of the basis of energy property.

Standalone energy storage property is also eligible for the full 30% ITC, and clean energy projects smaller than five MWac may include the cost of interconnection equipment in the base for determining the ITC.

Again, certain projects may receive 10% increases to their PTC and ITC rates if they comply with domestic content requirements or are constructed in energy communities. An additional 10% increase in ITC also applies for small projects in low-income communities or Tribal lands, subject to the same 1.8 gigawatt annual capacity limitation.

Under the act, these credits begin to phase out for projects that start construction after 2033 or after certain emissions targets are achieved—when the electric power sector emits 75% less carbon than 2022 levels. At this point, the credits will phase out over three years. Stated differently, the earliest the credits would begin to phase out is 2034.

NEW: Section 45U Zero-Emission Nuclear Production Tax Credit

The Inflation Reduction Act creates a new tax credit, known as the nuclear production tax credit, or the nuclear PTC, for qualifying zero-emission nuclear power produced and sold after December 31, 2023. This proposal is generally consistent with the previous nuclear PTC proposal included in the BBBA.

Qualified nuclear power facilities are taxpayer-owned facilities that use nuclear power to generate electricity that:

- Didn't receive an advanced nuclear PTC allocation under Section 45J
- Are placed in service before the date of enactment (in essence, are existing nuclear power plants)

The base nuclear PTC amount is 1.5 cents per kilowatt-hour (kWh), subject to wage and apprenticeship requirements. It will phase down as average annual electricity prices exceed 2.5 cents per kWh. These amounts would be adjusted for inflation.

The nuclear PTC terminates on December 31, 2032.

Overview for Certain Renewable Energy Generation Tax Credits

PREVIOUS LAW			
TECH	Wind	Solar/Battery Charged by Solar	Standalone Battery
CREDIT	Section 45 PTC or Section 48 ITC	Section 48 ITC	No credit
CREDIT AMOUNT	Up to \$26/MWh PTC or 30% ITC in 2022, depending on start of construction year	Up to 30% in 2022, depending on start of construction year	N/A
WAGE AND APPRENTICESHIP REQUIREMENTS	No	No	N/A
BONUS CREDITS	No	No	N/A
DIRECT PAY	No	No	N/A
TRANSFERABLE	No	Only to lessee	N/A

INFLATION REDUCTION ACT 2022-2024			
TECH	Wind	Solar/Battery Charged by Solar	Standalone Battery
CREDIT	Section 45 PTC or Section 48 ITC	Section 45 PTC (solar only) or Section 48 ITC (solar and battery)	Section 48 ITC, whether or not charged by ITC energy property
CREDIT AMOUNT	<ul style="list-style-type: none"> • \$27.50/MWh in 2022, adjusted for inflation (PTC) • 30% of the basis of energy property (ITC) • Start of construction must be prior to January 1, 2025 	<ul style="list-style-type: none"> • \$27.50/MWh in 2022, adjusted for inflation (PTC) • 30% of the basis of energy property (ITC) • Start of construction must be prior to January 1, 2025 	30% of the basis of the battery, if placed in service after December 31, 2022
WAGE AND APPRENTICESHIP REQUIREMENTS	<ul style="list-style-type: none"> • Credit amount subject to approximately 80% reduction if wage and apprenticeship requirements aren't met • Facilities that begin construction within 59 days of release of proposed regulations are deemed to satisfy both requirements • Wage for duration of construction and entire 10-year PTC or 5-year ITC 	<ul style="list-style-type: none"> • Credit amount subject to approximately 80% reduction if wage and apprenticeship requirements aren't met • Facilities that begin construction within 59 days of release of proposed regulations are deemed to satisfy both requirements • Wage for duration of construction and entire 10-year PTC or 5-year ITC 	<ul style="list-style-type: none"> • Credit amount subject to approximately 80% reduction if wage and apprenticeship requirements aren't met • Facilities that begin construction within 59 days of release of proposed regulations are deemed to satisfy both requirements • Wage for duration of construction and entire 5-year ITC recapture

	recapture period <ul style="list-style-type: none"> Apprenticeship requirements must be met during construction only 	recapture period <ul style="list-style-type: none"> Apprenticeship requirements must be met during construction only 	period <ul style="list-style-type: none"> Apprenticeship requirements must be met during construction only
BONUS CREDITS	Additional 10% for PTC and 10% of basis for ITC if placed in service after December 31, 2022, if: <ul style="list-style-type: none"> Domestic content requirements are met Located in an energy community For ITC only—located in a low-income community or on Tribal land and less than 5 MW, subject to 1.8 GW annual limitation 	Additional 10% for PTC and 10% of basis for ITC if placed in service after December 31, 2022, if: <ul style="list-style-type: none"> Domestic content requirements are met Located in an energy community For ITC only—located in a low-income community or on Tribal land and less than 5 MW, subject to 1.8 GW annual limitation 	Additional 10% of basis for ITC if placed in service after December 31, 2022, if: <ul style="list-style-type: none"> Domestic content requirements are met Located in an energy community
DIRECT PAY	Only for taxable years 2023-2032 and only for: <ul style="list-style-type: none"> Tax-exempt entities, states, or local governments Tennessee Valley Authority Indian Tribal governments Any Alaska Native Corporation Any cooperative engaged in furnishing electric energy to persons in rural areas Reduction if domestic content requirements aren't met	Only for taxable years 2023-2032 and only for: <ul style="list-style-type: none"> Tax-exempt entities, states, or local governments Tennessee Valley Authority Indian Tribal governments Any Alaska Native Corporation Any cooperative engaged in furnishing electric energy to persons in rural areas Reduction if domestic content requirements aren't met	Only for taxable years 2023-2032 and only for: <ul style="list-style-type: none"> Tax-exempt entities, states, or local governments Tennessee Valley Authority Indian Tribal governments Any Alaska Native Corporation Any cooperative engaged in furnishing electric energy to persons in rural areas Reduction if domestic content requirements aren't met
TRANSFERABLE	Yes, for taxable years beginning after 2022	Yes, for taxable years beginning after 2022	Yes, for taxable years beginning after 2022

INFLATION REDUCTION ACT 2025-2034 AND BEYOND

TECH	Any Clean-Energy Generating Facility with a Greenhouse Gas Emissions Rate Not Greater than Zero (Wind or Solar, for Example)	Standalone Battery
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CREDIT	May elect Section 45Y PTC or Section 48E ITC	May elect Section 48E ITC, whether or not charged by ITC energy property
CREDIT AMOUNT	<ul style="list-style-type: none"> At least \$26/MWh in 2025, adjusted for inflation (PTC) 30% of the basis of energy property (ITC) Phasedown starting in 2034 at earliest 	<ul style="list-style-type: none"> 30% of basis of the battery Phasedown starting in 2034 at earliest
CREDIT REQUIREMENTS	<ul style="list-style-type: none"> Credit amount is subject to approximately 80% reduction if wage and apprenticeship requirements aren't met Wage requirements must be met for the duration of construction and entire 10-year PTC period or 5-year ITC recapture period Apprenticeship requirements must be met during construction only 	<ul style="list-style-type: none"> Credit amount is subject to approximately 80% reduction if wage and apprenticeship requirements aren't met Wage requirements must be met for the duration of construction and entire 5-year ITC recapture period Apprenticeship requirements must be met during construction only
BONUS CREDITS	<p>Additional 10% for PTC and 10% of basis for ITC if:</p> <ul style="list-style-type: none"> Domestic content requirements are met Located in an energy community For ITC only—located in a low-income community or on Tribal land and less than 5 MW, subject to 1.8 GW annual limitation 	<p>Additional 10% of basis if:</p> <ul style="list-style-type: none"> Domestic content requirements are met Located in an energy community
DIRECT PAY	<p>Only for taxable years 2025-2032 and only for:</p> <ul style="list-style-type: none"> Tax-exempt entities, states, or local governments The Tennessee Valley Authority Indian Tribal governments Any Alaska Native Corporation Any cooperative engaged in furnishing electric energy to persons in rural areas <p>Reduction if domestic content requirements aren't met</p>	<p>Only for taxable years 2025-2032 and only for:</p> <ul style="list-style-type: none"> Tax-exempt entities, states, or local governments The Tennessee Valley Authority Indian Tribal governments Any Alaska Native Corporation Any cooperative engaged in furnishing electric energy to persons in rural areas <p>Reduction if domestic content requirements aren't met</p>
TRANSFERABLE	Yes	Yes

Carbon Sequestration Tax Credits

Section 45Q Carbon Capture and Sequestration (CCS) Tax Credit

Previous Law

Under previous law, industrial carbon capture or direct air capture facilities that begin construction by December 31, 2025, can qualify for the Section 45Q tax credit. A facility is only qualified for this purpose if it achieves certain minimum annual capture requirements, and these requirements vary by type of CCS facility.

Assuming all other requirements are satisfied, the amount of Section 45Q tax credit is computed per metric ton of qualified carbon oxide captured and sequestered. It can be claimed for carbon oxide captured during the 12-year period beginning on the date a qualified facility was originally placed in service.

What's Changed

The Inflation Reduction Act extends the start of construction deadline to December 31, 2032, and substantially lowers the minimum annual capture requirements for qualifying facilities placed in service prior to January 1, 2023, while increasing the potential credit amount.

The Section 45Q tax credit is computed per metric ton of qualified carbon oxide captured and sequestered, and the full credit below is also conditioned on meeting the wage and apprenticeship requirements.

A facility is only qualified for this credit if it achieves certain minimum annual capture requirements, which vary by type of CCS facility.

Credit Amounts per Metric Ton of Carbon Captured

QUALIFIED CARBON CAPTURE AND SEQUESTRATION	SECTION 45Q CREDIT (PER METRIC TON OF CARBON)	
	PREVIOUS LAW	INFLATION REDUCTION ACT *
Carbon oxide captured and geologically sequestered	\$34.81 in 2021, increasing to \$50 by 2026	\$85
Carbon oxide captured and reused	\$22.68 in 2021, increasing to \$50 by 2026	\$60
Carbon oxide captured using direct air capture and geologically sequestered	\$34.81 in 2021, increasing to \$50 by 2026	\$180
Carbon oxide captured using direct air capture, then utilized in qualified manner	\$22.68 in 2021, increasing to \$50 by 2026	\$130

**Credit amounts assume prevailing wage and apprenticeship requirements are satisfied.*

Clean Fuels Tax Credits

The following clean fuel credits are new, expanded, or extended as part of the Inflation Reduction Act:

- NEW: Section 45V clean hydrogen production tax credit
- NEW: Section 40B sustainable aviation fuel credit
- Biodiesel renewable fuels and alternative fuels
- Section 45Z clean fuel production credit

NEW: Section 45V Clean Hydrogen Production Tax Credit

The Inflation Reduction Act creates a new tax credit for the qualified production of clean hydrogen, known as the clean hydrogen PTC. The new law is generally consistent with the previous proposal included in the BBBA.

The clean hydrogen PTC provides a tax credit of up to \$3 per kilogram (kg) based on the life-cycle greenhouse gas emissions rate of CO₂ produced at a qualifying facility during the facility's first 10 years of operation. This is subject again to the wage and apprenticeship requirements, which if not met reduce the credit by 80%.

To qualify for the clean hydrogen PTC, new facilities must begin construction before January 1, 2033. Facilities existing before January 1, 2023, may qualify based on the date that modifications to the facility required to produce clean hydrogen are placed into service. The hydrogen also must be produced through a process resulting in lifetime greenhouse gas emissions of no more than four kgs of CO₂e per kg of hydrogen.

If a taxpayer uses electricity produced from renewable resources to power a qualified clean hydrogen production facility, that taxpayer may be able to claim the clean hydrogen PTC in addition to tax credits on the renewable energy generation; however, a clean hydrogen PTC may not be claimed in conjunction with a Section 45Q tax credit.

A taxpayer may elect to claim the ITC in lieu of the clean hydrogen PTC.

Other Key Clean Fuel Proposals

NEW: Section 40B Sustainable Aviation Fuel Tax Credit

The Inflation Reduction Act adds a new tax credit for the sale or mixture of sustainable aviation fuel that is only available during 2023 and 2024.

Biodiesel, Renewable Fuels, and Alternative Fuels

The act extends the biodiesel, renewable diesel, alternative fuels, alternative fuels mixtures and second-generation fuels tax credits through December 31, 2024.

Section 45Z Clean Fuel Production Tax Credit

Starting after December 31, 2024, the sustainable aviation fuel, biodiesel renewable fuels, and alternative fuels credits will transition to the clean fuel production credit, which terminates on December 31, 2027.

Clean Vehicles Tax Credits

The following clean vehicle credits for businesses are new, expanded, or extended as part of the Inflation Reduction Act:

- Section 30C alternative fuel refueling property credit
- NEW: Section 45W qualified commercial clean vehicles credit

Section 30C Alternative Fuel Refueling Property Tax Credit

Previous Law

Under the previous law, Section 30C allows a tax credit in an amount equal to 30% of the cost of any qualified alternative fuel vehicle refueling property—an electric vehicle charging station, for example—placed in service before January 1, 2022.

What's Changed

Section 30C(b) limits the maximum credit allowable with respect to all qualified alternative fuel vehicle refueling property at a location to \$100,000 for businesses.

For this purpose, only the following are treated as qualified alternative fuel:

- Any fuel at least 85% of the volume of which consists of one or more of the following:
 - Ethanol
 - Natural gas
 - Compressed natural gas
 - Liquefied natural gas
 - Liquefied petroleum gas
 - Hydrogen
- Any mixture that consists of two or more of the following:
 - Biodiesel (at least 20% of the volume must consist of biodiesel determined without regard to any kerosene in the mixture.)
 - Diesel fuel
 - Kerosene

The Inflation Reduction Act extends the alternative fuel refueling property credit for qualifying property placed in service before January 1, 2033.

However, beginning after December 31, 2022, only property placed in service within a low-income or rural census tract area is considered a qualified property. The definition of qualifying property for this purpose now includes bidirectional charging equipment.

Assuming all other requirements are satisfied, the alternative fuel refueling property credit is at a maximum rate of 30% of cost basis if prevailing wage and registered apprenticeship requirements are met.

NEW: Section 45W Qualified Commercial Clean Vehicles Tax Credit

The Inflation Reduction Act creates a new tax credit for qualified commercial clean vehicles, equal to the lesser of:

- 15% of the vehicle's cost (30% for vehicles not powered by a gasoline or diesel internal combustion engine)
- The incremental (excess) cost of the vehicle relative to a comparable vehicle

Credit amounts can't exceed \$7,500 for vehicles weighing less than 14,000 pounds, or \$40,000 otherwise.

Eligible vehicles would have a battery capacity of not less than 15 kilowatt hours (seven kilowatt hours in the case of vehicles weighing less than 14,000 pounds) and be charged by an external source of electricity. Mobile machinery and qualified commercial fuel cell vehicles would also be eligible for this credit. Qualifying vehicles must be depreciable property.

Only vehicles made by qualified manufacturers that have written agreements with and provide periodic reports to the Treasury could qualify. Taxpayers are required to include the vehicle identification number (VIN) on their tax return to claim a tax credit.

The credit applies to any vehicles placed in service after December 31, 2022, and before January 1, 2033.

Energy Manufacturing Tax Credits

The following energy manufacturing credits are new, expanded, or extended as part of the Inflation Reduction Act:

- Section 48C advanced energy project credit
- NEW: Section 45X advanced manufacturing production tax credit

Section 48C Advanced Energy Project Tax Credit

Previous Law

Under previous law, Section 48C allows a tax credit in an amount equal to 30% of a taxpayer's qualified investment with respect to any qualified advanced energy project of the taxpayer.

The term *qualifying advanced energy project* is defined as a project that re-equips, expands, or establishes a manufacturing facility for the production of various types of renewable or clean energy—solar, wind, and CCS, for example.

What's Changed

The Inflation Reduction Act provides a maximum allocation of \$10 billion with respect to the advanced energy project credit and expands the definition to include a wide range of renewable energy equipment.

The 30% credit rate is allowed for projects meeting prevailing wage and apprenticeship requirements, with an 80% credit reduction if those requirements aren't met.

The Secretary of the Treasury will establish a program to award credits to qualifying advanced energy project sponsors. Applicants accepting certifications for credits have two years to provide evidence that the requirements of the certification have been met and to place property in service.

NEW: Section 45X Advanced Manufacturing Production Tax Credit

The Inflation Reduction Act creates a new PTC that could be claimed for the domestic production and sale of qualifying solar, wind and battery components—solar photovoltaic cells, for example.

Note that the advanced manufacturing PTC can't be claimed for components produced at a facility for which a credit was claimed under Section 48C. The credit amount varies based on the component produced, which is outlined in the below table. Many of the credit amounts mirror those in the BBBA proposals, although some amounts and components differ.

Components Produced with Related Credit Amounts

COMPONENTS	SECTION 45X ADVANCED MANUFACTURING PTC AMOUNTS
Thin film photovoltaic cell	\$0.04/direct current watt of capacity
Crystalline photovoltaic cell	\$0.04/direct current watt of capacity
Photovoltaic wafer	\$12/square meter
Solar grade polysilicon	\$3/kilogram
Polymeric backsheet	\$0.40/square meter
Solar module	\$0.07/direct current watt of capacity
Wind energy component	<ul style="list-style-type: none"> Offshore wind vessel—10% of vessel sales price All other—applicable amount times total rated capacity of turbine (\$0.02/watt in the case of a blade, for example)
Torque tube	\$0.87/kg
Structural fastener	\$2.28/kg
Inverter	\$0.015 to \$0.11 per watt, based on the inverter's capacity; different inverters are eligible for a range of specified credit amounts
Electrode active materials	10% of the production cost
Battery cell	\$35/kWh of capacity
Battery module	\$10/kWh of capacity (\$45/kWh if module doesn't use battery cells)
Critical minerals	10% of the production cost

Energy Efficiency Tax Deduction

Section 179D Energy Efficient Commercial Buildings Tax Deduction

The Inflation Reduction Act dramatically increases the [Section 179D energy-efficient commercial building deduction](/articles/2022/08/inflation-reduction-act-irc-section-179d) (/articles/2022/08/inflation-reduction-act-irc-section-179d), making it especially impactful for the architecture, engineering, and construction (AEC) industries as well as commercial building owners. They apply to qualifying property placed in service after December 31, 2022.

What's Changed

- Who's eligible
- Increases qualification thresholds
- Adds bonus deduction
- Updates American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) standard requirements

- Creates alternate deduction path

With additional value and complexity with changes to Section 179D, it's important to choose an Section 179D provider who understands the risks, can help mitigate IRS actions, and possesses the technical knowledge to perform compliant Section 179D studies.

We're Here to Help

To learn more about how provisions in the Inflation Reduction Act of 2022 could impact your business, contact your Moss Adams professional. You can also see the most updated tax planning strategies related to these changes on our [Tax Planning Resources \(/tax-planning\)](#) page.

ASK A QUESTION

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SUBMIT

	Prior Year July 1 - Sept 30	FY 21-22 Budget	FY 21-22 Budget		Current Year July 1 - June 30	FY 22-23 Budget	FY 22-23 Budget	Variance Explanation
REVENUES								
Residential	155,677	630,000	25%		166,694	667,800	25%	
Commercial	32,695	120,000	27%		54,683	167,000	33%	
Subtotal Operating Revenue	188,372	750,000	25%		221,377	834,800	27%	Revenue Target - 25 %
EXPENSES								
Salaries & Benefits	113,237	395,022	29%		137,456	419,433	33%	
Director Expenses	1000	2,000	50%		400	2,000	20%	
Operator Training & Certs	0	1,000	0%		191	1,000	19%	
Gas, Diesel, Oil & Filters	484	3,000	16%		0	4,000	0%	
Insurance	5,251	18,000	29%		6,016	30,000	20%	
Memberships & Conferences	2,250	5,500	41%		544	5,500	10%	
Office Expenses & Supplies	3,169	7,500	42%		1,952	7,500	26%	
Field Expenses & Supplies	4,666	20,000	23%		5,212	20,000	26%	
Grooming, Snow Removal & Vehicle Storage	0	3,500	0%		0	3,500	0%	
Engineering & Consulting	5,819	5,000	116%		0	5,000	0%	
Legal & Accounting	-373	10,000	-4%		608	10,000	6%	
Equipment Rental	402	800	50%		747	1,000	75%	
Repairs & Maintenance	29,562	60,000	49%		24,259	60,000	40%	
Laboratory Fees	3,000	12,000	25%		5,376	18,000	30%	
Regulatory Reporting & Comp. Projects	0	6,500	0%		1659	6,500	26%	
Taxes, Fees, Licenses & Assessments	12,080	45,000	27%		14,526	50,000	29%	
Utilities	31,783	55,000	58%		29,889	60,000	50%	
Subtotal Operating Expenses	212,329	649,822	33%		228,834	703,433	33%	Expense Target - 33 %
Net Operational Income	-23,957	100,178	-24%		-7,457	131,367	-6%	
OTHER REVENUE								
Interest Income - LAIF	214	6,000	4%		1,109	800	139%	
Late Fee, Penalties and Interest	110	2,000	6%		841	1,500	56%	
Expense Reimbursements - USFS Campground	0	8,375	0%		0	5,219	0%	
Expense Reimbursements - Concessionnaire	8,635	9,665	89%		0	2,306	0%	
Cal OES Grant - Income	0	0	UBD		138,265	0	UBD	
Misc Other Income	0	0	UBD		85	0	UBD	
Gain (Loss) On Sale of Asset	0	0	UBD		9,510	0	UBD	
Special District's Tech Grant	0	0	UBD		2,878	0	UBD	
Subtotal Other Revenue	8,960	26,040	34%		152,688	9,825	1554%	
OTHER EXPENSES								
Loan Interest	3,242	12,318	26%		2,809	10,557	27%	
Depreciation	27,635	106,825	26%		29,930	91,868	33%	
Misc Expense	0	0	UBD		0	0	UBD	
Subtotal Other Expenses	30,877	119,143	26%		32,739	102,425	32%	
Net Other Income	(21,917)	(93,103)	24%		119,950	(92,600)	-130%	
NET INCOME	-45,874	7,075	6.5%		112,493	38,767	290%	
NON CASH EXPENDITURES								
Depreciation	27,635	106,825	26%		29,930	91,868	33%	
Cal OES Grant	0	0	UBD		0	249,751	0%	
CSDA Grant	0	0	UBD		0	0	0%	
SGIP Deposit Reimbursement	0	0	UBD		0	15,700	0%	
GSRE Reimbursement - Powerpack Proj.	0	0	UBD		0	9,997	0%	
SDLE Special District's Technology Grant	0	0	UBD		0	3,000	0%	
Subtotal Non-Cash Expenses	27,635	106,825	26%		29,930	370,316	8%	
CASH EXPENDITURES								
Capital Improvements / Replacements	(84,552.00)	(22,000)	384%		(147,256)	(357,953)	41%	
Loan Payments - Principal	(10,842)	(40,657)	27%		(11,275)	(45,780)	25%	
Subtotal Addl Cash Expenses	(95,394)	(62,657)	152%		(158,531)	(403,733)	39%	
NET CASH FLOW	-113,634	51,243	-222%		-16,108	5,350	-301%	

BVWD
Balance Sheet Prev Year Comparison
As of September 30, 2022

	<u>Sep 30, 22</u>	<u>Sep 30, 21</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
11015 · F&M Bank	679,516.37	695,576.62	-16,060.25	-2.31%
11018 · LAIF	321,964.36	319,836.62	2,127.74	0.67%
11020 · Petty Cash	50.00	50.00		
11025 · Capital Facilities Fund	29,026.00	29,026.00		
Total Checking/Savings	<u>1,030,556.73</u>	<u>1,044,489.24</u>	<u>-13,932.51</u>	<u>-1.33%</u>
Accounts Receivable				
11050 · Accounts Receivable	-30,975.96	-34,750.23	3,774.27	10.86%
Total Accounts Receivable	<u>-30,975.96</u>	<u>-34,750.23</u>	<u>3,774.27</u>	<u>10.86%</u>
Other Current Assets				
11055 · Accounts Receivable-Tax Roll	11,134.28	10,165.46	968.82	9.53%
11140 · Prepaid Insurance	15,733.11	6,420.15	9,312.96	145.06%
11499 · Undeposited Funds	-271.10	-2,714.08	2,442.98	90.01%
Total Other Current Assets	<u>26,596.29</u>	<u>13,871.53</u>	<u>12,724.76</u>	<u>91.73%</u>
Total Current Assets	<u>1,026,177.06</u>	<u>1,023,610.54</u>	<u>2,566.52</u>	<u>0.25%</u>
Fixed Assets				
12010 · Land	25,805.16	25,805.16		
12020 · SbSrfLine	1,196,893.29	1,196,893.29		
12040 · Col Facilities	542,755.22	497,047.95	45,707.27	9.2%
12041 · LA Facilities	166,428.79	166,428.79		
12050 · TRT Facilities	1,462,926.57	1,358,836.36	104,090.21	7.66%
12060 · DSP Facilities	1,264,402.01	1,264,402.01		
12080 · P & A (Plant & Admin)Facilities	528,230.27	482,118.91	46,111.36	9.56%
12100 · Accumulated Depreciation	-3,038,693.50	-2,932,934.50	-105,759.00	-3.61%
14030 · Work in Progress				
14030.0 · W.I.P. - GIS Consulting Support	4,722.05	3,222.05	1,500.00	46.55%
16025 · Verisight Pro Plus 100M System		11,851.13	-11,851.13	-100.0%
16565 · FY20/21 - NPDES PERMIT (5 YR.)		30,627.75	-30,627.75	-100.0%
16580 · Tesla Backup Battery Cover @ Eq	50.28	48,663.80	-48,613.52	-99.9%
16585 · 2023 Ski-Doo Expedition LE 24	500.00		500.00	100.0%
16600 · SGIP-Tesla Backup Battery	15,700.00	15,700.00		
16610 · Radio Telemetry Project	35,720.38	5,802.67	29,917.71	515.59%
16620 · Main Pump Station Grinder Proje		23,786.22	-23,786.22	-100.0%
16630 · District Improvement Standards	10,956.28		10,956.28	100.0%
16640 · Bee Gulch Battery Energy Stora	16,607.50		16,607.50	100.0%
16650 · Main Office Battery Storage Sys	32,071.50		32,071.50	100.0%
16658 · Repaint Main Office	6,062.35		6,062.35	100.0%
16660 · (3) Dell Laptop Computers	2,878.40		2,878.40	100.0%
16662 · 40KW Kohler Generator-L.A. Boat	47,533.14		47,533.14	100.0%
16664 · 60KW Kohler Generator-Main Pump	51,789.04		51,789.04	100.0%
Total 14030 · Work in Progress	<u>224,590.92</u>	<u>139,653.62</u>	<u>84,937.30</u>	<u>60.82%</u>
Total Fixed Assets	<u>2,373,338.73</u>	<u>2,198,251.59</u>	<u>175,087.14</u>	<u>7.97%</u>
TOTAL ASSETS	<u><u>3,399,515.79</u></u>	<u><u>3,221,862.13</u></u>	<u><u>177,653.66</u></u>	<u><u>5.51%</u></u>

BVWD
Balance Sheet Prev Year Comparison
As of September 30, 2022

	<u>Sep 30, 22</u>	<u>Sep 30, 21</u>	<u>\$ Change</u>	<u>% Change</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
21021 · Accounts Payable	156,260.92	55,823.45	100,437.47	179.92%
Total Accounts Payable	<u>156,260.92</u>	<u>55,823.45</u>	<u>100,437.47</u>	<u>179.92%</u>
Other Current Liabilities				
21040 · Prepaid Revenue	232.97	232.97		
21090 · Payroll Liabilities	11,671.53	21,531.57	-9,860.04	-45.79%
2110 · Direct Deposit Liabilities	-8.18	-7,292.73	7,284.55	99.89%
22013 · '22 Special Dist. Tech Grant	96.25		96.25	100.0%
22015 · Cal OES Unearned Income	116,278.44	300,000.00	-183,721.56	-61.24%
22018 · CSDA Grant/COVID19-Unearned Inc	95,675.00		95,675.00	100.0%
22020 · CSWRCB Grant-Unearned Income	1,695.76		1,695.76	100.0%
22021 · Accrued Vacation	20,322.48	17,143.66	3,178.82	18.54%
Total Other Current Liabilities	<u>245,964.25</u>	<u>331,615.47</u>	<u>-85,651.22</u>	<u>-25.83%</u>
Total Current Liabilities	<u>402,225.17</u>	<u>387,438.92</u>	<u>14,786.25</u>	<u>3.82%</u>
Long Term Liabilities				
26025 · F&M Bank Loan	278,126.64	322,606.99	-44,480.35	-13.79%
Total Long Term Liabilities	<u>278,126.64</u>	<u>322,606.99</u>	<u>-44,480.35</u>	<u>-13.79%</u>
Total Liabilities	<u>680,351.81</u>	<u>710,045.91</u>	<u>-29,694.10</u>	<u>-4.18%</u>
Equity				
29000 · Retained Earnings	2,002,644.91	1,953,664.32	48,980.59	2.51%
29100 · O & M Emergency Reserve Fund	150,000.00	150,000.00		
29200 · CIP Reserve Fund	425,000.00	425,000.00		
29300 · Capacity Fee Reserve Fund	29,026.00	29,026.00		
Net Income	<u>112,493.07</u>	<u>-45,874.10</u>	<u>158,367.17</u>	<u>345.22%</u>
Total Equity	<u>2,719,163.98</u>	<u>2,511,816.22</u>	<u>207,347.76</u>	<u>8.26%</u>
TOTAL LIABILITIES & EQUITY	<u>3,399,515.79</u>	<u>3,221,862.13</u>	<u>177,653.66</u>	<u>5.51%</u>

BVWD
A/P Aging Summary
As of July 31, 2022

July 2022 Prepaids	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
A.T.&T.	129.20					129.20	Telephone for Main Office
Card Services	9,184.55					9,184.55	Office, Field, Lab, R&M, Tele
Ebbetts Pass Gas	466.06					466.06	Propane for Main Office
E.D.D	152.10					152.10	State Payroll Taxes
E.D.D	450.72					450.72	State Payroll Taxes
E.D.D	168.44					168.44	State Payroll Taxes
E.D.D	561.24					561.24	State Payroll Taxes
F & M Bank	4,694.80					4,694.80	Principal & Interest on Loan
IRS	3,376.34					3,376.34	Federal Payroll Taxes
IRS	3,774.16					3,774.16	Federal Payroll Taxes
Lake Alpine Water	175.39					175.39	Water for Main Office
P.G. & E.	9,730.20					9,730.20	Electricity for July 2022
SDRMA	2,121.80					2,121.80	Health Ins. For Employees
SDRMA	537.84					537.84	Dental, Life, LTD, Vision Ins.
Vantage Transfer	333.23					333.23	401K Retirement
Vantage Transfer	1,144.17					1,144.17	457 Retirement
Vantage Transfer	372.56					372.56	401K Retirement
Vantage Transfer	1,243.36					1,243.36	457 Retirement
The Zenith	1,088.00					1,088.00	Workers Compensation Ins.
TOTAL	39,704.16					39,704.16	

July 2022 Payables	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Alpha Analytical Laboratories Inc.		2,041.25				2,041.25	Laboratory Analysis
Alternative Energy Co.		377.25				377.25	Furnace Annual Service
Aqua Sierra Controls, Inc.		5,457.50				5,457.50	R & M SCADA
Arnold Auto Supply Inc.		192.79				192.79	Auto Supplies
AT&T Business Service 2					-12.72	-12.72	Refund for Closed Account
Borges & Mahoney Co.		980.32				980.32	Transfer Analyzer R & M
CALNET	43.00					43.00	Telephone
Card Services		-3,376.75				-3,376.75	Office, Field, Telephone, Lab

BVWD
A/P Aging Summary
As of July 31, 2022

July 2022 Payables	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Columbia Communications Inc.		39.00				39.00	Pager for Field Staff
Diane Lundquist		100.00				100.00	Director Fees for July 25th, 2022
Ebbetts Pass Lumber Co. Inc.		2,142.43				2,142.43	Field Supplies
El Dorado Septic Service, Inc.		155.51				155.51	Porta Potty Rental
FYE 2021-2022 ADJ.					-48.87	-48.87	Beg. Balance Adjustment
Gateway Press Inc.		391.74				391.74	Envelopes for A/R Billing
Gunnar Thordarson		100.00				100.00	Director Fees for July 25th, 2022
Jim Bissell		100.00				100.00	Director Fees for July 25th, 2022
John Boyle	100.00	100.00				200.00	Director Fees for July 25th, 2022 & Old Stale
Nathan Freed	218.99					218.99	Reimbursement for Shot Expenses
Neumiller and Beardslee		375.00				375.00	Legal Fees
Smartcover Systems		3,156.00				3,156.00	Annual Smartcover Renewal & Warranty
U.S.A. Under Ground Alert		300.00				300.00	Membership Fees
TOTAL	361.99	12,632.04			-61.59	12,932.44	

BVWD
A/P Aging Summary
As of August 31, 2022

August 2022 Prepaids	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
A.T.&T.	135.14					135.14	Telephone
Cyrpus Services, Inc.	27.11					27.11	Refund for Late Fee
E.D.D.	258.14					258.14	State Payroll Taxes
E.D.D.	580.77					580.77	State Payroll Taxes
E.D.D.	166.05					166.05	State Payroll Taxes
E.D.D.	397.71					397.71	State Payroll Taxes
E.D.D.	166.05					166.05	State Payroll Taxes
F & M Bank	4694.8					4694.8	Principal & Interest on Loan Payment
I.R.S.	5453.18					5453.18	Federal Payroll Taxes
I.R.S.	3742.48					3742.48	Federal Payroll Taxes
Lake Alpine Water Company	176.25					176.25	Water for Main Office
P.G.&E.	10994.96					10994.96	Electricity for August 2022
Marty Simpson	1454					1454	Labor & Materials to Paint Main Office
SDRMA	2121.8					2121.8	Health Insurance for Employees
SDRMA	484.62					484.62	Dental, Vision, LTD, Life Insurance for Employees
USP	60					60	Postage for A/R Invoices
Vantage Transfer	572.94					572.94	401K Retirement
Vantage Transfer	1446.27					1446.27	457 Retirement
Vantage Transfer	371.01					371.01	401K Retirement
Vantage Transfer	1248.49					1248.49	457 Retirement
Waldman Refund	289.05					289.05	Refund for Overpayment
The Zenith	1088					1088	Workers Compensation Insurance
TOTAL	35,928.82					35,928.82	

August 2022 Payables	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Al Cal Glass		6.42				6.42	Field Supplies
Alpha Analytical Laboratories Inc.		1,365.00				1,365.00	Laboratory Analysis
Arnold Auto Supply Inc.		193.04				193.04	Auto Supplies
AT&T Business Service 2					-12.72	-12.72	Credit for Closed Account
CALNET	45.50					45.50	Telephone

BVWD
A/P Aging Summary
As of August 31, 2022

August 2022 Payables	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Card Services			-670.97			-670.97	Prepayment on Account
Computer Firemen		400.00				400.00	Computer Network Repair & Maintenance
Ebbetts Pass Lumber Co. Inc.		85.40				85.40	Field Supplies
El Dorado Septic Service, Inc.		435.51				435.51	Porta Potty Rental
Encode		325.00				325.00	Annual Website Hosting Fee
FYE 2021-2022 ADJ.					-48.87	-48.87	Beginning Balance Adjustment
Guy West		53.74				53.74	Employee Mileage Reimbursement
John Boyle			100.00			100.00	Stale Dated Check Replaced
Marty Simpson	3,385.00					3,385.00	Labor to Paint Main Office
Neumiller and Beardslee		24.57				24.57	Legal Fees
Triplepoint Environmental		801.43				801.43	EPDM Diffuser Assemblies, Sleeves, Clamps
TOTAL	3,430.50	3,690.11	-570.97		-61.59	6,488.05	

BVWD
A/P Aging Summary
As of September 30, 2022

September 2022 Prepaids	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
A.T.&T.	147.00					147.00	Telephone
Card Services	1,565.35					1,565.35	Office, Field, Lab, R & M
Computer Fireman	100.00					100.00	Computer R & M
E.D.D.	166.46					166.46	State Payroll Taxes
E.D.D.	362.16					362.16	State Payroll Taxes
E.D.D.	378.25					378.25	State Payroll Taxes
E.D.D.	168.91					168.91	State Payroll Taxes
E.D.D.	7.55					7.55	State Payroll Taxes
E.D.D.	174.00					174.00	State Payroll Taxes
E.D.D.	428.81					428.81	State Payroll Taxes
F & M Bank of Lodi	4,694.80					4,694.80	Principal & Interest
Guy West	111.25					111.25	Reimbursement for Gas
I.R.S.	3,707.10					3,707.10	Federal Payroll Taxes
I.R.S.	3,777.18					3,777.18	Federal Payroll Taxes
I.R.S.	224.12					224.12	Federal Payroll Taxes
I.R.S.	3,963.14					3,963.14	Federal Payroll Taxes
Lake Alpine Water Company	176.25					176.25	Water for Main Office
P.G.& E.	7,624.46					7,624.46	Electricity for September
SDRMA	2,121.80					2,121.80	Health Insurance for Employee
SDRMA	520.10					520.10	Dental, Vision, LTD, Life Ins.
Triplepoint Environmental	801.43					801.43	Dissuser Assembly
USA Bluebook	285.23					285.23	Field Supplies
Vanatage Transfer	359.74					359.74	401K Retirement
Vanatage Transfer	1,221.85					1,221.85	457 Retirement
Vanatage Transfer	20.62					20.62	401K Retirement
Vanatage Transfer	101.85					101.85	457 Retirement
Vanatage Transfer	365.82					365.82	401K Retirement
Vanatage Transfer	384.62					384.62	401K Retirement
Vanatage Transfer	1,251.07					1,251.07	457 Retirement
Vanatage Transfer	1,248.72					1,248.72	457 Retirement
The Zenith	1,088.00					1,088.00	Workers Compensation
TOTAL	37,547.64					37,547.64	

BVWD
A/P Aging Summary
As of September 30, 2022

September 2022 Payables	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	Description
Ace Electric Motor and Pump		2,047.70				2,047.70	Repair & Maintenance Motor
Alpha Analytical Laboratories Inc.		1,735.00				1,735.00	Laboratory Analysis
Arnold Auto Supply Inc.		153.17				153.17	Auto Supplies
AT&T Business Service 2					-12.72	-12.72	Credit for Acct. Closed
CALNET		45.50				45.50	Telephone for Main Office
EBBETTS PASS GAS CO. Inc.		1,416.86				1,416.86	Propane for Main Pump Stn.
Ebbetts Pass Lumber Co. Inc.		394.40				394.40	Field Supplies
El Dorado Septic Service, Inc.		155.51				155.51	Porta Potty Rental
FYE 2021-2022 ADJ.					-48.87	-48.87	FYE Beg. Balance Adj.
Gateway Press Inc.		329.80				329.80	Newletter
Industrial Electrical Co.		105,634.37				105,634.37	40KW & 60KW Generators
John Boyle				100.00		100.00	Director's Fee Reg Meeting
Neumiller and Beardslee		208.00				208.00	Legal Fees
Nexgen Utility Management		3,500.00				3,500.00	AM Cloud Storage
Stantec Consulting Services Inc.		1,659.00				1,659.00	Regulatory Reporting
Swell Services, Inc.	38,943.20					38,943.20	Battery Energy Storage
TOTAL	38,943.20	117,279.31		100.00	-61.59	156,260.92	

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BVWD
A/R Aging Summary
As of November 4, 2022

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
CS096			306.39	10.00	306.39	622.78
CS116			337.03		306.39	643.42
BV101			337.03		306.39	643.42
CS051			337.03		306.39	643.42
BV364			337.03		306.39	643.42
BV125			337.03		306.39	643.42
BV080			337.03	10.00	306.39	653.42
CS036			338.19		317.96	656.15
BV137			339.03		326.39	665.42
BV082			306.39		884.49	1,190.88
BV047			337.03		1,777.19	2,114.22
CM190				7,086.52	-1,434.31	5,652.21
TOTAL	<u>-105,583.75</u>	<u>-39.49</u>	<u>109,472.73</u>	<u>6,221.68</u>	<u>-33,394.87</u>	<u>-23,323.70</u>
TOTAL CREDITS	-105,583.75	-870.76	-13,125.66	-1,828.34	-39,983.78	-161,392.29
TOTAL DEBITS	0	831.27	122,598.39	8050.02	6,588.91	138,068.59
TOTAL	<u>-105,583.75</u>	<u>-39.49</u>	<u>109,472.73</u>	<u>6,221.68</u>	<u>-33,394.87</u>	<u>-23,323.70</u>

BVWD
A/R Aging Summary
As of November 4th, 2021

TOTAL	<u>22,669.45</u>	<u>95,233.98</u>	<u>3,405.30</u>	<u>-3,405.30</u>	<u>-41,649.25</u>	<u>76,255.33</u>
TOTAL CREDITS	-0.95	-1.04	-641.40	-4,786.16	-45,273.38	-50,703.29
TOTAL DEBITS	22,670.40	95,235.38	4,046.70	1,382.01	3,624.13	126,958.62
TOTAL	<u>22,669.45</u>	<u>95,233.98</u>	<u>3,405.30</u>	<u>-3,404.15</u>	<u>-41,649.25</u>	<u>76,255.33</u>

**BEAR VALLEY
WATER DISTRICT**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended June 30, 2022**

ROBERT W. JOHNSON
Certified Public Accountant

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Robert W. Johnson
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bear Valley Water District
Bear Valley, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Bear Valley Water District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Bear Valley Water District as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and State Regulations governing Special Districts.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bear Valley Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bear Valley Water District's ability to continue as a going concern for twelve months after the date that financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bear Valley Water District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bear Valley Water District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Bear Valley Water District's basic financial statements. The accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Robert W. Johnson, As Acting Controller

Citrus Heights, California
October 12, 2022

Management Discussion and Analysis

For year end June 30, 2022

Fiscal Year 2021 – 22 Revenue Discussion

For the fiscal year ending June 30, 2022, residential customers were charged \$96.35 per month, invoiced quarterly at \$289.05. Total annual residential service fee revenue was \$628,852 which included the addition of one new service fee customer who applied for and paid their respective capacity fees for the system in the previous fiscal cycle. Residential service fee revenue is generally a fixed source of income due to the District's flat rate billing structure. No new residential construction was initiated in FY21-22 and no new connection applications were received during this cycle.

Commercial service fee revenue is volumetric. Commercial customers are charged \$0.068 per gallon of water metered at the commercial location and sent to the District for treatment and disposal. Commercial wastewater flows to the District decreased by more than -283,000 billable gallons than FY20-21. The District collected only 1.843 MG total gallons from commercial sources for the year ending June 30, 2022 compared to 2.128 MG for the year ending June 30, 2021.

Consequently, commercial revenues declined -\$19,852 or -13% from the previous fiscal cycle due to a combination of factors including ongoing pandemic related reduced water use as well as anticipated system disconnections by some of the District's commercial customers.

In summary, total service fee revenue as of June 30, 2022 was \$759,866, a decrease of -\$21,032 or -2.7% when compared to the previous fiscal year. This revenue decrease was largely a consequence of a reduction of 283,000 fewer gallons or -13 % less water from commercial sources when compared to the previous fiscal cycle bolstered only by the District's minimum monthly billing for all commercial customers (\$85.81/month).

Condensed Financial Statements

Statement of Net Position

	<u>2022</u>	<u>2021</u>
Assets:		
Cash	\$ 1,009,673	\$ 1,106,509
Accounts receivable	47,932	37,831
Prepaid expenses	32,645	20,634
Capital assets, less accumulated depreciation	2,256,012	2,140,908
Total Assets	<u>\$ 3,346,262</u>	<u>\$ 3,305,882</u>
Liabilities and net position:		
Current liabilities	\$ 495,969	\$ 458,762
Long-term liabilities	243,622	289,430
Total liabilities	<u>739,591</u>	<u>748,192</u>
Total net position	<u>2,606,671</u>	<u>2,557,690</u>
Total liabilities and net position	<u>\$ 3,346,262</u>	<u>\$ 3,305,882</u>

Statement of Activities

	<u>2022</u>	<u>2021</u>
Operating revenue	\$ 768,501	\$ 806,431
Operating expenses	<u>756,242</u>	<u>720,543</u>
Operational income/(loss)	<u>12,259</u>	<u>85,888</u>
Non-operating revenues (expenses)	<u>36,722</u>	<u>(6,764)</u>
Change in net position	48,981	79,124
Beginning net position	<u>2,557,690</u>	<u>2,478,566</u>
Ending net position	<u>\$ 2,606,671</u>	<u>\$ 2,557,690</u>

Fiscal Year 2021 – 22 Highlights

- At June 30, 2022, the District's liabilities and net position reported an ending balance of \$3,346,262, an increase of \$40,380 from the prior year.
- The District's net position at June 30, 2022 includes remaining California Office of Emergency Services (Cal OES) grant funds of \$254,544 (total Cal OES grant funds were \$300,000) for yet to be completed Board approved projects supporting energy resiliency for District facilities during power outages. These funds are anticipated to be fully expended during FY22-23.
- The District received a \$95,675 unrestricted grant from the California Special Districts Association (CSDA) intended to help mitigate the effects of revenue losses or unanticipated costs incurred due to the COVID-19 public health emergency.
- The District's net cash position as of June 30, 2022 was \$ 1,009,673, a decrease of -\$96,836 from the end of the previous fiscal cycle, and includes the following restricted and board designated fund allocations:
 - Sewer System Capacity Fee Reserve Fund: \$29,026
 - Sewer Operations and Maintenance (O&M) Emergency Reserve Fund: \$150,000
 - Sewer Capital Improvement & Replacement Program (CIP) Reserve Fund: \$425,000
- As of June 30, 2022, \$320,273 was invested in the State Treasurer's Local Agency Investment Fund (LAIF) program with a 12 month total yield of 4.21 %. The annual average monthly yield during the fiscal term was 0.351 %, with a low of 0.203 % in October 2021 and a high of 0.861 % in June 2022.
- The District collected a total of \$759,866 in service fee revenue from both residential property owners and commercial customers in the District during the fiscal year, representing a net decrease of approximately -2.7 % from the previous fiscal cycle.
- The District's expenses (excluding depreciation) were \$649,039 during the year, an increase of \$28,286 or approximately 4.6 % from the previous fiscal cycle.

Net Income and Net Cash Flow

The District's fiscal year net income as June 30, 2022 was \$48,981, a decrease of - \$30,143 or - 38 % compared to the previous fiscal cycle. This decrease can largely be attributed to diminished income and increased expenses, particularly in the cost of utilities, repairs and maintenance and field equipment and supplies.

The District's fiscal year operational net cash flow as of June 30, 2022 was \$275,543 an increase of \$158,042 or 235% over the previous fiscal cycle. This increase was a result of a various grant funds received during this fiscal cycle compared to the previous cycle which have temporarily inflated the District's net cash position until approved projects are completed. Actual operational net cash flow, excluding Cal OES grant funds, is - \$74,676 and the actual unrestricted net cash flow, including the CSDA grant, is \$21,001. Operational net cash flow was impacted most significantly by \$133,365 in additional capital expenses than was budgeted for the term.

Operating Expenses

- Operating expenses as of June 30, 2022 reflect an increase of \$35,699 or 5.0 % from the previous fiscal cycle. This increase is largely confined to three specific areas including the cost of utilities (+ 22%), repairs, maintenance (+ 8%) and field equipment and supplies (+ 33%).
- Utilities: The District's utility costs increased largely as a result of the increased cost of electricity as well as a billing issue with utility provider Pacific Gas & Electric (PG&E). The cost of electricity for the District increased 30% per kWh, with peak rates increasing from .296/kWh to .388/kWh. In addition, PG&E experienced issues with its Smart Meter remote metering system in the spring of 2021 and ultimately invoiced \$9,100 of energy consumed in FY20-21 in FY21-22 leading to significantly higher utility costs as of June 30, 2022.

- **Repairs and Maintenance:** The primary factors affecting the District's R&M budget include unanticipated costs surrounding removal of hazard trees at the District's administration office, unanticipated repairs on one of the District's irrigation pumps and over budget collection system repair projects.
- **Field equipment and supplies:** Field equipment and supplies for the year ending June 30, 2022 exceeded budget for this expense account by 33%. Factors leading to this increase included a 13% increase in the cost of chlorine gas used during the wastewater disinfection process as well as unanticipated costs for components required for one of the District's pH analyzers.

Capital Assets and Long Term Liabilities

At the end of this fiscal year, the District invested in a broad range of capital assets, including a new structure to house three (3) Tesla Powerpacks intended to energize the District's treatment facility during power outages, a new grinder at the District's headworks, additional consulting fees to advance renewal of the District's 5 -Year NPDES discharge permit, a new sewer camera to improve collection system maintenance efforts and consulting fees for a rate study of the District's service fee rate structure.

Table 1 below details the major capital expenditures for the past year. Total capital expenditures for the year were \$234,596. Capital expenditures increased of \$196,319 when compared to the previous year total of \$38,313.

Table 1 - Schedule of Capital Improvements as of June 30, 2022

Backup Energy Solution - Treatment Plant	\$94,555
5-Year NPDES Permit Renewal - Discharge	\$20,474
New Grinder - Collection System	\$33,855
New Sewer Camera - Collection System	\$11,851
5-Year Service Fee Rate Study - Administration	\$12,870
Radio Telemetry Project (Cal OES Grant Funded) – Collections (Incomplete)	\$5,803
Revise District Design and Improvement Standards – Collections (Incomplete)	\$10,956
Total	\$190,364

Regulatory Compliance, Service Performance & Result of Operations

The District submitted a Report of Waste Discharge (ROWD) to the Central Valley Regional Water on June 19, 2020 in support of renewing surface discharge Order R5-2016-0045 for another 5 years. On June 10, 2022, the Central Valley Regional Water Quality Board adopted Order R5-2022-0037 which became effective August 1, 2022 and authorizes surface water discharges through July 31, 2027. The renewed order provides more restrictive effluent limitations for copper and lead but reduces the monitoring frequency for a number of constituents which will help reduce annual laboratory, fuel and vehicle expenses in years the District needs to discharge under this permit.

The District consistently remains in full compliance with all discharge and regulatory permits and fiscal year 2021-22 was no exception. All monitoring, reporting, discharge, collection system and dam maintenance requirements were satisfied over the course of the year. This includes all monthly, tri-annual and annual WDR and NPDES monitoring and reporting requirements. For all permits issued to the District, no certified violations were identified during the fiscal year.

The District experienced no sewer system overflows (SSOs) during the fiscal period and ongoing inspection and maintenance of the District's collection system seeks to ensure overflows are avoided in the future.

During the 2021 water year (October 2020 to September 2021) total annual influent flow was approximately 14.52 million gallons (MG). WY 2021 total influent flows were approximately -4.03 MG less than WY 2020 total influent flows of 18.55 MG.

Land discharge at the Bear Valley Water District WWTF is required to be maximized in order to minimize the potential for a surface water discharge to Bloods Creek. Effluent land disposal began on May 24, 2021. The District discharged 23.79 million gallons to land when land application was completed on August 26, 2021. No surface water discharge was required as of June 30, 2022.

Economic Factors and Next Year's Budget

Service Fee Rate Increase: On November 11, 2021, the District contracted with Bartle Wells Associates (BWA), independent public finance advisors, working in partnership with the California Rural Water Association (CRWA), to develop a comprehensive wastewater rate study for the District. The Study evaluated the District's 5-year budget projection and analyzed the District's capacity to implement its capital improvement and replacement (CIP/CRP) plan while maintaining debt service and reserve requirements. The Study recommended increasing sewer service rates to meet the revenue requirements of the District and addresses forecasts for increasing expenditures. The District's Board of Directors formally accepted this Study at a regularly scheduled meeting of the Board on March 22, 2022.

On June 25, 2022, the Board held a Proposition 218 public hearing on the proposed new rates and insufficient objections were received to stop the service fee increase. Effective July 1, 2022, wastewater service rates increased 6 % with a new monthly residential rate of \$102.13 and a new commercial volumetric rate of \$0.072 per gallon. Each year hereafter for the following four years, from July 1, 2023, to July 1, 2027, the Board may adjust rates by percentage increase annually as necessary based on the United States Department of Labor All Item Consumer Price Index for All Urban Consumers (CPI-U) – (1982-84 Base 100) published in January each year for the preceding reference year ending in December, but in no case will any annual increase in the wastewater service rate exceed 6 % per year irrespective of the actual annual CPI-U increase.

Residential Revenue: With the successful adoption of the 6 % service fee rate increase, aggregate annual residential revenue is expected to grow 6 % or \$38,948 over the FY21-22 for a total of \$667,800 in estimated residential service rate revenue in FY22-23.

Commercial Revenue: With the successful adoption of the 6 % service fee rate increase, the cost per gallon for commercial customers increased to \$0.072 per gallon with the minimum monthly rate for commercial customers increasing to \$102.13 per month. For the year ending June 30, 2022, commercial wastewater volume collected by the District appears to have increased over 18 % compared to the previous fiscal cycle which was impacted by COVID related business closures, reductions in visitors to the area and the widespread use of portable toilets. Current estimates suggest increased commercial wastewater flows will be in excess of 415,000 more billable gallons than FY21-22 or more than 2.2 MG total gallons for the year ending June 30, 2022 compared to just 1.8 MG for the year ending June 30, 2021. Commercial revenue for FY22-23 is expected to increase approximately \$36,000 to an estimated total of nearly \$167,000.

Total Service Fee Revenue: Total service rate revenue for FY 22-23 is forecasted to be \$834,800, an increase of roughly 9 % or \$ 74,934 from the year end revenue in the current fiscal cycle.

Persistent Drought: Following a January and February that will enter record books as the driest documented in state history, on April 1 the California Department of Water Resources (DWR) conducted the fourth and final snow survey of the season. The manual survey recorded 2.5 inches of snow depth and a snow water equivalent of 1 inch, which is 4% of the April 1 average. As of April 1, the statewide snowpack average was 38% of average. The peak of the statewide snowpack was around March 8 at about 57% of average. The District relies significantly on the health and success of commercial customers tied to both summer and winter recreation dependent on normal levels of precipitation and the impact of continued anemic snow fall may have significant fiscal impacts on the District's volumetric commercial revenue in FY22-23.

Commercial Disconnects: As one of the District's largest commercial customers, any reduced flow from the US Forest Service can greatly impact the District's commercial revenue and the District's budget more broadly. On February 3, 2022, the USFS notified the District that it intends to complete replacement of the remaining flush toilets with vault toilets in the Lake Alpine Basin after September 5, 2022, Labor Day. While FY22-23 revenue for this customer will not be implicated due to the District's arrears billing method for commercial customers, projections for FY23-24 suggest commercial revenues may fall -27% or nearly -\$45,000 due in combination to the final phase of replacement of existing flush toilets for vault toilets by the USFS in the Lake Alpine basin combined with anticipated changes in business practices related to the pool at the Bear Valley Lodge. Current projections indicate flows from the Lake Alpine basin will decrease nearly 90,000 gallons in FY22-23 with FY-23-24 invoicing to the USFS decreasing approximately -\$6,500. Moreover, with ongoing meter and supply line failure issues at the Lodge pool water meter together with a different approach to managing how the pool is filled, the 5-year budget conservatively projects FY23-24 billing for the this customer to decrease as much as -\$45,000.

Future Projects, Goals and Objectives

Capital Improvement and Replacement Program (CRP): Total proposed capital improvement and replacement projects for FY 22-23 are \$357,953, of which \$249,751 will be funded with grant funds previously received and \$108,202 to be funded with cash from operating revenue. The FY 22-23 CIP/CRP budget includes the purchase of a new service vehicle, new service snowmobile, required once in a permit term priority pollutant testing, painting of the District's administration office, two new generators at District collection facilities, new batteries for backup power at several locations and revisions to the District's design and improvement standards.

Wastewater Reserve Funds: The District maintains two unrestricted reserve funds with a current total unrestricted cash fund balance of \$575,000. Pursuant to the District's 2017 Reserve Policy, the O&M Emergency Reserve fund, with a current balance of \$150,000, requires a target balance of 3 months of O&M expenses. FY22-23 projected monthly expenses are anticipated to be \$53,741 or \$161,222 for 3 months. As forecasted, the O&M Emergency Reserve Fund is projected to be under funded by - \$11,222 in FY22-23.

The Sewer Capital Improvement Reserve Fund (CIP/CRP), with a current balance of \$425,000, requires a minimum balance "to be determined by the Board of Directors tied to the District's current aggregate total asset value with consideration of the District's 5-Year Capital Improvement Plan." The current aggregate total asset value as of June 30, 2022 is \$3,297,530 and the 5-year average CIP budget projection is \$404,202.

The FY21-22 fiscal year end net cash flow projection is \$21,001. Pursuant to the final fiscal year budget adopted by the Board on July 25, 2022, if these funds are directed into reserves, the total FY22-23 reserve fund balance would increase \$21,001 from \$575,000 to \$596,001, remaining well in excess of the minimum target reserve fund balance of \$586,222. For FY 22-23, the final approved budget projects year end net cash flow as of June 30, 2023 to be \$12,850. The projected total reserve fund balance on June 30, 2023, if funds are directed into reserves, would increase \$12,850 from \$596,001 to \$608,851.

Staff has recommended that, following completion of the District's annual audit each year, the Board consider reviewing the reserve fund policy and target balances and determine whether positive year end net cash flow funds should be moved into reserves, applied toward debt service as loan allowance payments or left in the general operating fund.

Future Service Fee Increases: With the approval of a 6% service rate increase effective July 1, 2022, total service rate revenue for FY 22-23 is forecasted to be \$834,800, an increase of roughly 9 % or \$ 74,934 from the year ending July 30, 2021. To achieve acceptable net income and net cash flow projections, years 2 – 3 (FY 23-24 and 24-25) of the final adopted 5-year budget include annual CPI-U revenue increases of 6 % each year. As proposed, years 4 and 5 (FY 25-26 and 26-27) of the 5-Year projection recommend 3 % service rate increases balancing anticipated increasing expenditures with acceptable net income and net cash flows needs. Ultimately, the Board will review the CPI-U in each year following publishing in January for the year ending December and determine what if any CPI-U related service rate increase it believes is warranted to become effective on July 1 in any given year.

Contacting the District

This financial report is designed to provide our citizens, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact General Manager Jeff Gouveia at the Bear Valley Water District, PO Box 5027, Bear Valley, CA 95223 or Jeff.Gouveia@bvwd.ca.gov or 209.753.2112.

BEAR VALLEY WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents (Note 3)	\$ 980,647
Accounts receivable	47,932
Prepaid expenses	<u>32,645</u>
Total current assets	1,061,224

Capital assets, at cost (Notes 4 and 5):	\$ 5,187,441	
Less accumulated depreciation	<u>3,008,764</u>	
	2,178,677	
Work in progress	<u>77,335</u>	2,256,012
Restricted cash (Note 3)		<u>29,026</u>
		<u><u>\$3,346,262</u></u>

See notes to financial statements

LIABILITIES AND NET POSITION

Current liabilities:

Current portion of long-term debt (Note 5)	\$ 45,780
Prepaid revenue	56,893
Accounts payable	8,869
Accrued liabilities	16,761
Compensated absences	15,751
Unearned grant	<u>351,915</u>

Total current liabilities 495,969

Long-term debt, net of current portion (Note 5) 243,622

Total liabilities 739,591

Net position (Note 7):

Net investment in capital assets	\$1,966,610	
Restricted	29,026	
Unrestricted	<u>611,035</u>	
		<u>2,606,671</u>
		<u>\$3,346,262</u>

BEAR VALLEY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended June 30, 2022

Operating revenues:

Service charges	\$ 759,866
Connection fees	-
Other	<u>8,635</u>
Total operating revenues	768,501

Operating expenses:

Collection	\$ 110,998
Treatment and disposal	212,648
Administrative and general	313,103
Depreciation	<u>119,493</u>
Total operating expenses	<u>756,242</u>
Operating income	12,259

Non-operating revenues (expenses):

Interest income (LAIF)	1,299
Penalties and interest	1,951
Other revenue	45,762
Lien fees	-
Interest expense	<u>(12,290)</u>
	<u>36,722</u>

Income before contributions	48,981
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Capital contributions	<u>-</u>
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Change in net position	48,981
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Total net position:

Beginning	<u>2,557,690</u>
Ending	<u>\$2,606,671</u>

See notes to financial statements

BEAR VALLEY WATER DISTRICT
STATEMENT OF CASH FLOWS
for the year ended June 30, 2022

Cash flows from operating activities		
Receipts from customers		\$ 757,310
Payments to suppliers		(389,475)
Payments to employees		<u>(274,665)</u>
Net cash provided by operating activities		93,170
Cash flows from noncapital financing activities:		
Nonoperating income	\$ 45,762	
Other nonoperating expenses	-	
Unearned grant	<u>51,915</u>	97,677
Cash flows from capital and related financing activities:		
Purchase of capital assets		
including work in progress	(234,596)	
Principal paid on capital debt	(44,047)	
Interest paid on capital debt	<u>(12,290)</u>	(290,933)
Cash flows from investing activities:		
Interest income		<u>3,250</u>
Net decrease in cash and cash equivalents		(96,836)
Cash and cash equivalents:		
Beginning of year		<u>1,106,509</u>
End of year		<u>\$ 1,009,673</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents		\$ 980,647
Restricted – cash and cash equivalents		<u>29,026</u>
		<u>\$ 1,009,673</u>

See notes to financial statements

BEAR VALLEY WATER DISTRICT
STATEMENT OF CASH FLOWS, continued
for the year ended June 30, 2022

Reconciliation of operating income to net cash provided by operating activities:		
Operating income		\$ 12,259
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	\$ 119,493	
Changes in operating assets and liabilities:		
Receivables	(10,101)	
Prepaid expenses	(12,011)	
Accounts payable and accrued charges	(15,380)	
Prepaid revenue	(1,090)	
		<u>80,911</u>
Net cash provided by operating activities		\$ <u>93,170</u>
Supplementary information:		
Cash paid for interest		\$ <u>12,290</u>

See notes to financial statements

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2022

1. Organization:

Bear Valley Water District (the “District”) was formed in 1968 and provides sewer service to residents of the District. The District is governed by a Board of Directors which is elected by the landowners of the District.

2. Summary of Significant Accounting Policies:

The basic financial statements of Bear Valley Water District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

Basis of Presentation - Fund Accounting

The District’s resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for sewer operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Basis of Accounting, continued

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Operating revenues and expenses, such as sewer sales along with sewer expenses, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each part receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income and interest expense, result from non-exchange transactions, in which, the District gives (receives) value without directly receiving (giving) value in exchange.

Depreciation

Utility plant and equipment is recorded on the basis of purchase cost. Assets acquired by contribution are recorded at estimated cost or fair market value at the time of acquisition.

Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, including restricted assets. Cash in banks and deposits in the State of California Local Agency Investment Fund (LAIF) are considered to be cash and cash equivalents.

Compensated Absences

Vested or accumulated vacation that is expected to be liquidated with expendable available financial resources is reported as a current liability. Sick pay is not vested.

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Budget and Budgetary Accounting

The Board of Directors annually adopts an operating budget. The operating budget is prepared on the accrual basis to match the operating statements.

Investments

Investments consist of funds deposited in the Local Agency Investment Fund (LAIF) which is a Pooled Money Investment Account held with the State of California. Investments are stated at fair value. Such investment is within the State statutes and the District's investment policy.

Unearned Revenue

Revenue that has been received, but the earnings process is not complete, or in the case of grants not yet expensed.

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Net Position

Net position is classified in the following categories:

Net Investment in capital assets – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted – presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – represents the net position of the District, which are not restricted or invested in capital assets net of related debt.

3. Cash and Cash Equivalents:

Cash and investments consist of the following at June 30, 2022:

Unrestricted	\$ 980,647
Restricted	<u>29,026</u>
Total cash and investments	<u>\$1,009,673</u>

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

3. Cash and Cash Equivalents, continued:

Deposits:

At year-end the carrying amount of the District's deposits was \$688,800 and the bank balance was \$696,614. Of the bank balance in the financial institutions, \$250,000 was covered by Federal depository insurance and \$438,800 was collateralized as required by State Law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other agencies, but not in the name of the District.

Petty cash	\$ 50
Cash in bank – checking (operating account)	659,724
Cash in bank – checking (capacity fees)	<u>29,026</u>
Total deposits	<u>\$ 688,800</u>

Investments:

California statutes authorize the District to invest in a variety of credit instruments as provided for in the California Government Code Section 53600, Chapter 4 – Financial Affairs. The Government Code allows investments in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, medium-term corporate notes, mutual funds and the State Treasurer's Local Agency Investment Fund (LAIF). The investments at June 30, 2022 consist of:

	<u>Carrying Amount</u>	<u>Maturity - 12 Months or Less</u>
Balance, June 30, 2022		
Local Agency Investment Fund	<u>\$ 320,873</u>	<u>\$ 320,873</u>

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

3. Cash and Cash Equivalents, continued:

Investments, continued:

Pursuant to Government Accounting Standards Board Statement 3, the investment in LAIF is not classified in categories of credit risk. The District's funds in LAIF are invested in a diversified portfolio (of underlying investments e.g. U.S. Treasury obligations) such that it considers the risk of material loss to be minimal. The funds held in LAIF can be withdrawn on demand. The investment in LAIF is reported at fair value.

Restricted Cash and Investments:

The District sets aside funds from receipt of connection fees pursuant to legal restrictions. At June 30, 2022, the District had set aside the following in cash for special purposes:

	Balance June 30, 2022
Capacity fees	\$ <u>29,026</u>

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

4. Capital Assets:

Changes in capital assets for the year ended June 30, 2022 are as follows:

	Balance, <u>July 1, 2021</u>	<u>Additions</u>	<u>Transfers</u>	Balance, <u>June 30, 2022</u>
Land	\$ 25,805	\$ -	\$ -	\$ 25,805
Subsurface lines	1,196,893	-	-	1,196,893
Sewage collection	663,477	45,707	-	709,184
Sewage treatment	1,358,836	104,090	-	1,462,926
Sewage disposal	1,264,402	-	-	1,264,402
General plant	<u>482,119</u>	<u>62,140</u>	<u>16,029</u>	<u>528,230</u>
	4,991,532	211,937	16,029	5,187,440
 Add, work in progress	 <u>54,676</u>	 <u>174,418</u>	 <u>151,759</u>	 <u>77,335</u>
	<u>\$5,046,208</u>	<u>\$ 386,355</u>	<u>\$ 167,788</u>	<u>\$5,264,775</u>

5. Long-Term Debt:

In 2013 the District refinanced a \$617,572 note payable to a bank to a fifteen year term loan. The District incurred an \$18,000 prepayment penalty and a \$3,250 loan fee to refinance. After the refinance, the new loan balance was \$636,373. Payments of \$4,695 including interest of 3.88% are payable monthly through March 2028. The bank loan is collateralized by the District's accounts receivable, contract rights and general intangibles.

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

5. Long-Term Debt, continued:

The following is a summary of the long-term debt activities for the year ended June 30, 2022:

	<u>2021</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>2022</u>	<u>Current Portion</u>
Bank loan	\$ <u>333,449</u>	\$ <u>-</u>	\$ <u>44,047</u>	\$ <u>289,402</u>	\$ <u>45,780</u>

Long-term debt matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2023	\$ 45,780	\$ 10,558	\$ 56,338
2024	47,589	8,749	56,338
2025	49,515	6,823	56,338
2026	51,496	4,842	56,338
2027	53,556	2,782	56,338
2028	<u>41,466</u>	<u>785</u>	<u>42,251</u>
	\$ <u>289,402</u>	\$ <u>34,539</u>	\$ <u>323,941</u>

6. Retirement Plans:

In January 2018, the District implemented an enhanced defined contribution program comprised of both a Section 401(a) qualified retirement plan and a Section 457(b) eligible deferred compensation plan for state and local governments for the benefit of its employees. These plans replace the former Simple IRA plan that limited employer contribution rates. To be eligible for the plan, employees must be employed by the District for one year. The Section 401(a) plan provides for an employer defined contribution of 3% of the employee's gross wages to the retirement plan. The Section 457(b) plan provides for a match of up to an additional 3% of the employee's gross wages if the employee makes a contribution on his/her behalf. At June 30, 2022, the District's portion of these two plans was \$15,541.

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

7. Net Position:

Investment in capital assets		\$1,966,610
Restricted:		
Capacity fees		29,026
Unrestricted:		
Board designated:		
O&M Emergency reserve	\$ 150,000	
Capital improvement replacement reserve	<u>425,000</u>	
	575,000	
Undesignated	<u>36,035</u>	<u>611,035</u>
		<u>\$2,606,671</u>

8. Risk of Loss:

Bear Valley Water District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2022 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

9. Subsequent Events:

Management has evaluated subsequent events through October 12, 2022, the date these June 30, 2022 financial statements were available to be issued.

BEAR VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

10. COVID-19:

In March 2020, the World Health Organization declared a global health pandemic of the Coronavirus Disease COVID-19. The pandemic impacted the District as commercial water use declined. The District is committed to maintaining essential service to the community of Bear Valley Water District. Although there was a decline in commercial use, to date there has been a minimal effect on the District's overall financial position given the necessity of providing sewer service to the community.

SUPPLEMENTAL DATA

BEAR VALLEY WATER DISTRICT
PRINCIPAL OFFICIALS
for the year ended June 30, 2022

BOARD OF DIRECTORS

James Bissell	President
Gunnar Thordarson	Vice President
Ken Brown	Treasurer
John Boyle	Director
Diane Lundquist	Director

OPERATIONS

Jeffrey Gouveia	General Manager
Judi Silber	Office Manager/Board Secretary
Guy West	Chief Plant Operator
Steve Mikesell	Operator Grade II
Robin Murphy	Operator Grade I

BEAR VALLEY WATER DISTRICT
OPERATING EXPENSES
for the year ended June 30, 2022

Collection:

Salaries, wages and employee benefits	\$ 52,669	
Repairs and maintenance	34,648	
Utilities	12,975	
Propane	1,528	
Telephone	(1,883)	
Insurance	7,716	
Gasoline and oil	1,033	
Supplies	2,312	
Rentals	<u>-</u>	
		\$ 110,998

Treatment and disposal:

Salaries, wages and employee benefits	102,715	
Insurance	7,479	
Utilities	43,651	
Propane	-	
Telephone	137	
Repairs and maintenance	20,001	
Supplies	24,290	
Monitoring and reporting	11,145	
Gasoline and oil	2,410	
Rentals	<u>820</u>	
		212,648

BEAR VALLEY WATER DISTRICT
OPERATING EXPENSES, continued
for the year ended June 30, 2022

Administrative and general:

Salaries, wages and employee benefits	\$ 205,401	
Legal and audit	7,974	
Directors fees and expenses	3,500	
Insurance	3,620	
Utilities	3,823	
Propane	3,184	
Telephone	5,643	
Repairs and maintenance	11,769	
Office	8,595	
Memberships	4,681	
Taxes and assessments	46,530	
Licenses & fees	168	
Regulatory reporting	6,321	
Other	3	
Vehicle storage	990	
Engineering	626	
Continuing education	<u>275</u>	
		\$ 313,103

Depreciation	<u>119,493</u>
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\$ 756,242

**BEAR VALLEY
WATER DISTRICT**

**REPORT ON ACCOUNTING CONTROLS
AND PROCEDURES**

June 30, 2022

ROBERT W. JOHNSON
Certified Public Accountant



Robert W. Johnson
an accountancy corporation

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohansoncpagroup@gmail.com | 916.723.2555
www.bob-johnson-cpa.com

October 12, 2022

To the Board of Directors
Bear Valley Water District
Bear Valley, California

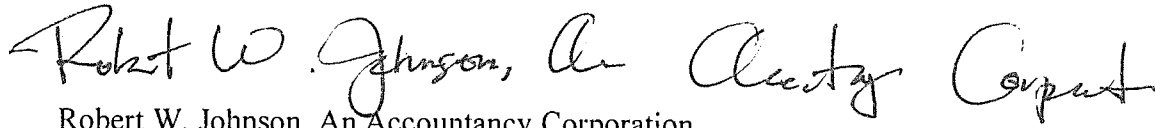
In planning and performing our audit of the financial statements of Bear Valley Water District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Bear Valley Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We have enclosed other recommendations for your consideration.

This communication is intended solely for the information and use of management and Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Robert W. Johnson, An Accountancy Corporation". The signature is written in a cursive, flowing style.

Robert W. Johnson, An Accountancy Corporation
Citrus Heights, California
October 12, 2022

1. Comparison of Operating Results:

	<u>6/30/2022</u>	<u>6/30/2021</u>	Favorable (Unfavorable)
Operating revenue	\$ 768,501	\$ 806,431	\$ (37,930)
Operating expenses	<u>756,242</u>	<u>720,543</u>	(35,699)
Operating income (loss)	12,259	85,888	(73,629)
Non-operating income	49,012	7,242	41,770
Non-operating expense	(12,290)	(14,006)	1,716
Income/loss before contributions	48,981	79,124	(30,143)
Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	\$ <u>48,981</u>	\$ <u>79,124</u>	\$ (30,143)
Cash	\$ <u>1,009,673</u>	\$ <u>1,106,509</u>	\$ (96,836)

Observations:

- Operating revenue decreased; mainly due to a decrease in commercial use
- Operating expenses increased \$35,699; mostly due to utilities:

	<u>2021</u>	<u>2022</u>
Collection utilities	\$ 8,447	\$ 12,975
T & D utilities	21,991	43,651
A & G utilities	<u>4,153</u>	<u>3,823</u>
	\$ <u>34,591</u>	\$ <u>60,449</u>

2. Prior Year Recommendation:

(a) Procedures Manual:

Recommendation:

We recommended that the District's accounting and administrative procedures be expanded and formalized into an electronic format capable of continuous update.

Follow-up:

The District adopted the Accounting Policies and Procedures manual on July 25, 2022. The auditors reviewed the manual – the manual was comprehensive and effective to help ensure financial statements are fairly stated, assets were safeguarded and finances are managed with accuracy, efficiency and transparency.

**BEAR VALLEY WATER DISTRICT
RESOLUTION 2022 - 512
AB 361**

**RESOLUTION OF THE GOVERNING BOARD OF THE BEAR VALLEY WATER DISTRICT ("BVWD")
DETERMINING TO CONDUCT MEETINGS USING TELECONFERENCING PURSUANT TO
GOVERNMENT CODE 54953 AS AMENDED BY AB 361 FOR THE PERIOD NOVEMBER 7, 2022
TO DECEMBER 6, 2022**

WHEREAS, BVWD is committed to preserving and nurturing public access and participation in its meetings; and

WHEREAS, all meetings of the BVWD Board of Directors are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the BVWD Board of Directors conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), as amended by AB 361 (2021), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the Board meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on March 4, 2020, the Governor proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS, Cal-OSHA adopted emergency regulations (Section 3205) imposing requirements on California employers, including measures to promote social distancing; and

WHEREAS, Alpine County remains under a Local Health Emergency due to the COVID-19 pandemic, acknowledging that close contact to other persons increases the risk of transmission; and

WHEREAS, currently the dominant strain of COVID-19 in the country is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations, therefore, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, on November 7, 2022, the BVWD Board of Directors held a special meeting remotely by teleconference/video conference in accordance with Government Code Section 54953(e) and hereby desires to adopt this resolution in order to continue to use remote teleconference/videoconference for the 30 days thereafter.

NOW, THEREFORE, THE BEAR VALLEY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Finding of Imminent Risk to Health or Safety of Attendees. The BVWD Board does hereby find that the current dominant strain of COVID-19 in the country is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations has caused, and will continue to cause, conditions of peril to the safety of persons, thereby presenting an imminent risk to health and/or safety to SJJPA's employees and other representatives, and attendees of SJJPA's public meetings; and

Section 3. Teleconference Meetings. The Members of the BVWD Board of Directors do hereby determine as a result of the State of Emergency proclaimed by the Governor, and the recommended measures to promote social distancing made by State and Local officials that BVWD may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e)(1)(A) and (B) of section 54953, and shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

Section 4. Direction to Staff. The General Manager and BVWD staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect November 7, 2022 and cover the period through December 6, 2022.

PASSED AND ADOPTED, by the BVWD this 7TH day of November 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

BEAR VALLEY WATER DISTRICT:

JUDI SILBER, Secretary

JIM BISSELL, President