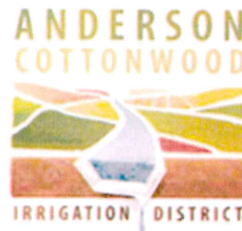


Dan Woolery, President
James Rickert, Vice President
Steve McCarley, Director

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Audie Butcher, Director
Ronnean Lund, Director
Jered Shipley, G.M.



Board Meeting

January 12, 2023
6 p.m.
Agenda

1. Call To Order

2. Flag Salute

3. Public Participation

Time set aside for members of the public that wish to address the Board regarding operations of the District within the jurisdiction of the Board. Individuals are requested to limit comments to a maximum of three minutes.

4. Consent Items

- A. Minutes - Approve the Minutes of the Regular Meeting on December 08, 2022 and the Minutes of the Special Board Meeting on January 5, 2023.
- B. Financial Status Report for Year-to-Date Through December 2022.
- C. Payroll: Approve the Payroll Check Register for the Month of December 2022.
- D. Electronic Federal Tax Payment System (EFTPS) & Automated Clearing House (ACH) - Approve transactions for the Payroll Periods December 1, 2022 and December 16, 2022.
- E. Voided and/or missing checks for December 2022.
- F. Cash Disbursement Journal for December 2022

5. Business Items

- A. Consider Approval of Resolution 2023-01 Honoring Former Board President Brenda Haynes
- B. Appoint Director as LAFCO Nominee
- C. Review and Approve FY 2021 Audit, at 6:30 pm
- D. Designate General Manager Shipley as Agency Labor Representative in Negotiations with Represented and Unrepresented ACID Employees
- E. Consider Approval of FY 2023 Budget

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6. **Other Business**

A. General Manager Report

7. **Closed Session**

A. PUBLIC EMPLOYEE EMPLOYMENT AND/OR PERFORMANCE EVALUATION
(Government Code Section §54957)
Title: General Manager/Financial Manager Evaluation

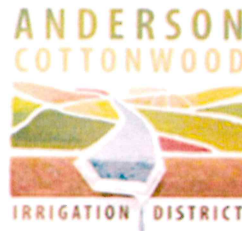
B. Conference With District Labor Negotiator Regarding Unrepresented Position of
Operations Manager (Pursuant to Government Code Section 54957.6)

8. **Adjourn**

Brenda Haynes, President
Audie Butcher, Vice President
Tiger Michiels, Director

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Ray Eliante, Director
Rick Williams, Director
Jered Shipley, G.M.



Draft Minutes
Regular Monthly Meeting
December 08, 2022

1. **Call To Order**

The meeting was called to order at 6:00 pm

Directors Present:

Woolery, Butcher, Rickert and Lund

Staff Present:

General Manager Jered Shipley

Finance Manager Terri White

Operations Manager Ben Duncan

Legal Counsel:

Dustin Cooper

2. **Flag Salute**

The Flag salute was led James Rickert

3. **Public Participation**

Nadine Bailey

4. **Consent Agenda**

Vice President Butcher opted to move Business Item 5. A, Appointment of Board Officers, prior to acting on the consent agenda.

A motion by Director Butcher was made to approve Items A,C,D,E. The Motion was seconded by Director Lund. The item passed on a 4-0 vote.

President Woolery wanted to change the format on Item B (Financial Status Report), to ensure the positive and negative cash flows were accurately represented. After some discussion, staff determined they would change the spreadsheet to address the concerns of the Board.

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Tiger Michiels, Director

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After a Brief discussion Director Butcher withdrew his question regarding Item F and there was a motion by Director Butcher to approve Item F, it was seconded by Director Lund. The Item passed with a 4-0 vote.

- A. Minutes - Approve the Minutes of the Regular Meeting on November 10, 2022.
- B. Financial Status Report for Year-to-Date Through November 2022.
- C. Payroll: Approve the Payroll Check Register for the Month of November 2022.
- D. EFTPS & ACH Transactions - Approve EFTPS & ACH transactions for the Payroll Periods Ending November 1, 2022 and November 16, 2022.
- E. Voided and/or missing checks for November 2022.
- F. Cash Disbursement Journal for November 2022

5. Business Items

A. Appointment of Board Officers

Director Lund made a motion to nominate Director Woolery to serve as Board President. After some discussion, Director Woolery accepted the nomination, Director Rickert seconded the motion, and the item was passed by a 4-0 vote.

Director Lund nominated Director Rickert to serve as Board Vice President and Director Butcher seconded the motion, the item was passed by a 4-0 vote. At this time new Board President assumed presiding over the meeting and opted to return to the consent agenda.

B. Review and consider the draft Fiscal Year 2023 Budget

After some discussion, this item was tabled, to allow time for Legal Counsel to report on items under his prevue.

C. Review and consider extending the Operations Manager Contract

After Discussion Director Butcher made a motion to extend Operations Manger Ben Duncan's contract for three months, to expire on March 31, 2023 and appoint General Manager Shipley to act as District lead negotiator for the unrepresented position of Operations Manager. Staff was directed to work towards a final Job Description of this position. The motion was seconded by Director Lund. The Item passed with a 4-0 vote.

D. Review and consider augmentation to Finance Manager Contract

After a brief discussion, Director Rickert made a motion to approve the augmentation of Finance Manager White's contract. Director Butcher seconded the motion. The item passed with a 4-0 vote.

E. Review and consider augmentation to General Manager Contract

Brenda Haynes, President
Audie Butcher, Vice President
Tiger Michiels, Director

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Jered Shipley, G.M.

After a brief discussion, Director Butcher made a motion to approve the augmentation to General Manager Shipley's contract. The motion was seconded by Director Rickert. The Item passed with a 4-0 vote.

6. **Administration Reports**

- A. General Manager
- B. Chief Financial Officer
- C. Attorney

7. **Other Business**

Board discussed scheduling a Special Board Meeting on January 5th, 2023, to aginize two topics for review and consideration.

- 1. Appointment of Director to fill vacant Board seat for District 4
- 2. Discuss and consider revisions to draft FY 2023 Financial Budget

Director Rickert made a motion, seconded by Director Lund to schedule a Special Board Meeting on January 5, 2023 at 5 p.m. Finance Manager will check with City of Anderson staff to determine if the Board Chambers will be available for that date and time.

Closed Session

No Closed Session

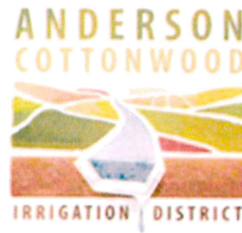
8. **Adjourn**

The meeting was adjourned at 9:20 pm

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James Rickert, Vice President
Steve McCarley, Director

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Ronnean Lund, Director
Jered Shipley, G.M.



Draft Minutes Special Board Meeting January 5, 2023

1. Call To Order

The meeting was called to order at 5:03 pm

Directors Present:

Woolery, Butcher, Rickert and Lund

Staff Present:

General Manager Jered Shipley

Finance Manager Terri White

Operations Manager Ben Duncan

2. Flag Salute

The flag salute was led by Chris Kelstrom

3. Public Participation

Time set aside for members of the public that wish to address the Board regarding operations of the District within the jurisdiction of the Board. Individuals are requested to limit comments to a maximum of three minutes.

Chris Kelstrom

Ray Eliante

Todd Strabeck

4. Business Items

A. Appointment of Board Director

After a short interview with Steve McCarley, and Board Discussion, Director Rickert made the motion and Director Lund made the second to appoint Steve McCarley to the Director 4 seat, the motion passed with a 4-0 vote. Steve McCarley was then sworn in by General Manager, Jered Shipley, Steve then took his seat on the Board.

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Jered Shipley, G.M.

B. Review and consider FY 2023 Draft Budget

After discussion and direction to the staff from the Board to make a few changes to the Draft Budget, it was a consensus of the Board that staff would make the changes and bring the Draft Budget back to the January 12, 2023 Board Meeting for approval.

5. Other Business

A. Review and Sign Scope of Work for Fiscal Year 2022 Audit to be performed by Robert W. Johnson Accountancy Corporation

GM Shipley stated Robert Johnson was previously approved to conduct the FY 2022 Financial audit and the company presented a letter memorializing the decision, Board President Woolery signed the letter.

B. Discuss Committee Participation (Northern California Water Association, Shasta Local Agency Formation Commission, Enterprise Anderson Groundwater Sustainability Agency, Sacramento River Settlement Contractors, Water Resource Managers of Shasta County)

GM Shipley described five associations that ACID Board members were able to participate in. After some discussion, the Board agreed to the following participation;

LAFCO-Lund

NCWA-Rickert

EAGSA-McCarley

SRSC-two Board members can listen into the meetings; no appointment made.

WRMS- GM Shipley explained participation in this group was typically carried out by District Managers, the board agreed and Shipley will continue participation on behalf of the District.

6. Closed Session

A. Conference With District Labor Negotiator Regarding Unrepresented Position of Operations Manager (Pursuant to Government Code Section 54957.6)

At 8:30 pm reconvened to Open Session and announced there was no reportable action taken.

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James Rickert, Vice President
Steve McCarley, Director

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Audie Butcher, Director
Ronnean Lund, Director
Jered Shipley, G.M.

7. **Adjourn**

The meeting was adjourned at 8:32 pm

Anderson Cottonwood Irrigation District
2022 Financial Status Report
Month Ending December 2022

Revenues

Account Number	Budget Item	Month To Date	Year To Date	2022 Approved Budget	Percent Used	Balance Available
General						
4111	Water Sales / Prior Year	\$0	\$0	\$0	0%	\$0
4112	Water Sales / Business	\$0	\$0	\$8,500	0%	\$8,500
4114	Water Sales / Irrigation	\$0	\$0	\$728,000	0%	\$728,000
4115	Water Transfer / CVP	\$182,433	\$8,810,622	\$423,220	2082%	\$8,387,402
4117	Water Transfer / Base Supply	\$0	\$0	\$0	0%	\$0
4934	Penalty Revenue	\$0	\$0	\$2,000	0%	\$2,000
4971	Surplus Equipment	\$0	\$0	\$0	0%	\$0
4980	Misc. Revenue	\$0	\$24,326	\$0	0%	\$24,326
4984	Drainage Revenue	\$0	\$4,830	\$86,078	0%	\$81,248
4991	Contract/Project Income	\$0	\$0	\$0.00	0%	\$0
4995	Drought Relief	\$3,411,443	\$0	\$0.00	0%	\$3,411,443
	Sub-Total	\$3,593,876	\$8,839,778	\$1,247,798	708%	\$12,642,919
Property Tax & Interest						
4920	Interest Revenue	\$0	\$42,833	\$15,000	286%	\$27,833
4930	Prop. Taxes / Shasta	\$901	\$267,693	\$494,000	54%	\$226,307
4931	Prop. Taxes / Tehama	\$0	\$19,611	\$42,500	46%	\$22,889
	Sub-Total	\$901	\$330,137	\$551,500	60%	\$221,363
	Total Revenues		\$9,169,915	\$1,799,298	510%	\$12,864,282
Receivables						
1441	Water Sales Receivable	\$0		\$0	0%	\$0

Anderson Cottonwood Irrigation District
2022 Financial Status Report
Month Ending December 2022

Expenditures

Account Number	Budget Item	Month To Date	Year To Date	2022 Approved Budget	Percent Used	Balance Available
Salaries & Benefits						
5010	Reg. Salaries (Admin)	\$17,046	\$175,292	\$198,350	88%	\$23,058
5012	Overtime (Admin)	\$0	\$0	\$0	0%	\$0
5014	Retirement (Admin)	\$0	\$6,243	\$6,906	90%	\$663
5015	Social Security (Admin)	\$1,040	\$12,629	\$12,120	104%	(\$509)
5016	Workers Comp. (Admin)	\$0	\$571	\$760	75%	\$189
5017	Unemployment Ins. (Admin)	\$0	\$911	\$1,302	70%	\$391
5018	Medicare (Admin)	\$243	\$2,571	\$2,836	91%	\$265
5019	Health Insurance (Admin)	\$0	\$31,247	\$47,076	66%	\$15,829
5110	Reg. Salaries (T&D)	\$19,559	\$273,677	\$307,800	89%	\$34,123
5111	Water Operator Milage	\$0	\$0	\$28,580	0%	\$28,580
5112	Overtime (T&D)	\$49	\$244	\$6,000	4%	\$5,756
5114	Retirement (T&D)	\$1,057	\$21,130	\$27,623	76%	\$6,493
5115	Social Security (T&D)	\$1,302	\$20,891	\$20,857	100%	(\$34)
5116	Workers Comp. (T&D)	\$0	\$39,353	\$52,181	75%	\$12,828
5117	Unemployment Ins. (T&D)	\$0	\$3,292	\$3,472	95%	\$180
5118	Medicare (T&D)	\$217	\$3,115	\$4,877	64%	\$1,762
5119	Health Ins. (T&D)	\$0	\$89,276	\$130,668	68%	\$41,392
Sub-Total		\$40,513	\$680,442	\$851,408	80%	\$170,966
Administration						
6000	Vehicle Mileage	\$0	\$0	\$1,200	0%	\$1,200
6001	Medical Exp. / Supplies	\$0	\$688	\$5,000	14%	\$4,312
6002	Travel / Training Expense	\$930	\$930	\$8,200	11%	\$7,270
6003	Office Supplies / Expense	\$1,963	\$15,144	\$2,600	582%	(\$12,544)
6004	Office Equip. & Maintenance	\$0	\$8,238	\$14,200	58%	\$5,962
6005	Association Dues	\$0	\$15,184	\$500	3037%	(\$14,684)
6006	Public Notices	\$0	\$0	\$0	0%	\$0
6007	Election Expense	\$0	\$0	\$14,000	0%	\$14,000
6008	Legal Fees / Expense	\$10,279	\$42,035	\$21,275	198%	(\$20,760)
6009	SRSC Corporation	\$0	\$44,251	\$12,000	369%	(\$32,251)
6010	Maintenance Agreements	\$3,341	\$11,904	\$3,500	340%	(\$8,404)
6011	CV Stratagies	\$10,000	\$10,000	\$0	0%	(\$10,000)
6012	Vehicle Insurance	\$0	\$4,685	\$1,000	469%	(\$3,685)
6013	Management Expense Acct.	\$50	\$451	\$1,000	45%	\$549
6014	Liability Claims	\$0	\$0	\$22,000	0%	\$22,000
6015	Property / Liability Insurance	\$0	\$30,028	\$12,000	250%	(\$18,028)
6016	Permit Fees	\$3,274	\$9,648	\$5,000	193%	(\$4,648)
6017	County Taxes / Assessments	\$430	\$4,630	\$10,000	46%	\$5,370
6018	Consultant Services	\$688	\$878	\$8,250	11%	\$7,372
6019	Audit / Accounting Services	\$9,000	\$9,000	\$15,000	60%	\$6,000
6023	Utilities	\$1,988	\$16,118	\$1,000	1612%	(\$15,118)
6024	Misc. Expense	\$0	\$9,403	\$2,500	376%	(\$6,903)
6026	District GIS	\$0	\$0	\$0	0%	\$0
6027	SGMA	\$0	\$7,573	\$0	0%	(\$7,573)
Sub-Total		\$41,943	\$240,788	\$160,225	150%	(\$80,563)

Anderson Cottonwood Irrigation District
2022 Financial Status Report
Month Ending December 2022

Account Number	Budget Item	Month To Date	Year To Date	2022 Approved Budget	Percent Used	Balance Available
General Maintenance						
7000	Fuels	\$7,150	\$35,677	\$23,000	155%	(\$12,677)
7001	Equip Rents & Leases	\$0	\$17,434	\$0	0%	(\$17,434)
7002	Light Vehicles	\$882	\$12,440	\$4,000	311%	(\$8,440)
7003	Heavy Vehicles	\$1,980	\$6,156	\$3,000	205%	(\$3,156)
7004	Light Equipment	\$166	\$936	\$3,000	31%	\$2,064
7005	Heavy Equipment	\$4,003	\$12,348	\$7,000	176%	(\$5,348)
7007	Personal Supplies & Equip.	\$0	\$208	\$10,000	0%	\$9,792
7008	Maintenance Supplies	\$2,349	\$24,636	\$2,500	985%	(\$22,136)
7009	Buildings / Yard Maintenance	\$0	\$1,750	\$0	0%	(\$1,750)
7010	Small Tools & Equipment	\$1,455	\$8,371	\$2,000	419%	(\$6,371)
	Sub-Total	\$17,985	\$119,956	\$54,500	220%	(\$65,456)
Canal Maintenance & Operations						
8000	SCADA Maintenance	\$85	\$500	\$3,000	17%	\$2,500
8001	Diversion Facilities Maint.	\$1,482	\$14,032	\$14,000	100%	(\$32)
8002	Contracted Services	\$784	\$48,419	\$19,000	255%	(\$29,419)
8003	Chemicals	\$0	\$0	\$13,000	0%	\$13,000
8004	Canal Maintenance & Exp.	\$0	\$330,994	\$50,000	662%	(\$280,994)
8005	Pump Maintenance	\$0	\$8,147	\$30,000	27%	\$21,853
8006	Utilities / Pumping	\$195	\$2,960	\$134,000	2%	\$131,040
8007	Project Water Costs / USBR	\$0	\$1,322,794	\$223,000	593%	(\$1,099,794)
8008	Water Rights Protection	\$1,730	\$47,926	\$80,000	60%	\$32,074
8009	Conveyance System	\$0	\$0	\$0	0%	\$0
8010	Water Transfer / Base Supply	\$0	\$17,777	\$0	0%	(\$17,777)
	Sub-Total	\$4,276	\$1,793,549	\$566,000	317%	(\$1,227,549)

Anderson Cottonwood Irrigation District
2022 Financial Status Report
Month Ending December 2022

Balance Summary

	Month To Date	Year To Date	2022 Approved Budget	Percent Used	Balance Available
Total Expenditures	\$104,717	\$2,834,734	\$1,632,133	174%	(\$1,202,601)
Total Revenues	\$3,594,777	\$ 9,169,915	\$1,799,298	510%	\$12,864,282

Capital Improvement

	Month To Date	Year To Date	2022 Approved Budget	Percent Used	Balance Available
1112 Land	\$0	\$0	\$0	0%	\$0
1114 Pumps	\$0	\$0	\$65,000	0%	\$65,000
1116 Trans & Distribution Plant	\$0	\$314,200	\$0	0%	(\$314,200)
1117 Equipment (Machinery)	\$0	\$0	\$0	0%	\$0
1118 Auto & Trucks	\$0	\$0	\$0	0%	\$0
1119 Buildings	\$0	\$0	\$0	0%	\$0
1120 Office Furniture & Equipment	\$0	\$0	\$0	0%	\$0
1123 Yard Improvement	\$0	\$0	\$0	0%	\$0
1124 Canal Lining & Pipe	\$0	\$251,372	\$100,000	251%	(\$151,372)
1125 Canal Safety Project	\$0	\$0	\$0	0%	\$0
1126 Main Canal Metering	\$0	\$0	\$0	0%	\$0
1127 Main Dam Improvement	\$0	\$0	\$0	0%	\$0
1132 Fish Screens	\$0	\$0	\$0	0%	\$0
1133 Fish Ladders	\$0	\$0	\$0	0%	\$0
1134 SCADA Equipment	\$0	\$0	\$0	0%	\$0
1135 Groundwater Program	\$0	\$9,066	\$0	0%	(\$9,066)
Total	\$0	\$574,638	\$165,000	348%	(\$409,638)

Anderson Cottonwood Irrigation District
2022 Financial Status Report
Month Ending December 2022

Cash

L.A.I.F.	\$8,500,798				
TCB Checking	\$462,329				
Petty Cash	\$100				
Imprest Cash	\$200				
TCB Money Market Acct.	\$2,181,640				
Accts. Receivable	\$3,411,443				
Total Cash	<u>\$14,556,510</u>				

Breakdown Of Funds on Deposit

General Fund	\$14,599,982				
Equipment Reserve	\$145,577				
Cap. Improvement Fund	(\$409,638)				
Drainage Fund	\$25,000				
Water Rights Protection	\$195,589				
Total Cash	<u>\$14,556,510</u>				

Anderson Cottonwood Irrigation District
Payroll Register
For the Period From Dec 1, 2022 to Dec 31, 2022

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Employee ID Employee Reference Date	Pay Type	Pay Hrs	Pay Amt
21-09 Wilson, Kyle D. 20023 12/1/22	Ditchender	31.00	564.20
33 Vega, Phillip 20024 12/1/22	Ops_Sup	27.50	564.85
23 Passmore, Scott C. 20025 12/1/22	Main_Sup	25.75	568.05
22-04 Shipley, Rion J. 20026 12/1/22	Reg_Salarie		5,208.34
12 White, Teresa L. 20027 12/1/22	Regular	92.00	3,220.00
22-03 Duncan, Benjamin 20028 12/1/22	Reg_Salarie	88.00	2,500.00
23 Passmore, Scott C. 20029 12/1/22	Main_Sup Dam Overtime	68.00 20.00 0.50	1,500.08 524.00 16.55
33 Vega, Phillip 20030 12/1/22	Ops_Sup Dam Dam_OT	68.00 20.00 0.50	1,396.72 487.80 18.30
21-09 Wilson, Kyle D. 20031 12/1/22	Ditchender Dam Overtime	67.50 20.00 0.50	1,228.50 432.20 13.65
22-04 Shipley, Rion J. 20032 12/16/22	Reg_Salarie		5,208.34

Payroll Register

For the Period From Dec 1, 2022 to Dec 31, 2022

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Employee ID Employee Reference Date	Pay Type	Pay Hrs	Pay Amt
12 White, Teresa L. 20033 12/16/22	Regular	89.50	3,132.50
21-09 Wilson, Kyle D. 20034 12/16/22	Ditchender Sick_Leave	80.00 8.00	1,456.00 145.60
22-03 Duncan, Benjamin 20035 12/16/22	Reg_Salarie	88.00	2,500.00
23 Passmore, Scott C. 20036 12/16/22	Main_Sup Sick_Leave Vacation	84.00 13.00 4.00	1,853.04 286.78 88.24
33 Vega, Phillip 20037 12/16/22	Ops_Sup Sick_Leave	80.00 8.00	1,643.20 164.32
21-11 Jensen, Jason A. 20038 12/16/22	Equip_Oper	72.00	1,384.56
21-11 Jensen, Jason A. 20039 12/16/22	Equip_Oper	29.00	557.67
Summary Total 12/1/22 thru 12/31/22	Reg_Salarie Vacation Dam Overtime Ditchender Ops_Sup Equip_Oper Dam_OT Regular Sick_Leave Sick_Leave Main_Sup	176.00 4.00 60.00 1.00 178.50 175.50 101.00 0.50 181.50 13.00 16.00 177.75	15,416.68 88.24 1,444.00 30.20 3,248.70 3,604.77 1,942.23 18.30 6,352.50 286.78 309.92 3,921.17

Anderson Cottonwood Irrigation District
Payroll Register

For the Period From Dec 1, 2022 to Dec 31, 2022

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Employee ID Employee Reference Date	Pay Type	Pay Hrs	Pay Amt
Report Date Final Total			
12/1/22 thru 12/31/22	Reg_Salarie	176.00	15,416.68
	Vacation	4.00	88.24
	Dam	60.00	1,444.00
	Overtime	1.00	30.20
	Ditchender	178.50	3,248.70
	Ops_Sup	175.50	3,604.77
	Equip_Oper	101.00	1,942.23
	Dam_OT	0.50	18.30
	Regular	181.50	6,352.50
	Sick_Leave	13.00	286.78
	Sick_Leave	16.00	309.92
	Main_Sup	177.75	3,921.17

Anderson Cottonwood Irrigation District
Cash Disbursements Journal
For the Period From Dec 1, 2022 to Dec 31, 2022

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/1/22	30074	8004	clean canal Parkview to Sharon Street Redding	9,750.00	
		8004	clean Lateral 15, remove trees under 6 inches and mulch vines/bushes	4,750.00	
		1308	Bundy's Tree Service		14,500.00
12/1/22	30075	7008	long shank locks - 2 dozen	396.93	
		1308	Hodges Products, Inc.		396.93
12/1/22	30076	6019	2021 annual audit	8,500.00	
		1308	Robert W. Johnson		8,500.00
12/1/22	30077	6003	Plaque for outgoing Director	91.16	
		1308	K & M Trophies		91.16
12/1/22	30078	6018	misc consulting	381.25	
		1308	MBK Engineers		381.25
12/1/22	30079	8001	remove railing and catwalks, dam removal	400.00	
		1308	Meyer Crane		400.00
12/1/22	30080	7005	check and repair Kubota tractor	495.00	
		7005	check and repair Skytrack lift boom	1,501.34	
		1308	Ray's Truck & Equipment Repair		1,996.34
12/1/22	30081	2226	457 W/H for SP 12/01/22 payroll period	75.00	
		1308	Variable Annuity Life Ins. Co.		75.00
12/9/22	30082	8004	invoice # 0534735 misc parts/supplies for Snicker Lane job	629.41	
		1308	Alsco, Inc.		629.41
12/9/22	30083	6011	retainer fee for month of December 2022	5,000.00	
		1308	C V Stratagies		5,000.00
12/9/22	30084	6003	monthly copies for office	90.00	
		1308	Carrel's Office Machines		90.00
12/9/22	30085	6023	monthly charges for internet and land line hones	380.48	
		1308	Charter Communications		380.48
12/9/22	30086	7008	oil for shop	52.50	
		1308	Cross Petroleum		52.50
12/9/22	30087	7010	table saw for shop	699.30	
		7008	bits for roto hammer, wd 40, marking paint, wedge an hole sawchor	468.57	
		1308	Fasteners INC		1,167.87
12/9/22	30088	7000	gasoline/diesel for the month of November	2,639.22	
		1308	Flyers Energy, LLC		2,639.22
12/9/22	30089	8001	2.5" pipe, caps pipe markers for dam, black pipe	333.70	
		1308	Gerlinger Steel & Supply		333.70
12/9/22	30091	8004	Lat 17 vegetation	46,640.00	

Anderson Cottonwood Irrigation District
Cash Disbursements Journal
For the Period From Dec 1, 2022 to Dec 31, 2022

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		1308	management clean up K & K Equipment, Inc.		46,640.00
12/9/22	30092	8004	6 sack yard of concrete	223.08	
		1308	Loucks Landscape Supply		223.08
12/9/22	30093	7008	Invoice #87398, 2x4 lumber	70.43	
		7008	invoice #451165, 2x12 lumber	37.85	
		1308	Payless Building Supply		108.28
12/9/22	30094	7005	service call to Twin Oaks lane to trouble shoot Kabota Mower	1,320.00	
		1308	Ray's Truck & Equipment Repair		1,320.00
12/9/22	30095	8000	monthly standby charge for SCADA/Bonneyview	49.57	
		8006	monthly standby for churn Creek pumps	43.61	
		1308	City Of Redding		93.18
12/9/22	30096	7010	repair of brush cutter, gear housing	756.23	
		1308	Stroup's Power Equipment, INC		756.23
12/9/22	30097	6023	monthly garbage for shop/office	114.92	
		1308	Waste Management		114.92
12/9/22	30098	5114	Teamsters pension for November	833.32	
		1308	Western Conf. Team. Pension		833.32
12/9/22	30099	7008	poly cut blades, tape flagging,keys, oil, marking paint	602.55	
		1308	Hardware Express		602.55
12/16/22	30100	7008	boot reimbursement per MOU	150.00	
		1308	Scott Passmore		150.00
12/20/22	30110	7003	work and repair dump truck	2,539.49	
		1308	PAPE-Kenworth		2,539.49
12/20/22	30111	6023	monthly power for office/shop	611.70	
		8006	monthly standby for Shasta Ranch	21.36	
		8006	monthly standby for Perry's pond	21.36	
		8006	monthly standby for Well #2	28.39	
		8006	Monthly standby for Dymesich pond	21.36	
		8006	monthly standby for Ctwd. Hyline	28.39	
		1308	Pacific Gas & Electric		732.56
12/21/22	30101	6023	monthly water service for office/shop	13.56	
		1308	City Of Anderson		13.56
12/21/22	30102	6023	reimbursement for new screen saver for cell phone	59.25	
		1308	Ben Duncan		59.25

Anderson Cottonwood Irrigation District
Cash Disbursements Journal
For the Period From Dec 1, 2022 to Dec 31, 2022

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/21/22	30103	7000	monthly gasoline/diesel fuel charges	2,639.22	
		1308	Flyers Energy, LLC		2,639.22
12/21/22	30104	7008	reimburse for boot allowance 2022	150.00	
		1308	Jason Jensen		150.00
12/21/22	30105	6019	filing for State Controllers Financial Transactions Report	500.00	
		1308	Robert W. Johnson		500.00
12/21/22	30106	8004	yard of concrete	223.08	
		1308	Loucks Landscape Supply		223.08
12/21/22	30107	6018	general engineering consultant services	307.00	
		1308	MBK Engineers		307.00
12/21/22	30108	6008	general,emails, calls, Evergreen Rd Project, budget materials	8,315.76	
		8008	NRDC v Kempthorne	385.00	
		1308	Minasian, Meith, et al		8,700.76
12/21/22	30109	8002	Management Service Plan	675.00	
		8002	Microsoft Office 365 Basic	49.50	
		8002	Office 365 Business Standard Monthly fee	60.00	
		1308	Obsidian IT		784.50
12/21/22	30112	7005	parts for backhoe	61.83	
		1308	Powerplan - OIB		61.83
12/21/22	30113	7002	oil changes for 2016 F150 pickup, 2011 F150 pickup	624.24	
		1308	Premier Oil Change		624.24
12/21/22	30114	7002	tow 2015 pickup to Crown Fleet Redding	135.00	
		1308	Premier Towing		135.00
12/21/22	30115	8006	monthly standby for Progress Drive pump	30.00	
		8001	monthly power for Diversion Facilities	230.37	
		1308	City Of Redding		260.37
12/21/22	30116	8004	brush removal Lateral 21	47,850.00	
		1308	Schuppert Excavating		47,850.00
12/21/22	30117	8008	water rights protection 2019 PCFFA Lit - ACId	1,097.48	
		8008	NRDC	205.90	
		8008	2020 CNRA Lit - ACID	41.05	
		1308	Somach Simmons & Dunn		1,344.43
12/21/22	30118	6016	annual permit fee	3,274.00	
		1308	State Water Resources Control Board		3,274.00
12/21/22	30119	2226	457 W/H for SP 12/16/2022 payperiod	75.00	
		1308	Variable Annuity Life Ins. Co.		75.00
12/21/22	30120	7008	McLeod fire tool (2)	150.13	
		1308	Valley Supply Ace Hardware		150.13

Anderson Cottonwood Irrigation District
Cash Disbursements Journal
For the Period From Dec 1, 2022 to Dec 31, 2022

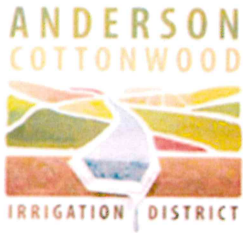
Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
12/21/22	30121	8004 1308	weekly porta potty service Welch Enterprises, Inc.	210.00	210.00
12/21/22	30122	6010 6013 6023 6002 6003 1308	GIS renewal, Linxup monthly fee business meetings/lunches monthly puretalk charges/fees ACWA Fall Conference Fat Cow monthly fee, mailchimp montly fee, wiper blades for truck, 2 pack flash drives, pincel refills,double sided tape, geometry set, dial hand soap, germ x Tri Counties Bank	3,340.91 51.00 247.60 930.00 1,606.59	6,176.10
12/21/22	30123	7008 1308	reimburse for boots per MOU Phil Vega	150.00	150.00
12/21/22	30124	8004 1308	invoice #1179, ditch improvement and mastication on main canal Peterson Timber Inc	94,801.94	94,801.94
12/31/22	30127	6011 1308	retainer for November C V Strategies	5,000.00	5,000.00
12/31/22	30128	6003 1308	work on scan for copier Carrel's Office Machines	60.00	60.00
12/31/22	30129	6023 1308	monthly charges for internet/telephones for office/chop Charter Communications	380.44	380.44
12/31/22	30130	8004 1308	impact driver, blades, masonry wheel, safety glasses Fasteners INC	300.51	300.51
12/31/22	30131	7000 1308	monthly gasoline/diesel fuel charges Flyers Energy, LLC	1,872.37	1,872.37
12/31/22	30132	8004 1308	material, black pipe Gerlinger Steel & Supply	935.57	935.57
12/31/22	30133	7008 1308	mounting tape, keys, hinge, nuts, bolts, Hardware Express	120.03	120.03
12/31/22	30134	8001 1308	pike poles (3) BDI	518.11	518.11
12/31/22	30135	6003 1308	copy paper for office Office Depot Business Credit	114.19	114.19
12/31/22	30136	7002 1308	oil change for 2016 F150 pickup Premier Oil Change	122.19	122.19
12/31/22	30137	7005 1308	parts and repair backhoe Ray's Truck & Equipment Repair	625.30	625.30
12/31/22	30138	8000	monthly power for SCADA/Bonnyview Rd.	35.79	

Anderson Cottonwood Irrigation District
Cash Disbursements Journal
 For the Period From Dec 1, 2022 to Dec 31, 2022

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
		1308	City Of Redding		35.79
12/31/22	30139	6017	annual fee on ACID help Property	430.31	
		1308	Shasta Mosquito/Vector Control District		430.31
12/31/22	30140	5114	pension for December/T&D	1,091.45	
		1308	Western Conf. Team. Pension		1,091.45
12/31/22	30141	8004	excavator with masticator head 8 hours cleanup	1,850.00	
		1308	North Woods Excavating, Inc		1,850.00
12/31/22	30142	2222	union dues for November - January	552.00	
		1308	Teamsters Local No. 137		552.00
	Total			273,246.14	273,246.14



DATE January 12, 2023 | Agenda Item No. 5 A

Agenda Title: Review and Approve ACID Resolution 2023-01 honoring Past District President Brenda Haynes

Discussion: See Resolution 2023-01

Fiscal Impact: None

Recommendation: Staff recommends the Board review and Adopt ACID Resolution 2023-01 honoring Past Board President Brenda Haynes

Attachments:

- Resolution 2023-01

Anderson-Cottonwood Irrigation District

RESOLUTION 2023-01

Honoring Brenda Haynes, President 2001-2022

WHEREAS, Brenda Haynes served as a Board Member or President of the Anderson-Cottonwood Irrigation District Board of Directors from 2001-2022; and

WHEREAS, Brenda Haynes has devoted her energy and dedication to ensure the protection and advancement of Anderson-Cottonwood Irrigation District's water rights by giving her valuable time to matters of great importance by attending countless meetings, serving on committees, providing the Anderson-Cottonwood Irrigation District perspective to local, state and federal officials and consistently encouraging Anderson-Cottonwood Irrigation District's efforts to develop creative solutions for the Sacramento Valley that will serve to protect water rights and supplies in a sustainable manner; and

WHEREAS, Brenda Haynes, in addition to serving on several Anderson-Cottonwood Irrigation District committees dealing with issues of conjunctive use, surface storage, District annexation and detachment, and groundwater development, has represented Anderson-Cottonwood Irrigation District on the boards of the Enterprise Anderson Groundwater Sustainability Agency, Shasta Local Agency Formation Commissions (LAFCO), Northern California Water Association, and various other committees,

WHEREAS, Brenda Haynes has made substantial efforts to assist with the development of groundwater in Shasta and Tehama counties,

WHEREAS, Brenda Haynes steady and thoughtful presence has helped to establish a stronger and more unified regional approach to protect the water

rights and water supplies of the Anderson-Cottonwood Irrigation District for its landowners and water users;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors honors and appreciates Brenda Haynes for her 21 years of dedicated service and commitment as a Director of the Anderson-Cottonwood Irrigation District.

President

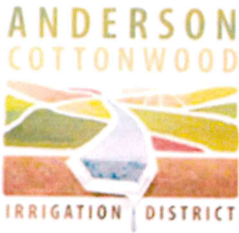
Vice-President

Director

Director

Director

Secretary



Agenda Title: Consider and Approve Director Lund’s to Formal nomination for the Shasta Local Agency Formation Commission (LAFCO) Special District Member Selection Process.

Discussion: During the January 5, 2023 Special Board Meeting, General Manager Shipley introduced multiple Committees/Boards the ACID Board of Directors have traditionally been Involved in. One committee was Shasta LAFCO. After a short discussion, Director Lund agreed to be the District representative for this commission. There is a process for Special Districts to go through to have a member seated on this commission. Below Are a list of key dates and a description of the process.

The following election schedule is to fill the Special District Regular Member – Seat 2.

Action	Date
<i>Shasta LAFCO request for nominations mailed to independent Special Districts</i>	<i>Mailed by December 15, 2022 certified mail and email.</i>
<i>Nominations due to Shasta LAFCO</i>	<i>Received by 4:00 p.m. February 1, 2023</i>
<i>Ballots mailed to independent Special Districts</i>	<i>Mailed by February 3, 2023</i>
<i>Ballots due to Shasta LAFCO</i>	<i>Received by 4:00 p.m. March 27, 2023</i>
<i>Ballots opened and tallied at Shasta LAFCO office; successful candidate notified</i>	<i>by March 28, 2023</i>
<i>Election results mailed to independent Special Districts.</i>	<i>by March 29, 2022</i>

Fiscal Impact: None

Recommendation: Per the Board’s Discussion at the January 5, 2023 Special Board Meeting, Staff Recommends the Board to Approve Paperwork to Be Filed on Behalf of Director Lund to Engage in the LAFCO Appointment Process.

Attachments: Notice of Nomination Period and Notice of Intention to Conduct Mailed Ballot Election

Patrick Jones
County Member

Irwin Fust
Special District Member

Pamelyn Morgan
City Member Alternate

Mary Rickert
County Member Alternate

Stan Neutze
City Member

Vacant
Special District Member

Michael Dacquisto
City Member



Larry Russell
Public Member

Katharine Ann Campbell
Public Member Alternate

Joe Chimenti
County Member

George Williamson
Executive Officer

Fred Ryness
Special District Alternate

James M. Underwood
General Counsel

Kathy Bull
Manager

Date: December 9, 2022

From: George Williamson, Executive Officer & Kathy Bull, Office Manager

Subject: NOTICE OF NOMINATION PERIOD AND NOTICE OF INTENTION TO CONDUCT MAILED BALLOT ELECTION

Notice is hereby given that the Shasta Local Agency Formation Commission (LAFCO) is seeking nominations for Special District Member (Seat 2) to serve on the Shasta LAFCO Commission. The elected member will serve the remainder of the four-year term ending in January 2024, due to vacancy created by current member not being re-elected to their District Board. The current special district members are provided below.

Designation	Current Special District Members on LAFCO	Term End
Member (Seat 1)	Irwin Fust, Clear Creek Community Service District	1/2024
Member (Seat 2)	Vacant	1/2024
Alternate Member	Fred Ryness, Anderson Burney Water District	1/2024

The basic process for selecting Special District Members to LAFCO is set forth in Government Code Section 56332. This provides for a meeting to be convened among representatives from each of the 35 independent special districts in Shasta County, unless the Executive Officer determines that a meeting is not feasible. Based on Government Code Section 56332, it has been determined that a meeting of this "Independent Special District Selection Committee" for the purpose of selecting a special district member is not feasible at this time due to the likelihood that a quorum would not be achieved. As such, both the nominating process and the election itself is being conducted by mail on behalf of the Independent Special District Selection Committee by the Shasta LAFCO Executive Officer.

Your district is encouraged to participate in this election process. An election schedule is enclosed together with a list of the 35 independent districts in Shasta County that are eligible to participate. If your district wishes to nominate a Board Member to be a candidate for the Shasta LAFCO Special District Member (Seat 2), the following rules for eligibility and for submitting nominations apply:

1. Your Board may nominate only one candidate for each special district seat. Enclosed is a nomination form.
2. Nominees must be elected or appointed special district officers (members of a governing board) of an independent special district in Shasta County.
3. Selection of a nominee is to be approved by a majority of your governing board. The name of the nominee is to be submitted on the attached Nomination Form and is to be signed by either the President/Chair or the Clerk of your governing board.
4. The nominee is encouraged to provide the additional information requested on the Candidate Information Sheet. This information will be summarized on the final ballot and will be kept on file at the LAFCO office.
5. All qualified nominees will be listed on the final ballot. The candidate securing the highest votes for each seat will be elected.
6. The Nomination Form must be returned no later than **February 1, 2023**, to Shasta LAFCO, 999 Mission De Oro, Suite 106, Redding, California 96003.

999 Mission De Oro Drive, Suite 106, Redding, CA 96003

Phone: 530.242.1112

eo@shastalafco.org

Election Schedule

Action	Date of Action
Shasta LAFCO request for nominations mailed to independent Special Districts via certified mail and email.	Mailed by December 9, 2022
Nominations due to Shasta LAFCO	Received by 4:00 p.m. February 1, 2023
Ballots mailed to independent Special Districts via certified mail and email.	Mailed by February 3, 2023
Ballots due to Shasta LAFCO	Received by 4:00 p.m. March 27, 2023
Ballots opened and tallied at the Shasta LAFCO office; successful candidate notified.	By March 28, 2023
Election results mailed to independent Special Districts via U.S. mail and email.	Mailed by March 29, 2022

The successful candidate is expected to be seated on the Shasta LAFCO Commission at the next regularly scheduled Commission Meeting on April 6, 2023.

Independent Special Districts

Anderson Fire Protection District	Halcumb Cemetery District
Anderson-Cottonwood Irrigation District	Happy Valley Fire Protection District
Bella Vista Water District	Igo-Ono Community Services District
Buckeye Fire Protection District	Manton Joint Cemetery District
Burney Basin Mosquito Abatement District	Mayers Memorial Hospital District
Burney Cemetery District	Millville Fire Protection District
Burney Fire Protection District	Millville Masonic & Odd Fellows Cemetery District
Burney Water District	Mountain Gate Community Services District
Castella Fire Protection District	Pine Grove/ Fall River Mills Cemetery District
Centerville Community Services District	Pine Grove Mosquito Abatement District
Clear Creek Community Services District	Shasta Community Services District
Cottonwood Fire Protection District	Shasta Lake Fire Protection District
Cottonwood Water District	Shasta Mosquito and Vector Control District
Fall River Valley Community Services District	South Shasta Cemetery District
Fall River Valley Fire Protection District	Tucker Oaks Water District
Fall River Resource Conservation District	Western Shasta Resource Conservation District

Other Information

General information about LAFCO is available at www.shastalafco.org. Should you have any questions, please contact the Shasta LAFCO office at 999 Mission De Oro Drive, Suite 106, Redding, CA 96003, by phone at (530) 242-1112, or by e-mail at manager@shastalafco.org.

Attachments: Nomination Form
Candidate Information Sheet

NOMINATION FORM
Regular Special District Member – Seat 2

District Name: _____

Address: _____

Contact Person: _____

Contact Email: _____

Telephone: _____

The Board hereby nominates _____ to fill the remainder of the four-year term ending in January 2024 as a regular member of the Shasta Local Agency Formation Commission representing independent Special Districts in Shasta County.

Board action taken on the _____ day of _____, 20__ by the following vote:

Ayes: _____

Noes: _____

Abstain: _____

Absent: _____

Signature of Board President/Clerk

Printed Name

This Nomination Form must be received by Shasta LAFCO no later than February 1, 2023

CANDIDATE INFORMATION SHEET
Nominated for Regular Special District Member – Seat 2

Candidate Name _____

Address _____

Telephone _____

E-mail _____

District _____

Title _____

Length of service with District: _____

Present Occupation: _____

Personal and Professional Background: _____

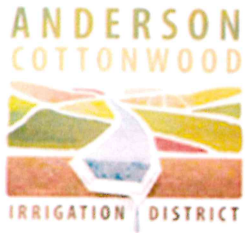
Summarize your interest in serving on Shasta LAFCO: _____

Summarize your qualifications for serving on Shasta LAFCO: _____

List local government involvement: _____

List civic organization involvement: _____

List special interests or hobbies: _____



DATE January 12, 2023 | Agenda Item No. 5 C

Agenda Title:

Review and Approve FY 2021 Audit.

Discussion:

The District's Fiscal Year begins January 1 and ends on December 31 annually. It is required for the District to have an Annual Audit. The last 3 years our Auditors have been Robert Johnson Accounting.

Fiscal Impact:

The Audit for 2021 cost \$9,000

Recommendation:

Staff recommends the Board review and Adopt the 2021 Audited Financial Statements.

Attachments:

2021 Audited Financial Statements.

ANDERSON-COTTONWOOD IRRIGATION DISTRICT

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended December 31, 2021**

ROBERT W. JOHNSON
Certified Public Accountant

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Statement of Revenues, Expenses and Changes in Net Position	5
Statement of Cash Flows	6-7
Notes to Financial Statements	8-16
Supplemental Information:	
Principal Officials	18



Robert W. Johnson
an accountancy corporation

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Anderson-Cottonwood Irrigation District
Anderson, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Anderson-Cottonwood Irrigation District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Anderson-Cottonwood Irrigation District as of December 31, 2021, and the changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and State Regulations governing Special Districts.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and

fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Robert W. Johnson, An Accountancy Corporation

Citrus Heights, California
November 23, 2022

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

ASSETS

Current assets:		
Cash and investments (Note 3)		\$ 5,103,269
Receivables – taxes		340,204
– other		-
Supplies		27,456
Prepaid expenses		<u>-</u>
Total current assets		5,470,929
Capital assets, at cost (Note 4)	\$23,484,591	
Less, accumulated depreciation	<u>11,392,259</u>	
	12,092,332	
Work in progress	<u>4,959</u>	
		<u>12,097,291</u>
		<u>\$17,568,220</u>

See notes to financial statements

LIABILITIES AND NET POSITION

Current liabilities:		
Accounts payable		\$ 9,052
Accrued payroll		26,353
Accrued vacation		<u>45,513</u>
Total current liabilities		80,918
Long-term debt (Note 5)		462,342
Net position (Note 8):		
Net investment in capital assets	\$12,097,291	
Unrestricted	<u>4,927,669</u>	<u>17,024,960</u>
		<u>\$17,568,220</u>

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2021

Operating revenues:		
Water sales		\$ 763,477
Water transfers		2,329,945
Other		<u>40,427</u>
Total operating revenues		3,133,849
Operating expenses:		
Source of supply	\$ 488,811	
Pumping	145,921	
Transmission and distribution	968,340	
Administrative	407,321	
Depreciation	<u>645,096</u>	
Total operating expenses		<u>2,655,489</u>
Operating income (loss)		478,360
Non-operating income (expense):		
Property tax revenue	609,301	
Interest income	22,788	
Grant income	<u>94,404</u>	
		<u>726,493</u>
Income before Bureau construction recovery		1,204,853
Bureau construction recovery		<u>59,338</u>
Change in net position		1,264,191
Total net position:		
Beginning		<u>15,760,769</u>
Ending		<u>\$17,024,960</u>

See notes to financial statements

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS
for the year ended December 31, 2021

Cash flows from operating activities:	
Receipts from customers	\$ 3,130,643
Payments to suppliers	(1,408,011)
Payments to employees	<u>(523,016)</u>
Net cash provided by operating activities	1,199,616
Cash flows from noncapital financing activities:	
Property taxes	609,301
Grant income	94,404
Cash flows from capital and related financing activities:	
Capital expenditures	(286,530)
Cash flows from investing activities:	
Interest income	<u>22,788</u>
Net increase in cash and cash equivalents	1,639,579
Cash and cash equivalents:	
Beginning of year	<u>3,463,690</u>
End of year	<u>\$ 5,103,269</u>

See notes to financial statements

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS, continued
for the year ended December 31, 2021

Reconciliation of operating income (loss) to
net cash provided by operating activities:

Operating income (loss)	\$ 478,360
-------------------------	------------

Adjustments to reconcile operating income (loss)
to net cash provided by operating activities:

Depreciation expense	\$ 645,096
----------------------	------------

Changes in operating assets and liabilities:

Receivables – taxes	(8,476)
– other	37,221
Supplies	(22,086)
Accounts payable	(10,193)
Accrued payroll	9,159
Accrued vacation	23,851
Prepays	<u>46,684</u>

Total adjustments	<u>721,256</u>
-------------------	----------------

Net cash provided by operating activities	<u>\$ 1,199,616</u>
---	---------------------

Noncash financing activities:

The District recorded debt relief of \$59,338 from the Bureau of Reclamation – Central Valley Project. The debt relief reduction resulted from the change in allocated construction costs and the District’s purchased water rate from the Bureau of Reclamation.

See notes to financial statements

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
for the year ended December 31, 2021

1. Organization:

Anderson-Cottonwood Irrigation District (the “District”) was formed in 1914 and encompasses approximately 32,000 acres in Shasta and Tehama counties. The District has over 30 miles of main canal and 200 miles of side laterals, serving over 6,500 acres of land with 760 landowners.

The District is governed by a Board of Directors which is elected by voters of the District.

2. Summary of Significant Accounting Policies:

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

Fund Accounting

The District is an enterprise fund. All operations are accounted for as an enterprise fund.

Enterprise Fund – The enterprise fund is used to account for water operations that are financed and operated in a manner similar to private business enterprises. The intent of the District is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

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

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended December 31, 2021

2. Summary of Significant Accounting Policies, continued:

Basis of Accounting, continued

The records are maintained and the accompanying financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the District are charges to customers for water sales and services. Operating expenses for enterprise funds include source of supply, pumping, transmission and distribution, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property tax revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Depreciation and Amortization

Capital assets are recorded on the basis of purchase cost. Assets acquired by contribution are recorded at estimated cost or fair market value at the date of acquisition.

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

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended December 31, 2021

2. Summary of Significant Accounting Policies, continued:

Statement of Cash Flows

All highly liquid investments with a maturity of three months or less when purchased, are considered to be cash equivalents. The investment with the State Treasurer's Local Agency Investment Fund (LAIF) is also considered to be the equivalent of cash.

Compensated Absences

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

Net Position

Net position is classified in the following categories:

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

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

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

Use of Estimates

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

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended December 31, 2021

2. Summary of Significant Accounting Policies, continued:

Budget and Budgetary Accounting

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

Investments

Investments consist of LAIF (State of California pooled investment fund) and money market savings accounts. Investments are stated at cost which approximates market. Such investments are within the State statutes and the District's investment policy.

3. Cash and Investments:

Cash and investments as of December 31, 2021 consisted of the following:

Petty cash	\$ 300
Checking	413,968
Money market	<u>1,530,839</u>
	<u>\$1,945,107</u>

At December 31, 2021, the carrying amount of the District's deposits was \$1,945,107 and the balance in financial institutions was \$2,070,051. Of the balance in the financial institutions, \$250,000 was covered by federal depository insurance and \$1,820,051 was collateralized as required by State Law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other agencies, but not in the name of the District.

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended December 31, 2021

3. Cash and Investments, continued:

Investments:

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

	<u>Carrying Amount</u>	<u>Maturity - 12 Months or Less</u>
Balance, December 31, 2021		
Local Agency Investment Fund	\$ <u>3,158,162</u>	\$ <u>3,158,162</u>

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

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended December 31, 2021

4. Capital Assets:

Changes in capital assets for the year ended December 31, 2021 are as follows:

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Disposals</u>	Balance December 31, <u>2021</u>
Land	\$ 36,296	\$ -	\$ -	\$ 36,296
Transmission and distribution	9,073,855	162,977	-	9,236,832
Machinery	313,674	-	-	313,674
Pumps	317,232	113,614	-	430,846
Autos and trucks	265,667	1,500	-	267,167
Buildings	92,725	-	-	92,725
Yard improvements	14,697	-	-	14,697
Furniture and fixtures	32,333	-	-	32,333
Fish screens	5,575,575	-	-	5,575,575
Fish ladders	5,575,575	-	-	5,575,575
SCADA equipment	202,219	-	-	202,219
Groundwater program	<u>1,698,213</u>	<u>8,439</u>	<u>-</u>	<u>1,706,652</u>
	<u>\$23,198,061</u>	<u>\$ 286,530</u>	<u>\$ -</u>	<u>\$23,484,591</u>
Work in progress	<u>\$ 4,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,959</u>

5. Long-term Debt:

Long-term debt activities for the year ended December 31, 2021 are as follows:

	<u>2020</u>	<u>New Debt</u>	<u>Debt Retired</u>	<u>2021</u>	<u>Current Portion</u>
Central Valley Project	<u>\$ 521,680</u>	<u>\$ -</u>	<u>\$ 59,338</u>	<u>\$ 462,342</u>	<u>\$ -</u>

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended December 31, 2021

5. Long-term Debt, continued:

Central Valley Project

The liability of the District's share of Central Valley Project costs to the Bureau of Reclamation in the amount of \$462,342 is to be paid from projected deliveries of water from 2022-2030, at varying rates per acre foot.

6. Employee Benefit Plans:

Deferred Compensation Plan

The District offers its employees a deferred non-contributory compensation plan created in accordance with IRC Section 457. The plan, available to all District employees, permits them to defer a portion of their current salary until future years. Deferred compensation benefits are not available to the employees until termination, retirement, death, or unforeseeable emergency.

Pension Plan

District employees (except for the general manager) are covered by a pension plan through their collective bargaining agreement. Total District contributions for the year ended December 31, 2021, totaled \$41,622.

7. Risk of Loss:

Anderson-Cottonwood Irrigation District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2021 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended December 31, 2021

8. Net Position:

Net position consists of:

Net investment in capital assets		\$12,097,291
Restricted		-
Unrestricted:		
Board designated:		
Capital improvement	\$ 146,616	
Drainage fund	25,000	
Water rights protection	250,000	
Equipment reserve	<u>102,744</u>	
	524,360	
Undesignated	<u>4,403,309</u>	<u>4,927,669</u>
		<u>\$17,024,960</u>

9. Subsequent Events:

Management has evaluated subsequent events through November 23, 2022, the date these December 31, 2021 financial statements were available to be issued.

10. COVID-19:

In March 2020, the World Health Organization declared a global health pandemic of the Coronavirus Disease COVID-19. The District is committed to maintaining essential services to the community of Anderson. To date there has been very little adverse effect on the District's financial position given the necessity of providing water to the community.

ANDERSON-COTTONWOOD IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended December 31, 2021

11. 2021 Water Supply Recap:

Anderson-Cottonwood Irrigation District (ACID) holds a Sacramento River Settlement Contract with the United States Bureau of Reclamation (USBR). Under this contract, ACID is entitled to divert a total of 125,000-acre feet (AF) of water during the contract period of April 1 through October 31. Of this total, 121,000 AF is described as Base Supply and the remaining 4,000 AF is Project Water. When USBR makes a determination of a “Shasta Critical” year, ACID allocation is reduced to a total of 93,750 AF (75%).

In 2021, ACID received a 75% water supply from the Bureau of Reclamation per the District’s Sacramento River Settlement (SRS) Contract for the 2021 irrigation season. In 2021 the District delivered and transferred approximately 90,000 acre-feet of water. Water was provided to approximately 6,800 acres of lands within ACID boundaries, primarily for purposes of irrigating pasture.

12. 2022 Water Supply Outlook:

Dry to moderately dry winters in 2021 and 2022, coupled with low end of year Shasta carryover storage, led to historically low lake levels in the Spring of 2022. Shasta storage on April 1, 2022 was 1.73-million-acre feet (MAF), down from 2.39 MAF in 2021, and 3.60 MAF on the same date in 2020. On March 14, 2022, the Bureau of Reclamation issued a letter to the District and other SRS contractors, Update to Notification of Critical Year (“Reclamation Update”), which declares 2022 as a Critical Year as the term is defined in the SRS Contracts, and the Reclamation Update indicates that the April water supplies “may be unreliable and limited in availability, if available at all.”

On April 14, 2022, after determining the possible water allocation of 15-18% of the SRS Contract could not be beneficially used within the District, ACID Board of Directors passed and adopted Resolution 2022-01, authorizing the General Manager to explore, seek out and negotiate one or more agreements to transfer water under the contract. ACID subsequently entered into agreements with multiple agencies to transfer their 18% allocation.

SUPPLEMENTAL INFORMATION

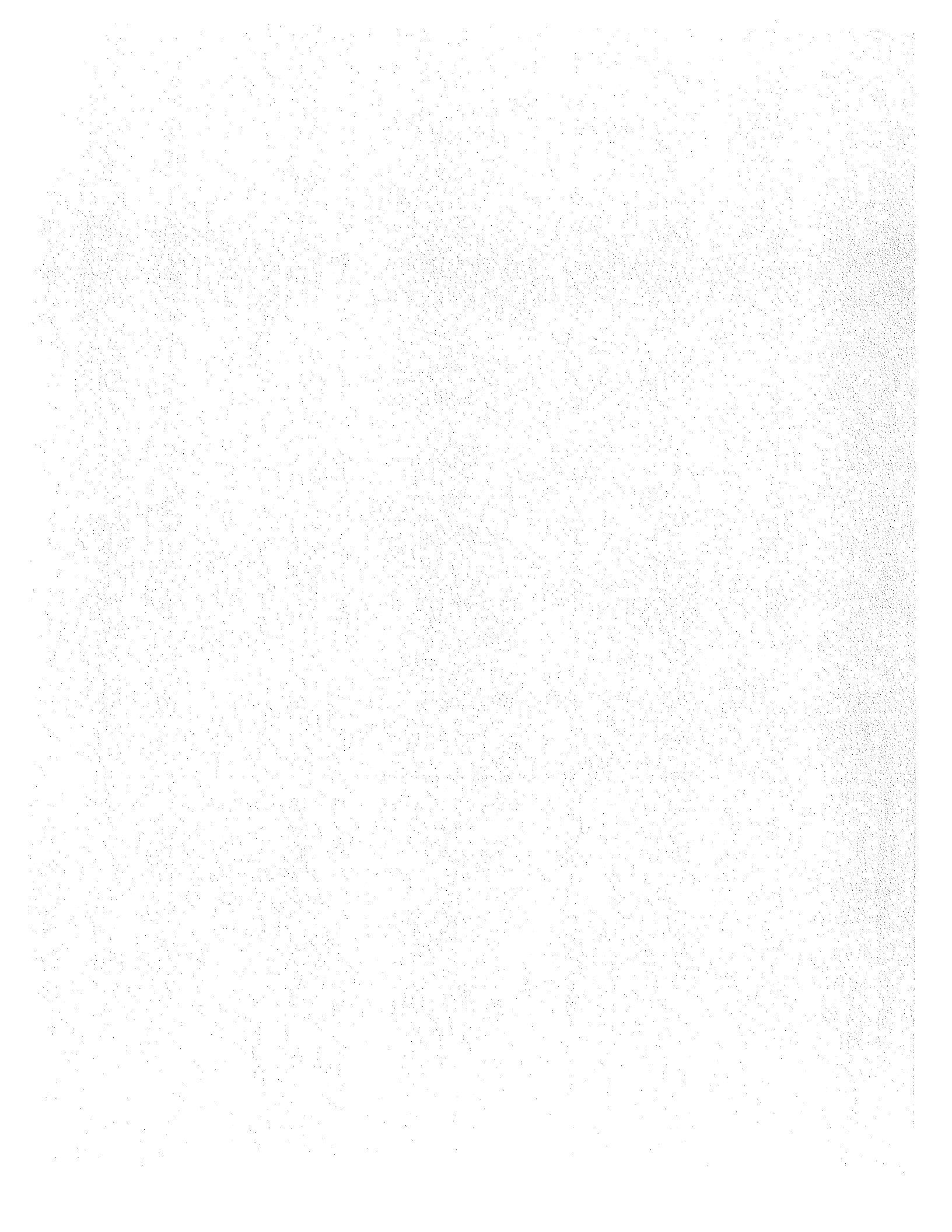
ANDERSON-COTTONWOOD IRRIGATION DISTRICT
PRINCIPAL OFFICIALS
December 31, 2021

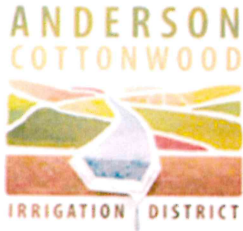
BOARD OF DIRECTORS

Brenda Haynes	President
Audie Butcher	Vice President
Tiger Michiels	
Rick Williams	
Ray Eliante	

OPERATIONS

John Currey	General Manager
Terri White	Financial Manager
Scott Passmore	Maintenance Supervisor





DATE January 12, 2023 | Agenda Item No. 5 D

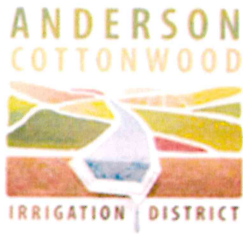
Agenda Title: Designate General Manager Shipley as Agency Labor Representative in Negotiations with Represented and Unrepresented ACID Employees.

Discussion: ACID currently has thirteen total positions, five of which are vacant. Additionally, there are two proposed new positions. Upon approval of the FY 2023 Budget, it will be necessary for staff to have the ability to advertise for open positions and work through the hiring process.

Fiscal Impact: None at this time.

Recommendation: Staff recommends the Board Designate General Manager Shipley as Agency Labor Representative in Negotiations with Represented and Unrepresented ACID Employees.

Attachments: N/A



DATE January 12, 2023 | Agenda Item No. 5 E

Agenda Title: Review and Consider Fiscal Year 2023 Financial Budget

Discussion: The District's Fiscal Year begins January 1 and ends on December 31 annually. It has been common for staff to have a working draft budget for the upcoming year in or around the month of October. 2022 has had several unforeseen circumstances, including but not limited to no irrigation season, major staff turnover, revenue from water sales, substantial funds being used for vegetation management throughout the conveyance system, and multiple newly seated Board Directors. Subsequent to these circumstances, the District is in a never-before-seen situation, to make short- and long-term decisions to ensure the future financial security of the District and address many needs that may not have been able to be addressed in the past.

Fiscal Impact: The District will have an estimated \$14 million dollars in reserve to begin Fiscal Year 2023. The fiscal impact of the current FY 2023 Budget being approved is an approximately \$2.52 million dollar deficit for the year.

Recommendation: Staff recommends the Board review and Adopt the Final FY 2023 Budget.

Attachments:

- ACID 2023 Working Budget Proposal
- Draft FY 2023 Budget Summary Letter

Anderson Cottonwood Irrigation District

2023 Proposed Budget

Capital Improvements

1112	Land				\$0	\$0
1114	Pumps				\$65,000	\$150,000
1116	Trans & Distribution Plant				\$0	\$0
1117	Equipment (Machinery)				\$0	\$325,000
1118	Auto & Trucks				\$0	\$175,000
1119	Buildings				\$0	\$10,000
1120	Office Furniture & Equipment				\$0	\$25,000
1123	Yard Improvement				\$0	\$0
1124	Canal Lining & Pipe				\$100,000	\$350,000
1125	Canal Safety Project				\$0	\$0
1126	Main Canal Metering				\$0	\$0
1127	Main Dam Improvement				\$0	\$0
1132	Fish Screens				\$0	\$0
1133	Fish Ladders				\$0	\$0
1134	SCADA Equipment				\$0	\$0
1135	Groundwater Program				\$0	\$0
	Total Cap Improvements				\$165,000	\$1,035,000

2023 Proposed Budget

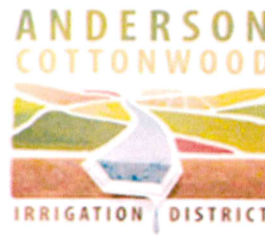
Operating Summary

					2022 Approved Budget	2023 Proposed Budget
	Total Expenditures				\$1,633,333	\$3,723,350
	Total Capital Improvements				\$165,000	\$1,035,000
	Total Revenue				\$1,799,298	\$2,228,000
	Balance				\$165,965	(\$2,530,350)

Dan Woolery, President
James Rickert, Vice President

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Audie Butcher, Director
Ronnean Lund, Director
Jered Shipley, G.M.



Fiscal Year 2023 Budget Summary Letter

Background

The proposed Fiscal Year 2023 Anderson-Cottonwood Irrigation District Annual Budget was carefully crafted to ensure the long-term financial stability of the District, while identifying and addressing immediate District needs. FY 2022 was not like any prior year; the third year of drought brought many uncertainties in water supply and allocation, directly influencing budgetary considerations. Typically, the District has a balanced budget in the range of \$2 million dollars. With the reduced water allocation, and subsequent Board decision to engage in water sales, the District had major impacts to both the revenue and expense components of the FY 2022 budget.

FY 2022 started with approximately \$5 million dollars in reserves, with assumptions of a balanced budget of \$1.8 million. The result of no irrigation within the District was approximately 770k of lost irrigation revenue. Revenue from water sales in FY 2022 was approximately \$7.4 million dollars. In 2022, The District took advantage of the dry conveyance system, bidding out and completing approximately 600k of vegetation management in preparation for future water seasons. Staff anticipates entering FY 2023 with approximately \$11 million dollars in reserves.

The District has received additional FY 2022 revenue as a result of Drought Relief Funding provided by the United States Bureau of Reclamation for water that went unused, below the 18% allocation. The water made available for this payment was a collective total from all Sacramento River Settlement Contractors, and not on a District-to-District basis. In late December the District received payment of \$3.41 million dollars.

Fiscal Year 2023 Assumptions

District staff have to make certain assumptions to properly construct the Budget each year. The FY 2023 Budget has placeholders for both irrigation revenue and expense, resulting in a net zero impact to the Budget. The District is researching legal options related to a possible subsidized approach for 2023 irrigation fees. The District has multiple long term water transfer agreements in place, generating an estimated 423k

in additional revenue. The Budget also assumes all District positions are filled and benefits cover employee and family medical plan. Currently there are several vacant positions; it is unknown at this time when each position will be filled throughout the year, and at what rate of insurance the new employees will require.

Staffing (Acct #5010-5119)

The District currently has seven vacant positions and an additional newly proposed position for an Executive Assistant. The new position would act as a liaison between the District, outside agencies and the general public arranging and attending public meetings, monitoring, and assisting in implementing strategic planning as directed by the General Manager and Board. Additionally, the Executive assistant will work with office and management staff to assist with encroachment, easement and title searches including historic right of way issues. Staff are currently developing a full Job Description for the proposed position. Upon the approval of the FY 2023 Budget, staff would begin the recruitment phase to fill positions.

Equipment (Acct #1117-1118)

Staff have taken a comprehensive inventory of all motorized District equipment and have identified the needs of the District, developing a long-term plan for fleet equipment.

Currently, District Water Operators (formerly ditch tenders) utilize their personal vehicles during the irrigation season for water deliveries, making valve adjustments, and job assignments. Although there are some compensation considerations for the use of private vehicles, management recommends the purchase of five vehicles for Operations. Four would be standard light duty pickup trucks to be assigned to Water Operators during the irrigation season, and one vehicle would be a small SUV to be assigned to the General Manager for work related use. This would rotate one light pickup truck back to the fleet for operations. The one-time purchase of multiple vehicles will allow for the establishment of rolling stock and allow for the scheduled replacement of one light vehicle per year.

The second component of the long-term plan is Heavy Equipment. The District currently has one backhoe (John Deere, 2400 hours) and one small tractor (Kubota, 800 hours). Staff recommends the additional purchase of one lightly used excavator with a masticator implement, one new/lightly used backhoe and one skid steer. Purchase of this equipment and filling vacant positions will allow District staff to maintain facilities and the conveyance system throughout the year, becoming less dependent on outside contractors, while furthering the development and retention of well-trained employees. Future Heavy Equipment considerations will address a newer dump truck with more towing capacity.

Consultants (Acct #6018)

Staff have identified several areas to utilize the services of outside consultants to broaden the District's ability to complete new and ongoing tasks. This includes communications, a complete reboot of the District's website, grant funding opportunities, development of a Capital Improvement and/or Strategic Plan, canal modeling, information technology (IT) concerns, and seepage studies. In FY 2022, The Board approved a separate contract with a communications firm (CV Strategies Acct #6011) to assist with identifying and communicating these needs.

Project Water Costs/USBR (Acct #8007)

Anderson-Cottonwood Irrigation District has two different classifications of water, Base Supply and Project Water. Each year, once Project Water use is calculated by USBR, they issue fees associated with the cost of service. In 2022, to help facilitate the transfer of water, USBR declared all in-basin transfers to be identified as Project Water. All Project Water costs associated with water transfers the District engaged in were to be the responsibility of the entity receiving the water (buyers) per each contract. A portion of the fees were paid to the District prior to delivery of water, and in turn the District paid USBR approximately \$1.2 million dollars in anticipation of these fees on June 2, 2022. Currently the District has budgeted another \$1.1 million dollars due upon final reconciliation of the water accounting, though accounting will not be complete until late summer 2023. The District will be reimbursed the equal amount for this payment by the buyers.

Reserves

The District currently has a Designated Reserve Accounts Policy that was adopted in 2010, by Resolution 2010-05. Staff believes there is a need and opportunity to revisit this Policy making necessary updates to clearly define objectives, accounts, and limits. This task is very important considering the revenue from FY 2022 water sales, possible Drought Relief Funding, and the need to address District aging infrastructure and other long term financial considerations of the District.

The District also has an Expenditure Limitations Policy. This Policy consists of two sentences and should also be reviewed and possibly updated to reflect the needs of the District. A clearly defined policy will enable District staff to conduct business that may be time sensitive such as meeting deadlines for grant funding opportunities or other projects beneficial to the District.

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James Rickert, Vice President

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Capital Improvement Plan

Anderson-Cottonwood Irrigation District diverts water from the Sacramento River in Redding, California, primarily from a gravity diversion in the river at the seasonal ACID Diversion Dam in Redding. In addition, the District operates a pump station (Acct #1114) on the river approximately 4 miles downstream to supply a lateral canal. ACID's distribution system includes approximately 35 miles of Main Canal, about 98 percent of which is unlined. The Main Canal flows through six inverted siphons to cross streams, such as Clear Creek, and three flume sections across smaller streams and lowland areas. The District also operates and maintains hundreds of small weirs, turn outs and other conveyance infrastructure.

Much of the conveyance system is over 50 years old and has reached or is nearing end of life which will need to be addressed over the next few years. Several of these components of the conveyance system are considered critical, in that if they fail, water will not be conveyed to large portions of the District. Development and implementation of a Capital Improvement Plan (CIP) as part of a larger ACID Strategic Plan will add to the long-term viability and success of the District. Reviewing and updating the District's Policies including the Reserve and Expenditure policy will aid in the development of appropriate accounts designated to address the future infrastructure needs of the District.

Long Term Financial Stability Strategy

Although there are several “one off” expenditures under the proposed FY 2023 Budget, it is important to note there is also spending that will remain a constant in future Fiscal Years. Having a well thought out strategy to ensure the long-term financial stability of the District is vital when considering the FY 2023 budget, as this year’s spending will have direct implications on future budgets. The overwhelming majority of these considerations will be associated with the Salary & Benefits and Administration categories. The two categories have a combined increase from FY 2022 of approximately \$700k.

There are several opportunities the District will need to take advantage of to secure a balanced budget in future years. The first, and possibly most important is the continued evaluation of staffing needs for the District. The FY 2023 budget has recommendations to fill several vacant positions and retain an Operations Manager position that was created in 2022. Once fully staffed, the General Manager and Board will closely monitor production and demands of the District. The District will also address these considerations upon retirements and when other vacancies occur, to minimize overstaffing.

Another essential criterion to assist with possible budget shortfalls will be the evaluation of both short- and long-term water transfers. The District has multiple long term water transfers that are subject to annual administrative and other increases. The District must maximize opportunities to increase the associated fees to better represent Consumer Price Index (CPI) as defined in the contracts. Other water transfers include groundwater substitution. The District shall continue to responsibly engage in opportunities as they are presented, while being cognizant of any potential local ramifications.

Ongoing evaluation and understanding of District Water Rates will be another component crucial to the long-term financial stability of the District. Water rate increases are subject to a Proposition 218 process and will be very important to justify the need for any rate change. Over the past 20 years, the District has not increased rates at the same pace as CPI and may look for a one-time rate adjustment to true up the current cost of service.

As the District is reforming the Reserve Policy, another way to ensure stability would be to include a reserve that would offset some portion of any ongoing deficit, that could be back filled by future increases in water transfer revenue.

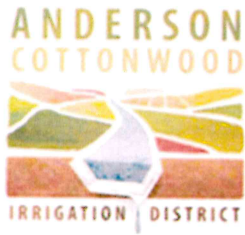
Combined, these defined actions and others will become a very disciplined approach to resolving budget deficits, in a manner that is sustainable and wide ranging, ensuring the District is not dependent on one sole source of funds to rely on as the difficult process of advancing a balanced budget is met in future years.

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DRAFT



DATE January 12, 2023 | Agenda Item No. 6 A

General Manager Report

Administrative

- **Development of Request for Proposal (RFP) for Main Canal Survey and Condition Assessment delivered to :**
 - I. **Jacobs Engineering**
 - II. **KSN Consulting**
 - III. **Realm Engineering**
 - IV. **Provost & Pritchard Consulting Group**
 - V. **Vestra Resources**
- **Sacramento River Settlement Contractors/ United States Bureau of Reclamation Water Year 2023 Meetings**
- **Meeting with Shasta County CAO and Supervisor**
- **Fish and Wildlife Fish Ladder Meeting**
- **Enterprise Anderson Groundwater Sustainability Agency, ACID Board Member introduction Meeting**
- **United States Bureau of Reclamation Reconciliation Meeting**
- **Seepage Subcommittee Meetings**
- **Budget Subcommittee Meetings**
- **Finalized Encroachment for Tehama County Evergreen Road Project**
- **Grant Submittal (EAGSA)**
- **Coordination calls with various agencies on Restoration and Grant Projects (Reclamation District 108, Sutter Mutual Water Company)**