

# **ACWD General Manager (GM) Report Aug. & Sept 2024**

Prepared by Rae Bell Arbogast

Note: The regular August Board meeting was cancelled due to the lack of a quorum.

**Correspondence Incoming:** Election forms from County, biennial conflict of interest review docs from County **Outgoing,** Signed lease extension for Historical Church sent to County, letter of intent to participate in Golden State Risk Management Authority's Risk Management Assessment Program (RMAP) for fiscal year 24-25, **emails** most email correspondence had to do with the SRF projects. (note: there is no requirement to list emails under "correspondence")

## **Agenda Item 2. a) Consent Calendar**

**Notes regarding treasury reports:** There are a few things that are causing problems with the Treasury report. The original report for June 2024 that was ratified in July showed a balance in undeposited funds that was not there. We believe the undeposited fund figure was actually July funds that had not been deposited. I failed to check the report against the balance sheet and neither Edda nor I noticed the discrepancy. A corrected report for June, removing the undeposited funds balance was included in last month's (cancelled) meeting docs.

However, I later noticed that the Reserve Fund balance on the corrected June t. report did not match the Balance Sheet figure of \$11,510.30 on the QuickBooks balance sheet that was generated on 7/5/2024 and included in last month's (cancelled) meeting info. The difference of \$2.43 is interest income. The June treasury report balance is correct. The balance sheet dated 7/5 was generated before Edda reconciled the Reserve Fund Account. The bank does not issue bank statements every month for savings accounts. Statements are issued a minimum of quarterly, and/or for months when there is activity. No changes have been made to the corrected June 30, 2024 treasury report that was included in last month's (cancelled) meeting packet.

A new June 30, 2024 Balance Sheet is included in this month's packet. It reflects not only the reconciled balance for the reserve fund but also several other fiscal year-end accruals related to the Ram Spring Project plus the final check from the County for FY 23/24. ACWD's auditors will make further adjustments at 6/30/2024, specifically they will book depreciation expense, and they will probably move the Ram Spring Expenses to the asset account "Construction in Progress Spring" (CIP) on the balance sheet.

Additionally, due to difficulties with getting deposits to the bank Edda investigated the ability to direct deposit checks via scan copies and was able to get that set up in June. She can now deposit checks without having to physically take them to the bank. The timing of the water bills and water bill payments causes a lot of confusion in relation to the monthly bank reconciliations. We have tried to track the water income on an accrual basis. This is the primary reason for using "undeposited funds" to enter payments. This is a way to post the payments in the same month that the bills are generated without ending up with "uncleared deposits" each month. This is further complicated by the fact that the customers have until the 1<sup>st</sup> to pay their water bills (the day AFTER the bank statements are issued). For now, Edda and I have opted to go to a "cash basis" for reporting the water payments. In other words, the deposits will be posted on the date that they go to the bank. I have had discussions about this with the auditors in the past and will be discussing it with them further this year.

A revised July Treasury report is included in the packets to correct the Reserve Fund Balance, it is not marked "corrected" because it was never ratified. Because there was more activity on the reserve fund in July a bank statement did generate and interest of .49 was added, plus the July t. report prepared for last month's (cancelled) meeting, inadvertently failed to show the \$4,000 transfer to the checking account on July 1st. Additionally, we noticed that the cash balance somehow lost .75 when the sheet was carried from June to July. That also has been corrected.

**Transfer from Reserve Fund** Neither the final tax payment for Fiscal Year 23/24 nor the 2<sup>nd</sup> disbursement request check from the State arrived in July as anticipated. The final tax installment arrived in August. The check for the 3<sup>rd</sup> disbursement request also arrived at the end of August, a week before the 2<sup>nd</sup> disbursement check arrived. The check for the second disbursement request was deposited the first week of September. The checking account balance does look better as of the first week of September, but is not high enough to move the \$4,000 back to the reserve fund.

**Status of election filing** – Coral Spencer has elected to term out as a Director. She did not file election papers. This means that ACWD will have a vacancy on the board effective Dec. 2<sup>nd</sup>. Please get the word out. Notices will be posted as well.

**Risk Management Accreditation Program (RMAP)** Golden State Risk Management Authority offers insurance premium refunds of 1 to 10% for participants in their RMAP program. The letter of intent to participate is due the first Monday in September for each fiscal year. I went ahead and submitted a letter of intent for ACWD. I figure we don't have anything to lose, and I know that several items that earn "points" are already in place.

Getting everyone caught up on required trainings (Ethics and Harassment Prevention) is one way to earn points. Reminders for the Ethics training have been sent to the board. A copy of the RMAP application is included in the supplemental docs posted online for this board meeting. The next step is a meeting with a representative from GRSMA, I am in the process of setting that up. If anyone is interested in participating, please let me know.

**Agenda Item 5. a) Pay determination for water operators for Ram Spring Project** To refresh everyone's memories, the job descriptions for the water operators adopted last calendar year included language saying that they will be paid prevailing wage for State Funded Projects where applicable.

Unlike the Bookkeeper and General Manager's descriptions, those descriptions don't provide an alternate rate for State Funded Projects when prevailing wage does not apply. I confirmed with Coleman Engineering that prevailing wage does not apply to consultants.

I looked at Sierra County's prevailing wage listing on the DIR website and found a Landscape Pipe Fitter classification with a rate of \$52.14 per hour. I went ahead and used that rate for 1 hour that was included for Edward on the 3<sup>rd</sup> disbursement request for the Ram Spring Project.

I propose using \$52.14 per hour for all work done by Bruce and Edward for the Ram Spring Project for which there is no set prevailing wage, such as consulting. This will be billed to the project.

**Agenda Item 5. b) Biennial Conflict of Interest Code Review** This is required every two years. Because ACWD requires all board members, officers and managers to report on form 700, as far as I know there is no issue. (It is a potential issue if we don't require a certain class of the board or staff to report).

**Agenda Item 5. d) Agenda Item 5. a) Billing program price increase.** Softline Data (UBMAX) the billing program that the district has been using for over ten years was purchased by another company called gWorks two years ago. They let us remain on the old platform, but this fall they will be closing out the old platform and ACWD will be forced to either upgrade to gWorks OR find another billing software program. In 2023 ACWD paid \$622 for the billing software which was up from \$592 in 2022 and \$445 in 2021. We paid \$445 per year for a few years before gworks bought the company.

I talked to a representative of Gworks on September 3<sup>rd</sup> and told him that our main concern is cost. **He said that our current program will go offline at the end of December and we need to let them now by Oct. 31<sup>st</sup> if we are going to stay with them.** There is no charge for converting the data to the new program BUT he quoted a price of \$1,920 per year for "Front Desk". When I told him that is too expensive and explained how small our district is, he then said that \$1,500 per year is the cheapest option with a product called UBHUB. Even at \$1,500 this represents 141% cost increase (\$878 more per year).

There are many advantages to having a billing program such the ability to pull past usage and billing history for various state mandated reports and for responding to customer inquiries. Technically I could create a spreadsheet that would calculate the bills but we would lose the ability to easily access historical data and ACWD staff would have to spend more time generating bills and entering the data in Quickbooks. Research is ongoing. I put an inquiry on the CSDA forum to see what other districts are using. I should have more information for a decision to be made at the October meeting.

**Agenda Item 5. e) Increase in cost of website service** In July we received our annual bill for Streamline, the website service that ACWD has used since 2018 for Brown Act and other compliance requirements. Streamline's platform is set up specifically for gov. entities to keep us in compliance with State and Federal laws regarding public access, ADA compliance and other things. Last year ACWD paid \$504 for this service. In July we got a bill for \$960 due August 30<sup>th</sup>. This represents a 90% increase in one year with no advance warning! (\$456 more per year).

Like the billing program mentioned above, Streamline is being managed by new people. I had an hour long zoom meeting with one of their representatives on August 13<sup>th</sup>. She explained to me that the Federal Government has rolled out a whole new set of ADA compliance rules for gov. entity websites that will take effect next year and that forced them to completely rebuild their platform. They also are now partnered with another company that specialized in ADA Compliance for the internet. I asked her to please provide their sliding scale, but she only provided the tiers not the dollar figures. Streamline seems to have lost their culture of transparency.

I posted an inquiry on the CSDA forum for possible alternatives and reached out to a couple of other companies for price comparisons. On September 4<sup>th</sup>, I attended a one-hour + demonstration with one of the owners of Rural Water Impact (ruralwaterimpact.com). They are very transparent about their pricing and set up fees. Their platform is ADA compliant, they do have a sliding scale for pricing based on the number of services. I did ask if they might create a lower tier for systems with less than 100

customers but they said “no”. When I asked about future price increases, they said that there will be a 10% price increase in 2025, one-year from whenever we sign up (if we sign-up this year). They said that they would never make a huge price increase and that they will always notify customers in advance before any price increases go into effect. The majority of their almost 2,000 clients are smaller water systems.

The platform has an easy-to-use backside. The price for switching over does not include data transfer. We would be responsible for adding the site content. ACWD would have to spend more money this fiscal year with the set-up fee and two months with Streamline, but starting next year, this service would cost \$461 less per year than streamline. (cost per month works out to \$41.58) After next calendar year’s 10% increase, the savings per year drops to \$412 per year compared to Streamline, but Streamline might keep increasing their fee as well, so that number could change. (Cost per month with Rural Water Impact after the price increase next year would be \$45.66)

My recommendation is for ACWD to switch to the Rural Water Impact platform for website admin and hosting. I will handle the work involved from ACWD’s side at no charge to the district. The new site will have minimum content to start out (just what is required) but it could be added to over time. Most of the content (PDF files) on the current website will be out of compliance as soon as the new rules take effect anyway (I have heard two dates for this now: Jan 2025 and Jan 2027).

**Agenda Item 5. f) Final Budget Adoption** is technically due by 9/30 but ACWD needs to figure out the billing program question and I need more time to prepare the budget. Researching options for both the website and the billing program is very time-consuming. Because of that, the final budget will not be ready in time for Tuesday’s meeting. (This is all volunteer work on my part.)

**Agenda Item 5. g) Bylaw revision** Per the ethics workshop provided by the Fair Political Practices Commission that I recently completed, it is a violation of open meeting law to require complaints be in writing. For that reason, the following should be removed from the Bylaws:

***By-laws article V Board Meetings # 11 Complaints.** No oral presentation shall include charges or complaints against any District employee, regardless of whether or not the employee is identified in the presentation by name or by another reference which tends to identify. All complaints shall be directed to either the General Manager or the President in writing.*