



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; July 26, 2022; 2:00 P.M.**

Remote participation is available via Zoom by logging into:

<https://us02web.zoom.us/j/83596405963>

Meeting ID: 835 9640 5963

One tap mobile: +16699006833,,83596405963# US (San Jose)

For attendees calling by phone use *9 to raise hand

In person participation is subject to limited attendance to maintain adequate distancing.

A. Roll Call

B. Approval of Minutes – Regular Meeting on June 28, 2022 (Tab 1)

C. Approval of Checks/Warrants (Tab 2)

D. Business Item

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, 2021.

Addition of Delinquent Accounts to County Tax Roll (Tab 4)
Action to adopt Resolution 22-7-1 to collect on delinquent water accounts by placing them on the 2022-2023 Butte County Tax Rolls.

E. Information Items (Tab 5)

North Yuba Water District and Somach Simmons & Dunn Communications to YWA and SFWPA on Water Conveyance Support and breach of contract of timing on the 2021 Independent Auditors Report.

F. Staff Reports (Tab6)

G. 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 by 12:00 P.M. Tuesday July 26, 2022. 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.*

H. 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.

I. 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

J. Open Session

Report of closed session actions.

K. 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, June 28, 2022, 2:00 P.M.,
Agency Board Room, 2310 Oro-Quincy Hwy., Oroville, California**

In Compliance with the State of California Governor's Office Executive Order N-29-20, SFWPA will limit "in-person" attendance for the June 28, 2022 Board Meeting.

DIRECTORS PRESENT (In Person): Ruth Wright, Tod Hickman, Rick Wulbern, Dennis Moreland

DIRECTORS PRESENT (Remote): John Starr

DIRECTORS ABSENT: None

STAFF PRESENT (In Person): Rath Moseley, General Manager; Jaymie Perrin, EH&S Manager; Art Martinez, Manager Information Systems; Dan Leon, Power Division Manager; Steve Wong, Finance Manager; Kristen McKillop, Regulatory and Compliance Manager; John Shipman, Water Treatment Superintendent

STAFF PRESENT (By Zoom): None

OTHERS PRESENT (Via Zoom):

OTHERS PRESENT (In Person): Roger Bailey, Ron Fink, Charles Sharp, Jon Messick, Gretchen Flohr, Mark Grover, draec, Cystal Martin, 530-599-1979

CALL TO ORDER

President Hickman called the meeting to order at 2:01 p.m. and led the Pledge of Allegiance.

APPROVAL OF MINUTES

M/S: (Wulbern/Moreland) approving the Minutes of the regular meetings of June 28, 2022.

Ayes: Wright, Hickman

Absent: Starr

Public Comment: None

APPROVAL OF CHECKS AND WARRANTS

M/S (Wulbern/Moreland)

Ayes: Wright, Hickman

Absent: Starr

Approving the total General Fund and Joint Facilities operating fund expenditures for the month of May, 2022 in the amount of \$1,677,662.37 and authorize the transfer of \$1,500,000.00 from the TCB General Fund to the TCB Accounts Payable and Payroll Fund for the payment of regular operating expenses.

Public Comment: None

FINANCE MANAGER'S REPORT

The Finance Manager communicated the following:

CalPERS pensions

The CalPERS contribution rates are adjusted each July 1.

The Unfunded Accrued Liability to be paid in 2022-23 is \$548,858. Preliminary calculations have been completed for the net pension liability as of December 31, 2021 with the obligation increasing from \$5,940,529 on December 31, 2020 to \$6,642,527 on December 31, 2021. Work on the possible creation of a Section 115 trust to reduce the CalPERS pension liability has begun.

Added to taxes

As reported last month, the added to taxes process has commenced on accounts at least 73 days delinquent and with over \$50 due to the Agency. Letters were sent out last month to 181 accounts. To-date, payments have been received on 54 of these accounts. Communication and efforts to receive payment on the remaining accounts will continue prior to submitting these accounts to the County.

2021 Audit

Work on the audit is proceeding in the usual manner through the audit process. The audit partner has not identified any unusual items or issues at this time. The report is anticipated to be issued by and scheduled for acceptance at the July 26 Board meeting.

Finance Division Manager Recruitment

The job announcement and position description have been prepared and are currently posted on the Agency website. The final date for submitting applications is Thursday, July 7, 2022.

POWER DIVISION MANAGER'S REPORT

The Power Division Manager communicated the following:

South Fork tunnel average flow was 59 CFS. Slate Creek tunnel was open for 31 days. At month's end, Little Grass Valley and Sly Creek Reservoirs combined storage was 137 kAF.

DWR Bulletin 120 observed conditions on June 7 for accumulated WY to date precipitation is at 78% of average (Northern Region 8-Station Index), and observed snowpack is at 2% of April 1 (Northern Region). This is the final Bulletin 120 update for the 2022 season.

MAINTENANCE

Powerhouses

- Woodleaf Powerhouse. Status: In service, normal dispatch schedule.
 - PG&E 115kV transmission outage May 30 to June 3
 - Forced outage due to turbine guide bearing c/w flow fail
- Forbestown Powerhouse. Status: In service, normal dispatch schedule.
- Sly Creek Powerhouse. Status: In service, normal dispatch schedule.
 - PG&E 115kV transmission outage May 30 to June 3
 - Annual maintenance outage scheduled for October 3 thru 14
- Kelly Ridge Powerhouse. Status: In service, normal dispatch schedule.
 - Annual maintenance outage scheduled for November 1 thru 12

Project Facilities and Assets

- LGVR – Perform PMs, grout spill gate supports, repair log booms
- LGV Dam – Rake dam roadway, repair valve actuator electrical
- SFDD – Remove debris from upstream, apply herbicide
- Sly Creek Dam – remove debris from upstream
- MRC – Clean trash racks, apply herbicide, fabricate personnel crossings
- Station 2 and 8 – Clean trashracks
- SF14 – Remove debris in vicinity of penstock
- Penstocks – Perform inspections

- Standby generators and thermal generators – Perform PMs
- Powerhouse gen sync – Analyze installation and design
- SCADA – System maintenance
- Power Div office – remodel
- Fleet Vehicle and Mech Equip – Perform service and maintenance

REGULATORY COMPLIANCE

FERC Part 12D Review, Inspection and Assessment Update

- All pertinent historical project materials were compiled and submitted to the Independent Consultant (IC) for review.
- Field inspections of Little Grass Valley, Sly Creek, Lost Creek, Ponderosa and Miners Ranch dams and critical appurtenant structures were conducted by the IC team, FERC engineers and SFWPA staff the week of May 31-June 3, 2022. Concurrently, FERC conducted their first in-person field inspection of project related dams since August 2019.
- The Potential Failure Mode Analysis Workshop for each of the five dams will be conducted July 18-22, 2022. This process works through an extensive review of all existing and potential ways a dam and appurtenant structures could fail. The workshop will be facilitated by the IC team, and will include FERC and DSOD regulatory staff, and SFWPA staff.

Urban Water Management Plans

- The Agency has received formal approval of the 2015 plan.
- As was known at the time of submittal, the 2020 Target GPCD was not met. The Agency has been given a couple of options to make data refinements based on continual improvements in the water loss program in order to get closer to that target number. If the Agency cannot meet the target number, we will only be eligible for future funding by outlining a plan to achieve per capita reductions.

PERSONNEL

Recruitment – Electrical Machinist, Journey Level

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

Recruitment – Civil Engineer

The Agency is recruiting for a Civil Engineer, to perform engineering and project management for the upgrade, repair and maintenance of Agency water and power facilities and assets.

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 May totaled 181.66 million gallons.

The total Bangor Treatment Plant (BTP) treated water production for the month of May totaled .783 million gallons.

The Red Hawk Ranch Pump Station raw water total flow for April is 743,537 gallons.

Sly Creek and Strawberry campground bacteriological, Nitrate and Nitrite samples were all negative. Both campgrounds were officially approved to open on May 25th.

Irrigation Water Operations

All canals and ditches are in full operation. This month's emphasis was placed on the area of Pinecrest where crews did an outstanding job of vegetation management clearing all debris from the surrounding conveyance system. Irrigation customer connections were evaluated and serviced. An aging culvert was replaced to address roots decreasing the flow of water. Two new irrigation accounts were activated as a direct result from the team working on the system.

District Wide Water Operations

The crew was busy performing leak repairs as indicated in the chart below.

District wide hydrant flow tests continued with the information being provided to Cal Fire for planning purposes and water flow data provided to the Insurance Services Office for water department pre-survey risk analysis.

Butte County Public Works

The County has proposed a draft policy for "Trench Cuts and Pavement Restoration". SF's construction foreman is participating in the monthly meetings and the board will be updated if there are financial impacts associated with a new policy and how those costs would be addressed.

Bills of Interest

AB 2505 (Gray) Water theft; irrigation districts

This bill would authorize irrigation districts to impose fines or penalties for water theft and clarify that Government Code section 53069.45 does not cap or limit any adopted penalties.

SB 938 (Hertzberg) LAFCO; Protest Proceeding; Procedural Consolidation

LAFCO is responsible for supervising changes in organization and reorganization for cities and special districts. The bill would establish new conditions under which a LAFCO initiated dissolution of a special district would only require an election if 25% of the voters or landowners protest. Nearly all County LAFCO's throughout California are supporting the bill.

Projects

City of Oroville – SR 162 project

The city is working on a project for curbs, gutters and sidewalks from Hwy 70 to Foothill Blvd. Caltrans will then commence with repaving and restripe to include bike lanes. SFWPA has three potential utility conflicts with the project on Lower Wyandotte, Olive Hwy. and intersection of Foothill Blvd. The timeline to relocate pipelines and services is to be determined as construction is targeted to begin in March 2023. The agency will seek 100% financial responsibility for costs associated to perform the work with the City.

Palermo Water Consolidation: Raw materials have been ordered for phase 1 at a cost of \$360K. The itemized expenses will be submitted to Butte County for reimbursement in the August timeframe. Upon receipt of materials, physical construction will begin. Additional meetings need to be held with County consultants for engineering and construction planning and annexation process for meter/backflow and outside service for connections to dwellings.

BUSINESS ITEMS

Declaring Surplus Water Conditions

Board approval of Resolution 22-28-06a Declaring Water Surplus Conditions for the 2022 Irrigation Season.

M/S: (Hickman/Wulbern)

Ayes: Wright, Moreland

Absent: Starr

Public Comment: Ron Fink asked if this would have any impact on SFWPA irrigation customers.

Consideration of Request by North Yuba Water District Irrigation Customers for Surplus Water Sale

Board approval to delegate to the General Manager authority to approve local surplus water sales for the 2022 irrigation season.

M/S: (Hickman/Wulbern)

Ayes: Wright, Moreland

Absent: Staff

Public Comment: None

2022 Water Transfer to Valley Water District

Approval of Resolution 2022-28-06b to execute a water transfer agreements.

M/S: (Hickman/Wulbern)

Ayes: Moreland, Wright

Absent: Starr

Public Comment: None

Appropriations Limit for FY 2022

Board

adoption of Resolution 22-06-01 establishing the appropriation limit for FY 2022.

M/S: (Wulbern/Moreland)

Ayes: Hickman, Wright

Absent: Starr

Public Comment: None

Water Storage Feasibility Consultant

Approval to invest in a Swede's Flat Reservoir Site and Water Conveyance Route with Advisian for Phase 1 – Early Site Investigation.

M/S: Moreland/Wulbern)

Ayes: Wright, Hickman

Absent: Starr

Public Comment: Mr. Roger Bailey share the following questions and comments with the board.

June 28, 2022

Proposed Swedes Flat Reservoir (increased) Water Storage.

(Speaker Notes, See June 23, email to John Starr and the Agency.) Thank

You

New ideas such as this proposed Reservoir, brought by Board Members and Management are important to consider, based on solid future expectations.

At the same time, impacts on "all other" Agency priorities, alternatives, resources and finances should be taken into account!

This is a vote on **First Spending, outside the Agency**, committing to a **contract** with Advisian for a "Feasibility Study" for a New Dam and Reservoir! **Notably**, the Contract does not task Advisian to provide a Benefits and ROI (Return on Investment) Analysis; nor an Agency Business Impacts Review .

Is there a Business Case "Paper/ document" that supports as well as explains the purpose, benefits, and expected outcomes that justify this new Reservoir; a fully supportable case that would allow full discussion, debate and a thoughtful decision?

Or, is it premature to authorize this spending?

So, have the proponents/ supporters prepared a supportable case? This contract is a small beginning of what will be a very costly and years long project! Agency needs to fully consider aspects and impacts of this project before launching off!

Questions presented to the Board:

- Is there an internal written statement of "**Needs and Benefits**" supporting the proposed Reservoir?
- What is the relative priority of this large Cost project versus other Agency Infrastructure needs?
- Is there a realistic assessment of ROI? (Expected Revenues against Costs)?
- Is the Agency and Board prepared to undergo the huge Task and Risk of seeing this project to completion?
- How will it be financed?
- There are Alternatives, have they been considered and weighed. (other and

existing locations with perhaps less cost, reduced complexity and greater benefits)?

- Does the location itself, present other potential problems for the Agency?
- Have **Opportunity Costs** been enumerated and quantified?

Suggest, answers to the above deserve to be resolved internally to the **Agency before retention of an outside Consulting firm.**

Urge the Board to Not Vote on this matter at the June Meeting. The Swedes Flat Reservoir idea deserves further internal investigation and debate.

I appreciate the opportunity to present this position.

Respectfully, Supporting District

Member/Resident Roger Bailey

Foot Note

At this point there can be no assurance that a new, very small Reservoir will reach a completed outcome. We can safely project that whatever Cost Estimate results, those costs will increase, perhaps significantly; completion will extend; and Regulatory Approvals will stretch out, even a potential withdrawal of Regulatory approvals might occur (*then a write-of f*). In proceeding, then in certainty, a large amount of SFWPA resources and opportunity Costs, (Board, Management and Staff) will be consumed over a long time period, if and when the project proceeds!

Surplus Assets

Approval to declare two expired agency assets as surplus.

M/S: (Hickman/Wulbern)

Ayes: Wright, Moreland

Absent: Starr

Public Comment: None

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 by 12:00 P.M. Tuesday June 28, 2022.

Ron Fink handed out some paperwork to the general manager and directors in regards to historical litigation and what has now come out. The situation with the 05 agreement and our neighbor, there is an obligation to put water on the Forbestown ditch, lower ditch and miller hill which he is on. A decision was brought out in 1993 from the appellate court that there is an obligation to uphold the old water rights that go back to 1929 and 1931. There is an obligation to supply one inch per four acres to the landowners. When formed, we basically violated the original agreement and reconstituted by Fink vs. OWID and had to sue the district and prevailed but did lose the domestic issue and it turns out that Vance Ray was on the appellate justice system and turns out to be a crook. So sometimes it takes thirty years for the truth to come out and does not reflect anybody in this room. Current staff has been very open about water and the obligation to serve but now this is being hampered by what's going on at North Yuba. It is a totally different water district than back then and very supportive of irrigation and agriculture and now it seems the focus is off that. Past management and directors voted to shut the ditch down and was highly illegal in his view and that raises the concern with what is going on now at North Yuba. Hopes that we read the publication provided on Vance Raye and it gives a little insight to the justice system. We have to do something about the North Yuba situation, what happened to Oroleve creek? Where is that water going?

Charles Sharp communicated that South Feather is an exemplary ran agency and know what you are doing and need to keep focused on water. Water is everything. That is your money, water.

Jon Messick introduced himself as Supervisor elect Yuba County District 5 and will be on the Yuba Water Agency Board. If South Feather does not get the engineering study done on the water storage project and be "shovel ready" when funding is available then it is all for not. Then there will be a next step and another to get a dam engineered and think it is a great idea.

Gretchen Flohr shared that she received a records request from YWA and wanted to say that she is pretty sure the letter was written by Crystal Martin. Shame on North Yuba. This letter goes through SF's amazing offer and TWA similar amazing offer and what North Yuba has essentially done is throw it in the trash. The records request was forwarded to Rath Moseley and the content of the letter is false. We have information available to show that the data is false. Ms. Flohr cited examples and comments why the data being pushed is false. Discussed the pipe and scope of work is not true. The aluminum issue cited is not true and never has been. It feels like extortion and blackmail by North Yuba. What was proposed is outrageous. The 2005 agreement is a crummy agreement and my feelings are that SF is carrying the load and North Yuba gets a bunch of money for doing nothing. Ms. Flohr continued to describe content of the letter from NYWD to YWA. Thanked South Feather for their honesty and integrity and caring for the public.

DIRECTORS' REPORTS

Director Starr: Absent

Director Moreland: No report for the month of June and felt we covered a lot today.

Director Wulbern: Agreed with Director Hickman's idea and see that happen and put on the agenda next month would be very important. Exciting to see the Palermo Water Project move forward.

Director Hickman: Communicated so everyone can understand what is going on with the 2005 agreement. It's at a point where SF is suffering with this 2005 agreement. The situation with NYWD customers that are not receiving water is at a point is a cruel, cruel situation that farms have been destroyed and livelihoods have been destroyed and we have water that could fix that and for whatever reason it has not been fixed. Cannot fathom how we got in to an agreement like this. We have roughly sixty employees, NYWD has eight employees. We bear all the burden, all the maintenance, all the equipment, all the employees, all the workman comp, all the risk in relation to operating this project. When it is all said and done, we share the revenue with North Yuba at an equal 50/50 split. Where are you going to find a deal like that when somebody puts up all the risk, capital outlay, do everything and then split the profit. What a fabulous deal for North Yuba and a sham for SF. How did we ever get into this agreement. The basic core of this revenue is the \$700K a year we give North Yuba as a minimum payment. Having a hard time fathoming how we did not get our ditch maintenance. In all agreements there is something called "benefit of the bargain" and our benefit of the bargain was we were supposed to get a maintained ditch. We were alleviated from maintenance if the ditch so that is why we gave up \$700K a year so that ditch could be maintained and here we are going on fifteen years of this agreement and what have we got, plus the other money that has gone to North Yuba Water Agency with eight employees. They have no hydro facility to operate, just a small little treatment plant that some would argue is poorly operated and then supposed to maintain this ditch and don't do it. Where is our \$700K a year go? We have a serious issue here and I am not so sure how we did not get a very formalized agreement that broke this down on how maintenance is to be performed and disappointed with all parties involved that was part of this agreement. If the agreement was done properly we would not be in this lawsuit right now and all this would not be happening. SF is being defrauded in this situation and are paying \$700K each year and getting nothing, no maintenance and any money being spit to maintain the ditch. Wants Benefit of the Bargain to be on next month's agenda to discuss. We are at a point where that money needs to go to an escrow account and needs to stop being paid and needs to be put in an escrow account so we can get to the bottom of the benefit of the bargain concept and what we are supposed to be getting for our money and maintenance on the ditch. That concludes my report.

Director Wright: Apologized for being a few minutes late and no report for the month of June.

RECESS (4:40)

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

CLOSED SESSION (convened at 4:47 p.m.)

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., Butte County Superior Court Case No. 21CV00815

OPEN SESSION (reconvened at 5:28 p.m.) – President Hickman announced that legal counsel was given direction during the closed session.

ADJOURNMENT (5:29 p.m.)

Rath T. Moseley, Secretary

Tod Hickman, President



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors
FROM: Steve Wong, Finance Division Manager
DATE: July 8, 2022
RE: Approval of Warrants and Checks
Agenda Item for 7/26/22 Board of Directors Meeting

June, 2022 expenditures are summarized as follows:

Checks:	<u>62380</u> to <u>62546</u>	\$ <u>444,757.66</u>
Electronic Fund Transfers:	<u>220601</u> to <u>220608</u>	\$ <u>324,795.35</u>
Payroll Expenses:		\$ <u>484,136.61</u>
TOTAL EXPENDITURES FOR JUNE, 2022		\$ <u>1,253,689.62</u>

At June 30, 2022, the authorized balance available was \$222,015.28.

Action to approve all expenditures:

"I move approval of expenditures for the month of June, 2022 in the amount of \$1,253,689.62 and authorize the transfer of \$1,400,000.00 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, June, 2022

Date	Check #	Vendor Name	Account	Description	Amount
06/01/2022	62380	AFLAC	01-00-22915	Employee Supplemental - Disability/Life-PR 4 4/22-5/6/22	1,249.74
06/01/2022	62381	Empower Retirement/MassMutual	01-00-22908	PR 6/3/22 Employee 457 Contribution	100.00
06/01/2022	62382	Mission Square Retirement	07-66-66100	PR 6/3/22 Employee 457 Contribution	1,818.42
06/01/2022	62383	Nationwide Retirement	01-00-22908	PR 6/3/22 Employee 457 Contribution	1,795.39
06/01/2022	62384	Standard Insurance	01-50-50403	June 2022 Employee Disability Insurance	3,259.68
06/02/2022	220601	Cal PERS	01-50-50400	June 2022 Employee/Retiree Health Insurance	183,093.33
06/02/2022	220602	CalPERS	01-50-50413	Employee Contribution, Retirement, Service Credit PR 6/3/22	46,704.32
06/02/2022	220603	CalPERS 457 Plan	01-00-22908	PR 6/3/22 Employee 457 Contribution	2,580.57
06/02/2022	220604	Lincoln Financial Group	01-00-22908	PR 6/3/22 Employee 457 Contribution	2,087.11
06/03/2022	62385	Alpine Portable Toilet Service	07-63-63171	Portable Toilet/Sink Rental/Cleaning Service 5/24-6/20/22	290.12
06/03/2022	62386	CDW Government, Inc.	01-53-53102	USB's For Laptop Computers	103.67
06/03/2022	62387	Consolidated Electrical Distributors, Inc.	07-66-66370	Circuit Breaker, Indicator Light Bulbs	212.01
06/03/2022	62388	Dawson Oil Company	07-63-63100	Petrocan Duron Oil, Returned Barrels For Credit	62.74
06/03/2022	62389	Grainger Inc.	07-66-66100	Threading Machine Die Head, Sump Pump, Pipe Dies Set	1,131.13
06/03/2022	62390	Napa Auto Parts	07-66-66100	Water Pump, Air Filters, Belt, Cleaners, Antifreeze	580.83
06/03/2022	62391	Raley's Store #236	07-60-60256	Retirement Luncheon	552.72
06/03/2022	62392	Tyndale Company, Inc.	07-63-63103	Flame Resistant Clothing	3,585.33
06/03/2022	62393	AT&T	07-68-68251	April 2022 Energy Communication Service	80.88
06/03/2022	62394	Better Deal Exchange	01-54-54270	Marking Paint, Ball Valve, Screws, Misc Bolts, Nuts, Washers	224.03
06/03/2022	62395	California Rural Water Assoc.	01-54-54224	Memebership Renewal 7/1/22-7/1/23	1,435.00
06/03/2022	62396	Capital One	01-54-54104	Water Jugs	22.67
06/03/2022	62397	Core & Main LP	01-00-22300	4"wide range coupler, Repair Kit, Backflow Lids	1,911.05
06/03/2022	62398	Dan's Electrical Supply	01-56-56370	Flex Conduit, Angle Connector, LED Lights, End Bell	252.20
06/03/2022	62399	FrancoTyp-Postalia, Inc.	01-50-50171	5/20/22-8/19/22 Postage Machine Rental	146.14
06/03/2022	62400	Grainger Inc.	01-52-52102	Label Replacements For Extension, Step, 375/250lb Ladders	828.27
06/03/2022	62401	Home Depot Credit Service	01-55-55205	Lumber, Gloves, Towels, Shovel, Screws, Steel Flashing	598.94
06/03/2022	62402	Inland Water Works Supply Co	01-00-11182	Mobile Radio (2)	4,556.63
06/03/2022	62403	Jimmy P Tools LLC	01-56-56274	Pneumatic Fan Clutch Wrench Set	216.49
06/03/2022	62404	Ashlee Long	01-55-55394	Health Benefit Reimbursement	60.00
06/03/2022	62405	Metal Works Supply	01-54-54295	Hot Rolled Steel Plate	455.33
06/03/2022	62406	Napa Auto Parts	01-56-56150	Clutch Fan, Trans Filter Kit, Oil, Serp Bel, Misc-T98	371.82
06/03/2022	62407	Normac	01-00-22300	Backflow Box, Device, Repair Kit	16,197.45
06/03/2022	62408	Northern Safety Co., Inc.	01-52-52102	Rain Gear, Hardhat, Reflective Vest/Tape, Welding Sign	135.85
06/03/2022	62409	Paramex Screening Services	07-62-62226	DOT Screening	75.00
06/03/2022	62410	Jaymie Perrin	01-52-52394	Health Benefit Reimbursement	60.00
06/03/2022	62411	Sharp's Locksmithing	01-53-53260	Keys, Multi Code Remote, Padlock	116.36
06/03/2022	62412	Tehama Tire Service, Inc.	01-56-56150	New Tires E128/E225	648.93
06/03/2022	62413	Triangle Rock Products, LLC	01-54-54264	CL 2 Base	284.76
06/03/2022	62414	U S A Blue Book	01-55-55205	Brass Adapters	253.89
06/03/2022	62415	William Wong	01-50-50394	Health Benefit Reimbursement	60.00

South Feather Water and Power Agency
Checks Paid, June, 2022

Date	Check #	Vendor Name	Account	Description	Amount
06/10/2022	62416	Aramark Uniforms	07-68-68103	Employee Jacket	45.02
06/10/2022	62417	Comcast Business	07-63-63251	CAISO Meters In PH's/SPH 6/3/22-7/2/22	136.80
06/10/2022	62418	Copy Center	07-63-63201	UPS Fee-SGS North America, Inc/Fluke Electronics	48.61
06/10/2022	62419	Home Depot Credit Service	07-66-66370	Sheetrock, Sound Guard, Lumber, Tape, Pressure Washer	1,928.31
06/10/2022	62420	Innovative Hydrology	07-64-64380	Hostd Sve For 17 Gauging Sta, 3/1/22-2/28/23	4,080.00
06/10/2022	62421	MSC Industrial Supply Company	07-66-66100	Bandsaw Blades, Sanding Discs	359.96
06/10/2022	62422	Napa Auto Parts	07-66-66150	Brake Rotors, Pads, Oil, Air Filter, Gas Cap	699.17
06/10/2022	62423	NFPA International	07-63-63225	NFPA Membership 7/30/22-7/30/23	175.00
06/10/2022	62424	Northern Calif. Gloves	07-62-62102	Safety Supplies Electrolyte Mix Packages	272.30
06/10/2022	62425	Orkin Pest Control	07-64-64201	Ground Squirrel Suppression Sly-Pond-MR Damns 5/2022	750.00
06/10/2022	62426	Oroville Cable & Equipment Co.	07-66-66171	Tank Rent For May 2022, Heavy Work gloves	338.32
06/10/2022	62427	Orr Safety Corporation	07-62-62102	ORR Work Gloves Large/X-Large, Shipping Charge	285.03
06/10/2022	62428	Ray's General Hardware	07-66-66270	Saw/Blades, Stoprust Paint, Drop Clothes, Nail Stopper Plates	326.38
06/10/2022	62429	Recology Yuba-Sutter	07-65-65201	Garbage Service For Sly/Strawberry CG May-June 2022	3,259.39
06/10/2022	62430	Tyndale Company, Inc.	07-63-63103	Flame Resistant Clothing	138.02
06/10/2022	62431	Valley Iron Inc. Oroville	07-66-66100	Steel	410.26
06/10/2022	62432	Accularm Security Systems	01-53-53201	Alarm/Fire/Burg Monitoring For Power, MRTP, Main, Shop	197.00
06/10/2022	62433	AT&T	07-60-60251	Equip/Router Circuit Billing June 2022, 4/19/22-5/18/22	706.76
06/10/2022	62434	AT&T Long Distance	07-60-60251	Service 4/21/22-5/24/22	557.57
06/10/2022	62435	AT&T Long Distance	01-53-53251	Service 5/9/22-6/2/22	10.24
06/10/2022	62436	California Natural Resources Agency	01-51-51249	Palermo Canal Inundated by Lake Oroville, O&M, 1/25/1963	8,000.00
06/10/2022	62437	Comcast	01-53-53251	MRTP/Mainline Phone/Circuit Service June 2022	2,363.78
06/10/2022	62438	Fastenal Company	01-56-56370	Shelf Bin, Blue Marking Paint, Meter Paint	234.96
06/10/2022	62439	Fedak & Brown, LLP	07-60-60216	May 2022 Professional Service For 2021 Audit	2,540.00
06/10/2022	62440	Gemini Group, LLC	01-53-53201	MRTP Consumer Confidence Reports 2021: Electronic/Printed	2,961.00
06/10/2022	62441	InfoSend, Inc.	01-55-55114	May 2022 Billing Cycles 1-10	3,844.30
06/10/2022	62442	K-Gas, Inc.	01-56-56160	Late Fee from Invoice 129831, Propane	21.55
06/10/2022	62443	Northern Safety Co., Inc.	01-52-52102	Clear Safety Glasses, Antiseptic/Sunscreen Wipes, Ear Plugs	140.11
06/10/2022	62444	Orkin Pest Control	01-53-53201	Pest Control Service May 2022	95.00
06/10/2022	62445	Oroville Ford	01-56-56150	Filter	58.80
06/10/2022	62446	P G & E	01-53-53250	Service 4/1/22-5/23/22	184,043.16
06/10/2022	62447	Pace Analytical Services, LLC	07-65-65201	Total Coliform & E. Coli Quantitray Testing, BTP, MRTP, Straw	176.00
06/10/2022	62448	Recology Butte Colusa Counties	01-56-56250	Garbage Service May 2022	999.12
06/10/2022	62449	USA North 811	01-54-54501	Ca Underground Facilities Safe Excavation Board Jan-June 22	703.15
06/10/2022	62450	Vista Net, Inc.	01-58-58360	IT Backup, File Storage, Fiber Internet, Spam/Virus Filter 6/22	1,488.00
06/15/2022	220605	Cal PERS	01-50-50414	June 2022 Unfunded Accrued Liability-Classic/PERRA	38,046.08
06/15/2022	220606	CalPERS	01-50-50413	Employee Contribution, Retirement, Service Credit PR 6/17/22	46,648.76
06/15/2022	220607	CalPERS 457 Plan	01-00-22908	PR 6/17/22 Employee 457 Contribution	2,578.52
06/15/2022	220608	Lincoln Financial Group	01-00-22908	PR 6/17/22 Employee 457 Contribution	3,056.66
06/16/2022	62451	A D P, Inc.	01-50-50201	June 2022 Payroll Processing	2,027.57

South Feather Water and Power Agency
Checks Paid, June, 2022

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
06/16/2022	62452	ACWA-JPIA	01-50-50400	July 2022 Employee/Retiree Vision & Dental	10,014.98
06/16/2022	62453	AFLAC	01-00-22915	Employee Supplemental - Disability/Life - PR 4 5/20-6/3/22	1,249.74
06/16/2022	62454	Empower Retirement/MassMutual	01-00-22908	PR 6/17/22 Employee 457 Contribution	100.00
06/16/2022	62455	IBEW #1245	01-00-25207	June 2022 Member Dues	6,219.46
06/16/2022	62456	Mission Square Retirement	01-00-22908	PR 6/17/22 Employee 457 Contribution	1,465.50
06/16/2022	62457	Nationwide Retirement	01-00-22908	PR 6/17/22 Employee 457 Contribution	1,997.80
06/16/2022	62458	Reliance Standard Life	01-50-50402	Employee Life Insurance June 2022	917.60
06/24/2022	62459	Aramark Uniforms	07-67-67103	Employee Jacket For One Employee	102.94
06/24/2022	62460	AT&T	07-66-66251	Local Calls For FPH, SPH, HQ 6/10/22-7/9/22	1,418.93
06/24/2022	62461	AT&T	07-60-60251	For Circuits 6/10/22-7/9/22	338.51
06/24/2022	62462	AT&T	07-60-60251	For KPH Fiber Optic Connection For June 2022	1,146.14
06/24/2022	62463	Aviat U.S., Inc.	07-68-68260	Fan Card For Microwave Radios, Frieght Charge	214.47
06/24/2022	62464	Bank of America - Bank Card	07-64-64100	Half Shaft CV Axle, Ad For Civil Eng. Position, Report Books	329.59
06/24/2022	62465	Tim Brennan	07-66-66140	Mileage Reimbursement	63.18
06/24/2022	62466	Butte Co.-Neal Road Recycling & Waste	07-66-66201	Debris Disposal	136.33
06/24/2022	62467	Capital One	07-66-66100	Bottled Water, Distilled Water, Kleenex	80.05
06/24/2022	62468	Consolidated Electrical Distributors, Inc.	07-63-63100	Cut Plires, Wire Stripper/Crimper	36.68
06/24/2022	62469	Home Depot Credit Service	07-66-66370	Drop Cloths, Paint Supplies, Sanding Blocks	151.24
06/24/2022	62470	Interstate Battery Sacramento Valley	07-64-64100	Deep Cycle Batteries	701.27
06/24/2022	62471	M J B Welding Supply	07-63-63100	Welding Wire, Supplies	333.18
06/24/2022	62472	Napa Auto Parts	07-66-66150	Ck Replacement, Cabin Filter, Brake Rotor Pads, Bearings	1,853.80
06/24/2022	62473	North Valley Barricade, Inc.	07-63-63103	Employee Shirts For Eight Employees	1,589.61
06/24/2022	62474	Omega Engineering, Inc.	07-63-63100	RTD and Thermistor Extension Wire	179.71
06/24/2022	62475	P G & E	07-63-63250	Electric Service For HQ 4/27/22-5/25/22, PH's 4/2/22-5/3/22	11,301.54
06/24/2022	62476	P G & E - Sacramento	07-63-63501	Gen. Interconnection Agr. SPH, WPH, FPH, KPH 6/2022	7,010.37
06/24/2022	62477	Powerplan - OIB	07-66-66150	Hydraulic Seals For E#93	240.44
06/24/2022	62478	Ray's General Hardware	07-66-66370	Door Hinges, Door Knob Set, Drywall Tape, Sand Paper	67.56
06/24/2022	62479	Slate Geotechnical Consultants	07-67-67201	FERC Part 12D Consultant Services	9,672.52
06/24/2022	62480	Michael Stark	07-62-62226	Employee DMV Physical	100.00
06/24/2022	62481	Tom's Septic	07-65-65201	Bathroom Pump Out for CGs, Sewage Holding Tank	2,000.00
06/24/2022	62482	Western Renewable Energy Gen. Inf. Sys.	07-63-63201	WREGIS For June 2022 - KPH/SPH	91.56
06/24/2022	62483	Verizon Wireless	01-53-53251	MRTPT/After Hrs/1 Emp Cell Phone 5/11-6/10/22	133.37
06/30/2022	62484	Backstreet Surveillance	01-00-11170	Surveillance Camera Equipment/Installation, PO 8525	2,589.24
06/30/2022	62485	Better Deal Exchange	01-53-53260	Acetone, Paint Supplies, Misc Bolts, Nuts, Washers, PVC Pipe	506.02
06/30/2022	62486	Dish Network	01-50-50251	Satellite Service 7/8/22-8/7/22	144.81
06/30/2022	62487	Hach Co.	01-53-53260	Free Chlorine Reagent Set, Cell Solution, Colorimeter W/Box	5,933.90
06/30/2022	62488	Brian Howerton	07-63-63408	Reimbursement Governor School expenses WI-airfare, parking	705.57
06/30/2022	62489	Metal Works Supply	01-54-54104	Schedule 40 Pipe, Cut off Wheels	171.60
06/30/2022	62490	Office Depot, Inc.	01-50-50106	Toner Cartridges, Markers	803.64
06/30/2022	62491	O'Reilly Auto Parts	01-56-56150	LED Light Bar, Hudraulic Filter	464.83

South Feather Water and Power Agency
Checks Paid, June, 2022

Date	Check #	Vendor Name	Account	Description	Amount
06/30/2022	62492	Oroville Cable & Equipment Co.	01-56-56150	Hydraulic Fittings	22.92
06/30/2022	62493	Oroville Ford	01-5-56150	Caliper Pin, Bracket, Bolts - T140	133.64
06/30/2022	62494	Oroville Power Equipment	01-56-56150	Bar Oil, Chainsaw Bar, Chains	157.45
06/30/2022	62495	Oroville, City of	01-00-22907	May 2022 City Utility Tax	2,314.50
06/30/2022	62496	Paramex Screening Services	01-52-52226	Q2 Drug/Alcohol Screening	110.00
06/30/2022	62497	Peterson CAT	01-53-53260	ECM WT Generator #1	6,677.88
06/30/2022	62498	Ramos Oil Co.	01-56-56160	Diesel Fuel	8,467.84
06/30/2022	62499	Sharp's Locksmithing	01-54-54104	Keys	6.50
06/30/2022	62500	Tehama Tire Service, Inc.	01-56-56150	New Tires T303	741.06
06/30/2022	62501	U S A Blue Book	01-53-53260	4 Liters Buffer Solution, EDTA Titrant, Conductivity Solution	127.66
06/30/2022	62502	Valley-Wide Fasteners	01-56-56150	Bolts, Lock Washers - E139	18.43
06/30/2022	62503	Vista Net, Inc.	07-60-60250	Fiber Internet/City Utility Tax/Univ Connection 6/22	1,640.20
06/30/2022	62504	Chemtrade Chemicals US LLC	01-53-53102	5,000 Gallon load of NSF Approved Liquid Aluminum	6,912.63
06/24/2022	62505	ACWA/JPIA	01-52-52390	Excess Crime Coverage, 7/1/22-6/30/23, National Union Fire	900.00
06/24/2022	62506	Advanced Document Concepts	01-50-50380	May 2022 Printer/Copier Maint. Contract	575.14
06/24/2022	62507	AT&T	01-53-53251	M RTP Internet Connection 6/14/22-7/13/22	74.90
06/24/2022	62508	AT&T	01-50-50251	Local Calls Service 6/10/22-7/9/22	3,172.78
06/24/2022	62509	AT&T	07-68-68251	Firewall 6/5/22-7/4/22	672.10
06/24/2022	62510	AT&T Mobility	07-68-68251	Cell Phone, Tablet, Router Service 6/3/22-7/2/22	566.96
06/24/2022	62511	Backflow Distributors, Inc.	01-00-22300	Backflow Box, Backflow Accuracy Check	3,350.69
06/24/2022	62512	Badger Meter	01-54-54104	Replacement Meters	2,170.00
06/24/2022	62513	Better Deal Exchange	01-54-54104	Ball Valve & Fittings, Rags, Paint, Cleaning Supp, Chain Coils	476.31
06/24/2022	62514	Bobcat of Chico	01-56-56150	Check Valve-E222, Vent Cap E-139, Screws & Hydraulic Filters	399.64
06/24/2022	62515	Chemtrade Chemicals US LLC	01-53-53102	5,000 Gallon load of NSF Approved Liquid Aluminum	6,781.45
06/24/2022	62516	Comer's Print Shop	01-55-55102	500 Flow Test Cards	134.09
06/24/2022	62517	Core & Main LP	01-00-22300	4"wide range coupler, Brass 90 STREET EL	1,792.54
06/24/2022	62518	Dan's Electrical Supply	01-56-56370	Tape/Hole Straps, Flex Conduit/Hangers, Sensor/Mount	216.92
06/24/2022	62519	Fastenal Company	01-56-56370	Storage Bins, Nuts/Bolts, Gloves, Brake Cleaner	188.09
06/24/2022	62520	Grid Subject Matter Experts	07-60-60201	General Consulting & Advisory May 2022	420.00
06/24/2022	62521	Home Depot Credit Service	01-54-54270	Saw Blades, PVC Fittings, Batteries, Ratchet, Socket/Wrench	960.53
06/24/2022	62522	Jimmy P Tools LLC	01-56-56274	Cooling System Refiller	315.54
06/24/2022	62523	M J B Welding Supply	01-56-56274	Flap Wheels	196.40
06/24/2022	62524	Metal Works Supply	01-57-57500	Stainless Steel 304 Perforated Steel, Ornamental Channel	1,529.59
06/24/2022	62525	Minasian, Meith, Soares	07-60-60208	NYWD CEQA Professional Services May 2022	40,071.96
06/24/2022	62526	Napa Auto Parts	01-56-56150	Towels, Oil, Rags, Purge Valve, Diesel Fuel Additive	652.17
06/24/2022	62527	Normac	01-55-55205	Backflow Valve Seal Rings	852.93
06/24/2022	62528	Northern Safety Co., Inc.	01-52-52102	Vinyl Welding Are Sign- "Don't Look"	26.69
06/24/2022	62529	Office Depot, Inc.	01-50-50106	Yellow Copy Paper, Post-it Tape Cover up, Note Pads	61.86
06/24/2022	62530	O'Reilly Auto Parts	01-56-56150	Floor Mats T319, Transmission Filter, O2 Sensor, Mini Torch	285.60
06/24/2022	62531	Orkin Pest Control	01-53-53201	Pest Control Service May 2022	95.00

South Feather Water and Power Agency
Checks Paid, June, 2022

Date	Check #	Vendor Name	Account	Description	Amount
06/24/2022	62532	Oroville Cable & Equipment Co.	01-56-56150	Lynch Pins, Hardware	23.35
06/24/2022	62533	Oroville Ford	01-56-56150	Shaft Assembly, Fuel Pipe, Seat Covers, Brake Pads/Line Kit	1,513.01
06/24/2022	62534	Josh Reynolds	01-53-53260	Health Benefit Reimbursement	60.00
06/24/2022	62535	Thatcher Company	01-53-53102	NSF App Chlorine Gas, Sodium Hypochlorite, Caboy Rinse	2,834.91
06/24/2022	62536	Triangle Rock Products, LLC	01-54-54264	3/4 in CL 2 Base Rock	1,493.25
06/24/2022	62537	U S A Blue Book	01-53-53260	1" PVC Ball Valve Viton O-Rings	32.42
06/24/2022	62538	U.S. Bank	01-56-56370	Control Signs, Satellite Comm Bangor TP, Training	882.89
06/24/2022	62539	Valley Iron Inc. Oroville	01-53-53370	Steel For Gate/Fence MRTP	1,885.87
06/30/2022	62540	Ellen Alford	01-00-22200	Refund Check UB 10740	19.00
06/30/2022	62541	David Bossler	01-00-22200	Refund Check UB 3236	20.26
06/30/2022	62542	Janice Buckley	01-00-22200	Refund Check UB 3236	20.80
06/30/2022	62543	Sheila or Lawrence Etter	01-00-22200	Refund Check UB 17610	19.84
06/30/2022	62544	Benjamin Jiminez	01-00-22200	Refund Check UB 17611	20.26
06/30/2022	62545	Oroville Products	01-00-22200	Refund Check UB 16398	910.00
06/30/2022	62546	Justin Whiting	01-00-22200	Refund Check UB 17636	19.42
				Total June, 2022 checks	769,553.01

**SOUTH FEATHER WATER AND POWER AGENCY
PAYROLL
JUNE, 2022**

PAYROLL STATE & FED TAXES	\$	165,672.11
PAYROLL NET		318,467.50
TOTAL JUNE, 2022		\$ 484,139.61

**CREDIT CARD DETAIL
JUNE 2022 PAYMENTS**

<u>Check #</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>
		Bank of America	
62464	6/8/2022	Ad For Civil Engineering Position	\$ 123.78
		Half Shaft CV Axle For Polaris	159.75
		Monthly Shift Crane Report Books	46.06
			\$ 329.59
		U.S. Bank	
62538	6/24/2022	Satellite Comm (9 Months) BTP	\$ 110.00
		Traffic Control Signs	343.13
		Hazmat, First Responder Training	79.95
		Measuring Wheel Rep Click Counter	49.15
		Backflow Exam	285.00
		Zoom conference services-12/22	15.66
			\$ 882.89



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: July 21, 2022

RE: Annual Financial Report with Independent Auditor's Report
7/26/22 Board of Directors Meeting

The 2021 Annual Financial Report accompanied by the independent auditor's opinion is hereby submitted. The auditors, Fedak & Brown LLP, issued an "unqualified" opinion as stated in the second paragraph of their 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, 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 41 through 43. As detailed in the Report, the Agency's net financial position was \$102,780,186 for the year ended December 31, 2021. Current assets exceeded current liabilities by \$36,362,570. Liabilities for both pension and Other Post-Employment Benefits (OPEB) are accounted for in this report in full compliance with current governmental accounting standards.

Chris Brown, managing partner from Fedak & Brown LLP, will present a report to the Board and will be available to answer questions.

I would like to take this opportunity to acknowledge Accountant Cheri Richter, the other members of the Finance Division team and the other Agency administrative staff for their participation, assistance and cooperation in assembling this report and for their good work exhibited throughout the year. Their efforts are much appreciated.

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, 2021."



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

<u>Name</u>	<u>Division</u>	<u>Title</u>	<u>Current Term</u>
Tod Hickman	1	President	12/18 to 12/22
Rick Wulbern	2	Vice President	12/20 to 12/24
Dennis Moreland	3	Director	12/18 to 12/22
Ruth Wright*	4	Director	10/21 to 12/22
John Starr	5	Director	12/18 to 12/22

** Director Ruth Wright was appointed at the October 26, 2021 Board of Directors meeting. Director Jim Edwards, whose term started December 2020, vacated the position on September 24, 2021.*

**South Feather Water and Power Agency
Rath Moseley, General Manager
2310 Oro Quincy Highway
Oroville, California 95966
(530) 533-4578 – www.southfeather.com**

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

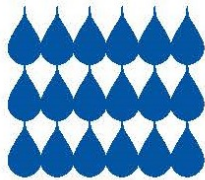
Table of Contents

	<u>Page No.</u>
Table of Contents	i
Financial Section	
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-7
Basic Financial Statements:	
Statement of Net Position	8-9
Statement of Revenues, Expenses and Changes in Net Position	10
Statement of Cash Flows	11-12
Notes to the Basic Financial Statements	13-37
Required Supplementary Information	
Schedules of the Agency’s Proportionate Share of the Net Pension Liability	38
Schedules of Pension Plan Contributions	39
Schedules of Changes in Net OPEB Liability and Related Ratios	40
Supplemental Information Section	
Combining Schedule of Net Position as of December 31, 2021	41-42
Combining Schedule of Revenues, Expenses and Changes in Net Position For the Year Ended December 31, 2021	43
Debt Service Coverage Ratios	44
Report on Compliance and Internal Controls	
Independent Auditor’s Report on Compliance on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45-46

< Page Intentionally Left Blank >

Financial Section

< Page Intentionally Left Blank >



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

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, 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, 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 7, and the required supplementary information on pages 38 through 40, 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 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 26, 2022, 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 45 and 46.



Fedak & Brown LLP
Cypress, California
July 26, 2022

< Page Intentionally Left Blank >

South Feather Water and Power Agency
Management's Discussion and Analysis
For the Year Ended December 31, 2021
With Comparative Amounts as of December 31, 2020

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, 2021 (with comparative information for the year ended December 31, 2020). 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

- In 2021, the Agency's net position increased 11.00% or \$10,185,847 to \$102,780,186.
- In 2021, the Agency's operating revenues increased 85.37% or \$13,014,028 to \$28,259,099.
- In 2021, the Agency's non-operating revenues decreased 31.66% or \$465,053 to \$1,003,860.
- In 2021, the Agency's operating expenses decreased 11.48% or \$1,854,039 to \$14,295,790.
- 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 Year Ended December 31, 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 13 through 37.

Statements 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 \$102,780,186 as of December 31, 2021.

Condensed Statements of Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Assets:			
Current assets	\$ 40,242,108	26,237,996	14,004,112
Non-current assets	<u>114,457,454</u>	<u>120,514,199</u>	<u>(6,056,745)</u>
Total assets	<u>154,699,562</u>	<u>146,752,195</u>	<u>7,947,367</u>
Deferred outflows of resources	<u>4,681,037</u>	<u>4,517,801</u>	<u>163,236</u>
Liabilities:			
Current liabilities	3,879,538	4,403,384	(523,846)
Non-current liabilities	<u>48,943,560</u>	<u>53,168,107</u>	<u>(4,224,547)</u>
Total liabilities	<u>52,823,098</u>	<u>57,571,491</u>	<u>(4,748,393)</u>
Deferred inflows of resources	<u>3,777,315</u>	<u>1,104,166</u>	<u>2,673,149</u>
Net position:			
Net investment in capital assets	80,252,150	81,065,688	(813,538)
Unrestricted	<u>22,528,036</u>	<u>11,528,651</u>	<u>10,999,385</u>
Total net position	<u>\$ 102,780,186</u>	<u>92,594,339</u>	<u>10,185,847</u>

A portion of the Agency's net position, 78.08% as of December 31, 2021, 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, 2021, the Agency showed a positive balance in its unrestricted net position of \$22,528,036. See note 9 for further discussion.

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

Statements of Revenues, Expenses, and Changes in Net Position

The statement 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 increased 11.00% or \$10,185,847 from \$92,594,339 to \$102,780,186, as a result of ongoing operations for the year ended December 31, 2021.

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 28,259,099	15,245,071	13,014,028
Non-operating revenues	<u>1,003,860</u>	<u>1,468,913</u>	<u>(465,053)</u>
Total revenues	<u>29,262,959</u>	<u>16,713,984</u>	<u>12,548,975</u>
Expenses:			
Operating expenses	14,295,790	16,149,829	(1,854,039)
Depreciation expense	3,888,836	3,884,633	4,203
Non-operating expenses	<u>1,121,055</u>	<u>1,135,186</u>	<u>(14,131)</u>
Total expenses	<u>19,305,681</u>	<u>21,169,648</u>	<u>(1,863,967)</u>
Net income (loss) before capital contributions	9,957,278	(4,455,664)	14,412,942
Capital contributions	<u>228,569</u>	<u>627,699</u>	<u>(399,130)</u>
Changes in net position	<u>10,185,847</u>	<u>(3,827,965)</u>	<u>14,013,812</u>
Net position, beginning of year	<u>92,594,339</u>	<u>96,422,304</u>	<u>(3,827,965)</u>
Net position, end of year	<u>\$ 102,780,186</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 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 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 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 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.

Capital Asset Administration

As of December 31, 2021, the Agency's capital assets (net of accumulated depreciation) amounted to \$109,233,537. 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.

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

Capital Asset Administration, continued

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

For the year ended December 31, 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.

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>

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 Division Manager at 2310 Oro-Quincy Highway, Oroville, California 95966 or by phone (530) 533-4578.

Basic Financial Statements

South Feather Water and Power Agency
Statement of Net Position
December 31, 2021

	2021
Current assets:	
Cash and cash equivalents (note 2)	\$ 34,214,381
Investments (note 2)	1,971,493
Accounts receivable (note 3)	2,256,931
Due from other government agencies	173,761
Property tax receivable	359,723
Accrued interest receivable	13,664
Prepaid expenses and other deposits	389,888
Materials and supplies inventory	862,267
Total current assets	40,242,108
Non-current assets:	
Investments (note 2)	5,223,917
Capital assets – not being depreciated (note 4)	7,890,401
Capital assets – being depreciated, net (note 4)	101,343,136
Total non-current assets	114,457,454
Total assets	154,699,562
Deferred outflows of resources:	
Deferred pension outflows (note 7)	1,191,484
Deferred OPEB outflows (note 8)	3,453,910
Deferred loss on defeasance of debt (note 6)	35,643
Total deferred outflows of resources	\$ 4,681,037

Continued on next page

See accompanying notes to the basic financial statements

South Feather Water and Power Agency
Statement of Net Position, continued
December 31, 2021

	2021
Current liabilities:	
Accounts payable and accrued expenses	\$ 465,341
Accrued payroll and employee benefits	185,789
Accrued interest payable	251,959
Customer deposits	232,241
Long-term liabilities – due in one year:	
Compensated absences (note 5)	487,241
Certificate-of-participation (note 6)	635,000
Loans payable (note 6)	1,621,967
Total current liabilities	3,879,538
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences (note 5)	730,861
Certificate-of-participation (note 6)	24,179,775
Loans payable (note 6)	2,580,288
Net pension liability (note 7)	1,964,172
Other post-employment benefit liability (note 8)	19,488,464
Total non-current liabilities	48,943,560
Total liabilities	52,823,098
Deferred inflows of resources:	
Deferred pension inflows (note 7)	2,231,175
Deferred OPEB inflows (note 8)	1,546,140
Total deferred inflows of resources	3,777,315
Net position: (note 9)	
Net investment in capital assets	80,252,150
Unrestricted	22,528,036
Total net position	\$ 102,780,186

See accompanying notes to the basic financial statements

South Feather Water and Power Agency
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2021

	2021
Operating revenues:	
Domestic water sales	\$ 2,607,133
Irrigation water sales	282,059
Outside water sales	5,799,215
Sale of electricity	19,348,140
Miscellaneous charges	222,552
Total operating revenues	28,259,099
Operating expenses:	
Source of supply	14,888
Water treatment	1,779,710
Transmission and distribution	2,106,846
Customer account	960,562
Environmental health and safety	549,894
Plant operations	6,241,093
General and administrative	2,642,797
Total operating expenses	14,295,790
Operating income before depreciation expense	13,963,309
Depreciation expense	(3,888,836)
Operating income	10,074,473
Non-operating revenues(expenses):	
Property taxes	718,188
Investment earnings	55,069
Unrealized loss on investments	(75,955)
Gain from sale of capital assets	4,850
Interest expense – long-term debt	(1,045,100)
Other non-operating revenues, net	225,753
Total non-operating expenses, net	(117,195)
Net income before capital contributions	9,957,278
Capital contributions:	
Capital grants:	
Federal	108,611
State	58,876
System capacity charges	61,082
Total capital contributions	228,569
Changes in net position	10,185,847
Net position, beginning of year	92,594,339
Net position, end of year	\$ 102,780,186

See accompanying notes to the basic financial statements

South Feather Water and Power Agency
Statement of Cash Flows
For the Year Ended December 31, 2021

	2021
Cash flows from operating activities:	
Cash receipts from customers	\$ 28,185,202
Cash paid to vendors and suppliers for materials and services	(8,041,577)
Cash paid to employees for salaries and wages	(6,301,742)
Net cash provided by operating activities	13,841,883
Cash flows from non-capital financing activities:	
Proceeds from property taxes	687,714
Net cash provided by non-capital financing activities	687,714
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(908,397)
Proceeds from the sale of capital assets	4,850
Proceeds from capital contributions	228,569
Principal paid on long-term debt	(2,179,489)
Interest paid on long-term debt	(1,055,501)
Net cash used in capital and related financing activities	(3,909,968)
Cash flows from investing activities:	
Interest and investment earnings	(5,819)
Purchase of investments	(5,176,682)
Proceeds from maturities and called investments	6,281,495
Net cash provided by investing activities	1,098,994
Net increase in cash and cash equivalents	11,718,623
Cash and cash equivalents, beginning of year	22,495,758
Cash and cash equivalents, end of year	\$ 34,214,381

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 Year Ended December 31, 2021

	2021
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 10,074,473
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	3,888,836
Other non-operating revenues, net	225,753
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) decrease in assets:	
Accounts receivable	(238,755)
Due from other governments	-
Prepaid expenses and other deposits	(46,561)
Materials and supplies inventory	(13,273)
(Increase) decrease in deferred outflows of resources:	
Deferred pension outflows	391,789
Deferred OPEB outflows	(567,613)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(68,191)
Accrued payroll and employee benefits	(2,543)
Customer deposits	168,166
Unearned revenue	(3,308)
Compensated absences	41,497
Net pension liability	(3,976,357)
Other post-employment benefit liability	1,294,821
Increase (decrease) in deferred inflows of resources:	
Deferred pension inflows	2,021,003
Deferred OPEB inflows	652,146
Total adjustments	3,767,410
Net cash provided by operating activities	\$ 13,841,883
 Non-cash investing, capital, and financing transaction:	
Change in fair value of investments	\$ (75,955)

See accompanying notes to the basic financial statements

South Feather Water and Power Agency
Notes to the Basic Financial Statements
For the Year Ended December 31, 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 Year Ended December 31, 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. 84

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

Governmental Accounting Standards Board Statement No. 90

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

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

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

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 90, continued

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

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.

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.

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

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

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

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

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.

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

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

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

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. 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, 2020
- Measurement Dates: June 30, 2021
- Measurement Periods: July 1, 2020 to June 30, 2021

13. 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.

14. Deferred Inflows of Resources

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

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.

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

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

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

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.

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.

18. Reclassification

The Agency has reclassified certain prior year information to conform to current year presentations.

(2) Cash and Investments

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

	2021
Cash and cash equivalents	\$ 34,214,381
Investments, current	1,971,493
Investments, non-current	5,223,917
Total	\$ 41,409,791

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

	2021
Cash on hand	\$ 950
Cash with fiscal agent	6,576
Deposits with financial institutions	2,513,216
Investments	38,889,049
Total	\$ 41,409,791

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

(2) Cash and Investments, continued

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.

<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, 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 Year Ended December 31, 2021

(2) Cash and Investments, continued

Investment in State Investment Pool

The Agency is a voluntary participant in the California 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 fair value factor for LAIF is reported on a quarterly basis. The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

The Agency’s deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transaction processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000.
- Withdrawals of \$10 million or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction or process the request through a secure electronic web application.

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, 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 note	246,463	246,463	-	-
Total	\$ 38,889,049	33,665,132	4,494,374	729,543

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.

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

(2) Cash and Investments, continued

Credit Risk, continued

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 ⁽¹⁾	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 note	<u>246,463</u>	AA	AA+
Total	\$ <u>38,889,049</u>		

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

Fair Value Hierarchy

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, 2021</u>	<u>Fair Value Measurement at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (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 notes	<u>246,463</u>	-	<u>246,463</u>	-
Total investments measured at fair value	9,294,288	-	<u>9,294,288</u>	-
Local Agency Investment Fund	29,583,730			
Money market deposit account	<u>11,031</u>			
Total investments	\$ <u>38,889,049</u>			

(3) Accounts Receivable

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

	<u>2021</u>
Water sales	\$ 543,443
Sale of electricity	<u>1,713,488</u>
Total	\$ <u>2,256,931</u>

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

(4) Capital Assets

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>
Non-depreciable assets:				
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
Total non-depreciable assets	<u>7,967,726</u>	<u>792,544</u>	<u>(869,869)</u>	<u>7,890,401</u>
Depreciable assets:				
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
Total depreciable assets	<u>222,665,399</u>	<u>985,722</u>	<u>(172,823)</u>	<u>223,478,298</u>
Accumulated depreciation:				
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)
Total accumulated depreciation	<u>(118,419,149)</u>	<u>(3,888,836)</u>	<u>172,823</u>	<u>(122,135,162)</u>
Total depreciable assets, net	<u>104,246,250</u>	<u>(2,903,114)</u>	<u>-</u>	<u>101,343,136</u>
Total capital assets, net	<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 2021 were as follows:

	<u>Balance 2020</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>1,176,605</u>	<u>622,323</u>	<u>(580,826)</u>	<u>1,218,102</u>	<u>487,241</u>	<u>730,861</u>

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

(6) Long-term Debt

The change in long-term debts 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	-	(2,179,489)	29,017,030	2,256,967	26,760,063
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 \$35,643 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. 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>
2022	\$ 635,000	808,225	1,443,225
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
2027-2031	4,065,000	3,151,175	7,216,175
2032-2036	4,800,000	2,414,775	7,214,775
2037-2041	5,590,000	1,622,563	7,212,563
2042-2046	<u>6,560,000</u>	<u>653,088</u>	<u>7,213,088</u>
Total	24,395,000	<u>11,679,276</u>	<u>36,074,276</u>
Premium	419,775		
Current	<u>(635,000)</u>		
Non-current	<u>\$ 24,179,775</u>		

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

(6) Long-term Debt, continued

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.

Annual payments of principal and interest for the loan are as follows:

Year	Principal	Interest	Total
2022	\$ 1,621,967	180,573	1,802,540
2023	1,699,926	102,614	1,802,540
2024	880,362	20,908	901,270
Total	4,202,255	304,095	4,506,350
Current	(1,621,967)		
Non-current	\$ 2,580,288		

(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.

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.

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

(7) Defined Benefit Pension Plan, continued

Benefits Provided, continued

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 2021, 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, 2021	7.800%	6.750%
January 1 to June 30, 2021	7.787%	6.750%
Required employer contribution rates		
July 1 to December 31, 2021	14.540%	7.590%
January 1 to June 30, 2021	14.729%	7.732%

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, 2021, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>2021</u>
Contributions – employer	\$ <u>698,899</u>

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

	<u>2021</u>
Proportionate share of net pension liability	\$ <u>1,964,172</u>

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

(7) Defined Benefit Pension Plan, continued

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, 2021, the net pension liability of the Plan is measured as of June 30, 2021 (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, 2020 (the valuation date), rolled forward to June 30, 2021, 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, 2021, was as follows:

	Proportionate Share
Proportion – June 30, 2019	0.05112 %
Increase in proportion	0.00348
Proportion – June 30, 2020	0.05460
Increase in proportion	(0.01828)
Proportion – June 30, 2021	0.03632 %

Deferred Outflows(Inflows) of Resources Related to Pensions

For the year ended December 31, 2021, the Agency recognized pension credit of \$1,563,565.

As of December 31, 2021, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 340,679	-
Differences between actual and expected experience	220,261	-
Changes in assumptions		
Difference between actual contribution and proportionate share of contribution	-	(516,556)
Net difference between projected and actual earnings on plan investments	-	(1,714,619)
Net adjustment due to difference in proportions of net pension liability	630,544	-
Total	\$ 1,191,484	(2,231,175)

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

(7) Defined Benefit Pension Plan, continued

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

As of December 31, 2021, 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, 2021, will be recognized as a reduction of the net pension liability for the year ended December 31, 2022.

As of December 31, 2021, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year	Deferred Net
Ending	Outflows(Inflows)
<u>December 31,</u>	<u>of Resources</u>
2022	\$ (221,008)
2023	(299,118)
2024	(386,412)
2025	(473,832)

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuation were determined using the following actuarial assumptions and methods:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
 Actuarial assumptions:	
Discount rate	7.15%
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

* The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017, experience study report (based on CalPERS demographic data from 1997 to 2015) available online on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2020, for the PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined.

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

(7) Defined Benefit Pension Plan, continued

Discount Rate, continued

Based on those assumptions, the Plan's 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 on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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>Target Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 11+</u>
Global equity	50.00 %	4.80 %	5.38 %
Fixed income	28.00	1.00	2.62
Inflation assets	0.00	0.77	1.81
Private equity	8.00	6.30	7.23
Real asset	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)
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.

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:

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

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

(7) Defined Benefit Pension Plan, continued

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 38 through 39 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).

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

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

Net OPEB Liability

The Agency’s net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021.

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

(8) Other Post-Employment Benefits, continued

Net OPEB Liability, continued

Valuation Date	December 31, 2021
Measurement Date	December 31, 2021
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	2.06% per year net of expenses, based on the Bond Buyer 20 Bond Index

Discount rate – The discount rate used to measure the total OPEB liability was 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, 2021, the Agency’s changes in the net OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c) = (a) - (b)</u>
Balance at beginning of year	\$ 18,193,643	-	18,193,643
Changes during the year:			
Service cost	679,864	-	679,864
Interest	388,005	-	388,005
Contributions - employer	-	462,951	(462,951)
Experience (Gains)/Losses	1,732,722	-	1,732,722
Changes in assumptions	(1,042,819)	-	(1,042,819)
Benefit payments	(462,951)	(462,951)	-
Net changes	1,294,821	-	1,294,821
Balance at end of year	\$ 19,488,464	-	19,488,464

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

(8) Other Post-Employment Benefits, continued

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates

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:

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

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

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

For the year ended December 31, 2021, the Agency recognized OPEB expense of (\$1,294,821). At December 31, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,465,640	(148,959)
Changes in assumptions	<u>1,988,270</u>	<u>(1,397,181)</u>
Total	<u>\$ 3,453,910</u>	<u>(1,546,140)</u>

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

(8) Other Post-Employment Benefits, continued

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

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	\$ 775,852
2023	775,851
2024	359,695
2025	6,098
2026	(9,726)
Remaining	-

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.

Payable to the OPEB Plan

At December 31, 2021, the Agency reported no amounts outstanding as required contributions to CERBT.

(9) Net Position

The balance at December 31, consists of the following:

	2021
Net investment in capital assets:	
Capital assets, net	\$ 109,233,537
Certificate-of-participation, current	(635,000)
Certificate-of-participation, non-current	(24,179,775)
Loans payable, current	(1,621,967)
Loans payable, non-current	(2,580,288)
Deferred loss on defeasance of debt	35,643
Total investment in capital assets	80,252,150
Unrestricted net position:	
Non-spendable net position:	
Prepaid expenses and other deposits	389,888
Materials and supplies inventory	862,267
Total non-spendable net position	1,252,155
Undesignated	21,275,881
Total unrestricted net position	22,528,036
Total net position	\$ 102,780,186

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

(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, 2021, the assets of all Agency deferred compensation savings plan totaled \$8,932,768.

(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, 2021, 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.

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

(11) Risk Management, continued

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, 2021. 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, 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. 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 December 15, 2019; 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 Year Ended December 31, 2021

(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, 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, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

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

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, 2020; 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, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

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; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

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

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

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. 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.

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

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

Governmental Accounting Standards Board Statement No. 97, continued

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 performed 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. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

(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, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of July 26, 2022, which is the date the financial statements were available to be issued.

On April 1, 2022, the Agency has paid in full the remaining outstanding balance of its 2019 Installment Purchase Agreement amounting to \$4,404,082.

Except for the above, the Agency is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

< Page Intentionally Left Blank >

Required Supplementary Information

< Page Intentionally Left Blank >

South Feather Water and Power Agency
Schedules of the Agency's Proportionate Share of the Net Pension Liability, continued
As of December 31, 2021
Last Ten Years*

Description	Measurement Dates							
	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	0.03632%	0.05460%	0.05112%	0.04757%	0.04788%	0.04463%	0.04052%	0.04483%
District's proportionate share of the net pension liability	\$ 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	\$ 6,010,468	5,949,207	5,867,873	5,952,396	5,627,825	5,570,519	5,746,942	5,118,332
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	32.68%	99.85%	89.27%	77.01%	84.37%	69.33%	48.40%	53.15%
Plan's fiduciary net position as a percentage of the total pension liability	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

Change in Benefit Terms

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 by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). 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 may have resulted from Golden Handshakes that occurred after the June 30, 2020 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change of Assumptions

None

* 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 Pension Plan Contributions
As of December 31, 2021
Last Ten Years***

<u>Description</u>	<u>Calendar Year</u>							
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Actuarially determined contribution	\$ 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>(1,110,616)</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>
District's covered payroll	\$ <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>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, 2021
Last Ten Years*

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

< Page Intentionally Left Blank >

Supplemental Information

< Page Intentionally Left Blank >

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>
Current assets:			
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
Total current assets	<u>2,305,472</u>	<u>37,936,636</u>	<u>40,242,108</u>
Non-current assets:			
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
Total non-current assets	<u>42,448,762</u>	<u>72,008,692</u>	<u>114,457,454</u>
Total assets	<u>44,754,234</u>	<u>109,945,328</u>	<u>154,699,562</u>
Deferred outflows of resources:			
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
Total deferred outflows of resources	<u>\$ 2,737,629</u>	<u>1,943,408</u>	<u>4,681,037</u>

Continued on next page

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

	General Fund	Joint Facilities Operating Fund	Total
Current liabilities:			
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
Total current liabilities	1,627,930	2,251,608	3,879,538
Non-current liabilities:			
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
Total non-current liabilities	36,631,450	12,312,110	48,943,560
Total liabilities	38,259,380	14,563,718	52,823,098
Deferred inflows of resources:			
Deferred pension inflows	1,423,190	807,985	2,231,175
Deferred OPEB inflows	909,494	636,646	1,546,140
Total deferred inflows of resources	2,332,684	1,444,631	3,777,315
Net position:			
Net investment in capital assets	15,959,244	64,292,906	80,252,150
Unrestricted	(9,059,445)	31,587,481	22,528,036
Total net position	\$ 6,899,799	95,880,387	102,780,186

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

	<u>General Fund</u>	<u>Joint Facilities Operating Fund</u>	<u>Total</u>
Operating revenues:			
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
Total operating revenues	<u>5,228,899</u>	<u>23,030,200</u>	<u>28,259,099</u>
Operating expenses:			
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
Total operating expenses	<u>7,066,293</u>	<u>7,229,497</u>	<u>14,295,790</u>
Operating (loss) income before depreciation expense	(1,837,394)	15,800,703	13,963,309
Depreciation expense	(1,856,069)	(2,032,767)	(3,888,836)
Operating (loss) income	<u>(3,693,463)</u>	<u>13,767,936</u>	<u>10,074,473</u>
Non-operating revenues(expenses), net:			
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
Total non-operating revenues (expenses), net	<u>2,629,586</u>	<u>(2,746,781)</u>	<u>(117,195)</u>
Net (loss) income before capital contributions	<u>(1,063,877)</u>	<u>11,021,155</u>	<u>9,957,278</u>
Capital contributions:			
Capital grants:			
Federal	-	108,611	108,611
State	-	58,876	58,876
System capacity charges	61,082	-	61,082
Total capital contributions	<u>61,082</u>	<u>167,487</u>	<u>228,569</u>
Changes in net position	(1,002,795)	11,188,642	10,185,847
Net position, beginning of the year	<u>7,902,594</u>	<u>84,691,745</u>	<u>92,594,339</u>
Net position, end of year	<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
Year Ended December 31, 2021**

	2021
Revenues:	
Operating revenues	\$ 28,259,099
Investment earnings	55,069
Property taxes	718,188
Gain from sale of capital assets	4,850
Miscellaneous revenues	330,600
Total revenues	29,367,806
Expenses	
Source of supply	14,888
Water treatment	1,779,710
Transmission and distribution	2,106,846
Customer account	960,562
Environmental health and safety	549,894
Plant operations	6,241,093
General and administrative	2,642,797
Miscellaneous expenses	104,853
Total expenses	14,400,643
Net revenues available for debt service	14,967,163
Actual Debt Service Payments	
2016 Certificates of Participation, principal	615,000
2016 Certificates of Participation, interest	803,910
2019 Installment Purchase Agreement, principal	1,547,585
2019 Installment Purchase Agreement, interest	218,201
Total Actual Debt Service Payments	\$ 3,184,696
Debt Service Coverage Ratio	4.70
Required Debt Service Ratio Greater Than	1.25

< Page Intentionally Left Blank >

Report on Internal Controls and Compliance

< Page Intentionally Left Blank >



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

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, 2021, 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 26, 2022.

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.

A handwritten signature in black ink that reads "Fedak & Brown LLP". The signature is written in a cursive, slightly slanted style.

Fedak & Brown LLP
Cypress, California
July 26, 2022

South Feather Water and Power Agency
Management Report
December 31, 2021



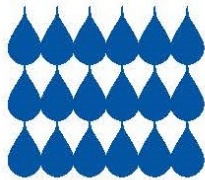
Fedak & Brown LLP
Certified Public Accountants

South Feather Water and Power Agency

Management Report

Table of Contents

<u>Item</u>	<u>Page No.</u>
General Introduction	1
Current Year Comment and Recommendation	1
Appendix:	
Audit/Finance Committee Letter	1-3
Schedule of Client and Audit Adjusting Journal Entries	4



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

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, 2021, in accordance with auditing standards generally accepted in the United States of America, 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 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.

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 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. 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.

A handwritten signature in black ink that reads "Fedak & Brown LLP". The signature is written in a cursive, slightly slanted style.

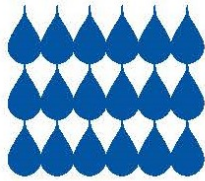
Fedak & Brown LLP
Cypress, California
July 26, 2022

APPENDIX

South Feather Water and Power Agency

Finance Committee Letter

December 31, 2021



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

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, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards*), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 28, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

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.

Significant Audit Matters, continued

Qualitative Aspects of Accounting Practices, continued

Management's estimate of the other post-employment benefits (OPEB) liability is based on the alternative measurement method to determine the liability balance. This alternative measurement method was determined and prepared by the Agency's third-party actuary. We evaluated the basis, methods and assumptions used by the actuary to calculate the annual required contribution for the Agency to determine that it is reasonable in relation to the financial statements taken as a whole.

Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of fair value of cash and investments in Note 2 to the financial statements representing amounts susceptible to market fluctuations.

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.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate.

Disagreements with Management

For the purpose of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 26, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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.

We were engaged to report on the combining schedules, and the debt service coverage ratios, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the cooperation extended us by Rath Moseley, General Manager, Steve Wong, Finance Division Manager, and Cheri Richter, Accountant 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.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
July 26, 2022

South Feather Water & Power Agency
Schedule of Client and Audit Adjusting Journal Entries
For the Year Ended December 31, 2021

Account	Description	Debit	Credit
Adjusting Journal Entries			
1 Client Adjusting Journal Entry			
To adjust net pension liability and related balances as of December 31, 2021 per CalPERS actuarial valuation.			
01-00-27010-0	Net Pension Liability	\$ 2,584,632.00	
07-00-27010-0	Net Pension Liability	1,391,725.00	
01-00-17001-0	Deferred Outflows of Resources		254,663.00
01-00-27001-0	Deferred Inflows of Resources		1,313,652.00
01-50-50701-0	Pension expense		1,016,317.00
07-00-17001-0	Deferred Outflows of Resources		137,126.00
07-00-27001-0	Deferred Inflows of Resources		707,351.00
07-60-60701-6	Pension expense		547,248.00
Total		<u>3,976,357.00</u>	<u>3,976,357.00</u>
2 Audit Adjusting Journal Entry			
To recognize fair market value of LAIF investments as of December 31, 2021.			
01-00-13118-1	Investments, Cash	75,954.89	
07-00-49250-3	Unrealized loss on investments	75,954.89	
01-00-13118-2	Local Agency Invest Fd (LAIF)		75,954.89
07-00-13118-1	JFOF Investments, Cash		75,954.89
Total		<u>\$ 151,909.78</u>	<u>151,909.78</u>



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Heather Benedict, Account Technician III

DATE: July 19, 2022

**RE: Delinquent Accounts to be Added to 2022-2023 Taxes
Agenda Item for 7/26/22 Board of Directors Meeting**

Once a year Butte County allows this agency to place unresolved debts to the Butte County tax roll as a means of debt collection. This year South Feather has chosen to add not only suspended delinquent accounts but also active accounts. Due to the ongoing Governor's moratorium on disconnecting potable water we have experienced a large number of accounts that have stopped paying their water bill. Some accounts have not made a payment in over a year.

Although we have made every effort to contact the responsible parties we currently have 81 accounts which have not responded by the deadline. These unresolved accounts usually result from a change in the ownership status of the property; death of the owners and unresolved distribution of the estate; abandonment of the residence; ongoing lawsuits; etc. This agency has made every attempt to contact the owners on file and the owners listed with the county. All of the accounts have continued to receive monthly statements and a letter notifying them of this process.

As a public agency, South Feather Water and Power Agency (SFWPA) is able to collect delinquent accounts by placing them on the Butte County tax rolls. The cost for this service, levied by the Tax Collector, is 30¢ per parcel, for a total this year of \$24.30.

Attached is a list of the 81 accounts and their individual total delinquencies. Through the diligent efforts of our office staff this agency was able to collect all but \$31,802.57 of our delinquencies this year through routine collection procedures.

The recommended form of action is:

"I move adoption of Resolution 22-7-1, authorizing 81 accounts, for a total of \$31,802.57 including fees, be added to the 2022-2023 Butte County tax roll."



SOUTH FEATHER WATER & POWER AGENCY

Resolution No. 22-7-1

WHEREAS, the Board of Directors of the South Feather Water and Power Agency acknowledges the Agreement entered into in 1990 between Butte County and South Feather Water and Power Agency (formerly Oroville-Wyandotte Irrigation District) providing for the collection and distribution of special assessments by Butte County for and on behalf of the Agency; and,

WHEREAS, the County of Butte has tendered a form of Agreement for the provision of such services to the Agency at a cost of 30¢ per parcel.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Feather Water and Power Agency that the schedule of delinquent accounts attached hereto as Exhibit A, be collected by the Butte County Tax Collector and submitted to the Agency for the year 2022-2023; and,

BE IT FURTHER RESOLVED that the Butte County Auditor-Controller, per the consolidation schedule of prior charges submitted, be authorized to add these charges to the Butte County Tax Rolls for the year 2022-2023 under the appropriate heading "SFWPA Prior Charges," such consolidation schedule consisting of delinquent accounts as aforementioned. It is understood that the property deeded by the Agency or by Butte County is not included in this schedule submitted because the County will not include these parcels on their active roll. Such delinquent accounts shall be payable in two installments under and pursuant to the provisions of §25806(a)(1) of the Water Code of the State of California and is without regard to property valuation.

PASSED AND ADOPTED by the Board of Directors of the South Feather Water and Power Agency at the regular meeting of said Board on the 26th day of July 2022 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

(seal)

Tod Hickman, President

Rath Moseley, Secretary

South Feather Water and Power Agency

Exhibit A - Delinquent Accounts

APN	
027-030-007	\$ 742.61
069-140-049	\$ 472.90
069-290-009	\$ 334.39
069-110-004	\$ 173.73
072-490-016	\$ 527.67
079-010-012	\$ 225.12
079-020-032	\$ 170.70
078-280-050	\$ 295.62
078-290-016	\$ 251.33
078-380-036	\$ 242.20
079-180-015	\$ 99.97
078-380-044	\$ 449.76
079-180-016	\$ 312.56
078-260-035	\$ 150.87
078-260-036	\$ 129.61
026-161-012	\$ 138.80
026-144-004	\$ 4,344.81
033-310-006	\$ 311.28
033-430-018	\$ 357.64
069-360-044	\$ 266.39
069-360-014	\$ 321.47
033-452-008	\$ 284.73
069-570-018	\$ 381.23
033-452-030	\$ 198.72
028-180-045	\$ 629.28
078-220-055	\$ 674.84
033-242-009	\$ 135.66
028-180-042	\$ 569.08
068-160-046	\$ 221.86
079-280-010	\$ 589.51
069-500-011	\$ 140.19
069-140-046	\$ 288.07
069-360-024	\$ 379.97
078-120-008	\$ 115.67
072-112-011	\$ 650.59
069-150-050	\$ 283.41
079-030-011	\$ 396.53
069-100-062	\$ 404.33
033-452-014	\$ 404.42
079-010-039	\$ 183.39

033-221-006	\$	250.71
013-300-093	\$	439.19
069-120-068	\$	731.67
069-130-071	\$	603.42
069-020-016	\$	649.86
069-020-016	\$	1,076.67
069-020-016	\$	603.44
072-150-028	\$	215.49
069-070-049	\$	448.52
068-130-121	\$	650.81
069-210-061	\$	156.39
069-510-027	\$	361.35
026-113-019	\$	437.88
068-300-074	\$	206.20
069-140-057	\$	142.78
069-140-009	\$	151.98
033-242-017	\$	159.35
069-140-019	\$	280.25
078-180-044	\$	125.66
072-490-005	\$	477.67
078-220-024	\$	141.31
028-440-046	\$	352.34
033-453-022	\$	301.78
033-062-003	\$	187.33
079-300-014	\$	466.16
069-220-056	\$	156.38
079-210-035	\$	343.53
078-270-051	\$	435.59
079-200-061	\$	176.00
033-231-008	\$	451.66
079-030-029	\$	427.23
035-310-003	\$	120.36
069-210-042	\$	351.36
028-390-047	\$	100.79
013-300-112	\$	471.14
033-160-012	\$	602.07
079-080-016	\$	394.26
068-020-022	\$	290.06
069-100-027	\$	211.66
079-060-042	\$	136.83
069-450-002	\$	264.53

\$ 31,802.57



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Rath Moseley, General Manager

DATE: July 19, 2022

RE: NYWD and Somach Simmons & Dunn Communications
Information Item for 7/26/22 Board of Directors Meeting

The purpose of this information item is to share recent communications from NYWD's Board Chair Gary Hawthorne in regards to SF's offer to allocate water and perform conveyance maintenance at no cost to NYWD for the 2022 irrigation season.

The second item is a communication from NYWD general counsel on "Breach of Contract" for not having the 2021 independent auditors report completed by July 1.

6/24/2022

Dear President Bradford

Thank you for your email dated June 7, 2022, informing North Yuba Water District's (NYWD) Board President, Gary Hawthorne, of your May 24, 2022, meeting with representatives from South Feather Water and Power Agency (SFWPA) (Tod Hickman and Rath Moscley) and Yuba Water Agency (YWA). In your email you inform Mr. Hawthorne that during this May 24 meeting, Mr. Hickman asked you to extend to NYWD a proposal allowing SFWPA to convey "the maximum amount of water that can be conveyed through the Forbestown Ditch" to NYWD customers for irrigation use. Specifically, the SFWPA proposal states, in pertinent part, the following:

1. SFWPA will provide, at no additional cost, and at no discount to the revenue sharing provided by the 2005 agreement, the maximum amount of water that can be conveyed through the Forbestown Ditch from now until the end of the irrigation season (October 15). This arrangement will result in no new/additional cost to NYWD.
2. SFWPA will assist with any maintenance necessary to prepare the FTD, the Oregon House-Dobbins Canal, and any other related facilities as soon as possible for the delivery of water to as many irrigation customers as possible. SFWPA will provide this assistance at no charge to NYWD.

In addition to the proposal from SFWPA, you state that YWA will assist, at no charge to NYWD, with any necessary maintenance to facilitate SFWPA's proposal. Finally, you state that the combined proposals from SFWPA and YWA are "motivated by concerns with the ongoing effects of drought and the need for irrigation water in the foothill communities."

While this combined proposal may offer a partial and temporary solution to NYWD's inability to offer irrigation water this year, it ignores the fundamental fact that NYWD's inability to provide irrigation water results from the physical limitations of the facilities, and the contractual limitations imposed on NYWD by the 2005 Contract between NYWD and SFWPA. The contract limitations in PART III, Section 8, of the 2005 Contract not only severely limit the amount of water available to NYWD to provide for irrigation, they also impose substantial financial penalties on NYWD if it sells water to NYWD customers above the prescribed volume limits.

Specifically, the Forbestown Ditch (FTD) can convey a maximum capacity of 24 cubic feet per second (cfs). The FTD, however, has a well-documented conveyance loss of approximately 35%. Furthermore, the Oregon House-Dobbins Canal (OHDC) can convey a maximum capacity of 12 cfs with a well-documented conveyance loss of approximately 60%. Moreover, because of the significant conveyance losses the OHDC has historically required contribution of water from Dry Creek for a successful irrigation season.

Prior to implementation of the 2005 Contract, SFWPA's water was measured at the headworks of the FTD (commonly referred to as "SF-14"), and the parties were responsible for their individual conveyance loss. Under the 2005 Contract, however, NYWD is now responsible for all conveyance losses within the FTD. Thus, under the 2005 Contract NYWD confronts the following adverse circumstances precluding delivery of irrigation:

- SFWPA receives 11 cfs measured at the bottom of the FTD where it's conveyed to SFWPA. Accounting for the 35% conveyance loss from the maximum 24 cfs conveyed from SF-14 to SFWPA's point of diversion at the end of the FTD results in a total loss of approximately 8.4 cfs charged solely to NYWD.
- After deducting SFWPA's 11 cfs and the approximate 8.4 cfs conveyance loss, NYWD is left with approximately 4.6 cfs to provide to both its domestic and irrigation customers.
- The maximum flow rate of the domestic treatment plant is 3.2 cfs, leaving NYWD with approximately 1.4 cfs for irrigation. To provide irrigation water through the OHDC requires a minimum of 12 cfs. Because of the conveyance losses in both the FTD and the OHDC, NYWD needs contribution from Dry Creek to support provision of irrigation water. During times of drought, Dry Creek is unavailable to provide the essential support.

These facts are well known and well documented. In fact, during a Regular Board meeting on April 11, 2011, past Director Jenny Cavaliere stated in open session to the irrigation customers in attendance (as reflected in Board Minutes) that "Irrigation water restrictions do not concern the availability of water to sell, but rather the ability to deliver water given the capacity of the delivery system."

To remedy the conveyance loss issues as directed by the State Water Resources Control Board, NYWD embarked on a project to pipe the FTD to accomplish the following goals.

1. Increase the FTD carrying capacity from 24 cfs to 38 cfs, and thereby enabling NYWD to use its total water right of 23,700 AF.
2. Curtail the losses as directed by the State Water Resource Control Board.
3. Comply with the State's maximum compliance limit for aluminum in the FTD isolating the conveyed water from the surrounding soils.

The piping project, however, was strongly opposed by those NYWD members now supporting the temporary solution you submit in your email, and the project was not implemented despite NYWD obtaining grant support for the entire project. Thus, while the proposal contained in your email is appreciated, NYWD prefers a solution creating a permanent remedy rather than a proposal with limited impact. Instead, NYWD suggests the following:


We propose that SFWPA and NYWD amend the 2005 Contract as follows:

- a. Amend Part 3, Section 8, to strike the tier 3 water clause that forces NYWD customers to pay for NYWD's consumable water above 3,700 acre feet.

- b. SFWPA accept all conveyance losses related to delivery of its water through the FTD.
- c. SFWPA reaffirm its support for piping the FTD allowing NYWD to increase the maximum flow rate to 38 cfs.

What we propose is not extraordinary, because the parties amended the 2005 Contract on three separate occasions to address NYWD's sale of water to Yuba City. Those previous amendments recognize the priority of water for domestic and irrigation use over the use of water to create electrons. These simple amendments will enable both districts to provide unrestricted water service to their respective customer base.

In conclusion, NYWD does appreciate your effort on behalf of YWA to assist NYWD provide irrigation water to its customers this year. NYWD also appreciates YWA's long-time support for NYWD's effort to pipe the FTD, such as hiring Sage Engineering (at no cost to NYWD) to review and improve the final project design. NYWD representatives met with members of the YWA Project Operation and Development Committee to approve the FTD piping project for funding by YWA, and NYWD hopes YWA continues supporting the FTD piping project and will provide necessary financial support.



Gary Hawthorne
President, Board of Directors
North Yuba Water District

June 6, 2022

Subject: **Water Conveyance Test Plan Meeting**

Time: 3:00 p.m. – 5:00 p.m.

Place: YWA Conference Room

Discussion Items

Introductions:

Ground Rules: Be courteous and respectful.

Stay focused on the topic of a water conveyance test plan.

Overview of Conveyance: Determine conveyance system test plan from a start and end location.

Development and Agreement of a Test Plan: Means and Methods

Alternatives Analysis

Forecasted Cost, Schedule and Performance

(Resources)

(Equipment)

(Material)

Outline a Multi-Party Test Plan Agreement:

Congratulate the group for a cooperative plan:



SOMACH SIMMONS & DUNN
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

500 CAPITOL MALL, SUITE 1000, SACRAMENTO, CA 95834
OFFICE: 916-448-7979 FAX: 916-448-8199
SOMACHLAW.COM

July 1, 2022

South Feather Water & Power Agency
Attn: Steve Wong
2310 Oro-Quincy Hwy
Oroville, CA 95966

Re: June 30, 2022, Joint Facilities Operating Account Net Revenue Notice

Dear Mr. Wong,

The North Yuba Water District (District) received your letter dated June 30, 2022, wherein you state the work on the annual audit of the South Feather Power Project “is proceeding in the usual manner” and that the “[audit] report is anticipated to be issued by and schedule for acceptance at the July 26 Board meeting.” You further state that “upon acceptance by the Board, any net revenue distributions will be promptly processed and submitted.” Nothing about this notification is “usual,” however. On the contrary, this is simply another example of a pattern and practice of SFWPA avoiding compliance with the unambiguous terms of the 2005 Agreement.

Under paragraph one of the 2013 amendment to the 2005 Agreement, South Feather Water and Power Agency (SFWPA) is contractually obligated to “complete the detailed accounting required under Paragraph IV.3 the 2005 Agreement for each year’s operations **no later than June 30th of the following year** and will make the final distribution of net power revenues for each year to SFWPA and NWYD under Paragraph IV.4 of the 2005 Agreement **on or before July 1 of such following year.**” (Emphasis added.) Thus, your June 30th letter advising that SFWPA has not timely completed the contractually required accounting, and will not timely distribute the net revenue, constitutes both an actual and an anticipatory breach of the 2005 Agreement. Moreover, your letter submitted a day before SFWPA is contractually obligated to distribute the net revenue, that for months has been identified in SFWPA’s Board financials, is bad faith.

To establish a clear record, please confirm that SFWPA will not comply with the unambiguous terms of the 2005 Agreement stated above.

South Feather Water & Power Agency
Re: June 30 2022, Joint Facilities Operating Account Net Revenue Notice
July 1, 2022
Page 2

Thank you in advance for your prompt response.

Sincerely,



Michael E. Vergara

cc: Dan Stouder
Dustin Cooper
Rath Moseley
MEV:sl

SOUTH FEATHER WATER & POWER AGENCY

W. STEVEN WONG, FINANCE DIVISION MANAGER

2310 ORO-QUINCY HIGHWAY
OROVILLE, CALIFORNIA 95966
530-533-4578, EXT. 103
530-533-9700 (FAX) SWONG@SOUTHFEATHER.COM



June 30, 2022

Jeff Maupin, General Manager
North Yuba Water District
P.O. Box 299
Brownsville, CA 95919

Dear Mr. Maupin,

At our South Feather Water and Power Agency board meeting yesterday, I reported that:

Work on the audit is proceeding in the usual manner through the audit process. The audit partner has not identified any unusual items or issues at this time. The report is anticipated to be issued by and scheduled for acceptance at the July 26 Board meeting.

Please be advised that upon acceptance by the Board, any net revenue distributions will be promptly processed and submitted.

Very truly yours,


Steve Wong
Finance Division Manager



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: July 20, 2022

RE: General Information (regarding matters not scheduled on the agenda)
7/26/22 Board of Directors Meeting

2022-23 Workers' Compensation program

Notification has been received from ACWA JPIA that the 2022-23 Workers' Compensation program was successfully renewed with no change in rates. ACWA JPIA goes on to comment that member risk reduction efforts have led to favorable claims experience resulting in this renewal with no change in rates.

CalPERS investment return

CalPERS has announced a preliminary investment return of -6.1% for the 2021-22 fiscal year. With the CalPERS discount rate set at 6.8% and this year's preliminary return of -6.1%, the estimated overall funded status stands at 72%. Last year, the CalPERS investment returns for 2020-21 were 21.3%.

Section 115 trust for OPEB and pension liabilities

Paperwork has been received for the creation of a section 115 trust for the funding of Other Post-Employment Benefits (OPEB) and pension liabilities. It is anticipated this item and a resolution will be presented to the Board at its August Board meeting for discussion and adoption. Administration of the trust, funding and investment policies are among the issues to be discussed.

Supplemental Appropriation/Budget Modification 2022-4

Supplemental Appropriation/Budget Modification 2022-4 is attached documenting new funding for a trailer for the new Bobcat to be acquired in the Water Division, defer the bulk filling water station and adjusting the budget to more closely match actual expenditure experience at this point in the fiscal year. The net result of these actions is a decrease in General Fund appropriations of \$32,000 and an increase in Joint Facilities Operating Fund appropriations of \$56,000.

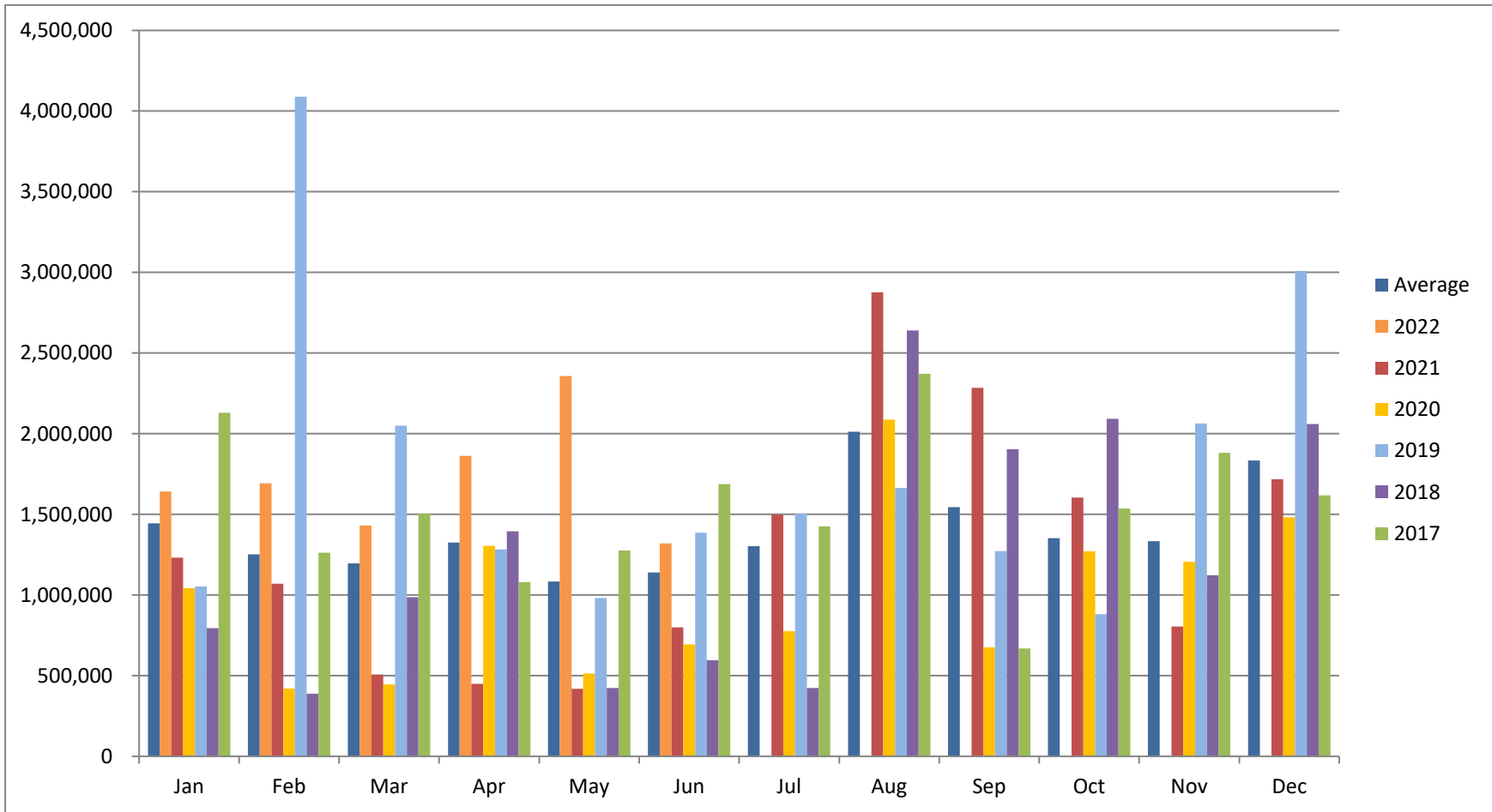
Finance Division Manager recruitment

Resumes have been received and interviews have been conducted and are continuing with select applicants.

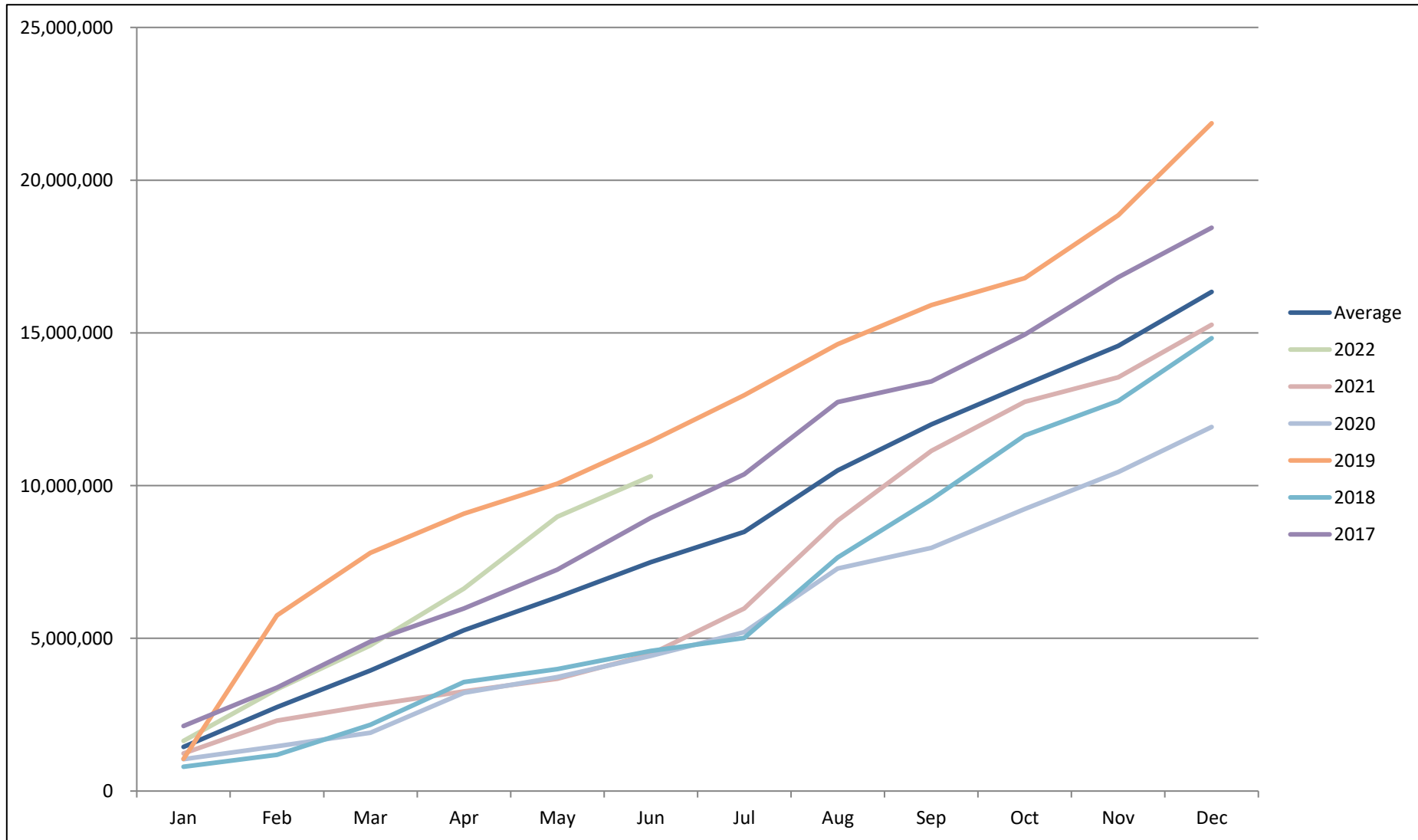
South Feather Water and Power Agency
 Supplemental Appropriation/Budget Modification 2022-4
 July 26, 2022 Board Meeting

ACCOUNT	DESCRIPTION	2022 ADOPTED BUDGET	2022 SA / BM NO. 4	2022 REVISED BUDGET
General Fund				
2022-56c	Bulk filling water station	35,000	(35,000)	0
2022-0222	Trailer for Bobcat (see 2021-0208 for Bobcat purchase)	0	30,000	30,000
2020-0200	Oro-Bangor Hwy/BTP-Avacado	15,000	(15,000)	0
2022-0212	Vacuum, portable, towable	35,000	(5,000)	30,000
2022-0214	Streaming current analyzer w/organics module	20,000	2,000	22,000
2022-0215	Dichtender vehicle, 2021 Ford Ranger, T-318	45,000	(2,000)	43,000
2022-0216	SPH station air compressor	12,500	(2,000)	10,500
2022-0217	Meter service technician vehicle, 2022 Ford F250	75,000	(5,000)	70,000
	Sub-Total General Fund	237,500	(32,000)	205,500
JFOF				
07-66-66100-6	JFOF Shop, supplies	11,000	9,000	20,000
07-66-66270-6	JFOF Shop, small tools	6,000	6,000	12,000
2022-0984	WC-1 ton diesel truck, standard cab, single rear wheel	70,000	11,000	81,000
2022-0985	Boom truck with basket	200,000	30,000	230,000
	Sub-Total Joint Facilities Operating Fund	287,000	56,000	343,000
	Total	524,500	24,000	548,500

South Feather Water and Power Agency Power Sold By Month



South Feather Water and Power Agency
Cumulative Power Purchases
All Powerhouses



South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/2022</u>	<u>% of Budget</u>
REVENUE:							
41150	Sale of Electricity	19,631,871	10,640,356	17,375,993	18,350,000	9,290,116	51%
41502	Water Sales	0	0	5,600,000	0	0	0%
42306	Current Service Charges	15,512	12,131	54,207	17,500	16,588	95%
42331	Concession Income	0	0	0	0	0	0%
49250	Interest Income	665,557	427,042	53,998	60,000	0	0%
49321	State of CA, DWR	0	0	0	0	0	0%
49405	Insurance Reimbursement	601,929	80,452	67,865	75,000	80,181	107%
49521	JFOF FEMA	0	443,135	108,611	0	1,251	0%
49522	JFOF CalOES	0	114,763	58,876	0	0	0%
49929	Miscellaneous Income	9,306	0	2,700	3,000	1,000	33%
	Total Revenue	20,924,175	11,717,879	23,322,250	18,505,500	9,389,136	51%
OPERATING EXPENSES:							
JFOF Administration, 7-60							
	Salaries & Benefits	1,038,309	1,153,138	1,061,650	833,174	366,340	44%
	Supplies	4,666	2,810	3,671	6,600	1,883	29%
	Services	695,666	344,280	385,413	366,050	167,331	46%
	Utilities	33,290	37,989	39,240	35,075	26,069	74%
	Fuel, Oil, Auto	0	498	25	0	0	0%
	Training/Dues	12,466	15,180	13,012	13,150	12,399	94%
	JFOF Administration, 7-60	1,784,397	1,553,895	1,503,011	1,254,049	574,022	46%
Risk Management, 7-62							
	Salaries & Benefits	82,084	97,456	101,684	107,805	41,537	39%
	Supplies	7,082	3,608	3,622	13,400	3,821	29%
	Services	158,884	196,865	227,986	234,250	1,426	1%
	Training/Dues	1,877	3,672	1,929	6,350	0	0%
	JFOF Environ Health & Safety, 7-62	249,927	301,601	335,221	361,805	46,784	13%

South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/2022</u>	<u>% of Budget</u>
OPERATING EXPENSES (CON'T)							
Power Plant Operations, 7-63							
	Salaries & Benefits	2,288,510	2,735,948	2,407,456	2,790,755	1,136,882	41%
	Supplies	65,023	36,001	56,184	121,000	47,365	39%
	Services	174,251	215,838	187,893	277,950	60,676	22%
	Utilities	61,164	76,375	49,115	48,500	36,084	74%
	Training/Dues	9,273	315	458	15,000	5,323	35%
	JFOF Power Plant Operations, 7-63	<u>2,598,221</u>	<u>3,064,477</u>	<u>2,701,106</u>	<u>3,253,205</u>	<u>1,286,330</u>	<u>40%</u>
Water Collection, 7-64							
	Salaries & Benefits	789,462	622,346	677,827	614,254	248,670	40%
	Supplies	67,232	42,009	47,502	86,200	22,990	27%
	Services	546,330	686,098	470,214	508,350	296,838	58%
	Utilities	3,648	10,183	7,995	5,000	0	0%
	Fuel, Oil, Auto	0	63	0	0	296	0%
	Training/Dues	1,099	73	0	0	0	0%
	JFOF Water Collection, 7-64	<u>1,407,771</u>	<u>1,360,772</u>	<u>1,203,538</u>	<u>1,213,804</u>	<u>568,794</u>	<u>47%</u>
Campgrounds, 7-65							
	Salaries & Benefits	44,581	52,532	5,245	55,531	21,221	38%
	Supplies	1,948	978	0	1,650	1,121	68%
	Services	8,926	7,277	2,567	52,200	7,812	15%
	Utilities	7,939	7,633	2,300	5,000	0	0%
	Fuel, Oil, Auto	23	0	0	0	0	0%
	Training/Dues	0	0	0	0	0	0%
	JFOF Campgrounds, 7-65	<u>63,417</u>	<u>68,420</u>	<u>10,112</u>	<u>114,381</u>	<u>30,154</u>	<u>26%</u>
JFOF Plant & Shop, 7-66							
	Salaries & Benefits	441,888	451,378	660,763	583,179	211,099	36%
	Supplies	23,420	17,291	15,535	31,750	27,702	87%
	Services	5,085	13,308	25,410	23,500	18,000	77%
	Utilities	69,706	71,752	85,188	76,600	38,581	50%
	Fuel, Oil, Auto	91,874	56,431	116,402	85,750	50,097	58%
	Training/Dues	0	0	0	4,000	3,990	0%
	JFOF Plant & Shop, 7-66	<u>631,973</u>	<u>610,160</u>	<u>903,298</u>	<u>804,779</u>	<u>349,469</u>	<u>43%</u>

South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/2022</u>	<u>% of Budget</u>
OPERATING EXPENSES (CON'T)							
Regulatory Compliance, 7-67							
	Salaries & Benefits	87,754	181,105	174,417	241,335	83,308	35%
	Supplies	17	3,058	3,061	3,950	391	10%
	Services	277,400	117,517	128,235	592,800	101,715	17%
	Utilities	0	0	0	0	386	0%
	Training/Dues	1,160	199	99	3,000	1,010	34%
	JFOF Regulatory Compliance, 7-67	366,331	301,879	305,812	841,085	186,810	22%
Communications & IT, 7-68							
	Salaries & Benefits	145,403	137,936	375,691	274,452	92,503	34%
	Supplies	16,388	10,400	35,838	81,540	16,590	20%
	Services	38,776	44,465	31,656	163,900	33,561	20%
	Utilities	1,707	1,936	3,455	30,000	4,105	14%
	Training/Dues	912	1,729	2,292	8,100	665	8%
	JFOF Communications & IT, 7-68	203,186	196,466	448,932	557,992	147,424	26%
	TOTAL OPERATING EXPENSES	7,305,223	7,457,670	7,411,030	8,401,100	3,189,787	38%
	SUB-TOTAL, REVENUES OVER OPER EXP	13,618,952	4,260,209	15,911,220	10,104,400	6,199,349	
Other Non-Operating Expenses:							
	North Yuba Water District	(709,000)	(709,000)	(709,000)	(709,000)	(177,250)	25%
	2019 Install Purch Agmt Principal	(773,548)	(1,476,613)	(5,875,907)	0	0	0%
	Interest Expense	(399,896)	(308,393)	(236,578)	(99,804)	(99,804)	100%
	Pension Expense	(434,687)	0	0	(1,617,500)	0	0%
	Capital Outlay						
2010-0828	LCD Crest Modification			51,245	50,000	0	0%
2018-0944	JFOF PP-KPH TSV 2019			2,130	10,000	0	0%
2019-0960	KPH Septic System Repair / Replacement			0	10,000	0	0%
2020-0970	CO-CAISO meter installation			51,281	7,500	3,643	49%
2021-0971	CO-SCADA upgrade			167,109	7,500	(261)	-3%
2021-0972	FPH New Sump Oil Skimmer (Abanaki model SM8C02-F)			7,316		0	0%
2021-0973	Vehicle replacement-F350 utility worker truck w/utility bed, T-117			53,728		0	0%

South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/2022</u>	<u>% of Budget</u>
Capital Outlay (con't)							
2021-0974	WC-South Fork Div Dam Safety Buoys and Log Booms			8,949		0	0%
2021-0975	CO-SCADA master install			30,249	10,000	0	0%
2021-0976	PP-FPH Guide Bearing Oil Coolers			65,986		0	0%
2021-0977	JS-Truck Replacement for Comm Tech, replace T-101, 2004 Ford Expedition			38,855		0	0%
2021-0978	WC-STA 8 Bridge Deck Replacement			8,538		0	0%
2021-0979	CO-Backup generator, pad and appurtenances			31,256		0	0%
2021-0980	PP-Forbestown Div Dam SF-17 Access. Repl Stairs, Bridge, Trail			8,336		0	0%
2021-0981	CO-Generator Building at Sunset Hill Main Comm Site			12,302		0	0%
2021-0982	JS-Concrete aprons and approach, welding shop and hazmat			7,184	10,000	1,859	19%
2021-0983	JS-Truck Replacement for Roving Operator, replace 2005 Chevy			0	0	0	0%
2022-0984	WC-1 ton diesel truck, standard cab, single rear wheel			0	70,000	80,892	0%
2022-0985	Boom Truck with basket				200,000	227,523	0%
2022-0986	SCADA Historian server				18,000	12,935	0%
2022-0987	DAC 2 Rack Server for Scada System				50,000	0	0%
2022-0988	Shop Press				7,500	7,240	0%
2022-0989	Welding Shop Cabinets				35,000	35,003	0%
2022-0990	Dump truck- 2014 Peterbilt				150,000	134,368	0%
2022-0991	FPH TSV Seal Kit				55,000	0	0%
2022-0992	Storage System (SAN) replacement				30,000	0	0%
2022-0993	(3) Data Loggers: Black Rock and Kenzie Ravine. HS22+ with GOES Transmitter				27,000	0	0%
2022-0994	Security Cameras for Front Gates and Transformers, WPH, FPH, KPH				22,500	0	0%
2022-0995	Mini Excavator				85,000	0	0%
2022-0996	Bobcat Skid Steer with Power Broom Attachment				50,000	0	0%
2022-0997	Pewag Loader and Grader Snow Chains (3 Sets)				22,000	0	0%
2021-63p / Capital	PP-HART Communicator				7,500	0	0%
2022-63a / Capital	FPH Cooling Water Strainer System, engineering and design proposed				25,000	0	0%
2022-63b / Capital	FPH Repaint Generator Housing, Circuit Breaker, and Transformer				150,000	0	0%
2022-63c / Capital	WPH Repaint Generator Housing and TWD System				130,000	0	0%
2022-63f / Capital	FPH Tailrace Underwater Concrete Repair				50,000	0	0%
2022-63g / Capital	FPH Penstock Recoat 60 Feet				45,000	0	0%
2022-63j / Capital	FPH Oil Level Device Upgrade				18,000	0	0%
2022-63k / Capital	WPH Oil Level Device Upgrade				18,000	0	0%

South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/2022</u>	<u>% of Budget</u>
Capital Outlay (con't)							
2022-63l / Capital	KPH Sump Pump and motor				14,000	0	0%
2022-63r / Capital	FPH Gen and Exciter House Ozone Scrubber				7,500	0	0%
2022-63s / Capital	HART Field Instrument Communicator				7,100	0	0%
2022-64b / Capital	SPH PSV & penstock recoating, engineering only				12,000	0	0%
2022-64c / Capital	MRC repair, panel 210, 50'				160,000	0	0%
2022-64d / Capital	MRC Bin Wall Materials				100,000	0	0%
2022-64e / Capital	LGV Res Penstock Drain Valve Replacement				60,000	0	0%
2022-64g / Capital	LGV Res Fish Flow Valve Replacement				20,000	0	0%
2022-64j / Capital	Replace SF10 Walkway, SCDD				15,000	0	0%
2022-64k / Capital	Bangor Canal at SF 25 Shotcrete				10,000	0	0%
2022-64m / Capital	RTU Water Logger HS522+ GOES Xmitter Forbestown Ditch				7,500	0	
2022-66f / Capital	F150 Extra Cab with camper shell- replace T97- elect tech truck				55,000	0	0%
2022-66g / Capital	PDHQ 41KW Propane Generator with 200 amp XFER Switch				50,000	0	0%
2022-66j / Capital	F150 Crew Cab- carpool vehicle				45,000	0	0%
2022-66l / Capital	Truck Replace for Roving Operator, replace 2007 Chevy, T-112 - Broken Frame				45,000	0	0%
2022-66o / Capital	Welding Shop 3-Ph Propane Generator				35,000	0	0%
2022-67b / Capital	Sly Spillway Rockfall Mitigation (Ext)				120,000	0	0%
2022-67g / Capital	Excavate sedimentation at SCDD weir				15,000	0	0%
2022-68c / Capital	CAISO meter installations, 4 powerhouses - Outside Services				35,000	0	0%
2022-68e / Capital	WPH PSV Valve Trip System				30,000	0	0%
2022-68j / Capital	(1) GE MX RTU Processor - Spare				6,000	0	0%
2021-68it1 / Capital	Replacement Server				13,000	0	0%
2021-68it5 / Capital	Phone System Upgrade				14,000	0	0%
	Total Capital Outlay	(3,573,487)	(2,157,078)	(544,464)	(2,246,600)	(503,202)	22%

South Feather Water and Power Agency
 Joint Facilities Operating Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/2022</u>	<u>% of Budget</u>
Transfers In:							
	Power Division Legacy Fund	1,096,094	0	0	0	0	0%
	Retiree Benefit Trust	0	1,617,546	0	0	0	0%
Transfers Out:							
	General Fund-Minimum Payment	(709,000)	(709,000)	(709,000)	(709,000)	(177,250)	25%
	General Fund-Overhead	(621,688)	(480,058)	(613,367)	(500,000)	0	0%
	Retiree Benefit Trust	(201,179)	0	0	0	0	0%
Net Non-operating, Capital Outlay and Transfers		(7,422,485)	(4,222,596)	(8,688,316)	(5,881,904)	(957,506)	
NET REVENUE OVER EXPENSES		6,196,467	37,613	7,222,904	4,222,496	5,241,843	
Beginning Balance		23,690,654	29,578,211	29,615,824	36,838,728	36,838,728	
	NYWD-Additional Payment	0	0	0	(2,000,000)	0	
	General Fund-Additional Payment	0	0	0	(2,000,000)	0	
	Reserve for PG&E Standby	0	0	0	0	0	
	Loan Payable to PG&E	(308,910)	0	0	0	0	
Ending Balance		29,578,211	29,615,824	36,838,728	37,061,224	42,080,571	

NOTES: (1) Per NYWD agreement, 15% working capital reserve of \$1,416,570, and \$18,783,662 contingency reserve is required, total of \$20,200,232.
 (2) Ending 12/31/20 balance includes designated reserves of \$1,617,546 for retiree benefits.

South Feather Water and Power Agency
 General Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/22</u>	<u>% of BUDGET</u>
REVENUE:							
Water Sales Rev							
41100	Domestic Water	2,138,729	2,674,305	2,607,133	2,500,000	1,031,753	41%
41400	Irrigation Water	218,507	263,727	282,060	300,000	111,069	37%
41420	Water Sales, NYWD to Yuba City	190,388	195,300	199,215	200,000	0	0%
	Sub-Total Water Sales Rev	2,547,624	3,133,332	3,088,408	3,000,000	1,142,822	38%
Power Revenue							
41305	Sly Cr Pwr Generation	2,128,918	1,297,452	1,816,122	1,850,000	1,014,896	55%
41306	Surplus Wtr	87,360	25,164	156,026	50,000	0	0%
	Sub-Total Power Rev	2,216,278	1,322,616	1,972,148	1,900,000	1,014,896	53%
Water Serv Chgs							
42301	Sundry Billing (Job Orders)	173,718	57,108	265,038	75,000	61,727	82%
42321	Annexation Fees	0	0	26,239	0	0	
42341	System Capacity Charges	NA	69,801	61,082	50,000	69,792	140%
	Other Water Serv Charges	132,685	29,249	54,799	50,000	17,829	36%
	Sub-Total Water Serv Chgs	306,403	156,158	407,158	175,000	149,348	85%
Non-Oper Revenue							
49250	Interest Earnings	85,264	108,903	1,070	1,000	63,056	6306%
49311	Property Taxes	663,748	681,269	718,188	710,000	305,832	43%
49405	ACWA/JPIA RPA	82,631	103,294	40,381	50,000	45,377	91%
49625	Back Flow Installation	14,021	9,400	5,385	10,000	1,370	14%
49630	Back Flow Inspection	123,738	127,236	130,550	140,000	67,507	48%
	Other Non-Oper Rev	4,413	31,455	2,672	2,500	66	3%
	Sub-Total Non-Oper Rev	973,815	1,061,557	898,246	913,500	483,208	53%
	TOTAL GENERAL FUND REVENUE	6,044,120	5,673,663	6,365,960	5,988,500	2,790,274	47%

South Feather Water and Power Agency
 General Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/22</u>	<u>% of BUDGET</u>
OPERATING EXPENSES:							
General Administration, 1-50							
	Salaries & Benefits	875,726	785,777	1,439,950	807,061	325,723	40%
	Supplies	13,901	5,032	10,424	7,150	4,952	69%
	Services	207,699	121,268	129,570	128,200	33,969	26%
	Utilities	51,896	52,010	58,245	60,000	29,745	50%
	Fuel, Oil, Auto	0	0	0	0	0	0%
	Training/Dues	33,452	13,616	19,927	25,000	13,319	53%
General Admin, 1-50		1,182,674	977,703	1,658,116	1,027,411	407,708	40%
Water Source, 1-51							
	Source of Supply	17,468	16,117	14,888	15,000	16,536	110%
Water Source, 1-51		17,468	16,117	14,888	15,000	16,536	110%
Risk Management, 1-52							
	Salaries & Benefits	80,906	110,291	90,111	108,525	42,181	39%
	Supplies	1,990	9,895	3,220	8,700	2,652	30%
	Services	129,749	118,598	137,138	140,250	5,955	4%
	Utilities	917	910	571	900	268	30%
	Training/Dues	179	169	372	700	80	11%
Environmental Health & Safety, 1-52		213,741	239,863	231,412	259,075	51,136	20%
Water Treatment, 1-53							
	Salaries & Benefits	1,288,690	1,427,710	1,324,450	1,808,313	655,669	36%
	Supplies	122,955	127,485	113,066	152,200	71,569	47%
	Services	49,336	59,723	32,191	81,500	39,177	48%
	Utilities	197,201	305,168	309,928	245,000	199,454	81%
	Fuel, Oil, Auto	0	2,510	0	5,500	0	0%
	Training/Dues	4,667	833	75	2,750	0	0%
Water Treatment, 1-53		1,662,849	1,923,429	1,779,710	2,295,263	965,869	42%
Transmission & Distribution, 1-54							
	Salaries & Benefits	2,110,922	2,387,626	1,952,583	2,575,561	905,148	35%
	Supplies	100,639	71,974	71,859	220,000	55,426	25%
	Services	21,040	26,518	25,291	50,000	1,726	3%
	Utilities	40,897	40,021	48,714	53,000	16,050	30%
	Fuel, Oil, Auto	2,338	0	4,402	14,500	0	0%
	Training/Dues	1,633	1,995	3,997	9,500	1,435	15%
Transmission & Distribution, 1-54		2,277,469	2,528,134	2,106,846	2,922,561	979,785	34%

South Feather Water and Power Agency
 General Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/22</u>	<u>% of BUDGET</u>
OPERATING EXPENSES (Con't)							
Customer Accounts, 1-55							
	Salaries & Benefits	686,714	806,810	758,608	1,251,631	418,385	33%
	Supplies	149,172	112,376	106,891	164,000	77,854	47%
	Services	32,608	59,573	81,195	40,000	33,909	85%
	Utilities	0	0	964	1,000	777	100%
	Training/Dues	1,215	11,776	12,903	5,000	735	15%
	Customer Accounts, 1-55	869,709	990,535	960,561	1,461,631	531,660	36%
General Plant & Shop, 1-56							
	Salaries & Benefits	451,630	527,789	388,464	550,571	210,509	38%
	Supplies	26,962	16,376	11,380	24,200	17,702	73%
	Services	34,405	13,755	2,587	16,600	273	2%
	Utilities	33,029	26,908	28,357	30,000	11,879	40%
	Fuel, Oil, Auto	136,685	113,709	121,999	130,000	91,197	70%
	General Plant & Shop, 1-56	682,711	698,537	552,787	751,371	331,560	44%
Sundry & Expense Credits, 1-57							
	Salaries & Benefits	26,405	27,334	29,256	25,000	17,883	72%
	Supplies	40,858	22,290	33,167	20,000	21,871	109%
	Services	0	235	42,430	1,000	2,181	0%
	Sundry, 1-57	67,263	49,859	104,853	46,000	41,935	91%
Information Technology, 1-58							
	Salaries & Benefits	336,202	419,238	317,458	371,353	95,016	26%
	Supplies	21,425	13,622	7,630	54,100	7,415	14%
	Services	58,638	62,351	47,253	115,000	47,962	42%
	Utilities	2,125	3,045	2,479	3,000	1,075	36%
	Training/Dues	2,585	1,701	6,228	8,700	0	0%
	Information Systems, 1-58	420,975	499,957	381,048	552,153	151,468	27%
Sly Creek Power Plant, 1-61							
	Salaries & Benefits	365,474	363,028	323,779	351,667	150,111	43%
	Supplies	20,724	12,846	9,402	26,800	5,364	20%
	Services	91,196	39,758	36,821	52,210	5,617	11%
	Utilities	20,884	22,677	23,802	16,900	10,533	62%
	Auto Expense	106	0	39	0	0	0%
	Sly Creek Power Plant, 1-61	498,384	438,309	393,843	447,577	171,625	38%
	TOTAL OPERATING EXPENSES	7,893,243	8,362,443	8,184,064	9,778,042	3,649,282	37%

South Feather Water and Power Agency
 General Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/22</u>	<u>% of BUDGET</u>
SUB-TOTAL, REVENUES OVER OPER EXP		(1,849,123)	(2,688,780)	(1,818,104)	(3,789,542)	(859,008)	23%
Other Non-Operating Expenses							
	Supplies & Services	1,100	3,600	3,400	3,250	0	0%
	Interest	844,634	826,793	808,521	793,950	404,112	51%
	Principal	580,000	600,000	615,000	635,000	635,000	100%
	Pension Expense	349,513	0	0	1,977,000	0	0%
CAPITAL OUTLAY:							
2019-0192	TD-Distribution System Remote Monitoring			9,551	10,000	5,438	54%
2020-0198	Community Line, Foothill Blvd./Oro Bangor Hwy to Grange			68,058			
2020-0200	Oro-Bangor Hwy/BTP to Avacado			48,097	15,000	394	3%
2020-0970	SPH-CAISO meter installation			26,094	2,500	1,214	49%
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	0	4,557	100%
2021-0208	Replace 1998 Bobcat mini excavator, E-123			0	70,000	0	0%
2021-0209	IT-Fiber optic and switches replacement			0	18,500	0	0%
2021-0210	Replace 2009 Ford F-350, T-82			0	60,000	0	0%
2021-0971	SPH-SCADA upgrade			55,638	2,500	0	0%
2022-0212	Vacuum, portable, towable				35,000	29,706	85%
2022-0213	Shotcrete Pinecrest (pipe)				60,000	22,304	37%
2022-0214	Streaming Current Analyzer with Organics module				20,000	21,742	109%
2022-0215	Ditchtender vehicle, 2021 Ford Ranger, T-318				45,000	42,785	95%
2022-0216	SPH station air compressor				12,500	10,290	82%
2022-0217	Meter Service Technician vehicle, 2022 Ford F250				75,000	69,682	93%
2022-0218	Storage System (SAN) replacement				30,000	0	0%
2022-0219	Palermo clean water 2022				0	0	0%
2022-0220	MRTP security cameras upgrade				15,000	2,589	17%
2022-0221	SPH security cameras for front gate and transformer				7,500	0	0%
2022-0222	Trailer for Bobcat (see 2021-0208)				30,000	0	0%
2022-53b / Capital	MRTP metal storage building				40,000	0	0%
2022-53c / Capital	Portable, towable generator for BTP/Shop				25,000	0	0%
2022-53f / Capital	Replacement truck for T177				35,000	0	0%
2022-53k / Capital	Solar field inverter replacement				115,000	0	0%
2022-53l / Capital	Filter NTU meters replacement, 4				20,000	0	0%

South Feather Water and Power Agency
 General Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019 ACTUAL</u>	<u>2020 ACTUAL</u>	<u>2021 ESTIMATED</u>	<u>2022 BUDGET</u>	<u>2022 ACTUAL Thru 6/30/22</u>	<u>% of BUDGET</u>
CAPITAL OUTLAY (Con't)							
2022-54k / Capital	Miller Hill Gauging Station				12,000	0	0%
2022-54l / Capital	Oro Pond Service Lines and Meters replacement				22,000	0	0%
2022-54o / Capital	Coventry Interloop				50,000	0	0%
2022-54p / Capital	South Villa Raw Water Pipe Replacement				75,000	0	0%
2022-54q / Capital	Oakvale Palermo Canal 900' Shotcrete				37,000	0	0%
2022-54r / Capital	Oro Bangor - Malengo Domestic Pipe Replacement 600'				36,000	0	0%
2022-54s / Capital	Culvert Replacement Ridgeway				20,000	0	0%
2022-54t / Capital	North Ditch Lincoln to Messina irrigation - Engineering Study for design				18,000	0	0%
2022-54u / Capital	Meter tester, 2				9,600	0	0%
2022-56c / Capital	Bulk filling water station				35,000	0	0%
2022-56d / Capital	Replace 1990 Ford F700 diesel/flatbed dump, T-132				100,000	0	0%
2022-56e / Capital	Replace 2012 Ford F150 4x4, T-304				45,000	0	0%
2022-56f / Capital	Replace 10 yd dump truck, 1983, T-59				0	0	0%
2022-56g / Capital	Wood chipper				20,000		
2022-58g / Capital	Phone System Upgrade				18,500	0	0%
2022-58i / Capital	GPS Equipment				10,000	0	0%
2022-61c / Capital	SPH PSV Roof Replacement and Rockfall Protection				75,000	0	0%
2022-61d / Capital	SPH Bearing Cooling Water Flow Device Upgrade				20,000	0	0%
2022-61e / Capital	SPH oil flow device upgrade				20,000	0	0%
2022-61h / Capital	SPH Bitronics line-side metering xducer				8,000	0	0%
	Total Capital Outlay	239,171	307,591	426,839	1,374,600	210,701	15%
Transfers:							
	SFPP Jt Facil Oper Fd-Minimum Payment	709,000	709,000	709,000	709,000	177,250	25%
	SFPP Jt Facil Oper Fd-Additional Payment	0	0	0	5,374,000	0	0%
	SFPP Jt Facil Oper Fd-Overhead	621,688	480,058	613,367	675,000	0	0%
	System Capacity Fund	0	194,946	0	0	0	0%
	Retiree Benefit Trust Fund	(320,821)	1,977,001	0	0	0	0%
	Net Non-operating, Capital Outlay and Transfers	(1,004,551)	1,623,021	(531,393)	1,974,200	(1,072,563)	-54%

South Feather Water and Power Agency
 General Fund Financial Report
 July 26, 2022 Board Meeting

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>2019</u> <u>ACTUAL</u>	<u>2020</u> <u>ACTUAL</u>	<u>2021</u> <u>ESTIMATED</u>	<u>2022</u> <u>BUDGET</u>	<u>2022</u> <u>ACTUAL</u> <u>Thru 6/30/22</u>	<u>% of</u> <u>BUDGET</u>
	NET REVENUE OVER EXPENSES	(2,853,674)	(1,065,759)	(2,349,497)	(1,815,342)	(1,931,571)	
	Beginning Balance	9,558,641	6,704,967	5,639,208	3,289,712	3,289,712	
	Ending Balance	<u>6,704,967</u>	<u>5,639,208</u>	<u>3,289,712</u>	<u>1,474,369</u>	<u>1,358,140</u>	

NOTE: Ending 12/31/20 balance includes designated reserves of \$1,977,001 for retiree benefits.

South Feather Water & Power Agency
 Irrigation Water Accounting
 For The Period Of 1/1/2021 - 6/30/2022

<u>ACCT CODE</u>	<u>DESCRIPTION</u>	<u>REVENUE</u>	<u>EXPENSES</u>
2022-0504	Palermo Canal	\$ 37,766	\$ 144,081
2022-0505	Bangor Canal	\$ 55,859	\$ 133,774
2022-0506	Forbestown Canal	\$ 5,623	\$ 107,384
2022-0507	Community Line	\$ 11,821	\$ 16,500
	Totals	<hr/> \$ 111,069	<hr/> \$ 401,739

SOUTH FEATHER WATER AND POWER AGENCY
SCHEDULE OF CASH AND INVESTMENTS
30-Jun-22

General Fund Cash and Savings Account	\$ 615,057
LAIF	28,346,131
CalTrust	1,375,666
Five Star Bank	1,111,502

<u>Fixed Income portfolio</u>	<u>Rate</u>	<u>Purch Date</u>	<u>Purch Price</u>	<u>Face Value</u>	<u>Maturity</u>	<u>Mkt Value</u>	<u>Est Ann Income</u>
Cash						26,061	\$ -
Sallie Mae Bank CD	2.150%	7/24/2019	245,000	245,000	7/25/2022	245,076	5,268
Bank Hapoalim Bm Ny CD	0.250%	8/26/2020	245,000	245,000	8/26/2022	244,405	613
Wells Fargo Bank CD	1.850%	9/18/2019	245,000	245,000	9/19/2022	245,027	4,533
Safra Natl Bank CD	0.250%	12/9/2021	245,000	245,000	12/8/2022	243,067	613
Goldman Sachs CD	1.850%	12/12/2019	60,000	60,000	12/12/2022	59,948	1,110
Morgan Stanley Private Bank CD	1.850%	12/19/2019	50,000	50,000	12/19/2022	49,950	925
First Heritage Bank CD	0.250%	6/23/2020	140,000	140,000	12/19/2022	138,816	350
Marlin Business Bank CD	1.650%	1/15/2020	203,000	203,000	1/17/2023	202,432	3,350
Wells Fargo Natl Bank West CD	1.900%	1/17/2020	245,000	245,000	1/17/2023	244,647	4,655
Sandy Spring Bank CD	0.650%	2/18/2022	245,000	245,000	2/17/2023	242,462	1,593
People First Bank CD	1.350%	3/6/2020	134,000	134,000	3/6/2023	133,104	1,809
American Express Natl Bank CD	1.450%	1/31/2020	245,000	245,000	3/31/2023	243,207	3,553
JP Morgan Chase Bank CD	1.500%	4/19/2022	245,000	245,000	4/19/2023	243,006	3,675
Bank of China CD	2.100%	6/15/2022	240,000	240,000	6/15/2023	238,418	5,040
Luana Savings Bank CD	0.200%	8/14/2020	245,000	245,000	8/14/2023	237,682	490
John Marshall Bancorp CD	0.400%	12/31/2021	245,000	245,000	8/31/2023	237,858	980
Synchrony Bank CD	0.400%	9/30/2021	245,000	245,000	9/29/2023	237,104	980
Medallion Bank CD	0.250%	10/26/2020	135,000	135,000	10/27/2023	130,171	338
New York Community Bank CD	0.300%	11/9/2020	245,000	245,000	11/9/2023	236,136	735
Beal Bank CD	0.600%	12/20/2021	245,000	245,000	12/20/2023	236,253	1,470
Federal Home Loan Bond	0.190%	12/29/2020	249,777	250,000	12/22/2023	239,783	475
US Treasury Note	0.881%	1/18/2022	258,479	262,000	3/15/2024	250,354	2,308
Bankunited Bank CD	0.350%	3/15/2021	245,000	245,008	3/19/2024	233,424	858
Ally Bank CD	1.700%	3/25/2022	245,000	245,000	3/25/2024	238,880	4,165
Comenity Capital Bank CD	2.250%	4/14/2022	245,000	245,000	4/15/2024	240,911	5,513
Web Bank CD	0.400%	5/11/2021	245,000	245,000	5/17/2024	232,316	980
UBS Bank CD	0.350%	6/23/2021	245,000	245,000	6/24/2024	231,175	858
Texas Exchange Bank CD	0.500%	7/9/2021	105,000	105,000	7/9/2024	99,244	525
Toyota Finl Svgs Bank CD	0.550%	8/5/2021	245,000	245,000	8/5/2024	231,390	1,348
BMW Bank CD	1.700%	3/4/2022	245,000	245,000	9/4/2024	236,712	4,165
State Bank of Dallas CD	0.700%	12/31/2021	245,000	245,000	10/1/2024	231,042	1,715
Institution for Svg in Newburyport CD	0.700%	10/28/2021	245,000	245,000	10/28/2024	230,565	1,715
Merrick Bank CD	0.800%	11/19/2021	245,000	245,000	11/19/2024	230,753	1,960
Live Oak Banking CD	0.850%	12/29/2021	245,000	245,000	12/30/2024	230,332	2,083
Federal Home Loan Bond	1.250%	1/28/2022	250,000	250,000	1/28/2025	238,238	3,125

SOUTH FEATHER WATER AND POWER AGENCY
 SCHEDULE OF CASH AND INVESTMENTS
 30-Jun-22

General Fund Cash and Savings Account	\$ 615,057
LAIF	28,346,131
CalTrust	1,375,666
Five Star Bank	1,111,502

<u>Fixed Income portfolio</u>	<u>Rate</u>	<u>Purch Date</u>	<u>Purch Price</u>	<u>Face Value</u>	<u>Maturity</u>	<u>Mkt Value</u>	<u>Est Ann Income</u>
Federal Home Loan Bond	1.550%	2/18/2022	249,781	250,000	2/18/2025	239,707	3,875
Capital One Natl Assn CD	3.100%	6/16/2022	246,000	246,000	6/16/2025	243,956	7,626
Capital One Bank USA CD	0.900%	11/17/2021	245,000	245,000	11/17/2025	225,701	2,205
Federal Home Loan Bond	0.680%	12/15/2021	243,905	250,000	2/24/2026	228,292	1,700
State Bank of India CD	1.000%	6/10/2021	245,000	245,000	6/10/2026	223,857	2,450
Total Fixed Income Portfolio						8,671,462	\$ 91,723
							1.06%
TOTAL CASH & INVESTMENTS AT 6/30/22						\$ 40,119,818	

Unrealized Gains and Losses 01-00-49250-2 (337,121)

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: Steve Wong, Finance Division Manager 5/11/22

Investment Transactions

June, 2022

\$240,000 CD purchased 6/12/22 from Bank of China, maturing 6/15/23 with funds from Eclipse Bank CD matured 5/30/2022.

\$245,000 CD purchased 6/16/22 from Capital One Natl Assn, maturing 6/16/25 with funds from Flagstar Bank CD matured 6/13/2022.



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors
FROM: Dan Leon, Power Division Manager
DATE: July 19, 2022
RE: General Information (regarding matters not scheduled on agenda)
July 26, 2022 Board of Directors Meeting

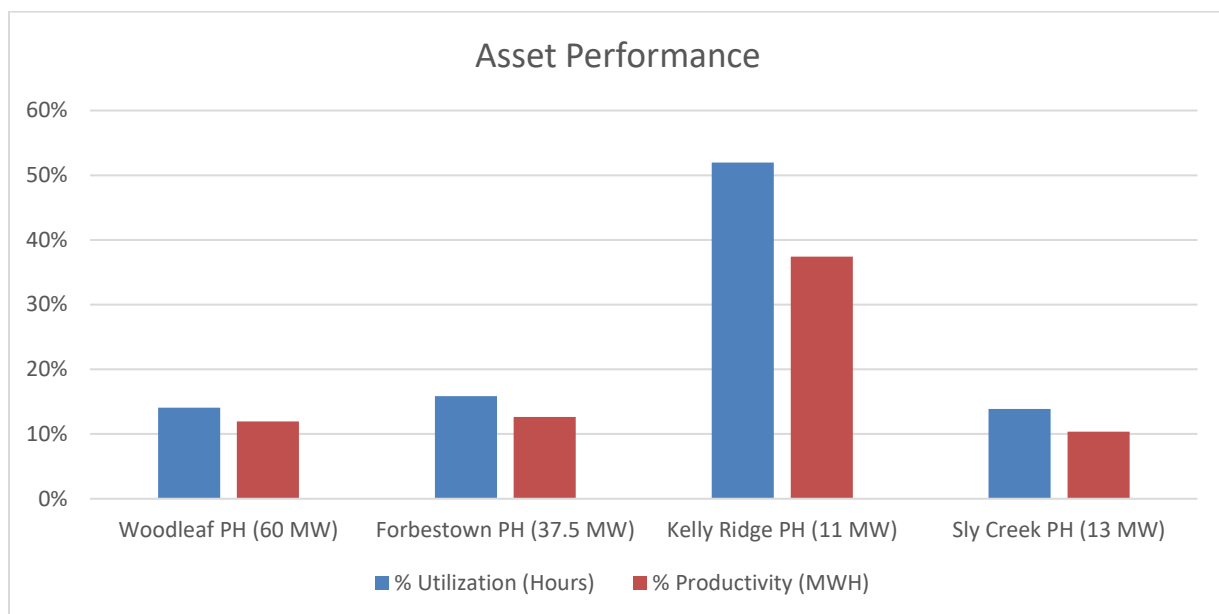
OPERATIONS

Power Division Summary, Reservoir Storage, and Precipitation Reports for June 2022 are attached.

South Fork tunnel average flow was 37 CFS. Slate Creek tunnel was open for 7 days. At month's end, Little Grass Valley and Sly Creek Reservoirs combined storage was 135 kAF.

DWR Bulletin 120 observed conditions and reports will resume in the 2023 water season.

Asset performance and availability for June 2022 summarized in the following 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	718	90	628
Forbestown	37.5	720	95	625
Kelly Ridge	11.0	720	253	467
Sly Creek	13.0	720	90	630

MAINTENANCE

Powerhouses

- Woodleaf Powerhouse. Status: In service, normal dispatch schedule.
 - Clean and service plant ventilation heat exchanger
 - Diagnose cooling water system
- Forbestown Powerhouse. Status: In service, normal dispatch schedule.
- Sly Creek Powerhouse. Status: In service, normal dispatch schedule.
 - Annual maintenance outage scheduled for October 3 thru 14
 - Repair bathroom plumbing leak
- Kelly Ridge Powerhouse. Status: In service, normal dispatch schedule.
 - Annual maintenance outage scheduled for November 1 thru 12

Project Facilities and Assets

- LGV Res – Inspect boat docks and patrol area
- SFDD – Upgrade gate controls, remove debris from dam u/s
- Lost Creek Dam – Clear debris from roadway to d/s station, remove logs from SPH afterbay
- Sly Creek Dam – Annually inspect and maintain spillway drains, clear brush, repair log booms
- MRC – Clean trash racks, apply herbicide, fabricate + install personnel crossing at Station 5
- MRR – Apply herbicide on dam face and spillway
- Station 8 – Reseal bridge decking
- Stations 2 + 8 – Clean trash racks
- Remote Stations – Inspect sites, test standby generators, service thermo generators
- Sunset Comm Site – Inspect electrical power system
- Fleet Vehicle and Mech Equip – Perform service and maintenance
- Power Div office – finish remodel

REGULATORY COMPLIANCE

FERC Part 12 Safety Inspection

Staff continue to work with the Independent Consulting team conducting the Part 12D Safety Inspection services. During the week of July 18-22, staff participated in the Potential Failure Modes Analysis Workshop with the IC team, FERC and DSOD engineers. The group did an extensive review of the existing Potential Failure Modes (PFMs) for Little Grass, Sly Creek, Lost, Ponderosa and Miners Ranch dams. Drawing upon historic construction data, performance to date, and the June 2022 field inspections of existing conditions, additional PFMs were developed to enhance monitoring and instrumentation. Next steps in the Part 12D process will include updates to the Supplemental Technical Information Documents for each dam, as well as generation of the Dam Safety Surveillance Monitoring Report for 2022. All components of the inspections, analysis and report updating will culminate in the completion of the final Part 12D inspection report due the FERC on December 1, 2022.

PERSONNEL

Recruitment – Electrical Machinist, Journey Level

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

Recruitment – Civil Engineer

The Agency is recruiting for a Civil Engineer, to perform engineering for the upgrade, repair and maintenance of Agency water and power facilities and assets.

Recruitment – Project Engineer

The Agency is recruiting for a Project Engineer, to perform project management for the upgrade, repair and maintenance of Agency water and power facilities and assets.

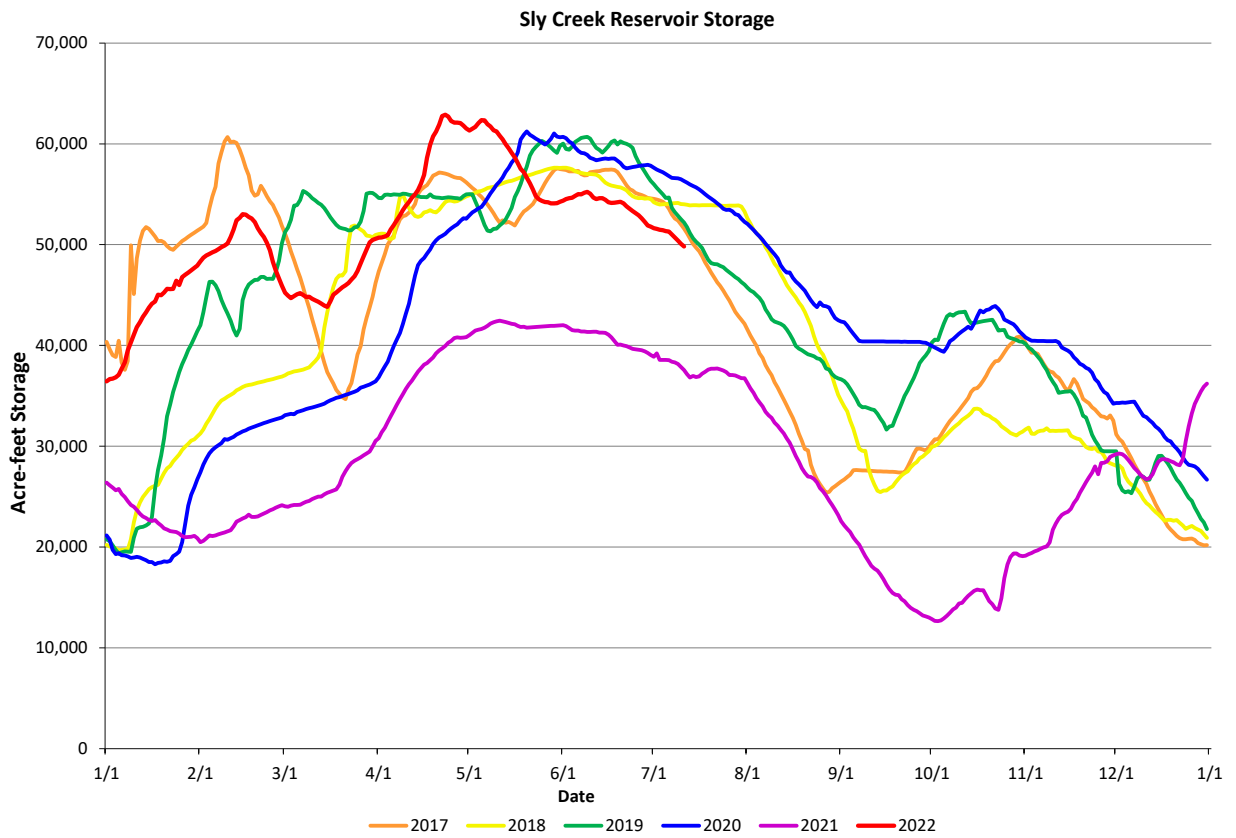
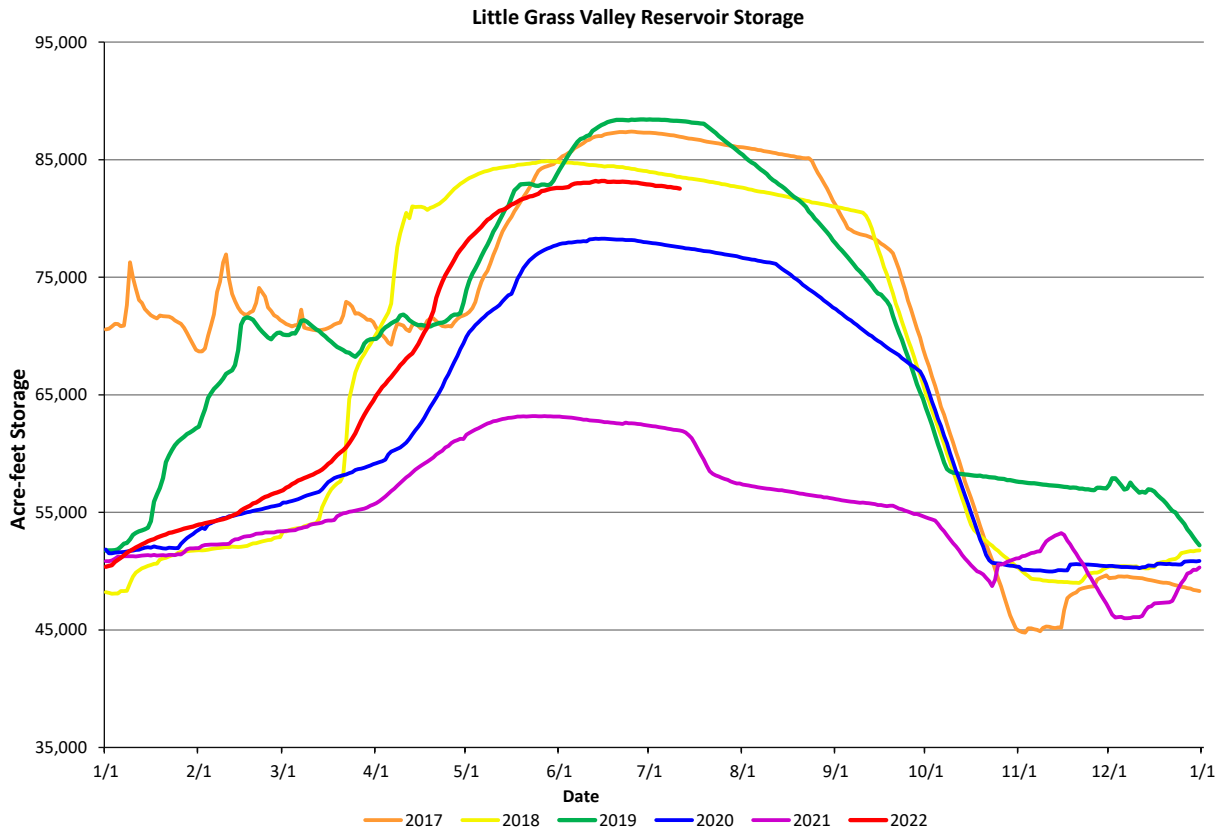
**SOUTH FEATHER WATER AND POWER
SOUTH FEATHER POWER PROJECT
2022
Reservoir and Stream Operations**

	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	5,021.62	Feet	3,503.78	Feet	6.49	8.73	6.26	27.50
February	5,024.00	Feet	3,500.10	Feet	6.36	8.88	6.05	58.00
March	5,029.98	Feet	3,508.61	Feet	7.94	130.00	6.23	56.40
April	5,039.24	Feet	3,526.74	Feet	11.70	8.54	9.47	98.20
May	5,042.45	Feet	3,514.98	Feet	14.20	11.00	8.77	16.00
June	5,042.65	Feet	3,510.75	Feet	14.00	11.00	8.56	40.40
July		Feet		Feet	0.00	0.00	0.00	0.00
August		Feet		Feet	0.00	0.00	0.00	0.00
September		Feet		Feet	0.00	0.00	0.00	0.00
October		Feet		Feet	0.00	0.00	0.00	0.00
November		Feet		Feet	0.00	0.00	0.00	0.00
December		Feet		Feet	0.00	0.00	0.00	0.00

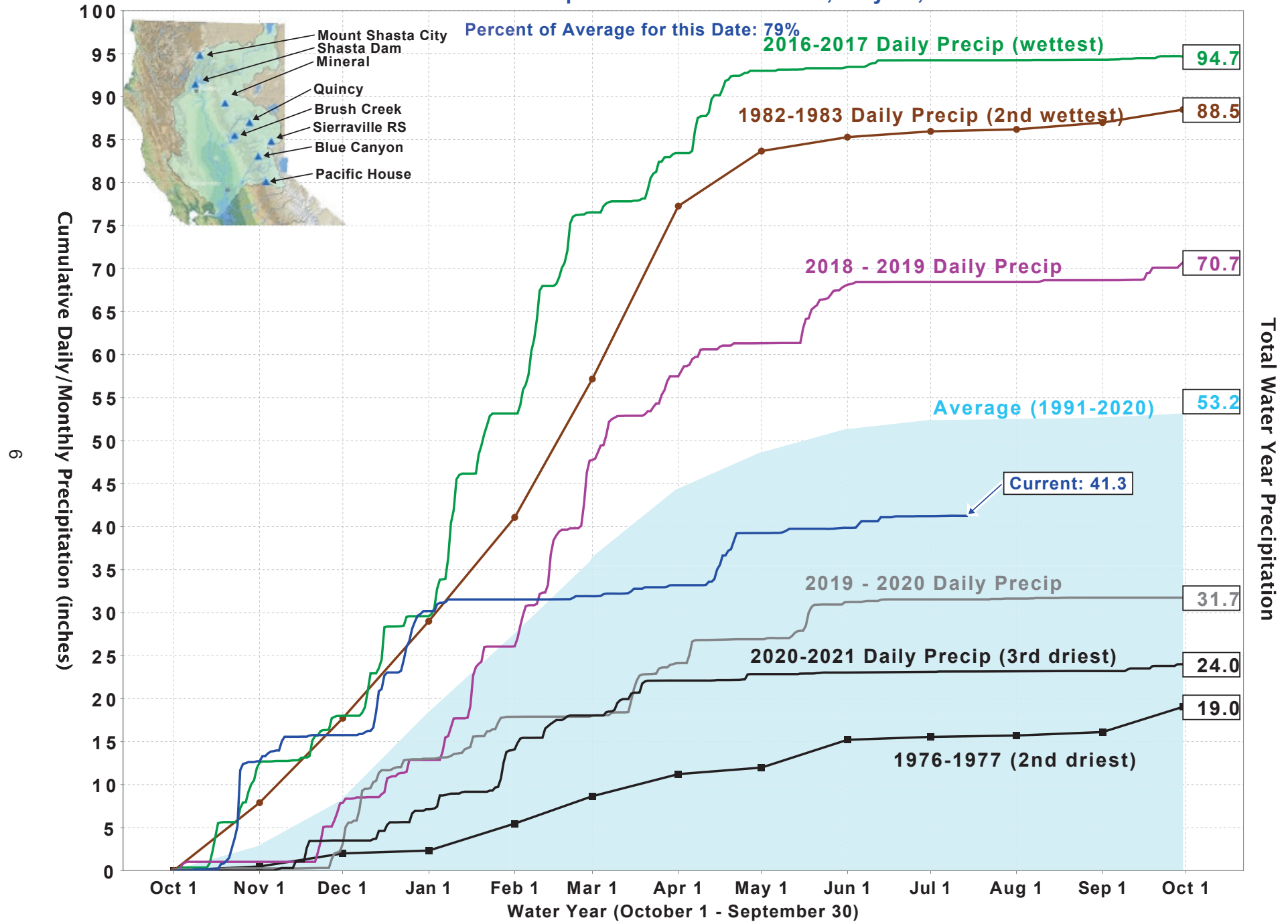
4

Powerhouse Operations

	Sly Creek	Woodleaf	Forbestown	Kelly Ridge	Energy Revenue
January	910.68 MWH	9,297.13 MWH	7,999.08 MWH	7,278.25 MWH	\$1,641,696.41
February	2,910.21 MWH	18,852.06 MWH	11,815.69 MWH	4,440.01 MWH	\$1,692,562.10
March	1,728.43 MWH	14,205.95 MWH	3,751.40 MWH	6,486.46 MWH	\$1,430,669.02
April	2,740.50 MWH	17,263.57 MWH	11,188.58 MWH	802.41 MWH	\$1,862,903.13
May	3,872.83 MWH	22,907.00 MWH	13,925.16 MWH	5,838.52 MWH	\$2,357,259.91
June	970.41 MWH	5,148.21 MWH	3,419.48 MWH	2,962.69 MWH	\$1,319,935.00
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>13,133.06</u> MWH	<u>87,673.92</u> MWH	<u>52,099.39</u> MWH	<u>27,808.34</u> MWH	<u>\$10,305,025.57</u>



Northern Sierra Precipitation: 8-Station Index, July 14, 2022





SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Rath Moseley, General Manager

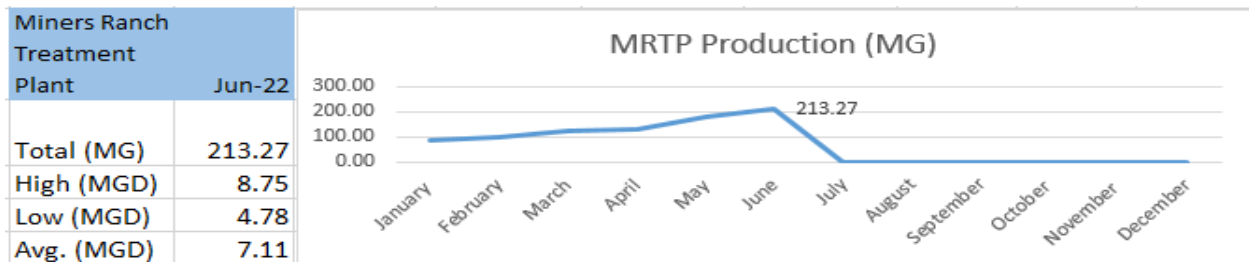
DATE: July 20, 2022

RE: General Information (regarding matters not scheduled on the agenda)
7/26/22 Board of Directors Meeting

Domestic Water Treatment Operations

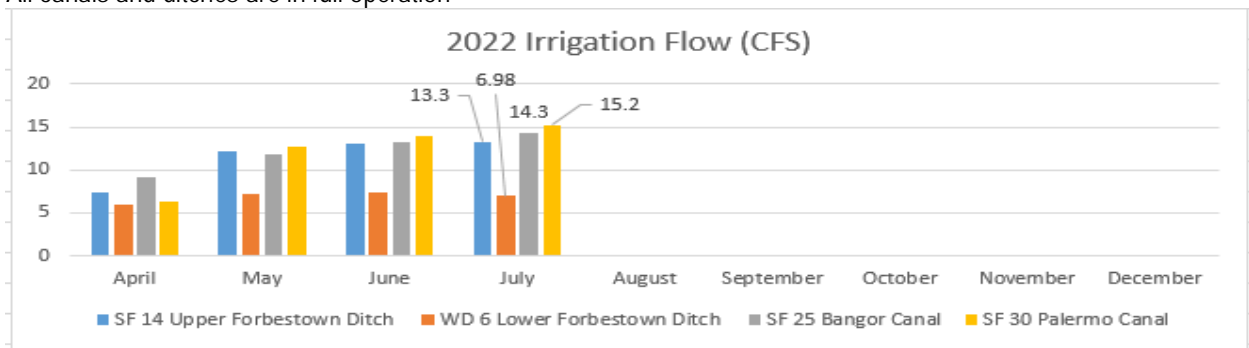
The total Miners Ranch Treatment Plant (MRTP) treated water production for the month of June totaled 213.27 million gallons.

The total Bangor Treatment Plant (BTP) treated water production for the month of June totaled 1.175 million gallons. The Red Hawk Ranch Pump Station raw water total flow for June totaled 800,852 gallons.



Irrigation Water Operations

All canals and ditches are in full operation



District Wide Water Operations

General work this month included service leak repairs primarily within the areas of aging infrastructure, flow tests and project preparation for Palermo. Meter accuracy testing is identifying a large population of meters that are in need of replacement. Funding and multi-year plan will be a discussion as 2023 budgets are prepared.

Patch paving was performed throughout the district in areas of past water line repairs.

Jul-22	Install Meter/ Backflows	Locate Valves	Weed Abatement	Replace Meter Boxes	Ditch Maintenance	Replace Service/Leak Repair	Raise Valves Pleasant Grove	Ditch Maintenance	Hydrant Flow Tests
	District Wide	District Wide	District Wide	Rosita	Pinecrest	La Mirada		Palermo Canal	Skyline
	Palermo Rd.	Brookdale	Lake Wyandotte			Canyon			Hillview Ridge
	La Mirada					Mt. Ida			
						Van Duzer Ln.			
						Via Laton			
						Pleasant Grove			
						OCS			
						Southview			
						LoneTree			

Leland, Morrissey and Knowles L.L.P.

A letter was received from Sara Knowles representing Leroy Christophersen in regards to post - employment benefits. As discussed prior in closed session, Mr. Christophersen “retired” from SFWPA but failed to do so in the CalPERS system as he started employment with the City of Chico and is in the CalPERS system with his current employer. Mr. Christophersen is attempting to leverage language in the CSEU Memorandum of Understanding to circumvent the CalPERS system. As further information becomes available, the board will be updated on status.

Bills of Interest

SB1188 (Laird) Safe Drinking Water State Revolving Fund (SRF). This bill deletes the requirement that a water system serve a severely disadvantaged community in order to be eligible for up to 100% grant funding or principal forgiveness and instead would authorize providing such benefits to all water systems broadly.

DWR Goat Grazing Project

Over the past few months Goat Grazing has been taking place around and near SF property and infrastructure. In cooperation with DWR, SF allowed access to areas around the Kelly Ridge Powerhouse. One of the benefits to South Feather at no cost was grazing around the penstock that travels to the KPH. Below is a picture of before and after to demonstrate the benefits of grazing.



Butte County General Election

SFWPA has four director seats up for general election on November 8, 2022. Critical timelines for those seeking re-election or a member of the public pursuing an opportunity to be on the ballot for a SFWPA director opportunity are as follows:

July 18 to August 12 –

- Candidate Intention Statement (Form 501)
- Candidate Filing Period
 - Candidate Statement of Qualifications
 - Statements of Economic Interest
 - Campaign Disclosure Statement

September 1

- Certified List of Candidates

November 8

- Election Day



SOUTH FEATHER WATER & POWER AGENCY

TO: Public Recipients of Agenda Information

FROM: Rath Moseley, General Manager

DATE: July 18, 2022

RE: Real Property Negotiations, and Anticipated and Existing Litigation
Closed Session Agenda Item for 7/26/22 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.