

ALAMEDA COUNTY WATER DISTRICT

43885 So. Grimmer Boulevard
Fremont, CA 94538

FINANCE & ADMINISTRATION COMMITTEE

AGENDA

Tuesday, February 21, 2023

3:00 p.m.

ACCESSIBLE PUBLIC MEETINGS: Upon request, ACWD will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request at least 72 hours before the meeting to the District Secretary, ACWD, 43885 S. Grimmer Blvd., Fremont, CA 94538, or to gina.markou@acwd.com stating your name, mailing address, phone number, and brief description of the requested materials and preferred alternative format or auxiliary aid or service.

MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THIS MEETING IN PERSON AT THE DISTRICT OFFICE LOCATED AT 43885 SOUTH GRIMMER BOULEVARD, FREMONT OR VIA WEBINAR OR TELECONFERENCE DUE TO THE COVID-19 PANDEMIC AND IN ACCORDANCE WITH ASSEMBLY BILL 361, WHICH MODIFIES GOVERNMENT CODE SECTION 54953.

TO PARTICIPATE VIA WEBINAR, USE THE FOLLOWING LINK: <https://us02web.zoom.us/j/83229934459?pwd=eVZ4ejBkWE5vQWtaNFdHRTJmTWplZz09> (PASSCODE: **094289**). ZOOM MAY REQUEST ENTRY OF A NAME AND EMAIL ADDRESS. ACWD IS UNABLE TO MODIFY THIS FEATURE. MEMBERS OF THE PUBLIC ARE NOT REQUIRED TO IDENTIFY THEMSELVES WHEN ATTENDING PUBLIC MEETINGS AND MAY ENTER “ANONYMOUS” UNDER NAME, AND ENTER A FICTIONAL EMAIL ADDRESS (e.g., “attendee@acwd.com”). TO MAKE COMMENTS OR ASK QUESTIONS DURING THE MEETING, “RAISE YOUR HAND” OR USE THE CHAT OR Q&A FEATURE IN THE ZOOM APP AT ANY TIME, OR UNMUTE AND SPEAK WHEN INVITED.

TO PARTICIPATE VIA TELECONFERENCE, CALL ANY OF THE FOLLOWING PHONE NUMBERS: 1-669-900-9128 OR 1-346-248-7799 OR 1-301-715-8592 FOLLOWED BY **832 2993 4459**. TO MAKE COMMENTS OR ASK QUESTIONS DURING THE MEETING, TYPE *9 ON YOUR DIAL PAD TO “RAISE” OR “LOWER” YOUR “HAND” AT ANY TIME, OR TYPE *6 TO MUTE OR UNMUTE AND SPEAK WHEN INVITED.

THIS AGENDA AND ALL ACCOMPANYING MATERIALS CAN BE VIEWED ON THE ALAMEDA COUNTY WATER DISTRICT WEBSITE AT: www.acwd.org.

1. COVID Status Update
Presenter: David Serrano, Human Resources and Risk Manager
2. Overview of Proposed State Constitution Amendment Ballot Initiative:
Taxpayer Protection and Government Accountability Act
Presenter: Jonathan Wunderlich, Director of Finance & Administration
3. Income Statement
Presenter: Mariana Grajeda, Accounting & Treasury Manager
4. Budget Report
Presenter: Sydney Oam, Financial Analysis Supervisor
5. Public Comments

COVID-19 Update

	December 2022 to January 2023	January to February 2023	% Change
Total COVID cases since March, 2020:	159	161	1%
Total COVID Cases:	16	2	- 88%
Vaccination Rate:	84.62%	84.62%	0%
Isolation (operational impacts)	0	0	-
Alameda County Case rates*	18.3	6.3	- 66%

* Alameda County Public Health Department case rates are per 100,000 of population

Alameda County Water District

Overview of Proposed Voter Initiative: Taxpayer Protection and Government Accountability Act

Presenter: Jonathan Wunderlich, Director of Finance & Administration

Finance & Administration Committee
February 21, 2023



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Alameda County Water District

Agenda

- Initiative Overview
- Key Provisions
- Potential District Impact
- Permissible District Activities

Alameda County Water District

Initiative Overview

- Expected to qualify for November 2024 ballot – as a Constitutional amendment it requires 874,641 valid signatures per the Secretary of State (8% of voters in the last gubernatorial election)
- Would amend Article XIII, Article XIII A, Article XIII C, and Article XIII D of the state Constitution:
 - Substantive requirements regarding approach to developing certain fees (“exempt charges”)
 - Procedural requirements for adopting certain taxes and fees
- Make changes for state and local government procedures and requirements for taxes and certain fees

Alameda County Water District

Key Provisions

- State-imposed taxes and fees:
 - Defines all levies/charges as either a tax or exempt charge
 - Places the burden on the State to show ‘by clear and convincing evidence’ that an exempt charge is reasonable (actual cost, defined as ‘minimum amount necessary’)
 - Requires new and increased taxes to be passed by the electorate (i.e. not just by two-thirds of both houses of the Legislature)
 - Requires all new taxes and charges adopted after January 1, 2022 not adopted in compliance with the Act to be readopted within 12 months (or they are void)
 - Adds requirements for information that must be included in ballot measures containing a tax increase

Alameda County Water District

Key Provisions

- Locally-imposed taxes and fees:
 - Applies generally the same requirements as for State government and:
 - Expands the definition of local government to include a local voter-initiated ballot measure and thereby increases the vote threshold for special taxes to two-thirds of the electorate for such measures
 - Requires a governing body to adopt exempt charges by Ordinance
 - Prohibits a local government from assessing a special property tax based on property value

Alameda County Water District

Primary District Impacts

- Places an enhanced burden on the District to demonstrate by clear and convincing evidence that water rates are the minimum amount necessary
- Requires the District to adopt water rates and potentially all other fees and charges by Ordinance
- Prohibits the District from assessing a special property tax based on property value

Alameda County Water District

Permissible District Actions

- State law limits actions that government agencies can take in regard to ballot initiatives. The District may:
 - Use District time and resources to evaluate an initiative and its impacts on the District
 - Adopt a resolution endorsing or opposing an initiative
 - Prepare and distribute informational materials that are objective, impartial, and factual
- The District may not:
 - Use public time or resources to advocate or campaign for or against an initiative
 - Prepare or distribute informational materials that are biased or have a style or tenor that might not be considered objective
- Board members and staff may use personal time and resources to engage in campaigning or advocacy

Alameda County Water District

Questions?

Alameda County Water District			
Statements of Revenues, Expenses and Changes in Net Position			
(In thousands)			
	As of Period 7 (Jan 2023) of FY22-23	As of Period 7 (Jan 2022) of FY21-22	Change
OPERATING REVENUES:			
Water sales	64,445	59,543	4,902
Facilities connection charges	5,961	4,694	1,267
Fees and rental	1,774	794	980
Other	40	942	(902)
Total operating revenues	72,220	65,974	6,246
OPERATING EXPENSES:			
Sources of supply:			
Water purchases	19,973	18,478	1,494
Pumping	1,118	838	280
Other	4,644	4,109	535
Total sources of supply	25,734	23,425	2,309
Water treatment	8,620	8,333	287
Transmission and distribution	10,781	9,255	1,527
Administration of customer accounts	2,790	2,754	37
Administration and general	11,391	12,657	(1,265)
Depreciation and amortization	8,797	8,790	7
Total operating expenses	68,114	65,213	2,901
Operating income (loss)	4,105	760	3,345
NONOPERATING REVENUES (EXPENSES):			
Investment income (incl. year end fair market value adj)	8,918	(2,202)	11,121
Property taxes	7,315	6,907	408
Other nonoperating revenues (expenses)	319	171	148
Other settlements	-	-	-
Gain (loss) on disposal of capital assets	111	21	90
Cost of issuance expense	(15)	(18)	2
Interest expense	(1,480)	(1,029)	(452)
Total nonoperating revenues (expenses)	15,168	3,850	11,318
Income (loss) before capital contributions	19,273	4,611	14,663
Capital contributions	3,023	3,290	(267)
Changes in net position - favorable (unfavorable)	22,296	7,900	14,396
NET POSITION			
Beginning of current period	589,919	542,350	47,570
End of current period	\$ 612,216	\$ 550,250	\$ 61,966

ALAMEDA COUNTY WATER DISTRICT

BUDGET REPORT

Month Ending January 31, 2023

Year to Date Percentage 58.33%

	FY 2022-23			FY 2021-22		
	Year to Date Total	Amended Budget	Percent of Budget	Prior Year to Date Total	Adopted Budget	Percent of Budget
BEGINNING CASH BALANCE	\$ 208,870,136	\$ 202,375,000		\$ 195,300,933	\$ 189,893,000	
REVENUE						
Water Revenue				72,471,755	120,600,000	60.1%
Service Charges	23,710,067	39,193,629	60.5%			
Commodity Charges	45,358,673	74,634,371	60.8%			
Stage Rate Water Revenue	7,800,480	11,281,000	69.1%	-	-	0.0%
Ground Water Revenue	369,378	577,000	64.0%	298,160	579,000	51.5%
1% Tax Allocation	4,175,064	7,613,000	54.8%	3,789,871	7,360,000	51.5%
State Water Contract Tax	3,266,375	5,924,000	55.1%	3,233,255	6,090,000	53.1%
Interest Revenue	1,759,840	3,720,000	47.3%	2,099,845	2,664,000	78.8%
Facilities Connection Charges - FIF	3,841,408	1,050,000	365.8%	3,088,456	1,980,000	156.0%
Facilities Connection Charges - FRF	2,133,417	590,000	361.6%	1,605,690	1,020,000	157.4%
Customer Jobs Revenue	1,626,148	5,090,000	31.9%	1,392,378	940,000	148.1%
Grants, Reimbursements	50,000	8,744,000	0.6%	3,788,188	11,628,000	32.6%
Other Revenue	808,659	1,205,000	67.1%	585,670	1,208,000	48.5%
TOTAL REVENUE	94,899,509	159,622,000	59.5%	92,353,269	154,069,000	59.9%
EXPENSES						
Source of Supply						
Water Purchases	23,385,988	33,581,000	69.6%	21,575,855	33,263,000	64.9%
Operation of Supply System	5,361,854	10,906,000	49.2%	4,615,009	9,641,000	47.9%
Pumping	1,294,687	2,626,000	49.3%	925,211	2,495,000	37.1%
Water Treatment	9,181,144	19,294,000	47.6%	8,568,321	17,334,000	49.4%
Transmission & Distribution	9,631,333	17,881,000	53.9%	8,690,220	14,654,000	59.3%
Customer Accounts	2,831,251	5,948,000	47.6%	2,680,393	5,501,000	48.7%
Administrative & General*	22,163,877	22,933,000	96.6%	24,237,902	22,457,000	107.9%
Expense Projects	2,127,641	5,878,000	36.2%	2,799,503	4,104,000	68.2%
TOTAL EXPENSES	75,977,774	119,047,000	63.8%	74,092,413	109,449,000	67.7%
CAPITAL EXPENDITURES	17,393,202	46,324,000	37.5%	21,682,603	43,655,000	49.7%
CUSTOMER JOBS	2,192,474	4,459,000	49.2%	1,383,729	4,348,000	31.8%
DEBT SERVICE	1,746,368	5,965,000	29.3%	1,234,266	5,479,000	22.5%
TOTAL EXPENSES & CAPITAL EXPENDITURES	97,309,818	175,795,000	55.4%	98,393,010	162,931,000	60.4%
NET OF REVENUE & EXPENSES	(2,410,309)	(16,173,000)		(6,039,741)	(8,862,000)	
Debt Proceeds				-	9,750,000	
Reconciling Time Difference	(1,053,555)			(884,408)		
ENDING CASH BALANCE						
General Fund	128,762,124	120,347,000		116,957,241	125,983,000	
Facilities Improvement Fund (FIF)	75,716,283	65,855,000		71,419,542	64,798,000	
Facilities Renewal Fund (FRF)	927,865	-		-	-	
	\$ 205,406,272	\$ 186,202,000		\$ 188,376,784	\$ 190,781,000	

* Administrative & General includes full CalPERS UAL prepayment (\$5.6m), OPEB UAAL (\$3.1m), pension advanced funding (\$5.6m), and OPEB Normal Cost (\$1.5m)

ALAMEDA COUNTY WATER DISTRICT
RESERVE REPORT

Month Ending January 31, 2023

	FY 2022-23			FY 2021-22		
	Year to Date Total	Amended Budget	Bench Mark	Actual 6/30/2022	Adopted Budget	Bench Mark
ENDING CASH BALANCE						
<u>RESERVE:</u>						
Management Retirement Bonus	\$ 1,079,000	\$ 1,079,000	\$ 1,079,000	\$ 1,078,833	\$ 1,157,000	\$ 1,079,000
Emergency	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Operations & Maintenance (O&M)	30,827,000	30,827,000	30,827,000	29,554,931	29,868,000	28,704,000
Capital	15,000,000	14,499,000	14,499,000	14,499,000	76,853,000	14,499,000
Rate Stabilization Reserve	6,616,000	6,616,000	6,616,000	6,423,680	8,105,000	6,424,000
General Fund Reserves	63,522,000	63,021,000	63,021,000	61,556,444	125,983,000	60,706,000
Capital Projects Sinking Fund	54,182,000	54,182,000		66,354,231	-	
Operations Contingency Fund	11,058,124	3,144,000		7,518,616	-	
Total General Fund Balance	128,762,124	120,347,000		135,429,291	125,983,000	
Facilities Improvement Fund Reserve	75,716,283	65,855,000		73,440,845	64,798,000	
Facilities Renewal Fund Reserve	927,865	-		-	-	
Total District	<u>\$ 205,406,272</u>	<u>\$ 186,202,000</u>		<u>\$ 208,870,136</u>	<u>\$ 190,781,000</u>	