

TWAIN HARTE COMMUNITY SERVICES DISTRICT

WATER – SEWER – FIRE – PARK
22912 Vantage Pointe Drive, Twain Harte, CA 95383
Phone (209) 586-3172 Fax (209) 586-0424

REGULAR MEETING OF THE BOARD OF DIRECTORS THCSD CONFERENCE ROOM 22912 VANTAGE POINTE DR., TWAIN HARTE February 14, 2024 - 9:00 A.M.

NOTICE: This meeting will be accessible via ZOOM for virtual participation.

- Videoconference Link: <https://us02web.zoom.us/j/82184826846>
- Meeting ID: 821 8482 6846
- Telephone: (669) 900-6833

AGENDA

The Board may take action on any item on the agenda.

1. Call to Order

2. Pledge of Allegiance & Roll Call & Reading of Mission Statement

3. Public Comment

This time is provided to the public to speak regarding items not listed on this agenda.

4. Presentations

- A. Presentation of the Fiscal Year 2022-23 Audit Report by Blomberg and Griffin.

5. Consent Agenda

- A. Presentation and approval of financial statements through January 31, 2024.
- B. Approval of the minutes of the Regular Meeting held on January 10, 2024.
- C. Approval of Resolution #24-06 – Directing Preparation of the Engineer's Report for Continuation of the Fiscal Year 2024-25 Assessment for the Twain Harte Park and Recreation Maintenance District.
- D. Approval of Resolution #24-07 – Accepting the Fire Chief's 2022 Report of Annual Inspections of Certain Occupancies Pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code.

6. New Business

- A. Discussion/action to adopt Resolution #24-08 – Awarding a Contract to Allsport America, Inc. for SportGame Grid Playing Surface for the Pickleball Courts Improvement Project.
- B. Discussion/action to adopt Resolution #24-09 – Approval of an Agreement for Management and Administrative Services with Regional Government Services Authority and a Fiscal Year 2023-24 Administrative Fund Budget Adjustment.
- C. Discussion regarding General Manager salary and duties.
- D. Discussion/action regarding semi-annual review of the District's Strategic Plan.

7. Reports

- A. President and Board member reports.
- B. Fire Chief's report.
- C. Water/Sewer Operations Manager's report.
- D. General Manager's report.

8. Adjourn

HOW TO VIRTUALLY PARTICIPATE IN THIS MEETING

The public can virtually observe and participate in a meeting as follows:

- **Computer:** Join the videoconference by clicking the videoconference link located at the top of this agenda or on our website. You may be prompted to enter your name and email. Your email will remain private and you may enter "anonymous" for your name.
- **Smart Phone/Tablet:** Join the videoconference by clicking the videoconference link located at the top of this agenda OR log in through the Zoom mobile app and enter the Meeting ID# and Password found at the top of this agenda. You may be prompted to enter your name and email. Your email will remain private and you may enter "anonymous" for your name.
- **Telephone:** Listen to the meeting by calling Zoom at (4669) 900-6833. Enter the Meeting ID# listed at the top of this agenda, followed by the pound (#) key.

* NOTE: your personal video will be disabled and your microphone will be automatically muted.

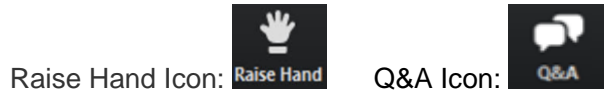
FOR MORE DETAILED INSTRUCTIONS, CLICK [HERE](#)

SUBMITTING PUBLIC COMMENT

The public will have an opportunity to comment before and during the meeting as follows:

- **Before the Meeting:**
 - Email comments to ksilva@twainhartecsd.com, write "Public Comment" in the subject line. In the body of the email, include the agenda item number and title, as well as your comments.
 - Mail comments to THCSD Board Secretary: P.O. Box 649, Twain Harte, CA 95383
- **During the Meeting:**

- Computer/Tablet/Smartphone: Click the “Raise Hand” icon and the host will unmute your audio when it is time to receive public comment. If you would rather make a comment in writing, you may click on the “Q&A” icon and type your comment. You may need to tap your screen or click on “View Participants” to make icons visible.



- Telephone: Press *9 if to notify the host that you have a comment. The host will unmute you during the public comment period and invite you to share comments.
- In-Person: Raise your hand and the Board Chairperson will call on you.

* NOTE: If you wish to speak on an item on the agenda, you are welcome to do so during consideration of the agenda item itself. If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period. Persons speaking during the Public Comment will be limited to five minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. Except as otherwise provided by law, no action or discussion shall be taken/conducted on any item not appearing on the agenda. Public comments must be addressed to the board as a whole through the President. Comments to individuals or staff are not permitted.

MEETING ETIQUETTE

Attendees shall make every effort not to disrupt the meeting. Cell phones must be silenced or set in a mode that will not disturb District business during the meeting.

ACCESSIBILITY

Board meetings are accessible to people with disabilities. In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the District office 48 hours prior to the meeting at (209) 586-3172.

WRITTEN MEETING MATERIALS

If written materials relating to items on this Agenda are distributed to Board members prior to the meeting, such materials will be made available for public inspection on the District's website: www.twainhartecsd.com



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	04A	ITEM TYPE:	<input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Action <input type="checkbox"/> Both
SUBJECT:	Presentation of the Fiscal Year 2022-23 Audit Report by Blomberg and Griffin.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

None.

SUMMARY:

- The District employs an independent accounting firm to perform an annual audit of the District's financial statements.
- Blomberg and Griffin conducted the District's Audit in accordance with generally accepted auditing standards.
- After reviewing the District's financials, the auditors have determined that the financial statements for 2022 and 2023 are presented fairly, in all material respects, and the changes in financial position and cash flows have been presented in accordance with accounting principles generally accepted in the USA.
- John Blomberg from Blomberg and Griffin will present the audit and audit findings to the board.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

None.

**TWAIN HARTE COMMUNITY
SERVICES DISTRICT**

Financial Statements
And
Independent Auditor's Report

For the Fiscal Year Ended June 30, 2023 and 2022



TWAIN HARTE COMMUNITY SERVICES DISTRICT

OF TUOLUMNE COUNTY

TWAIN HARTE, CALIFORNIA

JUNE 30, 2023

GOVERNING BOARD

MEMBERS

OFFICE

Eileen Mannix

President

Charlotte Bohlman

Vice President

Gary Sipperley

Director

Richard Knudson

Director

Kathryn de Groot

Director

TWAIN HARTE COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

JUNE 30, 2023 and 2022

Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-11
<i>Government-Wide Financial Statements</i>	
Statement of Net Position - Combined	12
Statement of Activities - Combined	13
<i>Governmental Fund Financial Statements</i>	
Governmental Funds - Balance Sheet	14
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
Enterprise Funds - Statement of Net Position -Combined	18
Comparative – Water Fund	19
Comparative – Sewer Fund	20
Enterprise Funds - Statement of Revenues, Expenses, and Changes in Fund Net Position - Combined	21
Comparative – Water Fund	22
Comparative – Sewer Fund	23
Enterprise Funds - Statement of Cash Flows - Combined	24-25
Comparative – Water Fund	26-27
Comparative – Sewer Fund	28-29
Notes to Basic Financial Statements	30-56
Required Supplementary Information	
Schedule of Required Supplementary Information – Safety Plan	57
Schedule of Required Supplementary Information – Miscellaneous Plan	58
Park and Recreation Fund – Budgetary Comparison Schedule	59-60
Fire Protection Fund - Budgetary Comparison Schedule	61-62
Notes to Required Supplementary Information	63



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Twain Harte Community Services District
Twain Harte, California

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2023, and 2022 and the related notes to basic financial statements, which collectively comprise the Twain Harte Community Services District, 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 Twain Harte Community Services District, as of June 30, 2023, and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 and the State Controller's Minimum Audit Requirements for California Special District. 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 Twain Harte Community Services 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 Twain Harte Community Services 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:

- 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 Twain Harte Community Services 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 Twain Harte Community Services 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11, budgetary comparison schedule on pages 59-62, and schedule of required supplementary information- Safety and Miscellaneous pension plan on pages 57-58 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.



Blomberg & Griffin A.C.
Stockton, CA

October 24, 2023

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

This section of the annual financial report of the Twain Harte Community Services District (District) presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follows this section.

The relationship between revenues and expenses is the District's *operating results*. Since the Board's responsibility is to provide services to customers and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the service provided, and the safety of our employees and the general public will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

Governmental Activities – The Fire Protection and Park and Recreation funds consist of this activity. Revenue for the Fire Protection fund is primarily derived from property taxes. Park and Recreation fund revenue is obtained from donations and special fees charged to use Park and Recreation facilities and funding through property taxes.

Business-type Activities – The District charges fees for water and sewer services to help cover the costs of certain services provided. These represent revenue from special fees, connection fees, and water and sewer usage charges.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Governmental Funds – Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending, these funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS (Continued):

The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

Enterprise Funds – When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in enterprise funds. Enterprise funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. In fact, the District's Enterprise funds are the same as the business-type activities we report in the government-wide financial statements, but provide more detail and additional information, such as cash flows, for enterprise funds.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

Water and Sewer Division

- The water division's change in net position was \$130,876. The sewer division's change in net position was (\$83,737). The total net position increased by \$47,139 or .78%.

Fire Protection Division

- Fire protection division received \$1,288,046 of tax revenue which consisted of 85% of total revenues for the division. The fire protection division's change in fund balance was (\$135,634). The percentage decrease in fund balance was 9.59% primarily due to capital outlay expenditures.

Park and Recreation Division

- The park and recreation division continues to rely on tax, donation, and grant revenues to fund projects. Tax revenue received was \$147,808. The tax revenues consist of 31.28% of total revenues. Grant, donation, and other revenues received totaled \$324,766 or 68.72% of total revenues.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$10,854,553 for the fiscal year ended June 30, 2023, and \$10,613,600. for the fiscal year ended June 30, 2022, which is an increase of \$240,953. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the District's ability to use net position for day-to-day operations. Our analysis in the following pages focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.



TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

THE DISTRICT AS A WHOLE (Continued)

	Table 1						
	2023	2022	2021	2023 vs 2022		2022 vs. 2021	
				\$	%	\$	%
Current Assets	\$ 6,014,914	\$ 5,881,826	\$ 5,507,789	\$ 133,088	2.26%	\$ 374,037	6.79%
Capital Assets - Net	7,147,989	6,629,581	6,470,609	518,408	7.82%	158,972	2.46%
Deferred Outflows	559,994	788,114	345,022	(228,120)	-28.95%	443,092	128.42%
Total Assets & Deferred Outflows	\$ 13,722,897	\$ 13,299,521	\$ 12,323,420	\$ 423,376	3.18%	\$ 976,101	7.92%
Current Liabilities	\$ 738,113	\$ 677,857	\$ 635,232	\$ 60,256	8.89%	\$ 42,625	6.71%
Long-Term Obligations	741,814	1,401,040	1,482,614	(659,226)	-47.05%	(81,574)	-5.50%
Deferred Inflows	1,388,417	607,024	26,975	781,393	128.73%	580,049	2150.32%
Total Liabilities & Deferred Inflows	2,868,344	2,685,921	2,144,821	182,423	6.79%	541,100	25.23%
Net Position							
Invested in Capital Assets, Net of Related Debt	6,515,699	5,821,535	5,411,246	694,164	11.92%	410,289	7.58%
Restricted	-	151,770	144,625	(151,770)	-100.00%	7,145	4.94%
Unrestricted	4,338,854	4,640,295	4,622,728	(301,441)	-6.50%	17,567	0.38%
Total Net Position	10,854,553	10,613,600	10,178,599	240,953	2.27%	435,001	4.27%
Total Liabilities and Net Position	\$ 13,722,897	\$ 13,299,521	\$ 12,323,420	\$ 423,376	3.18%	\$ 976,101	7.92%

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

THE DISTRICT AS A WHOLE (Continued)

Table 2							
	2023	2022	2021	2023 vs 2022		2022 vs. 2021	
				\$	%	\$	%
Revenues							
Services Rendered	\$ 2,791,194	\$ 2,808,144	\$ 2,844,809	\$ (16,950)	-0.60%	\$ (36,665)	-1.29%
Operating Grants and Contributions	792,974	542,641	447,326	250,333	46.13%	95,315	21.31%
Interest Earnings	61,443	15,357	25,612	46,086	300.10%	(10,255)	-40.04%
Taxes	1,476,149	1,488,656	1,414,737	(12,507)	-0.84%	73,919	5.22%
Other Income (Expense)	(20,160)	(2,516)	(37,417)	(17,644)	701.27%	34,901	-93.28%
Total Revenues	5,101,600	4,852,282	4,695,067	249,318	5.14%	157,215	3.35%
Expenses							
Fire Protection	1,576,665	1,400,171	1,391,389	176,494	12.61%	8,782	0.63%
Park & Recreation	219,738	198,410	184,991	21,328	10.75%	13,419	7.25%
Water	1,813,033	1,563,969	1,370,169	249,064	15.93%	193,800	14.14%
Sewer	1,251,211	1,254,731	1,196,050	(3,520)	-0.28%	58,681	4.91%
Total Expenses	4,860,647	4,417,281	4,142,599	443,366	10.04%	274,682	6.63%
Change in Net Position	\$ 240,953	\$ 435,001	\$ 552,468	\$ (194,048)	-44.61%	\$ (117,467)	-21.26%

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

THE DISTRICT AS A WHOLE (Continued)

As reported in the statement of activities, the cost of all our activities this year was \$4,860,647. which was an increase of \$443,366 compared to the prior year. Our taxpayers ultimately financed these activities through local taxes was \$1,476,149. The Change in net position was \$240,953.

In Table 3, we have presented costs including depreciation of the District's functions.

Table 3

	2023	2022	2021
	<u>Cost of Service</u>	<u>Cost of Service</u>	<u>Cost of Service</u>
Park & Recreation	<u>\$ 219,738</u>	<u>\$ 198,410</u>	<u>\$ 184,991</u>
Fire	<u>\$ 1,576,665</u>	<u>\$ 1,400,171</u>	<u>\$ 1,391,389</u>
Water	<u>\$ 1,813,033</u>	<u>\$ 1,563,969</u>	<u>\$ 1,370,169</u>
Sewer	<u>\$ 1,251,211</u>	<u>\$ 1,254,731</u>	<u>\$ 1,196,050</u>

THE DISTRICT'S FUNDS

The District has elected to report two of the governmental funds as major funds, as such information may be of importance to certain financial statement users. As the District completed this year, our governmental funds reported a combined fund balance of \$1,771,318, which is an increase of \$2,310 compared to the prior year. The District's enterprise funds ended the year with a combined net position balance of \$6,188,804 which is an increase of \$47,139 compared to the prior year.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion Analysis
June 30, 2023 and 2022

THE DISTRICT'S FUNDS (Continued)

Table 4

	Balances			2023 vs. 2022		2022 vs. 2021	
	June 30, 2023	June 30, 2022	June 30, 2021	\$	%	\$	%
Governmental Funds							
Park & Recreation	\$ 492,262	\$ 354,318	\$ 328,019	\$ 137,944	38.93%	\$ 26,299	8.02%
Fire Protection	1,279,056	1,414,690	1,340,763	(135,634)	-9.59%	73,927	5.51%
Total Governmental Funds	<u>\$ 1,771,318</u>	<u>\$ 1,769,008</u>	<u>\$ 1,668,782</u>	<u>\$ 2,310</u>	<u>0.13%</u>	<u>\$ 100,226</u>	<u>6.01%</u>
Proprietary Funds							
Water	\$ 4,197,557	\$ 4,066,681	\$ 3,900,679	\$ 130,876	3.22%	\$ 166,002	4.26%
Sewer	1,991,247	2,074,984	2,047,569	(83,737)	-4.04%	27,415	1.34%
Total Proprietary Funds	<u>\$ 6,188,804</u>	<u>\$ 6,141,665</u>	<u>\$ 5,948,248</u>	<u>\$ 47,139</u>	<u>0.77%</u>	<u>\$ 193,417</u>	<u>3.25%</u>

GENERAL FUND BUDGET INFORMATION

In June of each year, a budget is adopted for the subsequent year by the District's Board of Directors. Budget preparation begins with results from the current year and is completed with assumptions derived from various sources including the different departments. The budget is updated during the year.

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had \$7,147,989 in a broad range of capital assets net of accumulated depreciation, including land, buildings, and furniture and equipment. This amount represents an increase (including additions and deductions) of \$518,408 from the prior year.

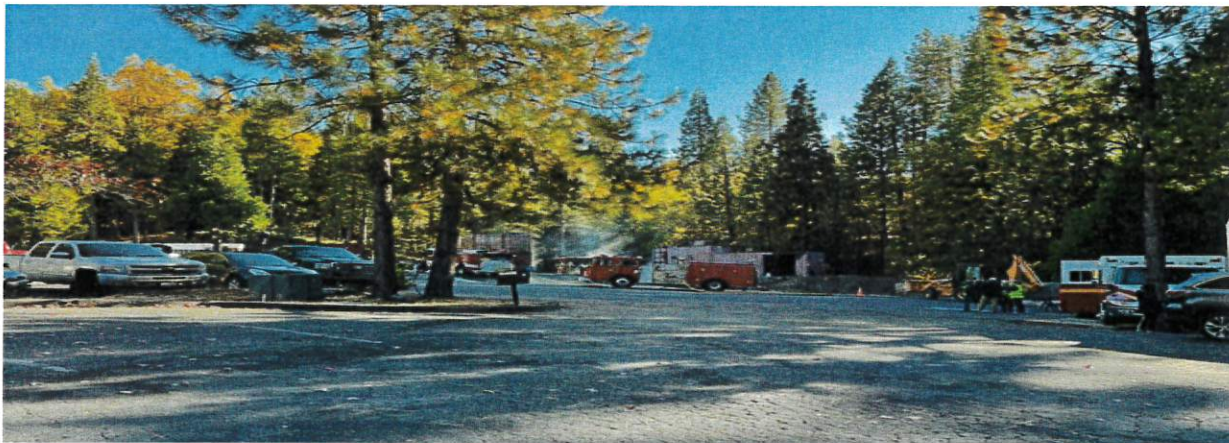
TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion Analysis
June 30, 2023 and 2022

CAPITAL ASSET & DEBT ADMINISTRATION (Continued)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Table 5</u>		<u>2023 vs. 2022</u>		<u>2023 vs. 2022</u>	
				<u>2023 vs. 2022</u>					
				<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Land	\$ 1,045,311	\$ 1,070,803	\$ 1,070,803	\$ (25,492)	-2.38%	\$ -	0.00%		
Construction In Progress	691,655	177,251	25,514	514,404	290.21%	151,737	594.72%		
Plant and Equipment, Net of Accumulated Depreciation	<u>5,411,023</u>	<u>5,381,527</u>	<u>5,374,292</u>	<u>29,496</u>	<u>0.55%</u>	<u>7,235</u>	<u>0.13%</u>		
Total	<u>\$ 7,147,989</u>	<u>\$ 6,629,581</u>	<u>\$ 6,470,609</u>	<u>\$ 518,408</u>	<u>7.82%</u>	<u>\$ 158,972</u>	<u>2.46%</u>		

Long-Term Obligations

At June 30, 2023, the District's outstanding long-term debt was \$632,290. During the fiscal year ended June 30, 2023, payments made on principal decreased long-term debt by \$175,756. We present more detailed information regarding our long-term obligations in the notes to the financial statements on pages 43 and 44.



TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances, and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact, Finance Officer, P.O. Box 649, Twain Harte, CA 95383 or call at (209) 586-3172.

TWAIN HART COMMUNITY SERVICES DISTRICT

Statement of Net Position

June 30, 2023 and 2022

	Governmental Activities	Business-Type Activities	Combined Funds	
			2023	2022
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,416,245	\$ 3,449,195	\$ 4,865,440	\$ 5,065,511
Restricted Cash	-	76,289	76,289	152,700
Accounts Receivable	-	327,173	327,173	310,452
Taxes Receivable	48,723	700	49,423	79,608
Grants Receivable	455,605	204,566	660,171	252,211
Prepaid Expenses	3,147	15,783	18,930	16,088
Store Inventory	-	3,837	3,837	3,837
Due from Other Governments	13,651	-	13,651	1,419
Total Current Assets	<u>1,937,371</u>	<u>4,077,543</u>	<u>6,014,914</u>	<u>5,881,826</u>
Non-Current Assets				
Construction in Progress	452,750	238,905	691,655	177,251
Land	841,263	204,048	1,045,311	1,070,803
Structures and Improvements	2,172,142	1,225,563	3,397,705	3,338,756
Equipment	2,216,221	9,971,225	12,187,446	11,826,253
Less: Accumulated Depreciation	(2,402,220)	(7,771,908)	(10,174,128)	(9,783,482)
Total Non-Current Assets	<u>3,280,156</u>	<u>3,867,833</u>	<u>7,147,989</u>	<u>6,629,581</u>
Deferred Outflow of Resources				
Pension deferred charges	252,605	307,389	559,994	788,114
Total Assets & Deferred Outflows	<u>\$ 5,470,132</u>	<u>\$ 8,252,765</u>	<u>\$ 13,722,897</u>	<u>\$ 13,299,521</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 97,207	\$ 357,734	\$ 454,941	\$ 271,456
Accrued Payables	16,491	17,710	34,201	70,633
Employee Benefits	49,890	64,993	114,883	102,769
Interest Payable	-	25,025	25,025	32,663
Current Portion of Long-Term Obligations	-	106,598	106,598	179,270
Deferred Revenue	2,465	-	2,465	21,066
Total Current Liabilities	<u>166,053</u>	<u>572,060</u>	<u>738,113</u>	<u>677,857</u>
Non-Current Liabilities				
Net Pension Liability	97,190	118,932	216,122	772,264
Noncurrent Portion of Long-Term Obligations	-	632,290	632,290	808,046
Less: Current Portion of Long-Term Obligations	-	(106,598)	(106,598)	(179,270)
Total Non-Current Liabilities	<u>97,190</u>	<u>644,624</u>	<u>741,814</u>	<u>1,401,040</u>
Total Liabilities	<u>263,243</u>	<u>1,216,684</u>	<u>1,479,927</u>	<u>2,078,897</u>
Deferred Inflow of Resources				
Pension deferred credits	541,140	847,277	1,388,417	607,024
Total Liabilities & Deferred Inflows	<u>804,383</u>	<u>2,063,961</u>	<u>2,868,344</u>	<u>2,685,921</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	3,280,156	3,235,543	6,515,699	5,821,535
Restricted for:				
Debt Service	-	-	-	151,770
Unrestricted	1,385,593	2,953,261	4,338,854	4,640,295
Total Net Position	<u>4,665,749</u>	<u>6,188,804</u>	<u>10,854,553</u>	<u>10,613,600</u>
Total Liabilities and Net Position	<u>\$ 5,470,132</u>	<u>\$ 8,252,765</u>	<u>\$ 13,722,897</u>	<u>\$ 13,299,521</u>

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

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Statement of Activities
For the Year Ended June 30, 2023 and 2022

	Governmental Activities	Business-Type Activities	Combined Funds 2023	2022
PROGRAM EXPENSES				
Fire Protection	\$ 1,576,665	\$ -	\$ 1,576,665	\$ 1,400,171
Park & Recreation	219,738	-	198,410	198,410
Water	-	1,813,033	1,813,033	1,563,969
Sewer	-	1,251,211	1,251,211	1,254,731
Total Program Expenses	1,796,403	3,064,244	4,839,319	4,417,281
PROGRAM REVENUE				
Services Rendered	189,777	2,601,417	2,791,194	2,808,144
Operating Grants and Contributions	347,455	445,519	792,974	542,641
Total Program Revenues	537,232	3,046,936	3,584,168	3,350,785
Net Program Expenses (Income)	1,259,171	17,308	1,276,479	1,066,496
GENERAL REVENUES				
Property Taxes	1,435,854	40,295	1,476,149	1,488,656
Interest Income	17,037	44,406	61,443	15,357
Interest Expense	-	(26,171)	(26,171)	(35,369)
Miscellaneous	94	-	19,609	19,609
Sale of Assets	-	5,917	5,917	13,244
Total General Revenues	1,452,985	64,447	1,536,947	1,501,497
Excess of Revenues over Expenses	193,814	47,139	240,953	435,001
Change in Net Position	193,814	47,139	240,953	435,001
Net Position-Beginning of Year	4,471,935	6,141,665	10,613,600	10,178,599
Net Position-End of Year	\$ 4,665,749	\$ 6,188,804	\$ 10,854,553	\$ 10,613,600

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023 and 2022

	<u>Park & Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Funds - 2023</u>	<u>Total Governmental Funds - 2022</u>
ASSETS				
Current Assets				
Cash and Investments	\$ 91,219	\$ 1,325,026	\$ 1,416,245	\$ 1,730,163
Restricted Cash	-	-	-	930
Accounts Receivable	-	-	-	-
Taxes Receivable	6,462	42,261	48,723	74,730
Grants Receivable	450,464	5,141	455,605	143,135
Prepaid Expenses	886	2,261	3,147	3,141
Due from Other Governments	-	13,651	13,651	1,419
Total Assets	<u>\$ 549,031</u>	<u>\$ 1,388,340</u>	<u>\$ 1,937,371</u>	<u>\$ 1,953,518</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 47,931	\$ 49,276	\$ 97,207	\$ 95,738
Accrued Payables	768	15,723	16,491	29,446
Compensated Absences	5,605	44,285	49,890	38,260
Deferred Revenue	2,465	-	2,465	21,066
Total Liabilities	<u>56,769</u>	<u>109,284</u>	<u>166,053</u>	<u>184,510</u>
FUND BALANCES				
Nonspendable	886	2,261	3,147	3,141
Committed	379,173	613,883	993,056	1,070,112
Assigned	85,661	664,678	750,339	697,195
Unassigned	26,542	(1,766)	24,776	(1,440)
Total Fund Balances	<u>492,262</u>	<u>1,279,056</u>	<u>1,771,318</u>	<u>1,769,008</u>
Total Liabilities and Fund Balances	<u>\$ 549,031</u>	<u>\$ 1,388,340</u>	<u>\$ 1,937,371</u>	<u>\$ 1,953,518</u>

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023 and 2022

	Park & Recreation	Fire Protection	Total Governmental Funds - 2023	Total Governmental Funds - 2022
GENERAL REVENUES				
Taxes and Assessments	\$ 147,808	\$ 1,288,046	\$ 1,435,854	\$ 1,366,992
Interest	1,893	15,144	17,037	9,670
Charges for Services	8,591	181,186	189,777	204,455
Grants	290,065	33,167	323,232	224,806
Donations	24,123	100	24,223	27,424
Miscellaneous	94	-	94	1,419
Total Revenues	472,574	1,517,643	1,990,217	1,834,766
EXPENDITURES				
Operating Expenditures				
Salaries and Benefits	72,162	1,010,823	1,082,985	1,008,805
Materials, Supplies, and Services	97,016	277,896	374,912	369,062
Capital Outlay	302,897	364,558	667,455	280,831
Debt Service	-	-	-	84,586
Total Expenditures	472,075	1,653,277	2,125,352	1,743,284
Excess (Deficiency) of Revenues Over Expenditures	499	(135,634)	(135,135)	91,482
OTHER FINANCING SOURCES (USES)				
Proceeds of Sale of Assets	137,445	-	137,445	8,744
Total Other Financing Sources and Uses	137,445	-	137,445	8,744
Net Change in Fund Balances	137,944	(135,634)	2,310	100,226
Fund Balances - Beginning	354,318	1,414,690	1,769,008	1,668,782
Fund Balances - Ending	\$ 492,262	\$ 1,279,056	\$ 1,771,318	\$ 1,769,008

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Total Fund Balance-Governmental Funds	\$ 1,771,318	\$ 1,769,008
Amounts Reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		
	<u>2023</u>	<u>2022</u>
Capital Assets	5,682,376	5,125,213
Accumulated Depreciation	<u>(2,402,220)</u>	<u>(2,232,424)</u>
	3,280,156	2,892,789
Deferred pension charges not reported in funds balance sheet	252,605	345,775
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	-	-
Deferred pension credits not reported in funds balance sheet	(541,140)	(210,748)
Net Pension liability not reported in funds balance sheet	<u>(97,190)</u>	<u>(324,889)</u>
Total Net Position-Governmental Activities	<u>\$ 4,665,749</u>	<u>\$ 4,471,935</u>

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

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net Change in Fund Balances - Governmental Funds	\$ 2,310	\$ 100,226
Amounts reported for governmental activities in the statement of net position are different because:		
Capital outlays is reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions of \$554,932 was more than depreciation of \$167,565 in the current period.	387,367	109,545
Compensated absences	-	-
Pension expense adjustment for deferred items	(195,863)	(49,428)
Payments of long-term debt is reported in governmental funds as expenditures. However, in the government-wide financial statements the payment of long-term debt are recorded as a reduction of liability.	<u>-</u>	<u>81,241</u>
Change in Net Position of Governmental Activities	<u><u>\$ 193,814</u></u>	<u><u>\$ 241,584</u></u>

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

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Combined
Statement of Net Position
June 30, 2023 and 2022

	Business-Type Activities Enterprise Funds			
	Water	Sewer	2023	2022
ASSETS				
Current Assets				
Cash and Investments	\$ 2,154,153	\$ 1,295,042	\$ 3,449,195	\$ 3,335,348
Restricted Cash	76,289	-	76,289	151,770
Accounts Receivable	186,140	141,033	327,173	310,452
Interest Receivable	700	-	700	4,878
Grants Receivable	204,566	-	204,566	109,076
Prepaid Expenses	9,317	6,466	15,783	12,947
Stores Inventories	2,910	927	3,837	3,837
Total Current Assets	2,634,075	1,443,468	4,077,543	3,928,308
Noncurrent Assets				
Construction in Progress	238,905	-	238,905	40,841
Land	77,830	126,218	204,048	229,540
Structures and Improvements	915,707	309,856	1,225,563	1,225,563
Equipment	7,717,581	2,253,644	9,971,225	9,791,906
Less: Accumulated Depreciation	(6,068,442)	(1,703,466)	(7,771,908)	(7,551,058)
Total Noncurrent Assets	2,881,581	986,252	3,867,833	3,736,792
Deferred Outflow of Resources				
Pension deferred charges	199,803	107,586	307,389	442,339
Total Assets and Deferred Outflows	\$ 5,715,459	\$ 2,537,306	\$ 8,252,765	\$ 8,107,439
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 215,972	\$ 141,762	\$ 357,734	\$ 175,718
Accrued Payables	8,358	9,352	17,710	41,187
Compensated Absences	42,410	22,583	64,993	64,509
Interest Payable	23,966	1,059	25,025	32,663
Current Portion of Long-Term Obligations	90,330	16,268	106,598	179,270
Total Current Liabilities	381,036	191,024	572,060	493,347
Noncurrent Liabilities				
Net Pension Liability	77,306	41,626	118,932	447,375
Noncurrent Portion of Long-Term Obligations	599,160	33,130	632,290	808,046
Less: Current Portion of Long-Term Obligations	(90,330)	(16,268)	(106,598)	(179,270)
Total Noncurrent Liabilities	586,136	58,488	644,624	1,076,151
Total Liabilities	967,172	249,512	1,216,684	1,569,498
Deferred Inflow of Resources				
Pension deferred credits	550,730	296,547	847,277	396,276
Total Liabilities and Deferred Inflows	1,517,902	546,059	2,063,961	1,965,774
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,282,421	953,122	3,235,543	2,928,746
Restricted	-	-	-	151,770
Unrestricted	1,915,136	1,038,125	2,953,261	3,061,149
Total Net Position	4,197,557	1,991,247	6,188,804	6,141,665
Total Liabilities and Net Position	\$ 5,715,459	\$ 2,537,306	\$ 8,252,765	\$ 8,107,439

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Enterprise Funds - Water

Statement of Net Position

June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Water	Water
ASSETS		
Current Assets		
Cash and Investments	\$ 2,154,153	\$ 2,044,559
Restricted Cash	76,289	151,770
Accounts Receivable	186,140	171,484
Interest Receivable	700	4,878
Grants Receivable	204,566	109,076
Prepaid Expenses	9,317	7,753
Stores Inventories	2,910	2,910
Total Current Assets	2,634,075	2,492,430
Noncurrent Assets		
Construction in Progress	238,905	40,841
Land	77,830	103,322
Structures and Improvements	915,707	915,707
Equipment	7,717,581	7,611,540
Less: Accumulated Depreciation	(6,068,442)	(5,921,693)
Total Noncurrent Assets	2,881,581	2,749,717
Deferred Outflow of Resources		
Pension deferred charges	199,803	285,524
Total Assets and Deferred Outflows	\$ 5,715,459	\$ 5,527,671
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 215,972	\$ 53,909
Accrued Payables	8,358	25,910
Compensated Absences	42,410	42,474
Interest Payable	23,966	31,102
Current Portion of Long-Term Obligations	90,330	163,596
Total Current Liabilities	381,036	316,991
Noncurrent Liabilities		
Net Pension Liability	77,306	290,794
Noncurrent Portion of Long-Term Obligations	599,160	759,222
Less: Current Portion of Long-Term Obligations	(90,330)	(163,596)
Total Noncurrent Liabilities	586,136	886,420
Total Liabilities	967,172	1,203,411
Deferred Inflow of Resources		
Pension deferred credits	550,730	257,579
Total Liabilities and Deferred Inflows	1,517,902	1,460,990
NET POSITION		
Invested in Capital Assets, Net of Related Debt	2,282,421	1,990,495
Restricted	-	151,770
Unrestricted	1,915,136	1,924,416
Total Net Position	4,197,557	4,066,681
Total Liabilities and Net Position	\$ 5,715,459	\$ 5,527,671

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Enterprise Funds - Sewer

Statement of Net Position

June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Sewer	Sewer
ASSETS		
Current Assets		
Cash and Investments	\$ 1,295,042	\$ 1,290,789
Accounts Receivable	141,033	138,968
Prepaid Expenses	6,466	5,194
Stores Inventories	927	927
Total Current Assets	1,443,468	1,435,878
Noncurrent Assets		
Land	126,218	126,218
Structures and Improvements	309,856	309,856
Equipment	2,253,644	2,180,366
Less: Accumulated Depreciation	(1,703,466)	(1,629,365)
Total Noncurrent Assets	986,252	987,075
Deferred Outflow of Resources		
Pension deferred charges	107,586	156,815
Total Assets and Deferred Outflows	\$ 2,537,306	\$ 2,579,768
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 141,762	\$ 121,809
Accrued Payables	9,352	15,277
Compensated Absences	22,583	22,035
Interest Payable	1,059	1,561
Current Portion of Long-Term Obligations	16,268	15,674
Total Current Liabilities	191,024	176,356
Noncurrent Liabilities		
Net Pension Liability	41,626	156,581
Noncurrent Portion of Long-Term Obligations	33,130	48,824
Less: Current Portion of Long-Term Obligations	(16,268)	(15,674)
Total Noncurrent Liabilities	58,488	189,731
Total Liabilities	249,512	366,087
Deferred Inflow of Resources		
Pension deferred credits	296,547	138,697
Total Liabilities and Deferred Inflows	546,059	504,784
NET POSITION		
Invested in Capital Assets, Net of Related Debt	953,122	938,251
Unrestricted	1,038,125	1,136,733
Total Net Position	1,991,247	2,074,984
Total Liabilities and Net Position	\$ 2,537,306	\$ 2,579,768

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Combined
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	2023	2022
OPERATING REVENUES				
Service Charges	\$ 1,463,948	\$ 1,137,469	\$ 2,601,417	\$ 2,603,689
Other Operating Revenues	431,227	14,292	445,519	290,411
Total Operating Revenues	1,895,175	1,151,761	3,046,936	2,894,100
OPERATING EXPENSES				
General and Administrative	359,042	190,980	550,022	448,248
Plant	1,303,821	984,285	2,288,106	2,105,806
Depreciation	150,170	75,946	226,116	264,646
Total Operating Expenses	1,813,033	1,251,211	3,064,244	2,818,700
Net Operating Income (Loss)	82,142	(99,450)	(17,308)	75,400
NONOPERATING REVENUES (EXPENSES)				
Interest Income	27,906	16,500	44,406	5,687
Taxes and Assessments	40,295	-	40,295	121,664
Interest Expense	(24,889)	(1,282)	(26,171)	(32,024)
Gain on Sale of Assets	5,422	495	5,917	4,500
Miscellaneous	-	-	-	18,190
Total Nonoperating Revenues (Expenses)	48,734	15,713	64,447	118,017
Income (Loss) Before Transfers	130,876	(83,737)	47,139	193,417
Change in Net Position	130,876	(83,737)	47,139	193,417
Total Net Position - Beginning	4,066,681	2,074,984	6,141,665	5,948,248
Total Net Position - Ending	\$ 4,197,557	\$ 1,991,247	\$ 6,188,804	\$ 6,141,665

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Water
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Water	Water
OPERATING REVENUES		
Service Charges	\$ 1,463,948	\$ 1,465,866
Other Operating Revenues	431,227	154,548
Total Operating Revenues	<u>1,895,175</u>	<u>1,620,414</u>
OPERATING EXPENSES		
General and Administrative	359,042	292,606
Plant	1,303,821	1,073,690
Depreciation	<u>150,170</u>	<u>197,673</u>
Total Operating Expenses	<u>1,813,033</u>	<u>1,563,969</u>
Net Operating Income (Loss)	<u>82,142</u>	<u>56,445</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Income	27,906	3,265
Taxes and Assessments	40,295	121,664
Interest Expense	(24,889)	(30,171)
Gain on Sale of Assets	5,422	2,925
Miscellaneous	<u>-</u>	<u>11,874</u>
Total Nonoperating Revenues (Expenses)	<u>48,734</u>	<u>109,557</u>
Income (Loss) Before Transfers	<u>130,876</u>	<u>166,002</u>
Change in Net Position	130,876	166,002
Total Net Position - Beginning	<u>4,066,681</u>	<u>3,900,679</u>
Total Net Position - Ending	<u><u>\$ 4,197,557</u></u>	<u><u>\$ 4,066,681</u></u>

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Sewer
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Sewer	Sewer
OPERATING REVENUES		
Service Charges	\$ 1,137,469	\$ 1,137,823
Other Operating Revenues	14,292	135,863
Total Operating Revenues	1,151,761	1,273,686
OPERATING EXPENSES		
General and Administrative	190,980	155,642
Plant	984,285	1,032,116
Depreciation	75,946	66,973
Total Operating Expenses	1,251,211	1,254,731
Net Operating Income (Loss)	(99,450)	18,955
NONOPERATING REVENUES (EXPENSES)		
Interest Income	16,500	2,422
Interest Expense	(1,282)	(1,853)
Gain on Sale of Assets	495	1,575
Miscellaneous	-	6,316
Total Nonoperating Revenues (Expenses)	15,713	8,460
Income (Loss) Before Transfers	(83,737)	27,415
Change in Net Position	(83,737)	27,415
Total Net Position - Beginning	2,074,984	2,047,569
Total Net Position - Ending	\$ 1,991,247	\$ 2,074,984

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Combined
Statement of Cash Flows
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,516,016	\$ 1,149,696	\$ 2,665,712	\$ 2,687,519
Cash Received from Operating Grants	269,013	-	269,013	355,491
Cash Payments for Goods and Services	(523,794)	(624,858)	(1,148,652)	(1,214,472)
Cash Payments to Employees and benefits	(818,057)	(445,481)	(1,263,538)	(1,094,048)
Net Cash Provided (Used) by Operating Activities	443,178	79,357	522,535	734,490
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash Received from Property Taxes	45,173	-	45,173	120,557
Miscellaneous, Non Operating Income (Expense)	-	-	-	18,190
Net Cash Provided (Used) by Non-Capital Financing Activities	45,173	-	45,173	138,747
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principle Payments to Loans	(160,062)	(15,694)	(175,756)	(170,076)
Interest Expense on Long-Term Loans	(32,025)	(1,282)	(33,307)	(39,511)
Acquisition of Capital Assets	(310,836)	(76,903)	(387,739)	(314,073)
Proceeds from Sale of Asset	21,479	2,275	23,754	4,500
Net Cash Provided (Used) from Capital and Related Financing Activities	(481,444)	(91,604)	(573,048)	(519,160)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	27,206	16,500	43,706	5,687
Net Cash Provided (Used) from Investing Activities	27,206	16,500	43,706	5,687
Net Increase (Decrease) in Cash	34,113	4,253	38,366	359,764
Cash-Beginning of Year	2,196,329	1,290,789	3,487,118	3,127,354
Cash-End of Year	<u>\$ 2,230,442</u>	<u>\$ 1,295,042</u>	<u>\$ 3,525,484</u>	<u>\$ 3,487,118</u>

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Enterprise Funds - Combined

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2023 and 2022

	Business-Type Activities Enterprise Funds			
	Water	Sewer	2023	2022
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (loss)	\$ 82,144	\$ (99,450)	\$ (17,306)	\$ 75,400
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	150,170	75,946	226,116	264,646
Changes in Assets and Liabilities:				
Receivables	(110,146)	(2,065)	(112,211)	148,911
Prepaid Expenses	(1,564)	(1,272)	(2,836)	(3,442)
Inventory	-	-	-	2,402
Accounts Payable and Other Accrued Liabilities	322,574	106,198	428,772	248,164
Deferred Revenue	-	-	-	(1,591)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 443,178</u>	<u>\$ 79,357</u>	<u>\$ 522,535</u>	<u>\$ 734,490</u>

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Water
Statement of Cash Flows
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Water	Water
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,516,016	\$ 1,522,487
Cash Received from Operating Grants	269,013	174,612
Cash Payments for Goods and Services	(523,794)	(483,951)
Cash Payments to Employees and benefits	(818,057)	(706,192)
Net Cash Provided (Used) by Operating Activities	<u>443,178</u>	<u>506,956</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash Received from Property Taxes	45,173	120,557
Miscellaneous, Non Operating Income (Expense)	<u>-</u>	<u>11,874</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>45,173</u>	<u>132,431</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principle Payments to Loans	(160,062)	(154,935)
Interest Expense on Long-Term Loans	(32,025)	(37,174)
Acquisition of Capital Assets	(310,836)	(61,599)
Proceeds from Sale of Asset	<u>21,479</u>	<u>2,925</u>
Net Cash Provided (Used) from Capital and Related Financing Activities	<u>(481,444)</u>	<u>(250,783)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>27,206</u>	<u>3,265</u>
Net Cash Provided (Used) from Investing Activities	<u>27,206</u>	<u>3,265</u>
Net Increase (Decrease) in Cash	34,113	391,869
Cash-Beginning of Year	<u>2,196,329</u>	<u>1,804,460</u>
Cash-End of Year	<u><u>\$ 2,230,442</u></u>	<u><u>\$ 2,196,329</u></u>

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Water
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Water	Water
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES		
Operating Income (loss)	\$ 82,144	\$ 56,445
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities		
Depreciation	150,170	197,673
Changes in Assets and Liabilities:		
Receivables	(110,146)	76,686
Prepaid Expenses	(1,564)	(1,779)
Inventory	-	2,389
Accounts Payable and Other Accrued Liabilities	322,574	177,133
Deferred Revenue	-	(1,591)
NET CASH PROVIDED BY OPERATING		
ACTIVITIES	\$ 443,178	\$ 506,956

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Sewer
Statement of Cash Flows
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Sewer	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,149,696	\$ 1,165,032
Cash Received from Operating Grants	-	180,879
Cash Payments for Goods and Services	(624,858)	(730,521)
Cash Payments to Employees and benefits	(445,481)	(387,856)
Net Cash Provided (Used) by Operating Activities	79,357	227,534
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Miscellaneous, Non Operating Income (Expense)	-	6,316
Net Cash Provided (Used) by Non-Capital Financing Activities	-	6,316
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principle Payments to Loans	(15,694)	(15,141)
Interest Expense on Long-Term Loans	(1,282)	(2,337)
Acquisition of Capital Assets	(76,903)	(252,474)
Proceeds from Sale of Asset	2,275	1,575
Net Cash Provided (Used) from Capital and Related Financing Activities	(91,604)	(268,377)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	16,500	2,422
Net Cash Provided (Used) from Investing Activities	16,500	2,422
Net Increase (Decrease) in Cash	4,253	(32,105)
Cash-Beginning of Year	1,290,789	1,322,894
Cash-End of Year	\$ 1,295,042	\$ 1,290,789

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Sewer
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities Enterprise Funds	
	2023	2022
	Sewer	Sewer
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (loss)	\$ (99,450)	\$ 18,955
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	75,946	66,973
Changes in Assets and Liabilities:		
Receivables	(2,065)	72,225
Prepaid Expenses	(1,272)	(1,663)
Inventory	-	13
Accounts Payable and Other Accrued Liabilities	106,198	71,031
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 79,357	\$ 227,534

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies.

Financial Reporting Entity

Twain Harte Community Services District (“District”) was formed in 1996 under Section 3 of the County District Act of 1923. The District’s primary function is to provide water, sewer, fire protection, and parks and recreation services to properties in a specific geographical area in the Twain Harte area of Tuolumne County.

Budgetary Reporting

The District’s annual budget is a management tool that assists its users in analyzing financial activity for the fiscal year ending June 30, 2023. Budgets are formally adopted by the Board in June and take effect the following July 1. The budget disclosed is the original budget which is updated during the year. A department head is allowed to transfer line-item expenditures within the same fund up to a maximum of \$5,000. An amount over \$5,000 for any line-item transfer requires Board approval. Use of any capital asset funds for anything other than their intended purpose requires Board approval.

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund net position, revenues, and expenditures or expenses, as appropriate. The various funds are summarized by type in the general-purpose financial statements. Fund types used by the District are described below:

Governmental Fund Types:

Fire Protection: The fire protection fund is authorized to fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection District. All transactions related to fire protection are recorded in the fire protection fund. In addition, 18% of administrative costs of the District are allocated to the fire protection fund.

Park and Recreation: The park and recreation fund operate a variety of public park facilities including Eproson Park, Community Center/American Legion Hall, and Twain Harte Tennis Courts. Also, the District is currently evaluating the possibility of providing senior and/or teen services at the Community Center. Ten percent of the administrative costs of the District are allocated to the park and recreation fund.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Fund Types:

Enterprise Funds: Account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent to the Board of Directors is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District applies all applicable GASB statements effective as of fiscal year end. The water and sewer funds are considered Enterprise Funds.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in current net position.

All enterprise funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Basis of Accounting – Measurement Focus

Government – Wide Financial Statements: The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the enterprise fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government – Wide Financial Statements (Continued): The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the District and for each governmental function. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and the restrictions on their net position use.

Fund Financial Statements: Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated to the general fund.

Governmental Funds: All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds: Enterprise funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement revenues, expenses, and changes in fund net position present increases (revenues) and decreases (expenses) to total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its enterprise funds.

Revenues – Exchange and Non-Exchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year-end. Service charges and interest are considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received or when assessed if received within 60 days of the fiscal year-end. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses/Expenditures: On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

Hookup Fees

Fees charged for hookup of water and sewer services are considered income in the period the service is performed.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Inventory

Inventories in the enterprise funds are stated at cost, using the first-in first-out method.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statements. The valuation basis for capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Capital assets in the enterprise funds are capitalized in the fund in which they are utilized. The valuation basis for enterprise fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 50 years; equipment, 2 to 15 years.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position and governmental funds balance sheet.

Sick leave is accumulated for each employee at the rate of one day for each month worked to a limit of 960 hours for regular employees and 1,328 hours for Fire Department shift employees. Leave with pay is provided when employees are absent for health reasons.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The employees gain a vested right to accumulated sick leave of up to 480 hours for regular employees and 664 hours for Fire Department employees.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the enterprise fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full of current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and any special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term obligations are recognized as liabilities in the governmental fund financial statements when due.

Fund Balance

In pursuant of GASB 54, District procedures to classify fund balance are as follows:

- Restricted
- Nonspendable
- Committed
- Assigned
- Unassigned

In the Governmental Fund Balance Sheet, the District has three classifications of fund balances: nonspendable, assigned, and unassigned. The District has classified nonspendable fund balance to the extent of prepaid expense amounts. Assigned represents designated fund balances by the Board of Directors or management. The unassigned fund balance is used to classify the fund balance that has not been assigned to other funds and that has not been restricted or committed to a specific purpose.

Net Position

Net positions represent the difference between assets and liabilities. Net position invested in capital assets; net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. The government-wide financial statements report \$-0- of restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the District, these revenues are water and sewer usage fees. Operating expenses are necessary costs incurred to provide the goods or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax

Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unsecured property taxes are payable in one installment on or before August 31. The County of Tuolumne bills and collects the taxes on behalf of the District. Revenue from property taxes is recognized in the fiscal year in which the taxes are received or assessed if received within 60 days of the fiscal year.

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023 and 2022 are classified in the accompanying financial statements as follows:

	<u>2023</u>	<u>2022</u>
General and Capital Funds	\$ 1,839,211	\$ 2,090,874
Restricted:		
Davis Grunsky #1	35,106	74,649
Davis Grunsky #2	41,183	77,120
CERT	-	930
LAIF	<u>3,026,229</u>	<u>2,974,638</u>
Total Deposits and Investments	<u>\$ 4,941,729</u>	<u>\$ 5,218,211</u>

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposits placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium-term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with priority security; and collateralized mortgage obligations.

Investment in the State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) which is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of investments in the pool is determined quarterly.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

The fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis with funds generally available next business day.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment; generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The District manages its exposures to interest rate risk by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment is not required to be rated, nor has it been rated as of June 30, 2023 and 2022.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Cash balances held in banks and revolving funds are insured up to \$250,000 per institution by the Federal Depository Insurance Corporation (“FDIC”). All cash held by the financial institutions is fully insured or collateralized, except the amount that exceeds the maximum insured levels of the FDIC.



TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements

June 30, 2023 and 2022

NOTE 3 - RECEIVABLES

Receivables at June 30, 2023, consisted of the following:

	Park & Recreation	Fire Protection	Total Governmental Activities	Water	Sewer	Total Business-Type Activities
Local Government						
Taxes	\$ 6,462	\$ 42,261	\$ 48,723	\$ 700	\$ -	\$ 700
Utility Billings	-	-	-	186,140	141,033	327,173
Grants Receivable	450,464	5,141	455,605	204,566	-	204,566
Total	\$ 456,926	\$ 47,402	\$ 504,328	\$ 391,406	\$ 141,033	\$ 532,439

NOTE 4 - CAPITAL ASSETS

A summary of the government-wide property plant and equipment at June 30, 2023, is as follows:

Governmental Activities:

	Balance July 1, 2022	Additions	Adjustments	Balance June 30, 2023
Fire & Park and Recreation				
Capital Assets not being Depreciated				
Land	\$ 841,263	\$ -	\$ -	\$ 841,263
Construction in Progress	136,410	316,340	-	452,750
Total Assets not being Depreciated	977,673	316,340	-	1,294,013
Capital Assets being Depreciated				
Structures and Improvements	2,113,193	58,949	-	2,172,142
Equipment	2,034,347	292,166	(110,292)	2,216,221
Total Assets being Depreciated	4,147,540	351,115	(110,292)	4,388,363
Total Capital Assets	5,125,213	667,455	(110,292)	5,682,376
Accumulated Depreciation	(2,232,424)	(167,565)	(2,231)	(2,402,220)
Total Book Value	\$ 2,892,789	\$ 499,890	\$ (112,523)	\$ 3,280,156

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 4 - CAPITAL ASSETS (Continued)

A summary of changes in the District's water service fixed assets is as follows:

Enterprise Funds:

<u>WATER</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital Assets not being Depreciated				
Land	\$ 103,322	\$ -	\$ (25,492)	\$ 77,830
Construction in Progress	40,841	198,064	-	238,905
Total Assets not being Depreciated	144,163	198,064	(25,492)	316,735
Capital Assets being Depreciated				
Building and Improvements	915,707	-	-	915,707
Plant and Equipment	7,611,540	112,772	(6,731)	7,717,581
Total Capital Assets being Depreciated	8,527,247	112,772	(6,731)	8,633,288
Accumulated Depreciation	(5,921,693)	(150,170)	3,421	(6,068,442)
Total Book Value	<u>\$ 2,749,717</u>	<u>\$ 160,666</u>	<u>\$ (28,802)</u>	<u>\$ 2,881,581</u>

A summary of changes in the District's sewer service fixed assets is as follows:

<u>SEWER</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital Assets not being Depreciated				
Land	\$ 126,218	\$ -	\$ -	\$ 126,218
Construction in Progress	-	-	-	-
Total Assets not Depreciated	126,218	-	-	126,218
Capital Assets being Depreciated				
Building and Improvements	309,856	-	-	309,856
Plant and Equipment	2,180,366	76,903	(3,625)	2,253,644
Total Capital Assets being Depreciated	2,490,222	76,903	(7,417)	2,563,500
Accumulated Depreciation	(1,629,365)	(75,946)	1,845	(1,703,466)
Total Book Value	<u>\$ 987,075</u>	<u>\$ 957</u>	<u>\$ -</u>	<u>\$ 986,252</u>

Depreciation Expense was charged as follows:

Governmental Activities	
Park and Recreation	\$ 50,560
Fire Protection	117,005
Total Depreciation Expense-Governmental Activities	<u>\$ 167,565</u>
Business-Type Activities	
Water Fund	\$ 150,170
Sewer Fund	197,673
Total Depreciation Expense Business-Type Activities	<u>\$ 347,843</u>

TWAIN HARTE COMMUNITY SERVICES DISTRICT**Notes to the Financial Statements****June 30, 2023 and 2022****NOTE 5 - ALLOCATION FROM GENERAL FUND**

The District allocates a percentage of administrative expenses to each of the four funds of the District.

The following shows the allocation percentages to allocate the administrative expenses:

Water	47.0%
Sewer	25.0%
Park and Recreation	10.0%
Fire Protection	18.0%

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2023, consisted of the following:

	Park & Recreation	Fire Protection	Total Governmental Activities	Water	Sewer	Total Business-Type Activities
Vendor Payables	\$ 47,931	\$ 49,276	\$ 97,207	\$ 215,972	\$ 141,762	\$ 357,734
Accrued Payables	768	15,723	16,491	8,358	9,352	17,710
Interest Payables	-	-	-	23,966	1,059	25,025
Total	<u>\$ 48,699</u>	<u>\$ 64,999</u>	<u>\$ 113,698</u>	<u>\$ 248,296</u>	<u>\$ 152,173</u>	<u>\$ 400,469</u>

NOTE 7 - COMPENSATED ABSENCES

The District's compensated absences at June 30, 2023 consisted of the following:

	Park & Recreation	Fire Protection	Total Governmental Activities	Water	Sewer	Total Business-Type Activities
Compensated Absences	<u>\$ 5,605</u>	<u>\$ 44,285</u>	<u>\$ 49,890</u>	<u>\$ 42,410</u>	<u>\$ 22,583</u>	<u>\$ 64,993</u>

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits and limited sick leave. A portion of these benefits is paid to the employee upon separation of employment from the District. The liability has been provided for in the government-wide financial statements, governmental funds financial statements, and enterprise funds.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 8 - LONG-TERM OBLIGATIONS

Summary – Enterprise Activities

The changes to the District's long-term obligations for its enterprise activities during the year consisted of the following:

Enterprise Funds:	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
Water Fund					
Davis – Grunsky loan #1. Original indebtedness – \$950,000, payable in annual installments of Principal and semi-annual installments of interest At 2.5%, maturity date is 2023.	\$ 37,551	\$ -	\$ (37,551)	\$ -	\$ -
Davis – Grunsky #1, deferred interest, payable in annual installments without interest, original indebtedness - \$84,239, maturity date is 2023.	3,661	-	(3,661)	-	-
Davis – Grunsky #2. Original indebtedness – \$860,535, payable in annual installments of Principal and semi-annual installments of interest At 2.5% maturity is 2023.	35,654	-	(35,654)	-	-
Municipal Finance Corporation, payable in annual installments and interest of 4.98%, maturity date is 2028	686,014	-	(88,854)	599,160	90,330
Total-Water Fund	762,880	-	(165,720)	599,160	90,330
Sewer Fund					
US Bancorp, payable in annual installments of \$17,478, maturity date is August 2024	48,824	-	(15,694)	33,130	16,268
Total-Sewer Fund	48,824	-	(15,694)	33,130	16,268
Total	\$ 811,704	\$ -	\$ (181,414)	\$ 632,290	\$ 106,598

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

Debt Service Requirements to Maturity

The debt matures through 2028 as follows:

Fiscal Year	Sewer Fund Loans and Deferred Interest		Water Fund Loans and Deferred Interest		Water and Sewer Funds Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 16,268	\$ 1,210	\$ 90,330	\$ 23,966	\$ 106,598	\$ 25,176
2025	16,862	616	93,944	20,353	110,806	20,969
2026-2028	-	-	414,886	42,302	414,886	42,302
Total	<u>\$ 33,130</u>	<u>\$ 1,826</u>	<u>\$ 599,160</u>	<u>\$ 86,621</u>	<u>\$ 632,290</u>	<u>\$ 88,447</u>

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 12, 2024, the date these financial statements were available.

TWAIN HARTE COMMUNITY SERVICES DISTRICT**Notes to the Financial Statements****June 30, 2023 and 2022****NOTE 10 – DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The assets and any related income are maintained in a third party trust and are not included in the District's financial statements.

NOTE 11 – FUND BALANCES

Fund balances of the governmental funds are composed of the following elements:

	Park & Recreation	Fire	Total Governmental Funds- 2023	Total Governmental Funds-2022
Nonspendable	<u>\$ 886</u>	<u>\$ 2,261</u>	<u>\$ 3,147</u>	<u>\$ 3,141</u>
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned	<u>85,661</u>	<u>664,678</u>	<u>750,339</u>	<u>697,195</u>
Total Assigned	<u>85,661</u>	<u>664,678</u>	<u>750,339</u>	<u>697,195</u>
Committed	<u>379,173</u>	<u>613,883</u>	<u>993,056</u>	<u>1,070,112</u>
Total Committed	<u>379,173</u>	<u>613,883</u>	<u>993,056</u>	<u>1,070,112</u>
Unassigned	<u>26,542</u>	<u>(1,766)</u>	<u>(1,440)</u>	<u>(1,440)</u>
Total Fund Balances	<u><u>\$ 492,262</u></u>	<u><u>\$ 1,279,056</u></u>	<u><u>\$ 1,771,318</u></u>	<u><u>\$ 1,769,008</u></u>

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 12 – EXPENDITURES (BUDGET VERSUS ACTUAL)

At June 30, 2023, the following District major funds compared to budgeted amounts as follows:

Funds	Expenditures and Other Uses		
	Budget	Actual	Favorable (Unfavorable)
Park & Recreation			
Employee Cost	\$ 8,212	\$ 7,071	\$ 1,141
General Operating Cost	75,586	85,712	(10,126)
Admin	76,275	76,392	(117)
Capital Outlay	1,417,400	302,897	1,114,503
Total Park and Recreation	\$ 1,577,473	\$ 472,072	\$ 1,105,401
Fire			
Employee Costs	\$ 850,919	\$ 893,658	\$ 1,307
General Operating Cost	246,101	257,556	30,680
Admin	137,295	137,505	4,918
Capital Outlay	530,500	364,558	388,827
Debt Services	-	-	-
Total Fire	\$ 1,764,815	\$ 1,653,277	\$ 425,732

NOTE 13 – RISK MANAGEMENT

The Twain Harte Community Services District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. During the year ended June 30, 2023, the District contracted with the Special District Risk Management Authority (the Authority) for workers' compensation, and property and liability insurance coverage. The relationship between the District and the Authority is such that it is not a component unit of the District for financial reporting purposes. The Authority has reporting requirements independent of members units and its financial statements are not presented in these final statements. Audited financial statements are generally available from the Authority.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

Litigation

The District is not currently a party to any legal proceedings.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

A. Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS annual financial report may be obtained from their Executive Office – 400 Q Street, Sacramento, CA 95814.

A. DEFINED BENEFITS PENSION PLANS - (Safety Plan)

The District provides eligible employee's pension plans benefits through the Twain Harte Community Services District – Safety Plan.

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the Safety Plan CalPERS valuation date as of June 30, 2020, the active employee contribution rate is 8.999 percent of annual pay, the average employer's contribution rate is 20.64 percent of annual payroll, and the required annual unfunded contributions is \$24,657.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)

Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. Both the June 30, 2019, total pension liability and the June 30, 2020 total pension liability were based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund.

The stress test results are presented in a detailed report called "GASB Crossover Testing Report" which can be obtained at CalPERS' website under the GASB 68 section.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>
Global Equity- cap-weighted	30.0%	4.45%
Global Equity- non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at : 6/30/2021 (MD)	\$ 1,946,687	\$ 1,621,798	\$ 324,889
Balance at : 6/30/2022 (MD)	\$ 2,420,461	\$ 2,323,271	\$ 97,190
Net Changes during 2020-21	\$ 473,774	\$ 701,473	\$ (227,699)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)

The collective total pension liability for June 30, 2022, measurement period was determined by an actuarial valuation as of June 30, 2021, with updated procedures used to roll forward the total pension liability to June 30, 2022. The collection of total pension liability was based on the following assumptions:

	Discount Rate - 1 % (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1 % (7.90%)
Plan's Net Pension Liability/(Asset)	\$ 431,452	\$ 97,190	\$ 175,994

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal year ended June 30, 2023 pension expense recognized is as follows:

	2023
Total Service Costs	\$ 7,746
Interest on TPL	26,006
Recognize Changes of Assumptions	3,690
Changes of Benefit Terms	3,630
Contribution	(2,942)
Net Plan to Plan Resource Movement	-
Projected Earnings on PPI	(22,256)
Recognized Difference Between Projected and Actual Plan Earnings	1,920
Recognized Difference Between Expected & Actual Experience	4,067
Administrative Expenses	202
Other Miscellaneous Income	-
Total Pension Expense Recognized	<u>\$ 22,063</u>

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)

For the measurement period ending June 30, 2022 (the measurement date), Twain Harte Community Services District incurred a pension expense of \$18,384 for the Plan (the pension expense for the risk pool for the measurement period is \$1,299,786,418).

As of June 30, 2023, the Twain Harte Community Services District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 4,022	\$ 1,055
Changes of Assumptions	9,800	-
Difference between Projected and Actual Earnings on Pension Plan Investments	15,348	-
Difference between Employer's Contribution and Proportionate Share of Contribution	-	51,680
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	115,225	488,405
	<u>108,211</u>	<u>-</u>
Total	<u>\$ 252,606</u>	<u>\$ 541,140</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as follows:

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (104,605)
2025	(124,066)
2026	(112,511)
2027	31,004
2028	21,642
2029	-
Thereafter	-

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan

The District provides eligible employees pension plans benefits through the Twain Harte Community Services District – Miscellaneous Plan (The Plan).

Plan Description, Benefits Provided, and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The CalPERS Annual Valuation Report as of June 30, 2019, reported 2021-2022, required the following:

<u>Plan</u>	<u>Employer Normal Cost Rate</u>	<u>Employer Payment of Unfunded Liability</u>	<u>Employee Contribution</u>
Miscellaneous Plan	14.53%	\$ 33,473	7.81%
PEPRA Misc Plan	7.47%	\$ 153	6.75%

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with updated procedures used to roll forward the total pension liability to June 30, 2022. The collection of total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" which can be obtained at CalPERS' website under the GASB 68 section.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>
Global Equity- cap-weighted	30.0%	4.45%
Global Equity- non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	Plan Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at : 6/30/2021 (MD)	\$ 2,744,766	\$ 2,297,391	\$ 447,375
Balance at : 6/30/2022 (MD)	\$ 3,329,478	\$ 3,210,546	\$ 118,932
Net Changes during 2021-22	\$ 584,712	\$ 913,155	\$ (328,443)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

	Discount Rate - 1 % (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1 % (7.90%)
Plan's Net Pension Liability/(Asset)	\$ 572,800	\$ 118,932	\$ (254,489)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal year ended June 30, 2023 pension expense recognized is as follows:

	2023
Total Service Costs	\$ 12,500
Interest on TPL	35,592
Recognize Changes of Assumptioins	4,514
Changes of Benefit Terms	94
Contributions	(5,316)
Net Plan to Plan Resource Movement	213
Projected Earnings on PPI	(31,723)
Recognized Difference Between Projected and Actual Plan Earnings	2,708
Recognized Difference Between Expected & Actual Experience	2,431
Administrative Expenses	289
Other Miscellaneous Income	-
Total Pension Expense Recognized	<u>\$ 21,302</u>

For the measurement period ended June 30, 2022 (the measurement date), the Twain Harte Community Services District incurred a pension expense/(income) of (\$21,302) for the Plan (the pension expense for risk pool for the measurement period is \$838,081,431).

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

As of June 30, 2023, Twain Harte Community Services District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 2,388	\$ -
Changes of Assumptions	12,187	1,600
Difference between Projected and Actual Earnings on Pension Plan Investments	21,785	-
Difference between Employer's Contribution and Proportionate Share of Contribution	10,865	35,256
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	149,468	810,421
	<u>110,696</u>	<u>-</u>
Total	<u>\$ 307,389</u>	<u>\$ 847,277</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as follows:

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (187,504)
2025	(217,965)
2026	(192,022)
2027	35,464
2028	22,139
2029	-
Thereafter	-

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Schedules of Required Supplementary Information - Safety Plan
For the Fiscal Years,
Last 10 Years*

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERP C

	2023	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.00058%	0.00152%	0.00148%	0.00136%	0.00107%	0.00115%	0.00563%	0.00294%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 97,190	\$ 345,775	\$ 267,573	\$ 87,000	\$ 172,722	\$ 174,115	\$ 83,756	\$ 43,065
Plan's Covered-Employee Payroll	\$ 458,360	\$ 392,982	\$ 377,796	\$ 351,060	\$ 291,915	\$ 339,294	\$ 318,228	\$ 274,837
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	21.2%	88.0%	70.8%	24.8%	59.2%	51.3%	26.3%	15.7%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	104.2%	83.3%	84.9%	85.3%	87.9%	85.7%	89.3%	94.4%
Schedule of Plan Contributions								
Actuarially Determined Contribution	\$ 87,989	\$ 103,615	\$ 92,359	\$ 70,698	\$ 65,305	\$ 58,566	\$ 54,826	\$ 60,458
Contributions in Relation to the Actuarially Determined Contribution	(87,989)	(103,615)	(92,359)	(70,698)	(65,305)	(58,566)	(54,826)	(60,458)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 452,620	\$ 377,022	\$ 392,982	\$ 377,796	\$ 351,060	\$ 291,915	\$ 339,294	\$ 318,228
Contributions as a Percentage of Covered-Employee Payroll	19.44%	27.48%	23.50%	18.71%	18.60%	20.06%	16.16%	19.00%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2021 as they have minimal cost impact.

Change in Assumptions: None

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TWAIN HART Community Services District
Schedules of Required Supplementary Information
Miscellaneous Plan and PEPPRA Miscellaneous
For the Fiscal Years
Last 10 Years*

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

	2023	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.00071%	0.00245%	0.00251%	0.00255%	0.00189%	0.00161%	0.00911%	0.00339%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 442,329	\$ 442,329	\$ 369,469	\$ 296,000	\$ 248,443	\$ 258,041	\$ 140,775	\$ 111,247
Plan's Covered-Employee Payroll	\$ 711,948	\$ 688,435	\$ 608,372	\$ 646,007	\$ 630,659	\$ 644,354	\$ 626,570	\$ 586,493
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	62.13%	64.25%	60.73%	45.82%	39.39%	40.05%	22.47%	21.84%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	96.43%	83.70%	85.13%	84.60%	86.39%	83.70%	89.27%	89.66%
Schedule of Plan Contributions								
Actuarially Determined Contribution	\$ 100,602	\$ 100,313	\$ 123,252	\$ 84,878	\$ 89,837	\$ 82,407	\$ 75,332	\$ 79,387
Contributions in Relation to the Actuarially Determined Contribution	(100,602)	(100,313)	(123,252)	(84,878)	(89,837)	(82,407)	(75,332)	(79,387)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 806,820	\$ 711,948	\$ 688,435	\$ 608,372	\$ 646,007	\$ 630,659	\$ 644,354	\$ 626,570
Contributions as a Percentage of Covered-Employee Payroll	12.47%	14.09%	17.90%	13.95%	13.91%	13.07%	11.69%	12.67%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2021 as they have minimal cost impact

Change in Assumptions: None

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Park and Recreation
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances- Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program Revenues:				
Taxes and Assessments	\$ 146,699	\$ 144,607	\$ 147,808	\$ 3,201
Charges for Services	7,100	5,000	8,591	3,591
Grants & Donations	2,746,065	1,395,475	314,188	(1,081,287)
Revenue from Use of Money	220	100	1,893	1,793
Other Revenues	111,292	600	94	(506)
Total Revenues	<u>3,011,376</u>	<u>1,545,782</u>	<u>472,574</u>	<u>(1,073,208)</u>
EXPENDITURES				
Operating Expenditures:				
Salaries and Benefits	8,236	8,212	7,071	1,141
Materials, Supplies and Services	101,030	75,586	85,715	(10,129)
Administrative	76,933	76,275	76,392	(117)
Capital Outlay	2,794,800	1,417,400	302,897	1,114,503
Total Expenditures	<u>2,980,999</u>	<u>1,577,473</u>	<u>472,075</u>	<u>1,105,398</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>30,377</u>	<u>(31,691)</u>	<u>499</u>	<u>32,190</u>
Other Financing Sources (Uses):				
Proceeds from the sale of assets	<u>-</u>	<u>-</u>	<u>137,445</u>	<u>137,445</u>
Net Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>137,445</u>	<u>137,445</u>
NET CHANGE IN FUND BALANCES	<u>30,377</u>	<u>(31,691)</u>	<u>137,944</u>	<u>169,635</u>
Fund Balance – Beginning	<u>-</u>	<u>-</u>	<u>354,318</u>	<u>-</u>
Fund Balance – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,262</u>	<u>\$ -</u>

The notes are integral part of these statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Park and Recreation
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variances-
	Original	Final	Actual	Final to Actual
REVENUES				
Program Revenues:				
Taxes and Assessments	\$ 139,366	\$ 141,017	\$ 142,247	\$ 1,230
Charges for Services	3,500	5,000	4,522	(478)
Grants & Donations	384,000	570,301	171,573	(398,728)
Revenue from Use of Money	4,700	4,100	3,153	(947)
Other Revenues	100	2,500	-	(2,500)
Total Revenues	<u>531,666</u>	<u>722,918</u>	<u>321,495</u>	<u>(401,423)</u>
EXPENDITURES				
Operating Expenditures:				
Salaries and Benefits	7,893	8,066	6,631	1,435
General Operating Costs	73,350	81,201	74,873	6,328
Administrative	64,752	64,989	62,257	2,732
Capital Outlay	368,000	604,791	154,558	450,233
Total Expenditures	<u>513,995</u>	<u>759,047</u>	<u>298,319</u>	<u>460,728</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,671</u>	<u>(36,129)</u>	<u>23,176</u>	<u>59,305</u>
Other Financing Sources (Uses):				
Proceeds from the sale of assets	<u>-</u>	<u>-</u>	<u>3,123</u>	<u>3,123</u>
Net Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,123</u>	<u>3,123</u>
NET CHANGE IN FUND BALANCES	<u>17,671</u>	<u>(36,129)</u>	<u>26,299</u>	<u>62,428</u>
Fund Balance – Beginning	<u>-</u>	<u>-</u>	<u>328,019</u>	<u>-</u>
Fund Balance – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,318</u>	<u>\$ -</u>

The notes are integral part of these statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Fire Protection Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variances- Final to Actual
	Original	Final		
REVENUES				
Program Revenues:				
Taxes and Assessments	\$ 1,278,501	\$ 1,243,536	\$ 1,288,046	\$ 44,510
Grants & Donations	286,728	280,368	33,177	(247,191)
Revenue from Use of Money	-	-	15,144	15,144
Other Revenues	169,292	25,680	181,276	155,596
Total Revenues	<u>1,734,521</u>	<u>1,549,584</u>	<u>1,517,643</u>	<u>(31,941)</u>
EXPENDITURES				
Operating Expenditures:				
Salaries and Benefits	912,947	850,919	893,658	(42,739)
Materials, Supplies and Services	277,850	246,101	257,556	(11,455)
Capital Outlay	739,782	530,500	364,558	165,942
Administrative	138,479	137,295	137,505	(210)
Debt Service	-	-	-	-
Total Expenditures	<u>2,069,058</u>	<u>1,764,815</u>	<u>1,653,277</u>	<u>111,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(334,537)</u>	<u>(215,231)</u>	<u>(135,634)</u>	<u>79,597</u>
NET CHANGE IN FUND BALANCES	-	-	(135,634)	-
Fund Balance – Beginning	<u>-</u>	<u>-</u>	<u>1,414,690</u>	<u>-</u>
Fund Balance – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,279,056</u>	<u>\$ -</u>

The notes are an integral part of these statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Fire Protection Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2022

	Budgeted Amounts			Variances- Final to Actual
	Original	Final	Actual	
REVENUES				
Program Revenues:				
Taxes and Assessments	\$ 1,190,422	\$ 1,220,450	\$ 1,224,745	\$ 4,295
Grants & Donations	235,000	321,339	80,657	(240,682)
Revenue from Use of Money	-	-	6,517	6,517
Other Revenues	35,780	215,490	201,352	(14,138)
Total Revenues	<u>1,461,202</u>	<u>1,757,279</u>	<u>1,513,271</u>	<u>(244,008)</u>
EXPENDITURES				
Operating Expenditures:				
Salaries and Benefits	770,362	854,381	853,074	1,307
Materials, Supplies and Services	234,200	299,650	268,970	30,680
Capital Outlay	492,500	515,100	126,273	388,827
Administrative	116,553	116,980	112,062	4,918
Debt Service	84,586	84,586	84,586	-
Total Expenditures	<u>1,698,201</u>	<u>1,870,697</u>	<u>1,444,965</u>	<u>425,732</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(236,999)</u>	<u>(113,418)</u>	<u>68,306</u>	<u>181,724</u>
Other Financing Sources (Uses):				
Sale of assets	-	-	5,621	-
Transfers Out	-	-	-	-
Net Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,621</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>73,927</u>	<u>-</u>
Fund Balance – Beginning	<u>-</u>	<u>-</u>	<u>1,340,763</u>	<u>-</u>
Fund Balance – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,414,690</u>	<u>\$ -</u>

The notes are an integral part of these statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Required Supplementary Information
June 30, 2023 and 2022

BUDGETARY BASIS OF ACCOUNTING

The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 of the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Unused appropriations for the budgeted funds lapse at the end of the fiscal year. Budgets are adopted on a modified accrual basis. Expenditures in excess of budgeted amounts are approved individually by the Board.

**TWAIN HARTE COMMUNITY
SERVICES DISTRICT**

Financial Statements
And
Independent Auditor's Report

For the Fiscal Year Ended June 30, 2023 and 2022



**TWAIN HARTE COMMUNITY SERVICES DISTRICT
OF TUOLUMNE COUNTY
TWAIN HARTE, CALIFORNIA**

JUNE 30, 2023

GOVERNING BOARD

MEMBERS

OFFICE

Eileen Mannix

President

Charlotte Bohlman

Vice President

Gary Sipperley

Director

Richard Knudson

Director

Kathryn de Groot

Director

TWAIN HARTE COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

JUNE 30, 2023 and 2022

Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-11
<i>Government-Wide Financial Statements</i>	
Statement of Net Position - Combined	12
Statement of Activities - Combined	13
<i>Governmental Fund Financial Statements</i>	
Governmental Funds - Balance Sheet	14
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
Enterprise Funds - Statement of Net Position -Combined	18
Comparative – Water Fund	19
Comparative – Sewer Fund	20
Enterprise Funds - Statement of Revenues, Expenses, and Changes in Fund Net Position - Combined	21
Comparative – Water Fund	22
Comparative – Sewer Fund	23
Enterprise Funds - Statement of Cash Flows - Combined	24-25
Comparative – Water Fund	26-27
Comparative – Sewer Fund	28-29
Notes to Basic Financial Statements	30-56
Required Supplementary Information	
Schedule of Required Supplementary Information – Safety Plan	57
Schedule of Required Supplementary Information – Miscellaneous Plan	58
Park and Recreation Fund – Budgetary Comparison Schedule	59-60
Fire Protection Fund - Budgetary Comparison Schedule	61-62
Notes to Required Supplementary Information	63

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Twain Harte Community Services District
Twain Harte, California

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2023, and 2022 and the related notes to basic financial statements, which collectively comprise the Twain Harte Community Services District, 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 Twain Harte Community Services District, as of June 30, 2023, and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 and the State Controller's Minimum Audit Requirements for California Special District. 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 Twain Harte Community Services 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 Twain Harte Community Services 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:

- 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 Twain Harte Community Services 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 Twain Harte Community Services 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11, budgetary comparison schedule on pages 59-62, and schedule of required supplementary information- Safety and Miscellaneous pension plan on pages 57-58 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

Blomberg & Griffin A.C.
Stockton, CA

October 24, 2023

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

This section of the annual financial report of the Twain Harte Community Services District (District) presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follows this section.

The relationship between revenues and expenses is the District's *operating results*. Since the Board's responsibility is to provide services to customers and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the service provided, and the safety of our employees and the general public will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

Governmental Activities – The Fire Protection and Park and Recreation funds consist of this activity. Revenue for the Fire Protection fund is primarily derived from property taxes. Park and Recreation fund revenue is obtained from donations and special fees charged to use Park and Recreation facilities and funding through property taxes.

Business-type Activities – The District charges fees for water and sewer services to help cover the costs of certain services provided. These represent revenue from special fees, connection fees, and water and sewer usage charges.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Governmental Funds – Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending, these funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS (Continued):

The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

Enterprise Funds – When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in enterprise funds. Enterprise funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. In fact, the District's Enterprise funds are the same as the business-type activities we report in the government-wide financial statements, but provide more detail and additional information, such as cash flows, for enterprise funds.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

Water and Sewer Division

- The water division's change in net position was \$130,876. The sewer division's change in net position was (\$83,737). The total net position increased by \$47,139 or .78%.

Fire Protection Division

- Fire protection division received \$1,288,046 of tax revenue which consisted of 85% of total revenues for the division. The fire protection division's change in fund balance was (\$135,634). The percentage decrease in fund balance was 9.59% primarily due to capital outlay expenditures.

Park and Recreation Division

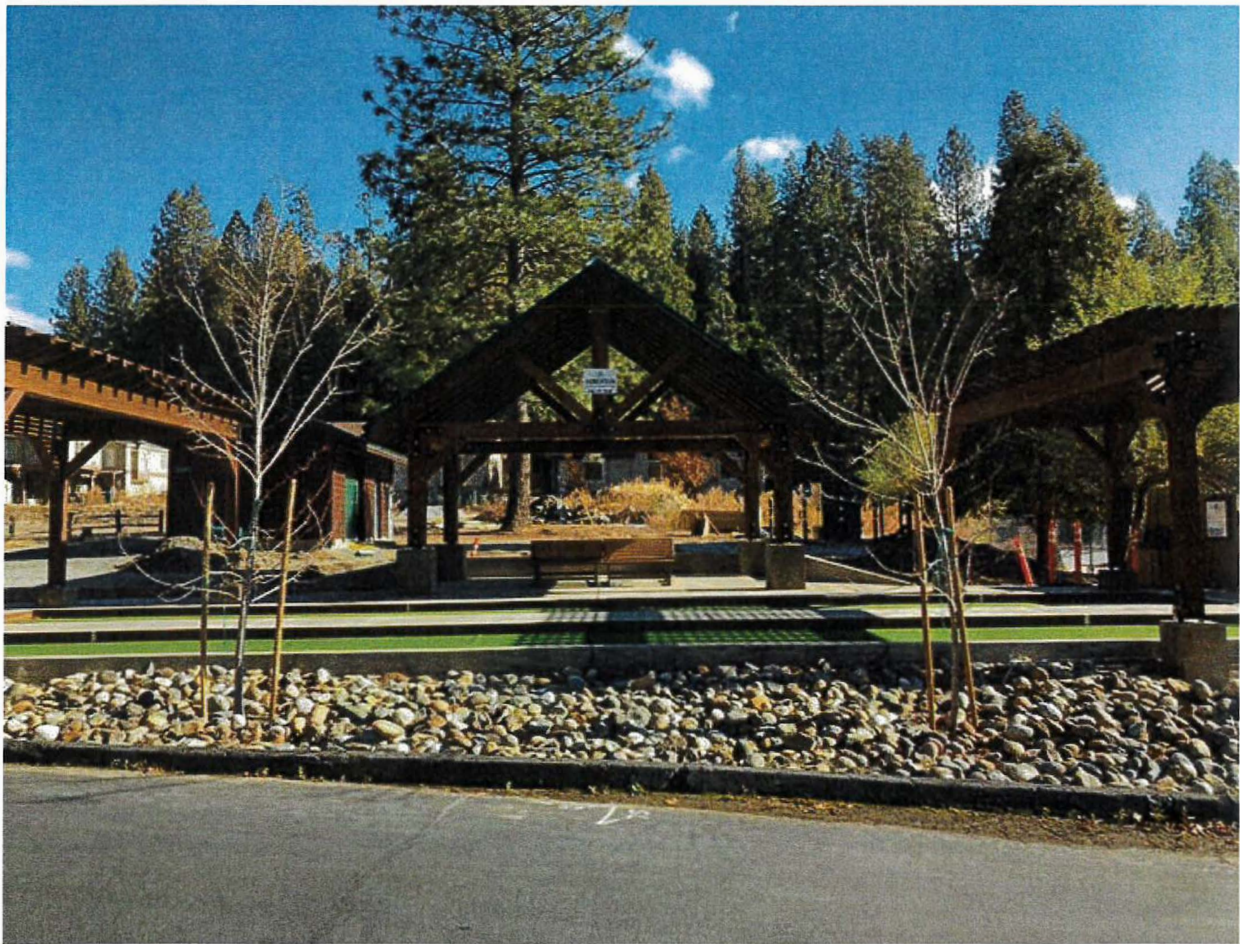
- The park and recreation division continues to rely on tax, donation, and grant revenues to fund projects. Tax revenue received was \$147,808. The tax revenues consist of 31.28% of total revenues. Grant, donation, and other revenues received totaled \$324,766 or 68.72% of total revenues.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022**

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$10,854,553 for the fiscal year ended June 30, 2023, and \$10,613,600. for the fiscal year ended June 30, 2022, which is an increase of \$240,953. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the District's ability to use net position for day-to-day operations. Our analysis in the following pages focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.



TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

THE DISTRICT AS A WHOLE (Continued)

	Table 1						
	2023	2022	2021	2023 vs 2022		2022 vs. 2021	
				\$	%	\$	%
Current Assets	\$ 6,014,914	\$ 5,881,826	\$ 5,507,789	\$ 133,088	2.26%	\$ 374,037	6.79%
Capital Assets - Net	7,147,989	6,629,581	6,470,609	518,408	7.82%	158,972	2.46%
Deferred Outflows	559,994	788,114	345,022	(228,120)	-28.95%	443,092	128.42%
Total Assets & Deferred Outflows	\$ 13,722,897	\$ 13,299,521	\$ 12,323,420	\$ 423,376	3.18%	\$ 976,101	7.92%
Current Liabilities	\$ 738,113	\$ 677,857	\$ 635,232	\$ 60,256	8.89%	\$ 42,625	6.71%
Long-Term Obligations	741,814	1,401,040	1,482,614	(659,226)	-47.05%	(81,574)	-5.50%
Deferred Inflows	1,388,417	607,024	26,975	781,393	128.73%	580,049	2150.32%
Total Liabilities & Deferred Inflows	2,868,344	2,685,921	2,144,821	182,423	6.79%	541,100	25.23%
Net Position							
Invested in Capital Assets, Net of Related Debt	6,515,699	5,821,535	5,411,246	694,164	11.92%	410,289	7.58%
Restricted	-	151,770	144,625	(151,770)	-100.00%	7,145	4.94%
Unrestricted	4,338,854	4,640,295	4,622,728	(301,441)	-6.50%	17,567	0.38%
Total Net Position	10,854,553	10,613,600	10,178,599	240,953	2.27%	435,001	4.27%
Total Liabilities and Net Position	\$ 13,722,897	\$ 13,299,521	\$ 12,323,420	\$ 423,376	3.18%	\$ 976,101	7.92%

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

THE DISTRICT AS A WHOLE (Continued)

Table 2							
	2023	2022	2021	2023 vs 2022		2022 vs. 2021	
				\$	%	\$	%
Revenues							
Services Rendered	\$ 2,791,194	\$ 2,808,144	\$ 2,844,809	\$ (16,950)	-0.60%	\$ (36,665)	-1.29%
Operating Grants and Contributions	792,974	542,641	447,326	250,333	46.13%	95,315	21.31%
Interest Earnings	61,443	15,357	25,612	46,086	300.10%	(10,255)	-40.04%
Taxes	1,476,149	1,488,656	1,414,737	(12,507)	-0.84%	73,919	5.22%
Other Income (Expense)	(20,160)	(2,516)	(37,417)	(17,644)	701.27%	34,901	-93.28%
Total Revenues	5,101,600	4,852,282	4,695,067	249,318	5.14%	157,215	3.35%
Expenses							
Fire Protection	1,576,665	1,400,171	1,391,389	176,494	12.61%	8,782	0.63%
Park & Recreation	219,738	198,410	184,991	21,328	10.75%	13,419	7.25%
Water	1,813,033	1,563,969	1,370,169	249,064	15.93%	193,800	14.14%
Sewer	1,251,211	1,254,731	1,196,050	(3,520)	-0.28%	58,681	4.91%
Total Expenses	4,860,647	4,417,281	4,142,599	443,366	10.04%	274,682	6.63%
Change in Net Position	\$ 240,953	\$ 435,001	\$ 552,468	\$ (194,048)	-44.61%	\$ (117,467)	-21.26%

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

THE DISTRICT AS A WHOLE (Continued)

As reported in the statement of activities, the cost of all our activities this year was \$4,860,647, which was an increase of \$443,366 compared to the prior year. Our taxpayers ultimately financed these activities through local taxes was \$1,476,149. The Change in net position was \$240,953.

In Table 3, we have presented costs including depreciation of the District's functions.

Table 3

	<u>2023</u>	<u>2022</u>	<u>2021</u>
	<u>Cost of Service</u>	<u>Cost of Service</u>	<u>Cost of Service</u>
Park & Recreation	<u>\$ 219,738</u>	<u>\$ 198,410</u>	<u>\$ 184,991</u>
Fire	<u>\$ 1,576,665</u>	<u>\$ 1,400,171</u>	<u>\$ 1,391,389</u>
Water	<u>\$ 1,813,033</u>	<u>\$ 1,563,969</u>	<u>\$ 1,370,169</u>
Sewer	<u>\$ 1,251,211</u>	<u>\$ 1,254,731</u>	<u>\$ 1,196,050</u>

THE DISTRICT'S FUNDS

The District has elected to report two of the governmental funds as major funds, as such information may be of importance to certain financial statement users. As the District completed this year, our governmental funds reported a combined fund balance of \$1,771,318, which is an increase of \$2,310 compared to the prior year. The District's enterprise funds ended the year with a combined net position balance of \$6,188,804 which is an increase of \$47,139 compared to the prior year.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion Analysis
June 30, 2023 and 2022

THE DISTRICT'S FUNDS (Continued)

Table 4

	Balances			2023 vs. 2022		2022 vs. 2021	
	June 30, 2023	June 30, 2022	June 30, 2021	\$	%	\$	%
Governmental Funds							
Park & Recreation	\$ 492,262	\$ 354,318	\$ 328,019	\$ 137,944	38.93%	\$ 26,299	8.02%
Fire Protection	1,279,056	1,414,690	1,340,763	(135,634)	-9.59%	73,927	5.51%
Total Governmental Funds	\$ 1,771,318	\$ 1,769,008	\$ 1,668,782	\$ 2,310	0.13%	\$ 100,226	6.01%
Proprietary Funds							
Water	\$ 4,197,557	\$ 4,066,681	\$ 3,900,679	\$ 130,876	3.22%	\$ 166,002	4.26%
Sewer	1,991,247	2,074,984	2,047,569	(83,737)	-4.04%	27,415	1.34%
Total Proprietary Funds	\$ 6,188,804	\$ 6,141,665	\$ 5,948,248	\$ 47,139	0.77%	\$ 193,417	3.25%

GENERAL FUND BUDGET INFORMATION

In June of each year, a budget is adopted for the subsequent year by the District's Board of Directors. Budget preparation begins with results from the current year and is completed with assumptions derived from various sources including the different departments. The budget is updated during the year.

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had \$7,147,989 in a broad range of capital assets net of accumulated depreciation, including land, buildings, and furniture and equipment. This amount represents an increase (including additions and deductions) of \$518,408 from the prior year.

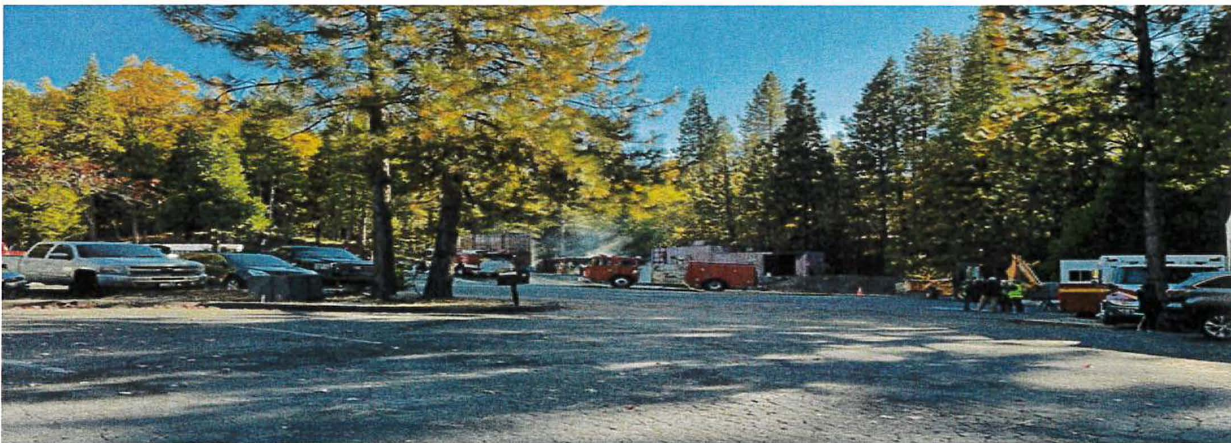
TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion Analysis
June 30, 2023 and 2022

CAPITAL ASSET & DEBT ADMINISTRATION (Continued)

	2023	2022	2021	<u>Table 5</u>		2023 vs. 2022		2023 vs. 2022	
				2023 vs. 2022		2023 vs. 2022		2023 vs. 2022	
				\$	%	\$	%	\$	%
Land	\$ 1,045,311	\$ 1,070,803	\$ 1,070,803	\$ (25,492)	-2.38%	\$ -	0.00%		
Construction In Progress	691,655	177,251	25,514	514,404	290.21%	151,737	594.72%		
Plant and Equipment, Net of Accumulated Depreciation	5,411,023	5,381,527	5,374,292	29,496	0.55%	7,235	0.13%		
Total	\$ 7,147,989	\$ 6,629,581	\$ 6,470,609	\$ 518,408	7.82%	\$ 158,972	2.46%		

Long-Term Obligations

At June 30, 2023, the District's outstanding long-term debt was \$632,290. During the fiscal year ended June 30, 2023, payments made on principal decreased long-term debt by \$175,756. We present more detailed information regarding our long-term obligations in the notes to the financial statements on pages 43 and 44.



TWAIN HARTE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances, and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact, Finance Officer, P.O. Box 649, Twain Harte, CA 95383 or call at (209) 586-3172.

TWIN HARTE COMMUNITY SERVICES DISTRICT

Statement of Net Position

June 30, 2023 and 2022

	Governmental Activities	Business-Type Activities	Combined Funds	
			2023	2022
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,416,245	\$ 3,449,195	\$ 4,865,440	\$ 5,065,511
Restricted Cash	-	76,289	76,289	152,700
Accounts Receivable	-	327,173	327,173	310,452
Taxes Receivable	48,723	700	49,423	79,608
Grants Receivable	455,605	204,566	660,171	252,211
Prepaid Expenses	3,147	15,783	18,930	16,088
Store Inventory	-	3,837	3,837	3,837
Due from Other Governments	13,651	-	13,651	1,419
Total Current Assets	1,937,371	4,077,543	6,014,914	5,881,826
Non-Current Assets				
Construction in Progress	452,750	238,905	691,655	177,251
Land	841,263	204,048	1,045,311	1,070,803
Structures and Improvements	2,172,142	1,225,563	3,397,705	3,338,756
Equipment	2,216,221	9,971,225	12,187,446	11,826,253
Less: Accumulated Depreciation	(2,402,220)	(7,771,908)	(10,174,128)	(9,783,482)
Total Non-Current Assets	3,280,156	3,867,833	7,147,989	6,629,581
Deferred Outflow of Resources				
Pension deferred charges	252,605	307,389	559,994	788,114
Total Assets & Deferred Outflows	\$ 5,470,132	\$ 8,252,765	\$ 13,722,897	\$ 13,299,521
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 97,207	\$ 357,734	\$ 454,941	\$ 271,456
Accrued Payables	16,491	17,710	34,201	70,633
Employee Benefits	49,890	64,993	114,883	102,769
Interest Payable	-	25,025	25,025	32,663
Current Portion of Long-Term Obligations	-	106,598	106,598	179,270
Deferred Revenue	2,465	-	2,465	21,066
Total Current Liabilities	166,053	572,060	738,113	677,857
Non-Current Liabilities				
Net Pension Liability	97,190	118,932	216,122	772,264
Noncurrent Portion of Long-Term Obligations	-	632,290	632,290	808,046
Less: Current Portion of Long-Term Obligations	-	(106,598)	(106,598)	(179,270)
Total Non-Current Liabilities	97,190	644,624	741,814	1,401,040
Total Liabilities	263,243	1,216,684	1,479,927	2,078,897
Deferred Inflow of Resources				
Pension deferred credits	541,140	847,277	1,388,417	607,024
Total Liabilities & Deferred Inflows	804,383	2,063,961	2,868,344	2,685,921
NET POSITION				
Invested in Capital Assets, Net of Related Debt	3,280,156	3,235,543	6,515,699	5,821,535
Restricted for:				
Debt Service	-	-	-	151,770
Unrestricted	1,385,593	2,953,261	4,338,854	4,640,295
Total Net Position	4,665,749	6,188,804	10,854,553	10,613,600
Total Liabilities and Net Position	\$ 5,470,132	\$ 8,252,765	\$ 13,722,897	\$ 13,299,521

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

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Statement of Activities
For the Year Ended June 30, 2023 and 2022

	Governmental Activities	Business-Type Activities	Combined Funds	
			2023	2022
PROGRAM EXPENSES				
Fire Protection	\$ 1,576,665	\$ -	\$ 1,576,665	\$ 1,400,171
Park & Recreation	219,738	-	198,410	198,410
Water	-	1,813,033	1,813,033	1,563,969
Sewer	-	1,251,211	1,251,211	1,254,731
Total Program Expenses	1,796,403	3,064,244	4,839,319	4,417,281
PROGRAM REVENUE				
Services Rendered	189,777	2,601,417	2,791,194	2,808,144
Operating Grants and Contributions	347,455	445,519	792,974	542,641
Total Program Revenues	537,232	3,046,936	3,584,168	3,350,785
Net Program Expenses (Income)	1,259,171	17,308	1,276,479	1,066,496
GENERAL REVENUES				
Property Taxes	1,435,854	40,295	1,476,149	1,488,656
Interest Income	17,037	44,406	61,443	15,357
Interest Expense	-	(26,171)	(26,171)	(35,369)
Miscellaneous	94	-	19,609	19,609
Sale of Assets	-	5,917	5,917	13,244
Total General Revenues	1,452,985	64,447	1,536,947	1,501,497
Excess of Revenues over Expenses	193,814	47,139	240,953	435,001
Change in Net Position	193,814	47,139	240,953	435,001
Net Position-Beginning of Year	4,471,935	6,141,665	10,613,600	10,178,599
Net Position-End of Year	\$ 4,665,749	\$ 6,188,804	\$ 10,854,553	\$ 10,613,600

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023 and 2022

	<u>Park & Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Funds - 2023</u>	<u>Total Governmental Funds - 2022</u>
ASSETS				
Current Assets				
Cash and Investments	\$ 91,219	\$ 1,325,026	\$ 1,416,245	\$ 1,730,163
Restricted Cash	-	-	-	930
Accounts Receivable	-	-	-	-
Taxes Receivable	6,462	42,261	48,723	74,730
Grants Receivable	450,464	5,141	455,605	143,135
Prepaid Expenses	886	2,261	3,147	3,141
Due from Other Governments	-	13,651	13,651	1,419
Total Assets	<u>\$ 549,031</u>	<u>\$ 1,388,340</u>	<u>\$ 1,937,371</u>	<u>\$ 1,953,518</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 47,931	\$ 49,276	\$ 97,207	\$ 95,738
Accrued Payables	768	15,723	16,491	29,446
Compensated Absences	5,605	44,285	49,890	38,260
Deferred Revenue	2,465	-	2,465	21,066
Total Liabilities	<u>56,769</u>	<u>109,284</u>	<u>166,053</u>	<u>184,510</u>
FUND BALANCES				
Nonspendable	886	2,261	3,147	3,141
Committed	379,173	613,883	993,056	1,070,112
Assigned	85,661	664,678	750,339	697,195
Unassigned	26,542	(1,766)	24,776	(1,440)
Total Fund Balances	<u>492,262</u>	<u>1,279,056</u>	<u>1,771,318</u>	<u>1,769,008</u>
Total Liabilities and Fund Balances	<u>\$ 549,031</u>	<u>\$ 1,388,340</u>	<u>\$ 1,937,371</u>	<u>\$ 1,953,518</u>

The notes are an integral part of these financial statements.

TWAIN HART COMMUNITY SERVICES DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023 and 2022

	Park & Recreation	Fire Protection	Total Governmental Funds - 2023	Total Governmental Funds - 2022
GENERAL REVENUES				
Taxes and Assessments	\$ 147,808	\$ 1,288,046	\$ 1,435,854	\$ 1,366,992
Interest	1,893	15,144	17,037	9,670
Charges for Services	8,591	181,186	189,777	204,455
Grants	290,065	33,167	323,232	224,806
Donations	24,123	100	24,223	27,424
Miscellaneous	94	-	94	1,419
Total Revenues	472,574	1,517,643	1,990,217	1,834,766
EXPENDITURES				
Operating Expenditures				
Salaries and Benefits	72,162	1,010,823	1,082,985	1,008,805
Materials, Supplies, and Services	97,016	277,896	374,912	369,062
Capital Outlay	302,897	364,558	667,455	280,831
Debt Service	-	-	-	84,586
Total Expenditures	472,075	1,653,277	2,125,352	1,743,284
Excess (Deficiency) of Revenues Over Expenditures	499	(135,634)	(135,135)	91,482
OTHER FINANCING SOURCES (USES)				
Proceeds of Sale of Assets	137,445	-	137,445	8,744
Total Other Financing Sources and Uses	137,445	-	137,445	8,744
Net Change in Fund Balances	137,944	(135,634)	2,310	100,226
Fund Balances - Beginning	354,318	1,414,690	1,769,008	1,668,782
Fund Balances - Ending	\$ 492,262	\$ 1,279,056	\$ 1,771,318	\$ 1,769,008

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Total Fund Balance-Governmental Funds	\$ 1,771,318	\$ 1,769,008
Amounts Reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		
	<u>2023</u>	<u>2022</u>
Capital Assets	5,682,376	5,125,213
Accumulated Depreciation	<u>(2,402,220)</u>	<u>(2,232,424)</u>
	3,280,156	2,892,789
Deferred pension charges not reported in funds balance sheet	252,605	345,775
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	-	-
Deferred pension credits not reported in funds balance sheet	(541,140)	(210,748)
Net Pension liability not reported in funds balance sheet	<u>(97,190)</u>	<u>(324,889)</u>
Total Net Position-Governmental Activities	<u>\$ 4,665,749</u>	<u>\$ 4,471,935</u>

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net Change in Fund Balances - Governmental Funds	\$ 2,310	\$ 100,226
Amounts reported for governmental activities in the statement of net position are different because:		
Capital outlays is reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions of \$554,932 was more than depreciation of \$167,565 in the current period.	387,367	109,545
Compensated absences	-	-
Pension expense adjustment for deferred items	(195,863)	(49,428)
Payments of long-term debt is reported in governmental funds as expenditures. However, in the government-wide financial statements the payment of long-term debt are recorded as a reduction of liability.	<u>-</u>	<u>81,241</u>
Change in Net Position of Governmental Activities	<u><u>\$ 193,814</u></u>	<u><u>\$ 241,584</u></u>

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

TWIN HARTS COMMUNITY SERVICES DISTRICT

Enterprise Funds - Combined

Statement of Net Position

June 30, 2023 and 2022

	Business-Type Activities Enterprise Funds			
	Water	Sewer	2023	2022
ASSETS				
Current Assets				
Cash and Investments	\$ 2,154,153	\$ 1,295,042	\$ 3,449,195	\$ 3,335,348
Restricted Cash	76,289	-	76,289	151,770
Accounts Receivable	186,140	141,033	327,173	310,452
Interest Receivable	700	-	700	4,878
Grants Receivable	204,566	-	204,566	109,076
Prepaid Expenses	9,317	6,466	15,783	12,947
Stores Inventories	2,910	927	3,837	3,837
Total Current Assets	2,634,075	1,443,468	4,077,543	3,928,308
Noncurrent Assets				
Construction in Progress	238,905	-	238,905	40,841
Land	77,830	126,218	204,048	229,540
Structures and Improvements	915,707	309,856	1,225,563	1,225,563
Equipment	7,717,581	2,253,644	9,971,225	9,791,906
Less: Accumulated Depreciation	(6,068,442)	(1,703,466)	(7,771,908)	(7,551,058)
Total Noncurrent Assets	2,881,581	986,252	3,867,833	3,736,792
Deferred Outflow of Resources				
Pension deferred charges	199,803	107,586	307,389	442,339
Total Assets and Deferred Outflows	\$ 5,715,459	\$ 2,537,306	\$ 8,252,765	\$ 8,107,439
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 215,972	\$ 141,762	\$ 357,734	\$ 175,718
Accrued Payables	8,358	9,352	17,710	41,187
Compensated Absences	42,410	22,583	64,993	64,509
Interest Payable	23,966	1,059	25,025	32,663
Current Portion of Long-Term Obligations	90,330	16,268	106,598	179,270
Total Current Liabilities	381,036	191,024	572,060	493,347
Noncurrent Liabilities				
Net Pension Liability	77,306	41,626	118,932	447,375
Noncurrent Portion of Long-Term Obligations	599,160	33,130	632,290	808,046
Less: Current Portion of Long-Term Obligations	(90,330)	(16,268)	(106,598)	(179,270)
Total Noncurrent Liabilities	586,136	58,488	644,624	1,076,151
Total Liabilities	967,172	249,512	1,216,684	1,569,498
Deferred Inflow of Resources				
Pension deferred credits	550,730	296,547	847,277	396,276
Total Liabilities and Deferred Inflows	1,517,902	546,059	2,063,961	1,965,774
NET POSITION				
Invested in Capital Assets, Net of Related Debt	2,282,421	953,122	3,235,543	2,928,746
Restricted	-	-	-	151,770
Unrestricted	1,915,136	1,038,125	2,953,261	3,061,149
Total Net Position	4,197,557	1,991,247	6,188,804	6,141,665
Total Liabilities and Net Position	\$ 5,715,459	\$ 2,537,306	\$ 8,252,765	\$ 8,107,439

The notes are an integral part of these financial statements.

TWIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Water
Statement of Net Position
June 30, 2023 and 2022

	Business-Type Activities Enterprise Funds	
	2023 Water	2022 Water
ASSETS		
Current Assets		
Cash and Investments	\$ 2,154,153	\$ 2,044,559
Restricted Cash	76,289	151,770
Accounts Receivable	186,140	171,484
Interest Receivable	700	4,878
Grants Receivable	204,566	109,076
Prepaid Expenses	9,317	7,753
Stores Inventories	2,910	2,910
Total Current Assets	2,634,075	2,492,430
Noncurrent Assets		
Construction in Progress	238,905	40,841
Land	77,830	103,322
Structures and Improvements	915,707	915,707
Equipment	7,717,581	7,611,540
Less: Accumulated Depreciation	(6,068,442)	(5,921,693)
Total Noncurrent Assets	2,881,581	2,749,717
Deferred Outflow of Resources		
Pension deferred charges	199,803	285,524
Total Assets and Deferred Outflows	\$ 5,715,459	\$ 5,527,671
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 215,972	\$ 53,909
Accrued Payables	8,358	25,910
Compensated Absences	42,410	42,474
Interest Payable	23,966	31,102
Current Portion of Long-Term Obligations	90,330	163,596
Total Current Liabilities	381,036	316,991
Noncurrent Liabilities		
Net Pension Liability	77,306	290,794
Noncurrent Portion of Long-Term Obligations	599,160	759,222
Less: Current Portion of Long-Term Obligations	(90,330)	(163,596)
Total Noncurrent Liabilities	586,136	886,420
Total Liabilities	967,172	1,203,411
Deferred Inflow of Resources		
Pension deferred credits	550,730	257,579
Total Liabilities and Deferred Inflows	1,517,902	1,460,990
NET POSITION		
Invested in Capital Assets, Net of Related Debt	2,282,421	1,990,495
Restricted	-	151,770
Unrestricted	1,915,136	1,924,416
Total Net Position	4,197,557	4,066,681
Total Liabilities and Net Position	\$ 5,715,459	\$ 5,527,671

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Enterprise Funds - Sewer

Statement of Net Position

June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Sewer	Sewer
ASSETS		
Current Assets		
Cash and Investments	\$ 1,295,042	\$ 1,290,789
Accounts Receivable	141,033	138,968
Prepaid Expenses	6,466	5,194
Stores Inventories	927	927
Total Current Assets	1,443,468	1,435,878
Noncurrent Assets		
Land	126,218	126,218
Structures and Improvements	309,856	309,856
Equipment	2,253,644	2,180,366
Less: Accumulated Depreciation	(1,703,466)	(1,629,365)
Total Noncurrent Assets	986,252	987,075
Deferred Outflow of Resources		
Pension deferred charges	107,586	156,815
Total Assets and Deferred Outflows	\$ 2,537,306	\$ 2,579,768
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 141,762	\$ 121,809
Accrued Payables	9,352	15,277
Compensated Absences	22,583	22,035
Interest Payable	1,059	1,561
Current Portion of Long-Term Obligations	16,268	15,674
Total Current Liabilities	191,024	176,356
Noncurrent Liabilities		
Net Pension Liability	41,626	156,581
Noncurrent Portion of Long-Term Obligations	33,130	48,824
Less: Current Portion of Long-Term Obligations	(16,268)	(15,674)
Total Noncurrent Liabilities	58,488	189,731
Total Liabilities	249,512	366,087
Deferred Inflow of Resources		
Pension deferred credits	296,547	138,697
Total Liabilities and Deferred Inflows	546,059	504,784
NET POSITION		
Invested in Capital Assets, Net of Related Debt	953,122	938,251
Unrestricted	1,038,125	1,136,733
Total Net Position	1,991,247	2,074,984
Total Liabilities and Net Position	\$ 2,537,306	\$ 2,579,768

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Combined
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities Enterprise Funds			
	Water	Sewer	2023	2022
OPERATING REVENUES				
Service Charges	\$ 1,463,948	\$ 1,137,469	\$ 2,601,417	\$ 2,603,689
Other Operating Revenues	431,227	14,292	445,519	290,411
Total Operating Revenues	<u>1,895,175</u>	<u>1,151,761</u>	<u>3,046,936</u>	<u>2,894,100</u>
OPERATING EXPENSES				
General and Administrative	359,042	190,980	550,022	448,248
Plant	1,303,821	984,285	2,288,106	2,105,806
Depreciation	150,170	75,946	226,116	264,646
Total Operating Expenses	<u>1,813,033</u>	<u>1,251,211</u>	<u>3,064,244</u>	<u>2,818,700</u>
Net Operating Income (Loss)	<u>82,142</u>	<u>(99,450)</u>	<u>(17,308)</u>	<u>75,400</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	27,906	16,500	44,406	5,687
Taxes and Assessments	40,295	-	40,295	121,664
Interest Expense	(24,889)	(1,282)	(26,171)	(32,024)
Gain on Sale of Assets	5,422	495	5,917	4,500
Miscellaneous	-	-	-	18,190
Total Nonoperating Revenues (Expenses)	<u>48,734</u>	<u>15,713</u>	<u>64,447</u>	<u>118,017</u>
Income (Loss) Before Transfers	<u>130,876</u>	<u>(83,737)</u>	<u>47,139</u>	<u>193,417</u>
Change in Net Position	<u>130,876</u>	<u>(83,737)</u>	<u>47,139</u>	<u>193,417</u>
Total Net Position - Beginning	<u>4,066,681</u>	<u>2,074,984</u>	<u>6,141,665</u>	<u>5,948,248</u>
Total Net Position - Ending	<u>\$ 4,197,557</u>	<u>\$ 1,991,247</u>	<u>\$ 6,188,804</u>	<u>\$ 6,141,665</u>

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Water
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Water	Water
OPERATING REVENUES		
Service Charges	\$ 1,463,948	\$ 1,465,866
Other Operating Revenues	431,227	154,548
Total Operating Revenues	<u>1,895,175</u>	<u>1,620,414</u>
OPERATING EXPENSES		
General and Administrative	359,042	292,606
Plant	1,303,821	1,073,690
Depreciation	<u>150,170</u>	<u>197,673</u>
Total Operating Expenses	<u>1,813,033</u>	<u>1,563,969</u>
Net Operating Income (Loss)	<u>82,142</u>	<u>56,445</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Income	27,906	3,265
Taxes and Assessments	40,295	121,664
Interest Expense	(24,889)	(30,171)
Gain on Sale of Assets	5,422	2,925
Miscellaneous	<u>-</u>	<u>11,874</u>
Total Nonoperating Revenues (Expenses)	<u>48,734</u>	<u>109,557</u>
Income (Loss) Before Transfers	<u>130,876</u>	<u>166,002</u>
Change in Net Position	130,876	166,002
Total Net Position - Beginning	<u>4,066,681</u>	<u>3,900,679</u>
Total Net Position - Ending	<u><u>\$ 4,197,557</u></u>	<u><u>\$ 4,066,681</u></u>

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Sewer
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Sewer	Sewer
OPERATING REVENUES		
Service Charges	\$ 1,137,469	\$ 1,137,823
Other Operating Revenues	14,292	135,863
Total Operating Revenues	1,151,761	1,273,686
OPERATING EXPENSES		
General and Administrative	190,980	155,642
Plant	984,285	1,032,116
Depreciation	75,946	66,973
Total Operating Expenses	1,251,211	1,254,731
Net Operating Income (Loss)	(99,450)	18,955
NONOPERATING REVENUES (EXPENSES)		
Interest Income	16,500	2,422
Interest Expense	(1,282)	(1,853)
Gain on Sale of Assets	495	1,575
Miscellaneous	-	6,316
Total Nonoperating Revenues (Expenses)	15,713	8,460
Income (Loss) Before Transfers	(83,737)	27,415
Change in Net Position	(83,737)	27,415
Total Net Position - Beginning	2,074,984	2,047,569
Total Net Position - Ending	\$ 1,991,247	\$ 2,074,984

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Combined
Statement of Cash Flows
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,516,016	\$ 1,149,696	\$ 2,665,712	\$ 2,687,519
Cash Received from Operating Grants	269,013	-	269,013	355,491
Cash Payments for Goods and Services	(523,794)	(624,858)	(1,148,652)	(1,214,472)
Cash Payments to Employees and benefits	(818,057)	(445,481)	(1,263,538)	(1,094,048)
Net Cash Provided (Used) by Operating Activities	443,178	79,357	522,535	734,490
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash Received from Property Taxes	45,173	-	45,173	120,557
Miscellaneous, Non Operating Income (Expense)	-	-	-	18,190
Net Cash Provided (Used) by Non-Capital Financing Activities	45,173	-	45,173	138,747
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principle Payments to Loans	(160,062)	(15,694)	(175,756)	(170,076)
Interest Expense on Long-Term Loans	(32,025)	(1,282)	(33,307)	(39,511)
Acquisition of Capital Assets	(310,836)	(76,903)	(387,739)	(314,073)
Proceeds from Sale of Asset	21,479	2,275	23,754	4,500
Net Cash Provided (Used) from Capital and Related Financing Activities	(481,444)	(91,604)	(573,048)	(519,160)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	27,206	16,500	43,706	5,687
Net Cash Provided (Used) from Investing Activities	27,206	16,500	43,706	5,687
Net Increase (Decrease) in Cash	34,113	4,253	38,366	359,764
Cash-Beginning of Year	2,196,329	1,290,789	3,487,118	3,127,354
Cash-End of Year	\$ 2,230,442	\$ 1,295,042	\$ 3,525,484	\$ 3,487,118

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Combined
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities Enterprise Funds			
	Water	Sewer	2023	2022
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (loss)	\$ 82,144	\$ (99,450)	\$ (17,306)	\$ 75,400
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	150,170	75,946	226,116	264,646
Changes in Assets and Liabilities:				
Receivables	(110,146)	(2,065)	(112,211)	148,911
Prepaid Expenses	(1,564)	(1,272)	(2,836)	(3,442)
Inventory	-	-	-	2,402
Accounts Payable and Other Accrued Liabilities	322,574	106,198	428,772	248,164
Deferred Revenue	-	-	-	(1,591)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 443,178</u>	<u>\$ 79,357</u>	<u>\$ 522,535</u>	<u>\$ 734,490</u>

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Water
Statement of Cash Flows
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Water	Water
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,516,016	\$ 1,522,487
Cash Received from Operating Grants	269,013	174,612
Cash Payments for Goods and Services	(523,794)	(483,951)
Cash Payments to Employees and benefits	(818,057)	(706,192)
Net Cash Provided (Used) by Operating Activities	<u>443,178</u>	<u>506,956</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash Received from Property Taxes	45,173	120,557
Miscellaneous, Non Operating Income (Expense)	<u>-</u>	<u>11,874</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>45,173</u>	<u>132,431</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principle Payments to Loans	(160,062)	(154,935)
Interest Expense on Long-Term Loans	(32,025)	(37,174)
Acquisition of Capital Assets	(310,836)	(61,599)
Proceeds from Sale of Asset	<u>21,479</u>	<u>2,925</u>
Net Cash Provided (Used) from Capital and Related Financing Activities	<u>(481,444)</u>	<u>(250,783)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>27,206</u>	<u>3,265</u>
Net Cash Provided (Used) from Investing Activities	<u>27,206</u>	<u>3,265</u>
Net Increase (Decrease) in Cash	34,113	391,869
Cash-Beginning of Year	<u>2,196,329</u>	<u>1,804,460</u>
Cash-End of Year	\$ <u>2,230,442</u>	\$ <u>2,196,329</u>

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Water
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Water	Water
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES		
Operating Income (loss)	\$ 82,144	\$ 56,445
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities		
Depreciation	150,170	197,673
Changes in Assets and Liabilities:		
Receivables	(110,146)	76,686
Prepaid Expenses	(1,564)	(1,779)
Inventory	-	2,389
Accounts Payable and Other Accrued Liabilities	322,574	177,133
Deferred Revenue	-	(1,591)
NET CASH PROVIDED BY OPERATING		
ACTIVITIES	<u>\$ 443,178</u>	<u>\$ 506,956</u>

The notes are an integral part of the financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Sewer
Statement of Cash Flows
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Sewer	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,149,696	\$ 1,165,032
Cash Received from Operating Grants	-	180,879
Cash Payments for Goods and Services	(624,858)	(730,521)
Cash Payments to Employees and benefits	(445,481)	(387,856)
Net Cash Provided (Used) by Operating Activities	79,357	227,534
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Miscellaneous, Non Operating Income (Expense)	-	6,316
Net Cash Provided (Used) by Non-Capital Financing Activities	-	6,316
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principle Payments to Loans	(15,694)	(15,141)
Interest Expense on Long-Term Loans	(1,282)	(2,337)
Acquisition of Capital Assets	(76,903)	(252,474)
Proceeds from Sale of Asset	2,275	1,575
Net Cash Provided (Used) from Capital and Related Financing Activities	(91,604)	(268,377)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	16,500	2,422
Net Cash Provided (Used) from Investing Activities	16,500	2,422
Net Increase (Decrease) in Cash	4,253	(32,105)
Cash-Beginning of Year	1,290,789	1,322,894
Cash-End of Year	\$ 1,295,042	\$ 1,290,789

The notes are an integral part of these financial statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Enterprise Funds - Sewer
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023 and 2022

	Business-Type Activities	
	Enterprise Funds	
	2023	2022
	Sewer	Sewer
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH PROVIDED (USED) BY		
OPERATING ACTIVITIES		
Operating Income (loss)	\$ (99,450)	\$ 18,955
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities		
Depreciation	75,946	66,973
Changes in Assets and Liabilities:		
Receivables	(2,065)	72,225
Prepaid Expenses	(1,272)	(1,663)
Inventory	-	13
Accounts Payable and Other Accrued Liabilities	106,198	71,031
NET CASH PROVIDED BY OPERATING		
ACTIVITIES	\$ 79,357	\$ 227,534

The notes are an integral part of the financial statements.

TWIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies.

Financial Reporting Entity

Twain Harte Community Services District (“District”) was formed in 1996 under Section 3 of the County District Act of 1923. The District’s primary function is to provide water, sewer, fire protection, and parks and recreation services to properties in a specific geographical area in the Twain Harte area of Tuolumne County.

Budgetary Reporting

The District’s annual budget is a management tool that assists its users in analyzing financial activity for the fiscal year ending June 30, 2023. Budgets are formally adopted by the Board in June and take effect the following July 1. The budget disclosed is the original budget which is updated during the year. A department head is allowed to transfer line-item expenditures within the same fund up to a maximum of \$5,000. An amount over \$5,000 for any line-item transfer requires Board approval. Use of any capital asset funds for anything other than their intended purpose requires Board approval.

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund net position, revenues, and expenditures or expenses, as appropriate. The various funds are summarized by type in the general-purpose financial statements. Fund types used by the District are described below:

Governmental Fund Types:

Fire Protection: The fire protection fund is authorized to fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection District. All transactions related to fire protection are recorded in the fire protection fund. In addition, 18% of administrative costs of the District are allocated to the fire protection fund.

Park and Recreation: The park and recreation fund operate a variety of public park facilities including Eproson Park, Community Center/American Legion Hall, and Twain Harte Tennis Courts. Also, the District is currently evaluating the possibility of providing senior and/or teen services at the Community Center. Ten percent of the administrative costs of the District are allocated to the park and recreation fund.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Fund Types:

Enterprise Funds: Account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent to the Board of Directors is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District applies all applicable GASB statements effective as of fiscal year end. The water and sewer funds are considered Enterprise Funds.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in current net position.

All enterprise funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Basis of Accounting – Measurement Focus

Government – Wide Financial Statements: The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the enterprise fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government – Wide Financial Statements (Continued): The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the District and for each governmental function. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and the restrictions on their net position use.

Fund Financial Statements: Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated to the general fund.

Governmental Funds: All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds: Enterprise funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement revenues, expenses, and changes in fund net position present increases (revenues) and decreases (expenses) to total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its enterprise funds.

Revenues – Exchange and Non-Exchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year-end. Service charges and interest are considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received or when assessed if received within 60 days of the fiscal year-end. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses/Expenditures: On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

Hookup Fees

Fees charged for hookup of water and sewer services are considered income in the period the service is performed.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Inventory

Inventories in the enterprise funds are stated at cost, using the first-in first-out method.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statements. The valuation basis for capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Capital assets in the enterprise funds are capitalized in the fund in which they are utilized. The valuation basis for enterprise fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 50 years; equipment, 2 to 15 years.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position and governmental funds balance sheet.

Sick leave is accumulated for each employee at the rate of one day for each month worked to a limit of 960 hours for regular employees and 1,328 hours for Fire Department shift employees. Leave with pay is provided when employees are absent for health reasons.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The employees gain a vested right to accumulated sick leave of up to 480 hours for regular employees and 664 hours for Fire Department employees.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the enterprise fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full of current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and any special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term obligations are recognized as liabilities in the governmental fund financial statements when due.

Fund Balance

In pursuant of GASB 54, District procedures to classify fund balance are as follows:

- Restricted
- Nonspendable
- Committed
- Assigned
- Unassigned

In the Governmental Fund Balance Sheet, the District has three classifications of fund balances: nonspendable, assigned, and unassigned. The District has classified nonspendable fund balance to the extent of prepaid expense amounts. Assigned represents designated fund balances by the Board of Directors or management. The unassigned fund balance is used to classify the fund balance that has not been assigned to other funds and that has not been restricted or committed to a specific purpose.

Net Position

Net positions represent the difference between assets and liabilities. Net position invested in capital assets; net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. The government-wide financial statements report \$-0- of restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the District, these revenues are water and sewer usage fees. Operating expenses are necessary costs incurred to provide the goods or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax

Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unsecured property taxes are payable in one installment on or before August 31. The County of Tuolumne bills and collects the taxes on behalf of the District. Revenue from property taxes is recognized in the fiscal year in which the taxes are received or assessed if received within 60 days of the fiscal year.

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023 and 2022 are classified in the accompanying financial statements as follows:

	<u>2023</u>	<u>2022</u>
General and Capital Funds	\$ 1,839,211	\$ 2,090,874
Restricted:		
Davis Grunsky #1	35,106	74,649
Davis Grunsky #2	41,183	77,120
CERT	-	930
LAIF	<u>3,026,229</u>	<u>2,974,638</u>
Total Deposits and Investments	<u>\$ 4,941,729</u>	<u>\$ 5,218,211</u>

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposits placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium-term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation, obligations with priority security; and collateralized mortgage obligations.

Investment in the State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) which is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of investments in the pool is determined quarterly.

TWAIN HARTE COMMUNITY SERVICES DISTRICT**Notes to Basic Financial Statements****June 30, 2023 and 2022****NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

The fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis with funds generally available next business day.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment; generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The District manages its exposures to interest rate risk by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment is not required to be rated, nor has it been rated as of June 30, 2023 and 2022.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Cash balances held in banks and revolving funds are insured up to \$250,000 per institution by the Federal Depository Insurance Corporation (“FDIC”). All cash held by the financial institutions is fully insured or collateralized, except the amount that exceeds the maximum insured levels of the FDIC.



TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements

June 30, 2023 and 2022

NOTE 3 - RECEIVABLES

Receivables at June 30, 2023, consisted of the following:

	Park & Recreation	Fire Protection	Total Governmental Activities	Water	Sewer	Total Business-Type Activities
Local Government						
Taxes	\$ 6,462	\$ 42,261	\$ 48,723	\$ 700	\$ -	\$ 700
Utility Billings	-	-	-	186,140	141,033	327,173
Grants Receivable	450,464	5,141	455,605	204,566	-	204,566
Total	<u>\$ 456,926</u>	<u>\$ 47,402</u>	<u>\$ 504,328</u>	<u>\$ 391,406</u>	<u>\$ 141,033</u>	<u>\$ 532,439</u>

NOTE 4 - CAPITAL ASSETS

A summary of the government-wide property plant and equipment at June 30, 2023, is as follows:

Governmental Activities:

	Balance July 1, 2022	Additions	Adjustments	Balance June 30, 2023
Fire & Park and Recreation				
Capital Assets not being Depreciated				
Land	\$ 841,263	\$ -	\$ -	\$ 841,263
Construction in Progress	136,410	316,340	-	452,750
Total Assets not being Depreciated	<u>977,673</u>	<u>316,340</u>	<u>-</u>	<u>1,294,013</u>
Capital Assets being Depreciated				
Structures and Improvements	2,113,193	58,949	-	2,172,142
Equipment	2,034,347	292,166	(110,292)	2,216,221
Total Assets being Depreciated	<u>4,147,540</u>	<u>351,115</u>	<u>(110,292)</u>	<u>4,388,363</u>
Total Capital Assets	5,125,213	667,455	(110,292)	5,682,376
Accumulated Depreciation	<u>(2,232,424)</u>	<u>(167,565)</u>	<u>(2,231)</u>	<u>(2,402,220)</u>
Total Book Value	<u>\$ 2,892,789</u>	<u>\$ 499,890</u>	<u>\$ (112,523)</u>	<u>\$ 3,280,156</u>

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 4 - CAPITAL ASSETS (Continued)

A summary of changes in the District's water service fixed assets is as follows:

Enterprise Funds:

<u>WATER</u>	Balance July 1, 2022	Additions	Adjustments	Balance June 30, 2023
Capital Assets not being Depreciated				
Land	\$ 103,322	\$ -	\$ (25,492)	\$ 77,830
Construction in Progress	40,841	198,064	-	238,905
Total Assets not being Depreciated	144,163	198,064	(25,492)	316,735
Capital Assets being Depreciated				
Building and Improvements	915,707	-	-	915,707
Plant and Equipment	7,611,540	112,772	(6,731)	7,717,581
Total Capital Assets being Depreciated	8,527,247	112,772	(6,731)	8,633,288
Accumulated Depreciation	(5,921,693)	(150,170)	3,421	(6,068,442)
Total Book Value	\$ 2,749,717	\$ 160,666	\$ (28,802)	\$ 2,881,581

A summary of changes in the District's sewer service fixed assets is as follows:

<u>SEWER</u>	Balance July 1, 2022	Additions	Adjustments	Balance June 30, 2023
Capital Assets not being Depreciated				
Land	\$ 126,218	\$ -	\$ -	\$ 126,218
Construction in Progress	-	-	-	-
Total Assets not Depreciated	126,218	-	-	126,218
Capital Assets being Depreciated				
Building and Improvements	309,856	-	-	309,856
Plant and Equipment	2,180,366	76,903	(3,625)	2,253,644
Total Capital Assets being Depreciated	2,490,222	76,903	(7,417)	2,563,500
Accumulated Depreciation	(1,629,365)	(75,946)	1,845	(1,703,466)
Total Book Value	\$ 987,075	\$ 957	\$ -	\$ 986,252

Depreciation Expense was charged as follows:

Governmental Activities	
Park and Recreation	\$ 50,560
Fire Protection	117,005
Total Depreciation Expense-Governmental Activities	\$ 167,565
Business-Type Activities	
Water Fund	\$ 150,170
Sewer Fund	197,673
Total Depreciation Expense Business-Type Activities	\$ 347,843

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements

June 30, 2023 and 2022

NOTE 5 - ALLOCATION FROM GENERAL FUND

The District allocates a percentage of administrative expenses to each of the four funds of the District. The following shows the allocation percentages to allocate the administrative expenses:

Water	47.0%
Sewer	25.0%
Park and Recreation	10.0%
Fire Protection	18.0%

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2023, consisted of the following:

	<u>Park & Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Activities</u>	<u>Water</u>	<u>Sewer</u>	<u>Total Business-Type Activities</u>
Vendor Payables	\$ 47,931	\$ 49,276	\$ 97,207	\$ 215,972	\$ 141,762	\$ 357,734
Accrued Payables	768	15,723	16,491	8,358	9,352	17,710
Interest Payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,966</u>	<u>1,059</u>	<u>25,025</u>
Total	<u>\$ 48,699</u>	<u>\$ 64,999</u>	<u>\$ 113,698</u>	<u>\$ 248,296</u>	<u>\$ 152,173</u>	<u>\$ 400,469</u>

NOTE 7 - COMPENSATED ABSENCES

The District's compensated absences at June 30, 2023 consisted of the following:

	<u>Park & Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Activities</u>	<u>Water</u>	<u>Sewer</u>	<u>Total Business-Type Activities</u>
Compensated Absences	<u>\$ 5,605</u>	<u>\$ 44,285</u>	<u>\$ 49,890</u>	<u>\$ 42,410</u>	<u>\$ 22,583</u>	<u>\$ 64,993</u>

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits and limited sick leave. A portion of these benefits is paid to the employee upon separation of employment from the District. The liability has been provided for in the government-wide financial statements, governmental funds financial statements, and enterprise funds.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 8 - LONG-TERM OBLIGATIONS

Summary – Enterprise Activities

The changes to the District's long-term obligations for its enterprise activities during the year consisted of the following:

Enterprise Funds:	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
Water Fund					
Davis – Grunsky loan #1. Original indebtedness – \$950,000, payable in annual installments of Principal and semi-annual installments of interest At 2.5%, maturity date is 2023.	\$ 37,551	\$ -	\$ (37,551)	\$ -	\$ -
Davis – Grunsky #1, deferred interest, payable in annual installments without interest, original indebtedness - \$84,239, maturity date is 2023.	3,661	-	(3,661)	-	-
Davis – Grunsky #2. Original indebtedness – \$860,535, payable in annual installments of Principal and semi-annual installments of interest At 2.5% maturity is 2023.	35,654	-	(35,654)	-	-
Municipal Finance Corporation, payable in annual installments and interest of 4.98%, maturity date is 2028	686,014	-	(88,854)	599,160	90,330
Total-Water Fund	762,880	-	(165,720)	599,160	90,330
Sewer Fund					
US Bancorp, payable in annual installments of \$17,478, maturity date is August 2024	48,824	-	(15,694)	33,130	16,268
Total-Sewer Fund	48,824	-	(15,694)	33,130	16,268
Total	\$ 811,704	\$ -	\$ (181,414)	\$ 632,290	\$ 106,598

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

Debt Service Requirements to Maturity

The debt matures through 2028 as follows:

Fiscal Year	Sewer Fund Loans and Deferred Interest		Water Fund Loans and Deferred Interest		Water and Sewer Funds Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 16,268	\$ 1,210	\$ 90,330	\$ 23,966	\$ 106,598	\$ 25,176
2025	16,862	616	93,944	20,353	110,806	20,969
2026-2028	<u>—</u>	<u>—</u>	<u>414,886</u>	<u>42,302</u>	<u>414,886</u>	<u>42,302</u>
Total	<u>\$ 33,130</u>	<u>\$ 1,826</u>	<u>\$ 599,160</u>	<u>\$ 86,621</u>	<u>\$ 632,290</u>	<u>\$ 88,447</u>

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 12, 2024, the date these financial statements were available.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to the Financial Statements

June 30, 2023 and 2022

NOTE 10 – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The assets and any related income are maintained in a third party trust and are not included in the District's financial statements.

NOTE 11 – FUND BALANCES

Fund balances of the governmental funds are composed of the following elements:

	Park & Recreation	Fire	Total Governmental Funds- 2023	Total Governmental Funds-2022
Nonspendable	<u>\$ 886</u>	<u>\$ 2,261</u>	<u>\$ 3,147</u>	<u>\$ 3,141</u>
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned	<u>85,661</u>	<u>664,678</u>	<u>750,339</u>	<u>697,195</u>
Total Assigned	<u>85,661</u>	<u>664,678</u>	<u>750,339</u>	<u>697,195</u>
Committed	<u>379,173</u>	<u>613,883</u>	<u>993,056</u>	<u>1,070,112</u>
Total Committed	<u>379,173</u>	<u>613,883</u>	<u>993,056</u>	<u>1,070,112</u>
Unassigned	<u>26,542</u>	<u>(1,766)</u>	<u>(1,440)</u>	<u>(1,440)</u>
Total Fund Balances	<u><u>\$ 492,262</u></u>	<u><u>\$ 1,279,056</u></u>	<u><u>\$ 1,771,318</u></u>	<u><u>\$ 1,769,008</u></u>

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 12 – EXPENDITURES (BUDGET VERSUS ACTUAL)

At June 30, 2023, the following District major funds compared to budgeted amounts as follows:

Funds	Expenditures and Other Uses		
	Budget	Actual	Favorable (Unfavorable)
Park & Recreation			
Employee Cost	\$ 8,212	\$ 7,071	\$ 1,141
General Operating Cost	75,586	85,712	(10,126)
Admin	76,275	76,392	(117)
Capital Outlay	1,417,400	302,897	1,114,503
Total Park and Recreation	\$ 1,577,473	\$ 472,072	\$ 1,105,401
Fire			
Employee Costs	\$ 850,919	\$ 893,658	\$ 1,307
General Operating Cost	246,101	257,556	30,680
Admin	137,295	137,505	4,918
Capital Outlay	530,500	364,558	388,827
Debt Services	-	-	-
Total Fire	\$ 1,764,815	\$ 1,653,277	\$ 425,732

NOTE 13 – RISK MANAGEMENT

The Twain Harte Community Services District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. During the year ended June 30, 2023, the District contracted with the Special District Risk Management Authority (the Authority) for workers' compensation, and property and liability insurance coverage. The relationship between the District and the Authority is such that it is not a component unit of the District for financial reporting purposes. The Authority has reporting requirements independent of members units and its financial statements are not presented in these final statements. Audited financial statements are generally available from the Authority.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

Litigation

The District is not currently a party to any legal proceedings.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

A. Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS annual financial report may be obtained from their Executive Office – 400 Q Street, Sacramento, CA 95814.

A. DEFINED BENEFITS PENSION PLANS - (Safety Plan)

The District provides eligible employee's pension plans benefits through the Twain Harte Community Services District – Safety Plan.

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the Safety Plan CalPERS valuation date as of June 30, 2020, the active employee contribution rate is 8.999 percent of annual pay, the average employer's contribution rate is 20.64 percent of annual payroll, and the required annual unfunded contributions is \$24,657.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)

Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. Both the June 30, 2019, total pension liability and the June 30, 2020 total pension liability were based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund.

The stress test results are presented in a detailed report called "GASB Crossover Testing Report" which can be obtained at CalPERS' website under the GASB 68 section.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>
Global Equity- cap-weighted	30.0%	4.45%
Global Equity- non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.40	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at : 6/30/2021 (MD)	\$ 1,946,687	\$ 1,621,798	\$ 324,889
Balance at : 6/30/2022 (MD)	\$ 2,420,461	\$ 2,323,271	\$ 97,190
Net Changes during 2020-21	\$ 473,774	\$ 701,473	\$ (227,699)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)

The collective total pension liability for June 30, 2022, measurement period was determined by an actuarial valuation as of June 30, 2021, with updated procedures used to roll forward the total pension liability to June 30, 2022. The collection of total pension liability was based on the following assumptions:

	Discount Rate - 1 % (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1 % (7.90%)
Plan's Net Pension Liability/(Asset)	\$ 431,452	\$ 97,190	\$ 175,994

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal year ended June 30, 2023 pension expense recognized is as follows:

	2023
Total Service Costs	\$ 7,746
Interest on TPL	26,006
Recognize Changes of Assumptions	3,690
Changes of Benefit Terms	3,630
Contribution	(2,942)
Net Plan to Plan Resource Movement	-
Projected Earnings on PPI	(22,256)
Recognized Difference Between Projected and Actual Plan Earnings	1,920
Recognized Difference Between Expected & Actual Experience	4,067
Administrative Expenses	202
Other Miscellaneous Income	-
Total Pension Expense Recognized	<u>\$ 22,063</u>

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)

For the measurement period ending June 30, 2022 (the measurement date), Twain Harte Community Services District incurred a pension expense of \$18,384 for the Plan (the pension expense for the risk pool for the measurement period is \$1,299,786,418).

As of June 30, 2023, the Twain Harte Community Services District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 4,022	\$ 1,055
Changes of Assumptions	9,800	-
Difference between Projected and Actual Earnings on Pension Plan Investments	15,348	-
Difference between Employer's Contribution and Proportionate Share of Contribution	-	51,680
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	115,225	488,405
	<u>108,211</u>	<u>-</u>
Total	<u>\$ 252,606</u>	<u>\$ 541,140</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as follows:

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (104,605)
2025	(124,066)
2026	(112,511)
2027	31,004
2028	21,642
2029	-
Thereafter	-

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan

The District provides eligible employees pension plans benefits through the Twain Harte Community Services District – Miscellaneous Plan (The Plan).

Plan Description, Benefits Provided, and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The CalPERS Annual Valuation Report as of June 30, 2019, reported 2021-2022, required the following:

<u>Plan</u>	<u>Employer Normal Cost Rate</u>	<u>Employer Payment of Unfunded Liability</u>	<u>Employee Contribution</u>
Miscellaneous Plan	14.53%	\$ 33,473	7.81%
PEPRA Misc Plan	7.47%	\$ 153	6.75%

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with updated procedures used to roll forward the total pension liability to June 30, 2022. The collection of total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" which can be obtained at CalPERS' website under the GASB 68 section.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>
Global Equity- cap-weighted	30.0%	4.45%
Global Equity- non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	Plan Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Plan Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at : 6/30/2021 (MD)	\$ 2,744,766	\$ 2,297,391	\$ 447,375
Balance at : 6/30/2022 (MD)	\$ 3,329,478	\$ 3,210,546	\$ 118,932
Net Changes during 2021-22	\$ 584,712	\$ 913,155	\$ (328,443)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

	Discount Rate - 1 % (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1 % (7.90%)
Plan's Net Pension Liability/(Asset)	\$ 572,800	\$ 118,932	\$ (254,489)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal year ended June 30, 2023 pension expense recognized is as follows:

	2023
Total Service Costs	\$ 12,500
Interest on TPL	35,592
Recognize Changes of Assumptions	4,514
Changes of Benefit Terms	94
Contributions	(5,316)
Net Plan to Plan Resource Movement	213
Projected Earnings on PPI	(31,723)
Recognized Difference Between Projected and Actual Plan Earnings	2,708
Recognized Difference Between Expected & Actual Experience	2,431
Administrative Expenses	289
Other Miscellaneous Income	-
Total Pension Expense Recognized	<u>\$ 21,302</u>

For the measurement period ended June 30, 2022 (the measurement date), the Twain Harte Community Services District incurred a pension expense/(income) of (\$21,302) for the Plan (the pension expense for risk pool for the measurement period is \$838,081,431).

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2023 and 2022

NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

As of June 30, 2023, Twain Harte Community Services District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 2,388	\$ -
Changes of Assumptions	12,187	1,600
Difference between Projected and Actual Earnings on Pension Plan Investments	21,785	-
Difference between Employer's Contribution and Proportionate Share of Contribution	10,865	35,256
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	149,468	810,421
	<u>110,696</u>	<u>-</u>
Total	<u>\$ 307,389</u>	<u>\$ 847,277</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as follows:

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (187,504)
2025	(217,965)
2026	(192,022)
2027	35,464
2028	22,139
2029	-
Thereafter	-

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Schedules of Required Supplementary Information - Safety Plan
For the Fiscal Years,
Last 10 Years*

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.00058%	0.00152%	0.00148%	0.00136%	0.00107%	0.00115%	0.00563%	0.00294%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 97,190	\$ 345,775	\$ 267,573	\$ 87,000	\$ 172,722	\$ 174,115	\$ 83,756	\$ 43,065
Plan's Covered-Employee Payroll	\$ 458,360	\$ 392,982	\$ 377,796	\$ 351,060	\$ 291,915	\$ 339,294	\$ 318,228	\$ 274,837
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	21.2%	88.0%	70.8%	24.8%	59.2%	51.3%	26.3%	15.7%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	104.2%	83.3%	84.9%	85.3%	87.9%	85.7%	89.3%	94.4%

Schedule of Plan Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 87,989	\$ 103,615	\$ 92,359	\$ 70,698	\$ 65,305	\$ 58,566	\$ 54,826	\$ 60,458
Contributions in Relation to the Actuarially Determined Contribution	(87,989)	(103,615)	(92,359)	(70,698)	(65,305)	(58,566)	(54,826)	(60,458)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 452,620	\$ 377,022	\$ 392,982	\$ 377,796	\$ 351,060	\$ 291,915	\$ 339,294	\$ 318,228
Contributions as a Percentage of Covered-Employee Payroll	19.44%	27.48%	23.50%	18.71%	18.60%	20.06%	16.16%	19.00%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2021 as they have minimal cost impact.

Change in Assumptions: None

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Schedules of Required Supplementary Information
Miscellaneous Plan and PEPRA Miscellaneous
For the Fiscal Years,
Last 10 Years*

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C

	2023	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.00071%	0.00245%	0.00251%	0.00235%	0.00189%	0.00161%	0.00911%	0.00339%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 442,329	\$ 442,329	\$ 369,469	\$ 296,000	\$ 248,443	\$ 258,041	\$ 140,775	\$ 111,247
Plan's Covered-Employee Payroll	\$ 711,948	\$ 688,435	\$ 608,372	\$ 646,007	\$ 630,659	\$ 644,354	\$ 626,570	\$ 586,493
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	62.13%	64.25%	60.73%	45.82%	39.39%	40.05%	22.47%	21.84%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	96.43%	83.70%	85.13%	84.60%	86.39%	83.70%	89.27%	89.66%

Schedule of Plan Contributions

	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 100,602	\$ 100,313	\$ 123,252	\$ 84,878	\$ 89,837	\$ 82,407	\$ 75,332	\$ 79,387
Contributions in Relation to the Actuarially Determined Contribution	(100,602)	(100,313)	(123,252)	(84,878)	(89,837)	(82,407)	(75,332)	(79,387)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 806,820	\$ 711,948	\$ 688,435	\$ 608,372	\$ 646,007	\$ 630,659	\$ 644,354	\$ 626,570
Contributions as a Percentage of Covered-Employee Payroll	12.47%	14.09%	17.90%	13.95%	13.91%	13.07%	11.69%	12.67%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2021 as they have minimal cost impact.

Change in Assumptions: None

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

**Park and Recreation
Budgetary Comparison Schedule
For the Year Ended June 30, 2023**

	Budgeted Amounts			Variances- Final to Actual
	Original	Final	Actual	
REVENUES				
Program Revenues:				
Taxes and Assessments	\$ 146,699	\$ 144,607	\$ 147,808	\$ 3,201
Charges for Services	7,100	5,000	8,591	3,591
Grants & Donations	2,746,065	1,395,475	314,188	(1,081,287)
Revenue from Use of Money	220	100	1,893	1,793
Other Revenues	111,292	600	94	(506)
Total Revenues	3,011,376	1,545,782	472,574	(1,073,208)
EXPENDITURES				
Operating Expenditures:				
Salaries and Benefits	8,236	8,212	7,071	1,141
Materials, Supplies and Services	101,030	75,586	85,715	(10,129)
Administrative	76,933	76,275	76,392	(117)
Capital Outlay	2,794,800	1,417,400	302,897	1,114,503
Total Expenditures	2,980,999	1,577,473	472,075	1,105,398
Excess (Deficiency) of Revenues Over Expenditures	30,377	(31,691)	499	32,190
Other Financing Sources (Uses):				
Proceeds from the sale of assets	-	-	137,445	137,445
Net Financing Sources (Uses)	-	-	137,445	137,445
NET CHANGE IN FUND BALANCES	30,377	(31,691)	137,944	169,635
Fund Balance – Beginning	-	-	354,318	-
Fund Balance – Ending	\$ -	\$ -	\$ 492,262	\$ -

The notes are integral part of these statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Park and Recreation

**Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Budgeted Amounts			Variances- Final to Actual
	Original	Final	Actual	
REVENUES				
Program Revenues:				
Taxes and Assessments	\$ 139,366	\$ 141,017	\$ 142,247	\$ 1,230
Charges for Services	3,500	5,000	4,522	(478)
Grants & Donations	384,000	570,301	171,573	(398,728)
Revenue from Use of Money	4,700	4,100	3,153	(947)
Other Revenues	100	2,500	-	(2,500)
Total Revenues	<u>531,666</u>	<u>722,918</u>	<u>321,495</u>	<u>(401,423)</u>
EXPENDITURES				
Operating Expenditures:				
Salaries and Benefits	7,893	8,066	6,631	1,435
General Operating Costs	73,350	81,201	74,873	6,328
Administrative	64,752	64,989	62,257	2,732
Capital Outlay	368,000	604,791	154,558	450,233
Total Expenditures	<u>513,995</u>	<u>759,047</u>	<u>298,319</u>	<u>460,728</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,671</u>	<u>(36,129)</u>	<u>23,176</u>	<u>59,305</u>
Other Financing Sources (Uses):				
Proceeds from the sale of assets	<u>-</u>	<u>-</u>	<u>3,123</u>	<u>3,123</u>
Net Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,123</u>	<u>3,123</u>
NET CHANGE IN FUND BALANCES	17,671	(36,129)	26,299	62,428
Fund Balance – Beginning	<u>-</u>	<u>-</u>	<u>328,019</u>	<u>-</u>
Fund Balance – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,318</u>	<u>\$ -</u>

The notes are integral part of these statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Fire Protection Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variances- Final to Actual
	Original	Final	Actual	
REVENUES				
Program Revenues:				
Taxes and Assessments	\$ 1,278,501	\$ 1,243,536	\$ 1,288,046	\$ 44,510
Grants & Donations	286,728	280,368	33,177	(247,191)
Revenue from Use of Money	-	-	15,144	15,144
Other Revenues	169,292	25,680	181,276	155,596
Total Revenues	<u>1,734,521</u>	<u>1,549,584</u>	<u>1,517,643</u>	<u>(31,941)</u>
EXPENDITURES				
Operating Expenditures:				
Salaries and Benefits	912,947	850,919	893,658	(42,739)
Materials, Supplies and Services	277,850	246,101	257,556	(11,455)
Capital Outlay	739,782	530,500	364,558	165,942
Administrative	138,479	137,295	137,505	(210)
Debt Service	-	-	-	-
Total Expenditures	<u>2,069,058</u>	<u>1,764,815</u>	<u>1,653,277</u>	<u>111,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(334,537)</u>	<u>(215,231)</u>	<u>(135,634)</u>	<u>79,597</u>
NET CHANGE IN FUND BALANCES	-	-	(135,634)	-
Fund Balance – Beginning	<u>-</u>	<u>-</u>	<u>1,414,690</u>	<u>-</u>
Fund Balance – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,279,056</u>	<u>\$ -</u>

The notes are an integral part of these statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Fire Protection Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variances- Final to Actual
	Original	Final	Actual	
REVENUES				
Program Revenues:				
Taxes and Assessments	\$ 1,190,422	\$ 1,220,450	\$ 1,224,745	\$ 4,295
Grants & Donations	235,000	321,339	80,657	(240,682)
Revenue from Use of Money	-	-	6,517	6,517
Other Revenues	35,780	215,490	201,352	(14,138)
Total Revenues	<u>1,461,202</u>	<u>1,757,279</u>	<u>1,513,271</u>	<u>(244,008)</u>
EXPENDITURES				
Operating Expenditures:				
Salaries and Benefits	770,362	854,381	853,074	1,307
Materials, Supplies and Services	234,200	299,650	268,970	30,680
Capital Outlay	492,500	515,100	126,273	388,827
Administrative	116,553	116,980	112,062	4,918
Debt Service	84,586	84,586	84,586	-
Total Expenditures	<u>1,698,201</u>	<u>1,870,697</u>	<u>1,444,965</u>	<u>425,732</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(236,999)</u>	<u>(113,418)</u>	<u>68,306</u>	<u>181,724</u>
Other Financing Sources (Uses):				
Sale of assets	-	-	5,621	-
Transfers Out	-	-	-	-
Net Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,621</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>73,927</u>	<u>-</u>
Fund Balance – Beginning	<u>-</u>	<u>-</u>	<u>1,340,763</u>	<u>-</u>
Fund Balance – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,414,690</u>	<u>\$ -</u>

The notes are an integral part of these statements.

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Notes to Required Supplementary Information
June 30, 2023 and 2022

BUDGETARY BASIS OF ACCOUNTING

The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 of the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Unused appropriations for the budgeted funds lapse at the end of the fiscal year. Budgets are adopted on a modified accrual basis. Expenditures in excess of budgeted amounts are approved individually by the Board.



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	05A	ITEM TYPE:	<input type="checkbox"/> Discussion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Both
SUBJECT:	Presentation and Approval of Financial Statements through January 31, 2024		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

Receive and approve the financial statements through January 31, 2024

SUMMARY:

This item presents the following Fiscal Year 2023-24 financial statements for all District Funds through January 31, 2024:

- Operating Expenditure Summary
- Capital Expenditure Summary
- Bank Balances – Including a summary of receipts and disbursements

As a general summary of the financial statements:

- Operating expenses for all funds except Fire and Water are at or below the target of 58.3% expended.
- Operating expenses for the Fire and Water Funds are above the target level of 58.3% due to strike team costs, and large full-year expenses paid at the beginning of the fiscal year including insurance premiums, chemical and testing supplies, and loan principal payments.
- Operating expenses for the Sewer fund are low because the Sewer Funds largest expense is a quarterly wastewater treatment invoice from Tuolumne Utilities District. If that bill was provided monthly, the Sewer Fund expenses would be 56% of budget.
- Bank balances are healthy and in line with expectations. The month of January included large capital project payments related to the Twain Harte Meadows Park Project, which will be reimbursed later by state grant funding. Property tax revenue for the Fire and Park Funds is typically received in December and April, so disbursements for Fire and Park operations during other months are covered by Operating Reserves.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

- Operating Expenditure Summary
- Capital Expenditure Summary
- Bank Balances – Including a summary of receipts and disbursements

TWAIN HARTE COMMUNITY SERVICES DISTRICT
23/24 OPERATING EXPENDITURE SUMMARY
 As of January 31, 2024

Fund	TOTAL Budget*	YTD Expended	Budget Balance	% Spent (Target 58.3%)
Park	98,041	49,570	48,471	50.56%
Water	1,567,021	958,280	608,741	61.15%
Sewer	1,031,833	530,103	501,730	51.37%
Fire	1,352,603	847,882	504,721	62.69%
Admin	813,730	457,699	356,031	56.25%
TOTAL	\$ 4,863,228	\$ 2,843,534	\$ 2,019,694	58.47%

TWAIN HARTE COMMUNITY SERVICES DISTRICT
23/24 CAPITAL EXPENDITURE SUMMARY
As of January 31, 2024

Fund	TOTAL Budget*	YTD Expended	Budget Balance	% Spent (Target 58.3%)
Park	2,940,427	957,508	1,982,919	32.56%
Water	1,789,850	903,734	886,116	50.49%
Sewer	316,800	27,708	289,092	8.75%
Fire	450,900	23,083	427,817	5.12%
Admin		-	-	
TOTAL	\$ 5,497,977	\$ 1,912,033	\$ 3,585,944	34.78%

Reflects Budget Rev #3 - Approved 10/11/23

TWAIN HARTE COMMUNITY SERVICES DISTRICT
BANK BALANCES
As of January 31, 2024

Account	Beginning Balance	Receipts	Disbursements	Transfers	Current Balance
Five Star - Operating	859,281	349,494	(662,554)		546,221
Five Star - Money Market	1,140				1,140
LAIF - Investment	2,277,493				2,277,493
TOTAL	\$ 3,137,914	\$ 349,494	\$ (662,554)	\$ -	\$ 2,824,854



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	05B	ITEM TYPE:	<input type="checkbox"/> Discussion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Both
SUBJECT:	Approval of the Minutes of the Regular Meeting Held on January 10, 2024.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

Approve the minutes of the Regular Meeting held on January 10, 2024.

SUMMARY:

The California Government Code and District Policy #5060 (Minutes of Board Meetings) requires the District to keep a record of all its actions. As such, the District's Board Secretary prepared draft minutes for the Board's Regular Meeting held on January 10, 2024, in the format required by Policy #5060. The Board's responsibility is to review and approve the draft meeting minutes.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

- Minutes of the Regular Meeting held on January 10, 2024

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Board of Directors Regular Meeting
January 10, 2024

CALL TO ORDER: President Sipperley called the meeting to order at 9:00 a.m. The following Directors, Staff, and Community Members were present:

DIRECTORS:

President Sipperley
Director Mannix
Director Knudson
Director Bohlman
Director Dearborn

STAFF:

Tom Trott, General Manager
Neil Gamez, Fire Chief
Lewis Giambruno, Operations Manager

AUDIENCE: 9 Attendees

PUBLIC COMMENT ON NON-AGENDIZED ITEMS:

No public comment.

CONSENT AGENDA:

- A. Presentation and approval of financial statements through December 30, 2023.
- B. Approval of the minutes of the Regular Meeting held on December 13, 2023.
- C. Annual Review of Policy #3015 – Investment Policy.

MOTION: Director Knudson made a motion to accept the consent agenda in its entirety.

SECOND: Director Bohlman

AYES: Sipperley, Knudson, Bohlman, Dearborn, Mannix

NOES: None

ABSTAIN: None

PUBLIC HEARING:

- A. Open Public Hearing.
- B. Staff presentation on proposed 5-year water and sewer rate schedule.
 - *GM Trott presented the background process and information regarding the proposed rate increase.*
- C. Receive public comment regarding proposed water and sewer rates.
 - *Various members of the public asked specific questions regarding the new rate structure, grant opportunities, public assistance offerings and the possibility of a District sewer plant system.*
- D. Last call for written protests.
 - *President Sipperley asked members of the public to submit any additional protests if not already submitted.*

E. Close Public Hearing.

F. Final Protest count.

- *Board Secretary Silva stated that the final number of protest letters received was 3 and that a majority protest for both water and sewer was not received.*

G. Discussion/action to adopt Resolution #24-01 – Establishing the schedule of changes for Water Service.

MOTION: Director Bohlman made a motion to adopt Resolution #24-01 - Establishing the schedule of changes for Water Service.

SECOND: Director Mannix

AYES: Sipperley, Knudson, Bohlman, Dearborn, Mannix

NOES: None

ABSTAIN: None

H. Discussion/action to adopt Resolution #24-02 – Establishing the schedule of charges for Sewer Service.

MOTION: Director Knudson made a motion to adopt Resolution #24-02 - Establishing the schedule of changes for Sewer Service.

SECOND: Director Bohlman

AYES: Sipperley, Knudson, Bohlman, Dearborn, Mannix

NOES: None

ABSTAIN: None

NEW BUSINESS:

A. Discussion/action to adopt Resolution #24-03 - Approval of Fiscal Year 2023-24 Mid-Year Budget Adjustment.

MOTION: Director Bohlman made a motion to adopt Resolution #24-03 - Approval of Fiscal Year 2023-24 Mid-Year Budget Adjustment.

SECOND: Director Mannix

AYES: Sipperley, Knudson, Bohlman, Dearborn, Mannix

NOES: None

ABSTAIN: None

B. Discussion/action to adopt Resolution #24-04 - Resolution of Appreciation for Carolyn Higgins.

MOTION: Director Mannix made a motion to adopt Resolution #24-04 - Resolution of Appreciation for Carolyn Higgins.

SECOND: Director Bohlman

AYES: Sipperley, Knudson, Bohlman, Dearborn, Mannix

NOES: None

ABSTAIN: None

C. Discussion/action to adopt Resolution #24-05 - Appointing the Position of General Manager as the District Treasurer.

MOTION: Director Knudson made a motion to adopt Resolution #24-05 -
Appointing the Position of General Manager as the District Treasurer.
SECOND: Director Bohlman
AYES: Sipperley, Knudson, Bohlman, Mannix
NOES: Dearborn
ABSTAIN: None

- D. Annual review of Policy #4010 – General Duties of the Board of Directors.
- E. Annual review of Policy #4030 – Code of Ethics and Conduct.
- F. Annual Board self-assessment of performance and identification of improvement opportunities.
The board provided an overall positive self-assessment of performance. Director Mannix requested that the Board spend more time reviewing the familiarizing themselves with the strategic plan.

REPORTS:

President and Board Member Reports

- Director Mannix reported on attending the TCCSDA meeting with a presentation by Dori Bietz followed by the LAFCO meeting she attended where they discussed county-maintained roads, a municipal service review that has been put on hold.
- President Sipperley reported on attending TUD’s meeting where they discussed the lead service inventory project grant opportunity as well as another grant awarded to TUD for the draft water point that would give fire departments better access to non-treated water for better fire prevention.

Fire Chief Report by Chief Gamez

- A verbal summary of the written report was provided by Chief Gamez.
- A verbal summary of the written CERT report was provided by Carol Hallett

Water/Sewer/Park Operations Report Provided by Operations Manager Giambruno

- A verbal summary of the written report was provided.

General Manager Report Provided by General Manager Trott

- A verbal summary of the written report was provided.

ADJOURNMENT:

The meeting was adjourned at 12:18 p.m.

Respectfully submitted,

APPROVED:

Kimber Silva, Board Secretary

Gary Sipperley, President



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	05C	ITEM TYPE:	<input type="checkbox"/> Discussion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Both
SUBJECT:	Discussion/action to adopt Resolution #24-06 – Directing Preparation of the Engineer’s Report for Continuation of the Fiscal Year 2024-25 Assessment for the Twain Harte Park and Recreation Maintenance District.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

Adopt Resolution #24-06 - Directing Preparation of the Engineer’s Report for Continuation of the Fiscal Year 2024-25 Assessment for the Twain Harte Park and Recreation Maintenance District.

SUMMARY:

In 2006, the District’s limited Park Fund revenue was insufficient to properly maintain and repair the District’s aging park facilities. As a result, the District proposed the establishment of its Park and Recreation Maintenance District special benefit assessment (Park Assessment). The Park Assessment was approved by a majority vote of property owners and was levied by the District’s Board of Directors on June 4, 2006, via Resolution #06-09. The voter-approved Park Assessment does not sunset and allows a maximum 3% annual adjustment based on the January Consumer Price Index (CPI) for the San Francisco Bay Area. The annual CPI adjustment is not automatic and is subject to the approval of the Board.

Since 2006, the Park Assessment has continued to provide annual revenue to the Park Fund to:

- Improve park maintenance
- Improve safety and security
- Improve children’s playground equipment
- Maintain sports fields
- Maintain the Twain Harte Community Center

A Park Assessment Engineer’s report is prepared each year to evaluate the Park Fund’s budget requirements, the annual CPI adjustment, the maximum authorized assessment rate, and any changes to parcels within the assessment area. Staff recommends approval of the attached resolution to authorize preparation of this report.

FINANCIAL IMPACT:

The Park Assessment is necessary to maintain the District’s Park and Recreational facilities annually.

ATTACHMENTS:

- Resolution #24-06 – Directing Preparation of the Engineer’s Report for Continuation of the Fiscal Year 2024-25 Assessment for the Twain Harte Park and Recreation Maintenance District.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-06**

**DIRECTING PREPARATION OF THE ENGINEER'S REPORT FOR CONTINUATION OF THE
FISCAL YEAR 2024-25 ASSESSMENT FOR THE TWAIN HARTE PARK AND RECREATION
MAINTENANCE DISTRICT**

WHEREAS, by its Resolution No. 06-09, the Board of Directors (Board) of the Twain Harte Community Services District (District) ordered the formation of and levied the first assessment within the Twain Harte Park and Recreation Maintenance District ("Assessment District") pursuant Landscaping and Lighting Act of 1972 (Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof); and

WHEREAS, the purpose of the Assessment District is acquisition, installation, maintenance and servicing of public facilities, including but not limited to, landscaping, sprinkler systems, park grounds, park facilities, landscape corridors, ground cover, shrubs and trees, street frontages, playground equipment and hardcourt areas, drainage systems, lighting, fencing, entry monuments, other recreational facilities, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, for property owned or maintained by the District.

NOW, THEREFORE, BE IT RESOLVED, by the Twain Harte Community Services District Board of Directors that:

1. SCI Consulting Group is hereby designated as Engineer of Work for purposes of the proceedings for this Assessment District and is hereby ordered to prepare an Engineer's Report in accordance with Article 4 of Chapter 1 of the Act and Article XIID of the California Constitution.
2. Upon completion, the Engineer shall file the Engineer's Report with the Board Secretary for submission to the Board.

PASSED AND ADOPTED, by the Board of Directors of Twain Harte Community Services District at their regular meeting on February 14, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gary Sipperley, Board President

Kimberly Silva, Board Secretary



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	05D	ITEM TYPE:	<input type="checkbox"/> Discussion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Both
SUBJECT:	Discussion/action to adopt Resolution #24-07 – Accepting the Fire Chief’s Report of Annual Inspections of Certain Occupancies Pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

Adopt Resolution #24-07 – Accepting the Fire Chief’s Report of Annual Inspections of Certain Occupancies Pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code.

SUMMARY:

California Safety Code Sections 13146.2 and 13146.3 requires all fire departments that provide fire protection services to perform and report annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities for compliance with building standards.

The Board intends this Resolution to fulfill the requirements of the Safety Code regarding acknowledgment of the District’s compliance with California Health and Sections 13146.2 and 13146.3.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

- Resolution #24-07 – Accepting the Fire Chief’s Report of Annual Inspections of Certain Occupancies Pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-07**

**ACCEPTING THE FIRE CHIEF'S REPORT OF ANNUAL INSPECTIONS OF
CERTAIN OCCUPANCIES PURSUANT TO SECTIONS 13146.2 AND 13146.3
OF THE CALIFORNIA HEALTH AND SAFETY CODE**

WHEREAS, California Safety Code Sections 13146.2 and 13146.3 requires all fire departments that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities for compliance with building standards, as provided; and

WHEREAS, Safety Code Section 13146.2 requires all fire departments that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3; and

WHEREAS, the Board of the Twain Harte Community Services District (District) intends this Resolution to fulfill the requirements of the Safety Code regarding acknowledgment of the District's compliance with California Health and Sections 13146.2 and 13146.3.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of Twain Harte Community Services District acknowledges the District's compliance of with California Health and Safety Code Sections 13146.2 and 13146.3 in the District's service area as follows:

1. EDUCATIONAL GROUP E OCCUPANCIES:

Educational Group E occupancies are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. Within the District, there lie 1 Group E occupancies, buildings, structures and/or facilities.

In the past year the District completed the annual inspection of 1 Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

2. RESIDENTIAL GROUP R OCCUPANCIES:

Residential Group R occupancies, for the purposes of this resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (three units or more), etc. as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden.

Within the District, there lie 15 Group R (and their associated sub-categories) occupancies of this nature.

In the past year the District completed the annual inspection of 15 Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

PASSED AND ADOPTED, by the Board of Directors of Twain Harte Community Services District at their Regular Meeting held on February 14, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Gary Sipperley, Board President

Kimberly Silva, Board Secretary



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	06A	ITEM TYPE:	<input type="checkbox"/> Discussion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Both
SUBJECT:	Discussion/action to adopt Resolution #24-08 – Awarding a Contract to Allsport America, Inc. for SportGame Grid Playing Surface for the Pickleball Courts Improvement Project.		
RELATION TO STRATEGIC PLAN:	<input type="checkbox"/> N/A <input checked="" type="checkbox"/> Advances Goal/Objective #'s: <u>3</u>		

RECOMMENDED ACTION:

Adopt Resolution #24-08 – Awarding a Contract to Allsport America, Inc. for SportGame Grid Playing Surface for the Pickleball Courts Improvement Project.

SUMMARY:

The District's Pickleball Courts Improvements Project consists of converting the existing Twain Harte pickleball area from two asphalt courts to four courts with a sport grid surface. The sport grid surface will replace the existing degraded asphalt, significantly prolonging the life of the courts, reducing maintenance, and improving safety and playability.

There are several options for sport grid surfacing, but Gerflor USA, Inc. has created a grid surface designed specifically for pickleball – SportGame PB. The SportGame PB grid features grip, bounce, and cushioning characteristics that specifically enhance pickleball playability and safety. It is almost maintenance free, drains well, and is designed to withstand the harsh winter weather that Twain Harte often experiences. In addition, it comes with a 15-year warranty and is less expensive than other options when procured through cooperative purchasing.

For these reasons, staff recommends that the District award a purchase order contract to Allsport America, Inc. in the amount of \$128,550 to procure SportGame grid pickleball court playing surface for the Project, inclusive of installation and other related Project tasks. Details are presented in the attached proposal, which was obtained by the District through Sourcewell cooperative purchasing Contract #031022-GER-3.

Sourcewell is a public agency that was established with the statutory purpose to assist other public agencies in meeting specific needs which are more efficiently delivered cooperatively than individually. Sourcewell is authorized to establish competitively awarded cooperative purchasing contracts on behalf of itself and its participating agencies and follows the competitive contracting law process to solicit, evaluate, and award cooperative purchasing contracts for goods and services. The Board entered a Participation Agreement to become a Sourcewell member in March 2023, authorizing the District to use Sourcewell cooperative purchasing contracts. District Policy #3040 (Purchasing and Expense Authorization) also authorizes use of cooperative purchasing to award a contract or purchase order.

FINANCIAL IMPACT:

Awarding a purchase order contract to Allsport America, Inc. through Sourcewell Contract #031022-GER-3 will cost \$128,550, which is estimated to save \$30,000 over other sport grid surface solutions.

This expense is included in the Fiscal Year 2023-24 Park Fund Budget for the Project. The Pickleball Courts Improvement Project is mostly funded by grants with matching funds provided through the Park Fund Capital Reserve Account.

ATTACHMENTS:

- Resolution #24-08 – Awarding a Contract to Allsport America, Inc. for SportGame Grid Playing Surface for the Pickleball Courts Improvement Project.
- Allsport America Proposal – Twain Harte Pickleball Courts

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-08**

**AWARDING A CONTRACT TO ALLSPORT AMERICA, INC. FOR SPORTGAME
GRID PLAYING SURFACE FOR THE PICKLEBALL COURTS IMPROVEMENT
PROJECT**

WHEREAS, the District's Pickleball Courts Improvement Project (Project) will expand the existing Twain Harte Pickleball Courts and upgrade the existing degraded asphalt surface with a sport grid surface that will greatly prolong court life, reduce ongoing maintenance, and improve safety and playability; and

WHEREAS, the District utilized Sourcewell, a public agency with the statutory purpose of assisting public agencies by establishing competitively awarded cooperative purchasing contracts on behalf of itself and its participating agencies, to identify a competitively bid contract (Contract #031022-GER-3) for Gerflor USA's SportGame PB grid pickleball court surface; and

WHEREAS, the Board authorized the District to become a Sourcewell member and to participate in its cooperative purchasing contracts by jointly exercising powers as provided for in California Government Code Section 6502; and

WHEREAS, Sourcewell follows the competitive contracting law process to solicit, evaluate, and award cooperative purchasing contracts for goods and services; and

WHEREAS, District Policy #3040 (Purchasing and Expense Authorization) authorizes use of cooperative purchasing to award a contract or purchase order; and

WHEREAS, through Sourcewell's competitively bid and awarded Contract #031022-GER-3, the District obtained pricing for SportGame PB grid court surface for the Project and desires to award a purchase order contract to Allsport America, Inc., Gerflor USA's supplier/installer under said Contract, in the amount of \$128,550, to supply an installed SportGame PB grid surface and complete other related Project tasks.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Twain Harte Community Services District that:

1. A purchase order contract in the amount of \$128,550 is awarded to Allsport America, Inc. through Sourcewell cooperative purchasing Contract #031022-GER-3 for the provision of an installed SportGame PB grid court surface for the Pickleball Courts Improvements Project; and
2. The General Manager is authorized to execute said purchase order contract and all other documents, including any necessary change orders within the adopted Project budget, that are needed to complete the procurement and installation of the SportGame PB grid court surface and related Project tasks.

PASSED AND ADOPTED, by the Board of Directors of the Twain Harte Community Services District at a regular meeting held on February 14, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Gary Sipperley, Board President

Kimberly Silva, Board Secretary

Project: Twain Harte Pickleball Courts

Location: Twaine Hart, California

Date: 1/17/2024

Sourcwell Member ID: #031022-GER-3

Twain Harte Community Services District, Twain Harte, California Account # 225506

Scope of Work

- Cut and demo existing asphalt in extension areas
- Cutting existing fence posts on the existing 119' side and 52' side.
- Re-grade and compact base rock in extension area in preparation for concrete pour
- Forming, rebar placement, and stakes
- Drill footings for fence posts extension on the far end - we will eliminate fencing on the concrete wall side
- Concrete placement and finishing to follow existing slope of tennis court (concrete preferable here as asphalt requires larger access and is quite messy)
- Set new fence posts on day of concrete pour
- Preparation to existing PB court area – fill in low spots, grind down high spots, and clean/fill any existing cracks 1/8" or greater
- Saw cutting asphalt to drill (8) footings for (8) Pickleball sleeves to be set for the 4 Pickleball Courts
- Soil from footings to either be dispersed on site somewhere, or to be hauled away
- Concrete poured into footings, round pickleball sleeves set (8)
- Installation of geo-textile stabilization fabric for SportGame Pickleball playing surface
- Installation of SportGame Pickleball playing surface on 7,105 SF
- Striping of (4) Pickleball Game Lines
- Trimming around perimeter of tennis court as necessary to allow for proper expansion and contraction in the surfacing
- Installation of Pickleball Posts and Nets
- Installation of Fence Extension
- Cleanup
- Pricing to include mobilization of materials and lodging for crews

Total Sport Court Project Pricing

\$128,550

CSCI 298 SportGame PB 1/2" Surfacing - \$11.32/SF @7,200 SF = \$81,504

CSCI 372 White Paint – 1 Gallon @ \$793 = \$793

Chain Link Fencing – Open Market Item

Pickleball Footings – Open Market Item

Pickleball Sleeves, Posts, Nets – Open Market Item

Preparation to Existing Asphalt Surfacing – Open Market Item

Travel and Lodging – Open Market Item

Prevailing Wage

Project Payment Schedule

1). Materials Ordered (50% - Due Now to Order) - \$64,275

2). Materials Shipped (15% - Due When Ready to Ship) - \$19,280

*Make Checks 1+2 Payable to **Sport Court***

Initials: _____

3). Court Extension and Fencing Complete (25% - Due When Complete) - \$32,140

4). Materials Installed (10% - Due Upon 100% Completion) - \$12,855

*Make Checks 3 + 4 Payable to **AllSport America, Inc.***

Initials: _____

Accepted By: _____

Date: _____

Submitted by: Barrett Park, President

Date: 1/17/2024

AllSport America, Inc. Signature:  _____

CA Contractors License #497582

Send Payments To:

**AllSport America Inc
4831 Pacheco Blvd
Martinez, CA 94553**



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	06B	ITEM TYPE:	<input type="checkbox"/> Discussion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Both
SUBJECT:	Discussion/action to adopt Resolution #24-09 – Approval of an Agreement for Management and Administrative Services with Regional Government Services Authority and a Fiscal Year 2023-24 Administrative Fund Budget Adjustment.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

Adopt Resolution #24-09 – Approval of an Agreement for Management and Administrative Services with Regional Government Services Authority and a Fiscal Year 2023-24 Administrative Fund Budget Adjustment.

SUMMARY:

On January 3, 2024, the District's Finance Officer took a position at another agency. In order to ensure the Finance Officer's financial responsibilities continue to be undertaken with excellence, the District took the following actions:

1. The Board adopted Resolution #24-05 on January 10th, appointing the position of General Manager as the District Treasurer.
2. The Finance/Policy Committee developed a plan with the General Manager and former Finance Officer to transfer the duties of the Finance Officer position to the General Manager and a financial consultant with expertise in government finance. This plan was developed as an alternative to seeking to fill the Finance Officer position because the Committee recognized the difficulty of recruiting a highly skilled individual to fill a position that currently requires part-time, non-benefitted work. The Committee also believed the plan provided a more fiscally responsible solution than increasing the Finance Officer position to a full-time, benefitted position. To account for some of the loss of administrative staff capacity, the plan also includes increasing the hours of an existing part-time Administrative Assistant. The Committee recommends this plan as the best way to continue to provide professional fiscally responsible services.

In order to fully carry out these action, the Finance/Policy Committee recommends entering into an agreement with Regional Government Services Authority (RGS) to provide the financial consulting services to the District. RGS is a Joint Powers Authority (JPA), a type of local government agency formed under Section 6500 of the California Government Code, that exists for the purpose of providing services to other California local governments. RGS has over 100 employees with experience in the public sector and provides administrative, human resources, project management and financial services to dozens of local governments across California.

Under the terms of the attached Agreement for Management and Administrative Services, RGS will provide a range of financial services to the District, including but not limited to:

- Budget Input and adjustments in the District’s accounting software;
- Quality Control for accounting and financial functions including by limited to:
 - Facilitating cost allocation to appropriate funds.
 - Reviewing expenditures per the chart accounts for accuracy and assuring success of corrective measures to the system of record;
- Bank statement reconciliations;
- Facilitation of year end closing activities;
- Audit management and communication with the District’s Independent Auditor; and
- Senior management level financial consulting advice and analysis.

The agreement includes a “not-to-exceed” contract amount of \$69,800 and a term that runs through December 31, 2024. The agreement can be terminated at any time with 30 days’ notice and converts to a month-to-month agreement after the term expires. Services performed by RGS are undertaken only at the District’s request and are charged based on actual hours spent providing such services.

Approval of the proposed agreement is necessary to undertake the Finance/Policy Committee’s recommendation to cover the Finance Officer position’s duties with excellence. The success of the plan will be continually re-evaluated and will be formally re-evaluated by the Board during preparation of the Fiscal Year 2024-25 budget in May and June. If, at any time, the General Manager and Board determine that the plan is not providing excellent, professional and fiscally responsible services, the agreement will be terminated and the District will recruit a Finance Officer.

FINANCIAL IMPACT:

Approval of the proposed agreement will result in a conservative estimated cost of \$35,000 for the remainder of Fiscal Year (FY) 2023-24. However, after salary savings resulting from a vacant Finance Officer position and increased Administrative Assistant hours, there will be an overall estimated savings of \$6,747 this FY. Approval of the agreement requires an Administrative Fund FY 2023-24 budget adjustment to reflect these changes.

If the Board decides in the future to continue with the plan to transfer the Finance Officer position duties to the General Manager and RGS, the District will save approximately \$30,000 per year.

ATTACHMENTS:

- Resolution #24-09 – Approval of an Agreement for Management and Administrative Services with Regional Government Services Authority and a Fiscal Year 2023-24 Administrative Fund Budget Adjustment
- Regional Government Services Authority (RGS) Agreement for Management and Administrative Services
- Regional Government Services Brochure

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 24-09**

**APPROVAL OF AN AGREEMENT WITH REGIONAL GOVERNMENT SERVICES
AUTHORITY FOR FINANCIAL SERVICES AND FISCAL YEAR 2023-24
ADMINISTRATIVE FUND BUDGET ADJUSTMENT**

WHEREAS, part of the District's mission is to provide professional, fiscally responsible services; and

WHEREAS, in order to continue to provide such services, the District desires to transfer the duties of its Finance Officer position to its General Manager and Regional Government Services Authority (RGS), a local government organization that specializes in California government finance; and

WHEREAS, RGS is a Joint Powers Authority (JPA), a type of local government formed under California Government Code Section 6500, with the purpose of providing administrative services (including financial) to California local governments; and

WHEREAS, in order to obtain RGS's services, the District must enter into the attached Agreement for Management and Administrative Services (Agreement); and

WHEREAS, the Agreement has a not-to-exceed price of \$69,800 for services through December 31, 2024, and is estimated to cost \$35,000 through the end of Fiscal Year (FY) 2023-24; and

WHEREAS, the District will realize salary savings by transferring financial duties to its General Manager and RGS and leaving its Finance Officer position vacant; and

WHEREAS, entering into the Agreement with RGS and transferring Finance Officer duties requires a FY 2023-24 Administrative Fund Budget.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Twain Harte Community Services District that:

1. The attached Agreement for Management and Administrative Services with Regional Government Services Authority is approved and the General Manager is authorized to execute said Agreement; and
2. The FY 2023-24 Administrative Fund Budget is adjusted as follows:
 - A. Decrease the "Salaries" expense category by \$23,436.00;
 - B. Decrease the "Benefits" expense category by \$18,311.00;
 - C. Increase the "Auditing/Accounting Services" expense line item by \$35,000.00; and
 - D. Decrease the "Admin Transfer Out" by \$6,747.00, from \$813,730.00 to \$806,983.00.

PASSED AND ADOPTED, by the Board of Directors of the Twain Harte Community Services District at a regular meeting held on February 14, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Gary Sipperley, Board President

Kimberly Silva, Board Secretary



RGS Is Committed to Reducing Paper Waste by Use of Electronic Processes

RGS requests your assistance with meeting these waste reduction goals by joining us in the use of digital signature and electronic payment methods during our collaboration to reduce mailing and paper expenses.

As a convenience, RGS offers DocuSign to digitally sign our Agreements, providing a secure and legally binding digital signature process that eliminates the need for printing and distribution of documents.

Preamble: The agreement for services described below is also an agreement to engage in a relationship between organizations – Agency partners. In order to establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

Our Values

- **Expert Services:** RGS serves exclusively public sector agencies with its team of public-sector experts.
- **Innovation:** RGS encourages and develops innovative and sustainable services to help each Agency meet its challenges through new modes of service provision.
- **Customer Driven:** RGS customizes solutions to achieve the right level and right kind of service at the right time for each Agency's unique organizational needs.
- **Perseverance:** Sometimes the best solutions are not immediately apparent. RGS listens, works with you, and sticks with it until a good fit with your needs is found.
- **Open Source Sharing:** RGS tracks emerging best practices and shares them, learning openly from each other's hard-won experience.
- **Commitment:** Government agencies are the public's only choice for many services. Public trust is earned and must be used wisely. And RGS will do its part. Each Agency should and will know how RGS sets its rates. RGS' pledge to you is that we will act with honesty, openness, and full transparency.

How RGS Does Business

When you work with RGS you can expect:

- RGS will strive to be explicit up front and put our understandings in writing. Before making assumptions, we hope to talk directly to prevent any misunderstandings.
- Ongoing interaction throughout our relationship to ensure that your needs are being met, and that projects progress appropriately and agreed-upon timelines are met.
- RGS is committed to honest interaction.
- When RGS employees are on your site, we expect them to treat people respectfully and be treated respectfully. If problems arise, we want to communicate early, accurately, and thoroughly to ensure that we find mutually acceptable solutions.
- As a public Agency, partnering is valued. We look out for each Agency's interests consistent with maintaining the public trust.
- To keep expectations realistic, it is important to understand that RGS is a governmental, joint powers authority evolving to meet changing local government needs. RGS has carefully constructed policies and procedures to allow maximum flexibility to meet your needs.

Agreement for Management and Administrative Services

This Agreement for Management Services (“Agreement”) is made and entered into as of the 5th day of February 2024, by and between the **TWAIN HARTE COMMUNITY SERVICES DISTRICT**, a municipal agency (“Agency”), and **Regional Government Services Authority** (RGS), a joint powers authority, (each individually a “Party” and, collectively, the “Parties”).

RECITALS

THIS AGREEMENT is entered into with reference to the following facts and circumstances:

- A. That Agency desires to engage RGS to render certain services to it;
- B. That RGS is a management and administrative services provider and is qualified to provide such services to the Agency; and
- C. That Agency has elected to engage the services of RGS upon the terms and conditions as hereinafter set forth.

TERMS AND CONDITIONS

Section 1. Services. The services to be performed by RGS under this Agreement shall include those services set forth in the attached **Exhibits**, which are incorporated by this reference herein and made a part hereof as though it were fully set forth herein.

Where in conflict, the terms of this Agreement supersede and prevail over any terms set forth in the **Exhibits**.

- 1.1 Standard of Performance.** RGS shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the types of services that RGS agrees to provide in the geographical area in which RGS operates.
- 1.2 Service Advisor.** To ensure quality and consistency for the services provided, RGS also assigns a service advisor to Agency. The service advisor is available to assigned RGS staff and to Agency management and will check in regularly with both to address program/project directives. Typically service advisor time is not billed to Agency, with some exceptions where significant programmatic direction is provided.
- 1.3 Reassignment of Personnel.** Assignment of personnel to provide the services described in the **Exhibits** is at the sole discretion of RGS. In the event that Agency or RGS, at any time during the term of this Agreement, desires the reassignment of personnel, Agency and RGS shall meet and discuss in good faith to address the issue of concern, including but not limited to reassigning such person or persons. For the avoidance of doubt, however, RGS retains sole control as to assignment of its personnel.
- 1.4 Time.** RGS shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance described above and to provide the services described in the **Exhibits**.

Section 2. Term of Agreement and Termination.

- 2.1** Services shall commence on or about the Effective Date, and this Agreement is anticipated to remain in force to December 31, 2024, at which time services may continue on a month-to-month basis until one party terminates the Agreement or if Section 3 contains a “not to exceed” amount, until RGS charges for services reach the not-to-exceed amount at which point the Agreement will automatically terminate unless amended. Services provided under the month-to-month provision are subject to current RGS staff rates in effect at the time of service. Once this Agreement has converted to a month-to month basis, it shall automatically terminate upon the ninety-first (91st) continuous day with no billable service hours. After the ninety-first (91st) day with no billable service hours, RGS shall provide Agency with written notice of the automatic termination of the Agreement.
- 2.2** This Agreement may be terminated by either Party, with or without cause, upon 30 days’ written notice. Agency has the sole discretion to determine if the services performed by RGS are satisfactory to the Agency which determination shall be made in good faith. If Agency determines that the services performed by RGS are not satisfactory and/or RGS has not resolved the performance issues to the satisfaction of the Agency, Agency may terminate this Agreement by giving written notice to RGS. Upon receipt of notice of termination by either Party, RGS shall cease performing duties on behalf of the Agency on the termination date specified and the compensation payable to RGS shall include only the period for which services have been performed by RGS.

Section 3. Compensation. Payment for services under this Agreement shall not exceed \$69,800 and shall be as provided in the **Exhibits**.

Section 4. Effective Date. This Agreement shall become effective on the date first herein above written.

Section 5. Relationship of Parties.

- 5.1** It is understood that the relationship of RGS to the Agency is that of an independent contractor and all persons working for or under the direction of RGS are its agents or employees and not agents or employees of Agency. The Agency and RGS shall, at all times, treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of the Agency. Agency shall have the right to control RGS employees only insofar as the results of RGS’ services rendered pursuant to this Agreement. In furtherance of this Section 5.1, the Parties agree as follows:
- 5.1.1** Agency shall not request from RGS or from an RGS employee providing services pursuant to this Agreement an RGS employee’s Social Security Number or other similar personally identifying information.
- 5.1.2** Agency shall not report an RGS employee to a third party as an employee of Agency. For the purposes of this Section 5.1, “third party” means another government agency, private company, or individual.

- 5.1.3** In the event that a third-party requests information about an RGS employee—including but not limited to personally identifying information, hours or locations worked, tasks performed, or compensation—Agency shall inform RGS of the request prior to responding. If Agency possesses such information about an RGS employee, the Parties shall confer in good faith about an appropriate and legally compliant response to the request.
- 5.2** RGS shall provide services under this Agreement through one or more employees of RGS qualified to perform services contracted for by Agency. The positions of RGS staff that will coordinate services to the Agency are indicated in the **Exhibits**. The Executive Director or assigned supervising RGS staff will consult with Agency on an as-needed basis to assure that the services to be performed are meeting Agency's objectives. At any time the RGS employee may be providing services to one or more RGS clients concurrent with the services being provided under this Agreement.
- 5.3** Agency shall not have the ability to direct how services are to be performed, specify the location where services are to be performed, or establish set hours or days for performance of services, except as set forth in the **Exhibits**. Agency confirms that RGS employees are not assuming and are not expected to assume any Agency staff position(s).
- 5.4** RGS employees may require access to Agency's computer systems and networks to complete the assigned services. RGS requires its employees to agree to appropriate system usage policies, which include a pledge not to use partner agency electronic equipment for anything other than partner agency work. (These policies can be provided to Agency upon request.)
- 5.5** Agency shall not have any right to discharge any employee of RGS from RGS employment.
- 5.6** The provisions of this Agreement are not intended to create, nor shall they in way be interpreted or construed to create a joint venture, partnership, or any other similar relationship between the parties.
- 5.7** RGS shall, at its sole expense, supply for its employees providing services to Agency pursuant to this Agreement any and all benefits, such as worker's compensation, disability insurance, vacation pay, sick pay, or retirement benefits; obtain and maintain all licenses and permits usual or necessary for performing the services; pay any and all taxes incurred as a result of the employee(s) compensation, including employment or other taxes; and provide Agency with proof of payment of taxes on demand.

Section 6. General Liability Coverage. RGS, pursuant to California Government Code Section 990, may satisfy its contractual liabilities with self-insurance and/or participate in a pooled risk purchasing program. RGS has and will continue to maintain a program of liability coverage against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by RGS and its agents, representatives, employees, and subcontractors.

6.1 Workers' Compensation Coverage.

6.1.1 General requirements. RGS shall, at its sole cost and expense, maintain Workers' Compensation coverage and Employer's Liability coverage with limits of not less than \$1,000,000.00 per occurrence.

6.1.2 Waiver of subrogation. The Workers' Compensation coverage shall be endorsed with or include a waiver of subrogation in favor of Agency for all work performed by RGS, its employees, agents, and subcontractors.

6.2 Commercial General, Automobile, and Professional Liability Coverages.

6.2.1 General requirements. RGS, at its own cost and expense, shall maintain commercial general and automobile liability coverage for the term of this Agreement in an amount not less than \$2,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. RGS shall additionally maintain commercial general liability coverage in an amount not less than \$2,000,000 aggregated for bodily injury, personal injury, and property damage.

6.2.2 Minimum scope of coverage. RGS coverage may not be written on ISO forms but will always provide coverage at least as broad as the latest version of the following: (A) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); and (B) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 001, code 1 (any auto).

6.3 Professional Liability Insurance. RGS, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability coverage for licensed professionals performing work pursuant to this Agreement in an amount not less than \$2,000,000 covering the licensed professionals' errors and omissions.

6.4 All Policies Requirements.

6.4.1 Coverage requirements. Each of the following shall be included in the coverage or added as an endorsement:

- a.** Agency and its officers, employees, and agents, shall be covered as additional covered parties with respect to RGS' general commercial, and automobile coverage for claims, demands, and causes of action arising out of or relating to RGS' performance of this Agreement and to the extent caused by RGS' negligent act, error, or omission.
- b.** An endorsement to RGS' general commercial and automobile coverages must state that coverage is primary with respect to Agency and its officers, officials, employees and agents.
- c.** All coverages shall be on an occurrence or an accident basis, and not on a claims-made basis.

- 6.4.2 Acceptability of coverage providers.** All coverages required by this section shall be acquired through providers with a Bests' rating of no less than A: VII or through sources that provide an equivalent level of reliability.
- 6.4.3 Verification of coverage.** Prior to beginning any work under this Agreement, RGS shall furnish Agency with notifications of coverage and with original endorsements effecting coverage required herein. The notifications and endorsements are to be signed by a person authorized to bind coverage on its behalf. Agency reserves the right to require complete, certified copies coverage at any time.
- 6.4.4 Subcontractors.** RGS shall include all subcontractors as insureds under its coverage or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 6.4.5 Variation.** During the term of this Agreement, RGS may change the insurance program in which it participates. RGS will provide reasonable notice of any such change to Agency and replacement copies of Certificates of Coverage and endorsements.
- 6.4.6 Deductibles and Self-Insured Retentions.** RGS shall disclose any self-insured retention if Agency so requests prior to performing services under this Agreement or within a reasonable period of time of a request by Agency during the term of this Agreement.
- 6.4.7 Maintenance of Coverages.** The coverages stated herein shall be maintained throughout the term of this Agreement and proof of coverage shall be available for inspection by Agency upon request.
- 6.4.8 Notice of Cancellation or Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, RGS shall provide written notice to Agency at RGS earliest possible opportunity and in no case later than five business days after RGS is notified of the change in coverage.

Section 7. Legal Requirements.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** RGS and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Reporting Requirements.** If there is a statutory or other legal requirement for RGS to report information to another government entity, RGS shall be responsible for complying with such requirements.

- 7.4 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, RGS and any subcontractors shall comply with all applicable rules and regulations to which Agency is bound by the terms of such fiscal assistance program.
- 7.5 Licenses and Permits.** RGS represents and warrants to Agency that RGS and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to provide the services contemplated by this Agreement. RGS represents and warrants to Agency that RGS and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.
- 7.6 Nondiscrimination and Equal Opportunity.** RGS shall not discriminate on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided under this Agreement. RGS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

Section 8. Keeping and Status of Records.

- 8.1 Records Created as Part of RGS' Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that RGS prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of Agency. RGS hereby agrees to deliver those documents to Agency upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for Agency and are not necessarily suitable for any future or other use.
- 8.2 Confidential Information.** RGS shall hold any confidential information received from Agency in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, RGS shall return materials which contain any confidential information to Agency. For purposes of this paragraph, confidential information is defined as all information disclosed to RGS which relates to Agency past, present, and future activities, as well as activities under this Agreement, which information is not otherwise of public record under California law. Agency shall notify RGS what information and documents are confidential and thus subject to this section 8.2.

8.3 RGS Books and Records. RGS shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Agency under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment under this Agreement.

8.4 Inspection and Audit of Records. Any records or documents that Section 8.3 of this Agreement requires RGS to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds \$10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency, for a period of three years after final payment under the Agreement.

Section 9. Non-assignment. This Agreement is not assignable either in whole or in part without the written consent of the other party.

Section 10. Amendments. This Agreement may be amended or modified only by written Agreement signed by both Parties.

Section 11. Validity. The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

Section 12. Disputes. Should any dispute arise out of this Agreement, Agency agrees that it shall only file a legal action against RGS, and shall not file any legal action against any of the public entities that are members of RGS.

Section 13. Venue/Attorneys' Fees. Any suit or action initiated by either party shall be brought in Alameda County, California. In the event of litigation between the Parties hereto to enforce any provision of the Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs of litigation.

Section 14. Mediation. Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement and each Party shall bear its own legal costs.

Section 15. Employment Offers to RGS Staff. Should Agency desire to offer permanent or temporary employment to an RGS employee who is either currently providing RGS services to Agency or has provided RGS services to Agency within the previous six months, said Agency will be charged a fee equal to the full-time cost of the RGS employee for one month, using the most recent RGS bill rate for the RGS employee's services to Agency. This fee is to recover RGS' expenses in recruiting the former and replacement RGS staff.

Section 16. Entire Agreement. This Agreement, including the **Exhibits**, comprises the entire Agreement.

Section 17. Indemnification.

17.1 RGS' indemnity obligations.

RGS shall indemnify, defend, and hold harmless Agency and its legislative body, boards and commissions, officers, and employees ("Indemnitees") from and against all claims, demands, and causes of action by third parties, including but not limited to reasonable attorneys' fees, arising out of RGS' performance of this Agreement, to the extent caused by RGS' negligent act, error, or omission. Nothing herein shall be interpreted as obligating RGS to indemnify Agency against its own negligence or willful misconduct.

Training disclaimer

Agency understands and acknowledges that RGS advisors may, as part of the scope of services under this Agreement, provide training on various matters including human resources, accounting, or management practices. The advice and guidance included in such training does not, and is not intended to, constitute legal advice; instead, all information, content, and materials provided are based on industry best practices, but may not be applicable in all situations. Agency staff should not act or refrain from acting on the basis of the information provided as part of a training without first seeking legal advice from counsel in its relevant jurisdiction and/or appropriate Agency approval. RGS' obligation to indemnify, defend, and hold harmless indemnities pursuant to this section 17.1 for professional errors and omissions shall not exceed \$500,000.

17.2 Agency's indemnity obligations. Agency shall indemnify, defend and hold harmless RGS and its officers, directors, employees and agents from any and all claims and lawsuits where such persons are named in the lawsuit solely because of a duty any of them performs in accordance with the services outlined in Exhibit B.

It is the intent of the parties here to define indemnity obligations that are related to or arise out of Agency's actions as a governmental entity. Thus, Agency shall be required to indemnify and defend only under circumstances where a cause of action is stated against RGS, its employees or agents:

- a. which is unrelated to the skill they have used in the performance of the duties delegated to them under this Agreement;
- b. when the allegations in such cause of action do not suggest the active fraud or other misconduct of RGS, its employees, or agents; or
- c. where an Agency employee, if he had been acting in a like capacity, otherwise would be acting within the scope of that employment.

Whenever Agency owes a duty hereunder to indemnify RGS, its employees or agents, Agency further agrees to pay RGS a reasonable fee for all time spent by any RGS employee, or spent by any person who has performed work pursuant to this Agreement, for the purpose of preparing for or testifying in any suit, action,

or legal proceeding in connection with the services the assigned employee has provided under this Agreement.

17.3 Obligations and indemnity related to defined benefit retirement plan participation.

- a. RGS and Agency acknowledge and agree that, if Agency participates in a defined benefit plan (such as CalPERS, a pension plan, or Social Security) ("Retirement Program"), it is possible that the Retirement Program may find that RGS employees providing services pursuant to this Agreement are employees of Agency and should be registered with the Retirement Program as employees of Agency, which possibility is the same as if Agency were contracting with a private consulting firm. Pursuant to Section 5.1 of this Agreement, Agency has an obligation to treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of Agency. Agency agrees not to ask RGS employees for personally identifying information.
- b. In the event that the Agency's Retirement Program initiates an inquiry that includes examination of whether individuals providing services under this Agreement to Agency are Agency's employees, Agency shall inform RGS within five business days and share all communications and documents from the Retirement Program that it may legally share. In the event that either RGS or Agency files an appeal or court challenge, RGS and Agency each agree to cooperate with each other in responding to the inquiry and any subsequent administrative appeal or court challenge of an adverse determination. Notwithstanding Section 17.1 of this Agreement, RGS and Agency shall each bear their own costs in responding to an inquiry by a Retirement Program, including but not limited to costs of an administrative appeal or court challenge.
- c. In the event that any RGS employee or subconsultant providing services under this Agreement is determined by a court of competent jurisdiction or the Agency's Retirement Program to be eligible for enrollment in the Retirement Program as an employee of the Agency, to the fullest extent of the law, Agency shall indemnify, defend, and hold harmless RGS for any Retirement Program contribution payment that Agency is required as a result to make to the Retirement Program as well as for the payment of any penalties and interest on such payments, if any.

Section 18. Notices. All notices required by this Agreement shall be given to Agency and RGS in writing, by first class mail, postage prepaid, or by email transmission addressed as follows:

Agency: Twain Harte Community Services District
22912 Vantage Point Dr.
Twain Harte, CA 95383

RGS: Regional Government Services Authority
P. O. Box 1350
Carmel Valley, CA 93924
Email: contracts@rgs.ca.gov

Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00p.m. on a regular business day or else on the next business day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized on their behalf.

DATED: _____

Agency

By: _____

Tom Trott, P.E. General Manager
E: ttrott@twainhartecsd.com

DATED: 2/6/2024

Regional Government Services Authority

By: _____

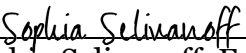
DocuSigned by:

Sophia Selivanoff, Executive Director

Exhibit A

Compensation.

1. **Fees.** Agency agrees to pay to RGS the hourly rates set forth in the tables below for each RGS employee providing services to Agency, which are based in part on RGS' full cost of compensation and support for the RGS employee(s) providing the services herein described.

RGS and Agency acknowledge and agree that compensation paid by Agency to RGS under this Agreement is based upon RGS' costs of providing the services required hereunder. The Parties further agree adjustments to the hourly bill rate shown below for "RGS Staff" will be made on July 1 of each year, when RGS' hourly bill rates will be adjusted by the percentage change in the Consumer Price Index (Bureau of Labor Statistics, CPI for urban wage earners and clerical workers in the San Francisco-Oakland-San Jose area) ("CPI") for the twelve months through the end of December of the prior year. Irrespective of the movement of the CPI, RGS will not adjust its hourly rates downward; nor will RGS adjust its hourly rates upward in excess of a five percentage (5%) change, excepting instances where there was no increase in the prior year's hourly rates. In that event, RGS will adjust its hourly rates by the full percentage change in the CPI for the twelve months through the end of December of the prior year.

2. **Reimbursement of RGS' Direct Costs.** Agency shall reimburse RGS for direct external costs. Direct external costs, including such expenses as travel or other costs incurred for the exclusive benefit of the Agency are not included in the hourly bill rate and, will be invoiced to Agency when received and without mark-up. These external costs will be due upon receipt.
3. **Terms of Payment.** RGS shall submit invoices monthly for the prior month's services. Invoices shall be sent approximately 10 days after the end of the month for which services were performed and are due and shall be delinquent if not paid within 30 days of receipt. Delinquent payments will be subject to a late payment carrying charge computed at a periodic rate of one-half of one percent per month, which is an annual percentage rate of six percent, which will be applied to any unpaid balance owed commencing 7 days after the payment due date. Additionally, in the event the Agency fails to pay any undisputed amounts due to RGS within 15 days after payment due date, then Agency agrees that RGS shall have the right to consider said default a total breach of this Agreement and the duties of RGS under this Agreement may be terminated by RGS upon 5 working days' advance written notice.

Payment Process/Address. RGS prefers invoices be paid electronically.

RGS will reach out to your invoicing contact to establish and provide electronic payment instructions.

However, should you have questions or need other payment options, please contact:

Lindsay Rice, RGSA Accounting Manager
(650) 587-7300X12 | lrice@rgs.ca.gov

[EXHIBIT A CONTINUES ON FOLLOWING PAGE]

AGENCY CONTACTS

Agency Billing Contact. Invoices are sent electronically only. Please provide the contact person to whom invoices should be sent:

NAME	EMAIL
Tom Trott, P.E. General Manager	ttrott@twainhartecsd.com

Agency Insurance Contact. Please provide the contact person to whom the certificate of coverage should be sent:

NAME	EMAIL
Tom Trott, P.E. General Manager	ttrott@twainhartecsd.com

RGS STAFF RATES

TITLE	HOURLY RATE*
Strategic Services Consultant	\$176
Senior Advisor	\$150
Advisor	\$128
Technical Specialist	\$114
Administrative Specialist	\$102

**The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup and will fall outside of the not-to-exceed (if established) for services provided.*

Exhibit B

Scope of Services. Subject to the terms and conditions of this Agreement, RGS shall assign RGS employee(s) to serve as Advisors to the Twain Harte Community Service District, hereafter “Agency.” RGS services are not duplicated by Agency employees and are not intended to be performed by Agency employees but are wholly outsourced to RGS. This work may be done onsite or remotely.

- 1) RGS will provide a range of Finance services to support the Agency’s mission.
- 2) A team of RGS employees will also deliver finance services when requested by the Agency, which will reflect best management practices appropriate for a Special District. Services may include but are not limited to:
 - a) Budget Input, including adjustments into Tyler Incode.
 - b) Quality Control for accounting and financial functions including by limited to:
 - i) Facilitating cost allocation to appropriate funds.
 - ii) Reviewing expenditures per the chart accounts for accuracy and assuring success of corrective measures to the system of record
 - c) Recommend banking reconciliation to the General Manager.
 - d) Facilitate year end closing activities.
 - e) Review of payroll accruals
 - f) Annual Audit Project management and communication with the Independent Auditor
- 3) Additionally, RGS will provide Senior Management level financial consulting and financial analysis on any matter requested by the District.
- 4) RGS Advisors will be reasonably available to perform the services during the normal work week.
- 5) RGS Team members will maintain open communication lines with each other and Agency staff through written documentation, video conference calls, phone, and e-mail as needed to accomplish agreed-upon projects.
- 6) The Agency will only be invoiced for the actual hours worked. The work will be done remotely or onsite. RGS Advisors may occasionally work at City worksites with the pre-approval of the RGS Lead Advisor.
- 7) External costs, such as postage, courier services, or other tracked hard copy delivery confirmation services will be invoiced at cost to the Agency with no markup. All such costs will fall outside the not-to-exceed for services provided.
- 8) Projects and activities may be modified on request of the Agency.
- 9) The RGS team assigned will be led by a Lead Advisor, who will both perform work and direct projects to other RGS staff as needed. RGS staff, with equal or lower bill rates, will be assigned to projects or tasks at Lead Advisor’s discretion.

Certificate Of Completion

Envelope Id: 3E73F2955C4B484983EA1E5B6DE0721C	Status: Delivered
Subject: Complete with DocuSign: 2024-02-05 Twin Hart CSD (Fin Srvs).pdf	
Source Envelope:	
Document Pages: 14	Signatures: 1
Certificate Pages: 1	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Anna Marie Will
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	P.O. Box 1350
	Carmel Valley, CA 93924
	awill@rgs.ca.gov
	IP Address: 98.36.172.24

Record Tracking

Status: Original	Holder: Anna Marie Will	Location: DocuSign
2/5/2024 7:30:15 PM	awill@rgs.ca.gov	

Signer Events	Signature	Timestamp
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Sophia Selivanoff	<div>DocuSigned by:</div> <div>Sophia Selivanoff</div> <div>3825EF3025FC4BC...</div>	Sent: 2/5/2024 7:32:25 PM
sselivanoff@rgs.ca.gov		Viewed: 2/6/2024 7:09:25 AM
Executive Director		Signed: 2/6/2024 7:09:40 AM
Security Level: Email, Account Authentication (None)	Signature Adoption: Pre-selected Style	
	Using IP Address: 107.209.21.61	

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Tom Trott, P.E. THCSD General Manager	Sent: 2/5/2024 7:32:25 PM
ttrott@twainhartecsd.com	Resent: 2/5/2024 7:33:23 PM
General Manager	Viewed: 2/6/2024 9:50:35 AM

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Updated	Security Checked	2/5/2024 7:33:22 PM
Certified Delivered	Security Checked	2/6/2024 9:50:35 AM

Payment Events	Status	Timestamps
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**REGIONAL
GOVERNMENT
SERVICES**

SERVING PUBLIC AGENCIES SINCE 2002

Our mission is to provide quality, innovative, cost-effective services to public agencies.



Regional Government Services (RGS) is a Joint Powers Authority that began serving cities, special districts, counties, and other governmental entities in 2002. We work with public agencies, providing a ready source of consultative expertise and project delivery to meet the needs of our partner agencies in a broad range of service areas.

RGS offers expertise in human resources, communications, planning, finance, and employee benefits administration as well as project management and support services at all levels. We also offer a complete suite of training services for employees and management teams including team building retreats and strategic planning sessions.

Our team of Senior Advisors, supported by over 100 team members, has worked with more than 300 agencies throughout the state (and other states) from small municipalities to large metropolitan planning organizations. We don't have clients; we have partners who benefit from our low-cost delivery model and open source access to tools created to improve internal efficiencies and the delivery of services to the public.

We are evolving as our partners' needs are growing, offering more advisors for existing services and new services and solutions to agencies facing increasingly obligated revenues and increasing demands. We exist for one purpose: to help our partners succeed.

CURRENT MEMBER AGENCIES

Citrus Heights Water District
City of Dublin
City of Larkspur
City of Napa
City of Soledad
City of Walnut Creek
Town of Yountville

BOARD OF DIRECTORS

Hilary Straus
General Manager

Dan Buckshi
City Manager

Linda Smith
City Manager

Brent Slama
Interim City Manager

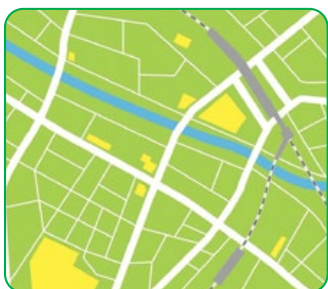
Liz Habkirk
Deputy City Manager

Steve Rogers
Town Manager

Dan Schwarz
City Manager

HUMAN RESOURCES SERVICES

RGS provides a complete array of human resource (HR) management services to partner agencies, from strategic resources and policy planning, to operational and transactional activities such as recruitment, classification and compensation analysis (including FLSA compliance), benefits administration, employee relations case management, workplace investigations and disability management services. Our HR partnerships begin with a complete assessment of current operations, identifying critical needs and organizational priorities. Ongoing services and projects focus on developing and implementing effective administrative systems and HR best practices; and supporting agency managers' use of these practices to obtain outstanding staff performance, achieve compliance and meet organizational goals.



LOCAL LAND USE PLANNING SERVICES

The RGS Planning team offers a wide range of land use planning services to support public agencies in managing fluctuating workloads; preparing and processing General Plan elements, updates and amendments; Local Coastal Programs and Plans; Specific Plans, municipal code revisions to improve zoning and subdivision regulations; and the processing of commercial, industrial, residential, and mixed-use urban development projects through a variety of regulatory agencies and procedures. Our experience encompasses the preparation of complex reports and studies on such issues as growth management, coastal development, design review, and development policy evaluation. We can also assist agencies with the preparation of CEQA documents and related technical studies, plan checking for regulatory compliance and mitigation monitoring.

PROJECT MANAGEMENT & WORKLOAD SUPPORT

RGS provides both short- and long-term solutions at all levels. Our team provides skilled, experienced personnel to assess and strengthen organizational infrastructure, support organizational transitions, ensure project deliverables and outcomes are achieved, and mentor and coach staff as needed. In addition to services detailed in this brochure, additional areas of expertise include:

- **Risk Management Assessment and Program Development**
- **Workplace Safety Assessment and Program Development**
- **Procurement Programs**
- **CIP Program Coordination and Project Services**
- **Elections Process Coordination**
- **Public Records Act and Records Management**
- **Public Safety Administration Assessment and Program Development**



EMERGENCY MANAGEMENT SERVICES

RGS provides comprehensive emergency and disaster management program support to local government agencies. The RGS team has developed and implemented a broad range of emergency management programs, projects, and services for cities, counties, and special districts throughout California. The RGS team has experience in all phases of emergency management, including preparedness, response, cost recovery, and mitigation. We have in-depth knowledge of local emergency management programs and systems specific to emergency operations center (EOC) functionality and development, EOC training & exercising, response system functions, FEMA compliant records & claims management, and overall emergency management program design and effectiveness.

COMMUNICATIONS & ENGAGEMENT

RGS offers communications and engagement services to help meet objectives and improve outcomes. We have developed and implemented a broad range of planning/communications plans and specialize in helping public agencies use data, studies, and innovative research/engagement tools to communicate complex information to a wide variety of audiences. Whether it is gaining support for a capital improvement project or ongoing outreach, our experts are here to help. RGS provides the value-added synergies across multiple disciplines needed to deliver work products infused with not only subject matter expertise, but also adapted for each agency's work culture for ease of implementation with limited staffing and budget.



EMPLOYEE BENEFITS PROGRAMS

The RGS team has established and cooperatively maintains benefit programs with and for public agencies. We have created and facilitated pools with other agencies to share costs or gain cost efficiencies to provide greater employee value for medical, dental, 401(a) and 457(b) plans. For more details, visit our Pooled Programs website page: www.rgsca.gov/services/pooled-programs/



GOVERNMENT FINANCE

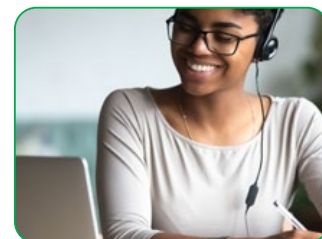
RGS provides comprehensive financial consulting services to partner agencies, delivering director-level strategic and policy planning, as well as operational analysis, and project delivery. Our finance partnerships begin with a complete assessment of current operations, identifying critical compliance issues and organizational priorities. RGS can also provide ongoing services that include the development and implementation of an array of administrative systems, support and staff development to achieve compliance and meet organizational goals.



TRAINING AND TEAM BUILDING PROGRAMS

RGS is a resource for a range of staff development services, specializing in supervisory and management skill-building academies, management coaching and team building retreats. Programs include:

- **Supervisor/Manager Training Academy**
- **Lead/Sr. Worker Training Academy**
- **Board/Council Retreats and Team Building**
- **Employee Team Building**
- **Customized Individual Executive Coaching**



NEOGOV SUPPORT SERVICES

RGS provides a suite of support services to make implementing and using NEOGOV software seamless. Our experienced professionals can set your team up for success, allowing them to focus on their core duties. Whether it is high-level guidance for implementation, full project management or hands-on-deck maintenance support, we have an array of offerings and personnel to suit your organization's current

needs. RGS also trains all levels of users, including empowering your team members to become your go-to NEOGOV trainers.





PARTNER WITH RGS!

Contact us today to learn more about our services and partnership opportunities at 844.587.7300



STRATEGIC PLANNING SERVICES

RGS supports cities, metropolitan planning organizations, special districts and other local governments in their efforts to create sustainable communities. Our consultants have direct experience resolving the unique challenges inherent in delivering consistent, high quality services in a cost-effective manner. RGS consultants also have experience incorporating considerations for establishing an economic base that supports local jobs and revenue generation. Strategic Plans help agencies prioritize their efforts, allocating both fiscal and human resources to achieve their mission, vision and goals. A Strategic Plan can build on past efforts and position agencies for future success; enabling all departments to have a clear understanding of their role in addressing short-term challenges and long-term needs. RGS offers a complete range of strategic planning options from those with community-wide involvement to more scaled down options for elected and/or appointed officials and staff. Our programs can also be adapted to include implementation plans for individual departments.

ECONOMIC DEVELOPMENT

The RGS Economic Development Team provides a broad range of economic development services for cities, counties, universities and special districts throughout the West. The RGS Team has extensive experience in all aspects of economic development focused on setting the stage for business and revenue growth, enhancing community development priorities, strategic planning, scenario analysis, coordination and implementation.

The RGS Economic Development Team leverages modern data analytic tools to deliver meaningful insights for its client agency decision-makers. Our focus is advising clients on opportunities to initiate or enhance business and revenues, increase community vitality, strengthen local and regional economies, and set the stage for equitable and inclusive expansion. The RGS team is particularly attuned to the current challenges facing our communities including COVID and disaster recovery planning and implementation. As a full-service agency, RGS is also well positioned to provide comprehensive program implementation for select clients.

FOR INQUIRIES

Chris Paxton
Client Service Requests
650.587.7300 x38
cpaxton@rgs.ca.gov

MANAGEMENT TEAM

Richard Averett
Executive Director/CFO
831.308.1508
raverett@rgs.ca.gov

Sophia Selivanoff
Deputy Executive Director
Client Services
650.587.7315
sselivanoff@rgs.ca.gov



Regional Government Services (RGS) provides comprehensive finance management support to local government agencies. Public agencies, whether having a handful or dozens of administrative staff, often do not have enough financial planning and accounting resources to get everything done. There is just too much work, with budget development and tracking, audit, capital projects and on-going transactions consuming already strained resources. RGS provides professional-level to executive-level financial experience for day-to-day operations and long-range planning, as well as just the right amount of up-to-date financial technical experience to suit your agency's needs. Partnering with RGS for overall financial management services provides agencies with access to the sound strategic guidance and leadership needed in this critical area, along with experienced staff to perform daily operations – all without incurring the on-going costs required for additional in-house finance positions.

The RGS team has developed and implemented a broad range of programs, projects, and services for cities, counties, special districts, and Joint Powers Authorities throughout California. The RGS team has extensive experience in all aspects of public-sector financial management and accounting, including system-wide financial assessment program services; RDA successor issues, GASB reporting implementations, ERP implementation and development and implementation of legally-compliant and effective financial policies and procedures. RGS specializes in providing professional support for small to mid-sized agencies, serving as the finance management team or supplementing the agency's finance and accounting resources.

Our areas of expertise include:

- **Services that can be scoped and tailored to an agency's specific needs and priorities.**
- **Short-term assignments to provide capacity and expertise to finance departments in transition.**
- **Long-term support and outsourcing of operational functions (e.g. accounts payable, payroll).**
- **Finance department operational assessments.**
- **Internal control review to assess compliance with State Controller's Office requirements of agency management to maintain a controlled environment that averts fraud, losses and material financial reporting errors.**
- **Finance system analysis and needs assessments.**
- **Project management for operational initiatives and/or systems implementation.**
- **Full-service assessment of finance policies, procedures, practices, and compliance with ordinances, codes, GASB, and other guidelines.**
- **Fiscal policy development and implementation (e.g., long-term planning, resource allocation).**



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	06C	ITEM TYPE:	<input type="checkbox"/> Discussion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Both
SUBJECT:	Discussion regarding General Manager salary and duties.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

None.

SUMMARY:

This item has been placed on the Board's agenda at the request of Director Sipperley. The purpose of the item is to allow follow-up discussion on last month's Board action to appoint the General Manager position as the District Treasurer, including the additional duties and time that this change will require.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

None.



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	06D	ITEM TYPE:	<input type="checkbox"/> Discussion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Both
SUBJECT:	Discussion/action regarding semi-Annual Review of the District's Strategic Plan.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

None. The Board may propose changes to the Strategic Plan based on review/discussion.

SUMMARY:

In 2021, as a result of an annual Board self-evaluation, the Board determined that the Strategic Plan should be reviewed semi-annually, at a minimum. The purpose of these reviews is to maintain familiarity with the plan's strategic goals and objectives, determine whether the strategic goals and objectives continue to capture the District's top priorities, and assess progress.

A progress report is provided in July of each year, capturing the progress made during the previous fiscal year. There is no report provided with this review. Instead, Board members are to review the Strategic Plan to maintain familiarity and discuss the following questions:

1. Are the five strategic goals still the top five priorities for the District?
2. Are the objectives for each goal still relevant?
3. Should any objectives be added to the strategic goals or modified based on new events, circumstances or knowledge?
4. Are there goals or objectives that should be given greater priority?

FINANCIAL IMPACT:

None.

ATTACHMENTS:

- 2019 Strategic Plan

Twain Harte Community Services District



STRATEGIC PLAN

Adopted:
November 13, 2019

Table of Contents

1.0 Introduction	1
Purpose.....	1
History	1
Services	1
2.0 Mission, Vision, Values	3
Mission	3
Vision	3
Values	3
3.0 Goals & Objectives	4
4.0 Plan Review, Revisions & Reporting	8
APPENDIX A: Progress Reports	1

Plan Revisions

Date	Description of Change
7/12/22	Remove Goal 1.15 to fix or replace old park bathrooms - table for next Strategic Plan update. Instead place focus on adding new bathrooms in Twain Harte Meadows Park.
7/12/22	After discovering options for offering ALS medical services is cost-prohibitive, change Goal 2.16 from ALS to EMT II.
7/12/22	Modify Goal 3.3 to explore options for improving the Community Center instead of simply improving the Community Center. This allows for a greater focus on developing Twain Harte Meadows Park.
7/12/22	Modify Goal 4.1 to develop and hold regular community outreach meetings, instead of an annual open house or community event.



1.0 Introduction

Purpose

This Strategic Plan (Plan) exists to empower the Twain Harte Community Services District (District) to accomplish its mission by providing vision and specific objectives for the next five years.

The Plan was formed in 2019 by the District's Board of Directors and staff with the understanding that it is a living document that will be reviewed regularly and revised as needed to better serve the District and the Twain Harte community. The Plan was purposefully fashioned as a succinct, workable document so that it can be easily used to:

- Measure District success
- Generate focused work plans
- Adopt comprehensive, goal-oriented budgets
- Communicate District values and direction to the community

History

The Twain Harte Community Services District was formed on August 1, 1996, to provide water, sewer, park and recreation, fire protection, and hydroelectric services to the Twain Harte community. Its formation resulted in the consolidation of three districts whose service to the community dates as far back as 1935 – Twain Harte Fire Protection District, Tuolumne County Water District No. 1 and Twain Harte Recreation and Park District.



Services

The District currently provides services to 1,583 customers made up of 1,485 residential customers, 87 commercial customers and 11 public entities. It is governed by an elected

five-member Board of Directors and is operated by a twelve member staff. The District's annual revenue is approximately \$4 million, comprised of water/sewer rates and charges, property taxes and special assessments.

The District's services are generally described as follows:

- **Water:** The District provides treated water to all of its customers. Raw water stored in Lyons Reservoir is transported to the District via an open ditch system and is purchased from the Tuolumne Utilities District. The water is treated at the District's



water treatment plant (one million gallons per day capacity), pumped through two pump stations, distributed through approximately 29 miles of pipeline and stored in six storage tanks (totaling 2.5 million gallons of storage). The District also owns and operates three groundwater wells to provide water supply reliability and Shadybrook Reservoir, which serves as an emergency water supply source.

- **Sewer:** The District owns and operates a wastewater collection system consisting of approximately 19 miles of sewer mains. All wastewater collected by the District is conveyed to Tuolumne Utilities District for treatment. The Sherwood Forest subdivision is the only area within the District that utilizes individual septic systems to treat wastewater.

- **Fire Protection:** The District provides fire protection and rescue services to the District and the greater Twain Harte area through mutual aid contracts with nearby cooperating fire agencies. With full-time staffing, three engines and a centrally located fire station, the District is able to provide emergency response in less than five minutes.



- **Park and Recreation:** The District operates and maintains several facilities to serve the communities' recreation needs – tennis courts, baseball field, bocce courts, skateboard park, playground, outdoor stage, walking trail and Community Center building.



- **Hydroelectric:** The District owns a 27-kilowatt hydroelectric generator located at Shadybrook Reservoir. The generator is not currently used due to lack of water.

2.0 Mission, Vision, Values

Mission

To provide quality and efficient services to our community in a professional, reliable and fiscally responsible manner.

Vision

To lead the way in providing services that protect and enhance our community's quality of life.



Values

We value and strive for excellence in:

Quality of Life

Customer Service & Relationships

Professional, Proactive & Innovative Leadership

A Safe & Positive Work Environment

Integrity & Transparency

Fiscal Responsibility

Reliability & Sustainability

Asset & Resource Management

Community Engagement

Collaborative Relationships

Continual Improvement

3.0 Goals & Objectives

Building on its mission, vision and values, the District identified five strategic focus areas:

1. Infrastructure Optimization
2. Emergency Preparedness
3. Expanded Park Facilities
4. Community Engagement
5. Organizational Sustainability

1. INFRASTRUCTURE OPTIMIZATION	
GOAL	
<i>Prioritize and replace deteriorated infrastructure and enhance existing infrastructure to improve system and operational efficiency.</i>	
OBJECTIVES	
<input type="checkbox"/> 1.1	Conduct a hydraulic assessment of the water system to analyze fire flow, water loss and potential for operational efficiencies.
<input type="checkbox"/> 1.2	Utilize water system hydraulic assessment to prioritize and complete capital projects.
<input type="checkbox"/> 1.3	Identify sources of water loss and prioritize projects to reduce water loss below 10%.
<input type="checkbox"/> 1.4	Complete Well 3
<input type="checkbox"/> 1.5	Replace water lines in Sherwood Forest
<input type="checkbox"/> 1.6	Conduct a sewer system condition assessment with CCTV to identify degradation and sources of inflow and infiltration (I&I).
<input type="checkbox"/> 1.7	Conduct a sewer system hydraulic assessment.
<input type="checkbox"/> 1.8	Utilize sewer system condition and hydraulic assessments to prioritize and complete capital projects.
<input type="checkbox"/> 1.9	Improve accuracy of asset information in water and sewer GIS database.
<input type="checkbox"/> 1.10	Upgrade SCADA system to monitor and control all critical water and sewer facilities.
<input type="checkbox"/> 1.11	Develop and implement a water/sewer maintenance program for valve turning, sewer cleaning, and manhole inspection to attain an annual goal of 25% of the system.
<input type="checkbox"/> 1.12	Develop and implement a plan for regular hydrant testing.
<input type="checkbox"/> 1.13	Enhance work order system for better tracking and querying of maintenance, breaks and repairs.

<input type="checkbox"/> 1.14	Explore options to expand fire station living facilities.
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2. EMERGENCY PREPAREDNESS

GOAL

Prepare staff, community and infrastructure for wildfire and other events that threaten our community and services.

OBJECTIVES

<input type="checkbox"/> 2.1	Add generators at critical facilities.
<input type="checkbox"/> 2.2	Harden all critical facilities and establish 100 feet of defensible space.
<input type="checkbox"/> 2.3	Evaluate cyber security and make any necessary improvements.
<input type="checkbox"/> 2.4	Install compatible radio systems in all vehicles to improve inter-department emergency communications.
<input type="checkbox"/> 2.5	Collaborate with cooperative agencies to perform vegetation management along major roads.
<input type="checkbox"/> 2.6	Explore and implement new ways to encourage/assist with local fuels management.
<input type="checkbox"/> 2.7	Work with community to promote and establish Fire Wise Communities.
<input type="checkbox"/> 2.8	Improve the emergency alert horn system.
<input type="checkbox"/> 2.9	Develop multiple methods of direct communications with customers.
<input type="checkbox"/> 2.10	Work with CERT to continue and expand community emergency trainings.
<input type="checkbox"/> 2.11	Identify potential high risk emergency incidents, develop response procedures and perform inter-department tabletop training exercises.
<input type="checkbox"/> 2.12	Conduct a public outreach campaign to encourage installation of 2-way cleanouts and reduce common sources of sewer system blockages.
<input type="checkbox"/> 2.13	Improve and expand fire training facility and equipment.
<input type="checkbox"/> 2.14	Promote and conduct trainings with local cooperator agencies.
<input type="checkbox"/> 2.15	Establish a communitywide AED program, including install of AEDs.
<input type="checkbox"/> 2.16	Explore options to expand emergency medical services to include EMT II certified staff.
<input type="checkbox"/> 2.17	Obtain funding for a firefighter rehab vehicle.
<input type="checkbox"/> 2.18	Procure water and sewer emergency response trailers.
<input type="checkbox"/> 2.19	Procure and install a WiFi cradle point to enable District internet access during power outages and other emergencies.

3. EXPANDED PARK FACILITIES

GOAL

Build Twain Harte Meadows Park and identify recreational opportunities to improve quality of life in Twain Harte.

OBJECTIVES

<input type="checkbox"/> 3.1	Obtain funding for Twain Harte Meadows Park.
<input type="checkbox"/> 3.2	Complete construction of Twain Harte Meadows Park.
<input type="checkbox"/> 3.3	Explore options to improve the Community Center bathrooms, kitchen, parking lot and internet capabilities.
<input type="checkbox"/> 3.4	Explore developing recreational programs to promote community health and relationships.
<input type="checkbox"/> 3.5	Recruit local partners to offer community recreation programs.
<input type="checkbox"/> 3.6	Advertise park rental opportunities and improve ease of rental process.
<input type="checkbox"/> 3.7	Develop an easy method for collecting continual resident input on park facilities.

4. COMMUNITY ENGAGEMENT

GOAL

Promote community engagement through active education, promotion of District activities and sensitivity to community needs.

OBJECTIVES

<input type="checkbox"/> 4.1	Develop and hold regular community outreach events.
<input type="checkbox"/> 4.2	Participate in local parades and community events.
<input type="checkbox"/> 4.3	Conduct four community tours and/or educational programs each year.
<input type="checkbox"/> 4.4	Develop video outreach program to educate public about projects, staff and other District activities.
<input type="checkbox"/> 4.5	Increase social media, website articles and mailers to educate customers and promote District activities and respond to community questions.
<input type="checkbox"/> 4.6	Improve outreach to local students.
<input type="checkbox"/> 4.7	Expand website to include ordinances, key policies and FAQ's.
<input type="checkbox"/> 4.8	Implement paperless billing and conduct outreach on billing and payment options.
<input type="checkbox"/> 4.9	Conduct regular outreach to identify community needs and explore options to meet said needs.

<input type="checkbox"/> 4.10	Obtain a District of Distinction certificate from Special District Leadership Foundation.
<input type="checkbox"/> 4.11	Conduct an outreach campaign in Sherwood Forest to educate regarding water quality and septic systems and explore the potential of converting septic systems to sewer.

5. ORGANIZATIONAL SUSTAINABILITY

GOAL

Establish organizational structures, staffing models, and procedures that support long term District health.

OBJECTIVES

<input type="checkbox"/> 5.1	Conduct an evaluation of organizational needs, staffing model and outsourced services for improved efficiency and sustainability. Implement any necessary changes.
<input type="checkbox"/> 5.2	Improve management depth and redundancy through recruitment and training.
<input type="checkbox"/> 5.3	Explore options to create a full-time engineer position on each fire shift.
<input type="checkbox"/> 5.4	Hire water/sewer/park summer staffing to assist with annual maintenance activities.
<input type="checkbox"/> 5.5	Establish an improved District-wide health and safety program.
<input type="checkbox"/> 5.6	Conduct District-wide staff meeting and trainings to improve inter-department coordination and efficiency.
<input type="checkbox"/> 5.7	Develop operating procedures for administrative functions.
<input type="checkbox"/> 5.8	Organize Standard Operating Procedures (SOP) for all departments into a single manual.
<input type="checkbox"/> 5.9	Identify gaps in SOPs and develop procedures to address gaps.
<input type="checkbox"/> 5.10	Develop a central paper filing and records management system.
<input type="checkbox"/> 5.11	Convert electronic filing system to closely match paper filing system.
<input type="checkbox"/> 5.12	Store all divisions' electronic files on the central server.
<input type="checkbox"/> 5.13	Review all policies and update.
<input type="checkbox"/> 5.14	Review and update all ordinances.
<input type="checkbox"/> 5.15	Codify and digitize all ordinances.
<input type="checkbox"/> 5.16	Review and update Water and Sewer Standards and Specifications.

<input type="checkbox"/> 5.17	Develop/adopt CEQA guidelines to streamline capital projects.
<input type="checkbox"/> 5.18	Develop a central, easily accessible source for common employee documents and information.
<input type="checkbox"/> 5.19	Improve remote server access for employees.
<input type="checkbox"/> 5.20	Explore cooperation with other agencies to provide more efficient or quality services.
<input type="checkbox"/> 5.21	Perform a water and sewer rate study in 2021 and implement any recommended rate changes.
<input type="checkbox"/> 5.22	Obtain special district representation on Tuolumne County Local Agency Formation Commission (LAFCO).
<input type="checkbox"/> 5.23	Evaluate new technology and applications to improve efficiency.

4.0 Plan Review, Revisions & Reporting

The District will review this Plan at least once annually to ensure that the Plan continues to be accurate and best serve the needs of the District. Plan revisions may be made at any time. All revisions must be approved by the Board of Directors. A record of revisions will be kept on the Table of Contents page.

At the end of each fiscal year, the General Manager will prepare a brief report for the Board of Directors summarizing the progress that has been made toward attaining the District's goals and objectives. Reports will be included in the Appendix of this Plan.

APPENDIX A: Progress Reports

A brief description of the District's annual accomplishments is listed below each objective.

APPENDIX A: Progress Reports

A brief description of the District's annual accomplishments is listed below each objective.

1. INFRASTRUCTURE OPTIMIZATION	
GOAL	
<i>Prioritize and replace deteriorated infrastructure and enhance existing infrastructure to improve system and operational efficiency.</i>	
OBJECTIVES	
<input checked="" type="checkbox"/> 1.1	Conduct a hydraulic assessment of the water system to analyze fire flow, water loss and potential for operational efficiencies.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Completed water system mapping revisions to ensure accurate hydraulic assessment. Initiated hydraulic assessment. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Completed system hydraulic modeling, identified fire flow deficiencies and developed a feasible way to eliminate the deteriorating Laurel Pump Station and Cedar Pines Tank while improving operations. Completed a condition assessment of the Water Treatment Plant and identified deficiencies and prioritize capital projects.
<input checked="" type="checkbox"/> 1.2	Utilize water system hydraulic assessment to prioritize and complete capital projects.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Obtained a \$499,000 grant to improve the hydraulic model, perform a condition assessment on the entire water system, and develop/prioritize capital projects that address the critical issues. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Refined hydraulic assessment on the entire water system and identified/prioritized capital projects that address the critical issues. Initiated design of the highest priority project.
<input checked="" type="checkbox"/> 1.3	Identify sources of water loss and prioritize projects to reduce water loss below 10%.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Identified and repaired a major ongoing leak, reducing water loss by approximately 5-10%. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Obtained a \$499,000 grant to identify locations and causes of water

	<p>loss and develop/prioritize capital projects to reduce water loss.</p> <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • Performed a water audit, water loss analysis and leak detection survey and identified large majority of water loss is due to excessive water line breaks due to deteriorating lines and high pressures. • Performed a risk assessment of all water facilities to prioritize capital replacement projects that will significantly reduce water line breaks and water loss.
<input checked="" type="checkbox"/> 1.4	Complete Well 3
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> • Completed Well 3 and put into service.
<input checked="" type="checkbox"/> 1.5	Replace water lines in Sherwood Forest
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> • Obtained a \$499,000 grant that will assess the condition of Sherwood Forest water lines (along with the rest of the system) and initiate design of replacement if it is found to be a significant priority. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • Initiated grant-funded design for a complete replacement and upgrade of Sherwood Forest water lines. Design will be used to apply for a construction grant in FY 22-23.
<input checked="" type="checkbox"/> 1.6	Conduct a sewer system condition assessment with CCTV to identify degradation and sources of inflow and infiltration (I&I).
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> • Performed CCTV sewer system condition assessment on approximately 25% of sewer system and identified several locations of I&I. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> • Completed CCTV sewer system condition assessment, including report identifying degradation and sources of I&I.
<input checked="" type="checkbox"/> 1.7	Conduct a sewer system hydraulic assessment.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> • Completed sewer system mapping revisions to ensure accurate hydraulic assessment. • Initiated hydraulic assessment. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> • Completed sewer system hydraulic assessment, identifying sewer lines that have limited capacity.
<input checked="" type="checkbox"/> 1.8	Utilize sewer system condition and hydraulic assessments to prioritize and complete capital projects.

	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Identified a major source of I&I on the Dogwood Sewer Main due to damage and degradation. Replaced 350' of line and two manholes to eliminate source of I&I. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Completed a draft report identifying and prioritizing sewer capital projects based on condition and hydraulic assessments. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Identified, prioritized, and estimated sewer capital projects based on sewer system condition and hydraulic assessments. Completed environmental documentation and applied for a construction grant to replace about 2.2 miles of sewer line that ranked as the highest risk lines.
☒ 1.9	Improve accuracy of asset information in water and sewer GIS database.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Updated water system GIS mapping with accurate meter locations. Revised water and sewer system mapping to match as-built conditions.
☑ 1.10	Upgrade SCADA system to monitor and control all critical water and sewer facilities.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Identified SCADA system upgrade needs and evaluated upgrade technology options. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Completed preliminary design of the SCADA system.
☒ 1.11	Develop and implement a water/sewer maintenance program for valve turning, sewer cleaning, and manhole inspection to attain an annual goal of 25% of the system.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Developed and initiated maintenance plan for valve turning, sewer cleaning and manhole inspection to be tracked in GIS system. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Implemented maintenance plan to achieve more than 25% of the system for valve turning and manhole inspection. Sewer cleaning plan was implemented, but less than 25% was completed due to COVID. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> 62% of Sewer Lines Cleaned 38% of Manholes Inspected 30% of Valves Turned

<input checked="" type="checkbox"/> 1.12	Develop and implement a plan for regular hydrant testing.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Developed a plan for regular hydrant testing, but delayed implementation due to drought conditions. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Began limited hydrant testing due to drought conditions – tested 9% of hydrants.
<input checked="" type="checkbox"/> 1.13	Enhance work order system for better tracking and querying of maintenance, breaks and repairs.
	<p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Enhanced GIS to track critical maintenance activities and waterline breaks/repairs. Streamlined work orders to move away from fax and quickly identify multiple operators to ensure quick response and better tracking.
<input checked="" type="checkbox"/> 1.14	Explore options to expand fire station living facilities.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Evaluated several options, but none feasible at this time due to funding constraints. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Evaluated several options and grants, including multi-purpose buildings that also provided indoor park facilities, but none feasible at this time due to funding constraints.
<input type="checkbox"/> 1.15	Fix or replace old park bathroom building.

2. EMERGENCY PREPAREDNESS	
GOAL	
<i>Prepare staff, community and infrastructure for wildfire and other events that threaten our community and services.</i>	
OBJECTIVES	
<input checked="" type="checkbox"/> 2.1	Add generators at critical facilities.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Installed standby generators at Redwing Sewer Lift Station and Mark Twain Sewer Lift Station. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Installed standby generators at Well #1 and Well #3 via a grant. Replaced failing generator at the Fire Station with a \$15,000 grant. Obtained a \$60,000 grant to install generators at the Community

	<p>Center and SCBA Fill Station/Fuel Station.</p> <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Installed standby generators at the Community Center and SCBA Filling Station/Fuel Station.
<input checked="" type="checkbox"/> 2.2	Harden all critical facilities and establish 100 feet of defensible space.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Applied for a CalFire grant to perform comprehensive clearing around all critical facilities and procure mastication equipment to maintain clearance around facilities and other locations in the District. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Utilized CalFire vegetation crews to create 100 feet of defensible space around Well 3 and the District offices.
<input checked="" type="checkbox"/> 2.3	Evaluate cyber security and make any necessary improvements.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Held an all-staff cyber security training with a cyber security expert. Entered into agreement with an IT professional to perform regular monitoring of District's computer network. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Attended cyber security training. Evaluated state cyber security programs.
<input checked="" type="checkbox"/> 2.4	Install compatible radio systems in all vehicles to improve inter-department emergency communications.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Procured radios to provide for inter-department communications. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Conducted inter-departmental radio programming and use training to improve communications.
<input checked="" type="checkbox"/> 2.5	Collaborate with cooperative agencies to perform vegetation management along major roads.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Collaborated with Tuolumne County to perform vegetation management along Twain Harte Drive.
<input checked="" type="checkbox"/> 2.6	Explore and implement new ways to encourage/assist with local fuels management.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Explored establishment of a Volunteer-in-Prevention program that empowers local volunteers to perform defensible space inspections. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Collaborated with CalFire vegetation crews to remove overgrown vegetation in critical areas in the District along sewer line easements.

	<ul style="list-style-type: none"> • Collaborated with local volunteers and CalFire to work toward establishing a Volunteer-in-Prevention program for inspection of improved parcels. • Promoted and assisted the formation of Fire Wise Communities to encourage neighborhoods to work together to remove fuels.
<input checked="" type="checkbox"/> 2.7	Work with community to promote and establish Fire Wise Communities.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> • Worked with several small neighborhoods through the process to become Fire Wise Communities. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> • Assisted two neighborhoods in becoming Fire Wise Communities. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • Assisted three neighborhoods in becoming Fire Wise Communities. • Worked with CERT to conduct a community-wide Fire Wise Community informational training and promotion.
<input checked="" type="checkbox"/> 2.8	Improve the emergency alert horn system.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> • Applied for a grant to procure a new alert horn after unsuccessful long term repair of the existing horn. New horn will be compatible with other fire departments across the County. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • Installed new state-of-the-art emergency alert siren that can be used in coordination with the Sheriff and other local agencies.
<input checked="" type="checkbox"/> 2.9	Develop multiple methods of direct communications with customers.
	<p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • Conducted an emergency contact outreach to build our customer email database for critical communications.
<input checked="" type="checkbox"/> 2.10	Work with CERT to continue and expand community emergency trainings.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> • Worked with CERT to continue community emergency trainings. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> • CERT provided a few community emergency trainings, but were limited due to COVID-19 restrictions. • CERT provided outreach regarding COVID-19 safety and vaccinations and assisted the County to run the vaccination clinic. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • CERT provided several community emergency trainings, including grant-funded trainings with subject matter experts.

<input checked="" type="checkbox"/> 2.11	Identify potential high risk emergency incidents, develop response procedures and perform inter-department tabletop training exercises.
	<u>FY 21-22</u> <ul style="list-style-type: none"> • Collaborated internally and with external groups to identify high risk emergency incidents and developed response plan outlines.
<input checked="" type="checkbox"/> 2.12	Conduct a public outreach campaign to encourage installation of 2-way cleanouts and reduce common sources of sewer system blockages.
	<u>FY 21-22</u> <ul style="list-style-type: none"> • Created and sent educational bill inserts to all customers. • Performed social media outreach.
<input checked="" type="checkbox"/> 2.13	Improve and expand fire training facility and equipment.
	<u>FY 19-20</u> <ul style="list-style-type: none"> • Improved interior and venting of burn prop for safety and realism. • Added a safer fire behavior prop. • Procured grant-funded, thermal-imaging UAV that assists with capture and review of training exercises.
<input checked="" type="checkbox"/> 2.14	Promote and conduct trainings with local cooperator agencies.
	<u>FY 19-20</u> <ul style="list-style-type: none"> • Held multiple simulated event training exercises with local cooperator agencies, state agencies and Columbia College. <u>FY 20-21</u> <ul style="list-style-type: none"> • Provided training for Columbia College Fire Academy and limited (due to COVID-19) trainings with cooperator agencies. <u>FY 21-22</u> <ul style="list-style-type: none"> • Provided training for Columbia College Fire Academy. • Conducted several multi-agency trainings to improve cooperative response to fire and other emergencies.
<input checked="" type="checkbox"/> 2.15	Establish a communitywide AED program, including install of AEDs.
	<u>FY 19-20</u> <ul style="list-style-type: none"> • Installed one AED in the District board room. • Identified key locations for AED's throughout the community. <u>FY 20-21</u> <ul style="list-style-type: none"> • Created a plan to partner with local businesses to strategically place AED's throughout the community and train business employees to use AED's and perform CPR. • Applied for a grant to procure AED's and implement the AED plan. <u>FY 21-22</u> <ul style="list-style-type: none"> • Obtained grant to procure and install AED's in five strategically located businesses throughout Twain Harte. All equipment has been ordered and is awaiting delivery.

<input checked="" type="checkbox"/> 2.16	Explore options to expand services to include ALS.
	<u>FY 21-22</u> <ul style="list-style-type: none"> • Explored options to offer ALS services and found high start-up costs are financially infeasible without tax increases. ALS services also requires costly/lengthy negotiations with the County who currently provides ALS services. • Obtained Advanced Scope EMT status, allowing staff to expand the scope of medical response services to the community. • Worked with Sierra College and County to implement a pilot training program that would allow the District to train and perform EMT-Pre-Paramedic services, further expanding the scope of emergency response medical services the District could provide.
<input checked="" type="checkbox"/> 2.17	Obtain funding for a firefighter rehab vehicle.
	<u>FY 19-20</u> <ul style="list-style-type: none"> • Obtained grants through CERT and procured a used firefighter rehab vehicle.
<input type="checkbox"/> 2.18	Procure water and sewer emergency response trailers.
<input checked="" type="checkbox"/> 2.19	Procure and install a WiFi cradle point to enable District internet access during power outages and other emergencies.
	<u>FY 20-21</u> <ul style="list-style-type: none"> • Installed back-up wireless internet service at District offices, Water Treatment Plant and Fire House to ensure continuous internet access.

3. EXPANDED PARK FACILITIES	
GOAL	
<i>Build Twain Harte Meadows Park and identify recreational opportunities to improve quality of life in Twain Harte.</i>	
OBJECTIVES	
<input checked="" type="checkbox"/> 3.1	Obtain funding for Twain Harte Meadows Park.
	<u>FY 19-20</u> <ul style="list-style-type: none"> • Applied for two funding grants. Obtained grants and donations to complete the first phase – Bocce Courts Improvements. <u>FY 20-21</u> <ul style="list-style-type: none"> • Obtained a grant to construct approximately 60% of Meadows Park. • Applied for a grant that will fund the remainder of Meadows Park. <u>FY 21-22</u> <ul style="list-style-type: none"> • Managed funding agreement for grant to construct approximately

	60% of Meadows Park. <ul style="list-style-type: none"> • Obtained grant to construct most of the Outdoor Pavilion. • Applied for a grant that will fund the remainder of Meadows Park.
<input checked="" type="checkbox"/> 3.2	Complete construction of Twain Harte Meadows Park.
	<u>FY 20-21</u> <ul style="list-style-type: none"> • Completed construction of Phase 1 of Meadows Park – Bocce Court Improvements. <u>FY 21-22</u> <ul style="list-style-type: none"> • Completed 60% level design for Meadows Park.
<input checked="" type="checkbox"/> 3.3	Improve Community Center by remodeling bathrooms and kitchen, paving or repairing parking lot and adding internet capabilities.
	<u>FY 21-22</u> <ul style="list-style-type: none"> • Worked with Rotary to replace windows, add insulation, improve electrical, add drywall and paint the main meeting room. • Added sound panels to the main meeting room to reduce noise.
<input type="checkbox"/> 3.4	Explore developing recreational programs to promote community health and relationships.
<input type="checkbox"/> 3.5	Recruit local partners to offer community recreation programs.
<input checked="" type="checkbox"/> 3.6	Advertise park rental opportunities and improve ease of rental process.
	<u>FY 20-21</u> <ul style="list-style-type: none"> • Created a plan to advertise park facilities via Facebook and bill inserts. • Developed a community calendar that will help customers see facility rental availability on the District website. <u>FY 21-22</u> <ul style="list-style-type: none"> • Promoted several park facilities on Facebook and in a bill insert. • Created an option to pay for reservations online and developed a plan to further ease facility rental through the District website.
<input checked="" type="checkbox"/> 3.7	Develop an easy method for collecting continual resident input on park facilities.
	<u>FY 20-21</u> <ul style="list-style-type: none"> • Developed a plan to install a QR sign that enables people at the park to provide park input directly from their phone. <u>FY 21-22</u> <ul style="list-style-type: none"> • Created a park feedback survey on the District’s website and designed/procured signs with QR codes to enable park users to easily link to the survey and provide feedback.

4. COMMUNITY ENGAGEMENT	
GOAL	
<i>Promote community engagement through active education, promotion of District activities and sensitivity to community needs.</i>	
OBJECTIVES	
<input checked="" type="checkbox"/> 4.1	Develop and hold annual open house or community event.
	<u>FY 21-22</u> <ul style="list-style-type: none"> Initiated monthly community engagement events at District facilities and other places around town, inviting residents to learn more about the District, ask questions, and express concerns.
<input checked="" type="checkbox"/> 4.2	Participate in local parades and community events.
	<u>FY 19-20</u> <ul style="list-style-type: none"> Participated in 2019 4th of July and Christmas parades. Initiated an annual 4th of July community event. <u>FY 21-22</u> <ul style="list-style-type: none"> Participated in 2021 Christmas parade and hosted photos with Santa in the Park. Presented District updates at the annual Twain Harte Homeowners meeting.
<input checked="" type="checkbox"/> 4.3	Conduct four community tours and/or educational programs each year.
	<u>FY 21-22</u> <ul style="list-style-type: none"> Conducted four fire prevention/education programs with local schools, including one tour of the Fire Station. Led one Water Treatment Plant tour for Twain Harte Elementary.
<input checked="" type="checkbox"/> 4.4	Develop video outreach program to educate public about projects, staff and other District activities.
	<u>FY 21-22</u> <ul style="list-style-type: none"> Initiated video outreach program through Facebook and website, including educational videos on fire prevention and leak detection.
<input checked="" type="checkbox"/> 4.5	Increase social media, website articles and mailers to educate customers and promote District activities and respond to community questions.
	<u>FY 19-20</u> <ul style="list-style-type: none"> Developed and began implementation of social media outreach plan, greatly improving social media presence. Posted multiple educational and promotional web articles. Created and sent out multiple educational billing inserts. <u>FY 20-21</u> <ul style="list-style-type: none"> Continued to establish strong, effective social media presence that

	<p>now consistently reaches thousands of social media users.</p> <ul style="list-style-type: none"> Implemented plan to consistently provide billing inserts, bill messaging and web articles to inform and engage customers. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Continued to establish strong, effective social media presence that consistently reaches thousands of social media users. Created and provided consistent billing inserts, bill messaging and web articles to inform and engage customers.
<input checked="" type="checkbox"/> 4.6	Improve outreach to local students.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Conducted a Twain Harte Meadows Park design workshop with 6-8th grade students at Twain Harte Elementary. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Conducted first annual Water Treatment Plant tour for Twain Harte Elementary students. Performed four fire prevention trainings for local students.
<input checked="" type="checkbox"/> 4.7	Expand website to include ordinances, key policies and FAQ's.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Added FAQ's and key policies to website.
<input checked="" type="checkbox"/> 4.8	Implement paperless billing and conduct outreach on billing and payment options.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Researched billing system requirements and prepared system to implement paperless billing in summer 2021. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Implemented paperless billing and conducted outreach to customers, including a promotional drawing/reward for those who signed up. Currently 1/8th of customers have signed up for paperless billing.
<input checked="" type="checkbox"/> 4.9	Conduct regular outreach to identify community needs and explore options to meet said needs.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Conducted a survey regarding fire staffing needs to gauge community interest in participating in the County Fire Tax proposal. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Created an online survey and signs for all park facilities that enables customers to easily express feedback, ideas and concerns.
<input type="checkbox"/> 4.10	Obtain a District of Distinction certificate from Special District Leadership Foundation.
<input checked="" type="checkbox"/> 4.11	Conduct an outreach campaign in Sherwood Forest to educate regarding water quality and septic systems and explore the potential of

	converting septic systems to sewer.
	<u>FY 21-22</u> <ul style="list-style-type: none"> Conducted a grant-funded survey of the Sherwood Forest neighborhood and completed a 30% design of a sewer system. Discussed ideas with some residents during survey work.

5. ORGANIZATIONAL SUSTAINABILITY	
GOAL	
<i>Establish organizational structures, staffing models, and procedures that support long term District health.</i>	
OBJECTIVES	
<input checked="" type="checkbox"/> 5.1	Conduct an evaluation of organizational needs, staffing model and outsourced services for improved efficiency and sustainability. Implement any necessary changes.
	<u>FY 19-20</u> <ul style="list-style-type: none"> Evaluated organization for efficiency and sustainability. Hired a part-time administrative position to fill gaps and improve effectiveness. <u>FY 20-21</u> <ul style="list-style-type: none"> Evaluated and restructured the Operations Division staffing model to add an additional staff member at minimal additional cost, providing greater effectiveness and sustainability while meeting staffing needs. Explored staffing model options in the Fire Division to improve depth and effectiveness. <u>FY 21-22</u> <ul style="list-style-type: none"> Restructured administration staffing to enable the District to more efficiently meet needs of special projects that would require expensive consulting contracts.
<input checked="" type="checkbox"/> 5.2	Improve management depth and redundancy through recruitment and training.
	<u>FY 19-20</u> <ul style="list-style-type: none"> Developed recruitment plan and key job description revisions for effective filling of vacant Fire Chief and Operations Manager positions. <u>FY 20-21</u> <ul style="list-style-type: none"> Recruited and filled vacant Fire Chief and Operations Manager positions and implemented training plan and expectations to maximize skills and effectiveness. Added Assistant General Manager duties to the Operations Manager

	<p>position to provide overlap, depth and greater sustainability.</p> <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Recruited and filled vacant Operator 3 position with an operator with extensive utility management experience.
<input checked="" type="checkbox"/> 5.3	Explore options to create a full-time engineer position on each fire shift.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Explored multiple options to add full-time engineer positions with limited funding resources. Developed a plan to adjust staffing model to hire seasonal, full-time engineers for five months per year to assist during fire season. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Initiated a SAFER grant application to provide for full-time engineers and firefighters for 3-5 years. Rearranged staffing to enable annual hiring of three seasonal full-time engineers for five months.
<input checked="" type="checkbox"/> 5.4	Hire water/sewer/park summer staffing to assist with annual maintenance activities.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Hired two seasonal interns to conduct annual valve turning and inspection activities. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Restructured Operations Division to add an additional permanent full-time operator to eliminate the need for temporary summer staffing.
<input checked="" type="checkbox"/> 5.5	Establish an improved District-wide health and safety program.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Explored wellness program options and successfully tested a temporary wellness plan with employee feedback. Developed a plan to implement an ongoing wellness program. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Developed and implemented an ongoing wellness program to promote overall health of District employees.
<input checked="" type="checkbox"/> 5.6	Conduct District-wide staff meeting and trainings to improve inter-department coordination and efficiency.
	<p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Conducted one all-staff training and coordination meeting, but was limited due to COVID-19 restrictions. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Conducted regular inter-departmental coordination meetings to improve coordination and efficiency between departments.

<input checked="" type="checkbox"/> 5.7	Develop operating procedures for administrative functions.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Identified key administrative functions requiring operating procedures and initiated development of operating procedures. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Completed operating procedures for critical administrative functions. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Refined operating procedures for critical administrative functions and identified other administrative functions needing written procedures.
<input type="checkbox"/> 5.8	Organize Standard Operating Procedures (SOP) for all departments into a single manual.
<input checked="" type="checkbox"/> 5.9	Identify gaps in SOPs and develop procedures to address gaps.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Identified gaps in water/sewer SOP's and began to develop procedures to fill some of the gaps. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Identified gaps in Fire and Administrative procedures and initiated development of procedures. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Identified gaps in Water/Sewer procedures and developed procedures to address gaps.
<input checked="" type="checkbox"/> 5.10	Develop a central paper filing and records management system.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> Completed inventory of all District files. Initiated development of a thorough records retention policy that enables simple ongoing file management. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> Completed and adopted an updated and manageable Records Retention Policy. Initiated development of a simple filing structure system. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> Developed a draft file structure. Initiated implementation of the Records Retention Policy with existing historical files.
<input type="checkbox"/> 5.11	Convert electronic filing system to closely match paper filing system.
<input type="checkbox"/> 5.12	Store all divisions' electronic files on the central server.
<input checked="" type="checkbox"/> 5.13	Review all policies and update.
	<u>FY 19-20</u>

	<ul style="list-style-type: none"> Completed review and any necessary revisions to all policies within Section 1000 of the District's Policy Manual. <u>FY 20-21</u> <ul style="list-style-type: none"> Completed review and any necessary revisions to all policies within Section 3000 of the District's Policy Manual. <u>FY 21-22</u> <ul style="list-style-type: none"> Completed review and any necessary revisions to all policies within Sections 4000 and 5000 of the District's Policy Manual.
<input checked="" type="checkbox"/> 5.14	Review and update all ordinances.
	<u>FY 19-20</u> <ul style="list-style-type: none"> Performed thorough review of Water Ordinance and initiated development of an amended Water Ordinance.
<input type="checkbox"/> 5.15	Codify and digitize all ordinances.
<input type="checkbox"/> 5.16	Review and update Water and Sewer Standards and Specifications.
<input checked="" type="checkbox"/> 5.17	Develop/adopt CEQA guidelines to streamline capital projects.
	<u>FY 19-20</u> <ul style="list-style-type: none"> Developed and adopted District CEQA Guidelines.
<input checked="" type="checkbox"/> 5.18	Develop a central, easily accessible source for common employee documents and information.
	<u>FY 19-20</u> <ul style="list-style-type: none"> Initiated development of Intranet for easy access to documents/forms. <u>FY 20-21</u> <ul style="list-style-type: none"> Completed development of Intranet for employees. Implemented a cloud-based system for all employees to improve communication, shared documents and access to electronic files.
<input checked="" type="checkbox"/> 5.19	Improve remote server access for employees.
	<u>FY 21-22</u> <ul style="list-style-type: none"> Installed hardware and software to improve speed and accessibility for Operations and Fire employees to remotely access the server.
<input checked="" type="checkbox"/> 5.20	Explore cooperation with other agencies to provide more efficient or quality services.
	<u>FY 19-20</u> <ul style="list-style-type: none"> Discussed formation of a Countywide fire internship program to improve efficiencies and standardize Countywide training. <u>FY 20-21</u> <ul style="list-style-type: none"> Engaged with County and other fire districts in formation of JPA for a countywide fire tax to improve fire efficiencies. Collaborated with Columbia College and other fire districts in an

	<p>attempt to develop a countywide intern program.</p> <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • Entered into agreement with Columbia College to participate in a Countywide internship program. • Explored serving as a pilot program for Sierra College to provide interns and upgrade District medical services to Pre-Paramedic EMT. • Implemented a “Move Up and Cover” procedure with CalFire to ensure command coverage of District at all times. • Collaborated and supported TUD’s efforts to acquire PG&E water supply infrastructure and water rights. • Entered into agreement with RC Health Services to become the only EMT skills training facility in the region.
<input checked="" type="checkbox"/> 5.21	Perform a water and sewer rate study in 2021 and implement any recommended rate changes.
	<p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • Performed 5-year revenue and expense projections for the Water - and Sewer Funds and identified that rate increases would not be necessary until FY 22-23.
<input checked="" type="checkbox"/> 5.22	Obtain special district representation on Tuolumne County Local Agency Formation Commission (LAFCO).
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> • Collaborated with County LAFCO and other special districts to obtain special district representation on County LAFCO
<input checked="" type="checkbox"/> 5.23	Evaluate new technology and applications to improve efficiency.
	<p><u>FY 19-20</u></p> <ul style="list-style-type: none"> • Evaluated several forms of technology to monitor and control critical water and sewer system components remotely. • Initiated development of an intranet site to improve communications between employees, reduce errors and improve admin efficiencies. <p><u>FY 20-21</u></p> <ul style="list-style-type: none"> • Implemented a cloud-based email, software and communication system to provide greater connection between staff and easy access to information from anywhere. <p><u>FY 21-22</u></p> <ul style="list-style-type: none"> • Identified several cloud-based software options that will improve operational flexibility and efficiency and eliminate the need for a central server, which requires ongoing maintenance and replacement every 5 years. • Explored and identified an internet-based phone system that will improve connectivity, ease of use for customers, and flexibility.



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	08A	ITEM TYPE:	<input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Action <input type="checkbox"/> Both
SUBJECT:	President and Board member reports.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

None.

SUMMARY:

This item provides an opportunity for individual Board members to provide a verbal report of District-related activities undertaken in the previous month.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

None.



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	08B	ITEM TYPE:	<input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Action <input type="checkbox"/> Both
SUBJECT:	Fire Chief's report.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

None.

SUMMARY:

This item includes a written and verbal report from the Fire Chief regarding general operations of the District's Fire Division over the previous month.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

- Fire Operations Report
- CERT Monthly Newsletter



January 2024 Operations Report Fire Division

Happy
New Year

STAFFING

Full-Time Captains-3

Intern Operators-3

Relief Captains-4

Reserve Firefighters-4

Intern Firefighters-2



January Training Hours-200



January Responses-24

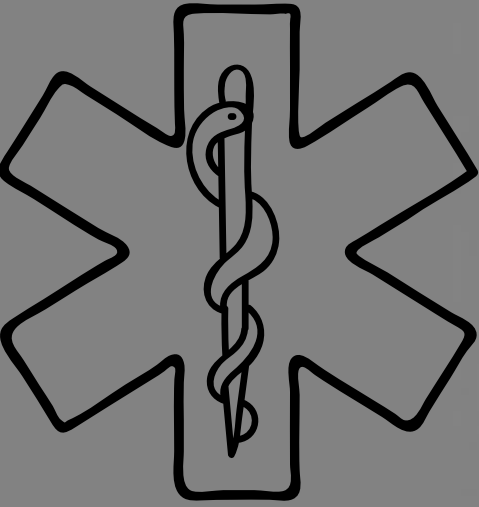


E-721, and C-720 responded to a vehicle fire in the cedar ridge area.



THFD INCIDENT STATISTICS

January 2024



EMS Incidents-67%



Fires -15%



Good intent-16 %



False Alarms 2%

Responses by District

January 2024



Twain Harte District 61%



Tuolumne County Fire-38%



Mi Wuk District-1%

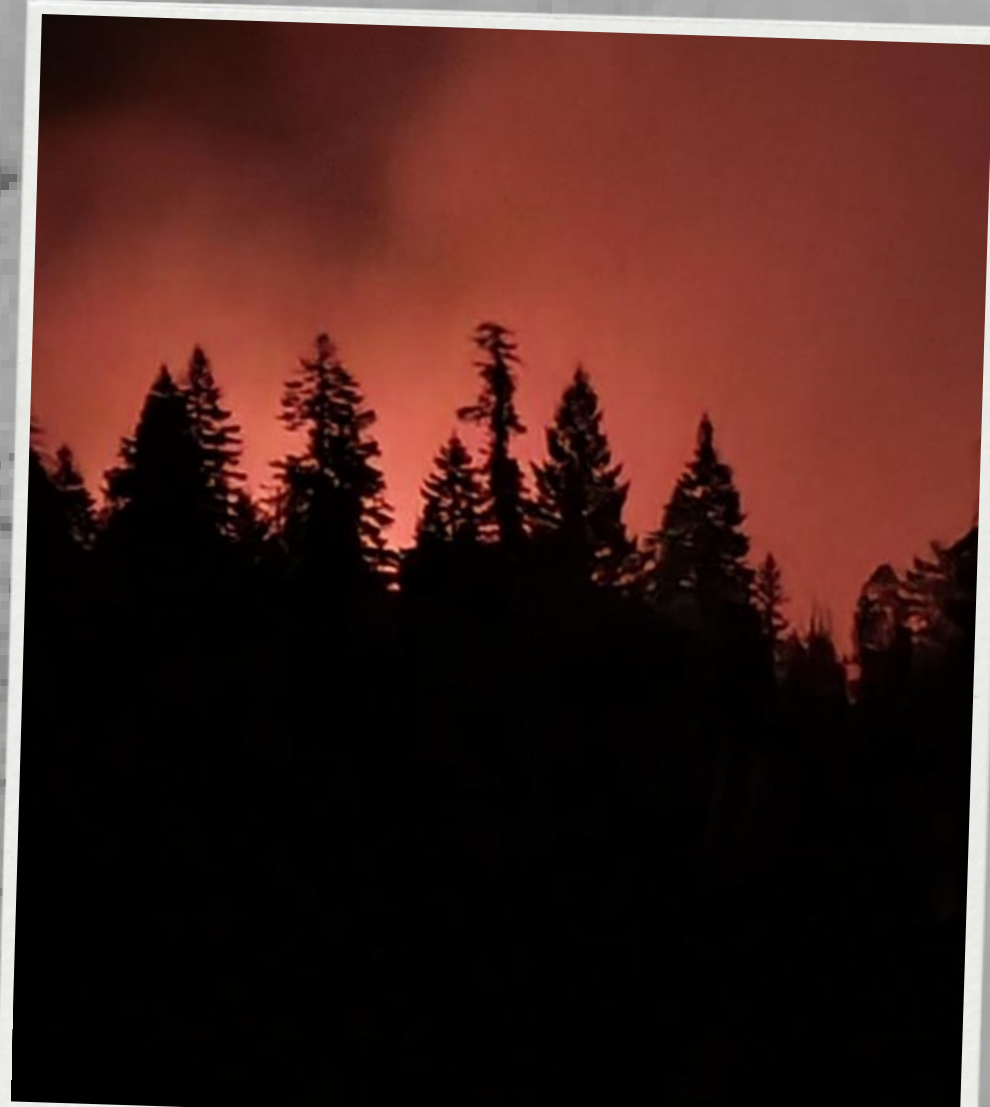
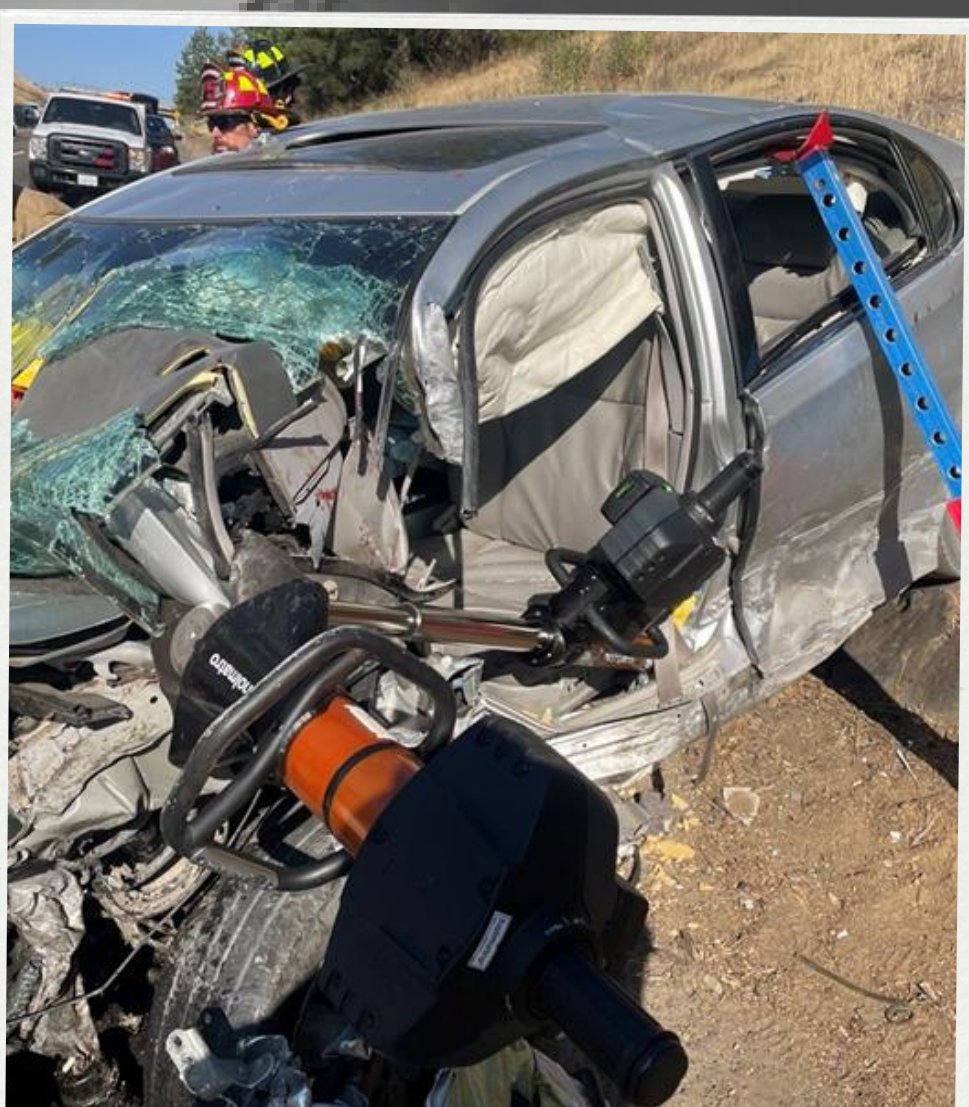


FILED 2023





THFD
PROUDLY
RESPONDED
TO 329
INCIDENTS
IN 2023



Responses by District

2023 Incident Responses Per District



Twain Harte District 69%



Tuolumne County Fire-25%



Mi Wuk District-3%



U.S Forest Service-1%



Cal Fire-2%

THFD INCIDENT STATISTICS

2023 Incidents by Type



EMS Incidents-43%



Fires -12%



Good intent-25 %



False Alarms 18%



Weather Events 2%



SERVING OUR COMMUNITY

MONTHLY UPDATE

January 2024

Mary Schreiner, Editor & PIO
twainhartecert@gmail.com

Contents:

Program Manager	Page 1
THFD Corner	Page 2
THCSD GM Report	Page 3
CO2 Issue Resolved	Page 4
So Much training	Page 5
January Training Recap	Page 5
Fundraising Focus	Page 6
Smoke Detector Project	Page 6
Recipe of the month	Page 7
What's that smell?	Page 8
Special Thanks	Page 8
Where Does the Time Go?	Page 8
What's Next?	Page 9
Firefighter Challenge	Page 10



We hope you enjoy this month's issue. Our goal is to provide information to the community, focusing on preparedness, safety and health. If you have a suggestion for future articles, please contact twainhartecert@gmail.com for consideration of the topic by the board.

NOTES FROM THE PROGRAM MANAGER

by Carol Hallett



January, a new year begins, which to me means new beginnings with a moment of retrospect and then planning. This year is no different.

The moment of looking back was actually enjoyable. Remembering that all the preparing was really utilized in the beginning of 2023. I was thankful for all the food in the pantry and the freezer. It made the weeks of staying home due to snow easier. We learned what was needed and what we had to add to make this year even better/easier.

Spring and Summer almost didn't happen but it was a delight just the same... we certainly got the rain. Fall as usual was beautiful. When harvest came I was scurrying around to fill my pantry and freezer again.

We go through the same process with CERT. Planning our upcoming trainings and events. Ensuring we have plenty of supplies to help our community. Deciding which events we will participate in and then how we will pull them off.

Working with the fire chief to decide what they need that their budget does not cover. This year our focus for THFD will be to replace their AEDs. Your donations through the year will go to good use.

We wish each of you a very Happy New Year!

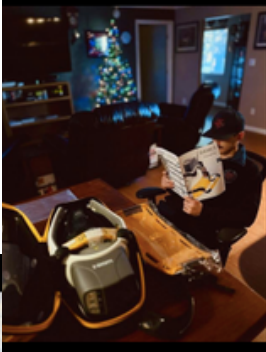
TWAIN HARTE FIRE DEPARTMENT CORNER

by Neil Gamez, THFD Fire Chief

125 TRAINING HOURS

THFD STAFF

Full Time Chief - 1
Full Time Captains - 3
Seasonal Engineers - 3
Relief Captains - 4
Reserve Firefighters - 4
Intern Firefighters - 2



Thank you to Sonora Sunrise Rotary for dropping off care bags for emergency incidents that involve children. These bags come with a stuffed animal and blanket.

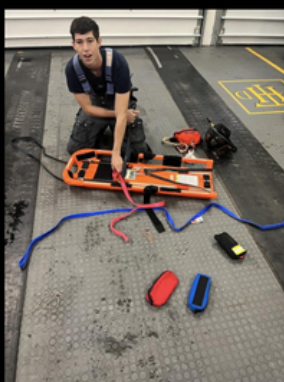


28 REPSONSES

CONGRATULATIONS



Congratulations to Drew Giglio and Jesse Hart-McNeal on passing their six-month evaluation test.



Congratulations to A-Shift Intern Aaron Dahl on completing the Columbia College Fire Academy.

THCSD GENERAL MANAGER REPORT

by Tom Trott, THCSD General Manager



GM REPORT

January 10, 2024

ADMIN ACTIVITIES

- Finance Officer Responsibility Re-Assignment
- Mid-Year Budget Adjustment
- TH Meadows Park Construction Management
- Median Household Income Survey
- Skate Park Senior Project Design
- FEMA Storm Damage Reimbursement Coordination
- Records Retention Reorganization

MEETINGS OF INTEREST

- 12/12 Community Rate Increase Presentation
- 12/14 Tennis Court Cali-Clay Assessment
- 12/20 County Multi-Hazard Mitigation Plan
- 12/27 TH Meadows Additional Grant Funds
- 1/4 LAFCO – Staffing Option Analysis

CAPITAL PROJECTS

Motor Control Center (MCC) Upgrade
Budget: \$185,000
Construction submittals to replace the MCC at the water treatment plant have been reviewed and approved. Manufacturer delays will push installation to March 2024 during low water demand months.

Twain Harte Meadows Park
Budget: \$3,000,000
The majority of grading and underground utilities for the new, grant-funded community park is complete, as well as the pavilion foundation and some planting. Planting, pavilion and underground work will continue this month dependent on weather. Project completion is anticipated in early fall 2024.

Million Gallon Tank #2 Rehabilitation
Budget: \$1,275,000
All major work for this grant-funded project is complete.

Tennis/Pickleball Court Improvements
Budget: \$310,000
Design of pickleball courts expansion using a sport grid surface and tennis court resurfacing with clay is complete and construction contracting is in process. Construction is anticipated in spring 2024.

Community Center Improvements
Budget: \$74,000 Fire / \$74,000 Park
Kitchen remodel, ADA bathrooms, flooring and exterior repaint is complete. Front doors and entryway will be improved to meet ADA requirements. Parking lot is anticipated to be complete by spring.

PLANNING PROJECTS

Water System Evaluation/Analysis
Budget: \$777,151
Hydraulic model, water loss analysis, condition assessment and identification of priority capital projects is complete. Design of Sherwood Forest water lines replacement is almost 90% complete.

FUNDING OPPORTUNITIES

SONORA AREA FOUNDATION GRANT - \$15,000
Pickleball Expansion Project / AWARDED

TECHNICAL ASSISTANCE GRANT - \$24,000
Median Household Income Survey / AWARDED

PROP 1 STORMWATER GRANT - \$1.75M
TH Meadows Park / AWARDED

STATE REVOLVING FUND - \$4.5M
TH Pipeline Project / Award: Spring 2024

MULTI-BENEFIT DROUGHT GRANT - \$1.275M
MG Tank #2 Rehab / AWARDED

PROP 68 RURAL RECREATION - \$1.25M
TH Meadows Park / AWARDED

PROP 68 PER CAPITA - \$178K
Tennis & Pickleball Improvements / AWARDED

To learn more details, join us at our monthly THCSD board meetings.

CO ISSUE RESOLVED

by Mike Mandell, Team Leader



A few weeks ago, I received a call from an 82 year old woman. She had two smoke detectors that needed to be replaced. She also had a Carbon Monoxide (CO) detector that needed the batteries replaced so I replaced them at the same time.



I always tell people that if their smoke alarm goes off, grab your cell phone, if it is safe, go outside, close the door behind you and call 911.

If your CO detector goes off, grab your cell phone, if it is safe, go outside leaving the door open behind you and call 911.

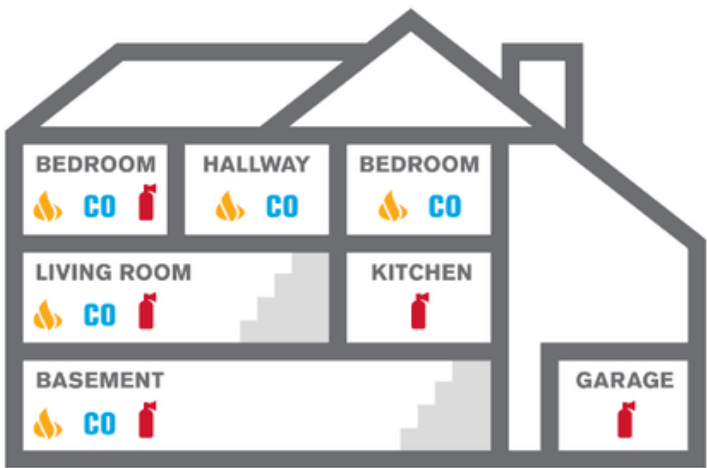
Two days later, at 5 am, the CO detector went off. She remembered the instructions, grabbed her cell phone and went outside leaving the door open behind her and dialed 911.

The Fire Department (FD) responded, checked the house with a gas meter and found no gas leak. So the FD replaced batteries in CO detector. She called me and told me what happened. I told her that if it goes off again, call me and I will replace her CO detector.

The next morning, at 6:30 am, she calls and said her CO detector was going off again. I returned, replaced, and relocated the CO detector. I have not heard from her since so I surmise that all is good. I am glad I was able to solve her problem.

We normally don't provide CO detectors but we have installed them for people many times, gladly. A person donated six CO detectors recently, so we will donate and install them while they last, just let us know.

I know of two families in 24 years of installing smoke alarms for free, that were able to get out of their burning house safely because of a working smoke alarm.



Smoke Alarm
One on every level and in every bedroom



Carbon Monoxide Alarm
One on every level and in every bedroom



Fire Extinguisher
One on every level, plus kitchen and garage

SO MUCH TRAINING SCHEDULED

by Margaret Lawrence, Training Officer



We are very excited to present some amazing training this year for our CERT volunteers and the community members. I sure hope you were able to attend the fantastic January training class (see the recap below). In February, we are presenting a FEMA-certified class on Firefighter Rehab. We will have many qualified instructors all volunteering their time to help us be more prepared. Participant prerequisites include completion of CERT Basic Training and FEMA ICS-100, Introduction to Incident Command System (ICS). This is a great refresher for those who have taken the class before and an addition to those who have taken basic training and are looking for more training.

Then plan to join us in March for Fire Behavior with the Twain Harte Fire Department. You will learn the fundamentals of fire behavior and how to be safe when a fire erupts. This will be hands-on and a very informative training.

For those who are wondering when you can get certified as a CERT volunteer, the wait is over. We are planning this training in April. It will be Twain Harte Area CERT's 10th Anniversary. This comprehensive, hands-on, and thought provoking training is important to take whether you plan to be a CERT volunteer or just for your own preparedness. Plan on attending, bring a friend.

JANUARY TRAINING - AMAZING

In January we had a great presentation from two special guest speakers. First we heard from Will Harris – PG&E Public Safety Specialist. With his background in the fire service and his knowledge with PG&E safety, he was a perfect presenter for our community. He handed out spiral quick guides that will be invaluable.



Next Michelle Wagner - CERT UAV (Unmanned Aerial Vehicle) Team Lead took over. Michelle is a great trainer and presented a comprehensive overview of the need for UAV in



our community and how CERT can be utilized in this growing technology. We want to thank both of them for spending their Saturday morning with us.

The prep time put in for the training was greatly appreciated. There were ten people in attendance at this training, including CERT members and the local community.



Thank you to all who attended and helped to make this training a success.

FUNDRAISING FOCUS 2024

by Carol Hallett, Program Manager



Each year I sit down with the Chief Gamez to determine what the fire department needs that is not within their budget. We take into consideration not only what will help the fire department but also what will help our community. That helps us to focus on what would make a good fundraising goal for the year.

As it turns out, the high end AED's that are required for the fire service to use has a life span and THFD's equipment needs to be replaced. This will help our firefighters do their jobs, helps to save lives and is good for our community. You got to love it when we get a win-win situation.

The cost for the required equipment (3 AED's) will be \$11K so that is our goal for 2024. This includes:

- A Graphical display with rechargeable battery, one carrying case and two pair quik-combo redi-pack electrodes.
- Infant/Child reduced energy defibrillation electrode
- Soft shell carrying case with shoulder strap
- Non-rechargeable battery replacement kit
- Electrode kit



So this year, when you attend our fundraisers and/or if you just want to make a donation to the cause, all of the money goes directly to purchasing these items for Twain Harte Fire Department which in turn will be utilized for our residents in our community.

You can send a donation to:	Or to:	Or give at local stores,
THA-CERT & Fire Association	Twain Harte Fire	donation cans at:
22912 Vantage Point Drive	22912 Vantage Point Drive	TH Market, TH Liquor, & The
Twain Harte, CA 95383	Twain Harte, CA 95383	Harte of the Kitchen Store.

SMOKE DETECTOR PROJECT

by Bob Wagner, Finance Officer



Don't wait until your smoke detector is smoking to replace it. We installed 66 smoke detectors in 2023. I keep a spreadsheet to account for how many more we can install. We have the funds to keep this project going this year too.



Smoke detectors can only save lives if they are installed and working properly. We have a crew available to install detectors, batteries, and check your system. This program is available to disabled residents, and seniors, and we do it for FREE.

To contact us, send a note to twainhartecert@gmail.com or call Mike at: 208-770-2674



Shrimp Marinade



Party Time



5 min prep

30-60 min marinade

approx. 6 min BBQ

INGREDIENTS

- 3 cloves garlic, minced
- 1/3 cup olive oil
- 1/4 cup tomato sauce
- 2 tablespoons red wine vinegar
- 2 tablespoons chopped fresh basil
- 1/2 teaspoon salt
- 1/4 teaspoon cayenne pepper
- 2 pounds fresh shrimp, peeled and deveined
- Skewers

NOTES

Even people that do not love shrimp will love these. You cannot make too many.

DIRECTIONS

1. In a large bowl, stir together the garlic, olive oil, tomato sauce, and red wine vinegar. Season with basil, salt, and cayenne pepper. Add shrimp to the bowl, and stir until evenly coated.
2. Cover, and refrigerate for 30 minutes to 1 hour, stirring once or twice.
3. Preheat grill for medium heat. Thread shrimp onto skewers, piercing once near the tail and once near the head. Discard marinade.
4. Lightly oil grill grate. Cook shrimp on preheated grill for 2 to 3 minutes per side, or until opaque.

Recipe shared by: Carol Hallett

WHATS THAT SMELL?

by John Buckingham, Safety Officer



What to do if you detect a gas leak. If you smell gas:

- Extinguish all smoking materials and open flames IMMEDIATELY. Do not operate any appliances, lights, phones, or cell phones. Do Not adjust thermostats, turn lights on or off, or try to repair the leak yourself
- Leave the Area Immediately and get everyone out of the area. Leave all doors closed
- Shut the gas off at the tank. Close by turning to the tight (clockwise) at the main gas supply, if safe.
- Report the leak from your safe location by calling 911
- Do Not return to the area until a qualified professional has determined the area is safe
- Have your Propane System checked by your propane retailer on a regular basis

DO NOT:



ignite any matches, lighters, cigarettes, or e-cigs.



use a telephone of any type.



operate any light switches or electrical devices.



SPECIAL THANK YOU TO A SPECIAL PERSON

Mary Schreiner has been our PIO (Public Information Officer) for 3+ years. A PIO presents your identity to the public through all your publications, it can make or break your image. Mary was in charge of our Facebook page, created our flyers, posters, and notifications, but most importantly created and maintained our newsletter for the past three years.



Mary is going to take a back seat for a while. We will miss her in our planning meetings, her advice and ideas have been invaluable. She has done a fabulous job for THA-CERT. She will still be volunteering when she is able to, which is good news for all of us. We love you Mary! Yes, we are looking for a new PIO.

If you are interested, let us know at: twainhartecert@gmail.com.

WHERE DOES THE TIME GO?

by Lise Lemonnier, Planning Section Chief

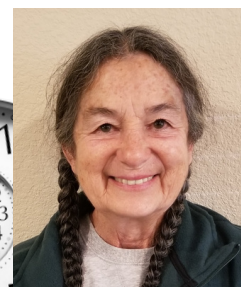
The total THA-CERT volunteer hours for January are:

Administration = 191

Training = 34

Deployment = 0

Total hours = 225



WHAT'S NEXT?

Events

Visit Tuolumne County:

<https://www.visittuolumne.com/events>

Twain Harte Chamber of Commerce:

<https://www.twainhartecc.com/events>

Save The Date!



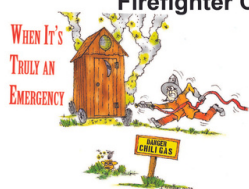
PRESENTS



THE WORLD CLASS TWAIN HARTE OUTHOUSE RACES

June 1, 2024

Parade at 9:00 AM - Race 10:00 AM to 4:00 PM
Eproson Park, Twain Harte, CA
(AKA "Flushing Downs")



Firefighter Challenge-Perpetual Trophy
Wine, Beer & Margaritas
Local Food Vendors
Craft Vendors
Tot Pot Races

For more information:
twainhartecert@gmail.com
(209) 481-5790

For vendor information:
mountainmeadowproductions@gmail.com

This fundraiser benefits: Twain Harte Volunteer Fire Department (THVFD) & THA-CERT.



Meetings

THCSD Board Meeting, 22912 Vantage Point, TH

<https://www.twainhartecsd.com/board-meetings>

Wednesday, Feb 7, 2024 9:00 am

Training

Firefighter Rehab

Date: 02/24/2024

FEMA Course

Time: 09:00-1300

Location: 18775 Manzanita Dr., Twain harte, CA

Firefighter Rehab Training

Come learn all about what is involved with Firefighter Rehab.

- The physiological threats to firefighters
- Firefighter gear demonstration
- Participate/Observe an incident
- Learn about the Rehab area and the rehab process that firefighters go through
- Practice the skills on each other- intake process, taking oxygen levels, blood pressure, nutrition for the firefighters.

You will walk away with many skills, knowledge and a certificate of completion.

PARTICIPANT PREREQUISITES

Participants must have completed CERT Basic Training and FEMA ICS-100, Introduction to Incident Command System (ICS).



NEIGHBORHOOD
RADIO WATCH
WE LOOK OUT FOR EACH OTHER™

Join the weekly:
Twain Harte
Neighborhood
Radio Watch
Wed: 7:00 PM
Sun: 9:00 AM
FRSM: ch 18

TWAIN HARTE AREA



SERVING OUR COMMUNITY

We are pleased to have a number of highly qualified and engaging instructors volunteering their time from THFD, PHI, retired Fire Chief, a retired Fire Captain, and THA-CERT volunteers to teach this class.



CERT Firefighter Rehab Vehicle



THA-CERT & Fire Association Board Meeting
Community Center, 18775 Manzanita Dr, TH
Thursday, Feb 1, 2024 9:30 am

FIREFIGHTER CHALLENGE

FIREFIGHTER CHALLENGE

WIN THE GOLDEN PLUNGER

PERPETUAL TROPHY

THE WORLD CLASS
TWAIN HARTE
OUTHOUSE RACES
June 1, 2024

Parade at 9:00 AM - Race 10:00 AM to 4:00 PM
Eproson Park, Twain Harte, CA
(AKA "Flushing Downs")



**THE CURRENT WINNER AND LOCATION FOR
THE FIREFIGHTER'S GOLDEN PLUNGER IS
WITH TWAIN HARTE FIRE DEPARTMENT.
CAN YOU WIN IT AWAY FROM THEM?**

**TO WIN THIS COVETED TROPHY FOR YOUR FIRE
HOUSE, BUILD A CART AND WIN THE RACE.**

To learn more: twainhartecert@gmail.com or call 209-481-5790

Last year, the Twain Harte Fire Department took home the Golden Plunger Perpetual Trophy. We are sending out a call, an opportunity for the other fire houses to come and challenge them for the trophy. We can help you with the rules, specs, and entry form for the event. We have a couple of chassis to help if it is needed.

Do you think you can win?





Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	08C	ITEM TYPE:	<input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Action <input type="checkbox"/> Both
SUBJECT:	Operations Manager's report.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

None

SUMMARY:

This item includes a written and verbal report from the Operations Manager regarding general operations of the District's Operations Division over the previous month. The Operations Division is responsible for water, sewer, and parks and recreations services.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

- Operations Manager Report



TWAIN HARTE CSD OPERATIONS REPORT

What's New

- Rick Diaz passed his Treatment 2 license. Here he is being trained by Eric Kile on the process of performing a filter backwash.



Water/Sewer/Park Division

For January 2024

Board Meeting 2/14/24



Water

- One service line break was repaired.





Sewer

- Nothing new to report.



Parks and Recreation

- Sinkholes status: No Change. Tom Trott is working with the County and the storm water grant and can answer specific questions.



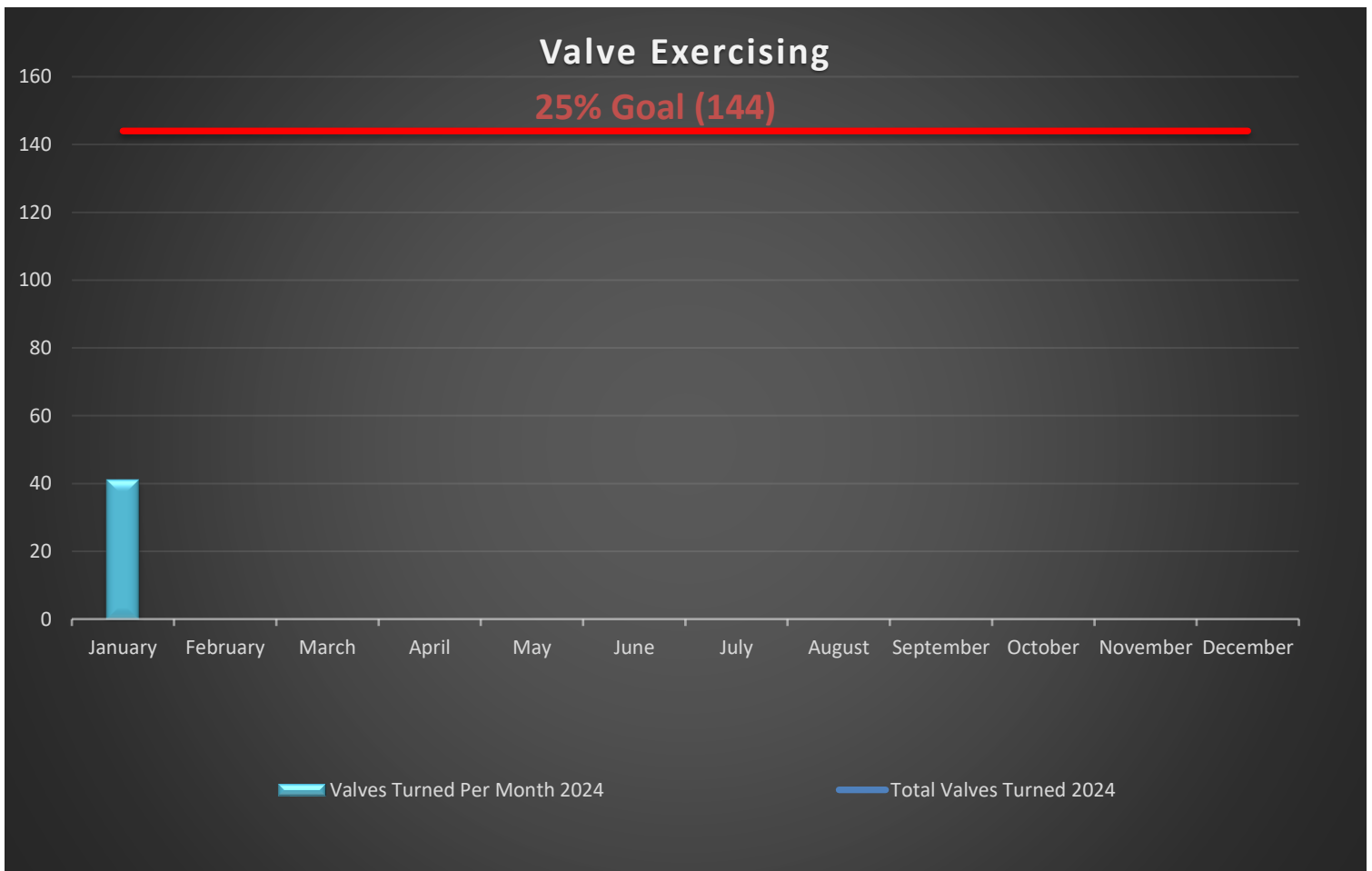
Vehicles, Equipment & Facilities

- Captain Slater from the THFD provided refresher training on proper snow chain installation to WSP crews.
- Routine oil changes on trucks 7 and 8

Water, Sewer and Parks Statistics

Water

- Number of customer service calls were average for this time of year (20-30) for a total of 25.
- 6 USA North Dig Alerts marked out (context in development).
- Valves inspected and maintained out of 575: 41 or 7.1%. (Context: 33 were inspected and maintained by this time last year).

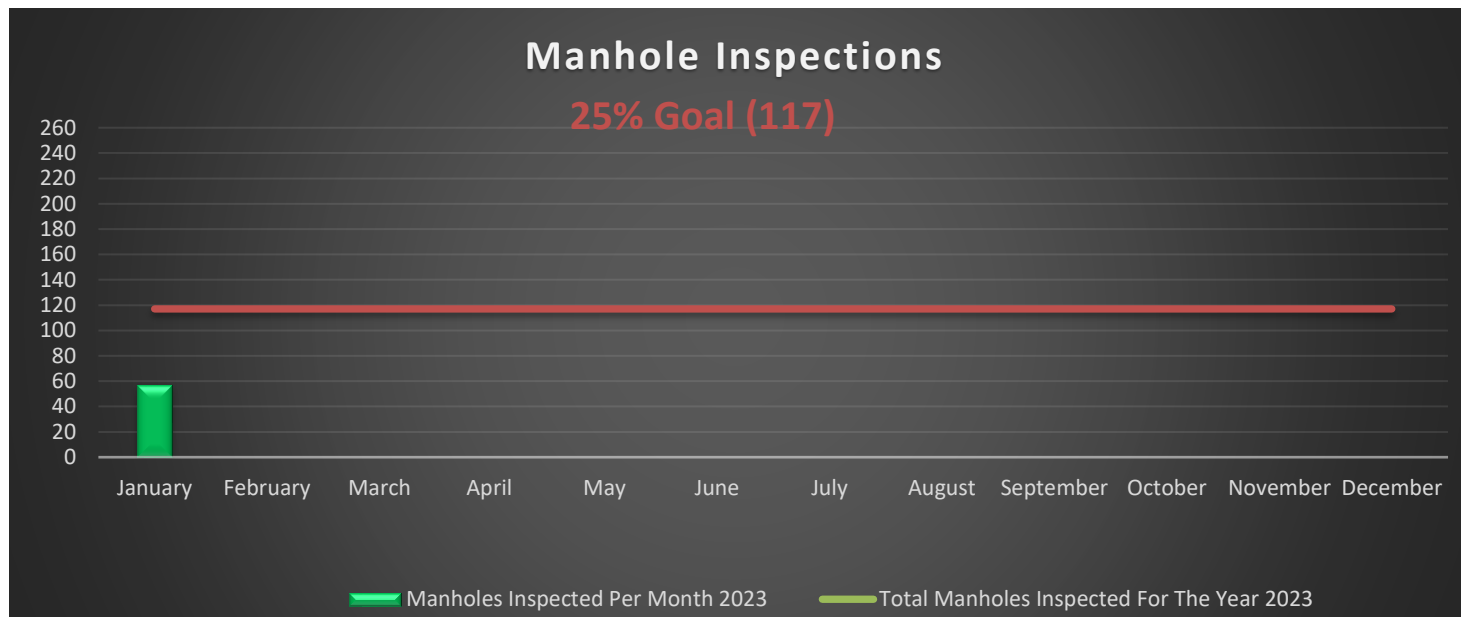


Sewer

- Number of customer service calls were average for this time of year (1-5) for a total of 1.
- Sewer main footage cleaned out of 142,072': 8,562' or 6.0%. (Context: 107' were cleaned by this time last year with an annual goal of 25% cleaned).

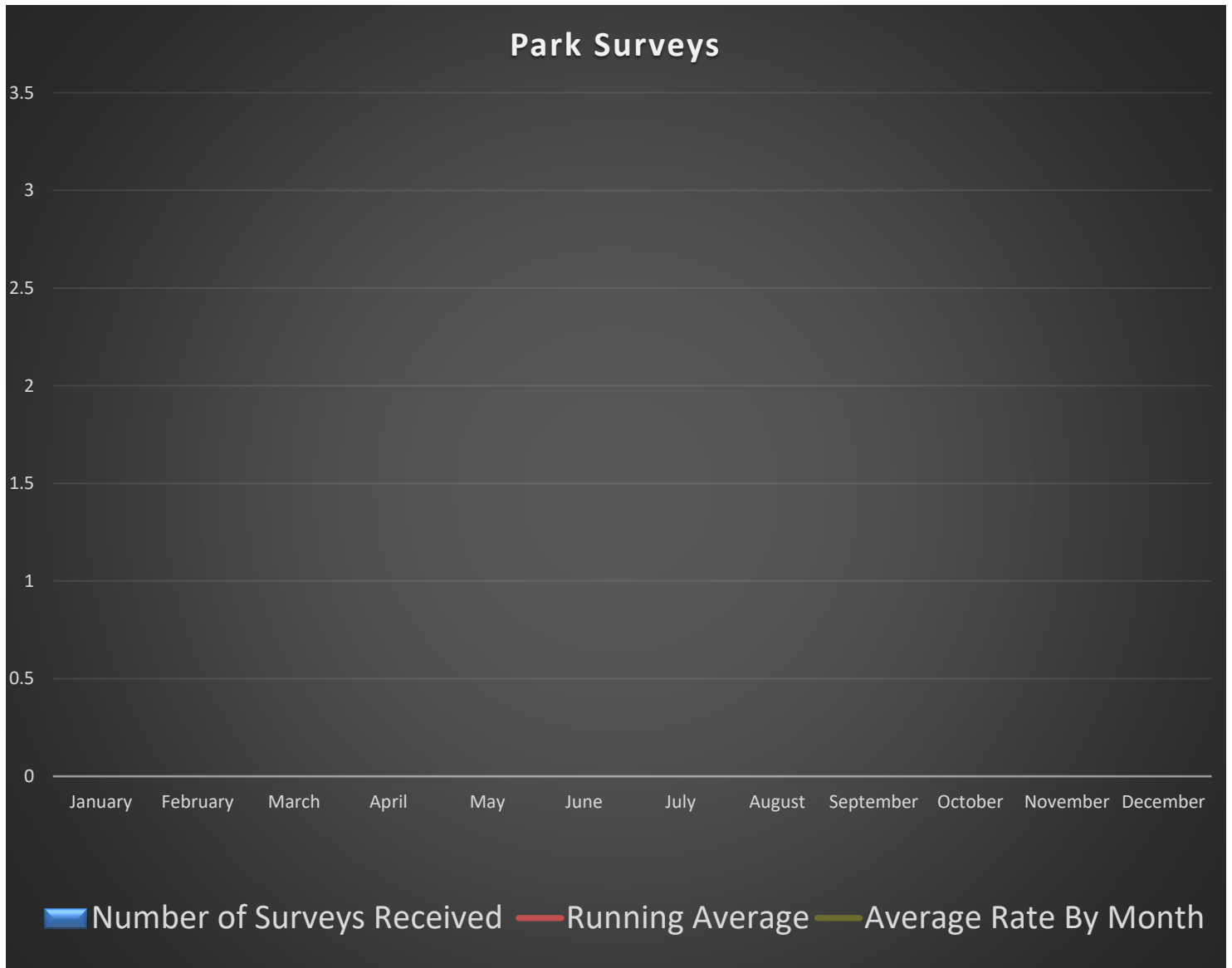


- Manholes inspected and maintained out of 468: 57 or 12.2%. (Context: 6 were cleaned by this time last year with an annual goal of 25%).



Parks

- Number of Parks surveys submitted for January was 0. Our current average rating is 3.3 out of 5.



Year: 2024

Month	Treatment Plant (Gal)	Well #1 (Gal)	Well #2 (Gal)	Well #3 (Gal)	Total Recycled (Gal)	Total Production (Gal)	2013 Total Production (Gal)	Decrease in Demand (%)	Rain (inches)	Snow (inches)
Jan	6,069,877	0	0	0	467,389	6,069,877	8,304,262	26.91%	9.18	4
Feb						0				
Mar						0				
Apr						0				
May						0				
Jun						0				
Jul						0				
Aug						0				
Sep						0				
Oct						0				
Nov						0				
Dec						0				
Total	6,069,877	0	0	0	467,389	6,069,877	8,304,262	26.91%	9.18	4



Board Meeting Agenda Item Summary

February 14, 2024

ITEM #:	08D	ITEM TYPE:	<input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Action <input type="checkbox"/> Both
SUBJECT:	General Manager's report.		
RELATION TO STRATEGIC PLAN:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Advances Goal/Objective #'s: _____		

RECOMMENDED ACTION:

None.

SUMMARY:

This item includes a written and verbal report from the General Manager regarding overall District operations and operations of the District's Administration Division over the previous month.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

- General Manager's Report

GM REPORT

February 14, 2024



ADMIN ACTIVITIES

- THCSO Median Household Income Survey
- Transition from Physical Server to Cloud Server
- Implementation of New Water & Sewer Rates
- Senior Project and Eagle Scout Project Coordination
- Operator 1 Recruitment
- Personnel Policy Manual Review
- FEMA Storm Damage Reimbursement Coordination

CAPITAL PROJECTS

Motor Control Center (MCC) Upgrade

Budget: \$185,000

Construction submittals to replace the MCC at the water treatment plant are finalized. After manufacturing delays, we anticipate construction in March/April during low water demand months.

Twain Harte Meadows Park

Budget: \$3,000,000

The majority of grading and underground utilities for the new, grant-funded community park is complete, as well as the pavilion foundation and some planting. Planting, pavilion and underground work will continue this month dependent on weather. Project completion is anticipated in early fall 2024.

Million Gallon Tank #2 Rehabilitation

Budget: \$1,275,000

All major work for this grant-funded project is complete.

Tennis/Pickleball Court Improvements

Budget: \$310,000

Construction of pickleball courts expansion using a sport grid surface and tennis court resurfacing with clay is anticipated in late spring/early summer 2024.

Community Center Improvements

Budget: \$74,000 Fire / \$74,000 Park

Kitchen remodel, ADA bathrooms, flooring and exterior repaint is complete. Front doors and entryway redesigned to meet ADA requirements. Parking lot is anticipated to be complete by spring.

MEETINGS OF INTEREST

- 1/19** County Drought Task Force
- 1/24** Community Center ADA Parking Design
- 1/25** FEMA Storm Grant Coordination
- 1/31** CSDA ChatGPT Training
- 2/1** County Drought Resiliency Plan

PLANNING PROJECTS

Water System Evaluation/Analysis

Budget: \$777,151

Hydraulic model, water loss analysis, condition assessment and identification of priority capital projects is complete. Design of Sherwood Forest water lines replacement is almost 90% complete.

FUNDING OPPORTUNITIES

SONORA AREA FOUNDATION GRANT - \$15,000
Pickleball Expansion Project / AWARDED

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Median Household Income Survey / AWARDED

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TH Meadows Park / AWARDED

PROP 68 PER CAPITA - \$178K
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