



# **SOUTH FEATHER WATER & POWER AGENCY**

## **AGENDA**

**Regular Meeting of the Board of Directors of the  
South Feather Water & Power Agency  
Board Room, 2310 Oro-Quincy Highway, Oroville, California  
Tuesday; June 27, 2023; 2:00 P.M.**

Remote participation is available via Zoom by logging into

<https://us02web.zoom.us/j/88430674718>

Meeting ID: 884 3067 4718

One tap mobile

+16694449171,,88430674718# US

+16699006833,,88430674718# US (San Jose)

For attendees calling by phone use \*9 to raise hand

### **A. Roll Call**

### **B. Approval of Minutes**

*(Tab 1)*

### **C. Approval of Checks/Warrants**

*(Tab 2)*

### **D. Business Items**

#### **Annual Financial Report with Independent Auditors Report**

*(Tab 3)*

Review and requested acceptance of the Independent Auditor's Report and Financial Statements the year ending December 31, 2022.

#### **Appropriations Limit for FY 2023**

*(Tab 4)*

Adoption of Resolution 23-06-27, establishing appropriations limit for FY 2023.

#### **WTDEU Memorandum of Understanding**

*(Tab 5)*

*Ratification of Article 8.7 Compensatory Time Off (CTO).*

### **E. Staff Reports**

*(Tab 6)*

**F. Public Comment** – *Public comment for Directors can be submitted anytime via e-mail. However, in order to be read into the record during the meeting it must be submitted to [PublicRelations@southfeather.com](mailto:PublicRelations@southfeather.com) by 12:00 P.M. Tuesday June 27, 2023. Individuals will be given an opportunity to address the Board regarding matters within the Agency's jurisdiction that are not scheduled on the agenda, although the Board cannot take action on any matter not on the agenda. Comments will be limited to 5 minutes per speaker. An opportunity for comments on agenda items will be provided at the time they are discussed by the Board. Comments will be limited to five minutes per speaker per agenda item.*

### **G. Directors' Reports**

Directors may make brief announcements or reports for the purpose of providing information to the public or staff, or to schedule a matter for a future meeting. The Board cannot take action on any matter not on the agenda and will refrain from entering into discussion that would constitute action, direction or policy, until the matter is placed on the agenda of a properly publicized and convened Board meeting.

### **H. Closed Session**

*(Tab 7)*

**Conference with Legal Counsel – Existing Litigation**

(Paragraph (1) of subdivision (d) of Government Code section 54956.9)

- A. Name of Case: North Yuba Water District v. South Feather Water & Power Agency et al., Sutter County Superior Court Case No. CVCS21-0001857
- B. Name of Case: South Feather Water & Power Agency v. North Yuba Water District et al., Sutter County Superior Court Case No. CVCS21-0002073

**I. Open Session**

**J. Adjournment**

The Board of Directors is committed to making its meetings accessible to all citizens. Any persons requiring special accommodation to participate should contact the Agency's secretary at 530-533-2412, preferably at least 48 hours in advance of the meeting.

**MINUTES of the REGULAR MEETING of the BOARD of DIRECTORS of SOUTH FEATHER WATER & POWER AGENCY**

**Tuesday, May 23, 2023, 2:00 P.M.,  
Agency Board Room, 2310 Oro-Quincy Hwy., Oroville, California**

**DIRECTORS PRESENT (In Person):** Rick Wulbern, John Starr, Mark Grover, Brad Hemstalk

**DIRECTORS PRESENT (Remote):** None

**DIRECTORS ABSENT:** Ruth Duncan

**STAFF PRESENT (In Person):** Rath Moseley, General Manager; Art Martinez, Manager Information Systems; Dan Leon, Power Division Manager; Cheri Richter, Finance Manager; Dustin Cooper, General Counsel; John Shipman, Water Treatment Superintendent; Jaymie Perrin Operations Support Manager; Kristen McKillop, Regulatory Compliance Manager

**STAFF PRESENT (By Zoom):** Kyle Newkirk, Civil Engineer

**OTHERS PRESENT (Via Zoom):** Anonymous

**OTHERS PRESENT (In Person):** Roger Bailey, Marieke Furnee

**CALL TO ORDER**

President Wulbern called the meeting to order at 2:00 p.m. and led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

M/S: (Wulbern/Hemstalk) approving the Minutes of the Regular Meeting of April 25, 2023.

Ayes: Starr, Wulbern

Absent: Duncan

Public Comment: None

**APPROVAL OF CHECKS AND WARRANTS**

M/S (Wulbern/Starr)

Ayes: Grover, Hemstalk

Absent: Duncan

Approving the total General Fund and Joint Facilities operating fund expenditures for the month of April 2023 in the amount of \$1,280,068.72 and authorize the transfer of \$900,000.00 from the TCB General Fund to the TCB Accounts Payable and Payroll Fund for the payment of regular operating expenses.

**INFORMATION ITEMS**

**LAFCO's Upcoming June 1, 2023 Public Hearing Concerning SFWPA Draft Municipal Service Review.**

Communication and review of the draft South Feather MSR and notice of public hearing.

Roger Bailey asked about regulatory oversight and its frequency of update.

### **CA Water Plan Update 2023**

Discussion of the Draft Reservoir Reoperation Resource Management Strategy (RMS) and output from the workshop.

Roger Bailey inquired on impacts of power energy and commented that this is the State's plan to balance storage.

### **BUSINESS ITEMS**

#### **FERC Security and Vulnerability Assessments, and Security Plan Updates**

Authorizing the General Manager to award a contract to Gannett Fleming in the amount of \$171,445.20 to complete the Security and Vulnerability Assessments and Security Plan Updates in compliance with the Federal Energy Regulatory Commission (FERC) Security Program for Hydropower Projects Rev 3A guidelines, and authorize the General Manager to execute the appropriate documents."

M/S (Wulbern/Hemstalk)

Ayes: Grover, Starr

Absent: Duncan

RFP was sent to ten firms with only two respondents.

Roger Bailey questioned budgeting and FERC license requirements.

#### **HGEU and WTDEU Memorandum of Understandings**

Approval of the Memorandum of Understandings for the Hydro Generation Employees Unit and the Water Treatment & Distribution Employees Unit for a 3-year term expiring December 31, 2025 with the language as listed for Article 12.7 of both bargaining units and Article 15.7 for the HGEU.

M/S (Grover/Starr)

Ayes: Wulbern, Hemstalk

Absent: Duncan

#### **2023 Annual Water Supply & Demand Assessment**

Presentation and acceptance of the 2023 Water Supply and Demand Assessment report as presented and direct the General Manager to file the report with the California Department of Water Resources by July 1, 2023."

M/S (Wulbern/Starr)

Ayes: Grover, Hemstalk

Absent: Duncan

Roger Bailey commented on "Residential Use".

#### **Right of Entry Agreement APN# 069-400-078; Solana Drive**

Approval to authorize the General Manager to execute the "Right of Entry" Agreement with Pacific Gas & Electric for the location on Solana Drive; APN# 069-400-078 subject to further edits by counsel.

M/S (Wulbern/Hemstalk)

Ayes: Grover, Starr

Absent: Duncan

### **FINANCE MANAGER'S REPORT**

The Finance Manager communicated the following:

#### **Department of Finance Price and Population Estimates**

The annual California State Department of Finance report of price factors and population information, used for the Agency's appropriations limit, has been issued. The per capital personal income price factor for 2023-24 has been

calculated at 4.44%. The County-wide population factor that will be used in the SFWPA appropriations limit calculation is -0.48%. The 2023 appropriations limit for the Agency is \$1,129,497.

### **Audit Fieldwork**

Auditor review of Agency provided tasks and schedules continues. Recent communications with Jonathan Abadesco of C.J. Brown & Company, CPAs suggest that the audit team will have a Financial Statement Draft prepared and ready for SFWPA to review by June 12 and Final Financial Statement for presentation at the June 27, 2023 board meeting.

### **Budget Modifications for 2023**

This month we received an invoice for \$28,163.85 from Durham Pump for General Fund, 2022 Budget Item 2022-0226—MRTP Raw Water Pump 3 Replacement, which was anticipated to be received and installed by the end of 2022, but was delayed by unavoidable circumstances. To date, SFWPA has received the 125 HP, 900 RPM Motor, and crane service installation is scheduled to take place in June when the ground has had time to recover from excessive rain this year. To accommodate the increase, this 2022 Budget Item will replace 2023 Budget Request Line Item #5—2023-53b—Portable, Towable Generator for BTP/Shop, budgeted for \$30,000.00.

### **Other Post-Employment Benefits (OPEB)**

An update of last year's actuarial valuation of the Agency's retiree health insurance program for our December 31, 2022 annual financial report has been received. The OPEB liability at 12/31/2022 decreased to \$16,089,217 from the prior year liability of \$19,488,464. A full actuarial valuation with a December 31, 2023 measurement date will be performed next year as required for the 2023 audited financial statements.

### **POWER DIVISION MANAGER'S REPORT**

The Power Division Manager communicated the following:

South Fork Div tunnel average flow was 370 CFS. Slate Creek Div tunnel was closed for the month. Little Grass Valley and Sly Creek Reservoirs combined storage was 133 kAF at month's end. The following reservoirs are currently spilling: LGV Res, SF Div Res, SC Div Res, Forbestown Div Res, and Ponderosa Res.

DWR Bulletin 120 observed conditions as of May 9 for accumulated WY to date precipitation is at 126% of average (North Sierra 8-Station Index), and observed snowpack is at 152% of average for April 1 (North Region).

### **MAINTENANCE**

#### Powerhouses

- Woodleaf Powerhouse. Status: In service, normal dispatch schedule. Sched outage – PG&E transmission line maintenance. Repair Cooling Water Pump No.1 bushings and seals.
- Forbestown Powerhouse. Status: In service, normal dispatch schedule. Install safety toe kicks. Sched outage – PG&E transmission line maintenance.
- Sly Creek Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for October 2 thru 21, 2023. Sched outage – PG&E transmission line maintenance.
- Kelly Ridge Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for November 6 thru 18, 2023. Check surface air cooler and plan repair. Forced outage – Generator exciter problem. Remove exciter armature and field.

## Project Facilities and Assets

- Little Grass Valley Dam – Set lower outlet flows
- South Fork Div Dam – Set lower outlet flows
- Sly Creek penstock – Fabricate PSV platform / enclosure
- Sly Creek roadway – Flail roadway and remove debris
- Woodleaf Ph roadway – Apply herbicide to roadway and gutters
- Forbestown Ph roadway – Apply herbicide to roadway and gutters
- MRC – Grade roadways with rock rake, apply herbicide to roadways
- MRC – Check and clean trashracks, fabricate personnel crossings, install pressure transducers
- MRC – Remove rock fall, repair roadway at Sta 7, flush canal
- Kelly Ridge penstock – Remove encroaching tree at surge chamber
- Surveillance system – Install equipment

## **REGULATORY COMPLIANCE**

### Owners Dam Safety Program Audit Consulting Team:

Title 18 of the Code of Federal Regulations requires that FERC hydropower licensees complete the preparation of, and ongoing updates to, the Owner's Dam Safety Program (ODSP), as well as conducting an independent external audit every five years. In order for the Agency to comply with 18 CFR § 12.64-12.65, and the FERC Guidance for ODSP External Audits, Power Division staff developed a Request For Proposals (RFP) to solicit a firm qualified to conduct the ODSP Audit, and ODSP Manual Updates.

RFPs were issued to Consultants on March 2, 2023 by posting on the Agency's website and via direct email to ten dam safety industry firms. By the closing date of April 7, 2023, two proposals were received.

The RFP outlined the Power Division staff that would comprise the Review and Ranking team, as well as the Scoring criteria. The team thoroughly reviewed and ranked both proposals, and determined that the package submitted by Schnabel West Engineering, Inc. best meets the needs of the Agency and will provide the best value. The Schnabel team was notified of our intent to award the project to them.

As the FERC Guidance outlines, the Regional Engineer must review the qualifications of the Audit Team and accept them prior to performing the Audit. Upon receipt of approval, the Consultant Agreement will be finalized, and formal notice to proceed provided. The proposed timeline for the Audit, preparation of the final reports and ODSP Manual updates is tentatively May 24 – November 9, 2023. The start date is dependent on FERC approval of the Audit Team, and if necessary, will shift the timeline accordingly. SFWPA's ODSP has not been comprehensively updated since 2013, and an external audit has not been previously performed. FERC has transmitted numerous written requests for the Agency to complete this Audit, so they have commented that they will work to review the Audit Team in a timely manner. Members of the Audit Team have previously been approved by FERC to conduct external audits.

The 2023 Adopted Budget included a line item for this work effort. The contractual price will not exceed \$79,525.00, which is below the budgeted amount.

## National Dam Safety Awareness Day – May 31, 2023

This month the Agency is highlighting the importance of May 31st as we join together with other dam owners across the country to commemorate National Dam Safety Awareness Day, and to remember the lessons learned from past dam failures.

The issue of dam safety was not widely recognized until 1889 when the failure of South Fork Dam near Johnstown, Pennsylvania claimed more than 2,200 lives, the most fatalities from a dam failure in the history of the United States. National Dam Safety Awareness Day occurs annually on May 31 to encourage the public to learn about the benefits as well as potential safety risks associated with dams.

Dams have numerous benefits including water supply for domestic, agricultural, industrial, and community use; flood control; recreation; and generation of clean, renewable energy through hydropower. South Feather Water and Power Agency dams are regulated by both federal and state agencies, and each dam is inspected annually by their respective engineers. Power Division Operations, Maintenance, Regulatory Compliance and Engineering staff are all actively inspecting and monitoring the dams and appurtenant structures to keep our dams safe, operational and resilient.

### **PROJECT WORK**

#### Sly Creek Powerhouse Governor Work

The Sly Creek Powerhouse was recommissioned under South Feather Water and Power Agency's ownership in 1986. At that time, a Woodward Cabinet Governor with electro-mechanical actuation was installed to control the turbine. The Turbine Governor is a system that is responsible for controlling the amount of water that is fed to the turbine at all times; it is critical for the smooth and safe operation of the plant under normal, and especially rapid shut down, conditions. In recent years, the agency has experienced an increase in electrical issues within the analog electronic components of the governor. Aging components and outdated technology are contributing to decreased reliability and, less responsive and predictable control of the Generator.

The Agency has issued an RFP to solicit proposals from qualified firms to remove the antiquated electro-mechanical controls of the governor, and replace them with a modern Programmable Logic Controller (computer). This will reduce the maintenance demands of this system and increase the reliability, controllability, and safety of the unit.

### **PERSONNEL**

Bob Cherry retired in April. He was employed with the Agency for over 29 years, and a very competent team member in his roles and assignments. In his roles at the Water Division and Power Division, he performed his work with a priority on safety, and did an excellent job maintaining the Agency's water and power assets. He generously provided training and mentoring for new workers. We wish Bob a wonderful retirement, and we will miss him.

## **GENERAL MANAGER'S REPORT**

The General Manager communicated the following:

### **Domestic Water Treatment Operations**

The total Miners Ranch Treatment Plant (MRTP) treated water production for the month of April totaled 100.29 million gallons.

The total Bangor Treatment Plant (BTP) treated water production for the month of April totaled .510 million gallons.

The Red Hawk Ranch Pump Station raw water total flow for April totaled 593,083 gallons.

All bacteriological requirements were in compliance for the MRTP & BTP. Miners Ranch production was 83% of average over the past 5 years. Bangor's production was 113% of average over the past 5 years.

### **District Wide Water Operations**

Multiple leak and meter repairs were performed during the month. Some of the meters were a result of tampering due to delinquent accounts and water shutoffs. Resources were applied to mutual aid support on the upper Forbestown ditch up to the start of irrigation.

Two new water services were installed during the month.  
SB 998 water shut off statistics were presented by billing cycle.

### **Irrigation Water Operations**

Irrigation on the Forbestown Ditch and Bangor area started May 8<sup>th</sup> and is operating well. All canals and ditches are in full operations.

### **Palermo Water Consolidation Project**

Butte County Public Works has not issued a permit to continue work as of this writing. South Feather will be submitting an invoice to the County for costs associated with the project to date. Those costs include annexation of the defined project area, raw material (pipes, fittings, etc.) sand and gravel. Total expenditures to date are \$588K. SF has enough material on hand to complete phase 1 domestic line expansion, minus meters and backflows.

### **PG&E Standby Metering**

A survey of 3 powerhouses (Forbestown, Sly Creek, & Woodleaf) is being scheduled in June. The purpose of the survey is to determine where PG&E can install revenue meters to measure standby power. This has been a topic of debate by South Feather as during the 11 ½ years hydro energy was delivered via a power purchase agreement, no revenue meters were required at the power houses. Continued investigation is required on who bears the cost of install and billing rate structure. Post powerhouse inspections, SF will engage with NCPA on requirements of the Power Purchase Agreement.

### **Water Rights Reform** *(Narrative provided by Minasian Law)*

There continues to be a coordinated effort to fundamentally change the water right priority system. In addition to the usual NGO parties advancing reform, the Wheeler Institute at Berkeley Law on May 1st released "Managing Water Scarcity: A Framework for Fair and Effective Water Right Curtailment in California." Fortunately, the paper does not recommend wholesale changes to the priority system. However, it does recommend enlarging the SWRCB's power, including expressly empowering the SWRCB to curtail pre-1914 and riparian rights, and broadening the year types in which the SWRCB may curtail and expanding the SWRCB's emergency and regular rulemaking power concerning curtailments. The Berkeley report can be accessed at [Managing-Water-Scarcity\\_Report\\_April2023 \(berkeley.edu\)](https://www.berkeley.edu/Managing-Water-Scarcity_Report_April2023)



### Bills of Interest (Narrative provided by Minasian Law)

AB 754 (Papan) Water management planning; automatic conservation plan. The bill requires urban water suppliers with surface water reservoirs to identify in their urban water management plans target carryover storage levels sufficient to satisfy water users and environmental needs downstream and mandatory water use reductions when certain carryover storage levels are not met. ACWA adopted an oppose position.

SB 504 (Dodd) Wildfires; defensible space; grant programs for local governments. The bill would require CalFire, when reviewing applications for local assistance grants, to give priority to local governments that are qualified to perform defensible space assessments in very high and high fire hazard severity zones. ACWA adopted a favor position.

AB 755 (Papan) Water; public entity cost of service analysis. The bill would require a public agency conducting a cost of service analysis under Proposition 218 to identify the incremental costs incurred by major water users within its service area and how those costs could be avoided if these high water users satisfied urban water use efficiency standards. ACWA adopted an oppose position.

SB 57 (Gonzalez) Utilities and disconnection of residential service. The bill would preclude utility providers, including water providers, from terminating service if the forecast predicts a temperature will be 32 degrees Fahrenheit or less or 95 degrees Fahrenheit or warmer. ACWA adopted an oppose position.

### Director Tours

Staff would like to set up field tours of the district starting with water treatment, storage, regulator vaults and raw water pump stations. In order to comply with the Brown Act we would request only two Directors at a time. I would suggest starting with the newly elected Directors (Mark Grover and Brad Hemstalk). If this is of interest, please discuss a date that is best and the Water Treatment Superintendent will lead the tour of locations listed above.

### Water Rates

At the June 25, 2013 Board Meeting, the following was communicated.

*"After the present power- purchase agreement with PG&E was negotiated in 2008/2009, we began developing strategies for how best to utilize the increase in proceeds from the hydropower project's generation of electricity. In addition to building ample reserves, providing for competitive employee compensation and retirement, paying off outstanding debt, and replacing worn out equipment and vehicles, plans were implemented for the purpose of improving the economies of the communities served by the Agency. The first part of this economic-improvement plan was a systematic reduction in rates for both domestic and irrigation customers that will be fully implemented by 2017".*

At the time of implementation of the Power Purchase Agreement with PG&E with an effectivity date of 2010, SF was communicating to the Board that the annual revenue forecast for the generation and sale of electricity would be \$30.0 - \$40.M. Actual annual revenue of hydro-electric production averaged \$15.5M.

In 2018 an Oroville Region Water Service Study was performed by NorthStar Engineering on behalf of Butte LAFCO.

In that study, the following was documented.

*"SFWPA water rates are highly subsidized by hydro sales. In fact, the actual costs to produce and deliver water into the SFWPA system are very similar to the actuals costs for Cal Water to produce and deliver water into their system. The debt service and depreciation costs for the recent completion of the Miners Ranch Treatment Plant (MRTP) upgrade by SFWPA in being*

*completely subsidized by hydro. The future of power sales revenue is uncertain, and this subsidy may not be sustainable. Without the hydro subsidy the current SFWPA rate would have to triple”.*

South Feather faces the reality that water rates must be reviewed and addressed in order to create a funding mechanism to aging infrastructure repairs, continued increases in water compliance costs, and significant material cost increases.

Roger Bailey stated the following:

1. Does agency have issue with subsidized rates?
2. Increase is somewhat needed.
3. What is palatable to customers?

#### **PUBLIC COMMENT**

Public comment for Directors can be submitted anytime via e-mail. However, in order to be read into the record during the meeting it must be submitted to [PublicRelations@southfeather.com](mailto:PublicRelations@southfeather.com) by 12:00 P.M. Tuesday May 23, 2023.

Marieke Furnee communicated that a ceremony at Dry Creek Diversion was held to celebrate the 2023 irrigation season for NYWD. Rath and Jaymie attended from South Feather and wanted to thank the board for mutual aid efforts. Happy to be having water flows for an irrigation season.

Roger Bailey communicated on the use of an outside service to perform a water rates study and suggests an ad-hoc committee consisting of two members of the public for each division for a total of ten to be involved rather than paying for an outside service. Added that SF's water system is unique as it is closed loop and we are pricing water to ourselves. Discussed the expected benefits from the hydro-electric project and its intent on the cost of water. Should be pretty simple to determine rates and staff is capable of doing this without an outside consultant.

#### **DIRECTORS' REPORTS**

Director Starr: No report for the month of May.

Director Duncan: Absent

Director Wulbern: Excited for the Palermo Project.

Director Hemstalk: No report for the month of May.

Director Grover: Has been Director for six months SF and the staff is amazing.

#### **RECESS (4:07)**

President Wulbern offered opportunity for public comment on closed session items.

#### **CLOSED SESSION (convened at 4:10 p.m.)**

**Conference with Labor Negotiator** (Government Code §54957.6(a)):

Agency-designated representatives: Rath Moseley.

Employee Organizations: IBEW 1245, Hydro Generation Employees Unit and Water Treatment and Distribution Employees Unit.

#### **Conference with Legal Counsel – Existing Litigation**

(Paragraph (1) of subdivision (d) of Government Code section 54956.9)

- A. Name of Case: North Yuba Water District v. South Feather Water & Power Agency et al., Sutter County Superior Court Case No. CVCS21-0001857

B. Name of Case: South Feather Water & Power Agency v. North Yuba Water District et al., Sutter County Superior Court Case No. CVCS21-0002073

**OPEN SESSION** (reconvened at 4:38 p.m.) – President Wulbern announced that legal counsel was given direction during closed session.

**ADJOURNMENT** (4:39 p.m.)

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Rath T. Moseley, Secretary

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Rick Wulbern, President





## **SOUTH FEATHER WATER & POWER AGENCY**

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**TO: Board of Directors**

**FROM: Cheri Richter, Finance Manager**

**DATE: June 22, 2023**

**RE: Approval of Warrants and Checks  
Agenda Item for 6/27/2023 Board of Directors Meeting**

May, 2023 expenditures are summarized as follows:

Checks: <u>64405</u> to <u>64576</u>	<u>\$ 557,382.54</u>
Electronic Fund Transfers: <u>230501</u> to <u>230507</u>	<u>\$ 289,460.57</u>
Payroll Expenses:	<u>\$ 495,062.96</u>
<b>TOTAL EXPENDITURES FOR MAY, 2023</b>	<b><u>\$ 1,341,906.07</u></b>

At May 31, 2023, the authorized balance available was \$ 158,882.88.

Action to approve all expenditures:

**"I move approval of expenditures for the month of May, 2023 in the amount of \$1,341,906.07 and authorize the transfer of \$1,700,000.00 from the TCB General Fund to the TCB Accounts Payable and Payroll Fund for the payment of regular operating expenses."**

South Feather Water and Power Agency  
Checks Paid, May, 2023

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
5/3/2023	64405	A D P, Inc.	01-50-50201	May 2023 Payroll Billing	\$1,717.54
5/3/2023	64406	AFLAC	01-00-22915	Employee Supplemental-Disability/Life - PR 4/7 & 4/21/23	\$1,357.88
5/3/2023	64407	Empower Annuity Ins Co of America	01-00-22908	PR 5/5/23 Employee 457 Contribution	\$100.00
5/3/2023	64408	Mission Square Retirement	01-00-22908	PR 5/5/23 Employee 457 Contribution	\$3,844.36
5/3/2023	64409	Nationwide Retirement	01-00-22908	PR 5/5/23 Employee 457 Contribution	\$22,006.27
5/3/2023	64410	Reliance Standard Life	01-50-50402	May 2023 Employee Life Insurance	\$980.02
5/3/2023	64411	Standard Insurance	01-50-50403	May 2023 Employee Disability Insurance	\$3,070.28
5/3/2023	230501	CalPERS	01-50-50400	May 2023 Employee/Retiree Health Insurance	\$185,563.45
5/3/2023	230502	CalPERS	01-50-50413	PR 5/5/23 Employee - Classic/PEPRA Employee Retirement	\$48,081.86
5/3/2023	230503	CalPERS 457 Plan	01-00-22908	PR 5/5/23 Employee 457 Contribution	\$3,121.14
5/3/2023	230504	Lincoln Financial Group	01-00-22908	PR 5/5/23 Employee 457 Contribution	\$1,633.90
5/5/2023	64412	Home Depot Credit Service	07-63-63100	Tool Box, Screws, Tape Measure	\$799.84
5/5/2023	64413	MarTech Mechanical Analysis Repair	07-63-63201	Turn & Under Cut Exciter For Kelly Ridge PH	\$4,724.00
5/5/2023	64414	Napa Auto Parts	07-66-66150	Lubriguard Anti-Seize	\$393.04
5/5/2023	64415	Niricson Software Inc.	07-67-67201	Data Collection For Drone Inspection Slate Cr/South Fork	\$10,900.00
5/5/2023	64416	North Valley Distributing	07-00-11140/2023-0618	Euro-Style Quick Disconnect Cable 5Pin	\$2,518.09
5/5/2023	64417	Northern Tool & Equipment	07-66-66370	Portacool Cyclone 140 Portable Evaporative Cooler	\$1,555.42
5/5/2023	64418	Oroville Cable & Equipment Co.	07-66-66100	Zip Ties, Cutting Wheels	\$104.11
5/5/2023	64419	Ramos Oil Co.	07-66-66160	Gas & Diesel For HQ	\$7,855.92
5/5/2023	64420	Ray's General Hardware	07-66-66370	Mouse/Rat Poison	\$19.20
5/5/2023	64421	Reynolds, Josh	07-63-63260	Blue Ice For KPH Exciter Repairs	\$233.82
5/5/2023	64422	Staples Credit Plan	07-60-60106	Batteries	\$180.11
5/5/2023	64423	Talley Communications	07-00-11140	EZ RJ45 Non-Shielded Connector Cat5e For Camera Install	\$131.98
5/5/2023	64424	Tyndale Company, Inc.	07-63-63103	FR Clothing For J. Woodruff and T. Brennan	\$90.04
5/5/2023	64425	Accularm Security Systems	01-53-53201	May 2023 Fire/Burg Monitoring - Main Office & Shop	\$197.00
5/5/2023	64426	AT&T	07-60-60251	March 2023 Energy Communication Service	\$662.06
5/5/2023	64427	Backflow Distributors, Inc.	01-55-55205	F 905013 relief valve seat ring kit 2 1/2-10"	\$799.15
5/5/2023	64428	Better Deal Exchange	01-00-11202/2023-0232	Insect Killer, Spray Bottle	\$567.92
5/5/2023	64429	Home Depot Credit Service	01-00-11202/2023-0232	Sand Bags, Dry Wall, Window/Door Silicone	\$349.66
5/5/2023	64430	Kleen Industrial Services	01-53-53102	30/40 Garnet (40) 55# Bags	\$2,502.83
5/5/2023	64431	Long, Ashlee	01-55-55394	Health Benefit Reimbursement	\$60.00
5/5/2023	64432	Mathews Readymix, LLC	01-00-11202/2023-0232	Shotcrete - Woodleaf Camp	\$32,506.24
5/5/2023	64433	Mendes Supply Company	01-53-53260	Paper Towels, Toilet Paper	\$147.58
5/5/2023	64434	Napa Auto Parts	01-56-56150	Battery, Core Deposit, Core Return - C7	\$390.13
5/5/2023	64435	Nevers, Cory	07-66-66394	Health Benefit Reimbursement	\$60.00
5/5/2023	64436	Northern Safety Co., Inc.	01-52-52102	Tinted Gray Lens Safety Glasses	\$112.23
5/5/2023	64437	Office Depot, Inc.	01-53-53100	Toner	\$171.05
5/5/2023	64438	P G & E	01-54-54250	3/3/23 - 4/24/23 Service	\$6,739.14
5/5/2023	64439	Ramos Environmental Services	01-52-52201	Used Oil and Anti-freeze pick-up; W/O # 23-0016151	\$110.00
5/5/2023	64440	Shipman, John	01-53-53394	Health Benefit Reimbursement	\$60.00
5/5/2023	64441	Valley Iron Inc. Oroville	01-53-53260	Metal Strip Cut in Half	\$313.47
5/5/2023	64442	Vista Net, Inc.	07-68-68201	Mobile Anti Virus	\$720.00
5/12/2023	64443	Access Information Management	01-50-50201	April 2023 Shred Service	\$231.09

South Feather Water and Power Agency  
Checks Paid, May, 2023

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
5/12/2023	64444	AT&T	07-68-68251	3/19/23 - 4/18/23 Equipment/Router for Circuit Billing	\$163.00
5/12/2023	64445	AT&T Long Distance	07-60-60251	3/23/23 - 4/24/23 Service	\$413.07
5/12/2023	64446	Better Deal Exchange	01-53-53260	Push Broom, Tape, Paint Brushes, Containers, Bolts, Nut	\$191.11
5/12/2023	64447	C.J. Brown & Company, CPA's	07-60-60216	Audit of 2022 Financial Statements	\$6,350.00
5/12/2023	64448	Comcast	01-53-53251	May 2023 Mainline - Phone/Circuit Service	\$2,441.51
5/12/2023	64449	De Air Company	01-58-58201	Leak Check, Cleaned Blower Wheel & Coil - Office Com Rm	\$913.00
5/12/2023	64450	Del-Mar Equipment Rentals	01-54-54295	Concrete	\$288.85
5/12/2023	64451	Environmental Sys Research Inst, Inc.	01-58-58360	Mapping Software (4/1/23 - 12/31/23): Water	\$10,000.00
5/12/2023	64452	Fruit Growers Laboratory, Inc.	01-53-53201	Haloacetic Acids, Total Trihalomethanes & Organic Carbon BT	\$650.00
5/12/2023	64453	Glende Polaris Yamaha	01-56-56150	Hub Caps, O-Rings - E38	\$557.97
5/12/2023	64454	Hemming Morse, LLP	07-60-60208	JFOF Litigation Professional Acct Svcs - 4/1/23 - 4/30/23	\$35,892.00
5/12/2023	64455	Home Depot Credit Service	01-00-11202/2023-0232	Lag Screws & Washers	\$617.27
5/12/2023	64456	Industrial Power Products-Oroville	01-56-56150	Weed Eater String	\$55.70
5/12/2023	64457	Jeff's Truck Service	01-56-56150	Heaters-Shop/MRTP #2, Y Harness Cables - Shop/MRTP #2	\$422.66
5/12/2023	64458	Kell's Complete Floor Care	01-56-56201	Carpet Cleaning - Admin, Office, Conference Room, Upstairs	\$480.00
5/12/2023	64459	K-Gas, Inc.	01-56-56160	Propane	\$12.73
5/12/2023	64460	McDonald, Richard	01-53-53408	Reimburse D4 Cert, Water Treatment Op T3 Cert	\$195.00
5/12/2023	64461	Office Depot, Inc.	01-53-53100	Stackable Storage Rack	\$55.37
5/12/2023	64462	Orkin Pest Control	01-53-53201	May 2023 Pest Control Service	\$95.00
5/12/2023	64463	Oroville Ford	01-56-56150	Evaporator Expansion, O-Rings, Compressor Assembly-T313	\$1,125.64
5/12/2023	64464	Pace Supply Corp.	01-00-22300	#1-3/8 Tapered Leak Repair Plug	\$3,476.07
5/12/2023	64465	Ramos Oil Co.	01-56-56160	Fuel, Diesel	\$3,857.71
5/12/2023	64466	Ray's General Hardware	01-00-11202/2023-0232	Lag Screws	\$46.37
5/12/2023	64467	Recology Butte Colusa Counties	01-56-56250	April 2023 Garbage Service	\$1,109.43
5/12/2023	64468	Southern Computer Warehouse	07-68-68100	Desktop Computer - Power Division	\$2,436.33
5/12/2023	64469	Talley Communications	01-56-56370	Base Station Antenna To Go On Top Of Water Division Shop	\$361.88
5/12/2023	64470	Tractor Supply Credit Plan	01-00-11202/2023-0232	Tee Posts	\$309.77
5/12/2023	64471	Vista Net, Inc.	01-50-50251	May 2023 Email Spam Service	\$4,748.91
5/12/2023	64472	Brennan, Tim	07-66-66140	For Call Out Mileage	\$85.81
5/12/2023	64473	Butte Co. Air Quality Mgmt.	07-64-64501	Burn Permit For Butte Co.5/2023 to 5/2024	\$41.50
5/12/2023	64474	Comcast Business	07-63-63251	For CAISO Meters In SPH 5/3/23 to 6/2/23	\$189.41
5/12/2023	64475	Consolidated Electrical Dist, Inc.	07-66-66260	Ballast For Shop Lights	\$127.46
5/12/2023	64476	Cygnit Enterprises West, Inc.	07-64-64260	Freight & Shipping Cost	\$3,349.30
5/12/2023	64477	DPS Telecom	07-68-68100	Propane Tank Monitoring For Alarm Sys. At Sunset	\$2,481.44
5/12/2023	64478	K-Gas, Inc.	07-66-66250	Sales Tax For Propane At Station 7	\$2,889.74
5/12/2023	64479	Leach, David	07-66-66140	For Call Out Mileage	\$34.06
5/12/2023	64480	McMaster Carr Supply Co.	07-63-63260	Pressure Gauge, Valve, Pipe Fittings	\$1,163.58
5/12/2023	64481	MSC Industrial Supply Company	01-00-11180	Cleaner, Sanding/Cutting Discs	\$488.48
5/12/2023	64482	Oroville Cable & Equipment Co.	07-66-66171	Tank Rent For April 2023	\$233.75
5/12/2023	64483	Oroville Ford	07-66-66150	Radiator Hose T#121	\$131.17
5/12/2023	64484	P G & E	07-63-63250	Elec. Svc. 3/28/23 to 4/26/23 - HQ	\$16,445.37
5/12/2023	64485	Pace Supply Corp.	07-63-63260	2-1/2" *5, 1/2 Galv	\$139.03
5/12/2023	64486	Powerplan - OIB	07-66-66150	Cutting Edges For Grader E#111	\$681.98

South Feather Water and Power Agency  
Checks Paid, May, 2023

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
5/12/2023	64487	Ramos Environmental Services	07-66-66201	Pickup & Dispose Of Waste Oil & Oily Solids	\$2,649.50
5/12/2023	64488	Recology Yuba-Sutter	07-65-65250	One Time Garbage Pickup At Sly Boat Ramp 4-24-23	\$105.51
5/12/2023	64489	Tom's Septic	07-63-63201	Pump Out Sewage Tank At Kelly Ridge Powerhouse	\$1,000.00
5/16/2023	64490	ACWA-JPIA	01-50-50400	June 2023 Vision & Dental	\$10,139.18
5/16/2023	64491	Empower Annuity Ins Co of America	01-00-22908	PR 5/19/23 Employee 457 Contribution	\$100.00
5/16/2023	64492	IBEW #1245	01-00-25207	May 2023 Member Dues	\$6,546.35
5/16/2023	64493	Mission Square Retirement	01-00-22908	PR 5/19/23 Employee 457 Contribution	\$2,684.70
5/16/2023	64494	Nationwide Retirement	01-00-22908	PR 5/19/23 Employee 457 Contribution	\$2,207.65
5/16/2023	230505	CalPERS	01-50-50413	PR 5/19/23 Employee Retirement Contributions	\$46,459.74
5/16/2023	230506	CalPERS 457 Plan	01-00-22908	PR 5/19/23 Employee 457 Contribution	\$3,116.35
5/16/2023	230507	Lincoln Financial Group	01-00-22908	PR 5/19/23 Employee 457 Contribution	\$1,484.13
5/19/2023	64495	Aramark Uniforms	07-66-66103	Employee Jackets For Boyer, Daley, Howerton	\$874.76
5/19/2023	64496	AT&T	07-66-66251	Local Calls 5/10/23 to 6/9/23 - FPH	\$1,481.52
5/19/2023	64497	Bank of America - Bank Card	07-63-63260	ProSense Signal Conditioner/Display Module DAQ Equip.	\$1,694.34
5/19/2023	64498	Boyer, Lloyd	07-66-66140	Mileage For Call Out	\$30.13
5/19/2023	64499	Capital One	07-63-63100	Kleenex and Supplies	\$316.70
5/19/2023	64500	Durham Pump & Irrigation	07-63-63201	Rubber Inserts For Brass Spider	\$140.79
5/19/2023	64501	Dynacom	01-61-61370	Tri-Mist Inlet Plenum w/6" Collar For Oil Mist Recovery	\$3,977.75
5/19/2023	64502	Leach, David	07-66-66140	Mileage For Call Out	\$37.20
5/19/2023	64503	McMaster Carr Supply Co.	07-66-66100	Adhesive Numbers For Vehicles & Equipment	\$96.69
5/19/2023	64504	Oroville Cable & Equipment Co.	07-62-62102	Safety Glasses	\$92.23
5/19/2023	64505	Powerplan - OIB	07-66-66150	Cutting Edges For Grader E#111	\$342.69
5/19/2023	64506	Ray's General Hardware	01-00-11180	Fuses	\$67.07
5/19/2023	64507	Slate Geotechnical Consultants	07-67-67201	FERC Part 12D Independent Consultant Services 4/2023	\$16,082.50
5/19/2023	64508	Accularm Security Systems	01-53-53201	Bi-Annual Fire Inspection MRTP on 5/9/23	\$675.00
5/19/2023	64509	Advanced Document Concepts	01-50-50380	April 2023 Printer/Copier Maintenance Contract	\$718.70
5/19/2023	64510	AT&T	01-53-53251	5/10/23 - 6/9/23 Local Calls Service	\$1,827.31
5/19/2023	64511	AT&T	07-68-68251	5/5/23 - 6/4/23 Firewall	\$672.10
5/19/2023	64512	AT&T Long Distance	01-53-53251	Annual One Time Charge 4/12/23 - 4/11/23	\$722.10
5/19/2023	64513	AT&T Mobility	07-68-68251	Routers Service 5/3/23 - 6/2/23	\$618.54
5/19/2023	64514	Better Deal Exchange	01-54-54104	Gate Valve, Tape Measure, PVC, Gloves, Primer/Cement	\$292.58
5/19/2023	64515	California Natural Resources Agency	01-51-51249	Palermo Canal inundated by Lake Oroville-O&M 1/25/1963	\$8,000.00
5/19/2023	64516	Dan's Electrical Supply	01-53-53260	Slotted Strut Channel	\$60.70
5/19/2023	64517	De Air Company	01-53-53201	Repair Parts for Bangor A/C Unit	\$793.75
5/19/2023	64518	Dish Network	01-50-50251	3/8/23-4/7/23 Satellite Svc - Final Pymt. Canceled Svc	\$103.10
5/19/2023	64519	Fastenal Company	01-00-11202/2023-0232	Cable Ties, Blue Marking Paint	\$308.01
5/19/2023	64520	Gemini Group, LLC	01-53-53201	MRTP Annual Consumer Confidence Report 2022	\$3,170.00
5/19/2023	64521	Glende Polaris Yamaha	01-56-56150	Front Rack/Pin, Taillight/Socket, Pre-Coil Cover Cable-E127	\$427.14
5/19/2023	64522	Industrial Power Products-Oroville	01-56-56150	Chain Loops. Combo Wrench, Files	\$184.63
5/19/2023	64523	InfoSend, Inc.	01-55-55114	April 2023 Cycles 1 - 10 Billing & Door Hanger Processing	\$7,520.51
5/19/2023	64524	Itron	01-54-54380	Mobile Radios Maint (6/1/23 to 5/31/24)	\$288.00
5/19/2023	64525	Jimmy P Tools LLC	01-56-56274	Torx Driver, Curve Head Pry Bar Set	\$200.35
5/19/2023	64526	M J B Welding Supply	01-56-56102	Gloves	\$35.11



South Feather Water and Power Agency  
Checks Paid, May, 2023

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
5/19/2023	64527	McMaster Carr Supply Co.	01-54-54104	Indicating Desiccant Bags	\$27.74
5/19/2023	64528	Napa Auto Parts	01-56-56150	Seal Kits, Hydraulic Brake Shoes & Lining Kit - E104A	\$1,629.12
5/19/2023	64529	Normac	01-54-54104	True Union Ball Check Valve	\$251.08
5/19/2023	64530	O'Reilly Auto Parts	01-56-56150	Bearing Sets	\$108.06
5/19/2023	64531	Oroville, City of	01-00-22907	April 2023 City Utility Tax	\$1,848.56
5/19/2023	64532	Paramex Screening Services	01-52-52226	DMV Exam; 05/04/2023; J. McClellan	\$89.00
5/19/2023	64533	Sharp's Locksmithing	01-53-53260	Keys Made, Tail Pieces & Sleeves, Labor	\$100.16
5/19/2023	64534	Tehama Tire Service, Inc.	01-56-56150	1 New Tire - T303	\$1,644.97
5/19/2023	64535	Tractor Supply Credit Plan	01-56-56150	Trailer Jack, Tie Down Straps	\$116.89
5/19/2023	64536	U.S. Bank	01-00-11202/2023-0232	Pressure Treated Lumber	\$7,233.67
5/19/2023	64537	Valley Iron Inc. Oroville	01-54-54295	Flat Bar, Strip Bar	\$75.67
5/26/2023	64538	AT&T	07-60-60251	For Circuits 5/10/23 to 6/9/23	\$322.40
5/26/2023	64539	AT&T	07-60-60251	For KPH Fiber Optic Connection For 5/2023	\$1,060.58
5/26/2023	64540	Better Deal Exchange	07-68-68100	Super Glue	\$13.41
5/26/2023	64541	Home Depot Credit Service	01-00-11180	Gutters, Hangers, Screws, Sealant	\$123.69
5/26/2023	64542	Koffler Electrical	07-63-63201	Install New Brush Holders, Exciter Field Housing KPH	\$3,140.63
5/26/2023	64543	MarTech Mechanical Analysis Repair	07-63-63201	Turn & Undercut Exciter for Kelly Ridge PH	\$4,724.00
5/26/2023	64544	Napa Auto Parts	07-66-66150	Diesel Oil, DEF Fluid, Valve Cover Gaskets	\$273.39
5/26/2023	64545	Oroville Ford	07-66-66150	Oil Filter, Rear Brake Pads T#217	\$103.55
5/26/2023	64546	Oroville Safe & Lock	07-66-66100	Padlocks	\$295.39
5/26/2023	64547	P G & E - Sacramento	07-63-63501	Gen. Interconnection Agreement For 5/2023	\$7,010.37
5/26/2023	64548	Petty Cash Reimbursement	07-66-66140	Postage, Mileage, Office Supplies, Documents	\$221.79
5/26/2023	64549	Tehama Tire Service, Inc.	07-66-66150	4 Tires Each For C5, T103, C4	\$2,745.03
5/26/2023	64550	Tru Trailer, Inc	07-00-11150/2023-0606	Tru Trailer 14K Enclosed 8.5x24x7, New Tool Trailer	\$14,753.10
5/26/2023	64551	YSI Incorporated	07-67-67260	HydroSurveyor M9 Firmware & HYPACK Max Software	\$13,550.94
5/26/2023	64552	AT&T	01-53-53251	5/14/23 - 6/13/23 MRTP Internet Connection	\$74.90
5/26/2023	64553	AT&T Mobility	01-50-50251	4/19/23 - 5/18/23 Tablet Service	\$249.03
5/26/2023	64554	Better Deal Exchange	01-00-15213	PVC Pipe, Adapters, Caps	\$113.39
5/26/2023	64555	Ditch Witch West	01-56-56150	Fuel Filters, Belts	\$468.65
5/26/2023	64556	FGL Environmental	01-53-53201	Wet Chemistry N03-N Testing - MRTP	\$54.00
5/26/2023	64557	Hach Co.	01-53-53260	Vial Compartment Wiper for TU5300 NTU Analyzer	\$293.59
5/26/2023	64558	Home Depot Credit Service	01-54-54270	Lumber, Gloves, Shovels	\$445.61
5/26/2023	64559	Kisters North America	07-64-64100	MON31SLENSISEM2X3X Control Panel Label	\$103.57
5/26/2023	64560	McMaster Carr Supply Co.	01-53-53260	On/Off Valves for Drinking Water, T-Strainers, Elbows	\$226.71
5/26/2023	64561	Minasian Law	07-60-60208	April 2023 Professional Services	\$13,889.28
5/26/2023	64562	North Yuba Water District	07-69-69990	2023 Jan-Mar, JFOF Minimum Annual Payment, Due 6/1/23	\$177,250.00
5/26/2023	64563	Pace Supply Corp.	01-00-22300	9.05 X 2 Bronze Saddle For PVC	\$1,081.09
5/26/2023	64564	Ramos Oil Co.	01-56-56160	Fuel, Diesel	\$3,773.92
5/26/2023	64565	Southern Computer Warehouse	07-68-68100	2 x Desktop Computers - Water	\$3,389.56
5/26/2023	64566	U S A Blue Book	01-53-53260	Conductivity Solution 84 Us, 500 ml	\$256.05
5/26/2023	64567	Verizon Wireless	01-53-53251	4/11/23 - 5/10/23 After Hours Cell Phone Service	\$134.31
5/26/2023	64568	Wilbur-Ellis Company LLC	01-54-54295	Round Up Pro Concentrate; 6 units at 2.5 gallons per jug	\$1,574.70
5/31/2023	64569	Avila, Chris	01-00-22200	Refund Check UB 4223	\$13.61

South Feather Water and Power Agency  
Checks Paid, May, 2023

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
5/31/2023	64570	Bossler, David	01-00-22200	Refund Check UB 12469	\$19.00
5/31/2023	64571	Fitzgerald, Jerry	01-00-22200	Refund Check UB 2465	\$19.42
5/31/2023	64572	Goodhue, Chris	01-00-22200	Refund Check UB 6961	\$70.91
5/31/2023	64573	Mathias, Reiner	01-00-22200	Refund Check UB 18004	\$25.30
5/31/2023	64574	May, Charles or Kattie	01-00-22200	Refund Check UB 15911	\$22.78
5/31/2023	64575	Peebles, Cindy	01-00-22200	Refund Check UB 20919	\$19.42
5/31/2023	64576	Rossetta, Daniel	01-00-22200	Refund Check UB 9491	\$35.76
				Total May, 2023 Checks	\$846,843.11

**SOUTH FEATHER WATER AND POWER AGENCY  
PAYROLL  
May, 2023**

PAYROLL STATE & FED TAXES	\$	168,602.61
PAYROLL NET		326,460.35
<b>TOTAL MAY, 2023</b>		<b>\$ 495,062.96</b>

**CREDIT CARD DETAIL  
MAY, 2023 PAYMENTS**

<u>Check #</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>
64497	5/19/2023	Bank of America	
		Rock To Place In Bed Of Truck T#222	\$ 21.56
		Leveling Lift Kit For T#222	53.61
		ProSense Programming	56.84
		Blackout Blind Shade	68.68
		Suspension Enhancement System T#223	400.12
		Food & Supplies For Retirement Lunch	408.20
		ProSense Signal Conditioner/Module	685.33
			\$ 1,694.34
64536	5/19/2023	U.S. Bank	
		Video Conferencing Svc 4/14-5/13/23	\$ 16.71
		Recording Fee For Lien Release	23.50
		Parcel Quest Information Look-Up	35.00
		Filter Replacement, Measuring Cup	87.58
		Certification For NERC, Membership	440.00
		Stainless Steel Utility Sink	562.89
		Constant Contact Management Svc	1,034.00
		Pressure Treated Lumber	5,033.99
			\$ 7,233.67



## **SOUTH FEATHER WATER & POWER AGENCY**

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**TO: Board of Directors**

**FROM: Cheri Richter, Finance Manager**

**DATE: June 22, 2023**

**RE: Annual Financial Report Draft with Independent Auditor's Report  
6/27/23 Board of Directors Meeting**

The 2022 Annual Financial Report Draft accompanied by the independent auditor's opinion is hereby submitted.

The auditors, C.J. Brown & Company CPAs, issued an unqualified, or clean, opinion as stated in the second paragraph of their Independent Auditor's Report:

*In our opinion, the financial statements . . . present fairly, in all material respects, the respective financial position of the South Feather Water and Power Agency, as of December 31, 2022 and 2021, and the respective changes in net position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

At the end of the document is the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on the Audits of Financial Statements Performed in Accordance with Government Auditing Standards. The most significant comment in this report is the statement, "The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards."

Governmental accounting standards report most of the data in a summarized form, presenting the Agency's financial activity and position in a consolidated format. Activity within the Agency's two funds (General Fund and Joint Facilities Operating Fund) is presented as Supplemental Information in the Combining Schedules on pages 47 through 49. As detailed in the Report, the Agency's net financial position was \$100,076,276 for the year ended December 31, 2022. Liabilities for both pension and Other Post-Employment Benefits (OPEB) are accounted for in this report in full compliance with current governmental accounting standards.

If the Board is satisfied with the Auditor's report and staff's responses at this time, the following action is requested:

**"I move acceptance of the Independent Auditor's Report and the Annual Financial Report for the Year Ended December 31, 2022."**



**South Feather Water and Power Agency**  
**Annual Financial Report**  
**December 31, 2022 and 2021**



## **Our Mission Statement**

***“To deliver a dependable supply of safe, quality drinking water to its customers, and a dependable supply of water for agricultural users, in an economical, efficient, and publicly responsible manner”.***

**South Feather Water and Power Agency**

**Board of Directors as of December 31, 2022**

<b><u>Name</u></b>	<b><u>Division</u></b>	<b><u>Title</u></b>	<b><u>Current Term</u></b>
Brad Hemstalk	1	Director	12/22 to 12/26
Rick Wulbern	2	President	12/20 to 12/24
Mark Grover	3	Director	12/22 to 12/26
Ruth Duncan	4	Vice President	12/22 to 12/24
John Starr	5	Director	12/22 to 12/26

**South Feather Water and Power Agency**

**Rath Moseley, General Manager**

**2310 Oro Quincy Highway**

**Oroville, California 95966**

**(530) 533-4578 – [www.southfeather.com](http://www.southfeather.com)**

**South Feather Water and Power Agency  
Annual Financial Report  
For the Year Ended December 31, 2022 and 2021**

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# **Financial Section**

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## **Independent Auditor's Report**

Board of Directors  
South Feather Water and Power Agency  
Oroville, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the South Feather Water and Power Agency (Agency), which comprises the statements of net position as of December 31, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the South Feather Water and Power Agency as of December 31, 2022 and 2021, and the respective changes in net position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, 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 these 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 Agency'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.

## **Independent Auditor's Report, continued**

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, and the required supplementary information on pages 43 through 46, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Independent Auditor's Report, continued**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The combining and individual nonmajor fund financial statements on pages 47 through 52, and the debt service coverage ratios on page 53, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance. This report can be found on pages 54 and 55.

**C.J. Brown & Company CPAs**  
Cypress, California  
July 27, 2023

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**South Feather Water and Power Agency**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2022 and 2021**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the South Feather Water and Power Agency (Agency) provides an introduction to the financial statements of the Agency for the year ended December 31, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- The Agency's net position decreased 2.63% or \$2,703,910 to \$100,076,276. In 2021, the Agency's net position increased 11.00% or \$10,185,847 to \$102,780,186.
- The Agency's operating revenues decreased 18.90% or \$5,340,352 to \$22,918,747. In 2021, the Agency's operating revenues increased 85.37% or \$13,014,028 to \$28,259,099.
- The Agency's non-operating revenues increased 7.09% or \$71,151 to \$1,075,011. In 2021, the Agency's non-operating revenues decreased 31.66% or \$465,053 to \$1,003,860.
- The Agency's operating expenses increased 50.46% or \$7,213,041 to \$21,508,831. In 2021, the Agency's operating expenses decreased 11.48% or \$1,854,039 to \$14,295,790.
- The Agency's non-operating expenses increased 19.39% or \$217,353 to \$1,338,408. In 2021, the Agency's non-operating expenses decreased 1.24% or \$14,131 to \$1,121,055.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the Agency's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), deferred inflows of resources, and net position. It also provides the basis for computing a rate of return, evaluating the capital structure of the Agency, and assessing the liquidity and financial flexibility of the Agency. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Agency's operations over the past year and can be used to determine if the Agency has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Agency's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, and provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the reporting period.

**Financial Analysis of the Agency**

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Agency in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

**South Feather Water and Power Agency**  
**Management's Discussion and Analysis, continued**  
**For the Years Ended December 31, 2022 and 2021**

**Financial Analysis of the Agency, continued**

These two statements report the Agency's *net position* and changes in it. You can think of the Agency's net position – the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the Agency's financial health, or *financial position*. Over time, *increases or decreases* in the Agency's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government regulations, such as changes in Federal and State dam safety requirements and water quality standards.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 14 through 42.

**Statement of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,076,276 and \$102,780,186 as of December 31, 2022 and 2021, respectively.

<b>Condensed Statements of Net Position</b>					
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
<b>Assets:</b>					
Current assets	\$ 35,960,175	40,242,108	(4,281,933)	26,237,996	14,004,112
Non-current assets	113,459,990	114,457,454	(997,464)	120,514,199	(6,056,745)
<b>Total assets</b>	<u>149,420,165</u>	<u>154,699,562</u>	<u>(5,279,397)</u>	<u>146,752,195</u>	<u>7,947,367</u>
<b>Deferred outflows of resources</b>	<u>6,427,936</u>	<u>4,681,037</u>	<u>1,746,899</u>	<u>4,517,801</u>	<u>163,236</u>
<b>Liabilities:</b>					
Current liabilities	2,401,964	3,879,538	(1,477,574)	3,623,672	255,866
Non-current liabilities	48,276,576	48,943,560	(666,984)	53,947,819	(5,004,259)
<b>Total liabilities</b>	<u>50,678,540</u>	<u>52,823,098</u>	<u>(2,144,558)</u>	<u>57,571,491</u>	<u>(4,748,393)</u>
<b>Deferred inflows of resources</b>	<u>5,093,285</u>	<u>3,777,315</u>	<u>1,315,970</u>	<u>1,104,166</u>	<u>2,673,149</u>
<b>Net position:</b>					
Net investment in capital assets	82,888,330	80,252,150	2,636,180	81,065,688	(813,538)
Unrestricted	17,187,946	22,528,036	(5,340,090)	11,528,651	10,999,385
<b>Total net position</b>	<u>\$ 100,076,276</u>	<u>102,780,186</u>	<u>(2,703,910)</u>	<u>92,594,339</u>	<u>10,185,847</u>

A portion of the Agency's net position, 82.83% and 78.08% as of December 31, 2022 and 2021, respectively, reflects the Agency's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to customers within the Agency's service area; consequently, these assets are *not* available for future spending.

As of December 31, 2022 and 2021, the Agency showed a positive balance in its unrestricted net position of \$17,187,946 and \$22,528,036, respectively. See note 9 for further discussion.



**South Feather Water and Power Agency**  
**Management's Discussion and Analysis, continued**  
**For the Years Ended December 31, 2022 and 2021**

**Statement of Revenues, Expenses, and Changes in Net Position**

The statements of revenues, expenses, and changes in net position show how the Agency's net position changed during the years. In the case of the Agency, net position decreased 2.63% or \$2,703,910 from \$102,780,186 to \$100,076,276, as a result of ongoing operations for the year ended December 31, 2022. In 2021, the District's net position increased 11.00% or \$10,185,847 from \$92,594,339 to \$102,780,186, as a result of ongoing operations

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
<b>Revenues:</b>					
Operating revenues	\$ 22,918,747	28,259,099	(5,340,352)	15,245,071	13,014,028
Non-operating revenues	<u>1,075,011</u>	<u>1,003,860</u>	<u>71,151</u>	<u>1,468,913</u>	<u>(465,053)</u>
<b>Total revenues</b>	<u>23,993,758</u>	<u>29,262,959</u>	<u>(5,269,201)</u>	<u>16,713,984</u>	<u>12,548,975</u>
<b>Expenses:</b>					
Operating expenses	21,508,831	14,295,790	7,213,041	16,149,829	(1,854,039)
Depreciation expense	4,017,290	3,888,836	128,454	3,884,633	4,203
Non-operating expenses	<u>1,338,408</u>	<u>1,121,055</u>	<u>217,353</u>	<u>1,135,186</u>	<u>(14,131)</u>
<b>Total expenses</b>	<u>26,864,529</u>	<u>19,305,681</u>	<u>7,558,848</u>	<u>21,169,648</u>	<u>(1,863,967)</u>
<b>Net income (loss) before capital contributions</b>	(2,870,771)	9,957,278	(12,828,049)	(4,455,664)	14,412,942
<b>Capital contributions</b>	<u>166,861</u>	<u>228,569</u>	<u>(61,708)</u>	<u>627,699</u>	<u>(399,130)</u>
<b>Changes in net position</b>	<u>(2,703,910)</u>	<u>10,185,847</u>	<u>(12,889,757)</u>	<u>(3,827,965)</u>	<u>14,013,812</u>
<b>Net position, beginning of year</b>	<u>102,780,186</u>	<u>92,594,339</u>	<u>10,185,847</u>	<u>96,422,304</u>	<u>(3,827,965)</u>
<b>Net position, end of year</b>	<u>\$ 100,076,276</u>	<u>102,780,186</u>	<u>(2,703,910)</u>	<u>92,594,339</u>	<u>10,185,847</u>

A closer examination of the sources of changes in net position reveals that:

In 2022, the Agency's operating revenues decreased 18.90% or \$5,340,352, due primarily to a decreases of \$5,591,562 in outside water sales and \$108,664 in domestic water sales; which was offset by an increase of \$336,206 in the sale of electricity. In 2021, the Agency's operating revenues increased 85.37% or \$13,014,028, due primarily to increases of \$7,385,168 in sale of electricity and \$5,603,915 in outside water sales.

In 2022, the Agency's non-operating revenues increased 7.09% or \$71,151, due primarily to an increase of \$62,946 in property taxes. In 2021, the Agency's non-operating revenues decreased 31.66% or \$465,053, due primarily to a decrease of \$480,876 in investment earnings which was offset by an increase of \$36,919 in property taxes.

In 2022, the Agency's operating expenses increased 50.46% or \$7,213,041, due primarily to increases of \$3,966,357 in plant operations, \$2,636,256 in general and administrative (as a result of an increase CalPERS actuarial adjustments), \$233,566 in water treatment and \$226,314 in customer account. In 2021, the Agency's operating expenses decreased 11.48% or \$1,854,039, due primarily to decreases of \$721,075 in plant operations, \$546,817 in general and administrative, \$421,290 in transmission and distribution, and \$143,718 in water treatment.

In 2022, the Agency's non-operating expenses increased 19.39% or \$217,353, due primarily to an increase of \$451,866 in investment loss, which was offset by a \$103,489 decrease in interest expense. In 2021, the Agency's non-operating expenses decreased 1.24% or \$14,131, due primarily to a decrease of \$90,086 in interest expense which was offset by a \$75,955 increase in unrealized loss on investments.

**South Feather Water and Power Agency**  
**Management's Discussion and Analysis, continued**  
**For the Years Ended December 31, 2022 and 2021**

**Capital Asset Administration**

As of December 31, 2022 and 2021, the Agency's capital assets (net of accumulated depreciation) amounted to \$107,028,146 and \$109,233,537, respectively. Capital assets (net of accumulated depreciation) include land, hydroelectric power generation facilities, water distribution and treatment plant, dams and reservoirs, buildings and structures, equipment, vehicles, and construction-in-process. See note 4 for further discussion.

Change in capital asset amounts for 2022 was as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2022</u>
Capital assets:				
Non-depreciable assets	\$ 7,890,401	458,609	(419,502)	7,929,508
Depreciable assets	223,478,298	1,772,792	(23,091)	225,227,999
Accumulated depreciation	<u>(122,135,162)</u>	<u>(4,017,290)</u>	<u>23,091</u>	<u>(126,129,361)</u>
Total capital assets, net	<u>\$ 109,233,537</u>	<u>(1,785,889)</u>	<u>(419,502)</u>	<u>107,028,146</u>

Change in capital asset amounts for 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2021</u>
Capital assets:				
Non-depreciable assets	\$ 7,967,726	792,544	(869,869)	7,890,401
Depreciable assets	222,665,399	985,722	(172,823)	223,478,298
Accumulated depreciation	<u>(118,419,149)</u>	<u>(3,888,836)</u>	<u>172,823</u>	<u>(122,135,162)</u>
Total capital assets, net	<u>\$ 112,213,976</u>	<u>(2,110,570)</u>	<u>(869,869)</u>	<u>109,233,537</u>

**Debt Administration**

Change in long-term debt amounts for 2022 was as follows:

	<u>Balance 2021</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2022</u>
Long-term debt:				
Certificate of participation	\$ 24,814,775	-	(651,904)	24,162,871
Loans payable	<u>4,202,255</u>	<u>-</u>	<u>(4,202,255)</u>	<u>-</u>
Total long-term debt	29,017,030	<u>-</u>	<u>(4,854,159)</u>	24,162,871
Less: current portion	<u>(2,256,967)</u>			<u>(655,000)</u>
Non-current portion	<u>\$ 26,760,063</u>			<u>23,507,871</u>

In 2022, long-term debt decreased by \$4,854,159, due primarily to \$651,904 and \$4,202,255 in principal payments of the certificate of participation and loans payable, respectively.

**South Feather Water and Power Agency**  
**Management's Discussion and Analysis, continued**  
**For the Years Ended December 31, 2022 and 2021**

**Debt Administration, continued**

Change in long-term debt amounts for 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2021</u>
Long-term debt:				
Certificate of participation	\$ 25,446,679	-	(631,904)	24,814,775
Loans payable	<u>5,749,840</u>	<u>-</u>	<u>(1,547,585)</u>	<u>4,202,255</u>
Total long-term debt	31,196,519	<u>-</u>	<u>(2,179,489)</u>	29,017,030
Less: current portion	<u>(2,162,585)</u>			<u>(2,256,967)</u>
Non-current portion	<u>\$ 29,033,934</u>			<u>26,760,063</u>

In 2021, long-term debt decreased by \$2,179,489, due primarily to \$631,904 and \$1,547,585 in principal payments of the certificate of participation and loans payable, respectively.

See note 6 for further discussion.

**Economic Factors and Other Conditions Affecting Current Financial Position**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. To date, the COVID-19 outbreak had no significant impact on Agency revenues and expenses. Operations have been modified in order for the Agency to safely continue services and meet its ongoing obligations.

Management is unaware of any other conditions which could have a significant impact on the Agency's current financial position, net position, or operating results in terms of past, present, and future.

**Requests for Information**

This financial report is designed to provide the Agency's funding sources, customers, stakeholders, and other interested parties with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's General Manager or Finance Manager at 2310 Oro-Quincy Highway, Oroville, California 95966 or by phone (530) 533-4578.

# **Basic Financial Statements**

**South Feather Water and Power Agency**  
**Statements of Net Position**  
**December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 28,565,695	34,214,381
Investments (note 2)	2,657,111	1,971,493
Accounts receivable (note 3)	1,946,404	2,256,931
Due from other government agencies	173,761	173,761
Property tax receivable	427,564	359,723
Accrued interest receivable	155,404	13,664
Prepaid expenses and other deposits	674,771	389,888
Materials and supplies inventory	1,359,465	862,267
<b>Total current assets</b>	<b>35,960,175</b>	<b>40,242,108</b>
<b>Non-current assets:</b>		
Investments (note 2)	6,431,844	5,223,917
Capital assets – not being depreciated (note 4)	7,929,508	7,890,401
Capital assets – being depreciated, net (note 4)	99,098,638	101,343,136
<b>Total non-current assets</b>	<b>113,459,990</b>	<b>114,457,454</b>
<b>Total assets</b>	<b>149,420,165</b>	<b>154,699,562</b>
<b>Deferred outflows of resources:</b>		
Deferred pension outflows (note 7)	4,116,080	1,191,484
Deferred OPEB outflows (note 8)	2,288,801	3,453,910
Deferred loss on defeasance of debt (note 6)	23,055	35,643
<b>Total deferred outflows of resources</b>	<b>\$ 6,427,936</b>	<b>4,681,037</b>

Continued on next page

See accompanying notes to the basic financial statements

**South Feather Water and Power Agency**  
**Statements of Net Position, continued**  
**December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 639,720	465,341
Accrued payroll and employee benefits	160,578	185,789
Accrued interest payable	197,294	251,959
Customer deposits	55,483	232,241
Long-term liabilities – due in one year:		
Compensated absences (note 5)	693,889	487,241
Certificate-of-participation (note 6)	655,000	635,000
Loans payable (note 6)	-	1,621,967
	<b>2,401,964</b>	<b>3,879,538</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	1,040,831	730,861
Certificate-of-participation (note 6)	23,507,871	24,179,775
Loans payable (note 6)	-	2,580,288
Net pension liability (note 7)	7,638,657	1,964,172
Other post-employment benefit liability (note 8)	16,089,217	19,488,464
	<b>48,276,576</b>	<b>48,943,560</b>
	<b>50,678,540</b>	<b>52,823,098</b>
<b>Deferred inflows of resources:</b>		
Deferred pension inflows (note 7)	678,529	2,231,175
Deferred OPEB inflows (note 8)	4,414,756	1,546,140
	<b>5,093,285</b>	<b>3,777,315</b>
<b>Net position: (note 9)</b>		
Net investment in capital assets	82,888,330	80,252,150
Unrestricted	17,187,946	22,528,036
	<b>\$ 100,076,276</b>	<b>102,780,186</b>

See accompanying notes to the basic financial statements

**South Feather Water and Power Agency**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Operating revenues:</b>		
Domestic water sales	\$ 2,498,469	2,607,133
Irrigation water sales	285,814	282,059
Outside water sales	207,653	5,799,215
Sale of electricity	19,684,346	19,348,140
Miscellaneous charges	242,465	222,552
	<b>22,918,747</b>	<b>28,259,099</b>
<b>Operating expenses:</b>		
Source of supply	16,536	14,888
Water treatment	2,013,276	1,779,710
Transmission and distribution	2,224,457	2,106,846
Customer account	1,186,876	960,562
Environmental health and safety	581,183	549,894
Plant operations	10,207,450	6,241,093
General and administrative	5,279,053	2,642,797
	<b>21,508,831</b>	<b>14,295,790</b>
<b>Operating income before depreciation expense</b>	<b>1,409,916</b>	<b>13,963,309</b>
Depreciation expense	(4,017,290)	(3,888,836)
	<b>(2,607,374)</b>	<b>10,074,473</b>
<b>Non-operating revenues(expenses):</b>		
Property taxes	781,134	718,188
Investment returns	(396,797)	55,069
Unrealized gain (loss) on investments	36,319	(75,955)
Gain from sale of capital assets	1,000	4,850
Interest expense – long-term debt	(941,611)	(1,045,100)
Other non-operating revenues, net	256,558	225,753
	<b>(263,397)</b>	<b>(117,195)</b>
<b>Net (loss) income before capital contributions</b>	<b>(2,870,771)</b>	<b>9,957,278</b>
<b>Capital contributions:</b>		
Capital grants:		
Federal	3,276	108,611
State	-	58,876
System capacity charges	163,585	61,082
	<b>166,861</b>	<b>228,569</b>
<b>Changes in net position</b>	<b>(2,703,910)</b>	<b>10,185,847</b>
<b>Net position, beginning of year</b>	<b>102,780,186</b>	<b>92,594,339</b>
<b>Net position, end of year</b>	<b>\$ 100,076,276</b>	<b>102,780,186</b>

See accompanying notes to the basic financial statements

**South Feather Water and Power Agency**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers	\$ 23,052,516	28,188,510
Payments to vendors for materials and services	(13,228,021)	(8,083,839)
Payments to employees for salaries and wages	(6,308,826)	(6,262,788)
<b>Net cash provided by operating activities</b>	<b>3,515,669</b>	<b>13,841,883</b>
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from property taxes	713,293	687,714
<b>Net cash provided by non-capital financing activities</b>	<b>713,293</b>	<b>687,714</b>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(1,811,899)	(908,397)
Proceeds from the sale of capital assets	1,000	4,850
Proceeds from capital contributions	166,861	228,569
Principal paid on long-term debt	(4,854,159)	(2,179,489)
Interest paid on long-term debt	(983,688)	(1,055,501)
<b>Net cash used in capital and related financing activities</b>	<b>(7,481,885)</b>	<b>(3,909,968)</b>
<b>Cash flows from investing activities:</b>		
Interest and investment earnings	(502,218)	(5,819)
Purchase of investments	(3,445,272)	(5,176,682)
Proceeds from maturities and called investments	1,551,727	6,281,495
<b>Net cash (used in) provided by investing activities</b>	<b>(2,395,763)</b>	<b>1,098,994</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(5,648,686)</b>	<b>11,718,623</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>34,214,381</b>	<b>22,495,758</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 28,565,695</b>	<b>34,214,381</b>

Continued on next page

See accompanying notes to the basic financial statements



**South Feather Water and Power Agency**  
**Statement of Cash Flows, continued**  
**For the Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Reconciliation of operating (loss) income to net cash provided by operating activities:</b>		
Operating (loss) income	\$ (2,607,374)	10,074,473
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation expense	4,017,290	3,888,836
Other non-operating revenues, net	256,558	225,753
<b>Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:</b>		
(Increase) decrease in assets:		
Accounts receivable	310,527	(238,755)
Prepaid expenses and other deposits	(284,883)	(46,561)
Materials and supplies inventory	(497,198)	(13,273)
(Increase) decrease in deferred outflows of resources:		
Deferred pension outflows	(2,924,596)	391,789
Deferred OPEB outflows	1,165,109	(567,613)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	174,379	(71,499)
Accrued payroll and employee benefits	(25,211)	(2,543)
Customer deposits	(176,758)	168,166
Compensated absences	516,618	41,497
Net pension liability	5,674,485	(3,976,357)
Other post-employment benefit liability	(3,399,247)	1,294,821
Increase (decrease) in deferred inflows of resources:		
Deferred pension inflows	(1,552,646)	2,021,003
Deferred OPEB inflows	2,868,616	652,146
<b>Total adjustments</b>	<b>6,123,043</b>	<b>3,767,410</b>
<b>Net cash provided by operating activities</b>	<b>\$ 3,515,669</b>	<b>13,841,883</b>
<b>Non-cash investing, capital, and financing transaction:</b>		
Change in fair value of investments	\$ 36,319	(75,955)

See accompanying notes to the basic financial statements

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2022 and 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The South Feather Water and Power Agency (Agency) was formed on November 18, 1919, under Irrigation Law, Division II, of the California Water Code. Formerly known as Oroville-Wyandotte Irrigation District, the Agency presently includes approximately 54,000 acres in southeastern Butte County and encompasses the unincorporated areas adjacent to the City of Oroville, as well as the unincorporated communities of Kelly Ridge, Bangor, and Palermo. The Agency area has a population of approximately 17,500, and currently provides water services to approximately 7,000 residential customers (domestic water) and 600 irrigation customers (raw water).

The Agency has water rights from the south fork of the Feather River and certain tributaries for hydroelectric generation purposes, which water may also be diverted by the Agency each year for consumptive uses. The Agency owns certain hydroelectric facilities, the power from which was sold to Pacific Gas and Electric Company (PG&E). Effective December 19, 2021, the power has been sold to Northern California Power Agency.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. The Agency is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a local election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Agency is financially accountable if it appoints a voting majority of the organization's governing body and 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

In April 1995, the Agency approved the formation of the Oroville-Wyandotte Irrigation District Financing Corporation, now known as the South Feather Water and Power Agency Financing Corporation (the Corporation). This corporation is a nonprofit public benefit corporation and is organized under the Nonprofit Public Benefit Corporation Law (commencing at Section 5110 of the California Corporations Code). The purpose of the Corporation is to provide assistance to public agencies in the State of California, in the financing, acquiring, constructing, rehabilitating or financing various public facilities, land and equipment for the use, benefit and enjoyment of the public. The Corporation is included in the Agency's reporting entity as a blended component unit because the Board of Directors of the Agency serves as the Board of Directors of the Corporation, the Corporation is fiscally dependent on the Agency, and the ability of the Agency to impose its will on the Corporation. The Corporation does not issue separate financial statements.

The Agency is a special district governed by an elected five-member Board of Directors. As required by accounting principles generally accepted in the United States of America, these financial statements represent the Agency and its component unit.

**B. Basis of Accounting and Measurement Focus**

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), sale of electricity, capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**B. Basis of Accounting and Measurement Focus, continued**

Operating revenues and expenses, such as water sales, sale of electricity and cost of sales and services, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

**C. Financial Reporting**

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Agency's proprietary fund.

The Agency has adopted the following GASB pronouncements in the current year:

***Governmental Accounting Standards Board Statement No. 87***

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after June 15, 2021; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 91***

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

***Governmental Accounting Standards Board Statement No. 91, continued***

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this Statement were effective for reporting periods beginning after December 15, 2021.

***Governmental Accounting Standards Board Statement No. 92***

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

***Governmental Accounting Standards Board Statement No. 93***

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

***Governmental Accounting Standards Board Statement No. 97***

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the Agency’s cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**3. Investments and Investment Policy**

The Agency has adopted a formal investment policy as required by Section 53600et seq., of the California Government Code. The Agency Treasurer has responsibility for selecting depositories and investing idle funds in accordance with the adopted investment policy.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Fair Value Measurement**

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

The Agency's investment in LAIF is valued at amortized cost and is not subject to the fair value measurement criteria.

**5. Accounts Receivable and Allowance for Uncollectible Accounts**

The Agency extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Agency uses the allowance method for the reservation and write-off of those accounts when material.

**6. Property Taxes and Assessments**

Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Butte levies, bills and collects property taxes and special assessments for the Agency. Under the County's "Teeter Plan", the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the Agency in the fiscal year they are assessed. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**7. Materials and Supplies**

Materials and supplies consist primarily of water pipe and pipefittings for construction and repair to the Agency's water treatment and distribution system and for the maintenance of its hydroelectric power generation facilities. Materials and supplies are valued at average cost basis using the first-in, first out method. Material and supply items are charged to expense at the time the items are consumed.

**8. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported on the Statement of Net Position. Capital assets are currently defined by the Agency as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are valued at historical cost. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Dams, powerhouses and treatment plants	40-50 years
Pipelines	50 years
Other general assets	3-10 years
Other power-related assets	5-50 years

**9. Deferred Outflows of Resources**

Deferred outflows of resources represent the consumption of resources applicable to future periods.

**10. Compensated Absences**

The Agency's policy allows employees to accumulate earned but unused vacation leave, up to the maximum allowance provided for in the memoranda of understanding, which will be paid to employees upon separation from the Agency's service. Upon separation from the Agency, employees can also elect to be paid one-half of their unused accumulated sick leave time. The cost of this annual vacation and sick leave time is recognized in the period earned.

**11. Long-Term Liabilities**

Long-term liabilities and other long-term obligations are reported on the Statement of Net Position. Initial issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt.

**12. Deferred Inflows of Resources**

Deferred inflows of resources represent the acquisition of resources applicable to future periods.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**13. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Dates: June 30, 2021 and 2020
- Measurement Dates: June 30, 2022 and 2021
- Measurement Periods: July 1, 2021 to June 30, 2022 and July 1, 2020 to June 30, 2021

**14. Other Postemployment Benefits Plan (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources and OPEB expense, information about the fiduciary net position of the plan held by CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if applicable, are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at purchase of one year or less, which are reported at cost.

**15. Interfund Transactions**

Transactions between combining units of the Agency are recorded as interfund transfers on the Combining Schedule of Revenues, Expenses and Changes in Net Position. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds. These amounts are eliminated for reporting in the enterprise fund financial statements.

**16. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets component of net position** – consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- **Restricted component of net position** – consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets.
- **Unrestricted component of net position** – the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.



**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**17. Budgetary Principles**

The Agency adopts an annual budget, typically in December each year, to take effect January 1 the following year. The budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The Board approves all budget addition appropriations. Budget integration is employed as a management control device.

**(2) Cash and Investments**

Cash and investments as of December 31 are classified in the accompanying financial statements as follows:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 28,565,695	34,214,381
Investments, current	2,657,111	1,971,493
Investments, non-current	6,431,844	5,223,917
<b>Total</b>	<b>\$ 37,654,650</b>	<b>41,409,791</b>

Cash and investments as of December 31 consist of the following:

	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 700	950
Cash with fiscal agent	14,514	6,576
Deposits with financial institutions	3,111,704	2,513,216
Investments	34,527,732	38,889,049
<b>Total</b>	<b>\$ 37,654,650</b>	<b>41,409,791</b>

***Investments Authorized by the California Government Code and the Agency's Investment Policy***

The following table identifies the investment types that are authorized by the Agency in accordance with the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency; rather, the table addresses the general provisions of the California Government Code or the Agency's investment policy.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(2) Cash and Investments, continued**

*Investments Authorized by the California Government Code and the Agency's Investment Policy, continued*

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Total of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Bonds issued by the Agency	None	No Limit	None
U.S. Treasury obligations	None	No Limit	None
State of California obligations	None	No Limit	None
Local Agency Investment Fund (LAIF)	N/A	\$ 40,000,000	None
Banker's acceptances	180 days	40%	30%
Commercial paper - U.S. companies	270 days	25%	10%
Certificates of deposit	None	30%	None
Repurchase agreements	None	Per Government Code	
Medium term notes	5 years	30%	None
Money Market Mutual Funds	N/A	15%	None
Mortgage obligations	5 years	20%	None
Other investments as permitted by the California Government Code	N/A	Per Government Code	

***Custodial Credit Risk***

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of December 31, 2022 and 2021, bank balances are federally insured up to \$250,000. The remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(2) Cash and Investments, continued**

***Investment in State Investment Pool***

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency'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 are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

***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. One of the ways that the Agency manages its exposure to interest rate risk is 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 matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations.

As of December 31, 2022, the Agency's investments are scheduled to mature as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
Local Agency Investment Fund	\$ 22,924,117	22,924,117	-	-
Money market deposit account	210,844	210,844	-	-
Certificates of deposit	8,373,384	3,353,476	3,372,773	1,647,135
CalTrust Term Investment Funds	1,369,076	1,369,076	-	-
U.S. Government bonds	1,401,830	238,375	-	1,163,455
U.S. Treasury securities	248,481	-	248,481	-
<b>Total</b>	<b>\$ 34,527,732</b>	<b>28,095,888</b>	<b>3,621,254</b>	<b>2,810,590</b>

As of December 31, 2021, the Agency's investments are scheduled to mature as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
Local Agency Investment Fund	\$ 29,583,730	29,583,730	-	-
Money market deposit account	11,031	11,031	-	-
Certificates of deposit	6,888,167	2,156,038	4,246,311	485,818
CalTrust Term Investment Funds	1,417,587	1,417,587	-	-
U.S. Government bonds	742,071	250,283	248,063	243,725
U.S. Treasury securities	246,463	246,463	-	-
<b>Total</b>	<b>\$ 38,889,049</b>	<b>33,665,132</b>	<b>4,494,374</b>	<b>729,543</b>

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(2) Cash and Investments, continued**

***Credit Risk***

Generally, 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. Presented on the next page is the minimum rating required by the California Government Code (where applicable), the Agency's investment policy, or debt agreements, and the actual rating as of the years ended for each investment type.

***Credit Risk, continued***

Credit ratings as of December 31, 2022, were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Recognized Statistical Rating</u>
Local Agency Investment Fund	\$ 22,924,117	N/A	N/A
Money market deposit account	210,844	N/A	N/A
Certificates of deposit	8,373,384 <sup>(1)</sup>	N/A	N/A
CalTrust Term Investment Funds	1,369,076	N/A	N/A
U.S. Government bonds	1,401,830	AA	AA+
U.S. Treasury securities	248,481	AAA	Aaa
<b>Total</b>	<b>\$ 34,527,732</b>		

<sup>(1)</sup> No minimum legal rating exists for certificate of deposits if the investment is insured by the FDIC or fully collateralized.

Credit ratings as of December 31, 2021, were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Recognized Statistical Rating</u>
Local Agency Investment Fund	\$ 29,583,730	N/A	N/A
Money market deposit account	11,031	N/A	N/A
Certificates of deposit	6,888,167 <sup>(1)</sup>	N/A	N/A
CalTrust Term Investment Funds	1,417,587	N/A	N/A
U.S. Government bonds	742,071	AA	AA+
U.S. Treasury securities	246,463	AAA	Aaa
<b>Total</b>	<b>\$ 38,889,049</b>		

<sup>(1)</sup> No minimum legal rating exists for certificate of deposits if the investment is insured by the FDIC or fully collateralized.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(2) Cash and Investments, continued**

***Fair Value Hierarchy***

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2022, are as follows:

<u>Description</u>	<u>December 31,</u> <u>2022</u>	<u>Fair Value Measurement at Reporting Date Using:</u>		
		<u>Quoted Prices in</u> <u>Active Markets</u> <u>for Identical</u> <u>Assets (Level 1)</u>	<u>Significant</u> <u>Other Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Certificates of deposit	\$ 8,373,384	-	8,373,384	-
CalTrust Term Investment Funds	1,369,076	-	1,369,076	-
U.S. Government Bonds	1,401,830	-	1,401,830	-
U.S. Treasury Securities	248,481	-	248,481	-
Total investments measured at fair value	11,392,771	-	11,392,771	-
Local Agency Investment Fund	22,924,117			
Money market deposit account	210,844			
Total investments	\$ <u>34,527,732</u>			

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2021, are as follows:

<u>Description</u>	<u>December 31,</u> <u>2022</u>	<u>Fair Value Measurement at Reporting Date Using:</u>		
		<u>Quoted Prices in</u> <u>Active Markets</u> <u>for Identical</u> <u>Assets (Level 1)</u>	<u>Significant</u> <u>Other Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Certificates of deposit	\$ 6,888,167	-	6,888,167	-
CalTrust Term Investment Funds	1,417,587	-	1,417,587	-
U.S. Government Bonds	742,071	-	742,071	-
U.S. Treasury Securities	246,463	-	246,463	-
Total investments measured at fair value	9,294,288	-	9,294,288	-
Local Agency Investment Fund	29,583,730			
Money market deposit account	11,031			
Total investments	\$ <u>38,889,049</u>			

**(3) Accounts Receivable**

As of December 31, accounts receivable consists of the following:

	<u>2022</u>	<u>2021</u>
Water sales	\$ 475,814	543,443
Sale of electricity	1,470,590	1,713,488
Total	\$ <u>1,946,404</u>	<u>2,256,931</u>

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(4) Capital Assets**

Changes in capital assets for 2022 were as follows:

	<u>Balance 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
<b>Non-depreciable assets:</b>				
Land, land rights and water rights	\$ 2,138,103	-	-	2,138,103
Construction-in-process	35,991	458,609	(419,502)	75,098
FERC Relicensing	5,716,307	-	-	5,716,307
<b>Total non-depreciable assets</b>	<u>7,890,401</u>	<u>458,609</u>	<u>(419,502)</u>	<u>7,929,508</u>
<b>Depreciable assets:</b>				
Source of supply	149,423,665	476,106	-	149,899,771
Pumping plant	362,296	-	-	362,296
Transmission and distribution	57,447,190	53,471	-	57,500,661
General plant and yard	12,677,781	1,243,215	(23,091)	13,897,905
Tailwater depression	124,445	-	-	124,445
Photovoltaic system	2,258,931	-	-	2,258,931
Recreational facilities	1,183,990	-	-	1,183,990
<b>Total depreciable assets</b>	<u>223,478,298</u>	<u>1,772,792</u>	<u>(23,091)</u>	<u>225,227,999</u>
<b>Accumulated depreciation:</b>				
Source of supply	(86,849,728)	(1,925,595)	-	(88,775,323)
Pumping plant	(337,830)	(4,255)	-	(342,085)
Transmission and distribution	(23,325,021)	(1,399,104)	-	(24,724,125)
General plant and yard	(9,551,737)	(601,620)	23,091	(10,130,266)
Tailwater depression	(124,445)	-	-	(124,445)
Photovoltaic system	(946,210)	(59,379)	-	(1,005,589)
Recreational facilities	(1,000,191)	(27,337)	-	(1,027,528)
<b>Total accumulated depreciation</b>	<u>(122,135,162)</u>	<u>(4,017,290)</u>	<u>23,091</u>	<u>(126,129,361)</u>
<b>Total depreciable assets, net</b>	<u>101,343,136</u>	<u>(2,244,498)</u>	<u>-</u>	<u>99,098,638</u>
<b>Total capital assets, net</b>	<u>\$ 109,233,537</u>	<u>(1,785,889)</u>	<u>(419,502)</u>	<u>107,028,146</u>

Major depreciable capital asset additions during the year include additions to source of supply, transmission and distribution, and general plant and yard.

Depreciation expense for the year ended December 31, 2022, amounted to \$4,017,290. Total depreciation expense was charged to the Agency's general fund and joint facilities fund amounting to \$1,898,692 and \$2,118,598, respectively.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(4) Capital Assets, continued**

Changes in capital assets for 2021 were as follows:

	<u>Balance 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
<b>Non-depreciable assets:</b>				
Land, land rights and water rights	\$ 2,138,103	-	-	2,138,103
Construction-in-process	113,316	792,544	(869,869)	35,991
FERC Relicensing	5,716,307	-	-	5,716,307
<b>Total non-depreciable assets</b>	<u>7,967,726</u>	<u>792,544</u>	<u>(869,869)</u>	<u>7,890,401</u>
<b>Depreciable assets:</b>				
Source of supply	149,301,940	121,725	-	149,423,665
Pumping plant	362,296	-	-	362,296
Transmission and distribution	57,097,653	349,537	-	57,447,190
General plant and yard	12,336,144	514,460	(172,823)	12,677,781
Tailwater depression	124,445	-	-	124,445
Photovoltaic system	2,258,931	-	-	2,258,931
Recreational facilities	1,183,990	-	-	1,183,990
<b>Total depreciable assets</b>	<u>222,665,399</u>	<u>985,722</u>	<u>(172,823)</u>	<u>223,478,298</u>
<b>Accumulated depreciation:</b>				
Source of supply	(84,881,651)	(1,968,077)	-	(86,849,728)
Pumping plant	(333,576)	(4,254)	-	(337,830)
Transmission and distribution	(22,036,624)	(1,288,397)	-	(23,325,021)
General plant and yard	(9,180,174)	(544,386)	172,823	(9,551,737)
Tailwater depression	(124,445)	-	-	(124,445)
Photovoltaic system	(886,831)	(59,379)	-	(946,210)
Recreational facilities	(975,848)	(24,343)	-	(1,000,191)
<b>Total accumulated depreciation</b>	<u>(118,419,149)</u>	<u>(3,888,836)</u>	<u>172,823</u>	<u>(122,135,162)</u>
<b>Total depreciable assets, net</b>	<u>104,246,250</u>	<u>(2,903,114)</u>	<u>-</u>	<u>101,343,136</u>
<b>Total capital assets, net</b>	<u>\$ 112,213,976</u>	<u>(2,110,570)</u>	<u>(869,869)</u>	<u>109,233,537</u>

Major depreciable capital asset additions during the year include additions to source of supply, transmission and distribution, and general plant and yard.

Depreciation expense for the year ended December 31, 2021, amounted to \$3,888,836. Total depreciation expense was charged to the Agency's general fund and joint facilities fund amounting to \$1,856,069 and \$2,032,767, respectively.

**(5) Compensated Absences**

Compensated absences comprise unpaid paid time off that accrues when benefits are fully vested and are determined annually. Compensated absences turn-over each year, therefore, the compensated absence balance of the Agency is recorded as a liability on the Statement of Net Position.

Changes in compensated absences for 2022 were as follows:

	<u>Balance 2021</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>1,218,102</u>	<u>740,475</u>	<u>(223,857)</u>	<u>1,734,720</u>	<u>693,889</u>	<u>1,040,831</u>

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(5) Compensated Absences, continued**

Changes in compensated absences for 2021 were as follows:

	<u>Balance 2021</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	1,176,605	622,323	(580,826)	1,218,102	487,241	730,861

**(6) Long-term Debt**

The change in long-term debt for 2022 was as follows:

	<u>Balance 2021</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Certificate-of-participation:						
2016 Certificate of Participation	\$ 24,395,000	-	(635,000)	23,760,000	655,000	23,105,000
Add: Unamortized premium	419,775	-	(16,904)	402,871	-	402,871
Total certificate-of-participation	<u>24,814,775</u>	<u>-</u>	<u>(651,904)</u>	<u>24,162,871</u>	<u>655,000</u>	<u>23,507,871</u>
Loans payable:						
2019 Installment Purchase Agreement	4,202,255	-	(4,202,255)	-	-	-
Total loans payable	<u>4,202,255</u>	<u>-</u>	<u>(4,202,255)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term debt	29,017,030	<u>-</u>	<u>(4,854,159)</u>	24,162,871	<u>655,000</u>	<u>23,507,871</u>
Current portion	<u>(2,256,967)</u>			<u>(655,000)</u>		
Non-current portion	\$ <u>26,760,063</u>			<u>23,507,871</u>		

The change in long-term debt for 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Certificate-of-participation:						
2016 Certificate of Participation	\$ 25,010,000	-	(615,000)	24,395,000	635,000	23,760,000
Add: Unamortized premium	436,679	-	(16,904)	419,775	-	419,775
Total certificate-of-participation	<u>25,446,679</u>	<u>-</u>	<u>(631,904)</u>	<u>24,814,775</u>	<u>635,000</u>	<u>24,179,775</u>
Loans payable:						
2019 Installment Purchase Agreement	5,749,840	-	(1,547,585)	4,202,255	1,621,967	2,580,288
Total loans payable	<u>5,749,840</u>	<u>-</u>	<u>(1,547,585)</u>	<u>4,202,255</u>	<u>1,621,967</u>	<u>2,580,288</u>
Total long-term debt	31,196,519	<u>-</u>	<u>(2,179,489)</u>	29,017,030	<u>2,256,967</u>	<u>26,760,063</u>
Current portion	<u>(2,162,585)</u>			<u>(2,256,967)</u>		
Non-current portion	\$ <u>29,033,934</u>			<u>26,760,063</u>		

**2016 Certificate of Participation**

In October 2016, the Agency issued \$27,010,000 of Certificates of Participation (Certificates). The 2016 Certificates were issued to refund the 2012 Revenue Refunding Bonds and finance the Miners Ranch Water Treatment Plant Improvement Project. The 2012 Revenue Refunding Bonds were issued to refund the remaining balance of the 1980 Miners Ranch Domestic Revenue Bonds and 2003 Certificates of Participation. The remaining defeased bond refunding amount recorded as part of deferred outflows of resources of \$23,055 in the statement of net position will be amortized over the remaining life of the 2016 Certificate of Participation debt. The Agency is required to collect rates, fees, and charges that will be sufficient to yield net water system and hydroelectric system revenues equal to 125% of debt service payments on outstanding debt and any future parity debt issued.



**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(6) Long-term Debt, continued**

***2016 Certificate of Participation, continued***

The loan bears interest ranging from 2% to 4%, with principal and interest payments due annually on April 1 of each year and matures on April 1, 2046.

Annual debt service requirements for the certificate-of-participation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 655,000	789,175	1,444,175
2024	675,000	769,525	1,444,525
2025	695,000	749,275	1,444,275
2026	720,000	721,475	1,441,475
2027	750,000	692,675	1,442,675
2028-2032	4,220,000	2,997,375	7,217,375
2033-2037	4,945,000	2,270,775	7,215,775
2038-2042	5,770,000	1,440,888	7,210,888
2043-2046	<u>5,330,000</u>	<u>439,888</u>	<u>5,769,888</u>
Total	23,760,000	<u>10,871,051</u>	<u>34,631,051</u>
Premium	402,871		
Current	<u>(655,000)</u>		
Non-current	\$ <u>23,507,871</u>		

***2019 Installment Purchase Agreement***

In May 2019, the Agency obtained a loan in the amount of \$8,000,000 from a finance company to fund repayment of a loan from PG&E for the Sly Creek Dam Crest Modification and Lost Creek Dam Crest Modification projects. The Agency is required to collect rates, fees, and charges that will be sufficient to yield net water system and hydroelectric system revenues equal to 125% of debt service payments on outstanding debt and any future parity debt issued. The loan bears interest of 4.75%, with principal and interest payments due semi-annually on October 1 and April 1 of each year and matures on April 1, 2024. In 2022, the Agency paid the loan in full.

**(7) Defined Benefit Pension Plan**

***Plan Descriptions***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the Agency's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(7) Defined Benefit Pension Plan, continued**

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustment for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Agency's CalPERS 3.0% at 60 and 2.0% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the Agency's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Agency participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect at December 31 2022, are summarized as follows:

	<u>Classic</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%
Required employee contribution rates		
July 1 to December 31, 2022	7.81%	6.75%
January 1 to June 30, 2022	7.80%	6.75%
Required employer contribution rates		
July 1 to December 31, 2022	14.53%	7.47%
January 1 to June 30, 2022	14.54%	7.59%

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended December 31, 2022, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>2022</u>
Contributions – employer	\$ <u>1,440,631</u>

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(7) Defined Benefit Pension Plan, continued**

***Contributions, continued***

As of December 31, 2022 and 2021, the Agency reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<b>2022</b>	<b>2021</b>
Proportionate share of net pension liability	\$ 7,638,657	1,964,172

***Net Pension Liability***

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of December 31, 2022, the net pension liability of the Plan is measured as of June 30, 2022 (the measurement date). The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 (the valuation date), rolled forward to June 30, 2022, using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Agency's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement dates June 30, 2022, was as follows:

	<b>Proportionate Share</b>
Proportion – June 30, 2020	0.05460 %
Increase in proportion	(0.01828)
Proportion – June 30, 2021	0.03632
Increase in proportion	0.02981
Proportion – June 30, 2022	0.06613 %

***Deferred Outflows(Inflows) of Resources Related to Pensions***

As of December 31, 2022, the Agency reported \$340,679, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement date for the year ended December 31, 2022, will be recognized as a reduction of the net pension liability for the year ended December 31, 2022.

As of December 31, 2022, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year Ending December 31,</b>	<b>Deferred Net Outflows(Inflows) of Resources</b>
2023	\$ 820,372
2024	706,679
2025	427,340
2026	855,798

For the year ended December 31, 2022 and 2021, the Agency recognized pension expense (credit) of \$1,197,242 and \$(1,563,565).

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(7) Defined Benefit Pension Plan, continued**

***Deferred Outflows(Inflows) of Resources Related to Pensions, continued***

As of December 31, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>2022</u>		<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 627,362	-	340,679	-
Differences between actual and expected experience	50,659	-	220,261	-
Changes in assumptions	782,740	-		
Difference between actual contribution and proportionate share of contribution	-	(678,529)	-	(516,556)
Net difference between projected and actual earnings on plan investments	1,399,199	-	-	(1,714,619)
Net adjustment due to difference in proportions of net pension liability	<u>1,256,120</u>	<u>-</u>	<u>630,544</u>	<u>-</u>
Total	<u>\$ 4,116,080</u>	<u>(678,529)</u>	<u>1,191,484</u>	<u>(2,231,175)</u>

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2021 actuarial valuation were determined using the following actuarial assumptions and methods:

Valuation Dates	June 30 2020 and 2021
Measurement Dates	June 30 2021 and 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

\* The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to 2021 experience study report that can be found on the CalPERS website.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(7) Defined Benefit Pension Plan, continued**

***Discount Rate***

The discount rate used to measure the total pension liability as of June 30, 2022 and 2021, for the PERF C was 6.90% and 7.15%, respectively. This discount rate is not adjusted for administrative expenses. The PERF C fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for those pension plan's investments were applied to all periods of projected benefit payments to determine the total pension liability.

There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2021, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10</u>
Global equity - cap weighted	30.00 %	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)
Total	<u>100.00 %</u>	

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Agency's proportionate share of the net pension liability for the Plan calculated using the discount rate for the Plan, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(7) Defined Benefit Pension Plan, continued**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate, continued***

As of December 31, 2022, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	<b>Discount Rate - 1% 5.90%</b>	<b>Current Discount Rate 6.90%</b>	<b>Discount Rate + 1% 7.90%</b>
District's net pension liability	\$ 13,083,744	7,638,657	3,158,701

As of December 31, 2021, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	<b>Discount Rate - 1% 6.15%</b>	<b>Current Discount Rate 7.15%</b>	<b>Discount Rate + 1% 8.15%</b>
District's net pension liability	\$ 6,659,578	1,964,172	(1,917,453)

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 43 through 45 for the Required Supplementary Information.

**(8) Other Post-Employment Benefits**

***General Information about the OPEB Plan***

*Plan description* – The Agency's single employer defined benefit OPEB plan, South Feather Water and Power Agency Retiree Benefits Plan (the Plan), provides OPEB benefits for all permanent full-time employees of the Agency. Benefits are set by the Memoranda of Understandings with the applicable employee bargaining units and may be amended by agreement between the Agency and the bargaining units. The Plan is administered by the Agency. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits provided* – The Plan provides healthcare, dental and vision insurance benefits to all permanent full-time employees who retire directly from the Agency and CalPERS, at a minimum age of 55, with a minimum of ten years of service. Eligible employees' surviving spouses are also eligible for benefits. The Agency participates in the Public Employees' Medical and Hospital Care Act (PEMHCA) provided through the California Public Employees' Retirement System (CalPERS). Employees may choose one of five medical options: Anthem Blue Cross HMO, Blue Shield HMO, PERSChoice PPO, PERSSelect PPO and PERSCare PPO. The maximum monthly contribution is based on the rate equal to the average of the premiums for all CalPERS plans available, excluding the plan with the lowest premium and the plan with the highest premium. In addition, dental and vision insurance are provided to employees and spouses through the Association of California Water Agencies Joint Power Insurance Authority (ACWA-JPIA).

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(8) Other Post-Employment Benefits, continued**

*Employee covered by benefit terms* – On December 31, the following employees were covered by the benefit terms under the Plan:

	2022	2021
Participating active employees	54	54
Inactive employees or beneficiaries currently receiving benefit payments	48	48
Total plan membership	102	102

*Contributions* – The contribution requirements of Plan members and the Agency are established and may be amended by the Agency’s Board of Directors. The Board establishes rates based on an actuarially determined rate. For the year ended December 31, 2021, the Agency’s “pay as you go” cost of providing retiree health benefits amounted to \$462,951.

***OPEB Expense and Deferred Outflows (Inflows) of Resources Related to OPEB***

For the year ended December 31, 2022 and 2021, the Agency recognized OPEB expense (credit) of \$634,478 and (\$1,294,821), respectively.

At December 31, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,126,833	(74,479)	1,465,640	(148,959)
Changes in assumptions	1,161,968	(4,340,277)	1,988,270	(1,397,181)
Total	\$ 2,288,801	(4,414,756)	3,453,910	(1,546,140)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows/ (Inflows) of Resources
2022	\$ 35,425
2023	(380,731)
2024	(734,328)
2025	(750,152)
2026	(296,169)
Remaining	-

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(8) Other Post-Employment Benefits, continued**

***Net OPEB Liability***

The Agency's net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022.

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	December 31, 2021
Measurement Date	'December 31, 2022
Actuarial cost method	Entry Age Normal cost method in accordance with the requirements of GASB Statement No. 75
Inflation	2.50% per annum
Salary increases	2.75% per annum
Healthcare trend rate	4.00% per annum
Discount rate	3.72% per year net of expenses, based on the Bond Buyer 20 Bond Index

*Discount rate* – In 2022 and 2021, The discount rate used to measure the total OPEB liability was 3.72% and 2.06%, net of expenses, which reflects the Agency's expectation of the long-term return on trust assets as of the measurement date. The projection of cash flows used to determine the discount rate assumed that liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

***Changes in the Net OPEB Liability***

For the year ended December 31, 2022, the Agency's changes in the net OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB</u>	<u>Plan</u>	<u>Net OPEB</u>
	<u>Liability (a)</u>	<u>Fiduciary</u>	<u>Liability/(Asset)</u>
		<u>Net Position</u>	<u>(c) = (a) - (b)</u>
		<u>(b)</u>	
Balance at beginning of year	\$ 19,488,464	-	19,488,464
Changes during the year:			
Service cost	861,840	-	861,840
Interest	403,477	-	403,477
Contributions - employer	-	666,265	(666,265)
Changes in assumptions	(3,998,299)	-	(3,998,299)
Benefit payments	(666,265)	(666,265)	-
Net changes	(3,399,247)	-	(3,399,247)
Balance at end of year	\$ 16,089,217	-	16,089,217



**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(8) Other Post-Employment Benefits, continued**

***Sensitivity of the net OPEB liability to changes in the discount rate***

As of December 31, 2022, the following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

		<b>Discount Rate - 1%</b>	<b>Current Discount Rate</b>	<b>Discount Rate + 1%</b>
		<u>2.72%</u>	<u>3.72%</u>	<u>4.72%</u>
District's net OPEB liability	\$	<u>18,416,084</u>	<u>16,089,217</u>	<u>14,501,494</u>

As of December 31, 2021, the following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

		<b>Discount Rate - 1%</b>	<b>Current Discount Rate</b>	<b>Discount Rate + 1%</b>
		<u>1.06%</u>	<u>2.06%</u>	<u>3.06%</u>
District's net OPEB liability	\$	<u>22,428,706</u>	<u>19,488,464</u>	<u>17,100,904</u>

***Sensitivity of the net OPEB liability to changes in healthcare cost trend rates***

As of December 31, 2022, the following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		<b>1% Decrease Healthcare Cost Trend</b>	<b>Current Healthcare Cost Trend</b>	<b>1% Increase Healthcare Cost Trend</b>
		<u>3.00%</u>	<u>4.00%</u>	<u>5.00%</u>
District's net OPEB liability	\$	<u>13,878,432</u>	<u>16,089,217</u>	<u>18,649,064</u>

As of December 31, 2021, the following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		<b>1% Decrease Healthcare Cost Trend</b>	<b>Current Healthcare Cost Trend</b>	<b>1% Increase Healthcare Cost Trend</b>
		<u>3.00%</u>	<u>4.00%</u>	<u>5.00%</u>
District's net OPEB liability	\$	<u>16,740,851</u>	<u>19,488,464</u>	<u>22,943,810</u>

***OPEB plan fiduciary net position***

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CalPERS financial report for CERBT.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(8) Other Post-Employment Benefits, continued**

*Payable to the OPEB Plan*

At December 31, 2022, the Agency reported no amounts outstanding as required contributions to CERBT.

**(9) Net Position**

The balance at December 31, consists of the following:

	<b>2022</b>	<b>2021</b>
<b>Net investment in capital assets:</b>		
Capital assets, net	\$ 107,028,146	109,233,537
Certificate-of-participation, current	(655,000)	(635,000)
Certificate-of-participation, non-current	(23,507,871)	(24,179,775)
Loans payable, current	-	(1,621,967)
Loans payable, non-current	-	(2,580,288)
Deferred loss on defeasance of debt	23,055	35,643
<b>Total investment in capital assets</b>	<b>82,888,330</b>	<b>80,252,150</b>
<b>Unrestricted net position:</b>		
Non-spendable net position:		
Prepaid expenses and other deposits	674,771	389,888
Materials and supplies inventory	1,359,465	862,267
Total non-spendable net position	2,034,236	1,252,155
Undesignated	15,153,710	21,275,881
<b>Total unrestricted net position</b>	<b>17,187,946</b>	<b>22,528,036</b>
<b>Total net position</b>	<b>\$ 100,076,276</b>	<b>102,780,186</b>

**(10) Deferred Compensation Savings Plan**

For the benefit of its employees, the Agency participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Agency is in compliance with this legislation. Therefore, these assets are not the legal property of the Agency and are not subject to claims of the Agency's general creditors. The Agency has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the Agency has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statements of net position. As of December 31, 2022 and 2021, the assets of all Agency deferred compensation savings plan totaled \$7,769,370 and \$8,932,768, respectively.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(11) Risk Management**

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is a founding member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase the appropriate amount of insurance coverage.

At December 31, 2022, the Agency participated in the liability and property programs of the ACWA/JPIA as follows:

- General liability: The general liability coverage is through ACWA/JPIA who purchases specific occurrence excess insurance from commercial excess, reinsurance carriers, or other pooling agencies. The arrangement with ACWA/JPIA is in substance a transfer of pooling (sharing) of risks among the participants in the ACWA/JPIA's programs. The Agency carries coverage of \$5,000,000 for any one occurrence arising out of bodily injury, property damage, errors and omissions, personal injury, employment practices or any combination thereof.
- Property: The property insurance coverage is as follows: 1) Buildings, personal property, fixed equipment, and unscheduled vehicle on premises with a deductible of \$10,000; 2) Mobile equipment and vehicle with a deductible of \$1,000; and 3) Boiler and machinery accidental breakdown with a 30-day deductible for turbine units and associated equipment, electrical generators, and electrical power distribution. ACWA/JPIA will reimburse the Agency for losses to scheduled property that is insured by the terms and conditions of the purchased insurance or reinsurance, less any applicable deductible. Business interruption coverage of \$20,000,000 is carried by the Agency.
- Crime: Crime coverage includes public employee theft, depositor forgery or alteration, computer and funds transfer fraud up to \$100,000 subject to a deductible of \$1,000; Excess crime coverage include public employee dishonesty, forgery or alteration, computer fraud, faithful performance of duty, pension plans including ERISA, and impersonation fraud (sublimit of \$250,000) up to \$1,000,000, subject to a deductible of \$100,000.

Coverage for workers' compensation is provided by the ACWA/JPIA. The Agency's coverage is as follows:

- Workers' compensation insurance coverage up to \$2,000,000 per occurrence.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Agency's insurance coverage during the years ended December 31, 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated, net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of December 31, 2022, 2021, and 2020.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 94***

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 96***

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 99***

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 99, continued***

The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 100***

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 101***

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**South Feather Water and Power Agency**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2022 and 2021**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 101, continued***

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**(13) Commitments and Contingencies**

***Grant Awards***

Grant funds received by the Agency are subject to audits by grantor agencies. Such an audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

***Litigation***

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes that the ultimate outcome of such matters, if any, will not materially affect its financial conditions.

**(14) Subsequent Events**

Events occurring after December 31, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of July 27, 2023, which is the date the financial statements were available to be issued. The Agency is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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## **Required Supplementary Information**



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**South Feather Water and Power Agency**  
**Schedules of the Agency's Proportionate Share of the Net Pension Liability**  
**As of December 31, 2022**  
**Last Ten Years\***

Description	Measurement Dates								
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of the net pension liability	0.06613%	0.03632%	0.05460%	0.05112%	0.04757%	0.04788%	0.04463%	0.04052%	0.04483%
District's proportionate share of the net pension liability	\$ 7,638,657	1,964,172	5,940,529	5,238,532	4,584,129	4,748,058	3,862,276	2,781,438	2,720,542
District's covered payroll	\$ 5,569,081	5,574,207	5,817,335	5,756,862	5,435,238	5,375,280	5,472,215	5,298,805	5,281,473
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	137.16%	35.24%	102.12%	91.00%	84.34%	88.33%	70.58%	52.49%	51.51%
Plan's fiduciary net position as a percentage of the total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	80.43%

**Notes to the Schedules of the Agency's Proportionate Share of the Net Pension Liability**

***Changes in Benefit Terms***

There were no changes to benefit terms that applied to all members of the Public Agency Pool. Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

***Change of Assumptions and Methods***

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%.

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization

policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

**South Feather Water and Power Agency**  
**Schedules of the Agency's Proportionate Share of the Net Pension Liability, continued**  
**As of December 31, 2022**  
**Last Ten Years\***

**Notes to the Schedules of the Agency's Proportionate Share of the Net Pension Liability**

***Change of Assumptions and Methods, continued***

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.

\* The District has presented information for those years for which information is available until a full 10- year trend is compiled.

**South Feather Water and Power Agency  
Schedules of Pension Plan Contributions  
As of December 31, 2022  
Last Ten Years\***

Description	Calendar Year								
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Actuarially determined contribution	\$ 1,440,631	1,110,616	1,064,159	970,912	861,704	801,403	596,806	729,747	431,342
Contributions in relation to the actuarially determined contribution	<u>(1,440,631)</u>	<u>(1,110,616)</u>	<u>(1,064,159)</u>	<u>(970,912)</u>	<u>(861,704)</u>	<u>(801,403)</u>	<u>(596,806)</u>	<u>(729,747)</u>	<u>(431,342)</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$ <u>6,058,398</u>	<u>5,745,226</u>	<u>5,896,357</u>	<u>6,012,159</u>	<u>5,897,229</u>	<u>5,843,236</u>	<u>5,374,903</u>	<u>5,527,640</u>	<u>5,382,338</u>
Contribution's as a percentage of covered-employee payroll	<u>23.78%</u>	<u>19.33%</u>	<u>18.05%</u>	<u>16.15%</u>	<u>14.61%</u>	<u>13.72%</u>	<u>11.10%</u>	<u>13.20%</u>	<u>8.01%</u>

**Notes to the Schedules of Pension Plan Contributions**

\* The Agency has presented information for those years for which information is available until a full 10-year trend is compiled.

**South Feather Water and Power Agency**  
**Schedules of Changes in Net OPEB Liability and Related Ratios**  
**As of December 31, 2022**  
**Last Ten Years\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 861,840	679,864	660,062	591,746	574,511
Interest	403,477	388,005	446,009	366,632	421,918
Differences between expected and actual experience	(3,998,299)	1,732,722	89,656	(372,399)	-
Changes of assumptions	-	(1,042,819)	1,678,351	2,453,153	(1,034,125)
Benefit payments	(666,265)	(462,951)	(506,488)	(400,584)	(379,032)
<b>Net change in total OPEB liability</b>	<u>(3,399,247)</u>	<u>1,294,821</u>	<u>2,367,590</u>	<u>2,638,548</u>	<u>(416,728)</u>
<b>Total OPEB liability, beginning of year</b>	<u>19,488,464</u>	<u>18,193,643</u>	<u>15,826,053</u>	<u>13,187,505</u>	<u>13,604,233</u>
<b>Total OPEB liability, end of year (a)</b>	<u>\$ 16,089,217</u>	<u>19,488,464</u>	<u>18,193,643</u>	<u>15,826,053</u>	<u>13,187,505</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 666,265	462,951	506,488	400,584	379,032
Net investment income	-	-	-	-	-
Benefit payments	(666,265)	(462,951)	(506,488)	(400,584)	(379,032)
Administrative expenses	-	-	-	-	-
Other expenses	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position, end of year (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u>\$ 16,089,217</u>	<u>19,488,464</u>	<u>18,193,643</u>	<u>15,826,053</u>	<u>13,187,505</u>
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b>Covered - payroll</b>	<u>6,058,398</u>	<u>5,745,226</u>	<u>5,896,357</u>	<u>6,012,159</u>	<u>5,897,229</u>
<b>Net OPEB liability as a percentage of covered-payroll</b>	<u>265.57%</u>	<u>339.21%</u>	<u>308.56%</u>	<u>263.23%</u>	<u>223.62%</u>

**Notes to the Schedules of Changes in Net OPEB Liability and Related Ratios**

The Agency contributes on an ad hoc basis, but in amount sufficient to fully fund the obligation over a period not to exceed 25 years.

\* The Agency has presented information for those years for which information is available until a full 10-year trend is compiled

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## **Supplemental Information**

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**South Feather Water and Power Agency**  
**Combining Schedule of Net Position**  
**December 31, 2022**

	<b>General Fund</b>	<b>Joint Facilities Operating Fund</b>	<b>Total</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 783,669	27,782,026	28,565,695
Investments	869,976	1,787,135	2,657,111
Accounts receivable	475,814	1,470,590	1,946,404
Due from other government agencies	-	173,761	173,761
Property tax receivable	427,564	-	427,564
Accrued interest receivable	155,404	-	155,404
Prepaid expenses and other deposits	498,312	176,459	674,771
Materials and supplies inventory	719,402	640,063	1,359,465
<b>Total current assets</b>	<b>3,930,141</b>	<b>32,030,034</b>	<b>35,960,175</b>
<b>Non-current assets:</b>			
Investments	2,105,878	4,325,966	6,431,844
Capital assets – not being depreciated	1,068,501	6,861,007	7,929,508
Capital assets – being depreciated, net	38,311,222	60,787,416	99,098,638
<b>Total non-current assets</b>	<b>41,485,601</b>	<b>71,974,389</b>	<b>113,459,990</b>
<b>Total assets</b>	<b>45,415,742</b>	<b>104,004,423</b>	<b>149,420,165</b>
<b>Deferred outflows of resources:</b>			
Deferred pension outflows	2,717,303	1,398,777	4,116,080
Deferred OPEB outflows	1,251,089	1,037,712	2,288,801
Deferred loss on defeasance of debt	23,055	-	23,055
<b>Total deferred outflows of resources</b>	<b>\$ 3,991,447</b>	<b>2,436,489</b>	<b>6,427,936</b>

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**South Feather Water and Power Agency**  
**Combining Schedule of Net Position, continued**  
**December 31, 2022**

	<u>General Fund</u>	<u>Joint Facilities Operating Fund</u>	<u>Total</u>
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 232,412	407,308	639,720
Accrued payroll and employee benefits	97,758	62,820	160,578
Accrued interest payable	197,294	-	197,294
Customer deposits	52,913	2,570	55,483
Long-term liabilities – due in one year:			
Compensated absences	353,081	340,808	693,889
Certificate-of-participation	655,000	-	655,000
<b>Total current liabilities</b>	<u>1,588,458</u>	<u>813,506</u>	<u>2,401,964</u>
<b>Non-current liabilities:</b>			
Long-term liabilities – due in more than one year:			
Compensated absences	529,619	511,212	1,040,831
Certificate-of-participation	23,507,871	-	23,507,871
Net pension liability	4,389,602	3,249,055	7,638,657
Other post-employment benefit liability	9,186,307	6,902,910	16,089,217
<b>Total non-current liabilities</b>	<u>37,613,399</u>	<u>10,663,177</u>	<u>48,276,576</u>
<b>Total liabilities</b>	<u>39,201,857</u>	<u>11,476,683</u>	<u>50,678,540</u>
<b>Deferred inflows of resources:</b>			
Deferred pension inflows	382,917	295,612	678,529
Deferred OPEB inflows	2,831,467	1,583,289	4,414,756
<b>Total deferred inflows of resources</b>	<u>3,214,384</u>	<u>1,878,901</u>	<u>5,093,285</u>
<b>Net position:</b>			
Net investment in capital assets	15,239,907	67,648,423	82,888,330
Unrestricted	(8,248,959)	25,436,905	17,187,946
<b>Total net position</b>	<u>\$ 6,990,948</u>	<u>93,085,328</u>	<u>100,076,276</u>

**South Feather Water and Power Agency**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Year Ended December 31, 2022**

	<u>General Fund</u>	<u>Joint Facilities Operating Fund</u>	<u>Total</u>
<b>Operating revenues:</b>			
Domestic water sales	\$ 2,498,469	-	2,498,469
Irrigation water sales	285,814	-	285,814
Outside water sales	207,653	-	207,653
Sale of electricity	1,961,433	17,722,913	19,684,346
Miscellaneous charges	188,377	54,088	242,465
<b>Total operating revenues</b>	<u>5,141,746</u>	<u>17,777,001</u>	<u>22,918,747</u>
<b>Operating expenses:</b>			
Source of supply	16,536	-	16,536
Water treatment	2,013,276	-	2,013,276
Transmission and distribution	2,224,457	-	2,224,457
Customer account	1,186,876	-	1,186,876
Environmental health and safety	232,698	348,485	581,183
Plant operations	1,323,635	8,883,815	10,207,450
General and administrative	2,515,301	2,763,752	5,279,053
<b>Total operating expenses</b>	<u>9,512,779</u>	<u>11,996,052</u>	<u>21,508,831</u>
<b>Operating (loss) income before depreciation expense</b>	(4,371,033)	5,780,949	1,409,916
Depreciation expense	(1,898,692)	(2,118,598)	(4,017,290)
<b>Operating (loss) income</b>	<u>(6,269,725)</u>	<u>3,662,351</u>	<u>(2,607,374)</u>
<b>Non-operating revenues(expenses), net:</b>			
Property taxes	781,134	-	781,134
Investment earnings	(396,797)	-	(396,797)
Unrealized loss on investments	-	36,319	36,319
Gain from sale of capital assets	-	1,000	1,000
Interest expense – long-term debt	(789,686)	(151,925)	(941,611)
Transfers in (out)	6,426,261	(6,426,261)	-
Other non-operating revenues, net	176,377	80,181	256,558
<b>Total non-operating revenues (expenses), net</b>	<u>6,197,289</u>	<u>(6,460,686)</u>	<u>(263,397)</u>
<b>Net (loss) income before capital contributions</b>	<u>(72,436)</u>	<u>(2,798,335)</u>	<u>(2,870,771)</u>
<b>Capital contributions:</b>			
Capital grants:			
Federal	-	3,276	3,276
System capacity charges	163,585	-	163,585
<b>Total capital contributions</b>	<u>163,585</u>	<u>3,276</u>	<u>166,861</u>
<b>Changes in net position</b>	91,149	(2,795,059)	(2,703,910)
<b>Net position, beginning of the year</b>	<u>6,899,799</u>	<u>95,880,387</u>	<u>102,780,186</u>
<b>Net position, end of year</b>	<u>\$ 6,990,948</u>	<u>93,085,328</u>	<u>100,076,276</u>

**South Feather Water and Power Agency**  
**Combining Schedule of Net Position**  
**December 31, 2021**

	<u>General Fund</u>	<u>Joint Facilities Operating Fund</u>	<u>Total</u>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 174,806	34,039,575	34,214,381
Investments	645,495	1,325,998	1,971,493
Accounts receivable	647,041	1,609,890	2,256,931
Due from other government agencies	-	173,761	173,761
Property tax receivable	359,723	-	359,723
Accrued interest receivable	13,664	-	13,664
Prepaid expenses and other deposits	240,349	149,539	389,888
Materials and supplies inventory	224,394	637,873	862,267
<b>Total current assets</b>	<u>2,305,472</u>	<u>37,936,636</u>	<u>40,242,108</u>
<b>Non-current assets:</b>			
Investments	1,710,386	3,513,531	5,223,917
Capital assets – not being depreciated	1,016,066	6,874,335	7,890,401
Capital assets – being depreciated, net	39,722,310	61,620,826	101,343,136
<b>Total non-current assets</b>	<u>42,448,762</u>	<u>72,008,692</u>	<u>114,457,454</u>
<b>Total assets</b>	<u>44,754,234</u>	<u>109,945,328</u>	<u>154,699,562</u>
<b>Deferred outflows of resources:</b>			
Deferred pension outflows	670,274	521,210	1,191,484
Deferred OPEB outflows	2,031,712	1,422,198	3,453,910
Deferred loss on defeasance of debt	35,643	-	35,643
<b>Total deferred outflows of resources</b>	<u>\$ 2,737,629</u>	<u>1,943,408</u>	<u>4,681,037</u>

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**South Feather Water and Power Agency**  
**Combining Schedule of Net Position, continued**  
**December 31, 2021**

	<u>General Fund</u>	<u>Joint Facilities Operating Fund</u>	<u>Total</u>
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 186,091	279,250	465,341
Accrued payroll and employee benefits	105,757	80,032	185,789
Accrued interest payable	202,057	49,902	251,959
Customer deposits	232,241	-	232,241
Long-term liabilities – due in one year:			
Compensated absences	266,784	220,457	487,241
Certificate-of-participation	635,000	-	635,000
Loans payable	-	1,621,967	1,621,967
<b>Total current liabilities</b>	<u>1,627,930</u>	<u>2,251,608</u>	<u>3,879,538</u>
<b>Non-current liabilities:</b>			
Long-term liabilities – due in more than one year:			
Compensated absences	400,176	330,685	730,861
Certificate-of-participation	24,179,775	-	24,179,775
Loans payable	-	2,580,288	2,580,288
Net pension liability	587,697	1,376,475	1,964,172
Other post-employment benefit liability	11,463,802	8,024,662	19,488,464
<b>Total non-current liabilities</b>	<u>36,631,450</u>	<u>12,312,110</u>	<u>48,943,560</u>
<b>Total liabilities</b>	<u>38,259,380</u>	<u>14,563,718</u>	<u>52,823,098</u>
<b>Deferred inflows of resources:</b>			
Deferred pension inflows	1,423,190	807,985	2,231,175
Deferred OPEB inflows	909,494	636,646	1,546,140
<b>Total deferred inflows of resources</b>	<u>2,332,684</u>	<u>1,444,631</u>	<u>3,777,315</u>
<b>Net position:</b>			
Net investment in capital assets	15,959,244	64,292,906	80,252,150
Unrestricted	(9,059,445)	31,587,481	22,528,036
<b>Total net position</b>	<u>\$ 6,899,799</u>	<u>95,880,387</u>	<u>102,780,186</u>

**South Feather Water and Power Agency**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**December 31, 2021**

	<u>General Fund</u>	<u>Joint Facilities Operating Fund</u>	<u>Total</u>
<b>Operating revenues:</b>			
Domestic water sales	\$ 2,607,133	-	2,607,133
Irrigation water sales	282,059	-	282,059
Outside water sales	199,215	5,600,000	5,799,215
Sale of electricity	1,972,147	17,375,993	19,348,140
Miscellaneous charges	168,345	54,207	222,552
<b>Total operating revenues</b>	<u>5,228,899</u>	<u>23,030,200</u>	<u>28,259,099</u>
<b>Operating expenses:</b>			
Source of supply	14,888	-	14,888
Water treatment	1,779,710	-	1,779,710
Transmission and distribution	2,106,846	-	2,106,846
Customer account	960,562	-	960,562
Environmental health and safety	231,412	318,482	549,894
Plant operations	946,628	5,294,465	6,241,093
General and administrative	1,026,247	1,616,550	2,642,797
<b>Total operating expenses</b>	<u>7,066,293</u>	<u>7,229,497</u>	<u>14,295,790</u>
<b>Operating (loss) income before depreciation expense</b>	(1,837,394)	15,800,703	13,963,309
Depreciation expense	(1,856,069)	(2,032,767)	(3,888,836)
<b>Operating (loss) income</b>	<u>(3,693,463)</u>	<u>13,767,936</u>	<u>10,074,473</u>
<b>Non-operating revenues(expenses), net:</b>			
Property taxes	718,188	-	718,188
Investment earnings	1,071	53,998	55,069
Unrealized loss on investments	-	(75,955)	(75,955)
Gain from sale of capital assets	2,150	2,700	4,850
Interest expense – long-term debt	(808,522)	(236,578)	(1,045,100)
Transfers in (out)	2,558,811	(2,558,811)	-
Other non-operating revenues, net	157,888	67,865	225,753
<b>Total non-operating revenues (expenses), net</b>	<u>2,629,586</u>	<u>(2,746,781)</u>	<u>(117,195)</u>
<b>Net (loss) income before capital contributions</b>	<u>(1,063,877)</u>	<u>11,021,155</u>	<u>9,957,278</u>
<b>Capital contributions:</b>			
Capital grants:			
Federal	-	108,611	108,611
State	-	58,876	58,876
System capacity charges	61,082	-	61,082
<b>Total capital contributions</b>	<u>61,082</u>	<u>167,487</u>	<u>228,569</u>
<b>Changes in net position</b>	(1,002,795)	11,188,642	10,185,847
<b>Net position, beginning of the year</b>	<u>7,902,594</u>	<u>84,691,745</u>	<u>92,594,339</u>
<b>Net position, end of year</b>	<u>\$ 6,899,799</u>	<u>95,880,387</u>	<u>102,780,186</u>

**South Feather Water and Power Agency**  
**Debt Service Coverage Ratios**  
**Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Revenues:</b>		
Operating revenues	\$ 22,918,747	28,259,099
Investment returns	(396,797)	55,069
Property taxes	781,134	718,188
Gain from sale of capital assets	1,000	4,850
Miscellaneous revenues	357,547	330,600
<b>Total revenues</b>	<u>23,661,631</u>	<u>29,367,806</u>
<b>Expenses</b>		
Source of supply	16,536	14,888
Water treatment	2,013,276	1,779,710
Transmission and distribution	2,224,457	2,106,846
Customer account	1,186,876	960,562
Environmental health and safety	581,183	549,894
Plant operations	10,207,450	6,241,093
General and administrative	3,182,031	2,827,008
Miscellaneous expenses	100,988	104,853
<b>Total expenses</b>	<u>19,512,797</u>	<u>14,584,854</u>
<b>Net revenues available for debt service</b>	4,148,834	14,782,952
<b>Actual Debt Service Payments</b>		
2016 Certificates of Participation, principal	635,000	635,000
2016 Certificates of Participation, interest	789,175	808,225
2019 Installment Purchase Agreement, principal	-	1,621,967
2019 Installment Purchase Agreement, interest	-	180,572
<b>Total Actual Debt Service Payments</b>	<u>\$ 1,424,175</u>	<u>3,245,764</u>
<b>Debt Service Coverage Ratio</b>	<u>2.91</u>	<u>4.55</u>
<b>Required Debt Service Ratio Greater Than</b>	<u>1.25</u>	<u>1.25</u>

# **Report on Internal Controls and Compliance**



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**Independent Auditor’s Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on the Audits of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
South Feather Water and Power Agency  
Oroville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the South Feather Water and Power Agency (Agency), which comprise the statements of net position as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements and have issued our report thereon dated July 27, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audits, we considered the Agency’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Agency’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor’s Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on the Audits of Financial  
Statements Performed in Accordance with *Government Auditing Standards*, continued**

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**C.J. Brown & Company CPAs**  
Cypress, California  
July 27, 2023

**South Feather Water and Power Agency**

**Management Report**

**December 31, 2022**

# South Feather Water and Power Agency

## Management Report

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Board of Directors  
South Feather Water and Power Agency  
Oroville, California

**Dear Members of the Board:**

In planning and performing our audit of the financial statements of the business-type activities of the South Feather Water and Power Agency (Agency) as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Current Year Comment and Recommendation**

Our other observation, comment, and recommendation, all of which have been discussed with the appropriate members of management, are summarized as follows:

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Agency are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter.

## **Current Year Comment and Recommendation, continued**

### Disclosure of Audit Adjustments and Reclassifications, continued

There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

#### *Management's Response*

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries, as necessary, into the Agency's accounting system to close-out the Agency's year-end trial balance.

## **Prior Year Comment and Recommendation**

Our other observation, comment, and recommendation, all of which have been discussed with the appropriate members of management, are summarized as follows:

### Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Agency are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

#### *Management's Response*

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries, as necessary, into the Agency's accounting system to close-out the Agency's year-end trial balance.

\* \* \* \* \*

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

**APPENDIX**

**South Feather Water and Power Agency**

**Finance Committee Letter**

**December 31, 2022**



Board of Directors  
South Feather Water and Power Agency  
Oroville, California

We have audited the financial statements of the business-type activities of the South Feather Water and Power Agency (Agency) for the year ended December 31, 2022, and have issued our report thereon dated June 27, 2023.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated October 26, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated June 27, 2023.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

### **Required Risk Assessment Procedures per Auditing Standards**

As auditors of the Agency, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

### **Qualitative Aspects of the Entity’s Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no other changes in significant accounting policies or their application during 2022. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the defined benefit pension plan’s deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial valuation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the Agency to determine that it is reasonable in relation to the financial statements taken as a whole.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Agency’s financial statements relate to:

The disclosure of fair value of cash and cash equivalents in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

*Financial Statement Disclosures, continued*

The disclosure of capital assets, net in Note 4 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the Agency's defined benefit pension plan in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the net OPEB liability in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

**Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

**Identified or Suspected Fraud**

We have not identified or have not obtained information that indicates that fraud may have occurred.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 and 6 presents the material journal entries that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated June 27, 2023.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

### **Other Matters**

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of the Agency's Proportionate Share of the Net Pension Liability, Schedules of Pension Plan Contributions, and Schedules of Changes in Net OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Other Information Included in the Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the 's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation extended us by Rath Moseley, General Manager, and Cheri Richter, Finance Manager, in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Agency.

**South Feather Water & Power Agency  
 Schedule of Audit Adjusting Journal Entries  
 For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
<b>Audit Adjusting Journal Entry No. 1</b>			
To adjust net pension liability and related accounts per CalPERS Actuarial Valuation dated 6/30/22.			
01-00-17001-0	Deferred Outflows of Resources	\$ 1,781,728.00	
01-00-27001-0	Deferred Inflows of Resources	1,040,273.00	
01-59-59701-0	Pension expense	979,904.00	
07-00-17001-0	Deferred Outflows of Resources	877,567.00	
07-00-27001-0	Deferred Inflows of Resources	512,373.00	
07-69-69701-6	Pension expense	482,640.00	
01-00-27010-0	Net Pension Liability		3,801,905.00
07-00-27010-0	Net Pension Liability		1,872,580.00
<b>Audit Adjusting Journal Entry No. 2</b>			
To adjust deferred loss on defeasance as of December 31, 2022.			
01-00-21420-0	Bond Premium, 2016 COP	16,903.67	
01-00-14411-0	Accum Amort Deferred Loss		16,903.67
<b>Audit Adjusting Journal Entry No. 3</b>			
To reclassify pension contributions made subsequent to measurement date through 12/31/2022 as deferred outflows of resources per GASB 68.			
01-00-17001-0	Deferred Outflows of Resources	265,300.50	
01-50-50413-0	G/A-CalPERS Retirement		265,300.50
<b>Audit Adjusting Journal Entry No. 4</b>			
To reclassify interest expense related to the installment purchase agreement to its proper account as of December 31, 2022.			
07-00-22501-0	Accr Interest Pay, 2019 IPA	49,901.78	
07-69-69570-6	Interest Expense	52,121.89	
07-00-22251-1	2019 Install Purch Agt, CY		102,023.67
<b>Audit Adjusting Journal Entry No. 5</b>			
To write off accrued interest payable from the prior year			
01-00-22501-0	Interest Payable-MRTP Bond	202,056.75	
01-59-59458-0	Interest Expense, 2016 COP		202,056.75
<b>Audit Adjusting Journal Entry No. 6</b>			
To adjust Net OPEB Liability and related accounts per the actuarial report as of December 31, 2022.			
01-00-22913-0	Other Post Employ Bene (OPEB)	2,277,495.00	
01-50-50461-0	G/A-Other Post Employment Bene	425,101.00	
07-00-22913-6	Other Post Employ Bene (OPEB)	1,121,752.00	
07-60-60461-6	JFOF Adm-Other Post Employ Ben	209,377.00	
01-00-17002-0	Deferred Outflows, OPEB		780,623.00
01-00-27002-0	Deferred Inflow, OPEB		1,921,973.00
07-00-17002-0	JFOF Deferred Outflows, OPEB		384,486.00
07-00-27002-0	Deferred Inflows, OPEB	\$	946,643.00

**South Feather Water & Power Agency**  
**Schedule of Audit Adjusting Journal Entries, continued**  
**For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
<b>Audit Adjusting Journal Entry No. 7</b>			
To remove the related cost and accumulated depreciation of a fully depreciated capital asset sold during the year.			
07-00-11420-0	Accum Depr-Power Plant	\$ 23,091.20	
07-00-11150-0	General Plant		23,091.20
<b>Audit Adjusting Journal Entry No. 8</b>			
To adjust the COP's current portion of long term debt as of December 31, 2022.			
01-00-21418-0	LT Debt, 2016 COP	655,000.00	
01-00-22168-0	Current LT Debt, 2016 COP		655,000.00
<b>Audit Adjusting Journal Entry No. 9</b>			
To accrue expenses incurred as of December 31, 2022.			
01-50-50393-0	G/A-Workers Comp	18,726.52	
07-60-60393-6	JFOF Adm-Workers Comp Insuranc	13,349.87	
01-00-22200-0	Accounts Payable		18,726.52
07-00-22200-0	Accounts Payable		13,349.87
<b>Audit Adjusting Journal Entry No. 10</b>			
To adjust accounts payable applicable in 2023.			
01-00-22200-0	Accounts Payable	12,311.39	
01-53-53501-0	W/T-Fed, State and Local Fees	\$	12,311.39

**South Feather Water & Power Agency  
 Schedule of Client Adjusting Journal Entries  
 For the Year Ended December 31, 2022**

Account	Description	Debit	Credit
<b>Client Adjusting Journal Entry No. 1</b>			
To write off CIP costs as part of expense			
07-00-11140-0	Source of Supply Plant	\$ 8,337.18	
07-68-68380-6	JFOF CO-Maintenance Agreements	1,254.98	
07-00-11202-0	Const In Progr-Matls & Supp		1,254.98
07-00-11204-0	Const In Prog-Outside Serv		8,337.18
<b>Client Adjusting Journal Entry No. 2</b>			
To adjust compensated absences as of December 31, 2022			
01-50-50303-0	G/A-Vac, SL Pay	27,366.45	
01-52-52303-0	EHS-Vac/SL Pay	3,621.15	
01-53-53303-0	WT-Vac/SL Pay	59,715.54	
01-54-54303-0	T/D-Vac/SL Pay	76,560.57	
01-55-55303-0	CA-Vacation,SL Pay	37,490.95	
01-56-56303-0	G/P-Vac, S/L etc	18,109.61	
01-58-58303-0	IT-Vacation, SL Pay	8,464.37	
01-61-61303-5	Sly-Vac/SL Pay	17,410.61	
07-60-60303-6	JFOF Adm-Vac/SL Pay	56,349.63	
07-62-62303-6	JFOF EHS-Vac/SL Pay	6,342.38	
07-63-63303-6	JFOF PP-Vac/SL Pay	143,337.63	
07-64-64303-6	JFOF WC-Vac/SL Pay	41,495.89	
07-65-65303-6	JFOF CM Vac, SL Pay	1,677.82	
07-66-66303-6	JFOF JS-Vac/SL Pay	28,117.27	
07-67-67303-6	JFOF RC-Vac/SL Pay	12,971.45	
07-68-68303-6	JFOF CO-Vac/SL Pay	12,968.01	
07-00-23901-0	Accrued Vac & S/L Payroll		155,809.08
01-00-23901-0	Accrued Vac & S/L Payroll		189,174.89
01-00-23910-0	Accr Vac & SL, Current		59,564.36
07-00-23910-0	Accr Vac & SL, Current	\$	147,451.00



## **SOUTH FEATHER WATER & POWER AGENCY**

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**TO: Board of Directors**

**FROM: Cheri Richter, Finance Manager**

**DATE: June 22, 2023**

**RE: Appropriations Limit for FY 2023  
Agenda Item for 6/27/2023 Board of Directors Meeting**

The Agency's 2023 Appropriations Limit has been calculated at \$1,129,497. Proceeds from property taxes for the Agency in 2023 are budgeted to be \$741,600. If the proceeds from taxes exceeded the Appropriations Limit, the excess, subject to a carry-over calculation, would have to be returned to the taxpayers. This is not the case for 2023.

The 2023 Appropriations Limit was posted on the Agency's website and available for review on May 17, 2023. Approval of the attached resolution to establish the Agency's appropriations limit for 2023 may be accomplished as follows:

**"I move adoption of Resolution 23-06-27, Establishing the Appropriation Limit at \$1,129,497 for Fiscal Year 2023 Pursuant to Article XIII B of the California Constitution."**





# **SOUTH FEATHER WATER & POWER AGENCY**

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## **RESOLUTION OF THE BOARD OF DIRECTORS**

### **Resolution 23-06-27**

**ESTABLISHING THE APPROPRIATION LIMIT AT \$1,129,497 FOR FISCAL YEAR 2023  
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

**WHEREAS**, the California Constitution and Government Code Section 7900, et seq., requires the Board of Directors to annually allocate and establish, by resolution, the Agency's appropriations limit for each fiscal year; and,

**WHEREAS**, the calculations made to determine the appropriations limit for Fiscal Year 2023 have been made available to the public for at least 15 days prior to the date of this Resolution, in accordance with Government Code Section 7910.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the South Feather Water and Power Agency that:

1. The appropriations limit of South Feather Water and Power Agency for fiscal year 2023 is \$1,129,497; and,
2. The fiscal year 2023 budgeted revenue from property taxes is \$741,600, which does not exceed the calculated appropriation limit.

**Passed, Approved and Adopted** by the Board of Directors of the South Feather Water and Power Agency at the regular meeting of said Board on the 27th day of June 2023, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

(seal)

---

Rick Wulbern, President

---

Rath Moseley, Secretary

## SECRETARY'S CERTIFICATE

RATH MOSELEY, certifies that: he is the Secretary of the Board of Directors of the South Feather Water and Power Agency; and that the foregoing is a true and correct copy of a resolution duly and regularly adopted by the Board of Directors of the South Feather Water and Power Agency at a meeting of said Board duly and regularly held on the 27th day of June, 2023, at which meeting a quorum was present and voted; said resolution has not been rescinded and is in full force and effect.

---

Date

---

Rath Moseley, Secretary  
Board of Directors, South Feather Water and Power Agency

(seal)

South Feather Water and Power Agency  
Appropriations Limit Calculation  
2023-2024

Description

Price Factor		1.0444
Population	(-0.48%)	0.9952
2023-2024 Factor		1.0394
2022 Appropriations Limit		\$ 1,086,695
2023 Appropriations Limit		\$ 1,129,497



## ***SOUTH FEATHER WATER & POWER AGENCY***

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**TO:** Board of Directors

**FROM:** Rath Moseley, General Manager

**DATE:** June 20, 2023

**RE:** Memorandum of Understanding – WTDEU  
Agenda Item for 6/27/23 Board of Directors Meeting

On February 28, 2023 the board tentatively agreed to adding article 8.7, Compensatory Time Off language to the WTDEU MOU as follows:

**ARTICLE: 8.7 Compensatory Time Off (CTO)**

**ISSUE:**

- 8.7 (a) Overtime compensation shall be paid at a rate equivalent to one and one-half (1½) times the regular rate of pay.
- (b) The time worked in excess of 16 consecutive hours and continuing until the employee is dismissed from such work shall be paid at the rate of two (2) times the employee's straight rate of pay, or
- (c) If, following an employee's dismissal from work or on an employee's non-workday, the employee is called out for work, he shall be paid at two (2) times his/her straight rate of pay for work performed either after accumulation of twelve (12) hours and/or in the eight (8) hours preceding his/her next regular work hours.
- (d) Overtime compensation shall be paid at a rate equivalent to two (2) times the regular rate of pay for all overtime worked on Sundays, Holidays, and on the second non-workday during four (4) consecutive non-workdays.
- (e) Notwithstanding the foregoing provisions on compensation for overtime work, an employee with a Distribution 2 (D2), or a Treatment 3 (T3), or higher certifications may, at the employee's option, providing it is legally permissible, elect to receive time off with pay at the same rate of time off for each overtime hour worked as the employee's compensation rate would have been. Compensatory time off accrual shall be limited to a maximum of eighty (80) hours. Compensatory time off with pay shall be scheduled in the same manner as vacations are normally scheduled, and requests made fourteen (14) days in advance shall be honored, unless at the General Manager's discretion, staffing levels are such that honoring the request would pose an undue hardship on the District.

- (f) Compensatory time off may be cashed out in June and December. In the case of an emergency, compensatory time off may be cashed out at the discretion of the General Manager.
- (g) Upon separation, an employee will be paid at the employee's current hourly rate for the remaining compensatory time off balance.

The following action is being requested:

**"I move ratification of the Memorandum of Understanding for the Water Treatment & Distribution Employees Unit adding article 8.7 Compensatory Time ."**



# SOUTH FEATHER WATER & POWER AGENCY

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**TO: Board of Directors**

**FROM: Cheri Richter, Finance Manager**

**DATE: June 22, 2023**

**RE: General Information (regarding matters not scheduled on the agenda)  
6/27/23 Board of Directors Meeting**

## **CalPERS Contribution Rates**

The CalPERS contribution rates are adjusted each July 1. The following table shows the 2023-2024 rates for both Classic and PEPRA employees, with a comparison to the previous year.

It is interesting to note that the first time the PEPRA employee rate increased was July 2019, the rate went up from 6.25% to 6.75%, as of July 2023 it will increase again to 7.75%.

		<u>2022-23</u>	<u>2023-24</u>
Classic (29 Employees)			
	Employer Rate	14.53%	16.44%
	Employee Rate	8.00%	8.00%
PEPRA (27 Employees)			
	Employer Rate	7.47%	7.68%
	Employee Rate	6.75%	7.75%

## **Unfunded Accrued Liability (UAL)**

Each year CalPERS allows its public agency business partners to prepay the annual UAL for the coming year at a cost savings of 3.4% interest. As published in the June 30, 2021 CalPERS Actuarial Valuation, the Agency's annual obligation for the 7/1/2023 to 6/30/2024 period is \$497,544.

## **Enterprise Resource Planning (ERP)**

Discussions continue on the project for creation of an RFP that accurately presents the Agency's needs to potential candidates for a new ERP system. Art Martinez, Manager of Information Systems has prepared a chart and identified staff that will be responsible for evaluating individual categories of the developing RFP for later review and discussion.

South Feather Water and Power Agency  
 Joint Facilities Operating Fund Unaudited Financial Report  
 June 27, 2023 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 ACTUAL</u>	<u>2023 BUDGET</u>	<u>2023 ESTIMATED</u>	<u>2023 ACTUAL 5/31/2023</u>	<u>% of Budget</u>
REVENUE:								
41150	Sale of Electricity	10,640,356	17,375,993	17,722,913	18,500,000	18,500,000	11,813,028	64%
41502	Water Sales	0	5,600,000	37,500	2,520,000	2,520,000	2,341,800	93%
42306	Current Service Charges	12,131	54,207	16,588	17,500	17,500	18,281	104%
42331	Concession Income	0	0	0	0	0	0	0%
49250	Interest Income	427,042	(21,957)	0	10,000	10,000	0	0%
49321	State of CA, DWR	0	0	0	0	0	0	0%
49405	Insurance Reimbursement	80,452	67,865	80,181	80,000	80,000	0	0%
49521	JFOF FEMA	443,135	108,611	3,276	0	0	0	0%
49522	JFOF CalOES	114,763	58,876	0	0	0	0	0%
49929	Miscellaneous Income	0	2,700	1,000	1,000	1,000	4,812	481%
	Total Revenue	11,717,879	23,246,295	17,861,458	21,128,500	21,128,500	14,177,921	67%
OPERATING EXPENSES:								
JFOF Administration, 7-60								
	Salaries & Benefits	1,153,138	855,957	778,800	1,348,762	1,348,762	296,103	22%
	Supplies	2,810	3,671	4,072	7,709	7,709	1,035	13%
	Services	344,280	385,413	372,359	492,421	492,421	225,829	46%
	Utilities	37,989	39,240	42,327	37,060	37,060	17,604	48%
	Fuel, Oil, Auto	498	25	0	3,209	3,209	0	0%
	Training/Dues	15,180	13,012	12,669	15,385	15,385	175	1%
JFOF Administration, 7-60		1,553,895	1,297,318	1,210,225	1,904,546	1,904,546	540,746	28%
Risk Management, 7-62								
	Salaries & Benefits	97,456	84,945	87,656	133,805	133,805	39,945	30%
	Supplies	3,608	3,622	5,544	26,671	26,671	2,139	8%
	Services	196,865	227,986	175,846	147,540	147,540	290	0%
	Training/Dues	3,672	1,929	169	200	200	0	0%
JFOF Environ Health & Safety, 7-62		301,601	318,482	269,214	308,216	308,216	42,374	14%
Power Plant Operations, 7-63								
	Salaries & Benefits	2,735,948	2,042,608	2,199,083	4,043,175	4,043,175	1,090,534	27%
	Supplies	36,001	56,184	98,709	145,720	145,720	65,291	45%
	Services	215,838	187,893	132,109	315,580	315,580	68,272	22%
	Utilities	76,375	49,115	47,946	56,240	56,240	47,534	85%
	Fuel, Oil, Auto			0	95,478	95,478		
	Training/Dues	315	458	4,884	28,375	28,375	20,775	73%
JFOF Power Plant Operations, 7-63		3,064,477	2,336,258	2,482,731	4,684,568	4,684,568	1,292,407	28%

South Feather Water and Power Agency  
Joint Facilities Operating Fund Unaudited Financial Report  
June 27, 2023 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	2020 <u>ACTUAL</u>	2021 <u>ACTUAL</u>	2022 <u>ACTUAL</u>	2023 <u>BUDGET</u>	2023 <u>ESTIMATED</u>	2023 <u>ACTUAL</u> 5/31/2023	% of <u>Budget</u>
OPERATING EXPENSES (CON'T)								
Water Collection, 7-64								
	Salaries & Benefits	622,346	568,672	581,547	703,997	703,997	179,950	26%
	Supplies	42,009	47,502	62,511	74,511	74,511	14,698	20%
	Services	686,098	470,214	562,750	570,530	570,530	347,514	61%
	Utilities	10,183	7,995	5,682	0	0	1,204	0%
	Fuel, Oil, Auto	63	0	296	4,520	4,520	0	0%
	Training/Dues	73	0	30	0	0	0	0%
JFOF Water Collection, 7-64		1,360,772	1,094,383	1,212,816	1,353,558	1,353,558	543,366	40%
Campgrounds, 7-65								
	Salaries & Benefits	52,532	4,385	23,189	127,449	127,449	0	0%
	Supplies	978	0	1,227	10,790	10,790	0	0%
	Services	7,277	2,567	9,713	59,500	59,500	83	0%
	Utilities	7,633	2,300	7,846	7,850	7,850	106	1%
	Fuel, Oil, Auto	0	0	0	0	0	0	0%
	Training/Dues	0	0	0	0	0	0	0%
JFOF Campgrounds, 7-65		68,420	9,252	41,975	205,589	205,589	189	0%
JFOF Plant & Shop, 7-66								
	Salaries & Benefits	451,378	560,831	391,794	432,064	432,064	212,586	49%
	Supplies	17,291	15,535	44,413	37,396	37,396	12,627	34%
	Services	13,308	25,410	20,949	24,505	24,505	5,732	23%
	Utilities	71,752	85,188	80,128	71,735	71,735	54,262	76%
	Fuel, Oil, Auto	56,431	116,402	116,712	4,774	4,774	68,290	1430%
	Training/Dues	0	0	4,785	2,500	2,500	150	0%
JFOF Plant & Shop, 7-66		610,160	803,366	658,781	572,974	572,974	353,647	62%
Regulatory Compliance, 7-67								
	Salaries & Benefits	181,105	142,965	179,336	401,425	401,425	77,071	19%
	Supplies	3,058	3,061	872	38,233	38,233	14,058	37%
	Services	117,517	128,235	388,136	655,350	655,350	167,340	26%
	Utilities	0	0	685	610	610	251	41%
	Training/Dues	199	99	1,980	2,001	2,001	431	22%
JFOF Regulatory Compliance, 7-67		301,879	274,360	571,007	1,097,619	1,097,619	259,151	24%



South Feather Water and Power Agency  
 Joint Facilities Operating Fund Unaudited Financial Report  
 June 27, 2023 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	2020 <u>ACTUAL</u>	2021 <u>ACTUAL</u>	2022 <u>ACTUAL</u>	2023 <u>BUDGET</u>	2023 <u>ESTIMATED</u>	2023 <u>ACTUAL</u> 5/31/2023	% of <u>Budget</u>
OPERATING EXPENSES (CON'T)								
Communications & IT, 7-68								
	Salaries & Benefits	137,936	313,836	180,292	255,350	255,350	74,697	29%
	Supplies	10,400	35,838	40,934	74,789	74,789	21,050	28%
	Services	44,465	31,656	65,007	65,571	65,571	19,319	29%
	Utilities	1,936	3,455	10,911	11,250	11,250	5,673	50%
	Fuel, Oil, Auto			0	4,774	4,774		
	Training/Dues	1,729	2,292	3,573	1,025	1,025	0	0%
JFOF Communications & IT, 7-68		196,466	387,077	300,717	412,759	412,759	120,739	29%
	TOTAL OPERATING EXPENSES	7,457,670	6,520,496	6,747,468	10,539,829	10,539,829	3,152,618	30%
SUB-TOTAL, REVENUES OVER OPER EXP		4,260,209	16,725,799	11,113,991	10,588,671	10,588,671	11,025,303	
Other Non-Operating Expenses:								
	North Yuba Water District	(709,000)	(709,000)	(709,000)	(709,000)	(709,000)	(354,500)	50%
	Interest Expense	(1,476,613)	(1,547,584)	(4,304,278)	0	0	0	0%
	Pension Expense	(308,393)	(254,956)	(99,804)	0	0	0	0%
	Captial Outlay							
2010-0828	LCD Crest Modification		51,245	16,307				
2018-0944	JFOF PP-KPH TSV 2019		2,130	0				
2019-0960	KPH Septic System Repair / Replacement		0	77,365				
2020-0970	CO-CAISO meter installation		54,924	4,857				
2021-0971	CO-SCADA upgrade		167,109	(261)				
2021-0972	FPH New Sump Oil Skimmer (Abanaki model SM8C02-F)		7,316					
2021-0973	Vehicle replacement-F350 utility worker truck w/utility bed,		53,728					
2021-0974	WC-South Fork Div Dam Safety Buoys and Log Booms		8,949					
2021-0975	CO-SCADA master install		30,249	0				
2021-0976	PP-FPH Guide Bearing Oil Coolers		65,986					
2021-0977	JS-Truck Replacement for Comm Tech, replace T-101, 2004 F		38,855					
2021-0978	WC-STA 8 Bridge Deck Replacement		8,538					
2021-0979	CO-Backup generator, pad and appurtenances		31,256					
2021-0980	PP-Forbestown Div Dam SF-17 Access. Repl Stairs, Bridge, Tr		8,336					
2021-0981	CO-Generator Building at Sunset Hill Main Comm Site		12,302					
2021-0982	JS-Concrete aprons and approach, welding shop and hazmat		7,184	1,859				
2021-0983	JS-Truck Replacement for Roving Operator, replace 2005 Che		0	34,672				
2022-0984	WC-1 ton diesel truck, standard cab, single rear wheel			81,006				
2022-0985	Boom Truck with basket			227,436				

South Feather Water and Power Agency  
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Capital Outlay (con't)								
2022-0986	SCADA Historian server			12,935	15,000	15,000	0	0%
2022-0987	DAC 2 Rack Server for Scada System			54,818				
2022-0988	Shop Press			7,240				
2022-0989	Welding Shop Cabinets			35,003				
2022-0990	Dump truck- 2014 Peterbilt			134,368				
2022-0991	FPH TSV Seal Kit			71,106				
2022-0992	Storage System (SAN) replacement			23,289				
2022-0993	(3) Data Loggers: Black Rock and Kenzie Ravine. HS22+ with GOES Transmitter			19,103				
2022-0994	Security Cameras for Front Gates and Transformers, WPH, FPH, KPH			11,450				
2022-0995	Mini Excavator			68,754				
2022-0996	Bobcat Skid Steer with Power Broom Attachment			50,753				
2022-0997	Pewag Loader and Grader Snow Chains (3 Sets)			18,186				
2022-0998	GPS Equipment			10,368				
2022-0999	Truck Replace for Roving Operator, replace 2007 Chevy, T-112 - Broken Frame			0				
2022-0601	Phone system upgrade, 2022			13,488				
2022-0602	Replace SF10 Walkway, SCDD			1,731				
2022-0603	MRC Panel 300 Access Road Repair			211,138				
2023-0608	FPH Cooling Water Strainer System, engineering and design proposed			0	63,000	63,000	31,444	50%
2023-63b / Capital	FPH Repaint Generator Housing			0	150,000	150,000		0%
2023-63c / Capital	WPH Repaint Generator Housing and TWD System			0	130,000	130,000		0%
2023-64c / Capital	WC-LGV Res penstock drain valve replacement				60,000	60,000		0%
2023-64d / Capital	Bangor Canal at SF 25 Shotcrete				15,000	15,000		0%
2021-64o / 2023 64f	WC-RTU Water Logger HS522+ GOES Xmitter Forbestown Ditch				7,500	7,500		0%
2023-63g / Capital	FPH Oil Level Device Upgrade				18,000	18,000		0%
2023-63h / Capital	WPH Oil Level Device Upgrade				18,000	18,000		0%
2023-63i / Capital	KPH Sump Pump and motor				14,000	14,000		0%
2023-64a / Capital	MRC repair, panel 210, 50'				160,000	160,000		0%
2023-0605	MRC Bin Wall Materials				100,000	100,000	96,051	96%
2023-66d / Capital	Welding Shop 3-Ph Propane Generator				45,000	45,000		0%
2022-68e / Capital	WPH PSV Valve Trip System				30,000	30,000		0%
2023-63e / Capital	FPH Tailrace Underwater Concrete Repair				50,000	50,000		0%
2023-63f / Capital	FPH Penstock Recoat 60 Feet				45,000	45,000		0%

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2023-63l / Capital	FPH Gen and Exciter House Ozone Scrubber				7,500	7,500		0%
2023-0619	Rock Drills, Bits, and Hydraulic Splitter				27,500	27,500	25,059	91%
2023-64q / Capital	2 Water Quality Meter for the New Aquatics Monitoring Plan, Part 2.2.5.2.				30,000	30,000		0%
2023-64s / Capital	MRC Vertical Wall Replacement Program: (158 Panels/Year for Five Yrs)				557,000	557,000		0%
2023-0613	F-350 Super Cab w/ camper shell- replace T97- elect tech truck				65,000	65,000	53,155	82%
2023-66b / Capital	PDHQ 41KW Propane Generator with 200 amp XFER Switch				50,000	50,000		0%
2023-66c / Capital	CMMS Software System				50,000	50,000		0%
2023-66f / Capital	Backhoe. Existing Unit will Tier Out.				0	0		0%
2023-0609	Water Wagon- Fire suppression. Towable 1000 Gallon with Pump and Sprayer.				15,000	15,000	10,826	72%
2023-0610	Equipment Pole Barn fpr Vehicles - Lower Yard				125,000	125,000	57,645	46%
2023-66k / Capital	Toolbox and tooling. Jobox to Fly In/Out of Powerhouses				15,000	15,000		0%
2023-0606	Tool Trailer. Exist is old, Overloaded, Bent Axles.				60,000	60,000	14,753	25%

South Feather Water and Power Agency  
Joint Facilities Operating Fund Unaudited Financial Report  
June 27, 2023 Board Meeting

ACCOUNT	DESCRIPTION	2020	2021	2022	2023	2023	2023	% of
		ACTUAL	ACTUAL	ACTUAL	BUDGET	ESTIMATED	5/31/2023	Budget
2023-66m / Capital	Tire Equipment, Install, Balancer, Brake Lathe. Save cost of going to Oroville for flats, tire installs/swa				18,000	18,000		0%
2023-66n / Capital	Shop Door- Install Additional on Machine Shop				10,000	10,000		0%
2023-66p / Capital	STA 2 Parking Area Paving - Carpool, Personal Vehicles				0	0		0%
2023-0611	Crane Man Basket- Suspended (For Spillway Access)				14,000	14,000	12,552	90%
2023-0604	F350 Truck + Utility Body Mechanic Truck				80,000	80,000	79,489	99%
2023-0614	F450 Truck + Utility Body Machinist Lloyd Boyer				100,000	100,000	0	0%
2023-0615	F450 Truck + Utility Body Machinist Ross Cawthon				100,000	100,000	0	0%
2023-67s / Capital	Property acquisition - 5.37 Acre Parcel Adjacent to MRD (072-050-026 )				40,000	40,000		0%
2023-0618	WPH PSV Valve Trip System				30,000	30,000	2,518	0%
2023-0616	RTU Upgrades (KPH, FPH, WPH). Exist Out of Support, 10 years old.				60,000	60,000	0	0%
2023-0617	RTU Upgrade SPH. Exist Out of Support, 10 years old.				20,000	20,000	0	0%
2023-0607	Sunset and HQ Fire Suppression Systems				12,000	12,000	12,700	106%
2023-0612	MRC Stage Transducers				6,000	6,000	3,102	52%
2023-68o / Capital	AC upgrade for comm room				10,000	10,000		0%
2023-68it3 / Capital	New Hosts				34,000	34,000		0%
2023-68it4 / Capital	Replace Backup storage				11,000	11,000		0%
2023-68it9 / Capital	Finance Software Replacement				10,000	10,000		0%
2023-68it13 / Capital	Point to Point Fiber Circuit - Increase Cost				16,800	16,800		0%
2023-68it14 / Capital	Construction Costs							
	Total Capital Outlay	(2,157,078)	(548,107)	(1,186,971)	(2,509,300)	(2,509,300)	(399,292)	16%
Transfers In:								
	Power Division Legacy Fund	0	0	0	0	0	0	0%
	Retiree Benefit Trust	1,617,546	0	0	0	0	0	0%
Transfers Out:								
	General Fund-Minimum Payment	(709,000)	(709,000)	(709,000)	(709,000)	(709,000)	(177,250)	25%
	General Fund-Overhead	(480,058)	(613,367)	(367,675)	(400,000)	(400,000)		0%
	Retiree Benefit Trust	0	0	0	0	0	0	0%
Net Non-operating, Capital Outlay and Transfers		(4,222,596)	(4,382,014)	(7,376,728)	(4,327,300)	(4,327,300)	(931,042)	
NET REVENUE OVER EXPENSES		37,613	12,343,785	3,737,263	6,261,371	6,261,371	10,094,260	
Beginning Balance				36,838,728	32,050,695	32,050,695		
NYWD-Additional Payment				(3,269,900)	(2,000,000)	(2,000,000)		
General Fund-Additional Payment				(3,269,900)	(2,000,000)	(2,000,000)		
Reserve for PG&E Standby				0	0	0	0	
Ending Balance				34,036,191	34,312,066	34,312,066	10,094,260	

South Feather Water and Power Agency  
 General Fund Unaudited Financial Report  
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<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 ACTUAL</u>	<u>2023 BUDGET</u>	<u>2023 ESTIMATED</u>	<u>2023 ACTUAL 5/31/2023</u>	<u>% of BUDGET</u>
REVENUE:								
Water Sales Revenue								
	41100 Domestic Water	2,674,305	2,607,133	2,383,082	2,525,000	2,525,000	865,360	34%
	41400 Irrigation Water	263,727	282,060	285,814	260,000	260,000	63,649	24%
	41420 Water Sales, NYWD to Yuba City	195,300	199,215	207,653	200,000	200,000	0	0%
	Sub-Total Water Sales Rev	3,133,332	3,088,408	2,876,548	2,985,000	2,985,000	929,009	31%
Power Revenue								
	41305 Sly Cr Pwr Generation	1,297,452	1,816,122	1,961,433	1,822,298	1,822,298	1,288,686	71%
	41306 Surplus Wtr	25,164	156,026	0	50,000	50,000	0	0%
	Sub-Total Power Rev	1,322,616	1,972,148	1,961,433	1,872,298	1,872,298	1,288,686	69%
Water Service Charges								
	42301 Sundry Billing (Job Orders)	57,108	265,038	175,579	100,000	100,000	1,680	2%
	42321 Annexation Fees	0	26,239	37,761	0	0	0	0%
	42341 System Capacity Charges	69,801	61,082	148,319	300,000	300,000	0	0%
	42347 Other Water Serv Charges (Current & Misc.)	29,249	54,799	43,019	25,000	25,000	46,872	187%
	Sub-Total Water Serv Chgs	156,158	407,158	404,678	425,000	425,000	48,552	11%
Non-Operating Revenue								
	49250 Interest Earnings	108,903	1,070	245,423	1,000	1,000	280,750	28075%
	49311 Property Taxes	681,269	718,188	383,319	741,600	741,600	697,222	94%
	49405 ACWA/JPIA RPA	103,294	40,381	45,377	50,000	50,000	0	0%
	49625 Back Flow Installation	9,400	5,385	5,480	5,000	5,000	2,540	51%
	49630 Back Flow Inspection	127,236	130,550	137,586	140,000	140,000	58,599	42%
	49932 North Yuba Water Dist.	0	0	0	0	0	119,705	0%
	Palermo Clean Water Project	0	0	0	500,000	500,000	0	0%
	49929 Other Non-Oper Rev (Misc.)	31,455	2,672	255	1,000	1,000	75	7%
	Sub-Total Non-Oper Rev	1,061,557	898,246	817,440	1,438,600	1,438,600	1,158,890	81%
	TOTAL GENERAL FUND REVENUE	5,673,663	6,365,960	6,060,098	6,720,898	6,720,898	3,425,138	51%

South Feather Water and Power Agency  
 General Fund Unaudited Financial Report  
 June 27, 2023 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2020</u> <u>ACTUAL</u>	<u>2021</u> <u>ACTUAL</u>	<u>2022</u> <u>ACTUAL</u>	<u>2023</u> <u>BUDGET</u>	<u>2023</u> <u>ESTIMATED</u>	<u>2023</u> <u>ACTUAL</u> <u>5/31/2023</u>	<u>% of</u> <u>BUDGET</u>
OPERATING EXPENSES:								
General Administration, 1-50								
	Salaries & Benefits	785,777	423,633	701,214	860,946	860,946	246,691	29%
	Supplies	5,032	10,424	9,298	9,150	9,150	2,671	29%
	Services	121,268	129,570	93,099	107,920	107,920	70,869	66%
	Utilities	52,010	58,245	59,972	77,350	77,350	22,939	30%
	Fuel, Oil, Auto	0	0	0	4,520	4,520	0	0%
	Training/Dues	13,616	19,927	23,713	30,620	30,620	3,262	11%
General Admin, 1-50		<u>977,703</u>	<u>641,800</u>	<u>887,297</u>	<u>1,090,506</u>	<u>1,090,506</u>	<u>346,432</u>	<u>32%</u>
Water Source, 1-51								
	Source of Supply	16,117	14,888	16,536	17,000	17,000	17,189	101%
Water Source, 1-51		<u>16,117</u>	<u>14,888</u>	<u>16,536</u>	<u>17,000</u>	<u>17,000</u>	<u>17,189</u>	<u>101%</u>
Risk Management, 1-52								
	Salaries & Benefits	110,291	90,111	88,521	134,525	134,525	42,494	32%
	Supplies	9,895	3,220	5,068	5,337	5,337	1,148	22%
	Services	118,598	137,138	114,835	133,783	133,783	1,971	1%
	Utilities	910	571	596	600	600	226	38%
	Fuel, Oil, Auto	0	0	0	4,520	4,520	0	0%
	Training/Dues	169	372	249	300	300	0	0%
Environmental Health & Safety, 1-52		<u>239,863</u>	<u>231,412</u>	<u>209,270</u>	<u>279,065</u>	<u>279,065</u>	<u>45,840</u>	<u>16%</u>
Water Treatment, 1-53								
	Salaries & Benefits	1,427,710	1,324,450	1,476,690	2,290,077	2,290,077	619,588	27%
	Supplies	127,484	113,066	155,115	164,000	164,000	34,069	21%
	Services	59,723	32,191	53,059	83,545	83,545	46,160	55%
	Utilities	305,168	309,928	219,583	265,000	265,000	17,300	7%
	Fuel, Oil, Auto	2,510	0	0	18,077	18,077	0	0%
	Training/Dues	833	75	172	1,675	1,675	463	28%
Water Treatment, 1-53		<u>1,923,428</u>	<u>1,779,710</u>	<u>1,904,618</u>	<u>2,822,374</u>	<u>2,822,374</u>	<u>717,581</u>	<u>25%</u>
Transmission & Distribution, 1-54								
	Salaries & Benefits	2,387,626	1,952,583	1,932,322	2,857,078	2,857,078	831,458	29%
	Supplies	71,974	71,859	94,883	125,310	125,310	33,732	27%
	Services	26,518	25,291	7,092	28,100	28,100	5,397	19%
	Utilities	40,021	48,714	50,490	42,500	42,500	16,981	40%
	Fuel, Oil, Auto	0	4,402	25	144,616	144,616	3,022	2%
	Training/Dues	1,995	3,997	1,435	4,500	4,500	0	0%

South Feather Water and Power Agency  
 General Fund Unaudited Financial Report  
 June 27, 2023 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	2020	2021	2022	2023	2023	2023	% of
		<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>5/31/2023</u>	<u>BUDGET</u>
Transmission & Distribution, 1-54		2,528,134	2,106,846	2,086,247	3,202,104	3,202,104	890,591	28%
OPERATING EXPENSES (Con't)								
Customer Accounts, 1-55								
	Salaries & Benefits	806,810	758,608	912,823	1,310,772	1,310,772	334,672	26%
	Supplies	112,376	106,891	150,878	133,970	133,970	57,074	43%
	Services	59,573	81,195	63,911	64,340	64,340	33,082	51%
	Utilities	0	964	1,556	1,575	1,575	1,862	118%
	Training/Dues	11,776	12,903	735	1,200	1,200	0	0%
Customer Accounts, 1-55		990,535	960,561	1,129,903	1,511,857	1,511,857	426,690	28%
General Plant & Shop, 1-56								
	Salaries & Benefits	527,789	388,464	440,504	673,260	673,260	185,764	28%
	Supplies	16,376	11,380	28,507	54,400	54,400	4,056	7%
	Services	13,755	2,587	585	600	600	853	142%
	Utilities	26,908	28,357	33,300	40,475	40,475	15,788	39%
	Fuel, Oil, Auto	113,709	121,999	186,724	4,520	4,520	61,047	1351%
General Plant & Shop, 1-56		698,537	552,787	689,620	773,255	773,255	267,507	35%
Sundry & Expense Credits, 1-57								
	Salaries & Benefits	27,334	29,256	26,512	30,000	30,000	3,636	12%
	Supplies	22,290	33,167	46,334	60,000	60,000	0	0%
	Services	235	42,430	7,714	5,000	5,000	6,832	137%
Sundry, 1-57		49,859	104,853	80,560	95,000	95,000	10,468	11%
Information Technology, 1-58								
	Salaries & Benefits	419,238	317,458	205,698	387,744	387,744	83,767	22%
	Supplies	13,622	7,630	38,259	45,730	45,730	11,293	25%
	Services	62,351	47,253	81,390	73,986	73,986	26,057	35%
	Utilities	3,045	2,479	2,355	2,650	2,650	596	22%
	Fuel, Oil, Auto	0	0	0	4,520	4,520		
	Training/Dues	1,701	6,228	175	525	525	603	115%
Information Systems, 1-58		499,957	381,048	327,877	515,155	515,155	122,316	24%
Sly Creek Power Plant, 1-61								
	Salaries & Benefits	363,028	323,779	487,905	540,089	540,089	208,795	39%
	Supplies	12,846	9,402	22,081	17,110	17,110	8,139	48%
	Services	39,758	36,821	36,699	29,312	29,312	9,853	34%
	Utilities	22,677	23,802	13,348	18,900	18,900	18,357	97%
	Auto Expense	0	39	66	0	0	0	0%

South Feather Water and Power Agency  
 General Fund Unaudited Financial Report  
 June 27, 2023 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2020</u> <u>ACTUAL</u>	<u>2021</u> <u>ACTUAL</u>	<u>2022</u> <u>ACTUAL</u>	<u>2023</u> <u>BUDGET</u>	<u>2023</u> <u>ESTIMATED</u>	<u>2023</u> <u>ACTUAL</u> <u>5/31/2023</u>	<u>% of</u> <u>BUDGET</u>
Sly Creek Power Plant, 1-61		438,309	393,843	560,100	605,411	605,411	245,144	40%
	TOTAL OPERATING EXPENSES	8,362,442	7,167,748	7,892,026	10,911,726	10,911,726	3,089,759	28%
	SUB-TOTAL, REVENUES OVER OPER EXP	(2,688,779)	(801,788)	(1,831,928)	(4,190,828)	(4,190,828)	335,379	-8%
Other Non-Operating Expenses								
	Supplies & Servces	3,600	3,400	3,908	3,600	3,600	0	0%
	Interest	826,793	808,521	798,765	787,026	787,026	394,311	50%
	Principal	600,000	615,000	635,000	655,000	655,000	655,000	100%
	Pension Expense	0	0	0	0	0	0	0%
Other Non-Operating Expenses:								
CAPITAL OUTLAY:								
2019-0192	TD-Distribution System Remote Monitoring		9,551	5,438			4,627	
2020-0198	Community Line, Foothill Blvd./Oro Bangor Hwy to Grange		68,058				0	
2020-0200	Oro-Bangor Hwy/BTP to Avacado		48,097	394			0	
2020-0970	SPH-CAISO meter installation		26,094	4,857			0	
2021-0204	MRTP #2 raw water pump replacement		64,907					
2021-0205	Hwy 162 / Arbol		129,559					
2021-0206	IT-MRTP SAN replacement		23,185					
2021-0207	CA-Meter reader communications		1,750	4,557			0	
2021-0208	Replace 1998 Bobcat mini excavator, E-123		0	68,635			0	
2021-0209	IT-Fiber optic and switches replacement		0	10,296			0	
2021-0210	Replace 2009 Ford F-350, T-82		0	0			0	
2021-0971	SPH-SCADA upgrade		55,638	0			1,255	



South Feather Water and Power Agency  
General Fund Unaudited Financial Report  
June 27, 2023 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 ACTUAL</u>	<u>2023 BUDGET</u>	<u>2023 ESTIMATED</u>	<u>2023 ACTUAL 5/31/2023</u>	<u>% of BUDGET</u>
CAPITAL OUTLAY (Con't)								
2022-0212	Vacuum, portable, towable			29,706			0	
2022-0213	Shotcrete Pinecrest (pipe)			22,304			0	
2022-0214	Streaming Current Analyzer with Organics module			21,742			0	
2022-0215	Ditchtender vehicle, 2021 Ford Ranger, T-318			42,785			0	
2022-0216	SPH station air compressor			10,997			0	
2022-0217	Meter Service Technician vehicle, 2022 Ford F250			69,682			0	
2022-0218	Storage System (SAN) replacement			32,743			0	
2022-0219	Palermo clean water 2022			72,743	500,000	500,000	5,861	1%
2022-0220	M RTP security cameras upgrade			8,138			0	
2022-0221	SPH security cameras for front gate and transformer			3,937			0	
2022-0222	Trailer for Bobcat (see 2021-0208)			28,305			0	
2022-0223	GPS Equipment			8,083			0	
2022-0224	Wood chipper			37,538			0	
2022-0225	Phone system upgrade, 2022			17,638			0	
2022-0226	M RTP raw water pump 3 replacement			0			0	
2022-0227	SPH PSV Roof Replacement and Rockfall Protection			10,925	75,000	75,000	5,014	7%
2023-53a / Capital	M RTP metal storage & work shop building				0	0		
**2023-53b / Capital	<del>Portable, towable generator for BTP</del> Durham Pump 125 HP 900RPM Motor				30,000	30,000		
2023-0235	Replacement truck for T177				50,000	50,000	44,674	89%
2023-53d / Capital	Solar field inverter replacement				0	0		
2023-C53e	Filter NTU meters replacement, 4				22,000	22,000		
2023-53g / Capital	Asphalt seal coat, entire facility, 60.000 sq ft.				15,000	15,000		
2023-53h / Capital	Replacement truck for T308 (R. Liese)				80,000	80,000		
2023-53j / Capital	MGT recoating interior and hydropneumatic interior coating				0	0		
2023-53k / Capital	MGT fencing				32,000	32,000		
2022-54t / Capital	North Ditch Lincoln to Messina irrigation - Engineering Study for design				0	0		
2023-52a / Capital	Ground Penetrating Radar Equipment				25,000	25,000		
2023-54a / Capital	Distribution System Remote Monitoring, 2023				12,000	12,000		
2023-54b / Capital	Domestic - Oro Pond Service Lines and Meter Replacements				25,000	25,000		
2023-54c / Capital	Domestic - Coventry Interloop + Regulator Vault				75,000	75,000		
2023-54e / Capital	Irrigation - Dunstone line 12" (meter, manifold and valve)				20,000	20,000		
2023-0230	Irrigation - Shotcrete Pinecrest				10,000	10,000	10,422	104%
2023-54g / Capital	Irrigation - Bangor Canal Siphon -(Rocky Honcut)				10,000	10,000		
2023-54h / Capital	Domestic - Sunset View Service Line				0	0		
2023-54i / Capital	Domestic - Miners Ranch (Chopan) Line Replacement				15,000	15,000		
2023-54j / Capital	Irrigation - South Villa Raw Water Line Replacement 500'				35,000	35,000		

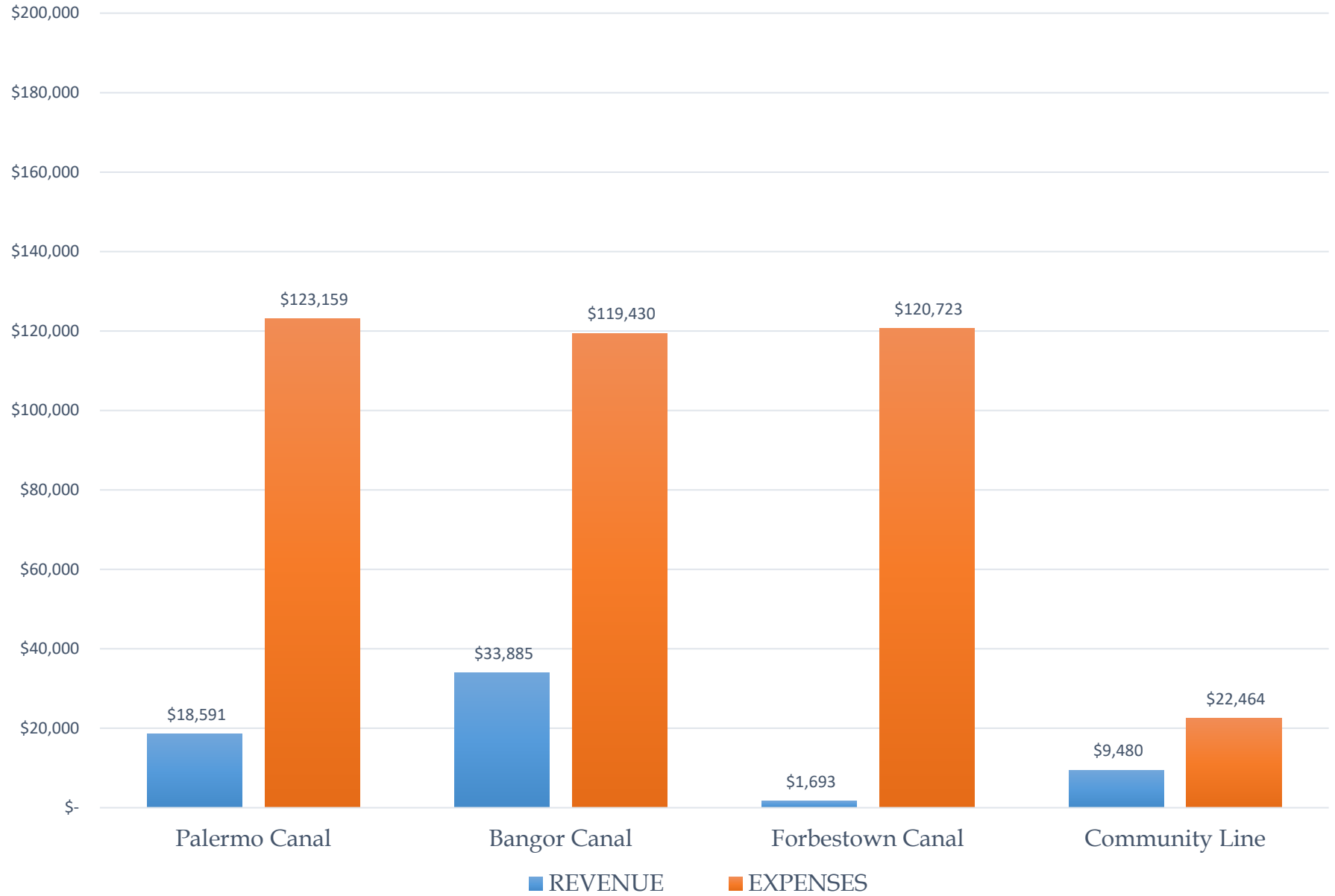
South Feather Water and Power Agency  
 General Fund Unaudited Financial Report  
 June 27, 2023 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2020 ACTUAL</u>	<u>2021 ACTUAL</u>	<u>2022 ACTUAL</u>	<u>2023 BUDGET</u>	<u>2023 ESTIMATED</u>	<u>2023 ACTUAL 5/31/2023</u>	<u>% of BUDGET</u>
2023-54k / Capital	Irrigation - Palermo Canal Beaver Grizzly Vertical Shoring				12,000	12,000		
2023-0234	Irrigation - Lower Forbestown Ditch - Old Olive Hwy 140' 8" Pipe Replacement				8,000	8,000	5,867	73.33%
2023-54p / Capital	Irrigation - Miller Hill Gauging Stations				12,000	12,000		
2023-54q / Capital	Irrigation - Oakvale Palermo Canal 900' Shotcrete				37,000	37,000		
2023-54r / Capital	Domestic - Oro Bangor Malengo Pipe Replacement				0	0		
2023-54s / Capital	Irrigation - Culvert Replacement Ridgeway				20,000	20,000		
2023-54t / Capital	Domestic - Chames Court, 500' 6" AC Replacement				0	0		
2023-56a / Capital	Replace 2011 Ranger 4x4 Ditchtender T-302				35,000	35,000		
2023-56b / Capital	Replace 2011 Ranger 4x4 Ditchtender T-303				35,000	35,000		
2023-56c / Capital	Replace 1990 Ford F700 diesel/flatbed dump, T-132				102,000	102,000		
2023-56d / Capital	Replace 2012 Ford F150 Supercab 3/4 ton gas T-304				35,000	35,000		
2023-56e / Capital	Replace 2002 Chevy Tahoe C-3 (originally requested for Dept 50)				0	0		
2023-58f / Capital	Replace 2 Hosts				34,000	34,000		
2023-58g / Capital	Replace Copier				0	0		
2023-58h / Capital	Plotter replacement				0	0		
2023-58i / Capital	Finance Software Replacement				10,000	10,000		
2023-61a / Capital	SPH Governor upgrade				200,000	200,000		
2023-61b / Capital	SPH Exciter upgrade				0	0		
2023-61d / Capital	SPH Bearing Cooling Water Flow Device Upgrade				20,000	20,000		
2023-61e / Capital	SPH oil flow device upgrade				20,000	20,000		
2023-61f / Capital	SPH Bitronics line-side metering xducer				8,000	8,000		
	<b>Total Capital Outlay</b>	<b>307,591</b>	<b>426,839</b>	<b>511,444</b>	<b>1,619,000</b>	<b>1,619,000</b>	<b>77,719</b>	<b>5%</b>
Transfers:								
	SFPP Jt Facil Oper Fd-Minimum Payment	709,000	709,000	709,000	709,000	709,000	0	0%
	SFPP Jt Facil Oper Fd-Additional Payment	0	0	3,269,900	2,000,000	2,000,000	0	0%
	SFPP Jt Facil Oper Fd-Overhead	480,058	613,367	367,675	400,000	400,000	0	0%
	System Capacity Fund	194,946	0	0	0	0	0	0%
	Retiree Benefit Trust Fund	1,977,001	0	0	0	0	0	0%
<b>Net Non-Operating, Capital Outlay and Transfers</b>		<b>1,623,021</b>	<b>(531,393)</b>	<b>2,397,458</b>	<b>44,374</b>	<b>44,374</b>	<b>(1,127,030)</b>	<b>-2540%</b>
<b>NET REVENUE OVER EXPENSES</b>		<b>(1,065,758)</b>	<b>(1,333,180)</b>	<b>565,530</b>	<b>(4,146,454)</b>	<b>(4,146,454)</b>	<b>(791,651)</b>	
Beginning Balance					1,640,341	1,640,341	1,640,341	
Ending Balance					<u>(2,506,113)</u>	<u>(2,506,113)</u>	<u>848,690</u>	

South Feather Water & Power Agency  
 Irrigation Water Accounting  
 Through  
 May 31, 2023

<u>ACCT CODE</u>	<u>DESCRIPTION</u>	<u>REVENUE</u>	<u>EXPENSES</u>	<u>DIFFERENCE</u>
2023-0504	Palermo Canal	\$ 18,591	\$ 123,159	(\$104,568)
2023-0505	Bangor Canal	\$ 33,885	\$ 119,430	(\$85,544)
2023-0506	Forbestown Canal	\$ 1,693	\$ 120,723	(\$119,031)
2023-0507	Community Line	\$ 9,480	\$ 22,464	(\$12,984)
	Totals	\$ 63,649	\$ 385,776	(\$322,127)

# IRRIGATION COST RECOVERY



SOUTH FEATHER WATER AND POWER AGENCY  
SCHEDULE OF CASH AND INVESTMENTS  
May 31, 2023

General Fund Cash and Savings Account							\$ 4,915,793	
LAIF							26,153,514	
CalTrust							1,391,416	
Five Star Bank							1,131,164	
<u>Fixed Income portfolio</u>	<u>Rate</u>	<u>Purch Date</u>	<u>Purch Price</u>	<u>Face Value</u>	<u>Maturity</u>	<u>Market Value</u>	<u>Estimated Annual Income</u>	
Cash / Money Market						66,586		
Bank of China CD	2.100%	6/15/2022	240,000	240,000	6/15/2023	239,683	5,040	
BMO Harris Bk CD	2.800%	7/1/2022	245,000	245,000	7/14/2023	244,243	6,860	
Luana Savings Bank CD	0.200%	8/14/2020	245,000	245,000	8/14/2023	242,437	490	
John Marshall Bancorp CD	0.400%	12/31/2021	245,000	245,000	8/31/2023	242,026	980	
Synchrony Bank CD	0.400%	9/30/2021	245,000	245,000	9/29/2023	240,992	980	
Medallion Bank CD	0.250%	10/26/2020	135,000	135,000	10/27/2023	132,253	338	
New York Community Bank CD	0.300%	11/9/2020	245,000	245,000	11/9/2023	239,615	735	
Beal Bank CD	0.600%	12/20/2021	245,000	245,000	12/20/2023	238,684	1,470	
Federal Home Loan Bond	0.190%	12/29/2020	249,777	250,000	12/22/2023	242,823	475	
Bank OZK CD	4.500%	11/18/2022	245,000	245,000	1/18/2024	243,782	11,025	
Customers Bank CD	4.800%	11/22/2022	245,000	245,000	2/23/2024	244,133	11,760	
US Treasury Note	0.250%	1/18/2022	258,479	262,000	3/15/2024	251,992	655	
Bankunited Bank CD	0.350%	3/15/2021	245,000	245,008	3/19/2024	235,445	858	
Ally Bank Sandy Utah CD	1.700%	3/25/2022	245,000	245,000	3/25/2024	237,907	4,165	
Comenity Capital Bank CD	2.250%	4/14/2022	245,000	245,000	4/15/2024	238,517	5,513	
Web Bank CD	0.400%	5/11/2021	245,000	245,000	5/17/2024	233,581	980	
UBS Bank CD	0.350%	6/23/2021	245,000	245,000	6/24/2024	232,226	858	
Texas Exchange Bank CD	0.500%	7/9/2021	105,000	105,000	7/9/2024	99,494	525	
First Technology Credit Union CD	3.250%	8/5/2022	245,000	245,000	8/5/2024	239,059	7,963	
Toyota Finl Svgs Bank CD	0.550%	8/5/2021	245,000	245,000	8/5/2024	231,618	1,348	
BMW Bank CD	1.700%	3/4/2022	245,000	245,000	9/4/2024	234,142	4,165	
State Bank of Dallas CD	0.700%	12/31/2021	245,000	245,000	10/1/2024	230,332	1,715	
Institution for Svg in Newburyport	0.700%	10/28/2021	245,000	245,000	10/28/2024	229,575	1,715	
Merrick Bank CD	0.800%	11/19/2021	245,000	245,000	11/19/2024	229,332	1,960	
Live Oak Banking CD	0.850%	12/29/2021	245,000	245,000	12/30/2024	228,411	2,083	
Federal Home Loan Bond	1.250%	1/28/2022	250,000	250,000	1/28/2025	234,465	3,125	

Federal Home Loan Bond	1.550%	2/18/2022	249,781	250,000	2/18/2025	235,358	3,875	
Federal Home Loan Bond	2.000%	12/6/2022	235,791	250,000	3/28/2025	236,845	5,000	
Bank of Dells Wisconsin CD	4.400%	12/23/2022	245,000	245,000	4/23/2025	241,139	10,780	
Capital One Natl Assn CD	3.100%	6/16/2022	246,000	246,000	6/16/2025	235,845	7,626	
Federal Home Loan Bond	3.550%	8/18/2022	245,000	245,000	7/25/2025	237,844	8,698	
Connexus Credit Union CD	3.500%	8/26/2022	245,000	245,000	8/26/2025	236,045	8,575	
Austin Telco Fed CU CD	3.750%	9/21/2022	249,000	249,000	9/22/2025	241,017	9,338	
Capital One Bank USA CD	0.900%	11/17/2021	245,000	245,000	11/17/2025	220,806	2,205	
United Bankers Bank CD	4.500%	3/17/2023	250,000	250,000	12/17/2025	247,463	11,250	
Washington Fed Bank CD	4.700%	12/12/2022	245,000	245,000	12/22/2025	242,111	11,515	
Liberty First Credit Union	4.550%	1/17/2023	249,000	249,000	1/1/2026	245,081	11,330	
Federal Home Loan Bond	0.680%	12/15/2021	243,905	250,000	2/24/2026	224,753	1,700	
Eaglebank Bethesda MD CD	4.250%	2/24/2023	245,000	245,000	2/24/2026	239,245	10,413	
Direct Federal CU CD	4.700%	3/8/2023	152,000	152,000	3/9/2026	150,136	7,144	
Truliant Federal Credit CD	5.150%	3/22/2023	140,000	140,000	3/23/2026	139,924	7,210	
American Express Natl Bank CD	4.950%	3/31/2023	243,000	243,000	3/30/2026	241,595	12,029	
Discover Bank	4.500%	4/26/2023	245,000	245,000	4/27/2026	240,664	11,025	
Morgan Stanley Bank NA CD	4.600%	5/24/2023	245,000	245,000	5/26/2026	241,288	11,270	
State Bank of India CD	1.000%	6/10/2021	245,000	245,000	6/10/2026	216,837	2,450	
			<u>10,601,733</u>	<u>10,626,008</u>				
<b>Total Fixed Income Portfolio:</b>					<b>Market Value</b>	10,317,347	\$ 231,208	
								2.24%
<b>TOTAL CASH &amp; Market Value of INVESTMENTS AT</b>					<b>5/31/2023</b>	\$ 43,909,233		

I certify that all investment actions have been made in full compliance with Policy #470- Investments, and that South Feather Water and Power Agency will meet its expenditure obligations for the next six months.

Submitted by: Cheri Richter, Finance Manager 5/31/2023

**Investment Transactions as of:** May 31, 2023

\$245,000 CD purchased 5/24/2023 from Morgan Stanley Bank, 4.6%, matures 5/26/2026, with Valley National Bank 5/18/2023 maturity.



# ***SOUTH FEATHER WATER & POWER AGENCY***

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**TO:** Board of Directors  
**FROM:** Dan Leon, Power Division Manager  
**DATE:** June 22, 2023  
**RE:** General Information (regarding matters not scheduled on agenda)  
June 27, 2023 Board of Directors Meeting

## **OPERATIONS**

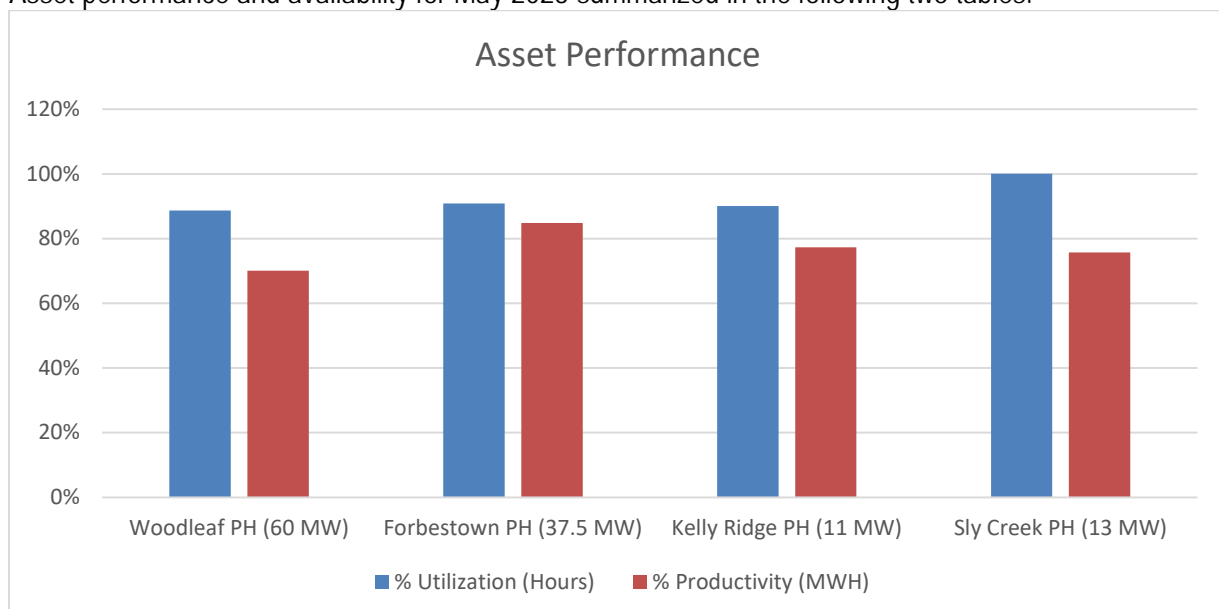
Power Division Summary, Reservoir Storage, and Precipitation Reports for May 2023 are attached.

South Fork Div tunnel average flow was 472 CFS. Slate Creek Div tunnel was closed for the month. Little Grass Valley and Sly Creek Reservoirs combined storage was 142 kAF at month's end. The following reservoir is currently spilling: Ponderosa Res.

DWR Bulletin 120 observed conditions as of June 13 for accumulated WY to date precipitation is at 123% of average (North Sierra 8-Station Index), and observed snowpack is at 23% of average for April 1 (North Region).

## **ASSET PERFORMANCE**

Asset performance and availability for May 2023 summarized in the following two tables:



Asset Availability				
a. Powerhouse	b. Capacity MW	c. Available for Generation Hrs	d. Generation Dispatched above 50% Output Hrs	e. Generation Dispatch Potential Output Hrs
Woodleaf	60.0	734	623	111
Forbestown	37.5	733	638	95
Kelly Ridge	11.0	226	185	41
Sly Creek	13.0	620	619	1

## MAINTENANCE

### Powerhouses

- Woodleaf Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for February 2024. PG&E transmission line maintenance completed. Recoating of generator equipment in process.
- Forbestown Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for March 2024. PG&E transmission line maintenance completed. Recoating of generator equipment in process.
- Sly Creek Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for October 2 thru 21, 2023. PG&E transmission line maintenance completed. Recoating of valve chamber in process.
- Kelly Ridge Powerhouse. Status: In service, normal dispatch schedule. Annual maintenance outage scheduled for November 6 thru 18, 2023. Generator exciter repair completed.

### Project Facilities and Assets

- LGV Res – Adjust lower outlet flows
- LGV Campgrounds – Return boat ramps to service
- SFDD – Perform inspections, clean trashrack
- SC Reservoir – Perform inspections, remove woody debris
- SC Dam Access Road – Transport roadbase for repairs, flail roadway
- SCDD – Construct new bridge deck and pour concrete supports
- FDD – Install log booms
- MRC – Perform inspections, clean trashracks, fabricate personnel crossings
- Penstocks – Perform inspections
- Various Facilities – Install fire suppression equipment
- Outlying Stations – Maintain thermal generators, test standby generators
- Vehicle Fleet – Perform service and maintenance

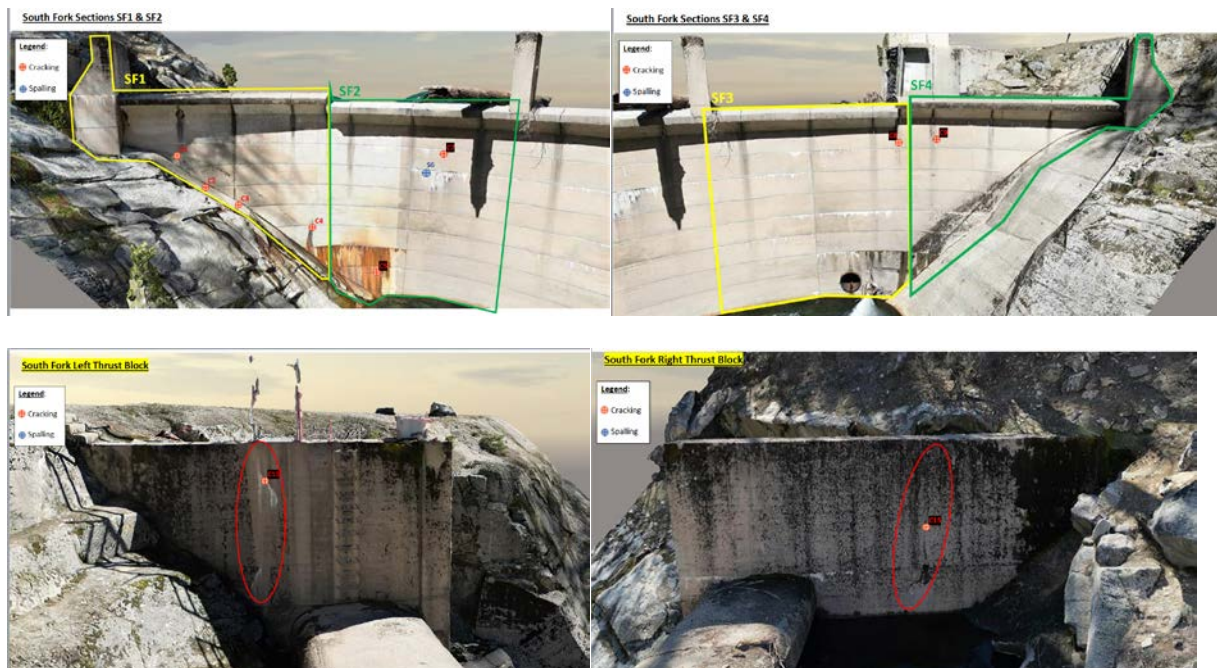


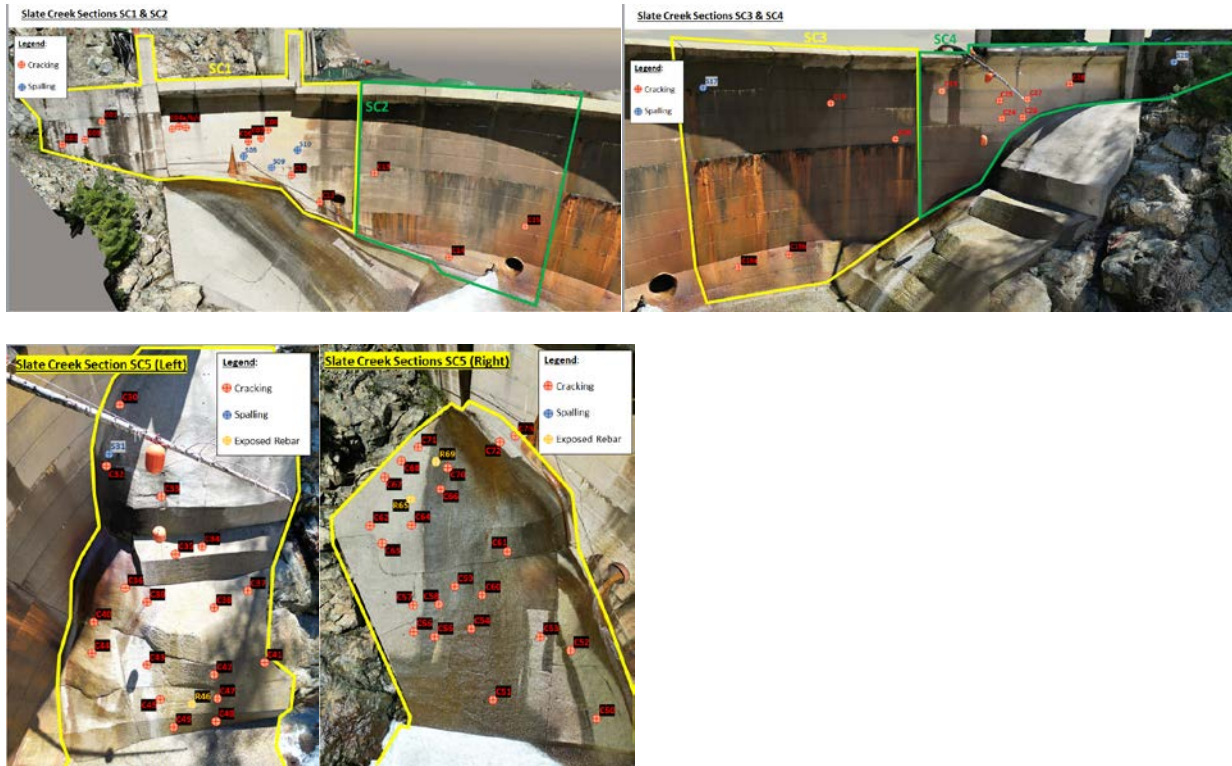
## REGULATORY COMPLIANCE

### Mid-Year Updates to the 2023 Priority Regulatory Compliance Budgeted Projects:

Staff continue to work with Slate Geotechnical to review the completed draft updates to the Supporting Technical Information Document and Dam Safety Surveillance Monitoring Plans for Little Grass Valley, Sly Creek, Lost Creek, Ponderosa and Miners Ranch Dams. These reports reflect updates to monitoring and documentation protocols that were suggested in the Part 12D Safety Inspection Reports. Upon completion, they will be submitted to FERC and DSOD for review and comment. If accepted, these will serve as the operational guidance and annual reporting for the dam safety program.

Staff worked with Niricson to conduct drone flights over South Fork Diversion Dam and Slate Creek Diversion Dam on April 20, 2023 in order to obtain baseline photos and video of the ogee and downstream sections of each dam. Although the original purpose for this project was to assess the condition of the ogee, upon receipt of the documentation and report, it is apparent that having this level of analysis of the thrust blocks and downstream dam face is a tremendous benefit to the Agency. As a reminder, staff access to traverse the crest has been restricted due to safety concerns, but there is simply no feasible option for adequate up close inspection of the downstream dam faces, scour pads, or plunge pool. You will note in these photos that the structures were broken down into sections, and all detected cracks, spalling and exposed rebar is noted in both the photos and report. Staff will review the documentation with FERC and DSOD during the respective upcoming field inspections. Niricson is a firm that has developed Patent Pending Data Collection Technology to provide dam owners critical insights and multi-defect layer visualization for the current condition of their assets. Although SFWPA only conducted a baseline assessment using drone video and photography, a neighboring agency has utilized this company's AI and data fusion technology to map and quantify conditions on a massive concrete structure. Over time, this proprietary technology helps to model cracks, spalling, void space, delamination, and other concrete degradation on spillway and dam structures. Utilizing new technology is certainly an exciting option, one with the potential to assist regulators and staff manage dam safety.





Staff are working with the Schnabel Engineering team to conduct onsite inspections and staff interviews associated with the FERC required external Owners Dam Safety Program Audit and Plan update. The team will be here in July, and we remain on schedule to submit reports to FERC this calendar year.

Staff are working with the Gannett Fleming team to kick-off the Security and Vulnerability Assessments as required by FERC. We look forward to all we can learn during this process, and are on schedule to submit the required reports and year end certifications this calendar year.

## PROJECT WORK

### Sly Creek Powerhouse Governor Work

The Agency has issued an RFP to solicit proposals from qualified firms to remove the antiquated electro-mechanical controls of the Sly Creek Powerhouse Governor, and replace them with a modern Programmable Logic Controller (computer). This will reduce the maintenance demands of this system and increase the reliability, controllability, and safety of the unit.

We conducted a job walk with prospective firms on June 14th and had 8 individuals from 4 firms in attendance. We are optimistic that we will receive numerous viable proposals for this project.

### Kelly Powerhouse Pressure Relief Valve

During a PG&E line outage in May, Agency personnel took the opportunity to conduct an inspection of the pressure relief valve discharge chamber at Kelly Ridge Powerhouse. The pressure relief valve (PRV) is a component that allows water to be diverted around the turbine in the event of a rapid shut-down. The discharge chamber, where the PRV releases the water to dissipate its energy before it enters the river, experiences intermittent bursts of high velocity, high volume water flow. The nature of the water flow has created an area of erosion that maintenance personnel have repeatedly repaired since 1983. The inspection found that the erosion has progressed through the metal liner and 4-6 inches deep into the

concrete that encapsulates the discharge chamber. A complete and permanent repair of the discharge chamber would require the removal of the PRV from the powerhouse, and is quite an undertaking.



Our plan is to request budget funds next year to remove the PRV from the powerhouse in order to re-line the discharge chamber with a new layer of thick steel. The installation will be challenging, but it will prevent further erosion of the concrete around the chamber. While the PRV is removed, it will be sent to a company to rebuild and refurbish the valve so it can be relied on for the next 50+ years.

#### Forbestown Powerhouse Assessment

RFPs were issued to Respondents on February 24, 2023 by posting on the Agency's website and via direct email to seven hydro industry firms. By the closing date of June 9, 2023, two proposals were received.

The RFP outlined the Power Division staff that would comprise the Review and Ranking team, as well as the Scoring criteria. The team is currently reviewing and scoring the proposals.

#### **PERSONNEL**

##### Recruitment – Electrical Machinist, Journey Level

The Agency is recruiting for an Electrical Machinist, Journey Level, in preparation for future staff retirement.

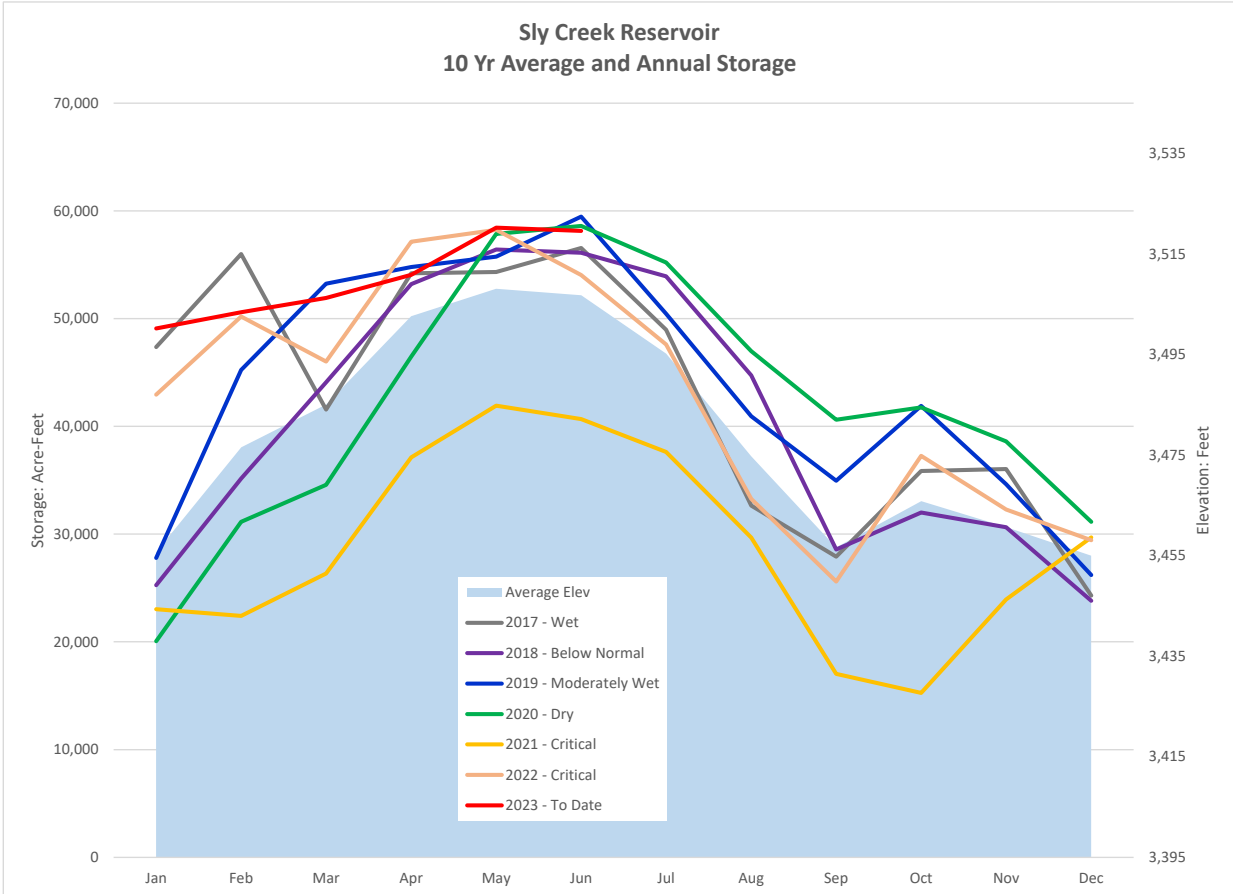
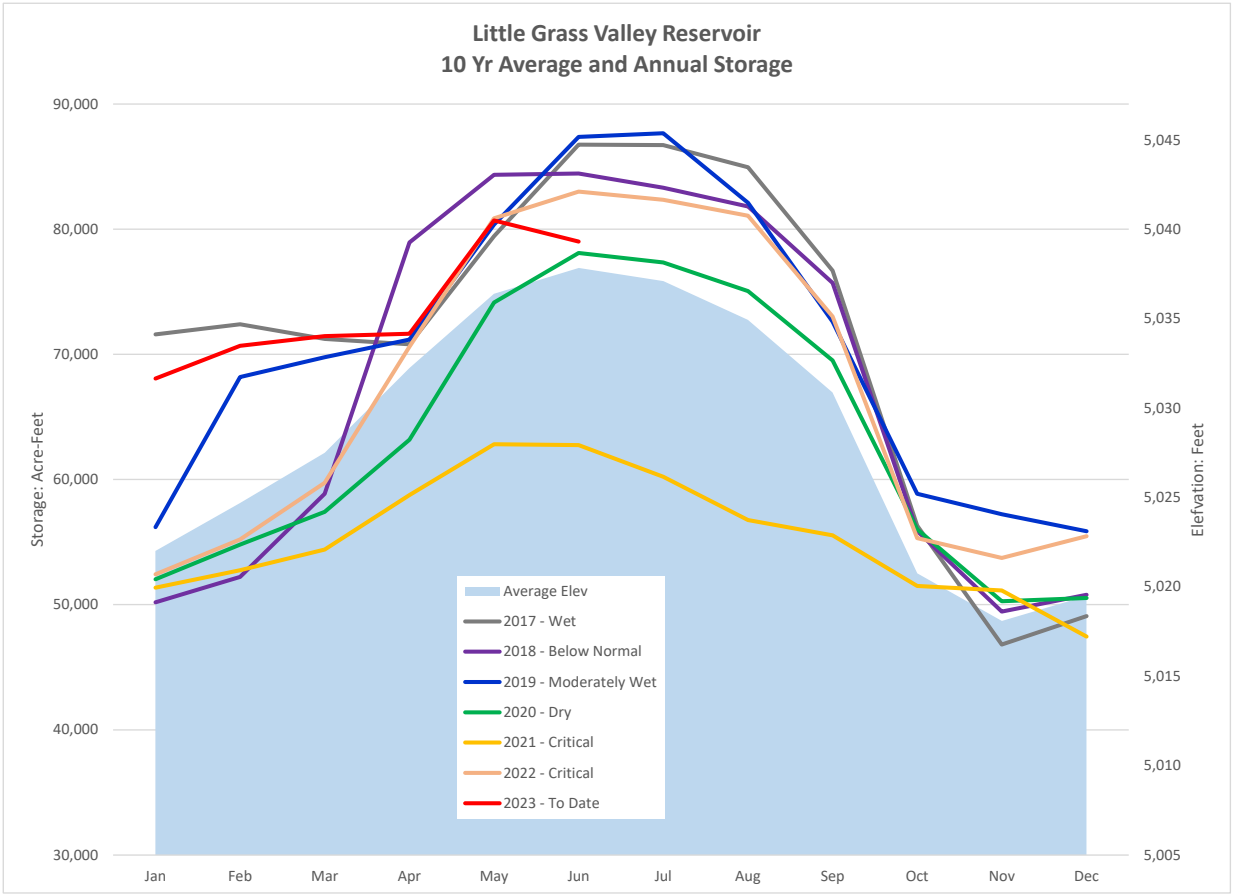
**SOUTH FEATHER WATER AND POWER  
SOUTH FEATHER POWER PROJECT  
2023  
Reservoir and Stream Operations**

	RESERVOIR ELEVATIONS				MONTHLY AVERAGE STREAM RELEASES			
	Little Grass Valley		Sly Creek		Release to SFFR at LGV Dam	Release to SFFR at Forbestown Div.	Release at Lost Creek Dam	Release at Slate Creek Div.
Maximum Elevation End of Month Conditions	5,046.50	Feet	3,530.00	Feet				
January	5,034.43	Feet	3,502.81	Feet	8.32	204.00	113.00	430.00
February	5,034.74	Feet	3,506.16	Feet	7.89	7.69	7.20	79.80
March	5,034.72	Feet	3,515.27	Feet	7.93	681.00	273.00	598.00
April	5,037.80	Feet	3,520.28	Feet	39.80	171.00	181.00	576.00
May	5,041.71	Feet	3,524.87	Feet	0.00	0.00	0.00	0.00
June	0.00	Feet	0.00	Feet	0.00	0.00	0.00	0.00
July	0.00	Feet	0.00	Feet	0.00	0.00	0.00	0.00
August	0.00	Feet	0.00	Feet	0.00	0.00	0.00	0.00
September	0.00	Feet	0.00	Feet	0.00	0.00	0.00	0.00
October	0.00	Feet	0.00	Feet	0.00	0.00	0.00	0.00
November	0.00	Feet	0.00	Feet	0.00	0.00	0.00	0.00
December	0.00	Feet	0.00	Feet	0.00	0.00	0.00	0.00

Table A.

**Powerhouse Operations**

	Sly Creek	Woodleaf	Forbestown	Kelly Ridge	Energy Revenue
January	5,428.21 MWH	32,624.64 MWH	25,726.22 MWH	7,437.09 MWH	\$3,195,636.16
February	2,677.38 MWH	18,497.44 MWH	12,943.98 MWH	5,397.99 MWH	\$1,743,491.85
March	5,274.14 MWH	26,121.91 MWH	15,726.87 MWH	7,394.35 MWH	\$2,393,833.10
April	5,866.43 MWH	28,278.41 MWH	21,001.38 MWH	6,702.65 MWH	\$2,877,336.02
May	6,101.08 MWH	30,896.28 MWH	23,340.29 MWH	1,925.61 MWH	\$2,891,417.03
June	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
July	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
August	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
September	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
October	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
November	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
December	0.00 MWH	0.00 MWH	0.00 MWH	0.00 MWH	\$0.00
	<u>25,347.23</u> MWH	<u>136,418.67</u> MWH	<u>98,738.74</u> MWH	<u>28,857.70</u> MWH	<u>\$13,101,714.16</u>



**Table B.**

### Northern Sierra Precipitation: 8-Station Index, June 20, 2023

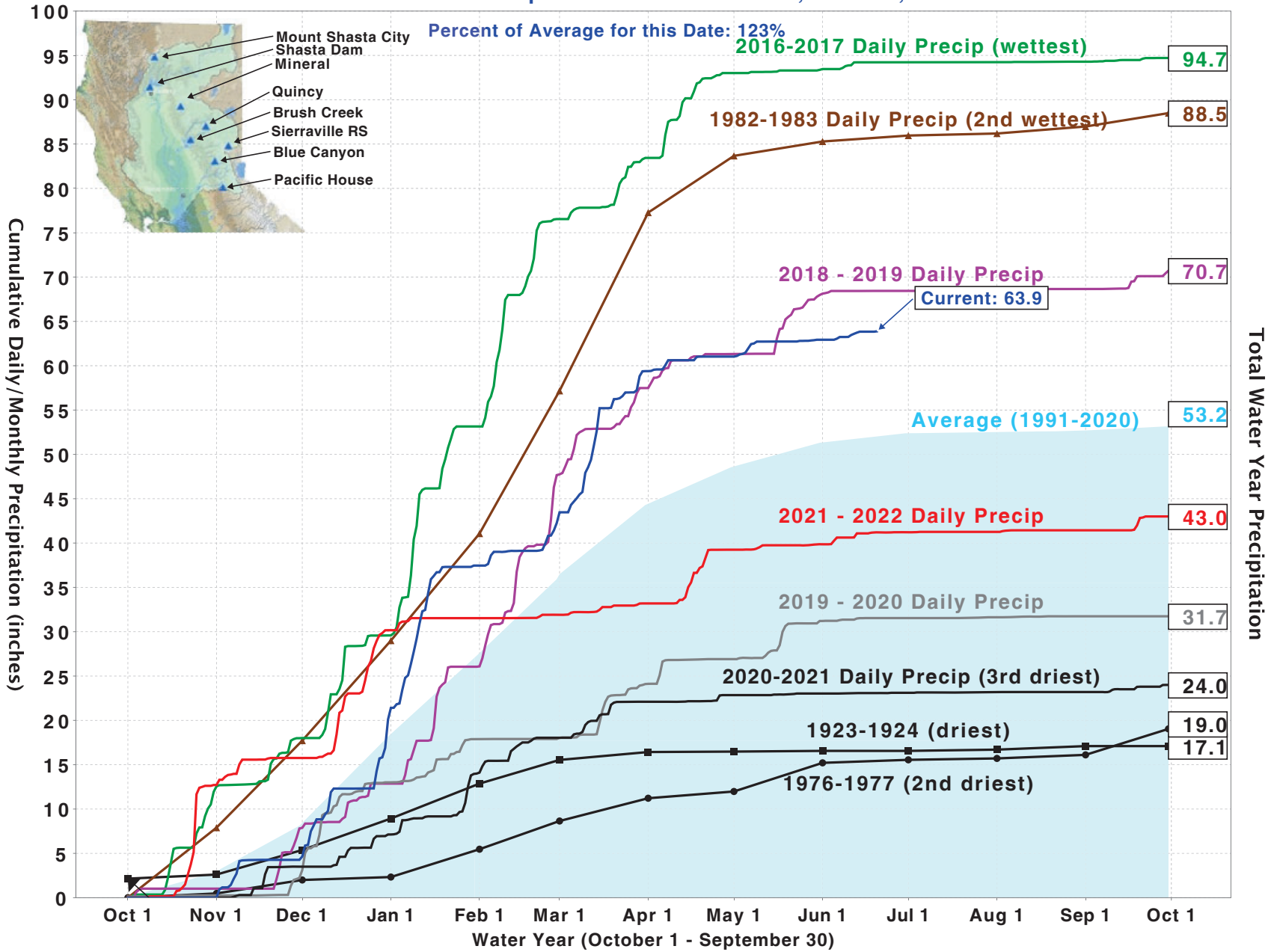


Table C.



# SOUTH FEATHER WATER & POWER AGENCY

**TO:** Board of Directors

**FROM:** Rath Moseley, General Manager  
Jaymie Perrin, Operations Support Manager

**DATE:** June 22, 2023

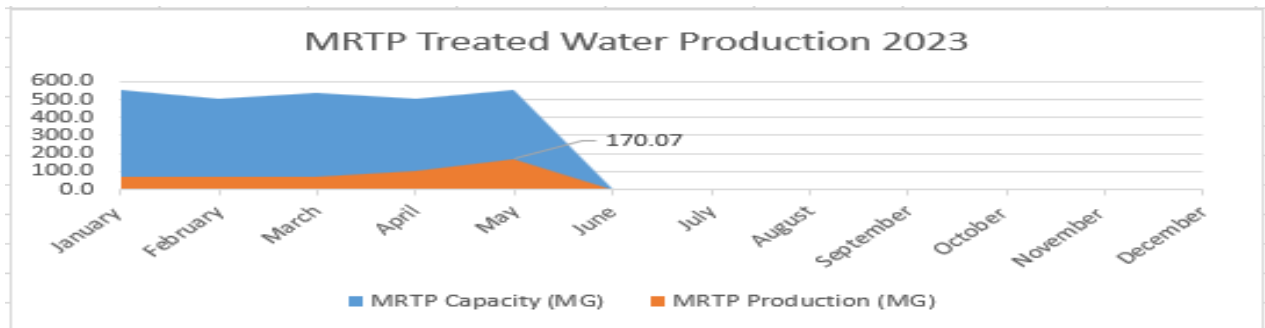
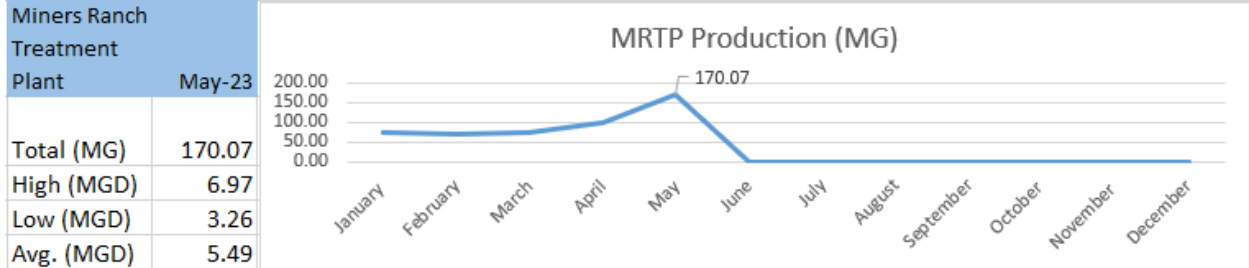
**RE:** General Information (regarding matters not scheduled on the agenda)  
6/27/23 Board of Directors Meeting

**Domestic Water Treatment Operations**

The total Miners Ranch Treatment Plant (MRTP) treated water production for the month of May totaled 170.07 million gallons.

The total Bangor Treatment Plant (BTP) treated water production for the month of May totaled .894 million gallons.

The Red Hawk Ranch Pump Station raw water total flow for May totaled 1,167,490 gallons.



All bacteriological requirements were good for the MRTP& BTP. Miners Ranch production was 94% of average over the past 5 years. Bangor’s production was 119% of average over the past 5 years.

**District Wide Water Operations**

Very busy month for the crews with ditch maintenance and leak detection/repairs. In coordination with the Forest Service, leak repairs were performed at Little Grass Valley Reservoir in the Red Feather Campground.

Jun-23	Install Service	Replace Service	Ditch Maintenance	Leak Repair	Repair Hydrant	Remove Tree	Locate Main	Install Backflow	Weed Abatement	Install Culvert
	Jackson Trail	Olive Hwy.	Lower Forbestown	Old Olive Hwy.	Standford/Ashely	Bngor Canal	Mt. IDA	Midway Dr.	ID2	North Villa
	Cynthiann Ln.		North Ditch	Shady Green				Via Cedro		Fortune Way
			Drescher Tract	Skipper Ct.						
			Eddy Ct.	La Porte Rd.						
			Windfall Way	Van Duzer Ln.						
			Bangor Canal	Fairhill Dr.						
			Rutherford	Daniel Siphon						
			Cribbing - Wyandotte Ditch	Swiss Ln.						
			Cribbing - Bangor Canal	Marquez Ranch						
			Repair Siphon - Penny Ditch	Oro Quincy						
			Oro Lateral	West View						
				Red Feather Campground - LGV						

**SB 998 Statistics (At time of print)**

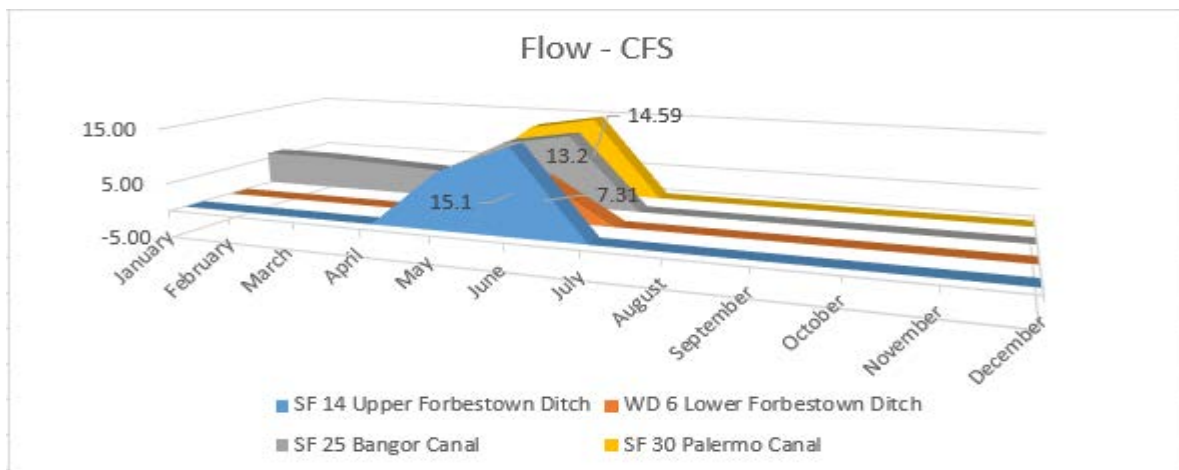
\*\*Billing cycles are based on meter reading routes\*\*

Billing Cycle	Division Impacted	Date of Service Shut-off	# of Shut-offs	Carrying Cost of Shut-offs	Remaining Services Shut-off	Carrying Cost of Remaining Accounts Shut-off
1 & 2	1,2,3,5	05/31/2023	19	\$3,480.73	4	\$862.46
3 & 4	2,3,4	06/07/2023	13	\$2,613.26	5	\$1,190.54
5 - 10	1,2,3,4,5	06/14/2023	19	\$3,581.34	3	\$566.69

\*\*Shut-off carrying costs include the additional incurred fees of the door hanger and meter lock in addition to the delinquent balance and other fees associated with the delinquent amount\*\*

**Irrigation Water Operations**

Raw water conveyance is in full operation for irrigation and no major delivery issues have occurred. Cribbing work was required in two locations to prevent overtopping and replacement of two aged culverts were necessary.





## PG&E Right of Entry Agreement

At the May 23, 2023 regular board meeting, approval was provided to authorize the general manager to execute a right of entry agreement with PG&E on APN: 069-400-078, Solana Drive subject to further edits by counsel.

As of this writing the execution of an agreement has not been signed by either party as PG&E does not agree to separation of language in the agreement between "Right of Entry" and "Easement".

South Feather may provide a sample easement template for PG&E to review.

## Water Updates

In October 2022, a Feasibility Study – Early Site Investigation for new water storage was developed by Advisian and presented to the board. The purpose of this study was to gain an understanding of the possibility of developing a new reservoir in the Swedes Flat area in the south east section of the district. The study was very detailed and addressed the following.

- Project Benefits
  - Surface water storage reservoir
  - Regulating reservoir for a groundwater recharge and banking system
  - Storage of previously diverted water
  - Flood detention basin
- Water Rights
  - The agency would need to secure water rights to enable diversion and storage flows originating in the Rocky Honcut Creek drainage.
- Land and Right-of-Way Acquisition
  - The dam and reservoir footprint comprises approximately 113 acres.
- Cultural Resources Challenges
- Cost Estimate
  - Earth Dam \$316.7M
  - Concrete Dam \$546.4M

The outcome of the study demonstrated that constructing a new dam would be a decade's long, \$300 - \$550M endeavor and additionally requiring construction of conveyance for beneficial use.

### **The next feasibility focus migrates to overall water system improvements.**

This would consist of improving the existing storage capability of identified reservoirs and conveyance improvements.

Advisian will be submitting a draft proposal for the July 25<sup>th</sup>, 2023 regular board meeting which will include identifying grant funding opportunities.

Gannett Fleming has submitted a proposal for Engineering and Design Services for Miners Ranch Canal and is currently under detailed review.

Specific to Miners Ranch Canal, requests for proposals were sent to Black and Veatch, GEI Consultants. Gannett Fleming and NV5. Only two firms attended the job walk of the two only Gannett Fleming provided a proposal. Because only one proposal was received, a deeper review of qualifications and references is necessary.

The Miner's Ranch Canal Project is a 2023 budgeted item, I would like to request consideration authorizing the GM to execute a "scope of work" agreement upon detailed analysis and potential modifications. If an executed agreement is performed then formal ratification would take place at the next regular board meeting.

### **Other Water Update News**

- Yuba Water Agency partnering on watershed recovery project with State and Federal Agencies to help native fishery. A well written article published in ACWA News about the framework agreement is available in the SF lobby.
  
- Sites Reservoir water right application moves forward. The proposed new reservoir near Maxwell, CA will capture and store stormwater flows from the Sacramento River.
  - Creates additional 1.5-million-acre feet of storage
  - Seven-year construction timeline at a cost of \$3.9 Billion.

### **Water Rates**

At last months board meeting continued discussion on water rates and history of how hydro-electric subsidized rates were determined was presented. While the desire to engage with an outside consulting service to assist with analysis of current rates and creation of public communications is not fully supported based on public comment, independent third-party analysis is owed to the rate payers of the district in the true theme of transparency. It is widely recognized that a declining tier water rate structure is not consistent with state expectations on water management.

Currently the hydro-electric revenue subsidy is primarily consumed by the debt obligations of Miners Ranch Treatment Plant. Continued increases in raw materials, wages, aging infrastructure and annual reporting costs are not appropriately recognized in fee collection and severely limit the ability to provide capital improvement implementations to best serve the consistent delivery of un-interrupted water delivery to the district's customers in a manner they deserve.

In addition, an appropriate rate structure would garner potential grant / cost sharing funding opportunities for expansion of water delivery.

A Request for Proposal has been created for solicitation of services to assist with Domestic and Irrigation water rates analysis and communication. Staff is seeking direction and confirmation that the board supports the initial submission of an RFP to gauge the level of consultant interest and budget parameters. Each Director has been provided a copy of the Request for Proposal to review.



## ***SOUTH FEATHER WATER & POWER AGENCY***

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**TO: Public Recipients of Agenda Information**

**FROM: Rath Moseley, General Manager**

**DATE: June 20, 2023**

**RE: Real Property Negotiations, and Anticipated and Existing Litigation  
Closed Session Agenda Item for 6/27/23 Board of Directors Meeting**

The information provided to directors for this agenda item is not available to the public. The purpose for this item is to give the Board an opportunity to confer with legal counsel about litigation in which the Agency is already involved or is anticipating. The Board is permitted by law (Brown Act) to confidentially discuss information that might prejudice its legal position, to have a confidential and candid discussion about meet-and-confer issues. Such discussions are exempt from the Brown Act's requirement that matters before the Board be discussed in public. Attendance during the closed-session will be limited to directors, together with such support staff and legal counsel as determined necessary by directors for each subject under discussion.