



MANAGING RESOURCES FOR A BETTER FUTURE

DIRECTORS
NICK BRUNO, PRESIDENT
JEFFREY D. COULTHARD, VICE PRESIDENT
SHANNON SIMONIAN, TREASURER
ERIC BREAM
MATT CERNIGLIA
MIKE DELAGUERRA
HENK GRIFFIN

JULIA D. STORNETTA, GENERAL MANAGER/SECRETARY
MIKE CUTTONE, ASSISTANT TREASURER
BRIAN EHLERS, DISTRICT ENGINEER
LAUREN D. LAYNE, LEGAL COUNSEL

REGULAR MEETING OF THE BOARD OF DIRECTORS

will be held on

Monday, April 8, 2024

11:00 a.m.

at

**The Lodge at Riverstone
370 Lodge Road South
Madera, California 93636**

1. CALL TO ORDER

2. PUBLIC COMMENT

Members of the public may address the Board on any matter related to the District that is not included on the Agenda. Comments are limited to three (3) minutes per person.

3. POTENTIAL CONFLICT(S) OF INTEREST

(Any Board member who has a potential conflict of interest may now identify the item and recuse himself or herself from discussing and voting on the matter.)

4. CONSENT CALENDAR – Review and Consider for Action:

- a. Approval of minutes of the Board Meeting on March 11, 2024.
- b. Acceptance of the financial statements for the month of February 2024.
- c. Approval of customer installment payment plans for delinquent accounts.

5. CORRESPONDENCE

Members of the Board or Staff may present any correspondence received on matters relating to the District.

6. **Public Hearing** – Public Hearing to review and consider adopting a 1% late fee on fees paid by the builder for the following:
 - a. Connection Fees at 1% per month past due.
 - b. Inspection Fees at 1% per month past due
 - c. Meter Fees at 1% per month past due.

7. **Resolution Adopting Late Fees** – Review and consider taking action to adopt a resolution implementing a 1% late fee on late connection fees, inspection fees and meter fees.

8. **Board Action Items**
 - a. **Wastewater Facility Expansion** – Review and consider action to direct the District Engineer to design, permit and procure equipment to expand the existing 400,000 gallons per day (gpd) wastewater treatment facility to 600,000 gpd by approving the scope of work and making a budget adjustment in the amount of \$461,000. *Budget Item 900.07-3 Connection Fees*
 - b. **Wastewater Facility Expansion** – Review and consider action to direct the District Engineer to perform contract bidding services to select a provider for construction to expand the existing 400,000 gallons per day (gpd) wastewater treatment facility to 600,000 gpd by approving the scope of work and making a budget adjustment in the amount of \$20,000. *Budget Item 900.07-3 Connection Fees*
 - c. **Water Operations Policy** – Review and consider action to direct staff to draft and distribute a municipal water operations policy.
 - d. **Fiscal Year 2021 Audit** – Review and consider action to accept the RCWD Fiscal Year 2021 Audit.

9. ADJOURN

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| <ul style="list-style-type: none">▪ Items on the Agenda may be taken in any order.▪ Action may be taken on any item listed on the Agenda.▪ Writings relating to open session Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.▪ ACCOMMODATIONS FOR PERSONS WITH DISABILITIES
A person with a qualifying disability under the Americans With Disabilities Act of 1990 may request the District to provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes appropriate alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for such assistance and for agendas and agenda packets shall be made in person, by telephone, or by written correspondence to the District at (559) 283-8011 or P.O. Box 27950, Fresno, California 93729, at least 48 hours before a District meeting. |
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LAUREN D. LAYNE, LEGAL COUNSEL

**Minutes of the Meeting of the Board of Directors
Root Creek Water District
held on
March 11, 2024**

1. Call to Order

The board meeting for the Root Creek Water District (RCWD) was called to order at 11:03 a.m. by Vice President Jeffrey Coulthard. Board members present were Nick Bruno, Matthew Cerniglia, Jeffrey Coulthard, Shannon Simonian, Mike DeLaGuerra and Henk Griffin. Board member absent was Eric Bream. Members of the public included Julia Stornetta, Al Solis, Nicole Stornetta, Shay Bakman, Jordan Wamhoff, Brian Ehlers, and Jessica Johnson.

2. Public Comment

The district received no public comment.

3. Potential Conflicts of interest

There were no potential conflicts of interest identified.

4. Consent Calendar

A motion was made by Director Coulthard, seconded by Director Griffin to approve the minutes from the February 12, 2024 board meeting, and to accept the January 2024 financials. The motion carried.

5. Correspondence

There was no correspondence.

6. Board Action Items

- a. **Information Technology Services** – Director DeLaGuerra made a motion, seconded by Director Simonian, to approve an agreement with iCAD Automation, Industrial Control and Design, Inc. for on-call programming and IT services in the amount of \$22,200 for the 2024 RCWD Budget year. *Budget item 550.06-2,3.* The motion carried.
- b. **Connection Fee Study** – Director Cerniglia made a motion, seconded by Director DeLaGuerra, to enter into an agreement with Lechowicz and Tseng to conduct a review and update of the connection fee study in the amount of \$21,560. *Budget item 900.06-2.* The motion carried.

- c. **Municipal Well 5, Booster Pump Improvements** – Director DeLaGuerra made a motion, seconded by Director Coulthard, to approve a scope of work with District Engineer, Provost and Pritchard, to evaluate and design improvements to Well 5 and the booster pump station to improve operational flexibility in the amount of \$42,000. *Budget item 900.06-2.* The motion carried.
- d. **Municipal Well 7 Improvements** – Director Griffin made a motion, seconded by Director DeLaGuerra, to award a contract to the apparent low bidder, W.M. Lyles Company, to convert existing Well 277 for municipal use in the amount of \$1,641,800. *Budget item 900.05-2.* The motion carried.

7. **District Engineers Report**

There are a total of approximately 1,900 connections to the RCWD system currently. The 2-million-gallon Groundwater Blending and Treatment facility is currently on schedule for completion in August 2025. Plans for Riverstone Village C are expected to be submitted from the builder for review to the District Engineer by the end of March. With the last rain, the potential surface water supply came up to 70% but may be expected to reach 100% by the end of the rainy season. Weather reports show normal snowpack levels to date.

8. **Legal Counsel Report**

AB 1820 – Water districts would have to provide information in 10 days, includes preliminary fee and exaction estimates.

SB 1147 – This bill will result in new limits on microplastics in water. This is opposed by ACWA.

SB 1210 – Limits amounts that can be assessed to construct public facilities. Connection fees to be 1% of cost to build. ACWA opposes this.

AB 2257 – This bill was written by ACWA and would require that any entity bringing action against a public agency must have standing in the administrative record by participating in a public meeting.

9. **District Manager's Report**

There were 9 building permits pulled for the Riverstone development in the month of February. Construction water will soon be limited to flushing, with the phasing out of the ability to water construction pads. This will occur as the Summer months approach and water use increases by the development. As a result of a letter written to Cloacina by the General Manager, they are moving forward. Cloacina has agreed (in writing) to complete the programming of the plant, replace warranted items and provide an operations and maintenance manual.

10. **Adjournment**

The meeting was adjourned unanimously at 11:42 am.

Julia D. Stornetta, District Secretary

DRAFT

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses-Cash Basis
February 2024

	Feb 24	Jan - Feb 24
Ordinary Income/Expense		
Income		
410 · Agricultural Revenues		
410.02 · Ag Recharge Fees-Includes Prepd	7,318.19	10,024.53
410.03 · Ag Capital Fee-Includes Prepaid	1,362.51	1,904.93
Total 410 · Agricultural Revenues	8,680.70	11,929.46
420 · Municipal Revenues		
420.02 · Municipal Water Utility Charges	155,104.55	291,960.17
420.03 · Municipal Storm Drain Charges	12,971.08	25,326.69
420.04 · Municipal Wastewater Charges	90,541.22	176,716.20
420.09 · Late Fees (Municipal)	4,733.86	7,718.34
425.02 · Municipal Water Hydrant Usage	761.85	13,252.14
Total 420 · Municipal Revenues	264,112.56	514,973.54
430.00 · Municipal Revenues-BuilderChrgs		
430.01 · Inspection Fees	22,170.00	35,620.00
Total 430.00 · Municipal Revenues-BuilderChrgs	22,170.00	35,620.00
480 · Other Sources Revenues		
480.01 · Assessments	2,917.16	3,595.01
480.03a · Grant Revenues	0.00	682,500.69
480.03b · Grant Admin Revenue	0.00	7,298.60
480.04 · Interest Income.	53,228.85	55,031.11
Total 480 · Other Sources Revenues	56,146.01	748,425.41
Total Income	351,109.27	1,310,948.41
Gross Profit	351,109.27	1,310,948.41
Expense		
510 · Water Costs		
510.01 · Water Option Pymnt - MID	0.00	100,000.00
Total 510 · Water Costs	0.00	100,000.00
520.01 · MID Assessments	0.00	101,093.40
530.01 · MID Roof Top Fee	29,900.00	58,500.00
540 · System Maintenance		
540.01 · Chemicals	0.00	6,101.58
540.02 · Repairs & Maintenance	0.00	95,862.77
540.03 · Lab Analysis	0.00	3,665.00
Total 540 · System Maintenance	0.00	105,629.35
550 · System Management		
550.01 · Operator Contracted	316.90	119,427.91
550.03 · Inspection Fees	0.00	30,518.48
550.04 · Hauling and Discharge	0.00	44,567.36
Total 550 · System Management	316.90	194,513.75
560.01 · Permits	460.17	1,337.17
580 · Services		
580.01 · Power	41,527.25	80,123.36
580.02 · Communications	0.00	4,450.83
580.03 · Security	0.00	272.50
Total 580 · Services	41,527.25	84,846.69

No assurance is provided on these financial statements.

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses-Cash Basis
February 2024

	Feb 24	Jan - Feb 24
620 · Professional Fees		
620.01 · Accounting	0.00	4,375.00
620.03 · Management Contracted	24,033.10	24,033.10
620.05 · Legal	0.00	7,472.41
620.10 · Public Finance	0.00	6,360.62
Total 620 · Professional Fees	24,033.10	42,241.13
640.01 · Membership dues	0.00	13,005.00
660 · General & Administrative Costs		
660.01 · Printing & Reproduction	596.45	596.45
660.03 · Conference & Meetings	141.20	141.20
660.04 · Travel	209.65	209.65
660.06 · Postage	107.99	108.62
660.07 · Bank Charges	360.00	585.00
660.10 · Payroll Expenses	444.60	447.30
Total 660 · General & Administrative Costs	1,859.89	2,088.22
Total Expense	98,097.31	703,254.71
Net Ordinary Income	253,011.96	607,693.70
Other Income/Expense		
Other Income		
430.02 · Rooftop Fees	15,122.70	57,122.70
430.03 · Water Connection Fees	65,641.74	243,481.74
430.04 · Wastewater Connection Fees	142,976.05	539,486.05
430.05 · Storm Drain Connection Fees	27,176.51	101,606.51
430.06 · Meter Installation Fees	7,992.00	28,416.00
480.02 · CFD Assessments	0.00	684,076.06
Total Other Income	258,909.00	1,654,189.06
Other Expense		
900.01 · Capital Expenditures-Equipment	0.00	1,967.37
900.02 · Capital Expenditures-Water Meters	15,838.34	74,691.74
900.07 · 400,000 gpd WWTF	35,661.49	35,661.49
900.09 · Water Blending Facility	1,587,499.40	2,552,989.77
900.12 · Ag System Expansion Project	0.00	107,539.05
900.90 · Capital Projects Admin Costs	24,033.15	34,391.65
990.01 · Transfers In	-406,856.14	-406,856.14
990.02 · Transfers Out	406,856.14	406,856.14
Total Other Expense	1,663,032.38	2,807,241.07
Net Other Income	-1,404,123.38	-1,153,052.01
Net Income	-1,151,111.42	-545,358.31

No assurance is provided on these financial statements.

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses by Fund-Cash Basis

January through February 2024

	01-District Administration	02-Water Municipal	03-Sewer	04-Storm Drain	05-Water Agriculture	91-CFD Bond \$5,830,000	92-CFD Bond \$2,565,000	93-CFD Bond \$10,060,000.00	Unclassified	TOTAL
Ordinary Income/Expense										
Income										
410 - Agricultural Revenues										
410.02 - Ag Recharge Fees-Includes Prepd	0.00	0.00	0.00	0.00	10,024.53	0.00	0.00	0.00	0.00	10,024.53
410.03 - Ag Capital Fee-Includes Prepaid	0.00	0.00	0.00	0.00	1,904.93	0.00	0.00	0.00	0.00	1,904.93
Total 410 - Agricultural Revenues	0.00	0.00	0.00	0.00	11,929.46	0.00	0.00	0.00	0.00	11,929.46
420 - Municipal Revenues										
420.02 - Municipal Water Utility Charges	0.00	291,960.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	291,960.17
420.03 - Municipal Storm Drain Charges	0.00	0.00	0.00	25,326.69	0.00	0.00	0.00	0.00	0.00	25,326.69
420.04 - Municipal Wastewater Charges	0.00	0.00	176,716.20	0.00	0.00	0.00	0.00	0.00	0.00	176,716.20
420.09 - Late Fees (Municipal)	0.00	7,718.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,718.34
425.02 - Municipal Water Hydrant Usage	0.00	13,252.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,252.14
Total 420 - Municipal Revenues	0.00	312,930.65	176,716.20	25,326.69	0.00	0.00	0.00	0.00	0.00	514,973.54
430.00 - Municipal Revenues-BuilderChrgs										
430.01 - Inspection Fees	0.00	23,053.34	6,283.33	6,283.33	0.00	0.00	0.00	0.00	0.00	35,620.00
Total 430.00 - Municipal Revenues-BuilderChrgs	0.00	23,053.34	6,283.33	6,283.33	0.00	0.00	0.00	0.00	0.00	35,620.00
480 - Other Sources Revenues										
480.01 - Assessments	3,595.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,595.01
480.03a - Grant Revenues	0.00	682,500.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	682,500.69
480.03b - Grant Admin Revenue	0.00	7,298.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,298.60
480.04 - Interest Income	6.78	17,196.49	17,196.49	17,196.48	3,348.09	3.04	1.27	82.47	0.00	55,031.11
Total 480 - Other Sources Revenues	3,601.79	706,995.78	17,196.49	17,196.48	3,348.09	3.04	1.27	82.47	0.00	748,425.41
Total Income	3,601.79	1,042,979.77	200,196.02	48,806.50	15,277.55	3.04	1.27	82.47	0.00	1,310,948.41
Gross Profit	3,601.79	1,042,979.77	200,196.02	48,806.50	15,277.55	3.04	1.27	82.47	0.00	1,310,948.41
Expense										
510 - Water Costs										
510.01 - Water Option Pymnt - MID	0.00	50,000.00	0.00	0.00	50,000.00	0.00	0.00	0.00	0.00	100,000.00
Total 510 - Water Costs	0.00	50,000.00	0.00	0.00	50,000.00	0.00	0.00	0.00	0.00	100,000.00
520.01 - MID Assessments	0.00	101,093.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	101,093.40
530.01 - MID Roof Top Fee	0.00	58,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58,500.00
540 - System Maintenance										
540.01 - Chemicals	0.00	6,101.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,101.58
540.02 - Repairs & Maintenance	0.00	51,482.76	295.00	0.00	44,085.01	0.00	0.00	0.00	0.00	95,862.77
540.03 - Lab Analysis	0.00	2,542.00	1,123.00	0.00	0.00	0.00	0.00	0.00	0.00	3,665.00
Total 540 - System Maintenance	0.00	60,126.34	1,418.00	0.00	44,085.01	0.00	0.00	0.00	0.00	105,629.35
550 - System Management										
550.01 - Operator Contracted	0.00	32,983.07	86,160.14	284.70	0.00	0.00	0.00	0.00	0.00	119,427.91
550.03 - Inspection Fees	0.00	12,493.80	9,012.34	9,012.34	0.00	0.00	0.00	0.00	0.00	30,518.48
550.04 - Hauling and Discharge	0.00	0.00	44,567.36	0.00	0.00	0.00	0.00	0.00	0.00	44,567.36
Total 550 - System Management	0.00	45,476.87	139,739.84	9,297.04	0.00	0.00	0.00	0.00	0.00	194,513.75
560.01 - Permits	460.17	677.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	1,337.17
580 - Services										
580.01 - Power	0.00	49,976.69	30,059.23	0.00	87.44	0.00	0.00	0.00	0.00	80,123.36
580.02 - Communications	0.00	3,364.30	1,086.53	0.00	0.00	0.00	0.00	0.00	0.00	4,450.83
580.03 - Security	0.00	166.00	106.50	0.00	0.00	0.00	0.00	0.00	0.00	272.50
Total 580 - Services	0.00	53,506.99	31,252.26	0.00	87.44	0.00	0.00	0.00	0.00	84,846.69
620 - Professional Fees										
620.01 - Accounting	0.00	1,093.75	1,093.75	1,093.75	1,093.75	0.00	0.00	0.00	0.00	4,375.00
620.03 - Management Contracted	0.00	6,008.28	6,008.28	6,008.27	6,008.27	0.00	0.00	0.00	0.00	24,033.10
620.05 - Legal	0.00	2,217.48	1,114.98	1,114.98	3,024.97	0.00	0.00	0.00	0.00	7,472.41
620.10 - Public Finance	0.00	2,120.20	2,120.22	2,120.20	0.00	0.00	0.00	0.00	0.00	6,360.62
Total 620 - Professional Fees	0.00	11,439.71	10,337.23	10,337.20	10,126.99	0.00	0.00	0.00	0.00	42,241.13
640.01 - Membership dues	2,601.00	2,601.00	2,601.00	2,601.00	2,601.00	0.00	0.00	0.00	0.00	13,005.00
660 - General & Administrative Costs										
660.01 - Printing & Reproduction	596.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	596.45
660.03 - Conference & Meetings	141.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141.20
660.04 - Travel	209.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	209.65
660.06 - Postage	108.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	108.62
660.07 - Bank Charges	0.00	191.68	191.68	191.64	10.00	0.00	0.00	0.00	0.00	585.00
660.10 - Payroll Expenses	447.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	447.30
Total 660 - General & Administrative Costs	1,503.22	191.68	191.68	191.64	10.00	0.00	0.00	0.00	0.00	2,088.22
Total Expense	4,564.39	383,612.99	185,640.01	22,526.88	106,910.44	0.00	0.00	0.00	0.00	703,254.71
Net Ordinary Income	-962.60	659,366.78	14,556.01	26,279.62	-91,632.89	3.04	1.27	82.47	0.00	607,693.70
Other Income/Expense										
Other Income										
430.02 - Rooftop Fees	0.00	57,122.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57,122.70
430.03 - Water Connection Fees	0.00	243,481.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	243,481.74
430.04 - Wastewater Connection Fees	0.00	0.00	539,486.05	0.00	0.00	0.00	0.00	0.00	0.00	539,486.05
430.05 - Storm Drain Connection Fees	0.00	0.00	0.00	101,606.51	0.00	0.00	0.00	0.00	0.00	101,606.51
430.06 - Meter Installation Fees	0.00	28,416.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,416.00
480.02 - CFD Assessments	0.00	228,025.35	228,025.35	228,025.36	0.00	0.00	0.00	0.00	0.00	684,076.06
Total Other Income	0.00	557,045.79	767,511.40	329,631.87	0.00	0.00	0.00	0.00	0.00	1,654,189.06

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses by Fund-Cash Basis
 January through February 2024

	01-District Administration	02-Water Municipal	03-Sewer	04-Storm Drain	05-Water Agriculture	91-CFD Bond \$5,830,000	92-CFD Bond \$2,565,000	93-CFD Bond \$10,060,000.00	Unclassified	TOTAL
Other Expense										
900.01 - Capital Expenditures-Equipment	0.00	1,967.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,967.37
900.02 - Capital Expenditures-Water Meters	0.00	74,691.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	74,691.74
900.07 - 400,000 gpd WWTF	0.00	0.00	35,661.49	0.00	0.00	0.00	0.00	0.00	0.00	35,661.49
900.09 - Water Blending Facility	0.00	2,552,989.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,552,989.77
900.12 - Ag System Expansion Project	0.00	107,539.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	107,539.05
900.90 - Capital Projects Admin Costs	0.00	10,388.56	13,487.05	10,516.04	0.00	0.00	0.00	0.00	0.00	34,391.65
990.01 - Transfers In	0.00	0.00	0.00	0.00	0.00	-111,399.89	-45,456.25	-250,000.00	0.00	-406,856.14
990.02 - Transfers Out	0.00	135,618.72	135,618.71	135,618.71	0.00	0.00	0.00	0.00	0.00	406,856.14
Total Other Expense	0.00	2,883,195.21	184,767.25	146,134.75	0.00	-111,399.89	-45,456.25	-250,000.00	0.00	2,807,241.07
Net Other Income	0.00	-2,326,149.42	582,744.15	183,497.12	0.00	111,399.89	45,456.25	250,000.00	0.00	-1,153,052.01
Net Income	-962.60	-1,666,782.64	597,300.16	209,776.74	-91,632.89	111,402.93	45,457.52	250,082.47	0.00	-545,358.31

ROOT CREEK WATER DISTRICT
Statement of Revenues & Expenses Budget vs Cash Basis Actual

January through February 2024

	Jan - Feb 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
410 · Agricultural Revenues				
410.01 · Agricultural Surface Water Chgs	0.00	356,440.00	-356,440.00	0.0%
410.02 · Ag Recharge Fees-Includes Prepd	10,024.53	1,398,930.00	-1,388,905.47	0.7%
410.03 · Ag Capital Fee-Includes Prepaid	1,904.93	234,000.00	-232,095.07	0.8%
Total 410 · Agricultural Revenues	11,929.46	1,989,370.00	-1,977,440.54	0.6%
420 · Municipal Revenues				
420.02 · Municipal Water Utility Charges	291,960.17	1,810,206.00	-1,518,245.83	16.1%
420.03 · Municipal Storm Drain Charges	25,326.69	159,486.00	-134,159.31	15.9%
420.04 · Municipal Wastewater Charges	176,716.20	1,113,324.00	-936,607.80	15.9%
420.09 · Late Fees (Municipal)	7,718.34			
425.02 · Municipal Water Hydrant Usage	13,252.14	80,000.00	-66,747.86	16.6%
Total 420 · Municipal Revenues	514,973.54	3,163,016.00	-2,648,042.46	16.3%
430.00 · Municipal Revenues-BuilderChrgs				
430.01 · Inspection Fees	35,620.00	310,128.00	-274,508.00	11.5%
430.07 · Sewer Plug Fee	0.00	26,000.00	-26,000.00	0.0%
Total 430.00 · Municipal Revenues-BuilderChrgs	35,620.00	336,128.00	-300,508.00	10.6%
480 · Other Sources Revenues				
480.01 · Assessments	3,595.01	344,000.00	-340,404.99	1.0%
480.03a · Grant Revenues	682,500.69			
480.03b · Grant Admin Revenue	7,298.60			
480.04 · Interest Income.	55,031.11			
Total 480 · Other Sources Revenues	748,425.41	344,000.00	404,425.41	217.6%
Total Income	1,310,948.41	5,832,514.00	-4,521,565.59	22.5%
Gross Profit	1,310,948.41	5,832,514.00	-4,521,565.59	22.5%
Expense				
510 · Water Costs				
510.01 · Water Option Pymnt - MID	100,000.00	100,000.00	0.00	100.0%
510.03 · Water Purchases - Wonderful	0.00	2,056,656.00	-2,056,656.00	0.0%
Total 510 · Water Costs	100,000.00	2,156,656.00	-2,056,656.00	4.6%
520.01 · MID Assessments	101,093.40	185,000.00	-83,906.60	54.6%
530.01 · MID Roof Top Fee	58,500.00	560,000.00	-501,500.00	10.4%
540 · System Maintenance				
540.01 · Chemicals	6,101.58	60,000.00	-53,898.42	10.2%
540.02 · Repairs & Maintenance	95,862.77	100,000.00	-4,137.23	95.9%
540.03 · Lab Analysis	3,665.00	40,000.00	-36,335.00	9.2%
Total 540 · System Maintenance	105,629.35	200,000.00	-94,370.65	52.8%
550 · System Management				
550.05 · Sewer Plugs	0.00	13,000.00	-13,000.00	0.0%
550.01 · Operator Contracted	119,427.91	897,200.00	-777,772.09	13.3%
550.03 · Inspection Fees	30,518.48	310,000.00	-279,481.52	9.8%
550.04 · Hauling and Discharge	44,567.36	36,000.00	8,567.36	123.8%
550.06 · Programming - IT	0.00	37,800.00	-37,800.00	0.0%
Total 550 · System Management	194,513.75	1,294,000.00	-1,099,486.25	15.0%
560.01 · Permits	1,337.17	32,100.00	-30,762.83	4.2%
570 · Groundwater Maintenance				
570.01 · Groundwater Measurements	0.00	20,000.00	-20,000.00	0.0%
570.02 · Groundwater Sustainability	0.00	25,000.00	-25,000.00	0.0%
Total 570 · Groundwater Maintenance	0.00	45,000.00	-45,000.00	0.0%
580 · Services				
580.01 · Power	80,123.36	600,000.00	-519,876.64	13.4%
580.02 · Communications	4,450.83	37,000.00	-32,549.17	12.0%
580.03 · Security	272.50	3,400.00	-3,127.50	8.0%
Total 580 · Services	84,846.69	640,400.00	-555,553.31	13.2%
610 · Marketing				
610.02 · Website	0.00	2,000.00	-2,000.00	0.0%
Total 610 · Marketing	0.00	2,000.00	-2,000.00	0.0%
620 · Professional Fees				
620.01 · Accounting	4,375.00	60,000.00	-55,625.00	7.3%
620.02 · Audit	0.00	20,000.00	-20,000.00	0.0%
620.03 · Management Contracted	24,033.10	160,000.00	-135,966.90	15.0%
620.04 · Engineering	0.00	75,000.00	-75,000.00	0.0%
620.05 · Legal	7,472.41	75,000.00	-67,527.59	10.0%
620.06 · GIS Services	0.00	10,000.00	-10,000.00	0.0%
620.09 · Special Counsel	0.00	125,000.00	-125,000.00	0.0%
620.10 · Public Finance	6,360.62			
Total 620 · Professional Fees	42,241.13	525,000.00	-482,758.87	8.0%

ROOT CREEK WATER DISTRICT
Statement of Revenues & Expenses Budget vs Cash Basis Actual

January through February 2024

	Jan - Feb 24	Budget	\$ Over Budget	% of Budget
630 · Consultants				
630.05 · MS4 Program	0.00	5,000.00	-5,000.00	0.0%
Total 630 · Consultants	0.00	5,000.00	-5,000.00	0.0%
640.01 · Membership dues	13,005.00	15,000.00	-1,995.00	86.7%
650.01 · Insurance	0.00	30,000.00	-30,000.00	0.0%
660 · General & Administrative Costs				
660.01 · Printing & Reproduction	596.45	5,000.00	-4,403.55	11.9%
660.03 · Conference & Meetings	141.20	15,000.00	-14,858.80	0.9%
660.04 · Travel	209.65	1,000.00	-790.35	21.0%
660.06 · Postage	108.62	1,000.00	-891.38	10.9%
660.07 · Bank Charges	585.00			
660.08 · Email Hosting & Storage	0.00	1,000.00	-1,000.00	0.0%
660.10 · Payroll Expenses	447.30			
Total 660 · General & Administrative Costs	2,088.22	23,000.00	-20,911.78	9.1%
Total Expense	703,254.71	5,713,156.00	-5,009,901.29	12.3%
Net Ordinary Income	607,693.70	119,358.00	488,335.70	509.1%
Other Income/Expense				
Other Income				
430.02 · Rooftop Fees	57,122.70	560,000.00	-502,877.30	10.2%
430.03 · Water Connection Fees	243,481.74	2,417,600.00	-2,174,118.26	10.1%
430.04 · Wastewater Connection Fees	539,486.05	5,390,000.00	-4,850,513.95	10.0%
430.05 · Storm Drain Connection Fees	101,606.51	1,012,000.00	-910,393.49	10.0%
430.06 · Meter Installation Fees	28,416.00	372,200.00	-343,784.00	7.6%
480.02 · CFD Assessments	684,076.06	1,306,600.00	-622,523.94	52.4%
Total Other Income	1,654,189.06	11,058,400.00	-9,404,210.94	15.0%
Other Expense				
900.01 · Capital Expenditures-Equipment	1,967.37	353,600.00	-351,632.63	0.6%
900.02 · Capital Expdtures-Water Meters	74,691.74	366,808.00	-292,116.26	20.4%
900.07 · 400,000 gpd WWTF	35,661.49	135,000.00	-99,338.51	26.4%
900.09 · Water Blending Facility	2,552,989.77	22,664,366.00	-20,111,376.23	11.3%
900.10 · Wastewater UV Facility	0.00	100,000.00	-100,000.00	0.0%
900.12 · Ag System Expansion Project	107,539.05			
900.90 · Capital Projects Admin Costs	34,391.65	610,000.00	-575,608.35	5.6%
960.00 · Debt Payments				
960.1 · Debt Principal	0.00	193,512.00	-193,512.00	0.0%
960.2 · Interest Expense	0.00	71,450.00	-71,450.00	0.0%
Total 960.00 · Debt Payments	0.00	264,962.00	-264,962.00	0.0%
970.00 · Bond Payments				
970.02 · Bond Interest	0.00	645,000.00	-645,000.00	0.0%
Total 970.00 · Bond Payments	0.00	645,000.00	-645,000.00	0.0%
990.01 · Transfers In	-406,856.14			
990.02 · Transfers Out	406,856.14			
Total Other Expense	2,807,241.07	25,139,736.00	-22,332,494.93	11.2%
Net Other Income	-1,153,052.01	-14,081,336.00	12,928,283.99	8.2%
Net Income	-545,358.31	-13,961,978.00	13,416,619.69	3.9%

ROOT CREEK WATER DISTRICT

A/R Aging Summary

As of February 29, 2024

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Alfred & Pearl J Lion, Trustee	412.78	0.00	408.69	0.00	40,869.47	41,690.94
ALW Enterprise, Inc.	0.00	0.00	0.00	0.00	-1,634.40	-1,634.40
Arun Earpula	0.00	0.00	0.00	0.00	900.00	900.00
Bonadelle Neighborhoods	0.00	159,656.00	0.00	0.00	0.00	159,656.00
Browning Contractors Inc.	0.00	187.46	1,784.32	0.00	0.00	1,971.78
Central Valley Ag Managment, LLC	0.00	0.52	0.00	0.00	63,244.44	63,244.96
Cody Bondurant	0.02	0.00	0.02	0.00	1.74	1.78
Copeland Jeffrey A & Selyna K Sivaugn	0.10	0.00	0.10	0.00	10.59	10.79
Coulthard Ents	52,092.07	0.00	601.16	0.00	60,115.99	112,809.22
Coulthard Ent LP & Coulthard Jeffrey	46.48	0.00	46.02	0.00	4,602.26	4,694.76
Dancefire Ranch, LLC	51,631.40	0.00	453.22	0.00	45,322.06	97,406.68
Donald L & Kimberlee A. Howard	0.00	181.74	179.94	0.00	17,993.95	18,355.63
Granville Homes	0.00	0.00	0.00	0.00	365,170.65	365,170.65
Groveland Dev Corp.	4,848.10	178.45	176.68	0.00	27,955.80	33,159.03
Hothi Pardeep Singh	0.14	0.00	0.13	0.00	13.41	13.68
Jaghllassian Moses & Seta TR	755.60	0.00	748.12	30,722.77	44,089.28	76,315.77
Jaghllassian Moses & Seta Trustee	545.59	0.00	540.17	19,654.31	34,363.08	55,103.15
Jeff D Coulthard Trustee	98,677.26	0.00	975.53	0.00	97,643.21	197,296.00
Lawler Excavation & Pipeline	0.00	-62.24	0.00	0.00	62.24	0.00
Lennar Homes of California Inc.	0.00	70,629.10	0.00	3,500.00	0.00	74,129.10
Lion Alfred JR Trustee	645.93	0.00	639.53	15,596.85	48,356.43	65,238.74
Lodge Root Creek No 1 LP	2.28	0.00	2.25	0.00	225.45	229.98
Madera County	0.00	0.00	0.00	0.00	7,494.00	7,494.00
Madera Management Business Trust	164.71	0.00	163.08	0.00	16,307.74	16,635.53
Main Ranch Partners	670.17	0.00	663.54	66,353.85	0.00	67,687.56
Mesa Asset Management LLC TR	381.31	0.00	377.54	0.00	37,753.75	38,512.60
Moses Jaghllassian / Seta Trs	2,020.22	0.00	2,000.22	0.00	200,022.05	204,042.49
Philp Enns	4.66	0.00	4.62	0.00	461.58	470.86
Pitman Family Trust	13.78	0.00	13.65	0.00	1,365.14	1,392.57
Riverstone Development LLC	1,727.89	-677.85	0.00	0.00	24,731.45	25,781.49
Riverstone Farms	2,882.77	0.00	131,035.40	0.00	270,202.21	404,120.38
San Joaquin River Ranch LLC	8,356.72	0.00	492,159.02	0.00	892,228.75	1,392,744.49
Triple R Partnership	0.00	0.00	0.00	3,000.00	0.00	3,000.00
Utility Billing Customer	62.21	37,057.31	0.00	0.00	0.00	37,119.52
Waldner Shelly Etal	0.07	0.00	0.06	0.00	6.45	6.58
Wathen Castanos Homes	0.00	140,694.00	276,312.00	23,026.00	211,834.00	651,866.00
Wilson Homes, Inc.	0.00	140,694.00	0.00	0.00	0.00	140,694.00
Wonderful Agricultural Management LLC	0.52	0.00	0.50	0.00	50.49	51.51
Woodside Homes	10.39	23,449.00	8,210.28	0.00	1,028.46	32,698.13
TOTAL	225,953.17	571,987.49	917,495.79	161,853.78	2,512,791.72	4,390,081.95



MANAGING RESOURCES FOR A BETTER FUTURE

PAYMENT PLAN AGREEMENT

Customer Name: Jose Gonzalez

Property Address: 377 MacLure Ave W

Account No: R10040.01 Date: 3/15/2024

Current Account Balance: 379.98

Payment Amount: \$ 200 on April 1st, 179.98 May 1st

Payment Arrangement Description:

I, Jose ("customer"), agree to make remaining payment of _____ to Root Creek Water District, I acknowledge and agree that I will pay the final payment of if and agree that my service may be subject to discontinuance I do not comply with this Payment Agreement or do not keep current my account for water service as charges accrue in each subsequent billing period. Please be advised that any account for water service that has been discontinued for nonpayment of bills, will be subject to a fee for reconnection of service. Upon termination of this Payment Agreement, by completion pursuant to scheduled dates or through customer default on the terms and conditions of this Agreement, the remaining balance shall become due and subsequent billing shall require payments pursuant to Root Creek Water District's then current and approved Rate Schedule.

By signing below, I acknowledge and agree that I have committed to Payment Arrangements for my delinquent utility bill to avoid any further administrative late fees and discontinuance of service. I acknowledge and agree that if arrangements are broken; my utility account will revert back to delinquent status and will be subject to said administrative fees along with discontinuance of service until the account has been satisfied by the utility company.

Jose Gonzalez
Customer Signature

3-15-24
Date

FOR INTERNAL USE BY ROOT CREEK WATER DISTRICT

Approved By: John Date Approved: _____ PA #: 202325

Comments: FULL BALANCE TO BE PAID BY AUG 31, 2023

****PLEASE REFER TO AGREEMENT ABOVE TO STAY OFF SHUT OFF****

RESOLUTION NO. 2024-_____

**BEFORE THE BOARD OF DIRECTORS OF THE
ROOT CREEK WATER DISTRICT
RESOLUTION SETTING A LATE FEE SCHEDULE FOR
CONNECTION FEES, INSPECTION FEES, AND METER FEES**

WHEREAS, the Root Creek Water District (the “District”) is a California water district formed under Division 13 of the California Water Code; and

WHEREAS, the District has established agricultural water and municipal water, wastewater, and storm drain utility services for the land within the District’s boundaries; and

WHEREAS, in 2016, the District completed a Rate Study and Financial Plan, which was approved by the District’s landowners, in compliance with the California Constitution and Propositions 26 and 218, whereby proposed rates and fees were established for the District; and

WHEREAS, on October 11, 2017, the District adopted its Rate Setting Policy, which establishes rate setting rules to ensure all rate payers within the District pay only rates that are proportional to the benefits they receive; and

WHEREAS, in 2022, the District completed Municipal Rate Study Update, which was approved by the District’s landowners, in compliance with the California Constitution and Propositions 26 and 218, which updated the rates and meter fees for the District; and

WHEREAS, the District has previously established connection fees and inspection fees to fund operation and maintenance of the District’s agricultural and municipal facilities; and

WHEREAS, pursuant to California Water Code section 35470.5 and Proposition 26, the District proposes to impose penalties for delinquent payment of connection fees, inspection fees and meter fees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Root Creek Water District that:

1. The above Recitals are true and correct, and this Board so finds and determines.
2. It is prudent for the District to set late fees for delinquent charges for connection fees, inspection fees, and meter fees, to recover the District’s operating costs.
3. All charges for connection fees, inspection fees, and meter fees of the District which have not been paid by 30 days following the invoice issue date shall be deemed delinquent.

4. For all delinquent charges for connection fees, inspection fees, and meter fees, the District's late fee shall be set at one percent (1%) per month past due and shall be charged against the unpaid balance of the delinquent fees on the 31st day after the invoice issue date.

5. The Board directs the District's General Manager and applicable consultants to take any further action required to implement the purpose of this resolution.

PASSED AND ADOPTED this 8th day of April, 2024.

<i>Director</i>	<i>Aye</i>	<i>Nay</i>	<i>Abstain</i>
Bruno			
Coulthard			
Simonian			
Cerniglia			
Delaguerra			
Bream			
Griffin			

NICK BRUNO, President
Root Creek Water District

ATTEST:

JULIA D. BERRY, Secretary
Root Creek Water District

**CERTIFICATE OF SECRETARY
OF
ROOT CREEK WATER DISTRICT**

I, JULIA D. BERRY, do hereby certify that I am the duly authorized and appointed Secretary of the Root Creek Water District, a California water district (the “District”); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 8th day of April, 2024; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 8th day of April, 2024.

JULIA D. BERRY, Secretary
Root Creek Water District

PROVOST & PRITCHARD CONSULTING GROUP

455 W Fir Ave • Clovis, CA 93611 • (559) 449-2700
www.provostandpritchard.com

April 4, 2024

Julia Stornetta, General Manager
Root Creek Water District
PO Box 27950
Fresno, CA 93729

**Subject: Planning and Engineering Services for the
Riverstone WWTP Improvement Project, Madera, California**

Dear Julia Stornetta:

Thank you for the opportunity to submit this proposal to provide engineering services for the subject project. This proposal discusses our understanding of the project, recommends a scope of services together with associated fees, deliverables and approximate schedules, sets forth our assumptions and discusses other services that may be of interest as the project proceeds.

PROJECT UNDERSTANDING

In the Draft Basis of Design (BOD) Report dated February 2024 an analysis of the flows and loads observed at the existing Riverstone Wastewater Treatment Plant (WWTP) showed that the new, permanent WWTP will not be operational before flows exceed the existing 400,000 gpd capacity. The WWTP needs improvements to the biological treatment system including the nitrification and denitrification processes to continue producing effluent in compliance with the Waste Discharge Requirements (WDRs).

Additionally, during review of the Draft BOD Report it was agreed that the Tertiary WWTP should be located adjacent to the ponds on Avenue 10 instead of on the existing Road 40 site. Changing the location of the tertiary plant requires additional facilities on the Road 40 site likely to include a new sewer lift station, modifying the influent and effluent pump stations, modifying the effluent force main, adding a second parallel force main, and potentially locating some of the headworks facilities from the Tertiary WWTP on site to improve operation of the lift station and force main. Once the Tertiary WWTP is operational and the effluent force main has been converted to convey screened influent, the existing facility will need additional facilities to utilize the existing equipment and provide disinfected, tertiary effluent for agricultural and municipal irrigation uses.

This proposal covers the planning, analysis and design of modifications to the existing 400,000 gpd treatment plant to be expanded to an estimated 600,000 gpd treatment plant (to be verified in this planning scope of work) including preparation of design criteria, costs, scheduling, design documents and permitting. This scope also covers the design of the disinfection system as required by the Regional Water Control Board at the Road 40 site for the volume of treated water produced at this site.

[https://provostandpritchard-my.sharepoint.com/personal/behlers_ppeng_com/Documents/2024 03 RCWD Riverstone WWTP Evaluation Proposal rev phase 1 04042024.docx](https://provostandpritchard-my.sharepoint.com/personal/behlers_ppeng_com/Documents/2024%2003%20RCWD%20Riverstone%20WWTP%20Evaluation%20Proposal%20rev%20phase%201%2004042024.docx)

Engineering • Structural • Geotechnical • Surveying • Planning • Environmental • GIS • Construction Services • Hydrogeology • Consulting
Clovis • Visalia • Bakersfield • Modesto • Los Banos • Chico • Sacramento • Sonora • San Luis Obispo • Boise, ID

SCOPE OF SERVICES

Our proposed scope of work will be completed in multiple phases as described below.

TASK 1 – PROJECT MANAGEMENT AND COORDINATION

This task will consist of the following project management and coordination tasks:

- Project execution and administration including contracts, scheduling, invoicing, and staff workload projections.
- Conduct QA/QC program.
- Internal project kickoff meeting and five (5) internal project progress meetings.
- Four (4) client project progress meetings.
- Coordination with the General Manager and the District’s financial consultant to evaluate construction schedule, income, and cash flow to enable the facilities to be constructed. This task includes meetings, discussions, and a final review to assure that the most recent estimates are incorporated in the planning.

TASK 2 – TREATMENT ANALYSIS TECHNICAL MEMORANDUM

The existing wastewater treatment plant consists of two (2) Cloacina Package membrane bioreactors (MBR) with a rated capacity of 200,000 gpd each. Based on the analysis in Draft BOD Report the new Tertiary WWTP will not be online until March of 2027, so the existing WWTP needs to treat a minimum of 600,000 gpd. The package MBRs have the membrane capacity to filter 664,000 gpd but they do not have adequate volume for the biological processes to breakdown BOD, TSS, and mostly ammonia nitrogen. The TM will use the influent design criteria from the Draft BOD Report and look at alternatives for improving the nitrification/denitrification (NDN) process including returning the old Ovivo units to service, converting the emergency pond to a treatment lagoon, and constructing a post filtration nitrate polishing process. The TM will advance the designs to approximately the 10-percent level to provide adequate background information to recommend a treatment approach, and then provide a conceptual engineer’s opinion of probable construction cost (EOPCC) for the recommended alternative.

The WDRs require that the District increase the level of treatment to disinfected tertiary effluent when the ADF passes 300,000 gpd. The original plan was to install disinfection as part of the Tertiary WWTP expansion but with construction being 3 years from completion and the relocation of the Tertiary WWTP the District needs to install disinfection as part of this project to remain in compliance. The TM will establish the design criteria for the UV disinfection system and advance the design to the 10-percent level.

The recommended alternative will include the following drawings to be used as the basis for the schematic design and equipment procurement:

- Cover, vicinity map and sheet index (1 sheet)
- Legend and abbreviations (1 sheet)
- Design Criteria and Process Flow Diagram (1 sheet)
- Hydraulic Grade Line (1 sheet)
- Site Plan (1 sheet)
- Piping Plan (1 sheet)
- Single Line Diagram (1 sheet)

Based on the total electrical load for the existing site, a service application will be submitted to PG&E for an expanded service at the existing WWTP site.

ASSUMPTIONS:

- Alternatives that do not provide the required supplemental treatment capacity will be discounted.

- The District will pay all application fees.

DELIVERABLES:

- Design Criteria TM (PDF Format)
- PG&E Service application
- Conceptual 10-percent Construction Docs (PDF Format)
- Conceptual 10-percent EOPCC (PDF Format)

TASK 3 – PERMITTING

This task includes the anticipated effort required to coordinate with the Regional Water Quality Control Board (Regional Board) for the modification of the Road 40 WWTP once the recommended treatment approach is confirmed. It is anticipated that the Regional Board will require a new Report of Waste Discharge (RWD) because of the modifications to the WWTP. This coordination needs to be completed as soon as the recommendations in the Design Criteria TM are accepted to ensure that the Regional Board accepts the decisions.

ASSUMPTIONS:

- The work will be entirely contained onsite and County grading/building permits will not be required.
- The project is exempt from CEQA.
- The new RWD will only address the modifications to the existing Road 40 WWTP site and will not include information about the Tertiary WWTP to be constructed on Avenue 10.

DELIVERABLES:

- Revised Waste Discharge Report for the Road 40 WWTP (PDF Format)
- Notice of Exemption for CEQA Compliance (PDF Format)

TASK 4 – SCHEMATIC DESIGN

After incorporating comments from the Design Criteria TM and the Regional Board the schematic design phase will begin including the Preliminary Plans, Specifications, and Opinion of Probable Cost. The intent is to take the project to the 30-percent level of completion to form a basis for equipment procurement. The construction documents will be expanded to include the following sheets:

GENERAL

- Cover, vicinity map and sheet index (1 sheet)
- Legend and abbreviations (1 sheet)
- General Notes 1 of 2 (1 sheet)
- General Notes 2 of 2 (1 sheet)
- Design Criteria (1 sheet)
- Process Flow Diagram (1 sheet)
- Hydraulic Grade Line (1 sheet)

CIVIL

- Site Plan (1 sheet)
- Piping Plan (1 sheet)

PROCESS

- NDN Process Plan (2 sheet)
- NDN Section and Details (3 sheet)
- Disinfection Process Plan (1 sheet)
- Disinfection Process Sections and Details (2 sheet)
- Miscellaneous Process Modification Details (4 sheet)

- Process Details (3 sheet)

ELECTRICAL

- Cover Sheet Symbols and Abbreviations (1 sheet)
- Single Line Diagram
- Panelboard Section and Details (1 sheet)
- Site Plan (1 sheet)
- NDN Conduit, Cable, and Equipment Plan (1 sheet)
- Disinfection Conduit, Cable, and Equipment Plan (1 sheet)
- Electrical Details (3 sheet)

INSTRUMENTATION

- Instrumentation Cover Sheet Symbols and Abbreviations (1 sheet)
- Network Instrumentation Diagram (1 sheet)
- NDN Process and Instrumentation Diagram (2 sheet)
- UV Disinfection Process and Instrumentation Diagram (2 sheet)
- Instrumentation Details (3 sheet)

ASSUMPTIONS:

- The project is intended to be a mechanical installation project resulting in no significant offsite, grading, or structural design.

DELIVERABLES:

- Schematic Design Plans 30-percent level (PDF format)
- Schematic Design EOPCC 30-percent level (PDF Format)

TASK 5 – EQUIPMENT PROCUREMENT ASSISTANCE

It is anticipated that the long lead items will need to be pre-procured to meet the timelines. We will evaluate and recommend different methods of procurement ranging from pre-negotiating a price to pre-purchasing the equipment. The schematic design documents will serve as the basis for the equipment solicitations. Completing these work tasks helps condense the schedule as much as possible but some of these equipment purchases may be required very soon. Since there have been issues with recent procurement contracts it is advised that legal counsel develop a contract to be used in this process. The development of this contract is not included in this scope. The work tasks include:

- Recommend a procurement approach.
- Prepare equipment procurement specifications.
- Solicit supplier proposals.
- Prepare addenda and clarifications as necessary.
- Review manufacturer proposals.
- Provide recommendation for award.
- Prepare Notice of Award and Notice to Proceed forms.

DELIVERABLES:

- Equipment Procurement Method Recommendation (PDF format)
- Equipment Procurement Solicitation Package(s), up to two (2) packages (PDF Format)

TASK 6 – CONSTRUCTION DOCUMENTS

After incorporating comments from the schematic design review meeting, the construction documents phase will begin advancing the 30-percent Schematic Design drawings to the 60-percent and then bid ready contract documents. The bid set will include all of the drawings previously listed and the following additional items:

- Update 30-percent drawings
- Prepare District front-end documents.
- Prepare technical specifications per CSI standards.
- Update Engineer’s Opinion of Probable Construction Costs

60% CD DELIVERABLES

- Construction documents 60-percent level (PDF format)
- Updated EOPCC 60-percent level (PDF Format)
- Attend one (1) 60-percent review meeting (Meeting Minutes PDF Format)

FINAL CD DELIVERABLES

- Bid set construction documents for approval and bid (PDF Format)
- Bid EOPCC (PDF Format)

PROFESSIONAL FEES

Provost & Pritchard Consulting Group will perform the services in these phases as shown in the following table. Compensation will be on a time and materials basis according to the current P&P schedule of charges and will not exceed the total amount below without prior notification. Reimbursable and consultant expenses are included in this total; the cost of this work is included in the overall project budgets for the WWTP and for project management.

The following table identifies the work task and associated budget expected to be expended this year:

PROPOSED FEE – RIVERSTONE WWTP IMPROVEMENT PROJECT	
PHASE	ESTIMATED FEE
Task 1 – Project Management and Coordination	\$47,000
Task 2 – Treatment Analysis Technical Memorandum	\$76,000
Task 3 – Permitting	\$26,000
Task 4 – Schematic Design	\$88,000
Task 5 – Equipment Procurement Assistance	\$27,000
Task 6 – Construction Documents	\$197,000
Total Estimated Fee:	\$461,000

ASSUMPTIONS

This proposal is based on the following assumptions:

- The survey from the 0.4 MGD WWTP Expansion Project is adequate, and no new survey will be performed as part of this project.
- The geotechnical investigation from the 0.4 MGD WWTP Expansion Project is adequate, and no new geotechnical work will be performed as part of this project.
- Instrumentation will be integrated into the existing Ignition SCADA system by the District’s integrator during construction.
- The District will pay any fees associated with permitting, environmental documents, checking and inspection, and all other fees, permits, title company charges, and all other similar charges not specifically covered by the terms of this agreement.
- Provost & Pritchard current CAD version, standards, and title block will be used for the design of this project.

EXCLUSIONS

This proposal is for the analysis and design of the interim improvements to the existing Riverstone WWTP and does not include the following:

- Modifications to the Draft Basis of Design for the Tertiary WWTP.
- Design of processes from the Tertiary WWTP.
 - Design of effluent processes required to continue to utilize tertiary effluent produced at the existing Riverstone WWTP on Road 40 after construction is completed on the Tertiary WWTP near Avenue 10.
- Demolition of the Initial Plant facilities.
- There are no buildings included as part of the project, the existing job trailer will continue to be utilized.

ADDITIONAL SERVICES

The following work tasks are not included in this scope of work but will be required for construction. These services may be provided directly or through a subconsultant at the District's request:

- Bid Support Services
 - Advertise the job by sending the bid documents to contractors and uploading to the local online bid boards.
 - Maintain the registered planholders list.
 - Host a pre-bid conference at the existing WWTP.
 - Prepare addenda and clarifications as necessary.
 - Host the bid opening.
 - Review bid proposals.
 - Provide recommendation for award.
 - Prepare Notice of Award and Notice to Proceed forms.
 - Prepare conformed construction documents.
 -
- Construction Staking
 - Rough Grade Staking
 - Concrete Foundations
 - Existing Utilities
- Construction Administration Services
 - Attend pre-construction meeting.
 - Review contractor submittals.
 - Assist in response to RFI's.
 - Make periodic site visits while construction is active to observe the progress of work; including a site visit for substantial completion and a final walk-through. A total of 4 site visits are included in the scope of services.
 - Startup and commissioning support
- Construction Management Services
 - Preconstruction Meeting,
 - Weekly Progress Meetings
 - Coordination of Contractor, District, Engineers, Labor Compliance and Testing Lab.
 - Construction Schedule – Manage overall construction schedule, review contractor's look ahead schedule, and provide elapsed construction duration as a percentage of total construction schedule.

- Budget Management – manage the overall construction budget providing weekly updates on the work performed to date as an amount and as a percentage of the contract completed. Manage pay requests and contract change orders.
- Pay Requests – Review contractor payment requests, compare with observed work performed, prepare pay request forms and provide recommendations for payment.
- Contract Change Orders - Review contractor change order requests, compare with observed situation, coordinate with design team, prepare contract change order forms, and submit to District for approval.
- Document Control – establish SharePoint site for RFIs, Reports, Photos, Submittals, and Daily Logs.
- Document Control – Review contractor submitted RFIs and submittals for compliance with the requirements in the contract documents before sending to the design team for review. Coordinate and log responses.
- Coordination of electrical inspections, field reviews by consultants and sub-consultants, testing lab coordination and coordination with utility company.
- Contract Closeout including review of as-built documentation and assembly of operation and maintenance manuals
- Construction Inspection, General: Observation and review of on-site activities for compliance with construction documents, permits, and regulatory compliance including:
 - Daily Logs
 - Observation of water and wastewater pipeline connections, construction and installation and testing.
 - Observation of earthwork
 - Coordination of electrical and SCADA inspections
 - Plant start-up and commissioning
- Construction Inspection, Special:
 - Soils observations and compaction testing.
 - Reinforced concrete inspection.
 - Concrete sampling and testing.
 - Post installed anchor inspection.
 - Shop and field welding inspection.
 - High strength bolting inspections and testing.
- Labor Compliance:
 - State Prevailing Wage Monitoring
 - Preparation of standard labor forms
 - Applicable State Wage determinations
 - Ensuring compliance with wage rates and classifications
 - Review of all certified payrolls
 - Labor consultation
 - Worker on-site interviews
- Any changes made by Client or regulatory agencies after concept approval.
- Additional design review submittals and revisions (beyond those stated above).

SCHEDULE

The work will commence upon execution of this scope and it is estimated that Task 2 can be completed within two (2) months providing the required information to make a decision to execute the remainder of the project. A detailed schedule of design activities will be prepared and provided to District upon acceptance of this proposal. Provost & Pritchard is not responsible for schedule delays beyond our control. specifically including failure of reviewing agencies to meet the scheduled timeframes.

TERMS AND CONDITIONS

This Task Order is subject to the terms and conditions of Consultant Services Agreement dated December 11, 2017, by and between Provost & Pritchard and Root Creek Water District.

If this Task Order is acceptable, please sign below and return a copy to our office. These documents will serve as our Notice to Proceed. This proposal is valid for 30 days from the date above.

If you have any questions regarding this proposal, please contact Brandon Stipe or Brian Ehlers at (559) 449-2700, or by e-mail at bstipe@ppeng.com or behlers@ppeng.com.

Respectfully,

PROVOST & PRITCHARD CONSULTING GROUP

Brandon Stipe, PE
Principal Project Manager
RCE 75956

Matthew W. Kemp, PE
Principal Engineer
RCE 66088

TERMS AND CONDITIONS ACCEPTED

By Root Creek Water District

Signature

Printed Name

Title

Date

PROVOST & PRITCHARD CONSULTING GROUP

455 W Fir Ave • Clovis, CA 93611 • (559) 449-2700
www.provostandpritchard.com

April 4, 2024

Julia Stornetta, General Manager
Root Creek Water District
PO Box 27950
Fresno, CA 93729

**Subject: Bid Services for the
Riverstone WWTP Improvement Project, Madera, California**

Dear Julia Stornetta:

Thank you for the opportunity to submit this proposal to provide engineering services for the subject project. This proposal discusses our understanding of the project, recommends a scope of services together with associated fees, deliverables and approximate schedules, sets forth our assumptions and discusses other services that may be of interest as the project proceeds.

PROJECT UNDERSTANDING

This proposal covers the bidding of the existing 400,000 gpd treatment plant to be expanded to an estimated 600,000 gpd treatment plant (to be verified in this planning scope of work).

SCOPE OF SERVICES

Our proposed scope of work will be completed in multiple phases as described below.

TASK 1 – BID SUPPORT SERVICES

Provost & Pritchard will provide the following services during the bidding phase:

upload the bid documents to the bid boards, provide the following services during the bid period:

- Advertise the job by sending the bid documents to contractors and uploading to the local online bid boards.
- Maintain the registered planholders list.
- Host a pre-bid conference at the existing WWTP.
- Prepare addenda and clarifications as necessary.
- Host the bid opening.
- Review bid proposals.
- Provide recommendation for award.
- Prepare Notice of Award and Notice to Proceed forms.
- Prepare conformed construction documents.

DELIVERABLES:

- Addenda as needed; 1 addendum included (PDF Format)

[https://provostandpritchard-my.sharepoint.com/personal/behlers_ppeng_com/Documents/2024 03 RCWD Riverstone WWTP Evaluation Proposal rev Phase 2 04042024.docx](https://provostandpritchard-my.sharepoint.com/personal/behlers_ppeng_com/Documents/2024%20RCWD%20Riverstone%20WWTP%20Evaluation%20Proposal%20rev%20Phase%202%2004042024.docx)

- Award recommendation (PDF Format)
- Notice of Award (PDF Format)
- Notice to Proceed (PDF Format)
- Conformed construction documents to be use for construction (PDF Format)

PROFESSIONAL FEES

Provost & Pritchard Consulting Group will perform the services in this phases as shown in the following table. Compensation will be on a time and materials basis according to the current P&P schedule of charges and will not exceed the total amount below without prior notification. Reimbursable and consultant expenses are included in this total; the cost of this work is included in the overall project budgets for the WWTP and for project management.

The following table identifies the work task and associated budget expected to be expended this year:

PROPOSED FEE – RIVERSTONE WWTP IMPROVEMENT PROJECT	
PHASE	ESTIMATED FEE
Task 7 – Bid Support Services	\$20,000
Total Estimated Fee:	\$20,000

ASSUMPTIONS

This proposal is based on the following assumptions:

- Project documents are complete from the design of the planned improvements

EXCLUSIONS

This proposal is for the bidding of the project.

- Demolition of the Initial Plant facilities.
- There are no buildings included as part of the project, the existing job trailer will continue to be utilized.

ADDITIONAL SERVICES

The following work tasks are not included in this scope of work but will be required for construction. These services may be provided directly or through a subconsultant at the District’s request:

- Construction Staking
 - Rough Grade Staking
 - Concrete Foundations
 - Existing Utilities
- Construction Administration
- Construction Management Services
 - Preconstruction Meeting,
 - Weekly Progress Meetings
 - Coordination of Contractor, District, Engineers, Labor Compliance and Testing Lab.
 - Construction Schedule – Manage overall construction schedule, review contractor’s look ahead schedule, and provide elapsed construction duration as a percentage of total construction schedule.

- Budget Management – manage the overall construction budget providing weekly updates on the work performed to date as an amount and as a percentage of the contract completed. Manage pay requests and contract change orders.
- Pay Requests – Review contractor payment requests, compare with observed work performed, prepare pay request forms and provide recommendations for payment.
- Contract Change Orders - Review contractor change order requests, compare with observed situation, coordinate with design team, prepare contract change order forms, and submit to District for approval.
- Document Control – establish SharePoint site for RFIs, Reports, Photos, Submittals, and Daily Logs.
- Document Control – Review contractor submitted RFIs and submittals for compliance with the requirements in the contract documents before sending to the design team for review. Coordinate and log responses.
- Coordination of electrical inspections, field reviews by consultants and sub-consultants, testing lab coordination and coordination with utility company.
- Contract Closeout including review of as-built documentation and assembly of operation and maintenance manuals
- Construction Inspection, General: Observation and review of on-site activities for compliance with construction documents, permits, and regulatory compliance including:
 - Daily Logs
 - Observation of water and wastewater pipeline connections, construction and installation and testing.
 - Observation of earthwork
 - Coordination of electrical and SCADA inspections
 - Plant start-up and commissioning
- Construction Inspection, Special:
 - Soils observations and compaction testing.
 - Reinforced concrete inspection.
 - Concrete sampling and testing.
 - Post installed anchor inspection.
 - Shop and field welding inspection.
 - High strength bolting inspections and testing.
- Labor Compliance:
 - State Prevailing Wage Monitoring
 - Preparation of standard labor forms
 - Applicable State Wage determinations
 - Ensuring compliance with wage rates and classifications
 - Review of all certified payrolls
 - Labor consultation
 - Worker on-site interviews
- Any changes made by Client or regulatory agencies after concept approval.
- Additional design review submittals and revisions (beyond those stated above).

SCHEDULE

The work will commence upon execution of this scope and at the conclusion of the contract documents.

TERMS AND CONDITIONS

This Task Order is subject to the terms and conditions of Consultant Services Agreement dated December 11, 2017, by and between Provost & Pritchard and Root Creek Water District.

If this Task Order is acceptable, please sign below and return a copy to our office. These documents will serve as our Notice to Proceed. This proposal is valid for 30 days from the date above.

If you have any questions regarding this proposal, please contact Brandon Stipe or Brian Ehlers at (559) 449-2700, or by e-mail at bstipe@ppeng.com or behlers@ppeng.com.

Respectfully,

PROVOST & PRITCHARD CONSULTING GROUP

Brandon Stipe, PE
Principal Project Manager
RCE 75956

Matthew W. Kemp, PE
Principal Engineer
RCE 66088

TERMS AND CONDITIONS ACCEPTED

By Root Creek Water District

Signature

Printed Name

Title

Date

PROVOST & PRITCHARD CONSULTING GROUP

455 W Fir Ave • Clovis, CA 93611 • (559) 449-2700
www.provostandpritchard.com

MEMORANDUM

To: Julia Stornetta
Root Creek Water District

From: Brian Ehlers/ Steve Pickens

Subject: Water Operations Summer 2024

Date: March 27, 2024

COMMENTS:

Julia,

As a result of an operations meeting on February 27, 2024, Steve Pickens and P&P became aware of the various demands on the water system for the District. These consist of:

1. Maintaining service to the homes and businesses
2. Maintaining service to the landscape areas
3. Provide for flushing of in-tract improvements
4. Provide for flushing of home plumbing
5. Provide for filling and testing home fire system
6. Provide for construction water
7. Provide for construction water for lot watering

Upon review of the information presented in the meeting, review of operational records for last year and projecting similar patterns of the seasonal variations from last year to this year, his operational staff have reviewed the existing operating demands and has the following suggestion:

1. Disallow construction water for watering lots after May 1, 2024
2. Limit construction water for other purposes to nighttime hours
3. Limit water for flushing of in-tract improvements to a maximum total length of 5,000 feet to be scheduled with RT Diversified at least 2 days in advance. Only one flushing event at a time will be allowed.
4. Large park or landscape irrigation areas must be metered and backflow installed correctly before allowing irrigation to be used.

ROOT CREEK WATER DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

**ROOT CREEK WATER DISTRICT
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DECEMBER 31, 2021**

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**ROOT CREEK WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
DECEMBER 31, 2021**

Board of Directors

Nick Bruno	President
Jeffrey D. Coulthard	Vice President
Eric Bream	Director
Dan Hoffman	Director
Lynn Hoffman	Director
Amber Mendoza	Director
Toni Scarborough	Director

Administration

Julia Berry	Manager
Brian Ehlers	District Engineer
Amber Mendoza	Treasurer
Lauren Layne	Attorney

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Root Creek Water District
Madera, California

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Root Creek Water District (the "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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the 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 opinions.

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 beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 generally accepted auditing standards 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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 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 our judgment, 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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-6 and 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Bryant L. Jolley, CPA
March 20, 2024

ROOT CREEK WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Root Creek Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the year ended December 31, 2021. Please read in conjunction with the District's financial statements, which follow this section.

Financial Highlights

Following are the financial highlights of the Root Creek Water District for the fiscal year ended December 31, 2021.

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$21,187,874 (net position). Of this amount, there is \$20,680,739 of unrestricted net position.
- The District's net position increased by \$7,467,874.
- At the close of the fiscal year, the District's governmental fund reported ending fund balance of \$(187,520), an increase of \$95,915 from the prior year.
- At the close of the fiscal year, the District's proprietary funds reported ending net assets of \$21,375,394, an increase of \$7,371,959.
- The District issued bonds of \$9,348,616 in 2021. After principal payments, the District's debt had a net increase of \$12,233,865 during 2021 for construction and expansion of the District's infrastructure.

Overview of the Financial Statements

In addition to the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements and notes to the financial statements. The first statements are condensed and present a government-wide view of the Special District's finances. Within this view, all operations are categorized and reported as either governmental or business-type activities. Business-type activities include municipal water, sewer, storm drain and agriculture water services. Governmental activities include general services of the District. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Special District.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the Special District owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. The governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses gross and net costs of the Special District's programs and the extent to which such programs rely upon general assessments and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. Statements for the Special District's proprietary funds follow the governmental funds and include net position, revenue, expenses and changes in net position and cash flow.

**ROOT CREEK WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Special District's financial condition.

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years. Significant changes from the prior year are explained in the following paragraphs.

FINANCIAL HIGHLIGHTS FOR YEAR ENDED DECEMBER 31, 2021

	Net Position at Year-End December 31, 2021			Prior Year
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Government</u>	<u>Total Government</u>
ASSETS				
Current and Other Assets	\$ (136,600)	\$ 30,725,830	\$ 30,589,230	\$ 20,228,394
Capital Assets	-	18,228,109	18,228,109	10,004,199
Total Assets	<u>(136,600)</u>	<u>48,953,939</u>	<u>48,817,339</u>	<u>30,232,593</u>
LIABILITIES				
Short & Long Term Debt Outstanding	-	21,203,196	21,203,196	8,969,331
Other Liabilities	50,920	6,375,349	6,426,269	7,543,262
Total Liabilities	<u>50,920</u>	<u>27,578,545</u>	<u>27,629,465</u>	<u>16,512,593</u>
NET POSITION				
Invested In Capital Assets	-	8,643,534	8,643,534	3,392,368
Restricted	-	507,135	507,135	-
Unrestricted (Deficit)	(187,520)	12,224,725	12,037,205	10,327,632
Total Net Position	<u>\$ (187,520)</u>	<u>\$ 21,375,394</u>	<u>\$ 21,187,874</u>	<u>\$ 13,720,000</u>

During the year ended December 31, 2021, significant events that changed the balance of Net Position consisted of the following:

- During the 2021 year, the District continued to add a significant amount of residential homes to its service area. This provided the District with additional connection fees paid for by the builders and developers. This increased cash and receivables as of December 31, 2021.
- In 2021, the District issued bonds for Root Creek Water District Improvement Area 1, Series 2021 Special Tax Bonds with a principal amount of \$5,830,000 and Root Creek Water District Improvement Area 2, Series 2021 Special Tax Bonds with a principal amount of \$2,565,000 which will provide funds for continued expansion of the District's infrastructure (capital assets).

**ROOT CREEK WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

**Governmental and Business-Type Activities
For the Year Ended December 31, 2021**

	Governmental Activities	Business-Type Activities	Total Government	Prior Year Total Government
REVENUES				
Program Revenues				
Charges For Services	\$ -	\$ 5,568,047	\$ 5,568,047	\$ 8,709,653
Grants and Contributions	25,902	7,857,101	7,883,003	-
General Revenues				
Assessments	324,319	-	324,319	316,538
Interest Income	-	571	571	473
Total Revenues	<u>350,221</u>	<u>13,425,719</u>	<u>13,775,940</u>	<u>9,026,664</u>
EXPENSES				
General	254,306	-	254,306	292,187
Water Municipal	-	3,043,955	3,043,955	1,498,676
Sewer	-	1,266,154	1,266,154	887,888
Storm Drain	-	442,136	442,136	187,509
Water Agriculture	-	1,301,515	1,301,515	275,773
Total Expenses	<u>254,306</u>	<u>6,053,760</u>	<u>6,308,066</u>	<u>3,142,033</u>
Changes In Net Position	95,915	7,371,959	7,467,874	5,884,631
Beginning Net Position (Deficit)	(283,435)	14,003,435	13,720,000	7,835,369
Ending Net Position (Deficit)	<u>\$ (187,520)</u>	<u>\$ 21,375,394</u>	<u>\$ 21,187,874</u>	<u>\$ 13,720,000</u>

During the year ended December 31, 2021, significant events that affected the revenues and expenses consisted of the following:

- There continues to be a significant number of residential housing constructed in the District and as a result, additional service revenue and connection fees are generated.
- With additional construction in the District, costs have increased.
- During the year, the District had a one-time sale of water of \$2,750,000, however, did incur some water costs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- Surface water supplies and infrastructure construction will continue to dominate the costs in the budget.
- Acquisition of the M & I systems will add liabilities however will also include acquisition of assets.

FINANCIAL CONTACT

The Special District's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional financial information, please contact the Root Creek Water District, P.O. Box 27950, Fresno, CA 93729.

**ROOT CREEK WATER DISTRICT
STATEMENT OF NET POSITION
December 31, 2021**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 338,260	\$ 11,422,076	\$ 11,760,336
Restricted Cash	-	507,135	507,135
Accounts Receivable	121,138	14,761,448	14,882,586
Internal Balances	(595,998)	595,998	-
Other Receivables	-	677,295	677,295
Total Current Assets	(136,600)	27,963,952	27,827,352
Capital Assets (Net of Accumulated Depreciation)	-	18,228,109	18,228,109
Prepaid Water Charges	-	2,761,878	2,761,878
Total Assets	(136,600)	48,953,939	48,817,339
LIABILITIES			
Accounts Payable	50,920	3,686,851	3,737,771
Interest Payable	-	873,587	873,587
Deposits	-	1,814,911	1,814,911
Non Current Liabilities:			
Due Within One Year	-	2,249,593	2,249,593
Due In More Than One Year	-	18,953,603	18,953,603
Total Liabilities	50,920	27,578,545	27,629,465
NET POSITION			
Net Investment in Capital Assets	-	8,643,534	8,643,534
Restricted for Debt Service	-	507,135	507,135
Unrestricted (Deficit)	(187,520)	12,224,725	12,037,205
Total Net Position	\$ (187,520)	\$ 21,375,394	\$ 21,187,874

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

**ROOT CREEK WATER DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General	\$ 254,306	\$ -	\$ 25,902	\$ -	\$ (228,404)	\$ -	\$ (228,404)
Total Governmental Activities	<u>254,306</u>	<u>-</u>	<u>25,902</u>	<u>-</u>	<u>(228,404)</u>	<u>-</u>	<u>(228,404)</u>
Business-Type Activities:							
Water Municipal	3,043,955	1,076,698	-	2,575,947	-	608,690	608,690
Sewer	1,266,154	292,856	-	4,433,002	-	3,459,704	3,459,704
Storm Drain	442,136	88,540	-	848,152	-	494,556	494,556
Water Agriculture	1,301,515	4,109,953	-	-	-	2,808,438	2,808,438
Total Business-Type Activities	<u>6,053,760</u>	<u>5,568,047</u>	<u>-</u>	<u>7,857,101</u>	<u>-</u>	<u>7,371,388</u>	<u>7,371,388</u>
Total	<u>\$ 6,308,066</u>	<u>\$ 5,568,047</u>	<u>\$ 25,902</u>	<u>\$ 7,857,101</u>			
General Revenues:							
Assessments					324,319	-	324,319
Interest Income					-	571	571
Total General Revenues					<u>324,319</u>	<u>571</u>	<u>324,890</u>
Change In Net Position					95,915	7,371,959	7,467,874
Net Position - Beginning					<u>(283,435)</u>	<u>14,003,435</u>	<u>13,720,000</u>
Net Position - Ending					<u>\$ (187,520)</u>	<u>\$ 21,375,394</u>	<u>\$ 21,187,874</u>

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

**ROOT CREEK WATER DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021**

	<u>General Fund</u>
ASSETS	
Cash	\$ 338,260
Receivables	<u>121,138</u>
 Total Assets	 <u><u>\$ 459,398</u></u>
 LIABILITIES	
Accounts Payable	\$ 50,920
Due to Other Funds	<u>595,998</u>
 Total Liabilities	 <u>646,918</u>
 FUND BALANCE	
Unassigned	<u>(187,520)</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 459,398</u></u>

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

ROOT CREEK WATER DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General Fund
REVENUES	
Assessments	\$ 324,319
Grant Administration Revenues	25,902
Total Revenues	350,221
EXPENDITURES	
Administration	13,557
Dues	2,500
Professional Services	238,249
Total Expenditures	254,306
Net Change in Fund Balance	95,915
Fund Balance at Beginning of Year	(283,435)
Fund Balance at End of Year	\$ (187,520)
RECONCILIATION TO STATEMENT OF ACTIVITIES:	
Net Change in Fund Balance - Governmental Funds	\$ (187,520)
Total Adjustments	-
Total Change in Net Position - Governmental Activities	\$ (187,520)

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

**ROOT CREEK WATER DISTRICT
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
December 31, 2021**

	Water Municipal Fund	Sewer Fund	Storm Drain Fund	Water Agriculture Fund	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 3,413,111	\$ 2,848,298	\$ 3,306,595	\$ 1,854,072	\$ 11,422,076
Restricted Cash	169,045	169,045	169,045	-	507,135
Accounts Receivable	3,384,168	8,390,590	1,175,519	1,811,171	14,761,448
Other Receivables	210,222	341,524	125,549	-	677,295
Due From Other Funds	<u>-</u>	<u>2,248,287</u>	<u>4,427</u>	<u>348,516</u>	<u>2,601,230</u>
Total Current Assets	7,176,546	13,997,744	4,781,135	4,013,759	29,969,184
Capital Assets (Net of Accumulated Depreciation)	5,700,903	9,175,043	1,066,294	2,285,869	18,228,109
Prepaid Water Charges	<u>1,380,939</u>	<u>-</u>	<u>-</u>	<u>1,380,939</u>	<u>2,761,878</u>
Total Assets	<u>14,258,388</u>	<u>23,172,787</u>	<u>5,847,429</u>	<u>7,680,567</u>	<u>50,959,171</u>
LIABILITIES					
Current Liabilities:					
Notes Payable, Current Portion	55,000	1,953,671	55,000	185,922	2,249,593
Accounts Payable	984,492	2,405,674	224,585	72,100	3,686,851
Interest Payable	748,893	64,091	35,973	24,630	873,587
Due to Other Funds	2,005,232	-	-	-	2,005,232
Deposits Payable	<u>1,361,634</u>	<u>237,638</u>	<u>215,639</u>	<u>-</u>	<u>1,814,911</u>
Total Current Liabilities	5,155,251	4,661,074	531,197	282,652	10,630,174
Noncurrent Liabilities:					
Bonds Payable, Less Current Portion	3,061,206	3,061,206	3,061,205	-	9,183,617
Notes Payable, Less Current Portion	<u>5,856,759</u>	<u>1,298,520</u>	<u>-</u>	<u>2,614,707</u>	<u>9,769,986</u>
Total Liabilities	<u>14,073,216</u>	<u>9,020,800</u>	<u>3,592,402</u>	<u>2,897,359</u>	<u>29,583,777</u>
NET POSITION					
Net Investment in Capital Assets	2,584,697	6,058,837	-	-	8,643,534
Restricted for Debt Service	169,045	169,045	169,045	-	507,135
Unrestricted	<u>(2,568,570)</u>	<u>7,924,105</u>	<u>2,085,982</u>	<u>4,783,208</u>	<u>12,224,725</u>
Total Net Position	<u>\$ 185,172</u>	<u>\$ 14,151,987</u>	<u>\$ 2,255,027</u>	<u>\$ 4,783,208</u>	<u>\$ 21,375,394</u>

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

ROOT CREEK WATER DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
For the Year December 31, 2021

	Water Municipal Fund	Sewer Fund	Storm Drain Fund	Water Agriculture Fund	Total
OPERATING REVENUES					
Service Revenues	\$ 548,944	\$ 237,002	\$ 32,686	\$ 1,359,953	\$ 2,178,585
Other Charges	527,754	55,854	55,854	2,750,000	3,389,462
Total Revenues	<u>1,076,698</u>	<u>292,856</u>	<u>88,540</u>	<u>4,109,953</u>	<u>5,568,047</u>
OPERATING EXPENSES					
Depreciation	100,850	52,003	13,267	55,191	221,311
Fees To MID	522,828	-	-	-	522,828
Miscellaneous	3,906	3,295	3,284	700	11,185
Permits	7,919	11,892	-	-	19,811
Professional Services	216,925	93,632	136,694	86,200	533,451
Repairs and Maintenance	120,397	54,108	-	14,727	189,232
Services	308,991	293,584	-	-	602,575
System Management	350,911	544,685	104,056	-	999,652
Water Costs	1,050,688	-	-	1,050,688	2,101,376
Total Expenditures	<u>2,683,415</u>	<u>1,053,199</u>	<u>257,301</u>	<u>1,207,506</u>	<u>5,201,421</u>
Operating Income (Loss)	<u>(1,606,717)</u>	<u>(760,343)</u>	<u>(168,761)</u>	<u>2,902,447</u>	<u>366,626</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	329	68	96	78	571
Interest Expense	(238,357)	(90,772)	(62,653)	(94,009)	(485,791)
Debt Issuance Costs	(122,183)	(122,183)	(122,182)	-	(366,548)
Total Nonoperating Revenues (Expenses)	<u>(360,211)</u>	<u>(212,887)</u>	<u>(184,739)</u>	<u>(93,931)</u>	<u>(851,768)</u>
Income Before Contributions	<u>(1,966,928)</u>	<u>(973,230)</u>	<u>(353,500)</u>	<u>2,808,516</u>	<u>(485,142)</u>
Capital Contributions					
Assessments-Community Facilities	159,265	159,265	159,265	-	477,795
Private Developers for Improvements	2,416,682	4,273,737	688,887	-	7,379,306
Total Capital Contributions	<u>2,575,947</u>	<u>4,433,002</u>	<u>848,152</u>	<u>-</u>	<u>7,857,101</u>
Changes In Net Position	609,019	3,459,772	494,652	2,808,516	7,371,959
Net Position at Beginning Year	<u>(423,847)</u>	<u>10,692,215</u>	<u>1,760,375</u>	<u>1,974,692</u>	<u>14,003,435</u>
Net Position at End of Year	<u>\$ 185,172</u>	<u>\$ 14,151,987</u>	<u>\$ 2,255,027</u>	<u>\$ 4,783,208</u>	<u>\$ 21,375,394</u>

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

**ROOT CREEK WATER DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year December 31, 2021**

	Water Municipal Fund	Sewer Fund	Storm Drain Fund	Water Agriculture Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received From Customers	\$ (105,645)	\$ (221,305)	\$ (170,654)	\$ 3,948,591	\$ 3,450,987
Cash Payments to Suppliers					
For Goods and Services	<u>(994,882)</u>	<u>1,155,235</u>	<u>(105,007)</u>	<u>(156,038)</u>	<u>(100,692)</u>
Net Cash Provided By (Used For)					
Operating Activities	<u>(1,100,527)</u>	<u>933,930</u>	<u>(275,661)</u>	<u>3,792,553</u>	<u>3,350,295</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Borrowings From Developer	(238,508)	1,935,670	(137,878)	(2,190,092)	(630,808)
Change in Due to Other Funds	<u>(39,933)</u>	<u>(973,487)</u>	<u>278,909</u>	<u>(534,748)</u>	<u>(1,269,259)</u>
Net Cash Provided By (Used for) Non-					
Capital Financing Activities	<u>(278,441)</u>	<u>962,183</u>	<u>141,031</u>	<u>(2,724,840)</u>	<u>(1,900,067)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition Of Capital Assets	(1,530,982)	(6,481,145)	(433,094)	-	(8,445,221)
Capital Contributions	2,575,947	4,433,002	848,152	-	7,857,101
Principal Paid on Debt	-	-	-	(311,943)	(311,943)
Bond Proceeds	2,994,023	2,994,023	2,994,023	-	8,982,069
Interest Paid on Debt	<u>(26,681)</u>	<u>(26,681)</u>	<u>(26,680)</u>	<u>(259,715)</u>	<u>(339,757)</u>
Net Cash Provided By (Used For)					
Capital And Related Financing Activities	<u>4,012,307</u>	<u>919,199</u>	<u>3,382,401</u>	<u>(571,658)</u>	<u>7,742,249</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	<u>329</u>	<u>68</u>	<u>96</u>	<u>78</u>	<u>571</u>
Net Cash Provided By (Used For)					
Investing Activities	<u>329</u>	<u>68</u>	<u>96</u>	<u>78</u>	<u>571</u>
Net Increase (Decrease) In Cash and Cash Equivalents	2,633,668	2,815,380	3,247,867	496,133	9,193,048
Cash at The Beginning of Year	<u>948,488</u>	<u>201,963</u>	<u>227,773</u>	<u>1,357,939</u>	<u>2,736,163</u>
Cash at The End of Year	<u>\$ 3,582,156</u>	<u>\$ 3,017,343</u>	<u>\$ 3,475,640</u>	<u>\$ 1,854,072</u>	<u>\$ 11,929,211</u>

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

**ROOT CREEK WATER DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year December 31, 2021
(Continued)**

	Water Municipal Fund	Sewer Fund	Storm Drain Fund	Water Agriculture Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED BY OPERATING					
ACTIVITIES					
Operating Activities	\$ (1,606,717)	\$ (760,343)	\$ (168,761)	\$ 2,902,447	\$ 366,626
Adjustments To Reconcile Operating					
Income (Loss) To Net Cash Provided (Used)					
By Operating Activities:					
Depreciation	100,850	52,003	13,267	55,191	221,311
Net Changes In Assets And Liabilities					
Accounts Receivable	(2,026,660)	(347,433)	(289,960)	(153,120)	(2,817,173)
Other Receivables	(122,539)	(335,540)	(40,368)	-	(498,447)
Prepaid Water Charges	950,000	-	-	950,000	1,900,000
Accounts Payable	637,683	2,156,431	139,027	46,277	2,979,418
Unearned Revenue	-	-	-	(8,242)	(8,242)
Deposits Payable	966,856	168,812	71,134	-	1,206,802
Net Cash Provided By (Used For)					
Operating Activities	<u>\$ (1,100,527)</u>	<u>\$ 933,930</u>	<u>\$ (275,661)</u>	<u>\$ 3,792,553</u>	<u>\$ 3,350,295</u>

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

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

(1) Description of Entity

(a) Description of Operations

Root Creek Water District (the "District") was formed October 1, 1996 as a special district in the State of California and is governed by a seven-person Board of Directors. The District operates entirely within the County of Madera, California. Principal functions of the District include the managing and distributing of water, sewer and storm drain services within the District boundaries.

On June 8, 2016 the District elected to also become a Groundwater Sustainability Agency.

(b) Reporting Entity

The District's financial reporting entity comprises the Root Creek Water District, the Root Creek Water District Groundwater Sustainability Agency and the Community Facilities District No. 2016.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) if is able impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example any one of the following conditions exist:

1. The primary government is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

The financial statements for the Root Creek Water District do not include any component units.

(2) Summary of Significant Accounting Policies

(a) Basic Financial Statements

The financial statements of the Root Creek Water District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America 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 government's policies are described below.

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

Basic financial statements are presented at both the government-wide and fund financial level.

Government-wide financial statements report information about the reporting unit as a whole. For the most, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balances/net position, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. Currently, the District has only governmental and proprietary type funds.

Governmental Fund

The general fund is the primary operating fund of the District. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the public generally within its boundaries. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Proprietary funds include Enterprise and internal Service Funds. The District currently maintains four enterprise funds and has no internal service funds.

The District reports the following enterprise funds:

Water Municipal Fund

This fund accounts for the water service charges which are used to finance the municipal water system operating expenses and the capital outlay debt.

Sewer Fund

This fund accounts for the sewer service charges which are used to finance the sewer system operating expenses and the capital outlay debt.

Storm Drain Fund

This fund accounts for the disposal service charges which are used to finance the storm drain services operating expenses and the capital outlay debt.

Water Agriculture Fund

This fund accounts for the charges for water service which are used to finance the agriculture water delivery services operating expenses and the agriculture capital outlay debt.

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

(b) Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as noted for the proprietary fund funds below. Revenues are recorded when earned and expenses are recorded when a liability is incurred or economic asset used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities, and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the District considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

Proprietary fund financial statements utilize 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 economic asset used. 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 purpose. The principal operating revenues and expenses are charges to customers for sales and services, costs of providing the services, including administrative and depreciation expenses. All other revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

(c) Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents.

(d) Accounts Receivable

Receivables consist of revenues earned at year-end and not yet received. Uncollectible accounts included in receivables are considered to be immaterial. Therefore, no allowance for uncollectible accounts has been established.

(e) Prepays

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid assets.

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

(f) Capital Assets

Capital assets which include property, water treatment plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible capital assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the estimated useful life using the straight-line method of depreciation. The estimated useful lives of the various assets of the District are as follows:

<u>Type of Assets</u>	<u>Estimated Useful Life in Years</u>
Water, Sewer and Storm Drain Systems	10 – 50 years
Equipment	5 – 20 years

(g) Long-Term Obligations

In the Government-Wide Financial Statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type Statement of Net Position. Debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position.

(h) Net Position / Fund Balance Classifications

The Government-wide and Proprietary Fund financial statements utilize a net position presentation and is classified in the following categories:

- Net Investment in Capital Assets – This category 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 the balance in this category.
- Restricted Net Position – This category presents external restrictions on net position imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents all other net position of the District that do not meet the definition of “restricted” or “net investment in capital assets”.

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance includes the amount of fund balance that cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash within one year.
- Restricted fund balance category includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislations.
- Committed fund balance includes amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Board of Directors is the highest level of decision-making authority that can commit fund balance.
- Assigned fund balance includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee) or official to which the governing body has designated the authority to assign amounts to be used for specific purposes. The District Manager through the Board of Directors has the authority to assign fund balances.
- Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

(i) Assessments Revenue

The County of Madera is the collection agency for assessments only within the area of the Community Facilities District of the Root Creek Water District. The remainder of the assessments are billed once a year and collected directly through the District. Assessments are recognized as revenues in the year when the District bills for the assessments or are notified by the County of the amounts it bills and collects. They become a lien against the property on the date of levy. Assessments are generally due and payable at the County on April 10 and December 10, and collections are remitted to the District generally twice a year.

(j) Budgets

The District adopts annual budgets for all funds of the District. The General Fund budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP").

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the District's year, the District prepares a budget for the next fiscal year. The operating budget includes proposed expenditures and the means of financing them.

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

2. At a regular meeting of the Board of Directors, the Board adopts the budget as presented or after adjustments as the Board deems necessary.
3. Once a budget is approved, it can be amended by approval of the Board.
4. All budget appropriations lapse at year-end.

(k) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2021 consisted of the following:

Premier Valley Bank	
Operating Account	\$ 1,543,538
Municipal & Urban Account	8,547
Connection Fees/Community Facilities District Account	8,613,551
Agriculture Account	1,594,700
US Bank - Bond Funds Held In Trust	<u>507,135</u>
	12,267,471
Restricted Cash	<u>(507,135)</u>
Non Restricted Cash	<u><u>\$ 11,760,336</u></u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's deposit portfolio at December 31, 2021 is 100% in cash in banks, \$11,760,336 with Premier Valley Bank and \$507,135 with US Bank. Both exceeding the FDIC limit of \$250,000. The District does not have a formal investment policy that would further limit exposure to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

(4) Interfund Activities

Interfund receivables and payables represent short-term advances from one fund to another fund. These loans are expected to be repaid as soon as the borrowing fund has available cash resources. Individual fund interfund receivables and payables balances as of December 31, 2021 are as follows:

	Due From	Due To
Governmental Fund:		
General Fund	\$ -	\$ 595,998
Enterprise Fund:		
Water Municipal Fund	-	2,005,232
Sewer Fund	2,248,287	-
Storm Drain Fund	4,427	-
Water Agriculture Fund	348,516	-
	\$ 2,601,230	\$ 2,601,230

(5) Capital Assets

Capital asset activity for business-type activities for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021
Capital assets, being depreciated				
Groundwater Recharge System	\$ 5,430,310	\$ -	\$ -	\$ 5,430,310
Other District Improvements	5,427,642	8,459,699	14,478	13,872,863
	10,857,952	8,459,699	14,478	19,303,173
Less Accumulated Depreciation	(853,753)	(221,312)	-	(1,075,065)
Business-Type Activities				
Capital Assets, Net	\$ 10,004,199	\$ 8,238,387	\$ 14,478	\$ 18,228,108

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

(6) Long-Term Debt

Noncurrent liabilities for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Additions	Retirements	Balance December 31, 2021
<u>Business Type Activities:</u>				
Installment Sale Agreement	\$ 3,112,572	\$ -	\$ 311,943	\$ 2,800,629
Urban Reimbursement Agreement	5,856,759	-	-	5,856,759
Warrants Payable	-	3,197,191	-	3,197,191
Bonds Payable	-	9,348,617	-	9,348,617
	<u>\$ 8,969,331</u>	<u>\$ 12,545,808</u>	<u>\$ 311,943</u>	<u>\$ 21,203,196</u>

On December 11, 2017, the District signed two debt agreements with the major developer (“Developer”) within the District that has provided funds to the District. The debt agreements are as follows:

Installment Sale Agreement (Agriculture System) – The Developer and its predecessors previously advanced funds on behalf of the District to purchase certain water rights and contracts and prepaid water and to pay associated legal and environmental costs (collectively, the “Completed Project”), for the benefit of the District and its agricultural customers. Pursuant to various agreements, the District had agreed to repay the Developer for such advances. Under the agreement, in consideration for the advances that financed the acquisition of the Completed Project, the District was obligated to pay the developer \$3,963,278. At December 31, 2021, the unpaid balance is \$2,800,629.

The District has adopted rates and charges for its agriculture water system. The District intends to apply revenues of its agriculture water system remaining after the payment of operation and maintenance costs thereof to repay the advances. Payments are due semiannually through September 1, 2037 with interest at 3.00% per annum. In December 2021, the District paid \$311,943 of principal.

Urban Reimbursement Agreement – The Developer and its predecessors provided advance funding to the District to develop water supplies, infrastructure and other necessary functions and services of the District. The District has agreed to reimburse the Developer on payment terms consistent with the District’s cash flow as set forth in the agreement. The agreement memorializes the reimbursement obligation of the District to Developer for advances made to the District for the benefit of the urban utilities. The amount of the Urban Reimbursement Obligation is \$5,856,759. Urban utility revenue sources are pledged to the payment of the obligation. Interest is accrued at 3% per annum on the unpaid balance.

Warrants Series 2021

In September 2021, the District issued the Root Creek Water District Warrants, Series 2021. These warrants were issued to replace and document the funds previously borrowed from a major developer within the District and to provide a future source of funds for operations if needed. The total amount available under the warrants is \$15,000,000 and the interest rate shall not exceed 8% per annum. At December 31, 2021, the balance was \$3,197,191 with interest at 3% per annum, due July 1, 2026. In October 2022, a principal payment of \$1,898,671 was made.

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

The District's future debt service requirements relating to outstanding loan obligations consist of the following.

Year Ending December 31, 2021	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,084,593	\$ 356,072	\$ 2,440,665
2023	187,920	281,455	469,375
2024	613,711	286,021	899,732
2025	632,165	267,566	899,731
2026	651,175	248,556	899,731
2027 - 2031	1,124,397	1,078,928	2,203,325
2032 - 2036	703,860	939,940	1,643,800
Thereafter	<u>5,856,758</u>	<u>-</u>	<u>5,856,758</u>
	<u>\$ 11,854,579</u>	<u>\$ 3,458,538</u>	<u>\$ 15,313,117</u>

Bonds Payable

In June 2021, the District issued the Community Facilities District No. 2016-1 of the Root Creek Water District Improvement Area No. 1 Series 2021 Special Tax Bonds of \$5,830,000 and the Community Facilities District No. 2016-1 of the Root Creek Water District Improvement Area No. 2 Series 2021 Special Tax Bonds of \$2,565,000. These bonds were issued at premiums of \$724,568 and \$229,049 respectively. The bonds are to be used to provide funds for continued expansion of the District's infrastructure. The bonds will mature on September 1 each year from 2022 through 2050 with principal variable payments from \$50,000 to \$330,000. The bonds will bear interest at rates 2.75% to 4.0% per annum and is due semiannually. The bonds are payable from the levy of special taxes within the Improvement Area.

The District's future debt service requirements relating to outstanding bond consist of the following. The future maturities presented below does not include the amortization of the bond premium.

Year Ending December 31, 2021	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 170,509	\$ 323,763	\$ 494,272
2023	179,159	318,812	497,971
2024	186,178	313,713	499,891
2025	199,816	308,462	508,278
2026	213,513	301,263	514,776
2027 - 2031	1,206,408	1,386,912	2,593,320
2032 - 2036	1,451,405	1,158,512	2,609,917
2037 - 2041	1,680,156	897,663	2,577,819
2042 - 2046	2,077,302	583,200	2,660,502
2047 - 2050	<u>1,984,171</u>	<u>180,800</u>	<u>2,164,971</u>
	<u>\$ 9,348,617</u>	<u>\$ 5,773,100</u>	<u>\$ 15,121,717</u>

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

(7) Agreements

Madera Irrigation District Agreement

On March 13, 2002, Root Creek Water District entered into an agreement with Madera Irrigation District. The agreement covers water purchase requirements of each District. The charges assessed by Madera Irrigation District to Root Creek Water District for the long-term assurance of availability of Reserved Capacity to convey Root Creek Water District water supplies through the Madera Canal and Lateral 6.2 and for the other assistance and cooperation provided to Root Creek Water District pursuant to this Agreement include three components: Fixed Reimbursement Payments for the MID costs to develop the Contract, fees on residential and commercial development within the Riverstone Development and annual deposits that are prepayments for the option to purchase surplus water from Madera Irrigation District. As of December 31, 2021, the District had a deposit balance in the amount of \$210,582.

Commencing in 2004 (per the contract), two other fees on residential and commercial development shall then be paid to Madera Irrigation District by Root Creek Water District: An Impact Fee and an Annual Assessment Fee. The Impact Fee shall be a one-time fee paid by Root Creek Water District at the time a building permit is issued for each "Equivalent Dwelling Unit" for the purpose of defraying all or a portion of the cost of Madera Irrigation District facilities related to the development project. The Annual Fee shall be applied annually to all "Equivalent Dwelling Units" existing at that time. Building permits started to be issued for housing in 2017.

Westside Mutual Water Company, LLC Agreement / Paramount Land Company

The District has an agreement with Westside Mutual Water Company, LLC, (Westside) whereby Westside agrees to sell the District banked groundwater or other non-Federal Reclamation project waters available to Westside each year as requested by the District. An agreed upon "maximum delivery quantity" limit exists. Commencing January 1, 2009, the Commencement Date, the District had an obligation to pay to Westside a standby charge of \$180 per acre-foot of the maximum delivery quantity available each calendar year as specified in the agreement. Wonderful Orchard's/Paramount Farming has subsequently assumed Westside's obligation under this agreement. In 2021, the District was refunded \$2,000,000. The total deposit at December 31, 2021 (net of utilized) is \$2,551,296.

Gateway Village Development, LLC/Riverstone Development, LLC Agreement

On June 23, 2008, Root Creek Water District entered into an agreement with Castle & Cooke Madera Properties, LLC (Developer) for Root Creek Water District to provide various water supply, storm water management and wastewater treatment and disposal services necessary for the development of the Village of Gateway/Riverstone. Gateway Village Development, LLC/Riverstone Development, LLC purchased the property from Castle & Cooke in August 2008 and assumed this agreement.

In consideration of the agreements, Root Creek Water District has paid deposits funded by the Developer for future delivery of water supplies. Root Creek Water District is obligated to deliver these prepaid water supplies upon request by the Developer.

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

Gateway Village Development, LLC/Riverstone Development, LLC Agreement, continued

Castle & Cooke had a covenant with landowners within the district to pay all District assessments, formation costs, acquisition of water supply costs, and other costs incurred prior to the delivery of any services. These costs are to be reimbursed by each individual landowner, in proportion to their share, when they request services from the District. As the purchaser of the land from Castle & Cooke, Gateway Village Development, LLC, now Riverstone Development, LLC, now has that future reimbursement right. The District will act on behalf of Riverstone to impose charges to reimburse Riverstone pursuant to the terms of this covenant. On December 11, 2017, the District signed agreements with Riverstone memorializing the amounts due to Riverstone. These agreements are reflected in the "Installment Sale Agreement (Agriculture System) and the "Urban Reimbursement Agreement".

The District and the Developer originally entered into a lease dated May 1, 2017 pending transfer of ownership of the "Initial RCWD Facilities" (the "Facilities") to the District. That lease was intended to expire December 31, 2017 or upon the purchase of the Facilities by the District. The lease has been extended to December 31, 2022. Effective January 1, 2022, the District acquired \$40,537,911 of assets from the Developer in exchange for \$11,970,365 of fees owed by the Developer to the District and a note payable to the developer for \$28,567,546.

(8) Grants

The District was awarded a \$9.4 million-dollar grant by the State of California Department of Water Resources. The grant includes four projects for the benefit of Root Creek Water District, Madera County Flood Control District, Madera Irrigation District, and the US Forest Service. The grant application costs were shared by all four grant beneficiaries as are the grant administration charges. Root Creek Water District is the lead agency and administers the grant for the beneficiaries. All grant funds are received by the Root Creek Water District and then paid out to the respective beneficiary for the costs that are not administrative. Root Creek Water District pays the administrative costs and is reimbursed from the grant funds received. These receipts for the grant administrative costs are shown as grant revenues. The grant funds received for Root Creek Water District's in-lieu pipeline project costs were capitalized. The District has received and expended all its share of grant funds other than the administration portion. For the year ended December 31, 2021, the District received and disbursed \$744,417 on behalf of the grant beneficiaries other than the Root Creek Water District and received \$71,814 for administration of the grant.

(9) Borrowings from Developer

The District has an agreement with the major developer in the District to loan money necessary for current operations of the District until the District gets to where its revenues are sufficient to cover the expenditures of the District. The District will eventually pay the developer back through excess revenues or through the use of money due to the District by the developer for connection fees. At December 31, 2021, the District owes the developer \$11,854,579 for current operations of which the majority was used for capital assets in 2022 as explained above.

ROOT CREEK WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

(10) Deficit Fund Balances

Governmental Activities - General Fund

The General Fund had a deficit net position/fund balance at December 31, 2021 \$ 187,520

(11) Subsequent Events

In January 2022, as explained above, the District exchanged developer fees of \$11,955,870 due to the District and a debt obligation of \$28,582,041 in exchange for \$40,537,911 of assets.

The District evaluated subsequent events for recognition and disclosure through March 20, 2024 the date which these financial statements were available to be issued. Management concluded that no additional material subsequent events have occurred since December 31, 2021 that required recognition or disclosure in such financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ROOT CREEK WATER DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General Fund			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Assessments	\$ 326,838	\$ 326,838	\$ 324,319	\$ (2,519)
Grant Administration	-	-	25,902	25,902
Interest Income	500	500	-	(500)
Total Revenues	<u>327,338</u>	<u>327,338</u>	<u>350,221</u>	<u>22,883</u>
EXPENDITURES				
Administration	28,000	28,000	13,557	14,443
Dues	-	-	2,500	(2,500)
Professional Services	305,000	305,000	238,249	66,751
Total Expenditures	<u>333,000</u>	<u>333,000</u>	<u>254,306</u>	<u>78,694</u>
Net Change in Fund Balance	<u>\$ (5,662)</u>	<u>\$ (5,662)</u>	<u>\$ 95,915</u>	<u>\$ 101,577</u>