

TO LOYALTON CITY COUNCIL.

7/16/19

THERE'S A SINGLE LANE RIGHT OF WAY THAT CUTS THROUGH MY PROPERTY BETWEEN 313 & 314 MAIN ST. CONNECTING HWY 49 AND BECKWITH ST.

THIS IS NOT A DEDICATED STREET ITS A FIRE LANE.

THE SIGN, LOMBARDI LANE, WAS PUT THERE AS A TRIBUTE TO MY PARENTS BY MY COUSIN WHEN ADELLA PASSED AWAY IN JULY 2013.

PROBLEM.

THIS FIRE LANE HAS BECOME WHAT I BELIEVE TO BE THE HEAVIEST TRAFFICED STREET IN LOYALTON. ITS A SINGLE LANE CARRYING ALL THE TRAFFIC BOTH WAYS BETWEEN HWY 49 AND BECKWITH ST PLUS ALL THE FOOT TRAFFIC FROM THE ELEMENTARY SCHOOL FOR STUDENTS WHO LIVE ON THE WEST SIDE OF LOYALTON.

THERE IS NO STOP SIGNS ON EITHER END.

AN ALTERNATE ROUTE WOULD TO GO TO 4TH ST. 1 BLOCK AWAY AND LEFT OVER TO BECKWITH ST. WHERE THERE IS ONE STOP SIGN. SO USING THE FIRE LANE SAVES A DRIVER 2 BLOCKS AND ONE STOP SIGN. ? HARDLY AN INCONVIENCE.

THE FIRE LANE IS IN TERRIBLE SHAPE FROM THE SEWER PROJECT AND BROKEN PAYEMENT.

2.

THERE'S CHILDREN LIVING ON THIS FIRE LANE.

SPEEDING DRIVERS, NOISE, DUST, LITTER, THIS FIRE LANE HAS IT ALL. TO SAVE 2 BLOCKS AND 1 STOP SIGN.

IT CUTS DIRECTLY THROUGH MY PROPERTY. ITS BECOME A DANGEROUS BAD HABIT.

SUGGESTIONS.

- ✓ GO EXAMINE IT YOURSELF. PARK AND WALK IT.
- ✓ TO REPAIR IT WILL ONLY COMPOUND THE EXISTING PROBLEMS.
- ✓ CLOSE IT TO EVERYTHING EXCEPT EMERGENCY VEHICLES, ITS ORIGINAL INTENTION.
- ✓ MAKE IT ONE WAY WITH A STOP SIGN.
- ✓ MAKE IT FOR FOOT TRAFFIC ONLY.

ASKING DRIVERS TO GO AN EXTRA 2 BLOCKS WOULD GO A LONG WAY TO IMPROVING THE QUALITY OF LIFE IN THIS NEIGHBORHOOD.

THANKING YOU IN ADVANCE FOR LOOKING INTO THIS MATTER.

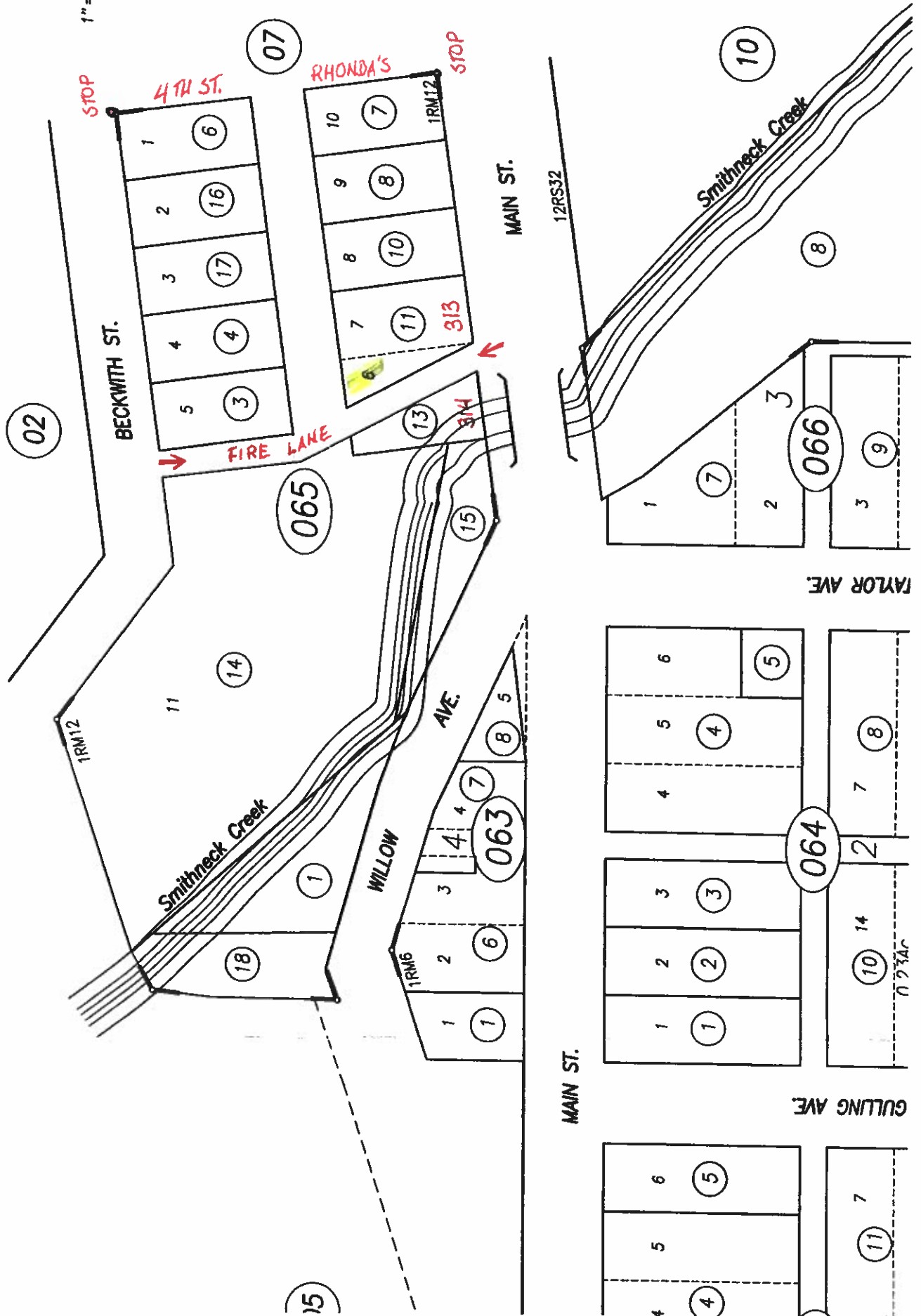
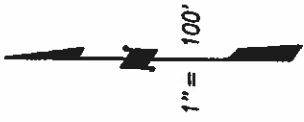
MARK LOMBARDI 313 MAIN ST.

775 750 2888 775 750 8852

CITY OF LOYALTON
 T.21N., R.15E., M.D.B.&M.

Tax Rate Area
 1-001

17-06



CITY OF LOYALTON

COUNTY OF SIERRA
210 FRONT STREET
P.O. BOX 128
LOYALTON, CALIFORNIA 96118
(530) 993-6750
FAX (530) 993-6752



OFFICE OF THE MAYOR

APPLICATION FOR A BUSINESS LICENSE

Name of Owner of Business: John Fredrick Eberhart
(First) (Middle) (Last)
 Address: PO BOX 1106 LOYALTON Telephone: 530-414-6227
 Name of Business: JEWEL TRANSPORTATION/LEASING
 Nature of Business: VAN POOL TRANSPORTATION
 State Contractors License No. _____ Resale License No. _____
 Permanent Location of Business: 215 Church Street Telephone: 530-414-6227
 Is Business a Corporation or Partnership? Yes _____ No X
 If so, please indicate the name(s), address(s), and title(s) of officer(s) or partner(s):

Annual Gross Receipts from Business \$ 36,000.00
(The City needs this information to determine the tax due per quarter. See schedule below.)

7-5-19 [Signature] Proprietor
 Date Signature Title

Sales or use tax may apply to your business activities. You may seek, written advice regarding the application of tax for your particular business by writing to the nearest State Board of Equalization office.

TAXES (Section 5.04.220 of Loyalton Municipal Code)

All businesses having gross receipts of:

- A. Less than \$10,000 annually - Fee of \$ 60.00 per year
- B. Between \$10,000 and 50,000 annually - Fee of \$100.00 per year
- C. Between \$ 50,000 and \$100,000 annually - Fee of \$140.00 per year
- D. Between \$100,000 and \$150,000 annually - Fee of \$180.00 per year
- E. More than \$150,000 annually - Fee of \$220.00 per year

Fee received _____
 Date received _____

City Clerk: _____ Date: _____

ENTERED

COPY

JUL 15 REC'D

BY: [Signature]

Kathy LeBlanc

From: Sarah Jackson [sarah.cityofloyalton@gmail.com]
Sent: Wednesday, July 10, 2019 8:41 AM
To: Kathy LeBlanc
Subject: Fwd: Street Lights

see below for Nancy

----- Forwarded message -----

From: Jennifer Guenther <Jennifer.Guenther@libertyutilities.com>
Date: Mon, Jul 8, 2019 at 4:56 PM
Subject: RE: Street Lights
To: Sarah Jackson <sarah.cityofloyalton@gmail.com>

Hello Sarah,

This email did not make it to Nancy. If you could, I would appreciate it if you forwarded her this message. I know that some of the locals were upset the lights were out and we would love to help out if they are our lights.

Thank you,

Jennifer Guenther | Liberty Utilities (West Region) | Senior Manager, Energy Efficiency and Customer Solutions
P: 530-543-5209 | C: 530-721-1861 | E: Jennifer.Guenther@libertyutilities.com

From: Jennifer Guenther
Sent: Friday, June 28, 2019 5:46 PM
To: 'bkkpr2-Cityloyalton@psln.com' <bkkpr2-Cityloyalton@psln.com>
Cc: 'Sarah Jackson' <sarah.cityofloyalton@gmail.com>
Subject: Street Lights

Hello Nancy,

Thank you for taking the time to meet me today.

You mentioned that you have six street lights out on Main Street. If those are our lights, we would be happy to come out and get those up and running again. Liberty Utilities' lights will have an "L" followed by a series of numbers

underneath the light. If you could please provide us with a picture from under the light for each one that is out, we can determine exactly which lights we need to service. If those lights do have an “L” you can go ahead and forward those pictures on to me and I will make sure they get serviced.

I will talk to my contacts here in regards to the solar project. I will do my best to get an update back to you before your meeting on July 16th.

Once again, thank you for making time for me today. Have a wonderful weekend!

Jennifer Guenther | Liberty Utilities (West Region) | Senior Manager, Energy Efficiency and Customer Solutions
P: 530-543-5209 | C: 530-721-1861 | E: Jennifer.Guenther@libertyutilities.com
933 Eloise Ave, South Lake Tahoe, CA 96150

City of Loyalton
Financial Report
As of June 30, 2019

	Jun 30, 19
ASSETS	
Current Assets	
Checking/Savings	
Enterprise Loan MM 0559	434,526.85
General Funds	
General Checking 1956- NEW	230,312.45
General Contingency Saving 0322	108,723.17
Total General Funds	339,035.62
Designated Funds	
WWTP Settlement (LAIF)	2,000,004.41
WWTP Settlement MM 4387 (New)	625,284.06
Fire Dept. Reserve 7243	182,101.77
WWTP Construction 1990	4,858.14
Community Dev Block Grant 0059	10,586.47
Total Designated Funds	2,822,834.85
Cash Drawer	450.00
Total Checking/Savings	3,596,847.32
Accounts Receivable	
Accounts Receivable	44,583.33
Total Accounts Receivable	44,583.33
Other Current Assets	
Grants Receivable	-79,061.19
CDBG Loans Receivable	14,104.53
Due From Other Funds	389,174.04
Due From Sewer Fund	-30,000.00
Accounts Receivable- Government	
Accounts Receivable (State of C	-40.82
General Accounts Receivable	-600.00
Accounts Receivable- Government - Other	-100.00
Total Accounts Receivable- Government	-740.82
Accounts Receivable- Proprietar	
Reserve for Bad Debt	-188,104.18
Accts Receivable- Late Fees Wat	10,501.20
Accts Receivable- Late Fees Sew	23,392.26
Sewer Ent. Accounts Receivable	261,504.14
Water Ent. Accounts Receivable	-
Reconnect fee	-724.10
Water Ent. Accounts Receivable - Other	137,807.17
Total Water Ent. Accounts Receivable	137,083.07
Total Accounts Receivable- Proprietar	244,376.49
Undeposited Funds	564.25
Total Other Current Assets	538,417.30
Total Current Assets	4,179,847.95
Fixed Assets	
Fixed Assets	
Construction in Progress	238,826.18
Land	352,112.00
Buildings	1,029,606.34
Improvements	11,667,426.16
Machinery and Equipment	1,348,347.69
Accumulated Depreciation	-4,619,593.00
Total Fixed Assets	10,016,725.37

City of Loyalton
Financial Report
As of June 30, 2019

	<u>Jun 30, 19</u>
Total Liabilities	5,747,544.56
Equity	
Unassigned (Fund Equity)	199,791.14
Reserved Funds	32,967.98
Invested in Fixed Assets	4,956,179.67
Unreserved Fund Balance	2,892,101.75
Net Income	367,988.22
Total Equity	<u>8,449,028.76</u>
TOTAL LIABILITIES & EQUITY	<u><u>14,196,573.32</u></u>

City of Loyaltan
Income & Expenses
 June 2019

	Jun 19
Ordinary Income/Expense	
Income	
Donations	102.00
Property Taxes	
Clerk Fees	145.75
Secured	28,430.36
Total Property Taxes	28,576.11
Taxes & License Revenue	
Sales & Use	5,481.05
Total Taxes & License Revenue	5,481.05
Intergovernmental - Federal	
USDA Grant	959.14
Total Intergovernmental - Federal	959.14
Intergovernmental - State	
Road Maintenance & Rehab	1,063.81
VLF Swap	31,398.44
Highway Users Tax	
2103 (Gas Tax)	231.84
2105	394.76
2106	529.79
2107	531.20
Total Highway Users Tax	1,687.59
Total Intergovernmental - State	34,149.84
Enterprise Income	
Sewer Service Income	
Late Fees Sewer	12,104.68
Sewer Service Income - Other	30,543.78
Total Sewer Service Income	42,648.46
Water Service Income	
Late Fees Water	6,181.39
Water Service Income - Other	22,895.99
Total Water Service Income	29,077.38
Charges for Services Misc	536.25
Total Enterprise Income	72,262.09
Charges for Current Services	
Copies & Faxes	102.00
Cemetery	
Plots	1,000.00
Total Cemetery	1,000.00
Rent Income	
Social Hall	65.00
Rent Income - Other	900.00
Total Rent Income	965.00
Charges for Current Services - Other	425.38
Total Charges for Current Services	2,492.38
Revenue Use of Money & Property	
Interest Income	367.50
Total Revenue Use of Money & Property	367.50
Miscellaneous Revenue	

City of Loyaltan
Income & Expenses
June 2019

	<u>Jun 19</u>
Total Other Expense	<u>13,068.37</u>
Net Other Income	<u>-13,068.37</u>
Net Income	<u><u>29,933.60</u></u>

Bills Paid

As of June 30, 2019

07/10/19

Cash Basis

Type	Date	Num	Name	Memo	Paid Am...
Enterprise Loan MM 0559					
Check	06/30/2019			Service Charge (June 2019)	-2.00
Total Enterprise Loan MM 0559					-2.00
General Funds					
General Checking 1956- NEW					
Check	06/30/2019			Service Charge	-2.00
Liability Ch...	06/14/2019	EFT	Employment Develop...	69817369 PPE 06.08.2019)	-32.45
Liability Ch...	06/14/2019	EFT	US Treasury-941	94-6000364 (PPE 06.08.2019)	-1,329.88
Liability Ch...	06/14/2019	EFT	Employment Develop...	69817369 (PPE 06.08.2019)	-41.11
Bill Pmt -C...	06/14/2019	EFT	Nationwide	PPE 06.08.2019	-192.43
Liability Ch...	06/24/2019	EFT	Employment Develop...	69817369 (Delta Fire 09.06.02018-09.1...	-1,695.14
Liability Ch...	06/24/2019	EFT	US Treasury-941	94-6000364 (Delta Fire 09.06.02018-0...	-3,709.00
Liability Ch...	06/28/2019	EFT	Employment Develop...	69817369 (PPE 06.22.2019)	-36.28
Liability Ch...	06/28/2019	EFT	US Treasury-941	94-6000364 (PPE 06.22.2019)	-1,394.00
Liability Ch...	06/28/2019	EFT	Employment Develop...	69817369 (PPE 06.22.2019)	-73.38
Bill Pmt -C...	06/28/2019	EFT	Nationwide	PPE 06.22.2019	-244.07
Bill Pmt -C...	06/26/2019	EFT	Plumas Bank-Vendor	Check Order(1956) Start No. 5866 (qua...	-80.35
Bill Pmt -C...	06/03/2019	5672	Postmaster	June 2019 Water/Sewer Billing	-95.48
Bill Pmt -C...	06/06/2019	5673	Alliant Insurance Serv...	CRIME0708 / CL142052	-998.00
Bill Pmt -C...	06/06/2019	5674	Amerigas*	201913977	-1,892.14
Bill Pmt -C...	06/06/2019	5675	AT&T CALNET 3		-89.59
Bill Pmt -C...	06/06/2019	5676	Bastian Engineering	Engineering Services(Inv. 19-06-1515) ...	-5,220.60
Bill Pmt -C...	06/06/2019	5677	Cougar Mountain Soft...	Inv. 382462 (Software Annual Renewal...	-1,232.08
Bill Pmt -C...	06/06/2019	5678	Current Electric & Alar...	Quarterly Payment (1st qtr.-2019)	-120.00
Bill Pmt -C...	06/06/2019	5679	Home Depot	6035322501434199	-190.26
Bill Pmt -C...	06/06/2019	5680	L. N. Curtis & Sons		-277.51
Bill Pmt -C...	06/06/2019	5681	Liberty Utilities		-6,502.40
Bill Pmt -C...	06/06/2019	5682	Pitney Bowes Lease	Postage Meter Rental - 3/30/19 - 6/29/19	-151.03
Bill Pmt -C...	06/06/2019	5683	Plumas-Sierra Teleco...	Broadband, Account #37225 (06.01.20...	-109.00
Bill Pmt -C...	06/06/2019	5684	Plumas Sierra Rural E...		-2,856.39
Bill Pmt -C...	06/06/2019	5685	Sierra Environmental ...	LOY-001	-445.00
Bill Pmt -C...	06/06/2019	5686	Sierra Valley Home C...	1100	-178.69
Bill Pmt -C...	06/06/2019	5687	Verizon Wireless	370745244-000001	-38.01
Bill Pmt -C...	06/07/2019	5688	L. N. Curtis & Sons	Inv. 288136(1-General Purpose Pump)	-536.25
Bill Pmt -C...	06/07/2019	5689	Les Schwab	Account 71900036 (Inv. 71900182700)	-308.68
Bill Pmt -C...	06/07/2019	5690	Sierra County Clerk-R...	Release of Lien (APN 016-042-04) 609 ...	-11.00
Bill Pmt -C...	06/07/2019	5691	Softline Data	(Invoice 8855) 2 Boxes-Blue Bill Card ...	-221.00
Bill Pmt -C...	06/07/2019	5692	Xerox Corporation	951429299	-247.32
Bill Pmt -C...	06/07/2019	5693	Porter Simon Professi...	92132-13200M	-380.00
Bill Pmt -C...	06/14/2019	5694	Intermountain Dispos...	Account code LOYCI (Invoice 64086)	-141.90
Bill Pmt -C...	06/14/2019	5695	Keith Jordan	Phone Reimbursement - June 2019	-15.00
Bill Pmt -C...	06/14/2019	5696	United Healthcare Ins...	J. Cussins July 2019 Premium - 32780...	-254.67
Paycheck	06/14/2019	5697	Bennett, Kenneth E		-1,486.86
Paycheck	06/14/2019	5698	Cussins, John C		0.00
Paycheck	06/14/2019	5699	Jordan, Keith S.		-1,359.55
Paycheck	06/14/2019	5700	LeBlanc, Katherine L		-778.09
Paycheck	06/14/2019	5701	Smith, Tracy A		-447.11
Paycheck	06/14/2019	5702	Willis, Charlotte L		-493.86
Bill Pmt -C...	06/19/2019	5703	Cougar Mountain Soft...	2019-2020 Software Assurance (Custo...	-900.00
Bill Pmt -C...	06/19/2019	5704	Sloan Sakai-Attorneys...		-21,270.50
Bill Pmt -C...	06/21/2019	5705	Sierra County Auditor	Police Contract (July 2019)	-1,250.00
Paycheck	06/21/2019	5706	Andaluz, Megan C.		-8,713.50
Paycheck	06/21/2019	5707	Evans (Fire Fighter), J...		-7,597.96
Paycheck	06/21/2019	5708	Wolley, George W.		-5,843.79
Check	06/21/2019	5709	Fire Dept. Reserve Ac...	Delta Fire-Sept. 2018	-13,003.75
Bill Pmt -C...	06/24/2019	5710	North Tahoe Fire Prot...	Invoice 2018-GW-117 (Class fee & CS...	-360.00
Paycheck	06/28/2019	5711	Bennett, Kenneth E		-1,462.40
Paycheck	06/28/2019	5712	Jackson, Sarah M		-45.72
Paycheck	06/28/2019	5713	Jordan, Keith S.		-1,351.73
Paycheck	06/28/2019	5714	LeBlanc, Katherine L		-703.35

City of Loyalton
Unpaid Bills
As of June 30, 2019

Type	Date	Num	Due Date	Aging	Open Balance
AJE					
General Journal	06/30/2012	AJE cx			2,646.60
Total AJE					2,646.60
Audit Adjustments 2015					
General Journal	07/01/2017	COLR...			-3,753.00
Total Audit Adjustments 2015					-3,753.00
Home Depot					
Credit	08/12/2017	9292845			-13.48
Deposit	02/02/2018	16400...			13.48
Total Home Depot					0.00
Pape Machinery - POWERPLAN					
Credit	11/26/2014	CM 92...			-6.00
Total Pape Machinery - POWERPLAN					-6.00
Pitney Bowes Supplies					
Bill	06/18/2019	Invoic...	07/18/2019		182.30
Total Pitney Bowes Supplies					182.30
Sierra Environmental Monitoring, Inc.					
Bill	06/24/2019	Inv. R...	07/24/2019		55.00
Bill	06/24/2019	Inv. R...	07/24/2019		63.00
Total Sierra Environmental Monitoring, Inc.					118.00
Thatcher Company					
Credit	10/22/2018	Inv. 50...			-308.88
Bill	10/22/2018	Inv. 50...	11/21/2018	221	308.88
Total Thatcher Company					0.00
ULINE					
Bill	06/21/2019	Inv. 10...	07/21/2019		51.88
Total ULINE					51.88
USDA 92-01					
Bill	05/01/2019	92-01 ...	08/01/2019		52,204.59
Total USDA 92-01					52,204.59
USDA 92-03					
Bill	05/01/2019	92-03 ...	08/01/2019		7,403.04
Total USDA 92-03					7,403.04
USDA 92-07					
Bill	05/01/2019	92-07 ...	08/01/2019		105,612.50
Total USDA 92-07					105,612.50
Western Hydro Corporation					
Credit	07/02/2014	CM 15...			-299.37
Total Western Hydro Corporation					-299.37
TOTAL					164,160.54

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed reconciled Plumas Bank Accounts

General Account (1956)	05.31.2019 (\$222,193.47)	Reconciled	06.21.2019
CDBG Account (0059)	05.20.2019 (\$10,585.57)	Reconciled	05.28.2019
F.D. Reserve (7243)	05.31.2019 (\$169,070.01)	Reconciled	06.21.2019
General Savings (0322)	05.20.2019 (\$129,971.59)	Reconciled	05.28.2019
Enterprise-W&S (0559)	05.31.2019 (\$410,407.66)	Reconciled	06.07.2019
WWTP Constr. (1990)	05.31.2019 (\$5,819.28)	Reconciled	06.10.2019
WWTP Settle. (4387)	05.31.2019 (\$684,847.30)	Reconciled	06.21.2019
LAIF Account (496)	05.31.2019 (\$2,000,004.41)	Reconciled	06.21.2019

This authorization took place at the council meeting held on 07/16/2019 and will be further reflected in the council minutes of this meeting.

Authorized Signature Sarah Jackson, Mayor, Dated 07/16/2019

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer from	Transfer to	Date	Amount
Cont. Savings (0322)	General (1956)	07.26.2019	\$73,946.74

**(Lump Sum Settlement payment for Jardin,(40,235.45) Yegge,(10,610.69)
Cussins(23,100.60)checks issued on 7/3/19)**

TOTAL **\$73,946.74**

This authorization took place at the regular council meeting held on 07/16/2019 and will be further reflected in the council minutes of this meeting.

Authorized Signature Sarah Jackson, Mayor, Dated 07/16/2019

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed reconciled Plumas Bank Accounts

General Account (1956)	06.30.2019	(\$277,733.21)	Reconciled	07.09.2019
CDBG Account (0059)	06.20.2019	(\$10,585.57)	Reconciled	07.02.2019
F.D. Reserve (7243)	06.30.2019	(\$182,101.77)	Reconciled	07.09.2019
General Savings (0322)	06.20.2019	(\$129,993.67)	Reconciled	07.02.2019
Enterprise-W&S (0559)	06.30.2019	(\$434,526.85)	Reconciled	07.09.2019
WWTP Constr. (1990)	06.30.2019	(\$4,858.14)	Reconciled	07.09.2019
WWTP Settle. (4387)	06.30.2019	(\$625,284.06)	Reconciled	07.09.2019
LAIF Account (496)	07.01.2019	(\$2,000,004.41)	Reconciled	07.01.2019

This authorization took place at the council meeting held on 07/16/2019 and will be further reflected in the council minutes of this meeting.

Authorized Signature Sarah Jackson, Mayor, Dated 07/16/2019

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer From	Transfer To	Date	Amount
General Fund	Enterprise Loan MM 0559	08/02/2019	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	08/09/2019	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	08/16/2019	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	08/23/2019	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	08/30/2019	
	Water		1,500.00
	Sewer		4,500.00

THIS TOTAL

\$30,000.00

This authorization took place at the council meeting held on 07/16/2019 and will be further reflected in the council minutes of this meeting.

Authorized Signature

Sarah Jackson, Mayor, Dated 07/16/2019

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer From	Transfer To	Date	Amount
General Savings(0322)	General Checking(1956)	06/28/2019	\$21,270.50
Professional Fees-Sloan Sakai-CalPERS (10.31.2018-05.31.2019)			

THIS TOTAL \$21,270.50

This authorization took place at the council meeting held on 07/16/2019 and will be further reflected in the council minutes of this meeting.

_____ Sarah Jackson, Mayor, Dated 07/16/2019
Authorized Signature

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer from	Transfer to	Date	Amount
Cont. Savings (0322)	General (1956)	07.12.2019	\$73,946.74

**(Lump Sum Settlement payment for Jardin,(40,235.45) Yegge,(10,610.69)
Cussins(23,100.60)checks issued on 7/3/19)**

TOTAL **\$73,946.74**

This authorization took place at the regular council meeting held on 07/16/2019 and will be further reflected in the council minutes of this meeting.

Authorized Signature Sarah Jackson, Mayor, Dated 07/16/2019

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer from	Transfer to	Date	Amount
WWTP Settlement (4387)	General (1956)	07.26.2019	\$42,828.07

**(Reimbursement to General Account from WWTP Settlement Account
for Beckwith Street and Pond Repair Work-Farr West Engineering)**

TOTAL **\$42,828.07**

This authorization took place at the regular council meeting held on 07/16/2019 and will be further reflected in the council minutes of this meeting.

Authorized Signature Sarah Jackson, Mayor, Dated 07/16/2019

FARR WEST ENGINEERING

5510 LONGLEY LANE
RENO, NEVADA 89511
PHONE: (775) 851-4788
billing@farrwestengineering.com

RECEIVED JUN 11 2019

CITY OF LOYALTON
PO BOX 128
LOYALTON, CA 96118-0128

Invoice number 11788
Date 06/07/2019

Project R4442-1678-PWP LOYALTON, CITY OF -
BECKWITH ROAD PAVEMENT REPAIR

Period 4/27/19 to 5/31/19

City of Loyalton - Beckwith Road Pavement Repair
Task Order No. 04

Description of Services: Topographic survey and mapping; Begin 60% design submittal; Environmental clearance/permitting.

Professional Services

	Hours	Rate	Billed Amount
Alexa Kinsinger	11.00	87.00	957.00
Alexandra Reid	1.00	95.00	95.00
Connor Burns	8.00	170.00	1,360.00
Deidre Blanton	0.50	70.00	35.00
Jedidiah Olson	2.00	90.00	180.00
Jessica Dugan	8.25	95.00	783.75
Keith Karpstein	6.25	152.00	950.00
Kimberly Kelly	5.75	95.00	546.25
Logan Garling	1.50	100.00	150.00
Todd Hail	3.50	105.00	367.50
Professional Services subtotal	47.75		5,424.50

Invoice total **5,424.50**

Invoice Summary

Description	Contract Amount	Current Billed	Prior Billed	Total Billed	Remaining
Task 1 - Project Management	3,600.00	757.00	0.00	757.00	2,843.00
Task 2 - Survey and Mapping	3,000.00	2,181.25	0.00	2,181.25	818.75
Task 3 - Engineering Design	11,600.00	2,486.25	0.00	2,486.25	9,113.75
Task 4 - Bidding Assistance	4,800.00	0.00	0.00	0.00	4,800.00
Task 5 - Construction Management	7,900.00	0.00	0.00	0.00	7,900.00
Task 6 - Construction Observation	10,400.00	0.00	0.00	0.00	10,400.00
Task 7 - Materials Testing	6,400.00	0.00	0.00	0.00	6,400.00
Task 8 - Project Contingency	2,300.00	0.00	0.00	0.00	2,300.00
Total	50,000.00	5,424.50	0.00	5,424.50	44,575.50

FARR WEST
ENGINEERING

5510 LONGLEY LANE
RENO, NEVADA 89511
PHONE: (775) 551-4788
billing@farrwestengineering.com

RECEIVED JUN 11 2019

CITY OF LOYALTON
PO BOX 128
LOYALTON, CA 96118-0128

Invoice number 11802
Date 06/07/2019

Project R4442-1542-PWP LOYALTON, CITY OF -
CAO SCOPING, ANALYSIS, AND
REPORTING

Period 4/27/19 to 5/31/19

City of Loyalton - COA Scoping, Analysis, and Reporting

Description of Services: Work completed during this billing period included preparation of a technical memorandum for submittal to the RWQCB, correspondence with City staff and project management related items.

Professional Services

Task 1: Project Management

	Hours	Rate	Billed Amount
Principal Engineer			
Lucas Tipton	0.25	160.00	40.00

Task 5: Monitoring and Reporting

	Hours	Rate	Billed Amount
Engineer in Training I			
Alexa Kinsinger	16.50	87.00	1,435.50
Professional Services subtotal	16.75		1,475.50

Invoice total **1,475.50**

Invoice Summary

Description	Contract Amount	Current Billed	Prior Billed	Total Billed	Remaining
Task 1: Project Management	14,350.00	40.00	5,995.05	6,035.05	8,314.95
Task 2: Status Evaluation of CAO Issues	20,350.00	0.00	22,476.80	22,476.80	-2,126.80
Task 3: Facilitated Discussion with CA RWQCB	5,990.00	0.00	652.50	652.50	5,337.50
Task 4: Project Prioritization	14,440.00	0.00	2,753.75	2,753.75	11,686.25
Task 5: Monitoring and Reporting	15,660.00	1,435.50	10,308.50	11,744.00	3,916.00
Task 6: Project Contingency	7,080.00	0.00	0.00	0.00	7,080.00
Total	77,870.00	1,475.50	42,186.60	43,662.10	34,207.90

FARR WEST ENGINEERING

5510 LONGLEY LANE
RENO, NEVADA 89511
PHONE: (775) 851-4788
billr.g@farrwestengineering.com

RECEIVED JUN 12 2019

CITY OF LOYALTON
PO BOX 128
LOYALTON, CA 96118-0128

Invoice number 11824
Date 06/12/2019

Project R4442-1676 LOYALTON, CITY OF -
WWTP POND LINER TESTING

Period 4/27/19 to 5/31/19

City of Loyalton - WWTP Pond Liner Testing
Task Order Number: #3

Description of Services: Work completed during this billing period included coordination with the leak detection subconsultant, site visits and pipe isolation activities, correspondence with the City, leak detection troubleshooting and project management related items.

Professional Services

	Hours	Rate	Billed Amount
Alexa Kinsinger	38.50	87.00	3,349.50
Deidre Blanton	1.00	70.00	70.00
Logan Garling	9.50	100.00	950.00
Lucas Tipton	11.75	160.00	1,880.00
Matthew Van Dyne	1.00	160.00	160.00
Professional Services subtotal	61.75		6,409.50

Reimbursable Expenses

	Billed Amount
Reimbursable Expenses	53.57

Subconsultant

	Units	Billed Amount
Subconsultant HYDROGEOPHYSICS, LLC		29,465.00

Invoice total 35,928.07

Invoice Summary

Description	Contract Amount	Current Billed	Prior Billed	Total Billed	Remaining
Task 1 - Engineering Services	8,800.00	6,463.07	0.00	6,463.07	2,336.93
Task 2 - Subconsultant Services	55,300.00	29,465.00	0.00	29,465.00	25,835.00
Total	64,100.00	35,928.07	0.00	35,928.07	28,171.93

City of Loyaltol General

July 2018 through June 2019

	General Go... (General F...)	City Buildi... (General F...)	Law Enforc... (General F...)	General Fu... (General F...)	Total Gene...	TOTAL
S.C.O.R.E.	0.00	0.00	0.00	6,301.00	6,301.00	6,301.00
Total Miscellaneous Revenue	0.00	0.00	0.00	6,301.00	6,301.00	6,301.00
Total Income	245,096.52	743.36	0.00	212,959.50	458,799.38	458,799.38
Gross Profit	245,096.52	743.36	0.00	212,959.50	458,799.38	458,799.38
Expense						
Late Fee	29.00	0.00	0.00	0.00	29.00	29.00
Finance Charge	100.73	0.00	0.00	0.00	100.73	100.73
DSA 796 Fees	19.20	0.00	0.00	0.00	19.20	19.20
Small Tools & Equipment	18.51	0.00	0.00	0.00	18.51	18.51
Repairs & Maintenance	53.98	115.11	0.00	0.00	169.09	169.09
Building Repairs	0.00	548.28	0.00	0.00	548.28	548.28
Utilities						
Security	36.00	0.00	0.00	0.00	36.00	36.00
Internet - Broadband	188.10	0.00	0.00	0.00	188.10	188.10
Propane	0.00	0.00	0.00	245.58	245.58	245.58
Electric	63.54	0.00	0.00	94.07	157.61	157.61
Total Utilities	287.64	0.00	0.00	339.65	627.29	627.29
Equipment Repair & Maintenance	121.93	0.00	0.00	0.00	121.93	121.93
Taxes						
Solid Waste Benefit Assessment	20.18	4,091.50	0.00	0.00	4,111.68	4,111.68
Property Tax	4,304.14	0.00	0.00	0.00	4,304.14	4,304.14
Taxes - Other	0.26	10.00	0.00	0.00	10.26	10.26
Total Taxes	4,324.58	4,101.50	0.00	0.00	8,426.08	8,426.08
Salaries and Wages						
Workers Comp.	831.36	0.00	0.00	0.00	831.36	831.36
Payroll Tax Expense	859.70	149.74	0.00	3.58	1,013.02	1,013.02
Payroll Expense						
Part Time Wages	2,541.50	0.00	0.00	40.00	2,581.50	2,581.50
Payroll Expense - Other	5,284.59	1,633.70	0.00	0.00	6,918.29	6,918.29
Total Payroll Expense	7,826.09	1,633.70	0.00	40.00	9,499.79	9,499.79
Salaries and Wages - Other	0.00	0.00	0.00	12,000.00	12,000.00	12,000.00
Total Salaries and Wages	9,517.15	1,783.44	0.00	12,043.58	23,344.17	23,344.17
Services and Supplies						
Postage	99.01	0.00	0.00	0.00	99.01	99.01
Advertising	1,953.58	0.00	0.00	0.00	1,953.58	1,953.58

12:01 PM

07/10/19

Accrual Basis

City of Loyaltyon
Credit Card Detail
 As of June 4, 2019

Type	Date	Num	Name	Memo	Class	Clr	Split	Debit	Credit	Balance
TOTAL								3,449.60	3,140.97	0.00

**City of Loyaltyon
General
July 2018 through June 2019**

	General Go... (General F...	City Buildi... (General F...	Law Enforc... (General F...	General Fu... (General F...	Total Gene...	TOTAL
Capital Outlay Equipment	0.00	0.00	0.00	1,499.00	1,499.00	1,499.00
Total Capital Outlay	0.00	0.00	0.00	1,499.00	1,499.00	1,499.00
Total Other Expense	0.00	0.00	0.00	178,292.17	178,292.17	178,292.17
Net Other Income	0.00	0.00	0.00	-178,292.17	-178,292.17	-178,292.17
Net Income	<u>193,586.63</u>	<u>-6,068.99</u>	<u>-15,000.00</u>	<u>22,167.21</u>	<u>194,684.85</u>	<u>194,684.85</u>

**City of Loyaltton
Water
July 2018 through June 2019**

	Water Fund... (Enterprise ...)	Total Enter...	TOTAL
Ordinary Income/Expense			
Income			
Enterprise Income			
Water Service Income	300.00	300.00	300.00
Connection Fee	7,336.63	7,336.63	7,336.63
Late Fees Water	204,792.46	204,792.46	204,792.46
Water Service Income - Other	212,429.09	212,429.09	212,429.09
Total Water Service Income	<u>212,429.09</u>	<u>212,429.09</u>	<u>212,429.09</u>
Total Enterprise Income	212,429.09	212,429.09	212,429.09
Revenue Use of Money & Property			
Interest Income	266.53	266.53	266.53
Total Revenue Use of Money & Property	<u>266.53</u>	<u>266.53</u>	<u>266.53</u>
Total Income	<u>212,695.62</u>	<u>212,695.62</u>	<u>212,695.62</u>
Gross Profit	212,695.62	212,695.62	212,695.62
Expense			
Finance Charge	0.80	0.80	0.80
Small Tools & Equipment			
Small Tools & Equipment - Other	166.00	166.00	166.00
Small Tools & Equipment - Other	131.06	131.06	131.06
Total Small Tools & Equipment	<u>297.06</u>	<u>297.06</u>	<u>297.06</u>
Repairs & Maintenance	1,256.04	1,256.04	1,256.04
Utilities			
Security	72.00	72.00	72.00
Internet - Broadband	501.60	501.60	501.60
Propane	659.15	659.15	659.15
Electric	37,841.36	37,841.36	37,841.36
Garbage Disposal	<u>74.14</u>	<u>74.14</u>	<u>74.14</u>
Total Utilities	<u>39,148.25</u>	<u>39,148.25</u>	<u>39,148.25</u>
Equipment Repair & Maintenance	1,790.72	1,790.72	1,790.72
Taxes			
Solid Waste Benefit Assessment	162.60	162.60	162.60
Taxes - Other	7.60	7.60	7.60
Total Taxes	<u>170.20</u>	<u>170.20</u>	<u>170.20</u>
Salaries and Wages	8,313.44	8,313.44	8,313.44
Workers Comp.	8,313.44	8,313.44	8,313.44

City of Loyaltton
Water
July 2018 through June 2019

	Water Fund... (Enterprise ...	Total Enter...	TOTAL
Telephone	757.03	757.03	757.03
Training	312.05	312.05	312.05
Services and Supplies - Other	2.60	2.60	2.60
Total Services and Supplies	50,445.75	50,445.75	50,445.75
Total Expense	150,430.90	150,430.90	150,430.90
Net Ordinary Income	62,264.72	62,264.72	62,264.72
Other Income/Expense			
Other Expense			
Debt Service			
Interest Expense			
Interest 91-05 Water	61,853.50	61,853.50	61,853.50
Total Interest Expense	61,853.50	61,853.50	61,853.50
Total Debt Service	61,853.50	61,853.50	61,853.50
Total Other Expense	61,853.50	61,853.50	61,853.50
Net Other Income	-61,853.50	-61,853.50	-61,853.50
Net Income	411.22	411.22	411.22

**City of Loynton
WWTP & Sewer
July 2018 through June 2019**

	WWTP Po... (Sewer Fu...)	Waste Wat... (Sewer Fu...)	Sewer Fun... (Sewer Fu...)	Total Sew... (Enterpris...)	Total Ente...	TOTAL
Ordinary Income/Expense						
Income						
Intergovernmental - Federal	363,756.14	0.00	52,459.38	416,215.52	416,215.52	416,215.52
USDA Grant	363,756.14	0.00	52,459.38	416,215.52	416,215.52	416,215.52
Total Intergovernmental - Federal						
Enterprise Income						
Sewer Service Income	0.00	0.00	14,628.45	14,628.45	14,628.45	14,628.45
Late Fees Sewer	0.00	0.00	331,521.30	331,521.30	331,521.30	331,521.30
Sewer Service Income - Other	0.00	0.00	346,149.75	346,149.75	346,149.75	346,149.75
Total Sewer Service Income						
Water Service Income						
Late Fees Water	0.00	106.64	0.00	106.64	106.64	106.64
Water Service Income - Other	0.00	-11.66	0.00	-11.66	-11.66	-11.66
Total Water Service Income						
Total Enterprise Income	0.00	94.98	346,149.75	346,244.73	346,244.73	346,244.73
Charges for Current Services						
Copies & Faxes	0.00	0.00	283.71	283.71	283.71	283.71
Total Charges for Current Services	0.00	0.00	283.71	283.71	283.71	283.71
Revenue Use of Money & Property						
Interest Income	5,965.43	0.00	681.61	6,647.04	6,647.04	6,647.04
Total Revenue Use of Money & Property	5,965.43	0.00	681.61	6,647.04	6,647.04	6,647.04
Total Income	369,721.57	94.98	399,574.45	769,391.00	769,391.00	769,391.00
Gross Profit	369,721.57	94.98	399,574.45	769,391.00	769,391.00	769,391.00
Expense						
Late Fee	0.00	0.00	11.69	11.69	11.69	11.69
Finance Charge	0.00	0.00	0.80	0.80	0.80	0.80
Small Tools & Equipment	0.00	0.00	1,490.66	1,490.66	1,490.66	1,490.66
Small Tools & Equipment - Other	0.00	0.00	2,062.48	2,062.48	2,062.48	2,062.48
Safety	0.00	0.00	5,632.50	5,632.50	5,632.50	5,632.50
Small Tools & Equipment - Other	0.00	0.00	9,185.64	9,185.64	9,185.64	9,185.64
Total Small Tools & Equipment	0.00	0.00	5,800.98	5,800.98	5,800.98	5,800.98
Repairs & Maintenance	0.00	0.00	72.00	72.00	72.00	72.00
Utilities	0.00	0.00	501.60	501.60	501.60	501.60
Security	0.00	0.00	72.00	72.00	72.00	72.00
Internet - Broadband	0.00	0.00	501.60	501.60	501.60	501.60

City of Loyaltton
WWTP & Sewer
July 2018 through June 2019

	WWTP Po... (Sewer Fu...)	Waste Wat... (Sewer Fu...)	Sewer Fun... (Sewer Fu...)	Total Sew... (Enterpris...)	Total Ente...	TOTAL
Accounting & Financial Testing	0.00	0.00	1,798.43	1,798.43	1,798.43	1,798.43
Contracted Services - Other	-10,708.72	0.00	5,026.00	5,026.00	5,026.00	5,026.00
Total Contracted Services	95,686.63	0.00	22,061.93	117,748.56	117,748.56	117,748.56
Dues and Subscriptions	0.00	0.00	566.35	566.35	566.35	566.35
Liability Insurance	0.00	0.00	8,020.33	8,020.33	8,020.33	8,020.33
Property Insurance	0.00	0.00	6,308.08	6,308.08	6,308.08	6,308.08
Insurance - Other	0.00	0.00	720.69	720.69	720.69	720.69
Total Insurance	0.00	0.00	15,049.10	15,049.10	15,049.10	15,049.10
Licenses and Permits	0.00	0.00	18,953.35	18,953.35	18,953.35	18,953.35
Office Expense	0.00	0.00	2,470.46	2,470.46	2,470.46	2,470.46
Operating Supplies	0.00	0.00	5,041.50	5,041.50	5,041.50	5,041.50
Telephone	0.00	0.00	1,243.53	1,243.53	1,243.53	1,243.53
Training	0.00	0.00	285.05	285.05	285.05	285.05
Travel	0.00	0.00	500.00	500.00	500.00	500.00
Services and Supplies - Other	0.00	0.00	3,593.71	3,593.71	3,593.71	3,593.71
Total Services and Supplies	95,686.63	0.00	73,226.61	168,913.24	168,913.24	168,913.24
Total Expense	95,702.78	773.81	238,652.59	335,129.18	335,129.18	335,129.18
Net Ordinary Income	274,018.79	-678.83	160,921.86	434,261.82	434,261.82	434,261.82
Other Income/Expense						
Debt Service						
Interest Expense						
Interest 92-01 Sewer	0.00	0.00	34,809.18	34,809.18	34,809.18	34,809.18
Interest 92-03 Sewer	0.00	0.00	5,206.08	5,206.08	5,206.08	5,206.08
Interest 92-07 Sewer	0.00	0.00	77,225.00	77,225.00	77,225.00	77,225.00
Total Interest Expense	0.00	0.00	117,240.26	117,240.26	117,240.26	117,240.26
Principal	0.00	0.00	106,600.00	106,600.00	106,600.00	106,600.00
Total Debt Service	0.00	0.00	223,840.26	223,840.26	223,840.26	223,840.26
Total Other Expense	0.00	0.00	223,840.26	223,840.26	223,840.26	223,840.26
Net Other Income	0.00	0.00	-223,840.26	-223,840.26	-223,840.26	-223,840.26
Net Income	274,018.79	-678.83	-62,918.40	210,421.56	210,421.56	210,421.56

City of Loyalty Streets

July 2018 through June 2019

	Gas Tax 9... (Streets a...	SNOW RE... (Streets a...	Streets an... (Streets a...	Total Stre... (Special R...	Total Spe...	TOTAL
Ordinary Income/Expense						
Income						
Intergovernmental - State						
Road Maintenance - State	0.00	0.00	13,215.16	13,215.16	13,215.16	13,215.16
VLF Swap	0.00	0.00	369.06	369.06	369.06	369.06
Traffic Congestion Relief	0.00	0.00	867.20	867.20	867.20	867.20
Highway Users Tax						
2103 (Gas Tax)	2,569.03	0.00	0.00	2,569.03	2,569.03	2,569.03
2105	0.00	0.00	4,219.23	4,219.23	4,219.23	4,219.23
2106	0.00	0.00	6,135.89	6,135.89	6,135.89	6,135.89
2107	0.00	0.00	5,306.12	5,306.12	5,306.12	5,306.12
2107.5	0.00	0.00	1,000.00	1,000.00	1,000.00	1,000.00
Total Highway Users Tax	2,569.03	0.00	16,661.24	19,230.27	19,230.27	19,230.27
Total Intergovernmental - State	2,569.03	0.00	31,112.66	33,681.69	33,681.69	33,681.69
Total Income	2,569.03	0.00	31,112.66	33,681.69	33,681.69	33,681.69
Gross Profit	2,569.03	0.00	31,112.66	33,681.69	33,681.69	33,681.69
Expense						
Finance Charge	0.00	0.00	0.10	0.10	0.10	0.10
Small Tools & Equipment	0.00	0.00	283.03	283.03	283.03	283.03
Repairs & Maintenance	0.00	20.36	800.13	820.49	820.49	820.49
Utilities						
Internet - Broadband	0.00	0.00	62.70	62.70	62.70	62.70
Propane	0.00	0.00	83.99	83.99	83.99	83.99
Electric	30,477.28	0.00	8,990.14	39,467.42	39,467.42	39,467.42
Total Utilities	30,477.28	0.00	9,136.83	39,614.11	39,614.11	39,614.11
Equipment Repair & Maintenance	0.00	0.00	324.71	324.71	324.71	324.71
Taxes						
Solid Waste Benefit Assessment	0.00	0.00	20.18	20.18	20.18	20.18
Taxes - Other	0.00	0.00	0.26	0.26	0.26	0.26
Total Taxes	0.00	0.00	20.44	20.44	20.44	20.44
Salaries and Wages						
Workers Comp.	0.00	0.00	831.34	831.34	831.34	831.34
Payroll Tax Expense	0.00	537.73	347.68	885.41	885.41	885.41
Payroll Expense						
Part Time Wages	0.00	0.00	12.42	12.42	12.42	12.42
Payroll Expense - Other	0.00	4,277.63	3,668.35	7,945.98	7,945.98	7,945.98

12:10 PM

07/10/19

Accrual Basis

**City of Loyaltyon
Streets**
July 2018 through June 2019

	Gas Tax 9... (Streets a...)	SNOW RE... (Streets a...)	Streets an... (Streets a...)	Total Stre... (Special R...)	Total Spe...	TOTAL
Net Other Income	0.00	0.00	-64.62	-64.62	-64.62	-64.62
Net Income	-27,908.25	-6,048.42	3,589.75	-30,366.92	-30,366.92	-30,366.92

City of Loyaltan
Park
July 2018 through June 2019

	Pool 942... (Park 942...)	Park Ren... (Park 942...)	Park 942... (Park 942...)	Total Par... (General ...)	Total Ge...	TOTAL
Ordinary Income/Expense						
Income						
Charges for Current Services						
Rent Income	0.00	390.00	0.00	390.00	390.00	390.00
Social Hall	300.00	11,700.00	0.00	12,000.00	12,000.00	12,000.00
Rent Income - Other	300.00	12,090.00	0.00	12,390.00	12,390.00	12,390.00
Total Rent Income	300.00	12,090.00	0.00	12,390.00	12,390.00	12,390.00
Total Charges for Current Services	300.00	12,090.00	0.00	12,390.00	12,390.00	12,390.00
Miscellaneous Revenue						
Other Income	0.00	500.00	-500.00	0.00	0.00	0.00
Total Miscellaneous Revenue	0.00	500.00	-500.00	0.00	0.00	0.00
Total Income	300.00	12,590.00	-500.00	12,390.00	12,390.00	12,390.00
Gross Profit	300.00	12,590.00	-500.00	12,390.00	12,390.00	12,390.00
Expense						
Small Tools & Equipment	0.00	0.00	47.22	47.22	47.22	47.22
Repairs & Maintenance	0.00	0.00	152.94	152.94	152.94	152.94
Utilities	78.16	0.00	717.94	796.10	796.10	796.10
Electric	78.16	0.00	717.94	796.10	796.10	796.10
Garbage Disposal	0.00	0.00	483.87	483.87	483.87	483.87
Total Utilities	78.16	0.00	1,201.81	1,279.97	1,279.97	1,279.97
Equipment Repair & Maintenance	0.00	0.00	149.69	149.69	149.69	149.69
Taxes						
Solid Waste Benefit Assessment	0.00	553.66	0.00	553.66	553.66	553.66
Taxes - Other	0.00	8.00	0.00	8.00	8.00	8.00
Total Taxes	0.00	561.66	0.00	561.66	561.66	561.66
Salaries and Wages						
Payroll Tax Expense	0.00	0.00	346.42	346.42	346.42	346.42
Payroll Expense	0.00	0.00	4,021.52	4,021.52	4,021.52	4,021.52
Total Salaries and Wages	0.00	0.00	4,367.94	4,367.94	4,367.94	4,367.94
Services and Supplies						
Automobile Expense						
Fuel	0.00	0.00	288.18	288.18	288.18	288.18

City of Loyaltton
Social Hall
July 2018 through June 2019

	Social Hall ... (Park 9420-1)	Total Park 9... (General Fu...)	Total Gener...	TOTAL
Ordinary Income/Expense				
Income				
Charges for Current Services				
Rent Income	325.00	325.00	325.00	325.00
Social Hall				
Total Rent Income	325.00	325.00	325.00	325.00
Total Charges for Current Services	325.00	325.00	325.00	325.00
Total Income	325.00	325.00	325.00	325.00
Gross Profit	325.00	325.00	325.00	325.00
Expense				
Repairs & Maintenance	6.42	6.42	6.42	6.42
Utilities				
Propane	3,301.75	3,301.75	3,301.75	3,301.75
Total Utilities	3,301.75	3,301.75	3,301.75	3,301.75
Equipment Repair & Maintenance				
Salaries and Wages	161.10	161.10	161.10	161.10
Payroll Tax Expense	51.75	51.75	51.75	51.75
Payroll Expense	568.50	568.50	568.50	568.50
Total Salaries and Wages	620.25	620.25	620.25	620.25
Services and Supplies				
Insurance	99.85	99.85	99.85	99.85
Operating Supplies	27.01	27.01	27.01	27.01
Total Services and Supplies	126.86	126.86	126.86	126.86
Total Expense	4,216.38	4,216.38	4,216.38	4,216.38
Net Ordinary Income	-3,891.38	-3,891.38	-3,891.38	-3,891.38
Net Income	-3,891.38	-3,891.38	-3,891.38	-3,891.38

City of Loyalton
MUSEUM
July 2018 through June 2019

	Museums 9410 (General Fund)	Total General Fund	TOTAL
Ordinary Income/Expense			
Income			
Donations	1,342.00	1,342.00	1,342.00
Total Income	1,342.00	1,342.00	1,342.00
Gross Profit	1,342.00	1,342.00	1,342.00
Expense			
Utilities	180.00	180.00	180.00
Security	2,307.03	2,307.03	2,307.03
Propane	1,471.48	1,471.48	1,471.48
Electric	74.16	74.16	74.16
Garbage Disposal	4,032.67	4,032.67	4,032.67
Total Utilities	4,032.67	4,032.67	4,032.67
Taxes			
Solid Waste Benefit Assessment	100.82	100.82	100.82
Taxes - Other	1.84	1.84	1.84
Total Taxes	102.66	102.66	102.66
Services and Supplies			
Insurance	99.85	99.85	99.85
Total Services and Supplies	99.85	99.85	99.85
Total Expense	4,235.18	4,235.18	4,235.18
Net Ordinary Income	-2,893.18	-2,893.18	-2,893.18
Net Income	-2,893.18	-2,893.18	-2,893.18

**City of Loyaltyon
Cemetery
July 2018 through June 2019**

	Cemeteries 9220-1 (General Fund)	Total General Fund	TOTAL
Ordinary Income/Expense			
Income			
Charges for Current Services	3,000.00	3,000.00	3,000.00
Cemetery Plots			
Total Cemetery	3,000.00	3,000.00	3,000.00
Total Charges for Current Services	3,000.00	3,000.00	3,000.00
Total Income	3,000.00	3,000.00	3,000.00
Gross Profit	3,000.00	3,000.00	3,000.00
Expense			
Salaries and Wages	19.50	19.50	19.50
Payroll Tax Expense			
Payroll Expense	238.50	238.50	238.50
Total Salaries and Wages	258.00	258.00	258.00
Total Expense	258.00	258.00	258.00
Net Ordinary Income	2,742.00	2,742.00	2,742.00
Net Income	2,742.00	2,742.00	2,742.00

12:38 PM
07/10/19
Accrual Basis

City of Loyaltton
Fire Department
July 2018 through June 2019

	Fire Departm... (General Fund)	Total General...	TOTAL
Net Other Income	-101,189.99	-101,189.99	-101,189.99
Net Income	-19,288.07	-19,288.07	-19,288.07

**City of Loyaltton
Fire Department
July 2018 through June 2019**

	Fire Departm... (General Fund)	Total General...	TOTAL
Ordinary Income/Expense			
Income			
Transfer In	176,793.17	176,793.17	176,793.17
Intergovernmental - Federal	40,563.14	40,563.14	40,563.14
Intergovernmental - State	130,241.83	130,241.83	130,241.83
Enterprise Income			
Charges for Services Misc	536.25	536.25	536.25
Total Enterprise Income	536.25	536.25	536.25
Charges for Current Services			
Service Area Revenue	20,000.00	20,000.00	20,000.00
Total Charges for Current Services	20,000.00	20,000.00	20,000.00
Revenue Use of Money & Property			
Interest Income	175.92	175.92	175.92
Total Revenue Use of Money & Property	175.92	175.92	175.92
Total Income	368,310.31	368,310.31	368,310.31
Gross Profit	368,310.31	368,310.31	368,310.31
Expense			
Small Tools & Equipment	6,005.95	6,005.95	6,005.95
Repairs & Maintenance	218.58	218.58	218.58
Building Repairs	16.57	16.57	16.57
Utilities			
Internet - Broadband	695.18	695.18	695.18
Propane	1,615.78	1,615.78	1,615.78
Electric	4,620.32	4,620.32	4,620.32
Garbage Disposal	296.56	296.56	296.56
Total Utilities	7,227.84	7,227.84	7,227.84
Equipment Repair & Maintenance	9,938.04	9,938.04	9,938.04
Taxes			
Solid Waste Benefit Assessment	1,167.02	1,167.02	1,167.02
Taxes - Other	10.00	10.00	10.00
Total Taxes	1,177.02	1,177.02	1,177.02
Salaries and Wages			
Workers Comp.	2,494.02	2,494.02	2,494.02



QUARTERLY PROGRESS REPORT

CITY OF LOYALTON

Prepared For: Central Valley Regional Water Quality Control Board
Brendan Kenny, Engineering Geologist

Prepared By: Alexa Kinsinger, E.I.T., Project Designer

Reviewed By: Lucas Tipton, P.E., Principal Engineer

Prepared Date: July 10, 2019

Council Approved Date:

Subject: CAO Reporting - Quarter 2 2019

INTRODUCTION

The discharge of domestic wastewater from the City of Loyalton (City) Wastewater Treatment Facility (WTF) in Sierra County is regulated by Waste Discharge Requirements (WDRs) Order R5-2009-0108 and Cleanup and Abatement Order (CAO) R5-2013-0700. The collection system is regulated under the State Water Resources Control Board's (Board) Sanitary Sewer System General Order 2006-0003-DWQ. Pursuant to Water Code sections 13304 and 13267, the CAO issued in 2013 ordered that quarterly progress reports be submitted describing the work completed to date for compliance of the requirements set forth not only in the CAO but also in the WDRs.

In August of 2018 the City contracted Farr West Engineering (Farr West) to assist in handling the outstanding requirements defined in the WDRs and CAO shown in Table 1.

Table 1: State ordered studies and reports including the originating orders and due dates.

Reports Required	Originating Order	Due Date
CAO Quarterly Progress Reports	CAO	5/1/2013
Monitoring and Reporting Program	WDR	continuous
Groundwater Monitoring Workplan and Well Construction Evaluation	WDR	5/1/2010
Monitoring Well Installation Report	WDR	8/2/2010
Operation and Maintenance Plan	WDR	5/1/2010
Background Groundwater Quality Report	WDR & CAO	8/3/2010 4/15/2013
Tailwater Diversion Box Report	CAO	4/15/2013
Certified Operator Report	CAO	8/15/2013
Corrective Action Report w/ Waste Management Plan	CAO	10/15/2013
As-Builts and Certification for Ponds	CAO	2/15/2015

This report will summarize the work performed during the 2nd Quarter of 2019.

1.0 CAO QUARTERLY PROGRESS REPORTS

The 2019 quarter 1 (Q1) progress report was submitted to the Board in July 2019. It was submitted after the May 1, 2019 deadline due to miscommunications in job responsibilities that took place when Nicki Furtaw left Farr West and Alexa Kinsinger took over her projects. Alexa was informed by Brendan Kenny that the 2019 Q1 progress report had not been submitted in a phone call that took place July 1, 2019.

Under the current contract Farr West will continue to investigate, monitor, and report on the items identified in this report through the first quarter of 2019 or until otherwise directed by the City or the State. Farr West is reporting on Q2 2019 due to the complications faced during the pond liner leak detection services (See Section 10.0).

2.0 MONITORING AND REPORTING PROGRAM

Per City staff, all monthly monitoring reports were submitted for quarter 2 2019 utilizing the City monitoring and reporting template.

3.0 GROUNDWATER MONITORING WORKPLAN AND WELL CONSTRUCTION EVALUATION

There is nothing new to report on this issue since the third quarter 2018 report.

4.0 MONITORING WELL INSTALLATION REPORT

There is nothing new to report on this issue since the third quarter 2018 report.

5.0 OPERATION AND MAINTENANCE PLAN.

There is nothing new to report on this issue since the third quarter 2018 report.

6.0 BACKGROUND GROUNDWATER QUALITY REPORT

There is nothing new to report on this issue since the third quarter 2018 report.

7.0 TAILWATER DIVERSION BOX REPORT

There is nothing new to report on this issue since the fourth quarter 2018 report.

8.0 CERTIFIED OPERATOR REPORT

This issue was resolved as of September 30, 2019. There is nothing new to report on this issue since the third quarter 2018 report.

9.0 CORRECTIVE ACTION REPORT WITH WASTE MANAGEMENT PLAN

A Corrective Action Report describing corrective actions implemented to repair the storage pond liner and berms, if needed has not been completed yet because the pond liner leak detection testing did not produce conclusive results (See Section 10.0). A technical memorandum presenting pond liner alternatives is included in Appendix A. The Corrective Action Report will be completed once the integrity of the pond liners is better known.

10.0 AS-BUILTS AND CERTIFICATION FOR PONDS

Leak detection testing services performed by HydroGEOPHYSICS (HGI) took place May 20-23, 2019 but did not generate conclusive results. A Farr West technical memorandum about the pond liner leak detection issues and proposed alternatives to satisfy the liner CAO requirements is attached in Appendix A. After the Board reviews this Q2 2019 Progress Report and the attached pond liner technical memorandum, the City would like to formally request an onsite meeting with the Board to review the alternatives available to them to resolve this outstanding item in the CAO.

TECHNICAL MEMORANDUM
CITY OF LOYALTON
CAO REPORTING – POND LINER UPDATE

Prepared For: California State Water Quality Control Board
Prepared By: Alexa Kinsinger, E.I.
Reviewed By: Lucas Tipton, P.E.
Date: June 12, 2019
Subject: Pond Liner Alternatives

1.0 BACKGROUND

As part of the Cleanup and Abatement Order (CAO) R5-2013-0700 issued to the City of Loyalton (City) in February 2013, the City is responsible to submit certification and as-builts for the two effluent storage ponds located at the City wastewater treatment facility (WWTF). Under this CAO requirement, the City contracted Farr West Engineering (Farr West) and HydroGEOPHYSICS (HGI) in April 2019 to complete a leak detection testing on the storage ponds to determine if the ponds were capable of storing up to 120 acre-feet of effluent on an annual basis. The leak detection method used by HGI meets the American Society of Testing and Materials (ASTM) Method D 7007, Standard Practices for Locating Leaks in Geomembrane Covered with Water or Erath Materials and was approved by Brendan Kenny at the California State Water Quality Control Board (State) in March 2019. HGI's leak detection method places a series of electrodes in the soil outside of the pond that transmit electrical current. Cables placed in the pond water receive this electrical current if there are leaks present in the pond. In the presence of leaks, the current moves more readily to the potential leak location thus resulting in a larger magnitude response near the leak location.

2.0 POND LEAK DETECTION TESTING ISSUES

In preparation for the leak detection testing, it was communicated to Farr West that the pipe penetrations present in the ponds need to be isolated as best as feasibly possible. There are three pipe penetrations in each pond; an inlet pipe, an outlet pipe, and an overflow pipe connecting the two ponds. HGI suggested that pipe isolation could be achieved by physically covering all exposed pipe outlets so water cannot flow through them or by creating an air gap within the pipe to create an electrical break between water in the pond and water outside of the ponds. During the few weeks prior to HGI's arrival to Loyalton, Farr West worked closely with the WWTP operators to investigate potential options for pipe isolation. The operators were able to isolate the overflow pipes by lowering the pond water level below the overflow pipes (Figure 1, left). Next, the operators determined that an air gap could be achieved for the outlet pipes by closing the gate valve present on the pipe and draining the discharge side of the pipe through gravity flow into the irrigation pump station wet well. On May 17th, 2019, Farr West staff Alexa Kinsinger and Logan Garling went to the WWTP to assist the operators with the inlet pipe isolation. The north pond inlet pipe was only partially submerged, and Logan was able to secure three layers of plastic bags over the pipe without excessive contact with the effluent water (Figure 1, right).



Figure 1: Pipe isolation of outlet pipes (left) and north pond inlet pipe (right)

The south pond inlet pipe was submerged in approximately 3 feet of water and would have required Farr West staff to fully submerge themselves in the pond to attempt to fasten plastic bags over the pipe. Hesitant to expose staff to skin and face contact with the effluent water, Alexa called HGI to confirm that inlet pipe isolation through the plastic bag method was absolutely necessary for the success of the leak detection testing. HGI told Alexa that the plastic bag method does not guarantee pipe isolation and would likely still cause an “occurrence that would appear as a leak” in their leak detection software because there would likely still be water flowing through the plastic bag. From this conversation, Alexa concluded the apparent lack of integrity in the plastic bag isolation method was not worth the risk of exposing Logan to the effluent water.

HGI mobilized to the City WWTP on May 20, 2019 to perform the leak detection testing over a week time frame. By the second day on site, HGI reported that their data collection system was sensing an overwhelmingly large occurrence that was pulling all current towards both outlet pipes. Farr West staff mobilized to the site early Wednesday May 22 to investigate possible air gap failures that could be causing the current to flow towards the outlet pipes. Once the air gaps were successfully established again, HGI re-ran a current test and concluded the occurrence at the outlet pipe was still overwhelmingly large. This result suggested that the current was travelling through the outlet pipe and grounding in the surrounding soil. This occurred because the outlet pipes are metal and therefore were conducting electricity at a much higher rate than a PVC or HDPE pipe. Once the HGI crew realized that the pipes were metal, they communicated that the leak detection testing would not produce viable results because the current will always take the path of least resistance (through the metal outlet pipes) to ground and therefore not flow through any potential leaks present in the liner. Upon news that the outlet pipe air gap isolation method had failed, Farr West decided to cease the leak detection service and demobilize HGI.

After debriefing with HGI, the following conclusions were made:

- Since the pipe penetrations in both ponds are metal, intensive pipe isolation prep work must take place before leak detection through electric current methods can take place.
- The plastic covering on the inlet pipe of the north pond appeared to be an adequate pipe isolation solution, however, it is vital that all exposed metal be covered and that no water can flow through the plastic covering and come in contact with the metal.
- With the outlet pipes being 10-13’ below the water surface, the ponds would either need to be drained prior to the pipes being isolated or would require an underwater diver to affix the proper isolation device.

3.0 CURRENT STATUS OF PONDS

Currently, it is unknown if there are leaks present in the storage ponds, but the south pond has at least one whale present that protrudes out of the water surface (Figure 2). According to the plant operators, both the north and south ponds have had multiple whales appear over the last year. These whales fluctuate in size and location depending on the pond water level. Whaling occurs when air or water present under the pond liner bubbles up and deforms the liner. This deformation reduces the pond storage capacity and can cause damage to the liner that could potentially lead to leakage.

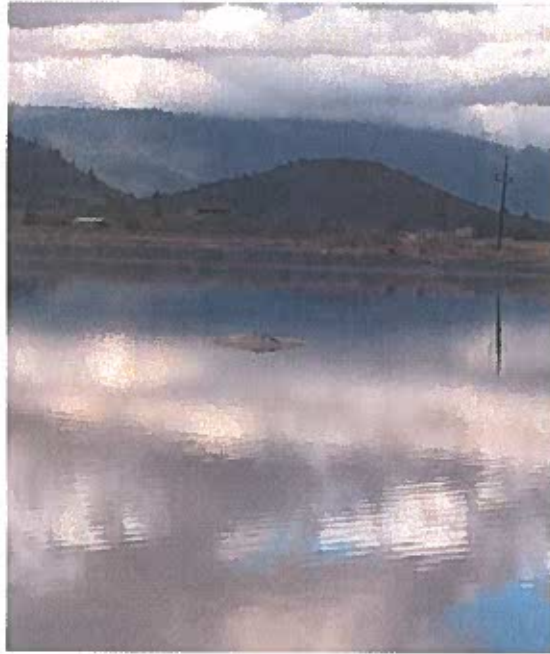


Figure 2: Whale Present in the South Pond. Photo taken May 28, 2019.

Per an April 3, 2012 letter written to the City by Applied Soil Water Technologies, LLC (ASW), air vents were installed at the top of slope around the perimeters of both ponds. At some point after the ASW letter, ballasts were placed in both ponds to alleviate whaling. In a photo from the October 4, 2018 site visit (Figure 3), the ballasts can be seen at the base of the slopes of the ponds parallel to the perimeter. This installation does not meet recommended installation guidelines and may actually be exacerbating the whaling problem by blocking air flow under the liner from traveling up the slope and out the air vents. It was recommended to the City that the ballasts be placed in the center of the pond sitting one on top of another perpendicularly to form a "+". Some recent discussion about relocating the ballasts to this position and shape has been made by City staff. However, it is unclear whether this activity would result in further damage to the liner, so no further action has been recommended at this time.



Figure 3: Ballasts lying along the edge of the south pond perimeter on October 4, 2018.

4.0 NEXT STEPS TO SATISFY CAO REQUIREMENTS

To satisfy the pond liner requirements of the CAO, Farr West proposes the following alternatives:

Alternative 1: Replace both pond liners and ventilation systems in their entirety and submit as-builts to State. This alternative does not include re-design of pond berms and assumes that existing berms and piping are adequate.

Alternative 2: After the irrigation season, when the pond level is below the outlet pipes (approximately one foot of water), remobilize HGI to the WWTP site to perform leak detection testing on the bottom of the ponds. Side slopes of the ponds would be visually inspected for leaks. Pending results of leak testing, the ponds will be cleaned, liner spot repairs will be performed, and adjustments to ballast system will be made. After ponds are repaired, the liner subconsultant will run pressure tests on each leak area to ensure adequate repair then pond certification and as-builts will be submitted to the State.

Alternative 3: After the irrigation season, when the outlet pipes are exposed, cover the outlet pipes with thick plastic covering to isolate the pipes. Fill ponds over the winter up to bottom of inlet pipes then remobilize HGI to WWTP to perform leak detection testing on full ponds. Once testing is complete, hire scuba diver to remove plastic covering from outlet pipes¹. Pending results of leak testing, the ponds will be cleaned, liner spot repairs will be performed, and adjustments to ballast system will be made in Fall of 2020. After ponds are repaired, the liner subconsultant will run pressure tests on each leak area to ensure adequate repair then pond certification and as-builts will be submitted to the State.

¹ Other methods for outlet pipe cover removal may exist that would allow for removal from the above the water surface.

5.0 COMPARISON OF ALTERNATIVES

Table 1: Pros, Cons, and Unknown Variables of Each Alternative

Alternative	Pros	Cons	Unknown Variables
1	<ul style="list-style-type: none"> -No further leak testing required. - Potential to eliminate whaling issues. - Resolves the outstanding CAO requirements within 12 months. - Gives the City a brand-new pond liner without wasting resources to determine the integrity of the existing liner. 	<ul style="list-style-type: none"> - Most expensive alternative. - Construction may be complicated if high ground water conditions exist. - Subsurface conditions which are causing the whaling would still exist, however would be mitigated by re-design components. - Temporary storage facilities or measures may be required. - Extensive investigation and design phase. 	<ul style="list-style-type: none"> - Presence and extent of existing pond liner leakage. - Suitability of existing pond liner berms.
2	<ul style="list-style-type: none"> - Expected to be the least expensive alternative if full liner replacement is not required. - Testing results received in the Fall of 2019. 	<ul style="list-style-type: none"> - Visual inspection for leaks can be inaccurate. - Requires a remobilization of HGI leak detection testing. - Pond cleaning process can be difficult and lead to additional leaks. - Will not reduce whaling issues in the pond. - Does not guarantee the pond liner life will be significantly extended. - Ponds would not be repaired until end of 2019 at the earliest. - Temporary storage facilities or pumping services may be required. - Future leaks would not be mitigated. 	<ul style="list-style-type: none"> - Presence and extent of existing pond liner leakage; if extensive leaks are discovered, the liner may need to be replaced. - May not receive State approval due to inaccuracy of visual leak inspection.
3	<ul style="list-style-type: none"> - HGI leak detection services are more cost effective on full ponds. - Pond cleaning would only be necessary where leaks are present. 	<ul style="list-style-type: none"> - Requires HGI leak detection testing. - Outlet pipe isolation will be tedious and leak occurrences could still occur if pipes are not completely isolated. - Requires the pond to be cleaned. - Does not guarantee the resolution of whaling issues in the pond. - Does not guarantee the pond liner life will be significantly extended. - Resolves the outstanding CAO requirements the slowest of all alternatives (Fall of 2020). - Future leaks would not be mitigated. 	<ul style="list-style-type: none"> - Presence and extent of existing pond liner leakage; if extensive leaks are discovered, the liner may need to be replaced.

5.1.1 Scheduling of Alternatives

Alternative 1 is estimated to take eight months from the notice to proceed with design. The anticipated items to be completed within this timeframe include:

- 1) Site and Facility investigations (2 months)
- 2) Liner and ventilation system design (3 months)
- 3) Contractor bidding process (1 month)
- 4) Construction Process (2 months, weather permitting):
 - a) Demolition of the existing pond liners
 - b) Re-grading of the pond bottoms to an adequate slope for ventilation
 - c) Installation of a new ventilation system and new pond liners

Alternative 2 is estimated to take six months to a year depending on the results of the leak detection testing. The anticipated items to be completed within this timeframe include:

- 1) Mobilization of HGI to site when the ponds are at their lowest water level (September or October 2019)
- 2) HGI performs leaks detection testing on bottom of pond. Visual inspection of side slopes will take place concurrently with HGI's services. (3 to 4 days)
- 3) Pending results of the leak detection testing:
 - a) Ponds will be cleaned (1 week)
 - b) Contractor will be scheduled to perform spot repairs on the leaking portions of liner (2 months)

If results of the leak detection testing conclude that the liners should be completely replaced, the schedule of this alternative will be delayed by six months to a year to allow for the some of the items in alternative 1 to be completed.

Alternative 3 is similar to alternative 2 because its schedule also depends on the results of the leak detection testing, however, alternative 3 would require another 6 months to fill the ponds prior to testing. The anticipated items to be completed within this timeframe include:

- 1) Isolate outlet pipes when the pond water level falls below the outlet pipe (September or October 2019)
- 2) Fill ponds to rim of inlet pipes (April or May 2020)
- 3) Mobilization of HGI to site to perform leaks detection testing on full ponds (3 to 4 days)
- 4) Pending results of the leak detection testing:
 - a) Ponds will be cleaned (1 week in Fall of 2020)
 - b) Contractor will be scheduled to perform spot repairs on the leaking portions of liner (2 months)

Similar to alternative 2, if the results of the leak detection testing conclude that the liners be completely replaced, the alternative 3 schedule will be extended another six months to a year to allow for some of the items in alternative 1 to be completed.

5.1.2 Opinions of Probable Cost for each Alternative

Opinions of probable costs for each alternative are presented in Table 2 below. It should be noted that these costs are level 5 (i.e. planning level) cost estimates that incorporate numerous assumptions and should be considered within an accuracy range of -40% to +50%. These costs are adequate for general budgeting and cost comparisons between alternatives but should not be considered estimates of bid results or final construction costs. For further detail on these costs and the assumptions included, please refer to Appendix A. For costing purposes, alternatives 2 and 3 have been split into two separate costs (alternatives 2a, 2b, 3a, and 3b). Costs for alternatives 2a and 3a assume that only a few leaks exist in each pond that require minor pond repair work. While costs for alternatives 2b and 3b assume that the existing liners is in poor condition with many leaks present, thus requiring majority of the liner to be repaired.

Table 2: Planning Level Cost Estimates of Alternatives

Alternative	Estimated Cost
1	\$1,423,700
2a	\$272,000
2b	\$600,000
3a	\$276,000
3b	\$608,000

6.0 NEXT STEPS

Farr West met with City representatives on June 5, 2019 to present these alternatives. The City would prefer to pursue alternative 2 because it is the least expensive option and will require less time than alternative 3. Additionally, the City has no reason to believe that there are currently leaks present in the liner and therefore alternative 1 seems too extensive to pursue at this time.

After this technical memo is issued to the State, the City will send a formal request for a site walk through with the State and Farr West staff to discuss the liner issues and their available alternatives to satisfy the CAO. Implementation of the selected alternative will likely require time for Farr West to conduct a research investigation to familiarize ourselves with the specific issues in the pond liners. This research will include reading through lawsuit documents, pond liner design documents, ground water level piezometric data, and any other investigative documents that pertain to the pond liner design and issues.

APPENDIX A

Cost Estimates - Pond Liner Alternatives

Alternative 1 - Replace Liner and Ventilation System, Regrade Pond Bottoms

Item	Description	Classification	Quantity	Unit	Unit Price	Total
1	Construction Mobilization/Demob	Construction Cost	1	LS	\$ 43,000	\$ 43,000.00
2	Demolish Existing Liner and Disposal	Construction Cost	500,500	SF	\$ 0.55	\$ 275,275.00
3	Basin Earthwork and Subgrade Prep	Construction Cost	10,000	CY	\$ 12.00	\$ 120,000.00
4	60 mil HDPE liner w/ vents	Construction Cost	500,500	SF	\$ 1.40	\$ 700,700.00
5	Ventilation geocomposite strips	Construction Cost	50	Strips	\$ 0.15	\$ 8.00
6	Farr West Design Cost	Design Cost	1	LS	\$ 284,744	\$ 284,743.75
Total Cost:						\$ 1,423,726.75

Alternative 2 - Leak Detection on Partially Full Ponds and Liner Spot Repairs; Item 4a and Cost 2a Assume Existing Liner is in Good Condition; Item 4b and Cost 2b Assume Existing Liner is in Bad Condition and Requires Extensive Repairs or Majority Overlay.

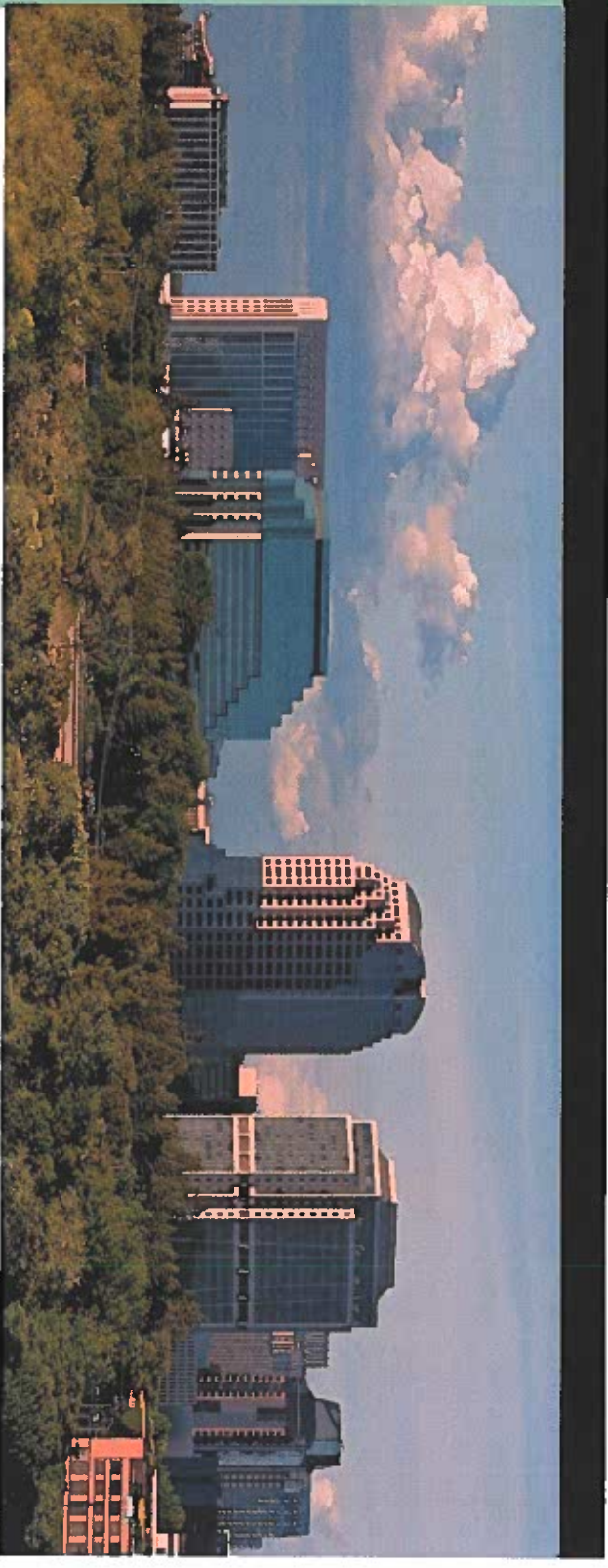
Item	Description	Classification	Quantity	Unit	Unit Price	Total
1	HGI Leak Detection Testing	Subconsultant Cost	1	LS	\$ 22,466	\$ 22,500.00
2	Visual Leak Detection Testing	Subconsultant Cost	1	LS	\$ 5,000	\$ 5,000.00
3	Clean out ponds	Pond Cleaning Cost	1,102,700	gal	\$ 0.16	\$ 176,400.00
4a	Pond Liner Repairs	Subconsultant Cost	5	day	\$ 2,000.00	\$ 10,000.00
4b	Pond Liner Replacement	Subconsultant Cost	375,375	SF	\$ 0.90	\$ 337,800.00
5	Ballast System	Subconsultant Cost	1	LS	\$ 50,000.00	\$ 50,000.00
6	By pass pumping	Pumping Cost	1	month	\$ 8,055	\$ 8,055.00
Total Cost 2a:						\$ 271,955.00
Total Cost 2b:						\$ 599,755.00

Alternative 3 - Leak Detection on Full Ponds and Liner Spot Repairs; Item 5a and Cost 3 Assumes Existing Liner is in Good Condition; Item 5b and Cost 3b Assume Existing Liner is in Bad Condition and Requires Extensive Repairs or Majority Overlay.

Item	Description	Classification	Quantity	Unit	Unit Price	Total
1	Isolate outlet pipes	Subconsultant Cost	1	LS	\$ 5,000	\$ 5,000.00
2	HGI Leak Detection Testing	Subconsultant Cost	1	LS	\$ 22,466	\$ 22,500.00
3	Scuba to unisolate outlet pipes	Subconsultant Cost	1	day	\$ 8,000	\$ 8,000.00
4	Clean out ponds	Pond Cleaning Cost	1,102,700	gal	\$ 0.16	\$ 176,432.00
5a	Pond Liner Repairs	Subconsultant Cost	5	day	\$ 1,200	\$ 6,000.00
5b	Pond Liner Replacement	Subconsultant Cost	375,375	SF	\$ 0.90	\$ 337,800.00
6	Ballast System	Subconsultant Cost	1	LS	\$ 50,000.00	\$ 50,000.00
7	By pass pumping	Pumping Cost	1	month	\$ 8,055	\$ 8,055.00
Total Cost 3a:						\$ 275,987.00
Total Cost 3b:						\$ 607,787.00

Assumptions:

- Basin Earthwork was assumed at 10,000 CY cut and 10,000 CY fill, pay on fill at 2% sloping of pond bottoms
- Construction mobilization and demobilization assumed to be 5% of construction cost
- Ventilation system is assumed to include 3" layer of gravel rock on bottom of ponds priced at \$25/cubic yard of rock and a geocomposite drainage fabric on bottom and side slopes of ponds priced at \$0.20/SF.
- Farr West Design cost assumed at 16% of total construction cost to cover both design and construction management
- Visual leak detection testing assumed to be preformed by Farr West inspector for over multiple days including travel time.
- HGI service includes mobilization and 4 days of leak detection testing. Reporting costs to be covered through existing HGI contract
- Outlet pipe isolation assumed to be performed by Farr West inspector and to require a small design effort.
- Bypass pumping cost based off Pac Machine quote for a Godwin HL130 diesel trash pump
- Pond cleaning cost assumes 4" of sediment on pond bottoms at \$0.16/gal of effluent water removal and disposal
- Costs 2a and 3a assume that the leak detection results finds the existing liner in good condition with a small number of spot repairs needed to solve leaking issues.
- Costs 2b and 3b assume that the leak detection results find the existing liner in bad condition that will require 75% of liner to be replaced at \$0.90/SF. Due to economies of scale, the cost of liner will fluctuate depending on the amount of liner that needs to be replaced. No regrading of the pond bottoms is included in the costs.
- All costs have been rounded to the nearest dollar. These costs are level 5 planning costs and should be considered within an accuracy range of -40% to +50%



Planning for Housing- SB2 Grant Program
Karalee Browne
Institute for Local Government

What does ILG do?

Promoting good government at the local level


- Program Areas
- Leadership & Governance
- Sustainable Communities
- Public Engagement
- Youth & Civics Education



Practical, impartial and easy-to-use resources

- Services
- Education & Training
- Technical Assistance
- Capacity Building
- Convening

ILG's Role in SB2 Technical Assistance

- Increase awareness about SB2 planning grant availability
- Connect cities with  PLACEWORKS technical assistance
- Document best practices and housing success stories
- Provide a housing-focused community engagement training
- Update the ILG Housing Toolbox



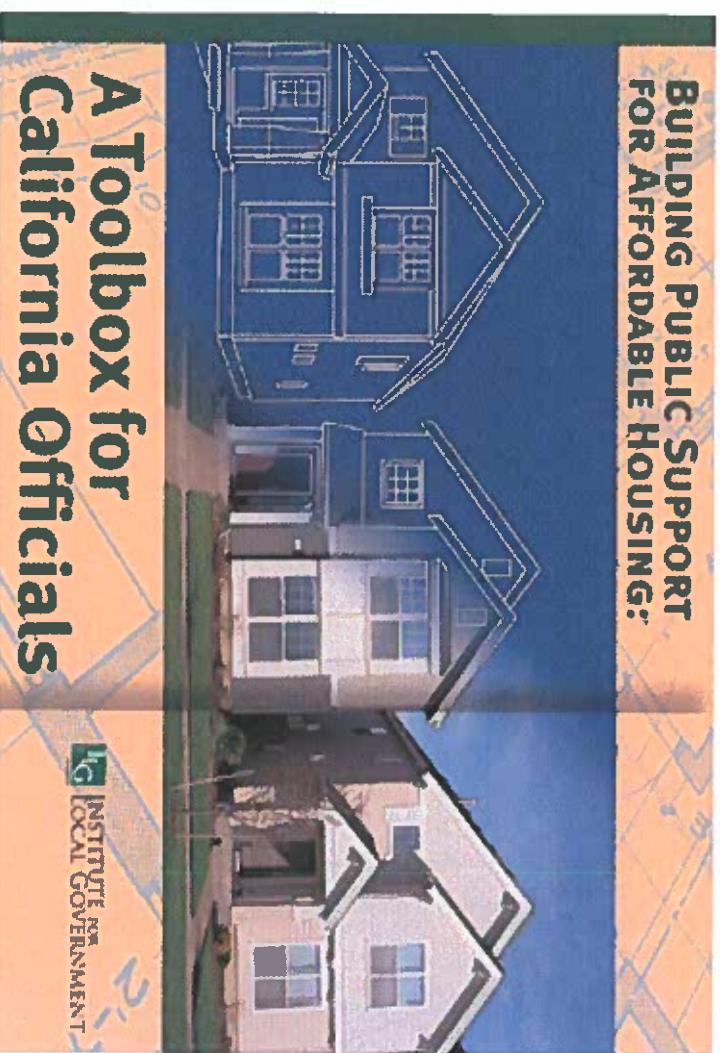
ILG Affordable Housing Toolbox

Current Content:

- Building and Design
- Addressing Community Concerns
- Designing Public Participation Process
- Project Design Implementation

New Content May Include:

- New public engagement strategies
- Innovative housing, like ADUs
- Parking and transportation models



SB2

Created the first permanent source of funding dedicated to affordable housing development

Year 1

**50% Planning Grants
5% for Technical Assistance**

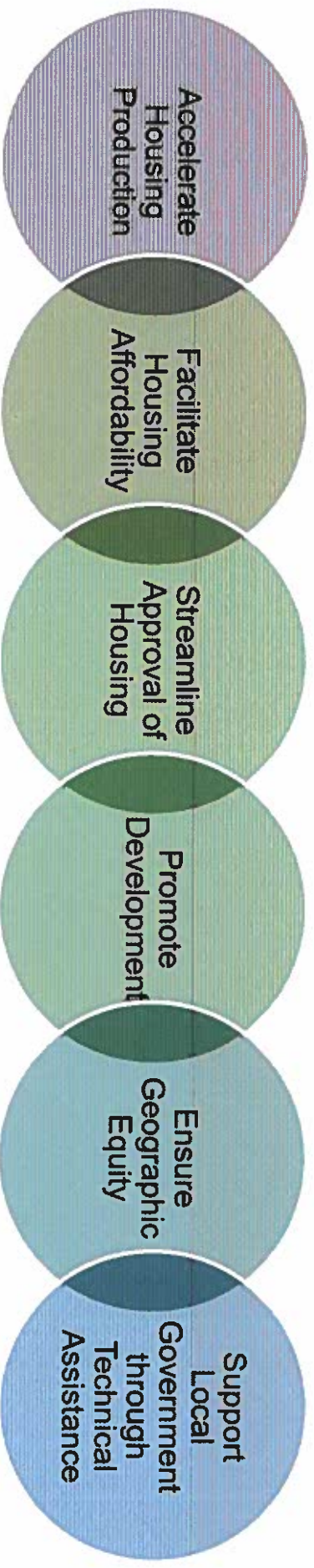
50% Homeless Programs

Year 2 and beyond

70% Affordable Housing

**15% middle-income rental
5% production incentive
10% farmworker housing**

Program Goals



Program Highlights

Over the
Counter
Process

Non-
Competitive

Eight Month
Application
Window

Grant Amounts
Based on
Population

Priority Policy
Areas

Technical
Assistance
Available

Funding Available Based on Population

Minimum Grant

- \$25,000

Small
Up to 60,000 People

- Max \$160,000

Medium
60,000-200,000 People

- Max \$310,000

Large
Greater than 200,000 People

- Max \$625,000

Important Dates

Events	Dates
NOFA release	March 28, 2019
NOFA Application Workshops/Webinar	April 1 – May 1, 2019
Final due date for OTC applications	November 30, 2019
Housing Element adoption Housing Element compliance	By date of submission of the application By the time of award
Annual progress report submissions	By date of submission of the application
Anticipated end of grant term (expenditure dates)	June 30, 2022
Technical Assistance Program	March 28, 2019 – June 30, 2022

Requirements

- 1) Housing Element (HE) compliance
 - Refer to HCD website for compliance status
- 2) Annual Progress Report (APR) Submittal
 - 2017 or 2018
- 3) Demonstrate a nexus to accelerating housing production
 - Exception: Applicants utilizing Priority Policy Areas (PPA) automatically prove the nexus
- 4) Certify consistency with State or Other Planning Priorities
 - Self-certification

Policy Priority Areas

Rezone to Permit
By-Right

Objective Design &
Development
Standards

Specific Plans or
Form Based
Codes w/ CEQA
streamlining

ADUs or
Innovative Building
Strategies

Expedited
Processing

Innovative Housing
Finance, Fees or
Infrastructure
Strategies

Policy Priority Areas Get Faster Approval

Applicants proposing PPAs are automatically deemed to accelerate housing production without any further documentation or demonstration to the Department (**unless mixing with activities that are not considered PPAs**).

- Streamlines the approval process
- Applicants not utilizing PPAs must demonstrate their activity's nexus to accelerating housing production

Eligible Activities Include, but are not limited to:

- Local process improvements that improve and expedite local planning
- Pre-approved site plans
- Regional housing trust fund plans
- Other activities that demonstrate a nexus to accelerating housing production
- Costs of preparing and adopting the proposed activity
- May not be used for administrative costs of persons employed by the grantee for activities not directly related to the proposed activity
- Maximum of 5% may be used for administrative costs

Innovative Ideas

City of Santa Cruz: ADU Program

- Updated ADU ordinance
- Engaged architects to create pre-approved prototype plans
- Hosted community engagement events to educate public
- Developed “how to” manuals
- Created partnerships to foster financing options
- ★ Learn more in the March issue of *Western City Magazine*



Innovative Ideas

City of El Cerrito: Specific Plan

Plan Highlights:

- Form Based Code that regulates urban development
- Complete Streets Plan
- Infrastructure Analysis for needed improvements
- Environmental Analysis eliminates the need for project specific review

Plan Outcome:

- Fostered high quality affordable housing

El Cerrito Affordable Housing Developments



1 Hana Gardens
10860 San Pablo Ave - Under Construction
62 senior units (23 extremely-low, 39 very-low)
Status: Interest list closed; construction completion etc. summer 2018
Contact: Eden Housing, Inc., (510) 582-1460, www.edenhousing.org



3 Ohlone Gardens
6431-6495 Portola Dr - Built 2015
56 low income units (10 units for special needs)
Status: Wait list closed
Contact: Resources for Community Development, (510) 526-4000, ohlone@iscanet



2 Metro 510 (Creekside Walk)
El Cerrito Plaza - Under Construction
19 affordable units (6 low, 13 moderate)
Status: Interest list closed; construction completion spring 2018
Contact: Ravello Holdings, Inc., (510) 629-0326, Metro510.cd@fpmgt.com, www.liveatmetro510.com/metro-510-el-cerrito-ca/



4 Village at Town Center
10810 San Pablo Ave - Built 2007
24 moderate income units
Status: Wait list closed
Contact: Klingbeil Capital Management, (510) 525-3319, mjeger@kcmajps.com, www.kcmajps.com/village-at-town-center-el-cerrito-ca



EL CERRITO



First Application in the Door

City of Redlands: CEQA Streamlining

**CEQA Streamlining
for over 2,000 higher
density units in a
transit station plan**



Innovative Ideas

City of Folsom: Permit Streamlining

Folsom is proposing physical improvements to a customer service counter:

- New technologies
- Enhanced customer terminals
- Improved web-based platform for zoning information
- Public kiosk for project submittals
- Access to data and public records

Nexus to Housing:

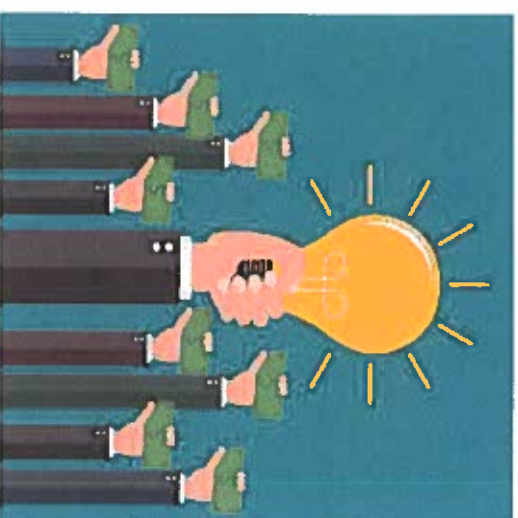
- Planned improvements and software conversion will result in a more efficient, convenient, and cost-effective customer experience to streamline and facilitate housing production.



Flexible Funding is Rare!

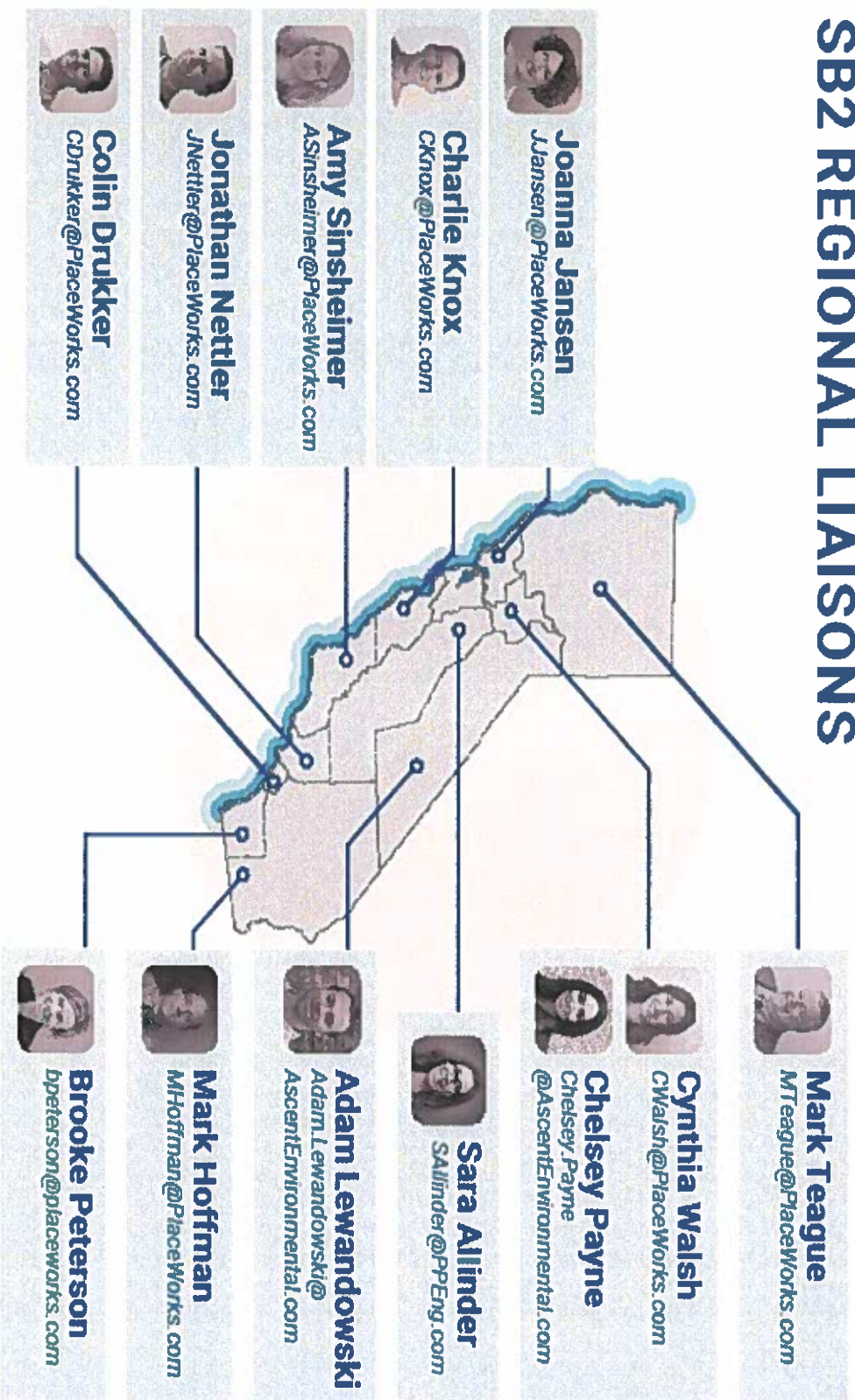
Tips for Success:

- Be innovative!
- Stay within the six priority policy areas for faster approval
- Get your application in early (application window is only 8 months)
- Take advantage of technical assistance; it's like having a free consultant!
- Remember, this is a non-competitive, over the counter process for **PLANNING FUNDS**. This opportunity doesn't come along that often!



Technical Assistance Providers

SB2 REGIONAL LIAISONS





**Karalee Browne
Manager**

Institute for Local Government

916-658-8274

kbrowne@ca-ilg.org

SB 102/AB 101
Summary
June 29, 2019

The goal of SB 102 is to increase housing production in California. It does so by

- Providing **\$2.5 billion** in funding to address California’s housing and homelessness crisis;
- Establishing **incentives** to encourage cities and counties to increase housing production;
- Establishing a process for a **court** to determine that a city or county has complied with housing element law; and
- Imposing **penalties**, as a last resort, if cities and counties disregard the direction of a court and continue not to fulfill their responsibilities under housing element law.

Housing Elements

Process changes: SB 102 requires HCD to publish an annual list of cities that have failed to adopt a HCD-approved housing element. If HCD puts a city on the list, city has opportunity for two meetings to discuss its housing element and HCD must provide city written findings supporting its determination. A city may also request de novo review of its last element. HCD must issue written findings in response to the de novo review. City may challenge HCD’s findings pursuant to CCP Section 1094.5.

Financial penalties: If the Attorney General sues a city; the court finds that its housing element does not substantially comply with state law; and the city fails to bring the housing element into compliance, the following fines will be imposed unless the court finds mitigating circumstances for the delay:

- Within 12 months of the court’s order: \$10,000 - \$100,000 per month
- Within 15 months of the court’s order: \$30,000 - \$300,000 per month
- Within 18 months of the court’s order: \$60,000 - \$600,000 per month and court may appoint a receiver/agent to bring the city’s housing element into compliance

Fines are deposited into the building Homes and Jobs Trust Fund. The State Controller may intercept state and local funds if the fines are not paid.

Financial incentives: Additional points and other preferences will be awarded for certain state funding programs for cities that have adopted (i) housing element approved by HCD; and (ii) “prohousing local policies.” HCD will designate cities as “prohousing” by July 1, 2021 pursuant to emergency regulations.

Prohousing local policies facilitate the planning, approval, or construction of housing such as:

- Establishing local housing trust fund
- Reducing parking requirements
- Use by right approval
- Reduction of permit processing time
- Reduction of development impact fees
- Establishment of Workforce Housing Opportunity Zone or housing sustainability district

Local Government Planning Support Grants Program

The Program: \$250,000,000 to regions, cities and counties for planning activities to accelerate housing production and facilitate implementation of RHNA.

1. \$125,000,000 to COGS and other regional entities [H & S 50515.02]

Application deadline: January 31, 2021. Funding can be retained for COG's use and/or suballocations to member cities and counties for following purposes:

- Improved methodology for distribution of 6th cycle RHNA
- Regional or countywide housing trust finds
- Technical assistance to update local planning documents
- Infrastructure planning
- Feasibility studies to determine housing sites consistent with SCS

2. \$125,000,000 to cities and counties (H & S 50515.03)

Application deadline: July 1, 2020. Maximum amounts based upon population for the following purposes:

- Rezoning and updating planning documents
- Completing environmental clearance to eliminate need for project-specific review
- Infrastructure planning
- Developing or improving accessory dwelling unit ordinance

Infill Infrastructure Grant Program of 2019

The Program: \$500,000,000 for competitive funding for “qualifying infill project” or “qualifying infill area.” NOFA to be released 11/30/19. [\$410,000,000 available for counties with a population more than 250,000, or any city in that county; \$90 million available for counties with a population less than 250,000, or any city in that county].

Qualifying infill project is a residential or mixed-use project located in an urbanized area in a city with an HCD-compliant housing element.

- 15% affordability (60% of AMI for rental; 120% of AMI for sale)
- Equal to or greater than “Mullin” densities
- Proximity to transit, parks, employment, schools, social services
- Consistency with SCS

Grant funds used for “capital improvement project” to facilitate the development of a qualifying infill project or area:

- Water, sewer, or other utility improvements
- Streets, roads, transit
- Project site preparation
- Sidewalk or streetscape improvement

Homelessness: Funding and Programs

1. The Homelessness Housing, Assistance and Prevention Program [H&S 50217]

\$650,000,000 is proposed for one-time grants to cities, counties, and continuums of care,¹ to support regional coordination, and to expand or develop local capacity, to address immediate homelessness challenges.

- \$190,000,000 will be available to continuums of care.
- \$275,000,000 will be available to cities or a city and county that has a population of more than 300,000.
- \$175,000,000 will be available to counties.

Applications must be submitted by February 15, 2020. All awards will be based on the applicant’s proportionate share of the state’s total homeless population

2. Low Barrier Navigation Centers [Gov’t Code 65660]

¹ The “continuum of care” is the group organized to carry out responsibilities under the federal McKinney-Vento Homeless Assistance Act (24 CFR 578.3).

A “low barrier navigation center” is a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing. It provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter and housing.

A “low barrier navigation center” must be permitted as a “use by right”² if it meets the following requirements:

- Offers services to connect people to permanent housing
- Linked to coordinated entry system
- Has a system for entering information regarding client stays, client demographics, client income and exit destination through the local Homeless Management Information System
- Implements Housing First

Within 30 days of receiving an application for a Center, a city must notify the applicant whether the application is complete. Within 60 days of a completed application, the city must act on the application.

Additional Provisions

1. Changes are made to the TCAC program including making HCD and CHFA directors voting members of the Committee. Currently they are ex officio members.
2. Changes made to state low income housing tax credit including additional \$500,000,000 for 2020 calendar year.
3. HCD and OPR will recommend an improved RHNA process and methodology to Legislature by 12/31/22.
4. Amendments made to Joe Serna Farmworker Housing Grant Program [H & S 50517.5].
5. Amendments made to CalHome Program [H & S 50650].
6. Amendments to Housing Trust Fund Matching Grants including lowering grant to \$500,000 for newly established funds.
7. Additional points and preference to city with HCD-compliant housing element and designated prohousing for Infill Incentive Grant Program of 2007 funds released after July 1, 2021.

² “Use by right” means that a city may not require a conditional use permit or other discretionary local review. It does not exempt the center from design review.

Electronic Report Transmittal Form

Attention: Brendan Kenny (916) 464-4635

Discharger: City of Loyalton
Name of Facility: Loyalton WWTF
WDRs Order Number: R5-2009-0108
CIWQS Place ID: 214650
County: Sierra

I am hereby submitting to the Central Valley Water Board the following information:

Check all that apply:

Technical Report Title and Date _____

Monthly Monitoring Report for the month of _____

1st / 2nd / 3rd / 4th (circle one) Quarterly Monitoring Report for the year of _____

1st / 2nd (circle one) Semi-annual Monitoring Report for the year _____

Annual Monitoring Report for the year _____

Violation Notification:

During the monitoring period, there were / were not (circle one) any violations of the WDRs.

1. The violations were:

2. Have the violations been corrected? Yes / No. If no, what will be done to correct the violations:

Certification Statement:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment."

Signature: _____ Phone: _____

Printed Name: _____ Date: _____

Electronic Report Submittal:

To submit the electronic reports please do the following:

1. First, make a PDF copy of your report and include this *form as the first page of the report.*
2. Attach the PDF file to the email.
3. Send the email and PDF attachment to **centralvalleysacramento@waterboards.ca.gov** (Please note that in order to ensure your reports are cataloged correctly and routed to the appropriate Regional Board staff, only one report/attachment shall be included with each e-mail.)

Electronic Report Transmittal Form

Attention: Brendan Kenny (916) 464-4635

Discharger: City of Loyalton
Name of Facility: Loyalton WWTF
WDRs Order Number: R5-2009-0108
CIWQS Place ID: 214650
County: Sierra

I am hereby submitting to the Central Valley Water Board the following information:

Check all that apply:

Technical Report Title and Date _____

Monthly Monitoring Report for the month of _____

1st / 2nd / 3rd / 4th (**circle one**) Quarterly Monitoring Report for the year of _____

1st / 2nd (**circle one**) Semi-annual Monitoring Report for the year _____

Annual Monitoring Report for the year _____

Violation Notification:

During the monitoring period, there were / were not (**circle one**) any violations of the WDRs.

1. The violations were:

2. Have the violations been corrected? Yes / No. If no, what will be done to correct the violations:

Certification Statement:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment."

Signature: _____ Phone: _____

Printed Name: _____ Date: _____

Electronic Report Submittal:

To submit the electronic reports please do the following:

1. First, make a PDF copy of your report and include this *form as the first page of the report.*
2. Attach the PDF file to the email.
3. Send the email and PDF attachment to **centralvalleysacramento@waterboards.ca.gov** (Please note that in order to ensure your reports are cataloged correctly and routed to the appropriate Regional Board staff, only one report/attachment shall be included with each e-mail.)

CITY OF LOYALTON
FINANCIAL STATEMENTS
JUNE 30, 2018

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
lpbain@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Loyalton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Loyalton, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The City does not utilize an accounting system with a self-balancing set of accounts for recording transactions to each fund. As a result entries can be posted to the general ledger causing the financial statements to be out of balance by fund and entries posted to funds causing material misstatement without being detected in a timely manner by the finance staff. Furthermore, the City has not reviewed and adjusted prior year allocations to the enterprise funds debt service bank accounts. The net effect of adjustments could result in material misstatements to these financial statements the amount of which are unknown.

CITY OF LOYALTON

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
Current Assets			
Cash and investments	\$ 283,718	\$ 2,734,474	\$ 3,018,192
Accounts receivable	16,241	46,791	63,032
Grants receivable		192,372	192,372
Restricted cash and investments	152,199	329,881	482,080
Total Current Assets	<u>452,158</u>	<u>3,303,518</u>	<u>3,755,676</u>
Non Current Assets			
Loans receivable	7,718		7,718
Internal balances	269,351	(269,351)	-
Capital assets:			
Land	55,293	373,319	428,612
Construction in Progress	56,546		56,546
Buildings	810,524	415,920	1,226,444
Site improvements	2,363,686	11,030,870	13,394,556
Equipment	614,973	767,974	1,382,947
Less: accumulated depreciation	(1,398,259)	(5,019,278)	(6,417,537)
Total Capital Assets	<u>2,502,763</u>	<u>7,568,805</u>	<u>10,071,568</u>
Total Non Current Assets	<u>2,779,832</u>	<u>7,299,454</u>	<u>10,079,286</u>
Total Assets	<u>\$ 3,231,990</u>	<u>\$ 10,602,972</u>	<u>\$ 13,834,962</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 4,369	\$ 186,834	\$ 191,203
Accrued wages	4,741	5,585	10,326
Customer deposits	200		200
Accrued interest payable		69,682	69,682
Unearned revenue-advance	123,893		123,893
Long-term liabilities-due within one year	-	121,600	121,600
Total Current Liabilities	<u>133,203</u>	<u>383,701</u>	<u>516,904</u>
Liabilities-due in more than one year:			
Compensated absences		5,531	5,531
Note payable		889,229	889,229
Certificate of participation		4,031,800	4,031,800
Total Liabilities Due In More Than One Year	<u>-</u>	<u>4,926,560</u>	<u>4,926,560</u>
Total Liabilities	<u>133,203</u>	<u>5,310,261</u>	<u>5,443,464</u>
Net Position			
Net investment in capital assets	2,502,763	2,528,435	5,031,198
Restricted for debt service		329,881	329,881
Unrestricted	596,024	2,434,395	3,030,419
Total Net Position	<u>\$ 3,098,787</u>	<u>\$ 5,292,711</u>	<u>\$ 8,391,498</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	Special Revenue Funds			Total Governmental Funds
	General	Gas Tax	CDBG	
<u>Assets</u>				
Cash and investments	\$ 262,758	\$ -	\$ 20,960	\$ 283,718
Restricted cash	94,635	57,564		152,199
Receivables				
Accounts	15,572	669		16,241
Loans			7,718	7,718
Due from other funds	413,241	18,974	196,287	628,502
Total Assets	<u>\$ 786,206</u>	<u>\$ 77,207</u>	<u>\$ 224,965</u>	<u>\$ 1,088,378</u>
<u>Liabilities</u>				
Accounts payable	\$ 2,890	\$ 1,479	\$ -	\$ 4,369
Accrued payroll	4,485	256		4,741
Customer deposits	200			200
Due to other governments	-			
Unearned revenue-advance	59,810	64,083		123,893
Due to other funds	300,512	58,639		359,151
Total Liabilities	<u>367,897</u>	<u>124,457</u>		<u>492,354</u>
<u>Fund Balances</u>				
Nonspendable for loans receivable			7,718	7,718
Assigned for special revenue funds			217,247	217,247
Unassigned	418,309	(47,250)		371,059
Total Fund Balances	<u>418,309</u>	<u>(47,250)</u>	<u>224,965</u>	<u>596,024</u>
Total Liabilities and Fund Balances	<u>\$ 786,206</u>	<u>\$ 77,207</u>	<u>\$ 224,965</u>	<u>\$ 1,088,378</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Special Revenue			Total Governmental Funds
	General	Gas Tax	CDBG	
Revenues				
Taxes	\$ 108,100	\$ -	\$ -	\$ 108,100
Licenses and permits	16,437			16,437
Intergovernmental	288,387	24,471		312,858
Fines, forfeitures and penalties				-
Charges for current services	28,139			28,139
Use of money and property	278		3	281
Other	30,775	-		30,775
Total Revenues	<u>472,116</u>	<u>24,471</u>	<u>3</u>	<u>496,590</u>
Expenditures				
Current:				
General government	62,194			62,194
Public safety	181,070			181,070
Health and sanitation	407			407
Highways and streets		33,367		33,367
Culture and recreation	13,772			13,772
Capital Outlay	-	-		-
Total Expenditures	<u>257,443</u>	<u>33,367</u>	<u>-</u>	<u>290,810</u>
Excess (Deficit) of Revenues over Expenditures	<u>214,673</u>	<u>(8,896)</u>	<u>3</u>	<u>205,780</u>
Other Financing Sources (Uses)				
Sale of assets	26,500			26,500
Total Other Financing Sources (Uses)	<u>26,500</u>	<u>-</u>	<u>-</u>	<u>26,500</u>
Net Change in Fund Balance	<u>241,173</u>	<u>(8,896)</u>	<u>3</u>	<u>232,280</u>
Fund Balances, July 1, 2017	<u>236,946</u>	<u>(38,354)</u>	<u>224,962</u>	<u>423,553</u>
Prior Period Adjustment	<u>(59,810)</u>			<u>(59,810)</u>
Fund Balances, June 30, 2018	<u>\$ 418,309</u>	<u>\$ (47,250)</u>	<u>\$ 224,965</u>	<u>\$ 596,023</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Current assets:			
Cash and investments	\$ 128,189	\$ 2,606,285	\$ 2,734,474
Restricted cash and investments	61,887	267,994	329,881
Receivables			
Accounts (Net of allowance for doubtful accounts)	17,660	29,131	46,791
Grants receivable		192,372	192,372
Due from other funds	71,963	43,223	115,186
Total current assets	<u>279,699</u>	<u>3,139,005</u>	<u>3,418,704</u>
Capital assets:			
Nondepreciable capital assets:			
Land		373,319	373,319
Depreciable capital assets			
Building		415,920	415,920
Site improvements	2,787,734	8,243,136	11,030,870
Equipment	167,153	600,821	767,974
Less accumulated depreciation	<u>(1,139,832)</u>	<u>(3,879,446)</u>	<u>(5,019,278)</u>
Total capital assets (net of accumulated depreciation)	<u>1,815,055</u>	<u>5,753,750</u>	<u>7,568,805</u>
Total Assets	<u>\$ 2,094,754</u>	<u>\$ 8,892,755</u>	<u>\$ 10,987,509</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 7,315	\$ 179,519	\$ 186,834
Accrued payroll	2,371	3,214	5,585
Due to other funds	152,454	232,083	384,537
Current portion - long term liabilities	19,000	102,600	121,600
Interest payable	14,427	55,255	69,682
Total current liabilities	<u>195,567</u>	<u>572,671</u>	<u>768,238</u>
Noncurrent liabilities:			
Compensated absences	1,854	3,677	5,531
Bonds payable		889,229	889,229
Certificates of participation	942,800	3,089,000	4,031,800
Total noncurrent liabilities	<u>944,654</u>	<u>3,981,906</u>	<u>4,926,560</u>
Total Liabilities	<u>1,140,221</u>	<u>4,554,577</u>	<u>5,694,798</u>
Net position:			
Net investment in capital assets	853,255	1,675,180	2,528,435
Restricted for debt service	61,887	267,994	329,881
Unrestricted	39,391	2,395,004	2,434,395
Total Net Position	<u>\$ 954,533</u>	<u>\$ 4,338,178</u>	<u>\$ 5,292,711</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2018**

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash received from customers	\$ 188,209	\$ 372,663	\$ 560,872
Cash payments to suppliers	(77,416)	(399,336)	(476,752)
Cash payments to employees	(63,122)	(74,205)	(137,327)
Net Cash Provided By (Used For) Operating Activities	<u>47,671</u>	<u>(100,878)</u>	<u>(53,207)</u>
Cash Flows from Noncapital Financing Activities			
Interfund activity	-	7,270	7,270
Other	2,401	1,000	3,401
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>2,401</u>	<u>8,270</u>	<u>10,671</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of fixed assets		(72,525)	(72,525)
Reductions of debt	(18,100)	(100,300)	(118,400)
Capital grant		228,467	228,467
WWTP legal settlement-net		966,758	966,758
Interest expense	(43,689)	(122,174)	(165,863)
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>(61,789)</u>	<u>900,226</u>	<u>838,437</u>
Cash Flows from Investing Activities:			
Interest income	119	4,201	4,320
Net Cash Provided By Investing Activities	<u>119</u>	<u>4,201</u>	<u>4,320</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(11,598)</u>	<u>811,819</u>	<u>800,221</u>
Cash and Cash Equivalents, July 1, 2017	<u>201,674</u>	<u>2,062,460</u>	<u>2,264,134</u>
Cash and Cash Equivalents, June 30, 2018	<u>\$ 190,076</u>	<u>\$ 2,874,279</u>	<u>\$ 3,064,355</u>
Reconciliation of Cash and Cash Equivalents:			
Cash and investments	\$ 128,189	\$ 2,606,285	\$ 2,734,474
Restricted cash and investments	61,887	267,994	329,881
Total Cash and Cash Equivalents	<u>\$ 190,076</u>	<u>\$ 2,874,279</u>	<u>\$ 3,064,355</u>
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities	\$ (30,367)	\$ (384,854)	\$ (415,221)
Adjustments to operating income:			
Depreciation	71,769	201,714	273,483
(Increase) decrease in accounts receivable	7,320	17,941	25,261
Increase (decrease) in accounts payable	(876)	64,700	63,824
Increase (decrease) in accrued payroll	-	-	-
Increase (decrease) in compensated absences	(175)	(379)	(554)
Net Cash Provided By (Used For) Operating Activities	<u>\$ 47,671</u>	<u>\$ (100,878)</u>	<u>\$ (53,207)</u>

The accompanying notes are an integral part of these financial statements

CITY OF BOULDER
Notes to the Financial Statements
June 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in separate columns. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

The City reports the following major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

Gas Tax Fund – This fund is used to account the revenues and expenditures of the State Gas Tax

CDBG Fund – This is used to account for Community Development revenue and expenditures

The City reports the following major enterprise funds:

Water and Sewer Funds - account for the operation of the City's water and sewer utilities. Activities of these funds include administration, operation and maintenance of the water and sewer systems and billing and collection activities. The Funds also accumulate resources for, and payment of long-term debt principal and interest. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Funds.

Notes to the Financial Statements
June 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

H. Balance Sheet Classifications

Certain resources are classified as restricted assets as their use is restricted for specific purposes by bond agreements, lease agreements, trust agreements, grant agreements, City Charter provisions, or other requirements. Governmental fund types' restricted assets are for grant advances. Proprietary fund types' restricted assets are for renewal and replacement of equipment and debt service reserves.

I. Compensated Absences

City employees are granted vacation in varying amounts based on classification and length of service. Upon termination or retirement, the City is to pay 100% of the vacation time accrued and 25-35% of the accrued sick leave depending on the length of employment with the City.

Governmental Funds – Governmental Funds record expenditures for compensated absences as they are taken by employees. A year-end accrual for compensated absences has not been made in the Governmental Funds as of June 30, 2018, because the City does not believe any significant resources will be required to fund the year-end compensated absences liability.

Proprietary Funds – Proprietary funds accrue a liability for unused compensated absences earned through year-end. An expense is recognized for the increase in liability from the prior year.

J. Intergovernmental Revenues

Federal and state governments reimburse the City for costs incurred on certain fixed asset construction projects under capital grant agreements. Amounts claimed under such grants are credited to intergovernmental revenues if the project is being administered by a Capital Projects Fund or to contributed capital if administered by a Proprietary Fund. Additionally, the City receives reimbursement from federal and state governments for other programs, such as housing and rehabilitation. These reimbursements are recorded in the fund administering the program as intergovernmental revenues with the related program costs included in expenditures.

The respective grant agreements generally require the City to maintain accounting records and substantiating evidence to determine if all costs incurred and claimed are proper and that the City is in compliance with other terms of the grant agreements. These records are subject to audit by the appropriate government agency. Any amounts disallowed will reduce future claims or be directly recovered from the City.

K. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Notes to the Financial Statements
June 30, 2018

Note 2: Cash and Investments (Continued)

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the City of Loyaltan by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City'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 City, rather than the general provisions of the California Government Code or the City investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA			
Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

B. Concentrations of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit 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 the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the City'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 secured 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 government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2018, the City's deposits balance was \$3,509,808 and the carrying amount was \$3,499,822. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance \$250,000 was covered by the Federal Depository Insurance and \$3,259,808 by collateral held in the collateral pool.

Notes to the Financial Statements
June 30, 2018

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Retirements/ Adjustments	Balance June 30, 2018
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 55,293		\$ -	\$ 55,293
Construction in progress	56,546	-		56,546
Capital assets, being depreciated:				
Buildings and improvements	2,363,686		-	2,363,686
Site improvements	810,524			810,524
Equipment	614,973			614,973
Total capital assets, being depreciated	3,789,183	-	-	3,789,183
Less accumulated depreciation for:				
Buildings and improvements	(626,512)	(77,650)		(704,162)
Site Improvements	(326,269)	(30,504)		(356,773)
Equipment	(312,834)	(24,490)		(337,324)
Total accumulated depreciation	(1,265,615)	(132,644)	-	(1,398,259)
Total capital assets, being depreciated, net	2,523,568	(132,644)		2,390,924
Governmental activities capital assets, net	<u>\$ 2,635,407</u>	<u>\$ (132,644)</u>	<u>\$ -</u>	<u>\$ 2,502,763</u>
Business-Type Activities				
Water				
Capital assets, being depreciated:				
Site improvements	\$ 2,787,734	\$ -	\$ -	\$ 2,787,734
Equipment	167,153			167,153
Total capital assets, being depreciated	2,954,887	-		2,954,887
Less accumulated depreciation	(1,068,063)	(71,769)		(1,139,832)
Total capital assets, being depreciated, net	1,886,824	(71,769)		1,815,055
Water capital assets, net	<u>\$ 1,886,824</u>	<u>\$ (71,769)</u>	<u>\$ -</u>	<u>\$ 1,815,055</u>
Sewer				
Capital assets, not being depreciated:				
Land	\$ 373,319	\$ -	\$ -	\$ 373,319
Capital assets, being depreciated:				
Buildings	415,920			415,920
Site improvements	8,243,136			8,243,136
Equipment	528,296	72,525		600,821
Total capital assets, being depreciated	9,187,352	72,525	-	9,259,877
Less accumulated depreciation	(3,677,732)	(201,714)		(3,879,446)
Total capital assets, being depreciated, net	5,509,620	(129,189)		5,380,431
Sewer capital assets, net	<u>\$ 5,882,939</u>	<u>\$ (129,189)</u>	<u>\$ -</u>	<u>\$ 5,753,750</u>

Notes to the Financial Statements
June 30, 2018

Note 6: Long-term Liabilities (Continued)

Water Fund - 2004 Certificates of Participation

The City of Loyaltan issued \$1,144,600 in certificates of participation on March 1, 2004 through Rural USDA to provide funds for the construction of various water system improvements.

The instalment payments are secured by a pledge of the net revenues of the City's water system as provided in the instalment purchase contract. The interest rate is 4.5% with payment due dates of March 1 and September 1 and final payment due September 1, 2044.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2018 are as follows:

Fiscal Year End			
June 30,	Principal	Interest	Total
2019	\$ 19,000	\$ 42,854	\$ 61,854
2020	19,800	41,981	61,781
2021	20,700	41,069	61,769
2022	21,600	40,118	61,718
2023	22,600	39,123	61,723
2024-2028	129,300	179,044	308,344
2029-2033	161,200	146,475	307,675
2034-2038	200,900	105,905	306,805
2039-2043	250,100	55,361	305,461
2044-2048	116,600	5,306	121,906
Totals	<u>\$ 961,800</u>	<u>\$697,235</u>	<u>\$1,659,035</u>

Sewer Fund – Series 1995-A Revenue Bond

The City of Loyaltan issued \$1,256,500 in revenue bonds on February 1, 1995 through Rural Economic and Community Development Service to provide funds for the construction of various water system improvements.

The payments are secured by a pledge of the net revenues of the City's sewer system as provided in the instalment purchase contract. The interest rate is 4.5% with payment due dates of February 1 and August 1 and final payment due August 1, 2034.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2018 are as follows:

Fiscal Year End			
June 30,	Principal	Interest	Total
2019	\$ 33,000	\$ 35,555	\$ 68,555
2020	34,800	34,029	68,829
2021	36,000	32,436	68,436
2022	37,500	30,782	68,282
2023	38,600	29,070	67,670
2024-2028	222,600	116,820	339,420
2029-2033	275,900	60,892	336,792
2034-2035	128,168	5,819	133,987
Totals	<u>\$ 806,568</u>	<u>\$345,402</u>	<u>\$ 1,151,970</u>

Notes to the Financial Statements
June 30, 2018

Note 7: Interfund Transactions

Operating transfers are transactions to allocate resources from one fund to another fund not contingent on the incurrence of specific expenditures in the receiving fund. Interfund transfers are generally recorded as operating transfers in and operating transfers out in the same accounting period.

Receivables and Payables

Balances representing lending/borrowing transactions between funds outstanding at the fiscal year end are reported as either “due from/due to other funds” (amounts due within one year), “advances to/from other funds” (non-current portions of interfund lending/borrowing transactions), or “loans to/from other funds” (long-term lending/borrowing transactions evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. The interfund balances are not expected to be repaid within one year of the balance sheet date.

Interfund transactions for the fiscal year ended June 30, 2018 are summarized as follows:

	Due to Other Funds	Due from Other Funds
General Fund	\$ 300,512	\$ 413,241
Special Revenue Funds	58,639	215,261
Enterprise Funds	384,537	115,186
Totals	\$ 743,688	\$ 743,688

Note 8: Stewardship, Compliance and Accountability

A. Deficit Fund Balances

The gas tax fund had a deficit fund balance of \$47,250 at June 30, 2018. The deficit fund balance is expected to be eliminated upon receipt of future funding or transfers from the general fund.

B. Prior Year Adjustment

A prior year adjustment was made decreasing the beginning general fund, fund balance \$56,280 to correct an error in property tax allocations attributed to prior years.

Note 9: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the City’s ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 10: Related Party Transactions

The City currently is operating without a City Manager and members of the City Council have taken on the job duties normally performed by a City Manager. The members of the City Council are not compensated for taking on these duties in excess of the \$49.50 stipend per meeting received by all City Council members.

LARRY BAIN, CPA
AN ACCOUNTING CORPORATION

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
lpbain@sbcglobal.net

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Loyalton, California

We have audited, in accordance with the 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 governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Loyalton as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise City of Loyalton basic financial statements and have issued our report thereon dated June 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. The deficiencies in internal control that we consider to be material weaknesses following this report are identified as Finding 18-1, 18-2 and 18-3.

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. We consider the deficiencies Finding 18-4 through Finding 18-14 as described in the accompanying Schedule of Findings to be significant deficiencies.

**CITY OF LOYALTON
FINANCIAL STATEMENT FINDINGS
JUNE 30, 2018**

Significant Deficiencies Deemed Material Weaknesses

Finding 18-1: During the 2013/14 fiscal year testing of cash and debt we noted the City allocated \$6,000 per week to the loan money market bank account in order to pay the USDA water and sewer loans. The allocations between water and sewer funds were not based on a set % of collections for this money. Because of this there is a high risk that one fund is subsidizing the other. We also noted an \$84,000 transfer was made from the general fund to the water fund as of 6/30/14 in order to transfer the debt payment funds out of the General fund, this was not supported based on a set allocation method.

During the 2015/16 fiscal year, the City changed the \$6,000 per week allocation to 25% water fund and 75% sewer fund. We recalculated the activity in the accounts and verified each funds proper allocation and that the debt service was properly recorded in each fund.

We also noted the City outside consultant assisted with preparing the schedule to calculate the required reserve. The reserve account is not maintained in a separate account, but is in the same account used to accumulate resources used to pay the debt service. We have noted these condition in prior audits.

Recommendation: We recommend the City go back to the beginning of when the \$6,000 debt service transfers started and reconcile the activity to match how these funds should have been allocated and then make any needed journal entries to true up the allocations between the water and sewer funds. We also recommend communicating with the U.S.D.A representative to verify if a separate reserve bank account is required, or if the City can maintain the debt reserve in the same account used for debt service activity.

City Response: The City will go back to when the transfers started, 11/23/12, and make adjustments to properly allocate the funds in question.

The City continues to build the 1 year reserve required by USDA and will check with USDA to see if the reserve funds are required to be maintained in a separate account.

Finding 18-2: During our setup of the auditor's trial balance we noted the City general ledger is not a self-balancing set of accounts per fund. Significant adjustments need to be made in order to balance the funds. Furthermore the City trial balance had not been adjusted for the prior year audit entries and therefore the equity would not be in balance per fund. We noted the City hired a qualified external accountant to assist with posting the prior year audit entries and with balancing the funds. The risk of material misstatement resulting from these conditions is high and this is a condition for the qualified opinion on the financial statements. We have noted this condition in prior audits.

Current Year Follow Up: Condition not corrected during the current year audit period. For the fiscal year-end audit, the City is using an outside accountant to assist with balancing the funds.

Recommendation: We recommend the City continue to pursue replacing QuickBooks with fund accounting software.

City Response: The City has received a \$5,000.00 donation from the Tahoe Truckee Foundation to purchase Denali FUND Ascent Software, a check was sent to Cougar Mountain Software on 08.24.2018 of which they are in receipt of. At the current time scheduling for the software installation and subsequent training is underway.

Finding 18-3: During our audit we proposed many material audit journal entries to balance the general ledger to the underlying support. We proposed reducing water service income \$40,595.92, reducing sewer service income \$57,782.86 and reducing water and sewer accounts receivables by the same amounts in order to true up year-end closing entries entered in reverse. We proposed a journal entry to reduce sewer accounts payable \$170,460.94 offset by a reduction to sewer repairs and maintenance in the amount of \$56,280 and sewer capital equipment \$114,180.94 to remove recorded accounts payable that were not obligations of the City as of June 30, 2018.

**CITY OF LOYALTON
FINANCIAL STATEMENT FINDINGS
JUNE 30, 2018**

Significant Deficiencies Not Deemed Material Weaknesses (Continued)

Current Year Follow Up: No Change.

Recommendation: We recommend the City review the provisions of GASB 54 and take action to adopt this standard. We also recommend the City create a schedule track all restricted, unspendable and committed fund balances in compliance with GASB 54.

City Response: The City agrees with the recommendation and will take steps to adopt GASB 54 standards.

Finding 18-8: During our audit we did not observe the 2017/18 fiscal year budget adopted by City Council. We have noted this condition in prior audits.

Recommendation: We recommend the City adopt a detailed budget that itemizes projected revenues and expenditures. We also recommend the City perform periodic budget reviews and make amendments to the budget when projections are not realistic. Furthermore the City should consult with the City attorney to determine legal issues for not adopting a budget for the general fund and gas tax fund.

City Response: Budgets are determined based on prior year revenues and expenditures, which are reviewed by the Finance Committee. Quarterly reviews will be addressed by the Finance Committee until such time as the City is able to update and install new accounting software, when the budget updates will be done monthly.

Finding 18-9: During our review of indirect cost allocations we noted the City does not have a policy for how it is allocating indirect costs. We noted that very little administrative salary is allocated to the general fund and there does not appear to be consistency in allocating other expenditures such as office supplies and costs that are not directly related to a specific function. We have noted this condition in prior audits.

Recommendation: We recommend the City review how indirect costs are allocated and implement a policy so that administrative staff has clear guidance on how to record this activity.

City Response: The City agrees- an allocation schedule for indirect costs will be established for such things as payroll allocations and expenditure allocations.

Finding 18-10: During our testing of bank reconciliations we noted several bank accounts that had uncleared outstanding checks that were greater than one year outstanding. We have noted this condition in prior audits.

We also noted the City had two items on the general checking outstanding check list, that were not outstanding checks. Check 4815 for \$17,557.36 dated January 26, 2018 was a double entry transfer check to the Fire Department Reserve account and check 5041 dated June 1, 2018 for \$21,897.72 was also a double entered transfer check to the Fire Department Reserve account.

We also proposed an audit journal entry increasing the Fire Department Reserve general ledger balance \$11,714.20 in order to agree the reconciled bank balance to the general ledger. The general ledger balance was misstated as a result of the City not reversing a prior year transfer correcting entry.

Recommendation: We recommend the City review the bank reconciliations outstanding items to the underlying support. The City should review any unusual items on the bank reconciliation and correct as needed. The City should reconcile the ending reconciled bank balance to the general ledger and research/correct any differences.

City Response: The city agrees- the issue of large outstanding checks and deposits in transit should be reviewed and cleared out regularly. This will be noted in the finished financial manual and accounting policy.

**CITY OF LOYALTON
FINANCIAL STATEMENT FINDINGS
JUNE 30, 2018**

Significant Deficiencies Not Deemed Material Weaknesses (Concluded)

Recommendation: We recommend the Fire Department provide the Finance Department with the Strike Team invoice and the supporting documentation for the invoice. The Finance Department should then review the invoice for accuracy, send the invoice to Cal Fire OES and record the invoice as a receivable and revenue. When the funds are received the Finance Department should then record the cash and remove the receivable from the general ledger.

We also recommend reviewing which engine was surplus and require that when a vehicle is sold or surplus that a bill of sale is retained to show proof of title transfer and the vehicle information. The City should also review if the surplus vehicle was removed from the capital asset schedule.

City Response: