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**IRISH BEACH WATER DISTRICT MEETING PACKET**  
March 11, 2023  
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**NOTICE OF THE REGULAR MEETING OF
THE IRISH BEACH WATER DISTRICT BOARD OF DIRECTORS
REX DUNNING FIREHOUSE, 15401 FOREST VIEW ROAD, MANCHESTER, CA 95459
Saturday, March 11, 2023, 10:00 A.M.**

PLEASE NOTE: The March 11, 2023, regular bi-monthly meeting of the Irish Beach Water District Board of Directors will be held via ZOOM teleconferencing and in person meeting at Firehouse. Irish Beach Water District directors/employees will be emailed an invitation to the meeting with a link to log-in to the meeting. The Meeting Packet can be accessed at www.IBWD.org.

Join Zoom Meeting

<https://us02web.zoom.us/j/83059025448?pwd=bzkvWG1sbU82N2x6UEp2allhS3VXZz09>

Meeting ID: 830 5902 5448

Passcode: 008911

Dial by your location

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

Find your local number: <https://us02web.zoom.us/j/83059025448?pwd=bzkvWG1sbU82N2x6UEp2allhS3VXZz09>

Agenda

1. **CALL TO ORDER AND ROLL CALL OF BOARD MEMBERS.** (ISRAEL).
2. **PUBLIC INPUT:** OPENING OF THE MEETING TO PUBLIC COMMENTS FOR TOPICS NOT ON AGENDA. A MAXIMUM OF FIVE (5) MINUTES ALLOWED FOR EACH PRESENTATION. (ISRAEL).
3. **OLD BUSINESS:**
 - A. **DISCUSSION AND OR ACTION:** REPORT FROM THE PROP 218 COMMITTEE.(DYSON, HACKETT).
 - B. **DISCUSSION AND OR ACTION:** SMALL COMMUNITY DROUGHT RELIEF GRANT ADMINISTRATION & OVERSIGHT. (ACKER, HACKETT, MURRAY)
 - C. **DISCUSSION AND OR ACTION:** TECHNOLOGY GRANT IMPLEMENTATION UPDATE. (ACKER, MURRAY)
 - D. **DISCUSSION AND OR ACTION:** REPORT FROM THE BUDGET COMMITTEE – BOARD CONSIDERATION OF THE FINAL FISCAL YEAR 2022-23 BUDGET. (DYSON, MURRAY, TERRY).
 - E. **DISCUSSION AND/OR ACTION:** ACCEPT AND FILE DISTRICT FINANCIAL AUDIT FOR FISCAL YEARS ENDING 9/30/21; 9/30/20. (MURRAY).
4. **NEW BUSINESS:**
 - A. **DISCUSSION AND OR ACTION:** SELECTION OF NEW MEMBERS OF THE BOARD OF DIRECTORS. (ISRAEL, HACKETT).
 - B. **DISCUSSION AND/OR ACTION:** CONSIDER RESOLUTION 2023-__ - IRISH BEACH WATER DISTRICT POLICY REGARDING SEPTIC TANK INSPECTION AND PUMPING. (ISRAEL).
 - C. **DISCUSSION AND/OR ACTION:** PROPOSED REVISION TO AGENDA FORMAT AND ACTION PROCESS FOR EFFICIENCY AND IN ACCORDANCE WITH ROBERT'S RULE OF ORDER. (ISRAEL).

D. DISCUSSION AND/OR ACTION: APPOINT MEMBERS TO BUDGET/FINANCE COMMITTEE AND REVIEW PROCEDURES FOR STANDING COMMITTEES. (ISRAEL).

5. COMMUNICATIONS AND CORRESPONDENCE.

6. REPORTS:

- A. TREASURER: Treasurer's Report, Checks Issued: (MURRAY)
- B. WATER STORAGE FACILITIES/CONVEYANCE LOSS: (ACKER)
- C. SAFETY COMMITTEE: (ACKER)
- D. LEGAL COUNSEL: (EMRICK)
- E. DIRECTORS:

7. APPROVAL OF MINUTES: FEBRUARY 11, 2023 REGULAR MEETING.

8. EXECUTIVE (CLOSED) SESSION.

- A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:** SUBDIVISION (A) OF CALIFORNIA GOVERNMENT CODE §54956.9: WILLIAM H. MOORES ET AL. V. IRISH BEACH WATER DISTRICT, MENDOCINO SUPERIOR COURT NO. SC-UK-CV-G-09-0054665-000; First District Court of Appeal No. A151867.
- B. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED/ POTENTIAL LITIGATION:** SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPHS (2) OR (3) OF SUBDIVISION (D) OF SECTION 54956.9: (1 POTENTIAL CASE).

9. ADJOURNMENT. (ISRAEL)

ASSISTANCE WILL BE PROVIDED TO HANDICAPPED PERSONS WHO REQUIRE IT TO PARTICIPATE IN THE MEETING. PER GOVERNMENT CODE SECTIONS §54950-54963.

PUBLIC RECORDS ARE AVAILABLE PER CALIFORNIA PUBLIC RECORDS ACT GOVERNMENT CODE §6250-6276.48, UNLESS THEY ARE EXEMPT UNDER PUBLIC RECORDS ACT §54957.5.

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**PUBLIC INPUT: LIMITED TO 5 MINUTES PER PERSON**

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OLD BUSINESS: A. DISCUSSION AND OR ACTION: REPORT FROM THE PROP 218 COMMITTEE.

SCI's Proposed Project Timeline:

Project kick-off meeting	mid-February
Compilation of engineering, property and community data. Development of budgets and service plans.	Feb - March
Draft Engineer's Report, Resolutions, Notice and Ballot submitted to District for review	April 17
District Meeting: Review Engineer's Report and 2 Resolutions: - To Preliminarily Approve Budget, Assessment Rates, Engineer's Report and to Call for Mailing of Ballots - Adopting Prop 218 Assessment Ballot Proceedings	May 13
Community Outreach	April - July
Print and address notices and ballots	week of May 15
Mail public hearing notices and ballots	May 19
Balloting period (ballots must be out for at least 45 days)	May 19 - July 8
Public Hearing and close of balloting period; Tabulation of ballots, Announcement of ballot results; Resolution ordering levying of assessments for FY 2023-24 (<i>if results are positive</i>)	July 08
Final day to submit FY 2023-24 levies to County Auditor	August 10

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**OLD BUSINESS 3 B**

**DISCUSSION AND OR ACTION: SMALL COMMUNITY DROUGHT RELIEF  
GRANT ADMINISTRATION & OVERSIGHT.**

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**OLD BUSINESS 3 C**

**DISCUSSION AND OR ACTION: TECHNOLOGY GRANT IMPLEMENTATION  
UPDATE**

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**OLD BUSINESS 3 D**

**DISCUSSION AND OR ACTION: REPORT FROM BUDGET COMMITTEE:  
BOARD CONSIDERATION OF THE FINAL FISCAL YEAR 2022-2023**

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FINAL BUDGET NARRATIVE FOR OLD BUSINESS 3 D.
FINAL FISCAL YEAR 2022-2023 BUDGET

This Final Budget appropriates:

\$58,235 for operations from water charges with rate of 83 cents per 100 gallons based on estimate of 71,288 hundreds of gallons or 7,128,800 gallons water used in previous year. Water usage is down.

\$251,923 for operations from availability charges that remain the same from last fiscal year, \$108.56 per month.

\$17,730 for reserves.

\$104,248 in salaries which includes 7.5% cost of living adjustment.

Services and supplies includes a 3% cost of living adjustment.

This budget provides for normal operations plus funds to cover unanticipated events. Even in normal operations it is hard to predict for a district such as ours how much will be needed for day to day operations; and, of course impossible to predict unexpected repairs.

I have attached a resolution prepared for the adoption of this final budget. If this final budget is not approved then the second resolution will need to be adopted that provides for the last fiscal year budget for 2021-22 be repeated and the rates set for this year at \$108.56 availability charge which is no change and 68 cents per 100 gallons of water used. This action is based on a motion made at the September 2022 meeting.

Resolution of the Board of the Irish Beach Water District Documenting The Approval of the District’s FY2022-2023 Operating Budgets for Water

WHEREAS, the Irish Beach Water District income requirements are stated in the annual budget and income is derived by water rates and the District-Wide Capital Improvement Assessment. Since the budget varies each year depending on anticipated expenses, capital projects, and reserve goals, the water rates must be adjusted to meet the needs of the budget.

1. NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Irish Beach Water District approves the FY 2022-2023 Water District Budget as attachments to this resolution titled “Cash Flow Water Budget for the Irish Beach Water District – “October 1, 2022 through September 30, 2023”.

2. NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Irish Beach Water District has determined that the water rates, as stated below and on the attached “Cash Flow Water Budget For the Irish Beach Water District – October 1, 2022 through September 30, 2023 are responsive to and in support of the needs of the Water District and are approved for the FY 2022-2023. These rates will be effective beginning January 1, 2023

Water Rate Calculation

<u>Basis</u>	
Total Number of Connected Users as of 9/30/2022	207
100s of Gallons used in District per year (most recent year to date 7/31/22)	71,288
Total Budget Expenses Chargeable to Usage	\$ 58,235
Total Budget Expenses & Reserve Funding Chargeable to Availability	\$ 270,253
Total Billing Periods in Year	6
<u>Rate Calculation</u>	
Usage Rate/100 Gallons	\$0.83
Availability Charge/ 1 month	\$108.56
Availability Charge/ 2 months	\$217.13

3. BE IT FURTHER RESOLVED that the Board of Directors of the Irish Beach Water District will review water rates annually in conjunction with the annual budget and make adjustments to water rates as required to assure that water rates accurately reflect the needs of the approved budget including an annual inflationary adjustment tied to the Consumer Price Index as of January of each succeeding year, with the maximum annual adjustment not to exceed 3%. COLA for salaries: 7.5% COLA for operations 3%.

The foregoing Resolution No. 2023- ____ was considered and adopted by the Directors of the Irish Beach Water District at their Regular meeting held _____ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Dated _____

President

Attest: _____

Susan Israel

Secretary of the Board
Heather Hackett

**Resolution of the Board of the Irish Beach Water District Documenting
The Approval of the District’s FY2022-2023 Operating Budgets for Water
NO CHANGE FROM 21-22 – ADOPTED 3/11/23 FROM MOTION 9/17/22**

WHEREAS, the Irish Beach Water District income requirements are stated in the annual budget and income is derived by water rates and the District-Wide Capital Improvement Assessment. Since the budget varies each year depending on anticipated expenses, capital projects, and reserve goals, the water rates must be adjusted to meet the needs of the budget.

1. NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Irish Beach Water District approves the FY 2022-2023 Water District Budget as attachments to this resolution titled “Cash Flow Water Budget for the Irish Beach Water District – “October 1, 2022 through September 30, 2023”.

2. NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Irish Beach Water District has determined that the water rates, as stated below and on the attached “Cash Flow Water Budget For the Irish Beach Water District – October 1, 2022 through September 30, 2023 are responsive to and in support of the needs of the Water District and are approved for the FY 1922-2023. These rates will be effective beginning October 1 , 2022

Water Rate Calculation

<u>Basis</u>	
Total Number of Connected Users as of 9/30/2021	207
100s of Gallons used in District per year (most recent year to date 7/31/21)	82,160
Total Budget Expenses Chargeable to Usage	\$ 54,808
Total Budget Expenses & Reserve Funding Chargeable to Availability	\$ 217,446
Total Billing Periods in Year	6
<u>Rate Calculation</u>	
Usage Rate/100 Gallons	\$0.67
Availability Charge/ 1 month	\$108.56
Availability Charge/ 2 months	\$217.13

3. BE IT FURTHER RESOLVED that the Board of Directors of the Irish Beach Water District will review water rates annually in conjunction with the annual budget and make adjustments to water rates as required to assure that water rates accurately reflect the needs of the approved budget.

4. The foregoing Resolution No. 2023- ____ was considered and adopted by the Directors of the Irish Beach Water District at their Regular meeting held MARCH 11, 2023 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Dated _____

Attest: _____

*Secretary of the Board
Heather Hackett*

President
SUSAN ISRAEL

	A	B	C	D	E	G	H	I	J	K	L	M	N	O
2	WATER BUDGET FOR THE IRISH BEACH WATER DISTRICT													
3	FISCAL YEAR 2022-2023													
4	To be approved March 11, 2023 PROPOSED BUDGET - 7.5% cola													
5								Item	Sub-Total	Total				
6														
7	Income													
8		Operating Income		(See Row 303 for explanation of composition of income)						\$328,488				
9		Non-Operating Income												
10		Total Income									\$328,488			
11														
12	Expenses													
13		Operating Expenses								\$250,558				
14		Non- Operating Expenses								\$25,200				
15		Total Expenses									\$275,758			
16														
17	Capital Projects and Equipment Purchases													
18		Capital Improvement Projects Covered by Assessment.												
19														
20	Assessment and Operating Reserve Changes													
21		Assessment Reserves Account Deposits and Withdrawals (Not Including Interest)												
22		Deposits in Assessment Reserves												
23		Draws From Assessment Reserves (Loan Repayment & Projects)												
24														
25		Operating Reserves Account Deposits and Withdrawals (Not Including Interest)												
26		Deposits in Operating Reserves / Capital Projects									\$17,730			
27														
28														
29														
30		Expenses Funded by Water Charges												
31		Expenses Funded from Usage Charges						\$58,235						
32		Expenses Funded from Availability Charges						\$251,923						
33		Expenses Charged Directly to Customers (Meter Connections)						\$600						
34		Expenses Funded by Assessment								\$310,758				
35														
36														
37														
38		Expenses Funded by Income (Subtotal)								\$310,758				
39		Expenses Funded by Assessment								\$17,730				
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Water Rates Based on Funding Requirements of this Budget			
Total Number of Users as of 9/30/22	207		2015 71,798 HUNDREDS GALS
100s of Gallons used in District per year (Fiscal year)	71,288	Elect.MeterRead	2016-58,547 Hundreds of gallons
Total Expenses Chargeable to Usage	\$58,235		2017 - 60,975 Hundreds Gallons
Expenses Chargeable to Availability	\$251,923		2018 - 60,404 Hundreds of Gallons
Reserves Chargeable to Availability	\$17,730		2019 - 63,243 Hundreds of Gallons
Total Expenses Chargeable to Availability	\$269,653		7/20-21 - 82,160 Hun drreds of Gallons
	\$0.82	Per 100 Gallons	0.67 21/22
	\$108.56	Per Month	108.56 21/22
	\$217.11	Per Billing	217.13 21/22

Treasurer		Note:	
Presented for approval to IBWD Board of Directors ()		Operating loan payments scheduled for 5 years.	
		This is fourth year 22-23	fifth 23-24
45800		25200	7300

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2	WATER BUDGET FOR THE IRISH BEACH WATER DISTRICT													
3	FISCAL YEAR 2022-2023													
4	To be approved March 11, 2023 PROPOSED BUDGET - 7.5% cola													
63														
64	Package Contents													
65		Page 1	Summary, Budget Balance Reconciliation & Water Rate Calculation											
66		Page 2	Income											
67		Page 2-3	Expenses											
68		Page 4	Capital Projects											
69		Page 4	Asset Transfers											
70		Page 5	Budget Notes											
71	Income (1)													
72		410.000	Operating Revenues				Item		Sub-Total		Total			
73			411.100	Water Sales Residential-Water Usage					\$58,235					
74			421.300	Availability Charges					\$269,653					
75			421.510	Meter Connections					\$600					
76														
77				Total 410.000 Operating Revenues							\$328,488			
78		490.000	Non-Operating Revenues											
79			491.000	Leases (2)										
80			492.000	Interest										
81				492.100 Interest - Checking/Operations Cash Account										
82				492.200 Interest - Operating Reserves										
83				492.300 Interest - <40yr Assets Capital Replacement Reserve										
84				492.400 Interest - 40yr Assets Capital Replacement Reserve										
85				492.500 Interest - System Wide Capital Improvements Account										
86				492.600 Interest - (AWDF) Account										
87			493.350	Property Assessment-Curre	END OF 15 YEARS OF RESTRICTED ASSESSMENT COLLECTIONS									
88				493.351 Assessment-40yr Assets Capital Replacement Reserve										
89				493.352 Assessment-System Wide Capital Improvements										
90				493.353 Assessment-(AWDF)										
91				493.354 Assessment-Loan Repayment - 65% Allocated to Parcels										
92			498.000	Other Non-Operating Revenue										
93				498.110 Copies										
94				498.310 Other Refunds										
95				498.400 Reimbursements From IBVFD										
96														
97				Total Income							\$328,488			
98					UC = Usage Charge AC = Availability Charge									
99				Expenses (1)										
100		500.000	Operating Expenses											
101			510.000	Source of Supply										
102				511.000 Labor & Materials For Operating Installed Equip. (Supervision & Labor & Expense)	50%	UC & AC		\$3,869						
103														
104				511.100 Labor for the Operating of Equipment, Maintaining Associated Logs			\$1,955							
105				and Records, Patrolling Irish Creek, Brush Cutting, etc.										
106				511.200 Equipment & Supplies for Operation of Equipment			\$1,914							
107				512.000 Labor & Materials for Maintenance (Maintenance-Structures & Improvements)		AC		\$2,731						
108				512.100 Labor for Maintenance & Repair of Installed Items			\$1,052							
109				512.200 Equipment & Supplies for Maintenance & Repair of Installed Items			\$1,679							
110				513.000 Power Purchased for Source of Supply (Electric)		UC	\$2,787	\$2,787						
111				Total 510.000 Source of Supply				\$9,387						

	A	B	C	D	E	G	H	I	J	K	L	M	N	O
2	WATER BUDGET FOR THE IRISH BEACH WATER DISTRICT													
3	FISCAL YEAR 2022-2023													
4	To be approved March 11, 2023 PROPOSED BUDGET - 7.5% cola													
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2	WATER BUDGET FOR THE IRISH BEACH WATER DISTRICT													
3	FISCAL YEAR 2022-2023													
4	To be approved March 11, 2023 PROPOSED BUDGET - 7.5% cola													
143														
144		550.000	Customer Accounts							Item	Sub-Total	Total		
145			551.000	Labor, Matrerials, and other Expenses for Customer Accounting and Collection										
146				551.100	Labor for Billing	50%	UC & AC			\$11,696				
147				551.200	Labor for Meter Reading	UC				\$9,901				
148				551.300	Meter Intallations									
149				551.310	Labor for meter installations					\$600				
150				551.320	Meters								\$21,597	
151				Total 550.000 Customer Accounts						\$22,197				
152														
153		560.000	Administrative & General											
154			561.000	Salaries			AC			\$23,962				
155			562.000	Office Supplies & Other Expenses										
156				562.010	Office Maintenance & Supplies				\$3,718					
157				562.020	Administrative Services (12)									
158				562.030	Outside copy work									
159				562.040	Postage									
160				562.050	Software				\$4,321					
161					new:cloud, drop box, QBonline,				\$3,000					
162					QB Payroll				\$774					
163					Billing Maintenece				\$547					
164				562.060	Licenses and Permits				\$1,307					
165				562.070	Memberships/Dues/Annual Fees				\$4,566					
166					Calif Rural Water				\$774					
167					Calif Special Districts				\$593					
168					State Water Resources Control Board				\$593					
169					Department of Health Services				\$1,207					
170					LAFCO				\$727					
171					State Bd of Equilization				\$671					
172				562.080	Training									
173				562.090	Advertising/noticing in paper									
174				562.100	Election									
175				562.110	Port-A-Potty/Garbage				\$1,594					
176				562.120	Printer and accessories									
177				562.140	Telephone-Administrative									
178				562.160	Internet				\$1,914					
179				Total 562.000 Office Supplies & Other Expenses			AC			\$17,420				

	A	B	C	D	E	G	H	I	J	K	L	M	N	O
2	WATER BUDGET FOR THE IRISH BEACH WATER DISTRICT													
3	FISCAL YEAR 2022-2023													
4	To be approved March 11, 2023 PROPOSED BUDGET - 7.5% cola													
180		563.000	Contractual Services					Item	Sub-Total	Total				
181		563.100	Legal Attorney					\$45,557						
182			563-110 Legal - General Counsel					\$7,972						
183			563-120 Legal - Litigation					\$37,585						
184		563.200	Auditor Contract					\$10,000						
185		563.400	Engineering					\$820						
186		Total 563.000	Contractual Services					AC	\$56,377					
187		564.000	Property Insurance, Injuries and Damages											
188		564.100	Ins.- General/Liability					\$13,378						
189		564.200	Workman's Comp.											
190		564.210	Workman's Comp Water					\$3,199						
191		564.220	Workman's Comp Directors					\$129						
192		564.230	Workman's Comp Admin					\$310						
193		564.400	Insurance - Bonded					\$103						
194		Total 564.000	Property Insurance, Injuries and Damages					AC	\$17,119					
195		565.000	Employee Retirement and Benefits					AC	\$5,038					
196		565.2	Vacation & Sick Leave					\$5,038						
197		565.100	Payroll Taxes					AC	\$10,711					
198			FICA					\$7,975						
199			Medicare					\$1,512						
200			Training Tax					\$35						
201			UI Contributions					\$1,190						
202														
203														
204		569.000	Other Administrative Expenses											
205		Total 560.000	Administrative and General							\$130,627				
206														
207		570.000	Other Operating Expenses											
208			Depreciation & Amortization (10)					QB571	\$35,000					booked non cash exp
209			Taxes					AC						avail cash will fund reserve
210		573.000	Other Operating Expenses											
211		573.100	Vehicle Operation for Operations					50% UC & AC	\$4,128					
212		573.200	Misc Expenses					AC	\$250					
213		Total 570.000	Other Operating Expenses							\$4,378				
214		Total 500.000	Operating Expenses							\$250,558				also see line 260 reserves
215														
216		590.000	Non-Operating Expenses					Item	Sub-Total	Total				
217		591.000	Interest, Long Term Debt											
218		591.100	Loan Repayment Funded From Operations (Rate Payers) UC					UC						
219			591.110 Interest											
220			214.100 Principal											
221		591.200	Loan Repayment Funded From Operations (Connected Users-) AC					AC	\$25,200					
222			591.210 Interest											
223			214.200 Principal					\$25,200						
224		Total 591.000	Interest, Long Term Debt							\$25,200				
225		594.000	Other Non-Operating Expenses											
226		594.100	Mendocino County Assessment Collection Fee (2%)					AC						
227		Total 590.000	Non-Operating Expenses							\$25,200				
228		Total Expenses								\$275,758				

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2	WATER BUDGET FOR THE IRISH BEACH WATER DISTRICT													
3	FISCAL YEAR 2022-2023													
4	To be approved March 11, 2023 PROPOSED BUDGET - 7.5% cola													
229														
230														
231	Capital Projects & Equipment Purchases													
232	112.000 Projects - Construction in Progress													
233	POSSIBLE PROJECTS FROM CAPITAL REPLACEMENT GREATER THAN 40 YEAR FUND													
234	REPLACE PIPE ON FOREST VIEW LOOP ESTIMATED COST \$250,000													
235	REPLACE PIPE ON SEA CYPRESS LOOP ESTIMATED COST \$125,000													
236	113.000 Projects - Construction in Progress													
237	<i>TANK 2 ROOF</i>													
238														
239														
240														
241	Total General System-Wide Improvements													
242														
243	TO DO LIST:													
244														
245														
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247														
248														
249														
250														
251														
252														
253														
254	Capital Replacement Reserve													
255						AC	\$17,224							
256													****bud chge	
257													These projects to be	
258													funded by this year's AC	
259														
260							TOTAL FUNDING PROJECTS <40 YEAR ITEMS							
261						QB597	\$17,224						35000 cash will come from booked depr.	
262													\$52,224	
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2	WATER BUDGET FOR THE IRISH BEACH WATER DISTRICT													
3	FISCAL YEAR 2022-2023													
4	To be approved March 11, 2023 PROPOSED BUDGET - 7.5% cola													
279														
280	Total 123.200 Operating Reserves											Item	Sub-Total	Total
281	124.200 Restricted Assets													
282	124.100 40 yr Assets Capital Replacement Reserve													
283	124.110 Draws-40 yr Assets Capital Replacement Reserve Account													
284	124.120 Funding 40 yr Assets Capital Replacement Reserve Account													
285	124.130 Interest - 40 yr Assets Capital Replacement Reserve Account													
286	Total 124.100 40 yr Asset Capital Replacement Reserve													
287	124.200 System Wide Capital Improvements													
288	124.210 Draws from System Wide Capital Improvements Account													
289	124.220 Funding System Wide Capital Improvements Account													
290	124.230 Interest - System Wide Capital Improvements Account													
291	Total 124.200 System Wide Capital Improvements													
292	124.300 Mallo Pass Account													
293	124.310 Draws from (AWDF) Account													
294	124.320 Funding (AWDF) Account													
295	124.330 Interest - (AWDF) Account													
296	Total 124.300 Mallo Pass Account													
297	124.400 Loan Repayment 66%													
298	124.410 Draws from Loan Repayment Account													
299	124.420 Funding Loan Repayment Account													
300	Total 124.400 Loan Repayment 66%													
301	Total 124.200 Restricted Assets													
302														
303	Operating Income consists of:													
304	Total operating expenses \$250,558													
305	Plus operating share of loan \$25,200													
306	Plus County collection fee													
307	Plus amount to basic reserve fund / projects \$17,730													
308	Funding Source Key: Plus amount to <40 year portion of reserve fund													
309	UC Usage Charge \$293,488													
310	AC Availability Charge depreciation expense transferred to reserves \$35,000													
311	SAF Service Assessment Funded													
312	ORF Operating Reserve Funded Total ties to line 97 \$328,488													
313	ACRF <40yr Asset Capital Reserve Funded													
314	PAF Property Assessment Funded													
315	PARF Property Assessment Reserve Funded													
316														

Labor Rates				Summary Budgeted Labor Hours and Cost					FICA	Medicare	ETT	UI				
ID	Hours/ mo (1)	Contract Mininum(2)	Hourly Rate	Scheduled(3)		Planned (4)										
				Hours	Cost	Hours	Cost			First \$7k	First \$7k					
Charlie	55hr	55 hr	\$56.46	Charlie	660	\$37,263	661	\$37,302		7.65%	1.45%	0.10%	3.40%			
Paul DeVaul	17hr		\$28.23	Paul	200	\$5,647	319	\$9,003		\$2,854	\$541	\$7	\$238			
Vacant (15 hours week)	52hr		\$26.88	Vacant	624	\$16,770	565	\$15,182		\$0	\$0	\$0	\$0			
R J Dial	61hr		\$28.56	RJ	732	\$20,908	648	\$18,489		\$689	\$131	\$7	\$238			
Extra Help	18hr		\$24.19	Extra He	576	\$14,900	950	\$24,271		\$1,161	\$220	\$7	\$238			
Extra Help 22 clerk 8 web	30hr		\$26.88	Total	2792	\$95,487	3143	\$104,248	Total	\$1,414	\$268	\$7	\$238			
								Total		\$7,975	\$1,512	\$35	\$1,190			
Notes:				TOTAL SALARIES IS 41.8% OF TOTAL BUDGET				\$104,248								
1) Used to Calculate Hourly rate and Overtime.				TOTAL BENEFITES IS 3.6% OF TOTAL BUDGET				\$10,711								
2) Charlie is on salary at 55 hrs month									\$10,711							
				Total Operating Budget \$226,826 + 25,200 loan, 52,224 reserve												
3) Hours and cost per year scheduled are those hours/month times 12 months				COST OF LIVING OF 7.5% APPLIED FOR 22-23 PENDING APPROVAL 3/11/23 cost \$8,662												
4) Hours and cost per year planned are those hours reflected on the budget.																
Budgeted Labor Distribution Breakdown																
Labor Description		labor Code	Charlie 1992		vacant 2015		R J Dial 2020		Extra Help		Paul 2004		Total			
			Hours	Cost			Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost		
Source of Supply	Labor For Operating	511.100	24	\$1,355			21	\$600		\$0	0	\$0	45	\$1,955		
Source of Supply	Labor for Maintenance & Repair	512.100	0	\$0			22	\$628		\$0	15	\$423	37	\$1,052		
Water Treatment	Labor For Operating	531.100	240	\$13,550			346	\$9,883	0	\$0	108	\$3,049	694	\$26,482		
Water Treatment	Labor for Maintenance & Repair	532.100	0	\$0			23	\$657		\$0	15	\$423	38	\$1,080		
Transmission and Distrib	Labor For Operating	541.100	156	\$8,808			11	\$314		\$0	40	\$1,129	207	\$10,251		
Transmission and Distrib	Labor for Maintenance & Repair	542.100	120	\$6,775			112	\$3,199		\$0	87	\$2,456	319	\$12,430		
Customer Accounts		551.100		\$0	356	\$9,568		\$0	88	\$2,129	0	\$0	444	\$11,696		
Labor for Meter Reading		551.200		\$0	0	\$0	24	\$686	381	\$9,215	0	\$0	405	\$9,901		
Meter Intallations	Labor For Installation	551.310	0	\$0			14	\$400	0	\$0	0	\$0	14	\$400		
Administrative & Genera	Salaries	561.000	67	\$3,783	182	\$4,891	55	\$1,571	481	\$12,927	28	\$790	813	\$23,962		
Labor Codes													\$99,209			
Labor for AWDF	Labor for Easement issues	112.81		\$0										\$0		
				\$0										\$0		
Full time equivalent - FT	total hours less vacation / 2080		0.29		0.26		0.30		0.46		0.14		1.45	FTE		
	which equals hours for full time															
Vacation 1 year - 5days	days earned per length of service	565.200	47	\$2,636	21	\$556	12	\$345		\$0	23	\$636	102	\$4,174		
1-5 year - 10 day	times 8 hours times FTE															
5-10 year - 15 days	sick leave	565.200	7	\$395	6	\$167	7	\$207		\$0	3	\$95	24	\$865		
10+year - 20 day	new sick leave = 3 days	Totals	\$661	\$37,302	\$565	\$15,182	\$648	\$18,489	\$950	\$24,271	\$319	\$9,003	\$0	\$0		
													\$3,142	\$104,248	cola	8662

WATER BUDGET FOR IRISH BEACH WATER DISTRICT

	2021-2022 current year		2022-2023 Proposed		Difference	Increases
Income						
Water Usage	54,808	17%	58,235	18%	3,427	
Availability	269,670	83%	269,653	82%	(17)	
Meter Connections	372		600		228	
Operating Income	\$ 324,850		\$ 328,488		3,638	
Total	324,850		328,488		3,638	
Expense						
Source of Supply	9,120	3%	9,387	3%	267	COLA/Salary 8662
Water Treatment	42,838	13%	45,275	14%	2,437	COLA/Expend 4461
Transmission & Distribution	36,566	11%	38,694	12%	2,128	Lia. Ins. 7000
Customer Accounts	19,572	6%	22,197	7%	2,625	Software Apps 3000
Operating Expense	108,096	33%	115,553	35%	7,457	Reserve 506
Admin & General	114,352	35%	130,627	40%	16,275	103
Other Operating vehicle	4,378	1%	4,378	1%	-	23732
Other non-operating Depreciation	35,000		35,000		-	
Total Expense	261,826	81%	285,558	87%	23,732	
Loan Repayment to Restricted Ops Loans	45,800	14%	25,200	8%	(20,600)	5th year/last \$7300 (17,900 ops res) Loan installment toward \$125,000 total loan
Operations Reserve < 40 Year Reserve	-		506		506	
Ops RserveCapital Replacement	17,224	5%	17,224	5%	-	22-23 108.56 21-22 108.56 20-21 \$85.50
Total Expense and Increase Reserves	\$ 324,850		\$ 328,488		\$ 3,638	27% 23.06 per month
Availability Charge/month	\$ 108.56		\$ 108.56		\$ -	With succesful 218 assessment, IBWD should be able to restore availability charge to \$85.50 per mo. by reducing the cap repl reserve.
Water Charge per 100 gal	\$ 0.67		\$ 0.82		\$ 0.15	

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**OLD BUSINESS 3 E**

**DISCUSSION AND OR ACTION: ACCEPT AND FILE DISTRICT'S FINANCIAL  
AUDIT FOR FISCAL YEARS ENDING 0/30/2020, 9/30/2021**

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NOTES ON IRISH BEACH WATER DISTRICT TWO YEAR AUDIT F/Y ENDING

SEPTEMBER 30, 2021, 2020

THE FULL AUDIT IS POSTED ON THE IBWD.ORG WEBSITE. FOR THIS AGENDA I ATTACH THE MANAGEMENT DISCUSSION AND ANALYSIS PORTION OF THE AUDIT WHICH REPORTS THE FINANCIAL STATEMENTS IN SUMMARY WITH SOME DISCUSSION PREPARED BY YOUR TREASURER.

THE AUDITOR, RICK BOWER, IN HIS INDEPENDENT AUDITOR'S REPORT ON PAGE 1 OF THE FULL AUDIT STATES: "Opinion – In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business type activities of the Irish Beach Water District as of September 30, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America."

This is what we strive for in our accounting and record keeping for the District along with our policies and procedures.

ANOTHER PART OF THE AUDIT IS "THE REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING". The auditor states that this communication is intended solely for the information and use of management, board of directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Therefore, I do not include it in the full audit on the website. However, I will share it with the full board. You will get copy with your list of checks issued.

MANAGEMENT DISCUSSION AND ANALYSIS:

The MDA is written by management to further illustrate to readers additional information and interpretation of the audited financial statements.

The 2019 fiscal year previous audit reported a net loss on the Profit and Loss Statement of - \$84,055. This audit reports a net loss for fiscal year 2020 of -\$1965 and fiscal year 2021 of - \$15,915. These results include a non-cash expenditure for depreciation of \$35,000 and \$34,888 respectively resulting in increase of \$33,035 and \$19,088 respectively.

In summation, this audit reflects the result of four approved operating increases to the ratepayers to deal with the district's increasing operating costs. The district is also working on another Prop 218 Capital Assessment.

The district board has been pro-active in actions to increase the financial position of its district.

Judy Murray, Treasurer to the Board, February 11, 2023

IRISH BEACH WATER DISTRICT

FINANCIAL STATEMENTS

and

REQUIRED SUPPLEMENTARY INFORMATION

Years Ended September 30, 2021 and 2020

IRISH BEACH WATER DISTRICT

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September 30, 2021 and 2020

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Certified Public Accountant
Personal Financial Specialist
Certified Management Accountant

Independent Auditor's Report

Board of Directors
Irish Beach Water District
Manchester, CA

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the Irish Beach Water District (the District) as of and for the years ended September 30, 2021 and 2020, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the Irish Beach Water District as of September 30, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 the District's ability to continue as a going concern for twelve months after the date that financial statements are issued, including any currently known information that may raise substantial doubt shortly thereafter.

IRISH BEACH WATER DISTRICT YEAR ENDING SEPTEMBER 30, 2021 and 2020

IRISH BEACH WATER DISTRICT

AUDIT REPORT SEPTEMBER 30, 2021 and 2020

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial performance of the Irish Beach Water District during the fiscal year ended September 30, 2021 and 2020. Please read this analysis in conjunction with the District's Basic Financial Statements and accompanying Notes immediately following this section.

Overview of the Financial Statements

The District operates under California Irrigation District Law as a utility enterprise. As such, the District presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting, similar to methods used by private sector companies. These financial statements are designed to provide readers with a broad overview of the finances and also present changes in cash balances, and information about both short-term and long-term activities of the District. There are three required components to these statements: the MD&A, the Financial Statements, and the Notes to the Financial Statements. As an enterprise fund, the District's Financial Statements include four components.

- 1) **Statements of Net Position** present information on all of the District's assets and liabilities with the difference between the two reported as net position. The Statements of Net Position provide the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Net position is displayed in three categories: Net investment in Capital Assets, Restricted for Capital Projects, and Unrestricted.
- 2) **Statements of Revenues, Expenses, and Changes in Net Position** present information which show how the District's net position changed during the year. All of the current year's revenues and expenses are recorded on an accrual basis, meaning when the underlying transaction occurs regardless of the timing of the related cash flows. These statements measure the success of the District's operations over the past year and determine whether the District has recovered its costs through water sales (usage charges on water bills and contract water sales), user fees (availability charges on water bills), and other charges.
- 3) **Statements of cash flows** provide information regarding the District's cash receipts and cash disbursements during the year. These statements report cash activity in three categories: Operating; Capital and Related Financing Activities; and Investing. These statements differ from the Statements of Revenues, Expenses, and Changes in Net Position in that they account only for transactions that result from cash receipts and cash disbursements. As in the past, the Statements of Cash Flows continue to reconcile the reasons why cash from operating activities differ from operating income.
- 4) **Notes to the Basic Financial Statements** provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. The Notes are located immediately following the Financial Statements.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, misrepresentation, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, I:

- Exercise professional judgement and maintain professional skepticism throughout the audits.
- 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 audits 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 the 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages mda be presented to supplement the basic financial statements. Such information, 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Rick Bowers, CPA
Ukiah, California
January 23, 2023

IRISH BEACH WATER DISTRICT YEAR ENDING SEPTEMBER 30, 2021 and 2020

Financial Highlights

During the year ended September 30, 2021 and 2020, the District's operating income was a net loss of \$-15,915 and \$-1,965 respectively. However, these net losses are greatly reduced from prior years showing the Board's actions of increasing user fees. Occurrence of leaks and repairs to our aging water system continue. Water district board asked voters for another Prop 218 Capital Projects Assessment which would be to all 459 home and lot owners to begin in F/Y 21-22. However the measure failed by a narrow margin. Another prop 218 capital project assessment is planned for F/Y 22-23. This time with special benefit assessment to the 207 developed lots. The increase of revenue from availability charges and user charges reflect continued rate increases as reflected in chart on page 4.

Financial Analysis of the District

Statements of Net Position – The District's net position decreased between fiscal years 2018-2019 and 2020-2021, decreasing from \$953,263 to \$935,383. The change can be seen in the condensed Statement of Net Position below as a \$-17,880 decrease in net position. There was decrease in capital assets of \$-29,112 which can be explained by approximately \$70,000 depreciation expense offset by the \$40,000 Alta Mesa increase. Current assets increased by \$22,178. Restricted assets decreased \$33,428 which is due to expenditure of replacement reserve funds. Change in current liabilities was increase of \$10,946; this amount is an increase to a non-operating payable.

Condensed Statements of Net Position

	2021	2020	2019	Difference 2021-2019
Current and Other Assets	\$722,728	\$ 692,659	\$ 700,550	\$ 22,178
Capital assets	<u>709,349</u>	<u>704,137</u>	<u>738,461</u>	<u>-29,112</u>
Total Assets	<u>1,432,077</u>	<u>1,396,796</u>	<u>1,439,011</u>	<u>-6,934</u>
Other liabilities: Current & Def Rev	496,694	445,498	485,748	10,946
Debt outstanding Net of Current	<u>0</u>	<u>0</u>	<u>-0-</u>	<u>0</u>
Total liabilities	<u>496,694</u>	<u>445,498</u>	<u>485,748</u>	<u>10,946</u>
Net investment in capital assets	709,349	704,137	738,461	-29,112
Restricted	276,469	309,759	309,897	-33,428
Unrestricted	<u>(50,435)</u>	<u>(62,598)</u>	<u>(95,095)</u>	<u>44,660</u>
Total net position	<u>\$ 935,383</u>	<u>\$ 951,298</u>	<u>\$ 953,263</u>	<u>-17,880</u>

IRISH BEACH WATER DISTRICT YEAR ENDING SEPTEMBER 30, 2021 and 2020

Changes in Revenues, Expenses, and Net Position – The District’s income before capital improvement assessments increased \$68,140 due to decrease in total expenses of \$12,854 plus an increase in total revenues of \$55,286.

The change in net position that resulted can be seen in the table below, which summarizes the Statement of Revenues, Expenses, and Changes in Net Position.

Condensed Statements of Revenues, Expenses, and Net Position

	2021	2020	2019	Difference	
				2021-2019	Operating
Revenues:					
Water Usage	\$ 52,479	\$44,709	\$ 33,588	\$ 18,891	
Water Availability	206,127	188,694	168,924	37,203	
Late Fees	3,620	2,310	1,478	2,142	
Other Income	<u>500</u>	<u>400</u>	<u>1,877</u>	<u>-1,377</u>	
Total Operating Revenues	<u>262,726</u>	<u>236,113</u>	<u>205,867</u>	<u>56,859</u>	
Non-Operating Revenues	<u>6,810</u>	<u>6,942</u>	<u>8,383</u>	<u>-1,573</u>	
Total Revenues	<u>269,536</u>	<u>243,055</u>	<u>214,250</u>	<u>55,286</u>	
Operating Expenses	281,887	242,604	297,802	-15915	
Non-Operating Expenses	<u>3,564</u>	<u>2,416</u>	<u>503</u>	<u>-3,061</u>	
Total Expenses	<u>285,451</u>	<u>245,020</u>	<u>298,305</u>	<u>-12,854</u>	
Income (loss) before Contributions	<u>(15,915)</u>	<u>(1,965)</u>	<u>(84,055)</u>	<u>68,140</u>	
Capital Contribution Assessments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Change in Net Position	<u>(15,915)</u>	<u>(1,965)</u>	<u>(84,055)</u>	<u>68,140</u>	

IRISH BEACH WATER DISTRICT YEAR ENDING SEPTEMBER 30, 2021 and 2020

Economic Factors and Prospective Information

The District's Board of Directors has increased rates as necessary to ensure that the District's costs be covered by revenues. Following is a table of approved rates for the last seven years. 17-18 is last year for collections of prop 218 assessments. The Court ordered the Mallo Pass portion of the assessment discontinued in 16-17. The increase in availability charges in November of 2021 was for the purpose, in part, of building an unrestricted Board Reserve for unfunded capital improvements and contingencies.

	15-16	16-17	17-18	18-19	19-20
Assessments	\$242.03	\$157.90	\$-0-	0	0
Availability Charge	\$66.49/200	\$66.49/202	\$66.49/202	\$73.14/202	\$78.87/202
Usage Charge	\$0.51/100g	\$0.51/100g	\$0.51/100g	\$0.57/100gal	\$0.58/100gal
	20-21	21-22			
Assessments	0	0			
Availability Charge	\$85.50/202	\$108.56/207			
Usage Charge	\$0.65/100g	\$0.67/100g			

There are 207 property owners connected to the system who pay all three charges, and 252 additional property owners that only pay the assessment charges.

Availability and Usage rates are based on operating budgets approved each year, and may change from year to year. The District, by special election, was authorized to impose a special assessment for capital improvement to the water system. The assessment was levied annually and collected by Mendocino County Treasurer by placing these assessments on the property tax bills at a cost of 2%. Unfortunately the 2002 assessment ended in F/Y 16/17 and voters have not approved a new capital projects assessment.

The Irish Beach Water District has three developed sources of water: 1) The Upper Diversion on Irish Gulch, 2) the well (Well #9) located east of the main subdivision; and 3) the Lower Diversion on Irish Gulch. Two new wells were drilled in 2008. One was drilled by agreement on a parcel owned by Gordon and Sandra Moores near Tank 2. This well has not been connected to the system because of the current law suit by Wm. Moores preventing the utility connection to that well. A second well was drilled on a deeded easement granted to the District for a well and a water tank (Tank5) in the Unit 9 area. The longtime existing Unit 9 well is on that same easement. The Unit 9 well has been diminishing in production volume. The two new wells were envisioned as a way to provide water to existing parcels and future homes yet to be built. (Ground water can be held in future reserve where surface water cannot.)

The new T5 Well was tested for recovery rate, water quality, and was licensed for use by the State Department of Public Health. More than a year went by before the Wm. Moores' lawsuit was filed in 2009 against the District regarding liability for inverse condemnation for the drilling of the T5 Well. In a decision dated June 20, 2012, the Court ruled against the District. The trial for inverse condemnation was held August 18, 2014, where the District was found liable for \$401,000 in trespass damages and \$734,000 in attorney fees and costs. The District's appeal in Feb 2021 in the California Supreme Court in San Francisco reversed these lower court's findings and ordered the case back to the local court in October of 2023 to determine an inverse condemnation current value for the small plot of land where the well was drilled. This finding is expected to be less than \$25,000.

IRISH BEACH WATER DISTRICT YEAR ENDING SEPTEMBER 30, 2021 and 2020

In the spring of 2016 the second and third phase of this trial was held to invalidate certain prop 218 assessments, seek damages for road maintenance and an alleged breach of a 2002 settlement agreement. This phase II and III of the trial resulted in an award against the district for a return of dis-allowed expenditures of \$133,649 and ordered various refunds of the District's Prop 218 assessment funds to the voters including the total Mallo Pass funds collected of \$400,000+. All actions have been stayed pending the local court findings in October 2023 .

Well Moratorium – The District continues to enforce a new well drilling moratorium. However, exemptions from the moratorium are considered on case by case basis by board of directors.

Projects in Process – Previous projects include the upper diversion pipe replacement which was completed August 2016 for a total of \$21,055 from Systemwide Capital Projects Fund. Finding and repairing leaks in the distribution system is a constant challenge due to the age and inferior quality of the work and materials when originally built. A project to replace over a mile of pipe on the O'Rorey's Roost Road loop was completed December 2016 for total of \$127,776. Funding for this project was the greater than 40 year equipment replacement reserve. After the final collections for this restricted fund, the balance for future replacement projects is \$195,130. In 2021 a section of road and pipe on Alta Mesa was replaced for \$40,101 leaving approximately \$155,000. This assessment was intended for collection to replenish the reserve as it was used. The lower court ruled that the assessment had a 15 year collection period like the other components and thus must end.

POST AUDIT UPDATE: District received \$400,000 grant from State Department of Water Resources for tank restoration and well activation in June 2022.

Contacting the District's Management

This financial report is designed to provide our citizens, rate payers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages. If you have questions about this report or need additional information, please contact the District or our Certified Public Accountant.

Irish Beach Water District
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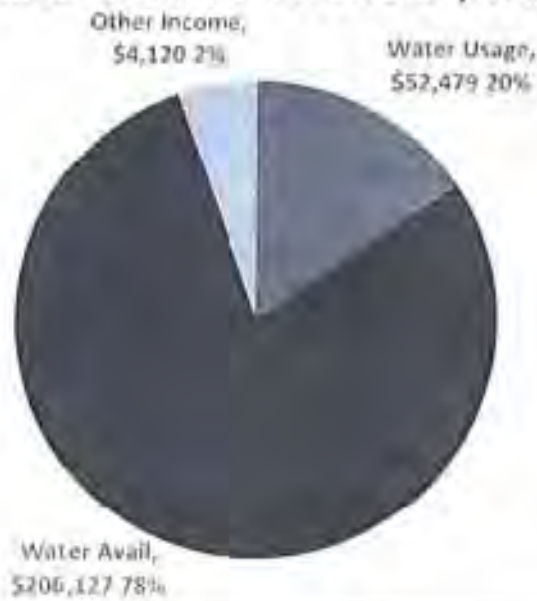
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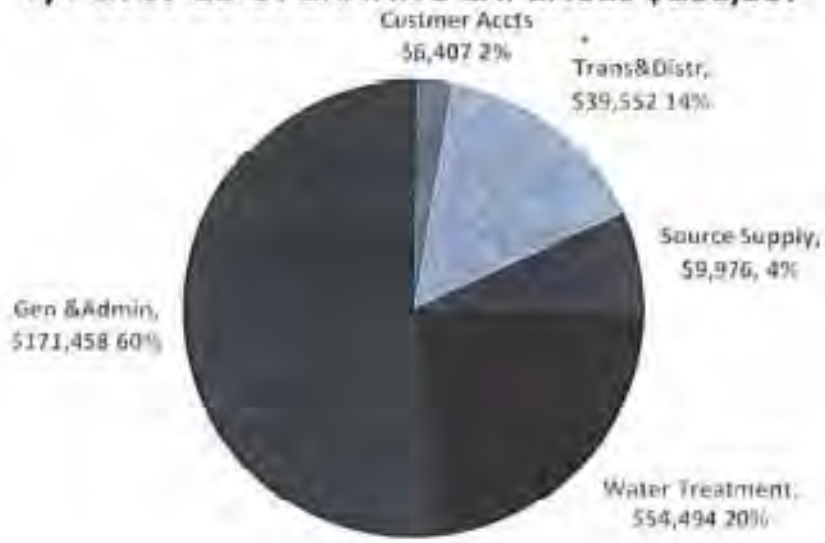
IRISH BEACH WATER DISTRICT YEAR ENDING SEPTEMBER 30, 2021 and 2020

F/Y 20-21 OPERATING REVENUES \$262,726



IRISH BEACH WATER DISTRICT YEAR ENDING SEPTEMBER 30, 2021 and 2020

F/Y 2020-21 OPERATING EXPENSES \$281,887



IRISH BEACH WATER DISTRICT
STATEMENTS OF NET POSITION
September 30, 2021 and 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 80,856	\$ 20,882
Accounts Receivable	41,743	38,436
Prepaid Insurance	10,055	10,177
Total Current Assets	132,654	69,295
Restricted Assets		
Cash and Cash Equivalents	466,913	503,364
Interest Receivable	761	
Due From Operations	122,400	120,000
Total Restricted Assets	590,074	623,364
Capital Assets		
Property, Plant and Equipment - Net of Accumulated Depreciation	709,349	704,137
TOTAL ASSETS	1,432,077	1,396,796
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	4,265	855
Accrued Payroll and Taxes	11,735	8,958
Due to Restricted Assets	122,400	120,000
Due to Redwood Coast Fire	44,689	2,080
Total Current Liabilities	183,089	131,893
Long-Term Liabilities		
Deferred Revenue - Water Source Dev.	313,605	313,605
TOTAL LIABILITIES	496,694	445,498
<u>NET POSITION</u>		
Net Investment in Capital Assets	709,349	704,137
Restricted for Capital Projects	276,469	309,759
Unrestricted Deficit	(50,435)	(62,598)
TOTAL NET POSITION	\$ 935,383	\$ 951,298

The accompanying notes are an integral part of these financial statements.

IRISH BEACH WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
For The Years Ended September 30, 2021 and 2020

	2021	2020
Operating Revenues		
Water Usage	\$ 52,479	\$ 44,709
Water Availability	208,127	188,694
Late Fees	3,620	2,310
Other Income	500	400
Total Operating Revenues	262,726	236,113
Operating Expenses		
Source of Supply	9,976	15,261
Transmission and Distribution	39,552	30,532
Water Treatment	54,494	23,692
Customer Accounts	6,407	15,209
General and Administrative	105,171	59,331
Legal Fees	31,399	64,264
Depreciation	34,888	34,325
Total Operating Expenses	281,887	242,604
Operating Income (Loss)	(19,161)	(6,491)
Non-Operating Revenues (Expenses)		
Investment Earnings	6,810	6,942
Interest Expense	(2,407)	(1,662)
Other Expense	(1,157)	(754)
Total Non-Operating Revenues (Expenses)	3,246	4,526
Change in Net Position	(15,915)	(1,965)
Net Position - Beginning of Year	951,298	953,263
Net Position - End of Year	\$ 935,383	\$ 951,298

The accompanying notes are an integral part of these financial statements.

IRISH BEACH WATER DISTRICT
STATEMENTS OF CASH FLOWS
For The Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 259,419	\$ 233,416
Payments to Suppliers	(110,836)	(264,648)
Payments for Employees and Taxes	(87,245)	(80,970)
Net Cash Provided (Used) by Operating Activities	<u>81,338</u>	<u>(112,202)</u>
Cash Flows from Capital and Related Financing Activities		
Capital Expenditures	(40,101)	
Interest Expense	(2,407)	(1,662)
Other Expense	(1,157)	(754)
Net Cash Used by Capital and Related Financing Activities	<u>(43,665)</u>	<u>(2,416)</u>
Cash Flows from Investing Activities		
Investment Income	6,050	8,688
Net Increase (Decrease) in Cash and C.E.	23,723	(105,930)
Cash and Cash Equivalents - Beginning	<u>524,046</u>	<u>629,976</u>
Cash and Cash Equivalents - End of Year	<u>\$ 547,769</u>	<u>\$ 524,046</u>
Components of Cash and Cash Equivalents		
Cash in Checking and Savings	\$ 80,856	\$ 20,682
Restricted Cash and Cash Equivalents:		
Capital Asset Assessments -		
Redwood Credit Union	466,913	503,364
Mendocino County		
Total Cash and Cash Equivalents	<u>\$ 547,769</u>	<u>\$ 524,046</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (19,161)	\$ (6,491)
Depreciation and Amortization	34,888	34,325
Net Changes in Assets and Liabilities:		
Accounts Receivable	(3,307)	(2,697)
Prepaid Insurance	122	(2,089)
Accounts Payable	3,410	(5,575)
Accrued Payroll and Taxes	2,777	(1,255)
Accrued Legal Fees		(89,778)
Due to Redwood Coast Fire	42,609	(38,642)
Net Cash Provided (Used) by Operating Activities	<u>\$ 61,338</u>	<u>\$(112,202)</u>

The accompanying notes are an integral part of these financial statements

**IRISH BEACH WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
September 30, 2021 and 2020**

The Irish Beach Water District (the District) was formed in 1967 under the provisions of the Water Code of the State of California for the purpose of providing water to properties within the District, which include the subdivision known as Irish Beach along the southern Mendocino County coast line.

Fire protection services were added by legislation in 1978 but were subsequently taken over by the Redwood Coast Fire Protection District as part of an annexation of that department. The fire department is not a component unit of the District.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

Criteria used in determining the scope of the reporting entity includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The reporting entity consists of the District as the primary, and sole, reporting entity.

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the District are prepared in conformity with accounting principles generally accepted in the United States of America, as defined by the Government Accounting Standards Board (GASB), the independent and ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The District's reporting entity applies all relevant GASB pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

The District is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

IRISH BEACH WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2021 and 2020

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues include revenues derived from services for usage and availability of water, and related activities. Operating expenses include all expenses applicable to the furnishing of these activities. Non-operating revenues and expenses include revenues and expenses not associated with the District's normal business of providing water services.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

c. Budgetary Accounting

An annual budget is adopted by the Board of Directors each fiscal year. The budget may be revised during the year to reflect unanticipated revenues or expenses. The budget is used for operating management and internal accounting control purposes, and is prepared on the modified cash basis of accounting.

d. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and with the county treasury, as well as short-term highly liquid investments with maturities of three months or less. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

e. Accounts Receivable

Accounts receivable represent amounts due for water services. All amounts are considered to be collectible, and no allowance for doubtful accounts has been recorded. Liens are placed on properties with outstanding balances. If accounts receivable do result in losses they are recognized when the amounts become determinable.

f. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid assets.

g. Restricted Assets

Assessments for capital improvements are considered restricted because their use is limited to future developments within the water system.

IRISH BEACH WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2021 and 2020

h. Capital Assets

Capital assets are recorded at cost. Major improvements and additions are charged to the related capital asset accounts. Improvements and additions which do not significantly improve or extend the life of the asset are charged against earnings in the period incurred. Donated capital assets are recorded at their estimated fair market value on the date received.

i. Depreciation

Depreciation is charged to expense for all capital assets; except land, right of ways, and any projects in progress. Projects in progress are considered depreciable upon completion of the related project.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Improvements and Infrastructure	20 - 40 years
Equipment and Vehicles	5 - 15 years
Office Equipment and Furniture	5 - 10 years

j. Net Position

Net position represents the difference between assets and liabilities. The District's net position is classified as follows:

Net Investment in Capital Assets – This represents the District's total investment in capital assets, net of accumulated depreciation, and reduced by any outstanding debt obligations related to those capital assets.

Restricted Net Position – Restricted net position represents resources which are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

Unrestricted Net Position – Unrestricted net position represents the net amount of assets and liabilities that is not included in the determination of the net investment in capital assets or restricted components of net position. Prepaid insurance is considered a non-spendable net position.

k. Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**IRISH BEACH WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2021 and 2020**

I. Subsequent Events

Management has evaluated subsequent events through January 23, 2023, which is the date the financial statements were available to be issued. No material subsequent events have occurred since September 30, 2021 that would require recognition or disclosure in the financial statements.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Checking Accounts	\$ 80,856	\$ 20,682
Restricted:		
Money Market	35,448	75,161
County Treasury	<u>431,465</u>	<u>428,203</u>
	<u>466,857</u>	<u>503,364</u>
 Total	 \$ 547,769	 \$ 524,046

District deposits are fully insured or collateralized with securities held by the District or its agent in the District's name. The *California Government Code* requires California banks and savings and loan associations to secure local agency deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a local agency's deposits.

NOTE 3. CAPITAL ASSETS

Following is a summary of changes in capital assets for the year ended September 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Improvements and Infrastructure	\$ 1,458,641	\$ 40,101	\$ -	\$ 1,498,742
Equipment	34,249			34,249
Office Equipment	<u>13,789</u>			<u>13,789</u>
Totals	1,506,679	\$ 40,101	\$ -	1,546,780
Less: Accumulated Depreciation	802,542	34,888		<u>837,431</u>
Net Capital Assets	<u>\$ 704,137</u>			<u>\$ 709,349</u>

Depreciation expense for the year ended September 30, 2020 was \$34,325.

**IRISH BEACH WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2021 and 2020**

NOTE 4. DEFERRED REVENUE

The Deferred Revenue - Water Source Development account with a balance of \$313,605 represents assessments through September 30, 2016. The Court ordered a stop to collection of assessments for future water development. It is anticipated that when any appeals are final, the full amount of the water development funds will be returned to the property owners. See below for continued discussion.

NOTE 5. COMMITMENTS AND CONTINGENCIES

Alternate Water Source Development and Litigation

The District had a permit from the State Water Resources Control Board (SWRCB) to divert surface water from Mallo Pass Creek. The permit was originally issued to an individual in 1974 and was assigned to the District by that individual in 1988.

The permit was issued with a requirement that the project be completed within a specified period of time, to which several extensions had been granted by the SWRCB. Due to litigation and other factors the project was not completed, and the SWRCB has denied any additional extensions and revoked the permit. The District retained legal counsel for this issue, and, after numerous appeals and discussions, it was determined that the revocation will stand, in large part because the District cannot control rate of development needed to support the project.

In November of 2008 the District passed a resolution officially abandoning the project. It was determined by the District that the funds originally accumulated for this project could be held as restricted for other water source developments. This contention was challenged in a legal suit filed in 2009. A landowner in the District brought this action among numerous causes of action, and included the District's four Proposition 218 Assessments.

Proposition 218, which was approved by the voters in November 1996, and amended Article 13 of the State Constitution, regulates the District's ability to impose, increase, and extend taxes, assessments, and fees. New, increased, or extended taxes, assessments, and fees are subject to the provisions of Proposition 218. This decision was upheld and broadly interpreted to include water rates and charges in the recent court decision of *Bighorn-Desert View Water Agency vs. Virfil* which states "an agency may not adopt a rate increase if written protests against the proposed fee or charge are presented by a majority" of the affected property owners. In addition, the District's ability to finance the services for which the taxes, assessments, and fees are imposed in the future may be impaired. However, management believes it will be able to maintain its current level of service due to slow development rate.

IRISH BEACH WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
September 30, 2021 and 2020

The Court found that the District's Mallo Pass / Alternative Water Supply Assessment ended in 2009 when the Mallo Pass permit was rescinded. The entire fund was ordered by the Court to be refunded to all landowners in the District. The District is appealing the judgement, but anticipates returning the full funding. Total legal expenses paid out of the Mallo Pass / Alternative Water Supply Assessment of \$80,810 that were not allowed by the court ruling were paid back out of operating cash.

Continued Litigation

In addition to the above, additional combined actions by the same plaintiff have been brought against the District for (1) inverse condemnation, (2) various allegations surrounding alleged violations of a 2002 settlement agreement and (3) deficiencies in the District's share of road maintenance fees. On August 18, 2014, the trial for inverse condemnation was held and the District was found liable for \$401,000 in damages. The District has appealed, and the Plaintiffs are currently seeking approximately \$734,000 in attorney's fees and costs. The District presently believes there is a good likelihood of prevailing on appeal.

The third phase of this trial was completed in 2016. In this third phase of trial, Plaintiffs alleged the invalidity of certain of the District's assessments, seek damages for alleged road maintenance issues, and allege the District breached a 2002 Settlement Agreement between the parties. The trial resulted in an award of breach of contract against the District for \$133,649. The Court also ordered various refunds of the District's Proposition 218 assessment funds totaling an amount greater than \$2,000 in the aggregate. This judgement has also been appealed.

To date the District has spent and accrued over \$695,000 in legal fees on these and other issues. Legal fees to the District for the years ended September 30, 2021 and 2020 were \$31,399 and 64,264, respectively. The ultimate outcome of this litigation cannot presently be determined. Judgements are being appealed. Accordingly, adjustments, if any, that might result from the resolution of these matters have not been reflected in these financial statements.

NOTE 6. COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus, COVID-19, a pandemic. The spread of COVID-19, and the resulting work and travel restrictions, have not negatively impacted the District from its primary business of supplying water to local residences and businesses within its jurisdiction.



Certified Public Accountant
Personal Financial Specialist
Certified Management Accountant

RICK BOWERS, CPA, PFS, CMA
A Professional Corporation
807 S. Dora Street
Ukiah, CA 95482

office (707) 468-9210
fax (707) 463-6633
email rbcpcorp@yahoo.com

January 23, 2023

Irish Beach Water District
PO Box 67
Manchester, CA 95459

Re: Audit of Financial Statements at September 30, 2021 and 2020

Dear Judy:

Enclosed is a draft of the proposed audited financial statements for the years ended September 30, 2021 and 2020. Also enclosed is the Representation Letter with a copy for your records, audit adjustments, Report on Internal Control, and the final invoice.

Please review the audit report, financial statements, related notes, and adjustments. If everything meets with your approval sign the Representation Letter and return to us along with the final payment per the enclosed invoice.

Thank you for your help, and if you have any questions please give me a call.

Sincerely,

Rick Bowers, CPA

IRISH BEACH WATER DISTRICT

PO BOX 67
MANCHESTER, CA 95459

MANAGEMENT REPRESENTATION LETTER

January 23, 2023

To Rick Bowers, CPA:

This representation letter is provided in connection with your audit of the financial statements of the Irish Beach Water District (the District), which comprise the respective financial position of the District as of September 30, 2021 and 2020, and the respective changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 23, 2023, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles (GAAP) and for preparation of the supplementary information in accordance with applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all financial information required by U.S. GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related-party relationships and transactions, including any revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters (and all audit or relevant monitoring reports, if any, received from funding sources.)
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the District from which you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the board of directors and committees of the board of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud affecting the District involving:
 - a. Management
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the District received in communications with employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or revenue agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.


Government-specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. The following have been properly recorded or disclosed in the financial statements:
 - b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - b. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with the AICPA's Statement of Position 94-6 (Disclosures of Certain Significant Risks and Uncertainties). We believe the estimates are reasonable in the circumstances.
21. There are no material transactions that have not been properly recorded in the financial statements.
22. As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
23. We understand that as part of your audit, you prepared the adjusting journal entries necessary to record certain transactions, and prepared the trial balance for use during the audit. We acknowledge that we reviewed and approved those entries, and made all management decisions and performed all management functions regarding these financial statements. We have reviewed, approved, and accepted responsibility for all accounting transactions.
24. The District has satisfactory title to all owned assets, and there have been no liens or encumbrances on such assets nor has any asset been pledged.

25. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
26. The financial statements properly classify all net positions and revenue and expenses.
27. We acknowledge that:
 - a. Management is responsible for the District's compliance with laws and regulations applicable to it.
 - b. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
 - c. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and revenue agreements related to our programs, and have identified and disclosed to you the requirements of laws, regulations, and provisions of contracts and revenue agreements that are considered to have a direct and material effect on those programs.
 - d. We have made available to you all contracts and revenue agreements (including amendments, if any) and any other correspondence with outside agencies or pass-through entities relating to any revenue programs.

We acknowledge our responsible for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment or disclosure in the aforementioned financial statements.



Irish Beach Water District



Title



RICK BOWERS, CPA, PFS, CMA
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Ukiah, CA 95482

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Certified Public Accountant
Personal Financial Specialist
Certified Management Accountant

INVOICE

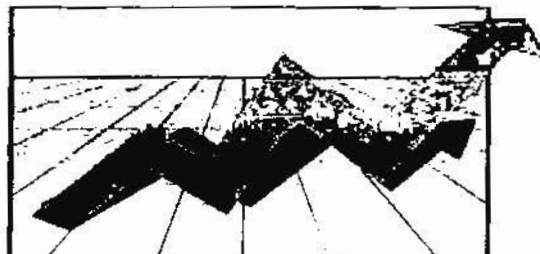
CLIENT: IRISH BEACH WATER DISTRICT
PO BOX 67
MANCHESTER, CA 95459

DATE: FEBRUARY 6, 2023 **ORIGINAL BILLING:** _____

FOR PROFESSIONAL SERVICES: **\$5,900**

FINAL PAYMENT ON AUDIT OF FINANCIAL STATEMENTS AS OF AND FOR THE YEARS
ENDED SEPTEMBER 30, 2021 and 2020.

**INVOICES DUE UPON RECEIPT.
THANK YOU.**




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**NEW BUSINESS 4 A**

**DISCUSSION AND OR ACTION: SELECTION OF NEW MEMBERS OF THE  
BOARD OF DIRECTORS.**

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**NEW BUSINESS 4 B**

**DISCUSSION AND OR ACTION: CONSIDER RESOLUTION 2023\_\_ IRISH  
BEACH WATER DISTRICT POLICY REGARDING SEPTIC TANK INSPECTIONS  
AND PUMPING .**

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**NEW BUSINESS 4 C**

**DISCUSSION AND OR ACTION: PROPOSED REVISION TO AGENDA FORMAT  
AND ACTION PROCESS FOR EFFICIENCY AND IN ACCORDANCE WITH  
ROBERT RULES OF ORDER.**

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**NEW BUSINESS 4 D**

**DISCUSSION AND OR ACTION: APPOINT MEMBERS TO BUDGET  
COMMITTEE AND REVIEW PROCEDURES FOR STANDING COMMITTEES.**

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COMMUNICATIONS AND CORRESPONDENCE

REPORTS

- A. TREASURER
 - B. WATER/STORAGE FACILITIES/CONVEYANCE/LOSS
 - C. SAFETY COMMITTEE
 - D. LEGAL COUNSEL
 - E. DIRECTORS
-

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**Treasurer's Reports**

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March 11, 2023 Board Meeting

	3/11/2023 This period	2/1/2023 Last Period
IBWD Cash and Assets:	March-2023	February-2023
Checking	\$6,680	-\$2,608
	\$0	\$0
	\$0	\$0
	\$0	\$0
TOTAL CASH ASSETS	\$6,680.00	-\$2,608.00
Accounts Receivable - Grant	\$98,375.00	\$98,375.00
Accounts Receivable - rvs	Not Avail	not avail
County Tax Rolls	\$0	\$0
Accounts Payable	-\$45,840	-\$45,840
TOTAL OTHER ASSETS	\$52,535.00	\$52,535.00
TOTAL UNRESTRICTED ASSETS	\$59,215.00	\$49,927.00
Emergency Response Augmentation-	\$37,037	\$37,037
>40 Cash flow loan due to grant cash advances	\$0	\$0
> 40 Year	\$82,249	\$82,235
(5 year loan from restricted funds to operating)	\$31,710	\$31,710
	\$113,959	\$113,945
AWDF/Mallo Pass	\$431,465	\$431,465
TOTAL RESTRICTED ASSETS	\$ -	\$582,447.00
TOTAL ASSETS	\$641,676.00	\$632,374.00


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**APPROVAL OF MINUTES**  
REGULAR MEETING: FEBRUARY 11, 2023

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**IRISH BEACH WATER DISTRICT BOARD OF DIRECTORS
REGULAR MEETING MINUTES
REX DUNNING FIREHOUSE, 15401 FOREST VIEW ROAD, MANCHESTER, CA 95459
Saturday, February 11, 2023 at 10:00 A.M. (ZOOM AND IN-PERSON)**

CALL TO ORDER AND ROLL CALL: President Terry called the postponed regular meeting of the Irish Beach Water District Board Meeting to order at 10:00am. Roll call of Directors in attendance: Direct Regan and Director Dyson attended via Zoom; President Terry, Director Israel, and Director Hackett attended in person. Staff attending via Zoom: District Counsel Emerick and Plant Operator Dial. General Manager Acker, Accounting Manager Murray, and Staff Assistant Forbes attended in person.

PUBLIC INPUT: A member of the public, Ken Weston, encouraged participants to ask questions and seek clarification during the meeting. A member of the public, Collin Morrow (representing Bill and Tona Moores) noted that the meeting packet does not include a copy of the correspondence sent by Gordon Moores regarding plans to install a secondary electrical line on the easement along Hillcrest Drive. President Terry indicated that he was unaware of the correspondence, and asked when it was sent. Mr. Morrow reported that he did not have a copy of the letter but understood that it was sent sometime this year.

OLD BUSINESS:

H. DISCUSSION AND OR ACTION: REPORT FROM THE PROP 218 COMMITTEE - STATUS OF CONTRACT FOR SPECIAL BENEFIT ASSESSMENT ENGINEERING STUDY.

Action: The Board accepted the Committee's report that due diligence was completed in January with positive recommendations from the City of Alameda and the Vallejo Flood & Wastewater District, and President Terry signed the consulting service agreement on 2/2/23. The Committee worked with staff to assemble the material needed for a kickoff meeting with SCI, which is scheduled for Thursday, 2/16/23.

I. DISCUSSION AND OR ACTION: REPORT FROM THE COMMUNICATIONS AND OUTREACH SUB-COMMITTEE.

Action: The Board accepted Director Regan's report that the District's Facebook page was activated in December 2022, and now has 42 followers. She noted that the Committee is posting to Facebook regularly and is removing posts after 30 days to keep the page fresh, as well as issuing information via email and kiosk posts. Director Hackett reported that one of the initial volunteers, Jerry Bradbury, withdrew from the Committee for personal reasons.

J. DISCUSSION AND OR ACTION: SMALL COMMUNITY DROUGHT RELIEF GRANT ADMINISTRATION & OVERSIGHT.

Action: The Board accepted General Manager Acker's report that installation of the cover for Tank 2 is in progress, with installation of the of the support girders complete, and power-washing in preparation for installation of external overhead panels completed yesterday. He reported that the District has been pumping water from Well 2 using a generator to prepare for testing; current samples reflect high levels of calcium carbonate, but the levels are coming down. General Manager Acker noted that pending construction actions include installation of electrical service to Well 2 and ordering the new Tank 5. He reported that the District recently submitted a third invoice for approximately \$87,000 as well as a quarterly status report. In addition, the board accepted Director Regan's withdrawal from the Grant Committee and determined that Director Hackett will be the sole Board representative on the Committee pending selection of a new member of the Board of Directors.

K. DISCUSSION AND OR ACTION: TECHNOLOGY GRANT IMPLEMENTATION UPDATE.

Action: The Board accepted staff reports indicating that General Manager Acker and Staff Assistant Forbes have completed storage of records subject to retention in the District's DropBox account, while Accounting Manager Murray indicated that she needs to verify completion and will provide confirmation at the March meeting. General Manager Acker noted that the District is working with Steve Acker to complete mapping the water system using the new ArcGIS service, and Accounting Manager Murray indicated that a prototype of the new website is ready, but need's assistance in determining what information to make available on the website, as well as design. Staff Assistant Forbes volunteered to help with design, and the Board directed the Communications and Outreach Subcommittee to collaborate with Annette and Khadine to develop the new website.

L. DISCUSSION AND OR ACTION: REPORT FROM THE BUDGET COMMITTEE – BOARD CONSIDERATION OF THE FINAL FISCAL YEAR 2022-23 BUDGET.

Action: After discussion of a proposed COLA for District staff, as well as the need to purchase a truck, Director Hackett made a motion to continue the agenda item until the March meeting so that the Finance/Budget Committee can complete a thorough analysis as discussed at the November Board meeting before bringing the FY2022 / 2023 budget to the Board. Director Israel seconded the motion. After a roll-call vote, the motion passed unanimously.

M. DISCUSSION AND OR ACTION: REPORT FROM THE BUDGET COMMITTEE – RECOMMENDATIONS FOR BOARD CONSIDERATION OF ASSIGNMENT OF TREASURER FUNCTIONS.

Action: The Board heard the Committee's recommendation that the role of Treasurer as delineated in IBWD Policy 4040.40 be returned to an elected member of the Board of Directors. After discussing the option of contracting out the function, Director Hackett made a motion to move the functions of the Treasurer as delineated in IBWD policy 4040.40 back to an elected member of the Board of Directors by the end of calendar year 2023, and to authorize contracting for financial consultant services for up to two years of support to the newly elected Treasurer. Director Israel seconded the motion. After a roll-call vote, the motion passed unanimously.

NEW BUSINESS:

C. DISCUSSION AND OR ACTION: 2023 ELECTION OF OFFICERS TO THE BOARD OF DIRECTORS

Action: Director Hackett nominated Director Israel as President of the Board; Director Israel nominated Director Dyson as Vice-President of the Board; and President Terry nominated Director Hackett as Board Secretary. All Directors accepted the nominations and President Terry made a motion to elect the slate of officers nominated effective with the March meeting. The motion was seconded by Director Hackett. After a roll-call vote, the motion passed unanimously.

D. DISCUSSION AND/OR ACTION: NEW BOARD MEMBER RECRUITMENT.

Action: The Board accepted Director Israel's report on the effort to recruit a new member of the Board to fill the vacancy created by President Terry's resignation. She reported that notices have been posted to solicit volunteers, and reminded the public that letters of interest are due by February 24, 2023.

E. DISCUSSION AND/OR ACTION: ADOPT SERIES 1000 GENERAL, POLICY 1035 CODE OF CONDUCT AND VALUES.

Action: After a review of the draft policy, Director Hackett made a motion to adopt Policy 1035 Code of Conduct and Values. President Terry seconded the motion. After a roll-call vote, the motion passed unanimously.

F. DISCUSSION AND OR ACTION: ACCEPT AND FILE DISTRICT FINANCIAL AUDIT FOR FISCAL YEARS ENDING 9/30/21; 9/30/20.

Action: Accounting Manager Murray provided an overview of the FY 2020 and FY 2021 audits. Director Hackett asked for clarification regarding the material included in the meeting packet and posted to the IBWD website. After review, the Board concluded that the independent auditor's report and the management discussion and analysis were accidentally omitted, and not available for Board review. Director Hackett made a motion to continue the

agenda item until the March meeting so that Accounting Manager Murray can release the full audit report to the Board with sufficient time to review the documents. President Terry seconded the motion. After a roll-call vote, the motion passed unanimously.

G. DISCUSSION AND OR ACTION: REQUEST FOR PROPOSAL FOR AUDIT SERVICES FOR FISCAL YEAR ENDING SEPTEMBER 30, 2022.

Action: After a review of the draft Request for Proposals for Audit Services, President Terry made a motion to approve issuance of the RFP on Monday, February 13, 2023. Director Israel seconded the motion. After a roll-call vote, the motion passed unanimously. In addition, the Board directed staff to conduct a search for a vendor to assist the district in documenting the District's financial operating procedures and internal controls in a manual (a financial bible). Director Israel agreed to provide Accounting Manager Murray a description of the scope of services to be provided for no more than \$1,800.

H. DISCUSSION AND OR ACTION: APPROVE RESOLUTION #2 2023 UPDATING SIGNATURES FOR REDWOOD CREDIT UNION BANK ACCOUNTS.

Action: The Board discussed the draft resolution and agreed to several amendments: change the resolution number from 2023-02 to 2023-01; remove Board Secretary Hackett as a signatory and insert President elect Israel; change the resolution date from January 11, 2023 to February 11, 2023. Director Hackett made a motion to approve Resolution 2023-01 as amended. President Terry seconded the motion. After a roll-call vote, the motion passed unanimously.

I. DISCUSSION AND/OR ACTION: PROCLAMATION HONORING DIRECTOR KEN TERRY'S SERVICE TO IRISH BEACH WATER DISTRICT. (ISRAEL)

Action: Director Israel read Resolution 2023-2, honoring President Terry for his service to the Irish Beach Community as a member of the Board of Directors of the Irish Beach Water District. Director Israel made a motion to adopt Resolution 2023-2. Director Dyson seconded the motion. Roll-call vote: Director Dyson – aye, Director Hackett – aye, Director Israel – aye, Director Regan – aye, Director Terry – abstain. The motion passed with a quorum.

COMMUNICATIONS AND CORRESPONDENCE: None

REPORTS:

F. TREASURER: Treasurer's Report, Checks Issued, FY 2020 & FY 2021 Financial Statement Audits.

Action: Accounting Manager Murray presented the Treasurer's report and list of checks issued. After discussing several points of clarification, Director Hackett made a motion to approve the list of checks issued and the Treasurer's report. Director Israel seconded the motion. After a roll-call vote, the motion passed unanimously. In addition, the Board directed staff to provide the Board with a chart of accounts including all account codes. Finally, staff reported that the action to verify appropriate insurance coverage for Board members (from the December 9, 2022 special meeting) has not been completed, and the direction to draft an update to Resolution 88-1 (from the September 17, 2022 meeting) has not been started. Director Israel agreed to assume responsibility for drafting a replacement for resolution 88-1.

G. WATER STORAGE FACILITIES/CONVEYANCE LOSS

Action: The Board accepted General Manager Acker's report on submission of the State Water Resources Control Board report for Irish Gulch, as well as the use of Well 5 as the source of water supply during the recent storms that rendered Irish Gulch water unusable due to turbidity. Finally, General Manager Acker reported that the North Gualala Water Company trucked about 24,000 gallons of water from Irish Beach during the January storms when their wells were affected by power outages.

H. SAFETY COMMITTEE:

Action: The Board accepted General Manager Acker’s report that safety meetings had been postponed allowing for coordination with Staff Assistant Forbes. He noted that the March report would include all pending topics.

- I. LEGAL COUNSEL: None
- J. DIRECTORS: None

APPROVAL OF MINUTES: November 12, 2022 Regular Meeting; December 9, 2022 Special Meeting; December 28, 2022 Special Meeting.

Action: The Board accepted Director Hackett’s recommendation to move to an “Action Minutes” format that captures each agenda item, as well as the action taken by the Board in response, with details regarding the Board’s discussion captured separately in a document transcribed from the Zoom recording by REV transcription automation. Director Hackett made a motion to authorize the reimbursement of an amount not to exceed \$399 for the purchase of an annual subscription to REV transcription services to create Word document from Zoom recording. Director Israel seconded the motion. After a roll-call vote, the motion passed unanimously. Director Dyson made a motion to direct staff to purchase of a refurbished Owl conference microphone for an amount not to exceed \$599 plus tax and shipping. Director Hackett seconded the motion. After a roll-call vote, the motion passed unanimously. Director Israel made a motion to approve the November 12, 2022, December 9, 2022, and December 29, 2022 meeting minutes. After a roll-call vote, the motion passed unanimously. The Board accepted President Terry’s recommendation to develop a policy delineating post-COVID requirements for meeting attendance. President-elect Israel agreed to work with District Counsel Emerick to develop a policy.

ADJOURNMENT: Motion was made by Director Hackett with second from President Terry to adjourn the regular meeting at 2:11pm. After a roll-call vote, the motion passed unanimously. Director Dyson excused himself, and the meeting then convened into executive closed session.

EXECUTIVE (CLOSED) SESSION.

- A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:** SUBDIVISION (A) OF CALIFORNIA GOVERNMENT CODE §54956.9: WILLIAM H. MOORES ET AL. V. IRISH BEACHWATER DISTRICT, MENDOCINO SUPERIOR COURT NO. SC-UK-CV-G-090054665-000; FIRST DISTRICT COURT OF APPEAL NO. A151867.
- B. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED/ POTENTIAL LITIGATION:** SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPHS (2) OR (3) OF SUBDIVISION (D) OF SECTION 54956.9: (1 POTENTIAL CASE).

Action: Closed session was adjourned at 4:16pm with no reportable actions.

Respectfully submitted:

Attest as Presented:

Susan Israel, President

Heather Hackett, Secretary of the Board

Date: March 11, 2023

Date: March 11, 2023

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**EXECUTIVE (CLOSED) SESSIONS**

**A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:  
SUBDIVISION (A) OF CALIFORNIA GOVERNMENT CODE §54956.9:  
WILLIAM H. MOORES ET AL. V. IRISH BEACH WATER DISTRICT,  
MENDOCINO SUPERIOR COURT NO. SC-UK-CV-G-09-0054665-000;  
FIRST DISTRICT COURT OF APPEAL NO. A151867.**

**B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED/ POTENTIAL  
LITIGATION: SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT  
TO PARAGRAPHS (2) OR (3) OF SUBDIVISION (D) OF SECTION 54956.9:  
(1 POTENTIAL CASE).**

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**ADJOURNMENT**

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