

AGENDA
EL DORADO HILLS COUNTY WATER DISTRICT
(FIRE DEPARTMENT)
BOARD OF DIRECTORS
SEVEN HUNDRED NINETY FIRST MEETING
Thursday, November 15, 2018
5:30 p.m. (Note Special Start Time)
(1050 Wilson Blvd., El Dorado Hills, CA)

- I. Call to Order, Pledge of Allegiance and Recess to Closed Session

- II. Closed Session Items
 - A. Closed Session pursuant to Government Code Section 54956.9(D)(1):
Conference with legal counsel regarding existing litigation; LisaMarie Mason v. El Dorado Hills County Water District, et. al.; United States District Court Case No. 2:18-cv-00223-MCE-AC
 - B. Closed Session Pursuant to Government Code Section 54956.9(D)(1):
Conference with legal counsel regarding existing litigation; Thomas and Helen Austin v. The County of El Dorado, et. al.; El Dorado County Superior Court Case No. 21050633
 - C. Closed Session Pursuant to Government Code Section 54957(b)(1);
Consideration of public employee appointment/employment; Positions under consideration: Fire Chief (Permanent)

6:00 p.m. Reconvene to Open Session and Closed Session Reports

- III. Consent Calendar (All matters on the Consent Calendar are to be approved by one motion unless a Board member requests separate action on a specific item.)
 - A. Approve Minutes of the 787th Board meeting held October 18, 2018
 - B. Approve Minutes of the 788th Board meeting held October 30, 2018
 - C. Approve Minutes of the 789th Board meeting held November 5, 2018
 - D. Approve Minutes of the 790th Board meeting held November 6, 2018
 - E. Approve Financial Statements for October 2018

End Consent Calendar

- IV. Oral Communications
 - A. EDH Professional Firefighters
 - B. EDH Firefighters Association
 - C. Any person wishing to address the Board on any item that is not on the Agenda may do so at this time. No action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes per person and twenty minutes for all comments unless otherwise authorized by the Board.

- V. Correspondence

- VI. Attorney Items

- VII. Committee Reports
 - A. Administrative Committee (Directors Durante and Hus)
 - B. Finance Committee (Directors Giraudo and Hus)

- C. Ad Hoc Committee Reports
 - 1. Strategic Planning Committee (Directors Hus and Winn)
 - 2. Communications Committee (Directors Durante and Winn)
 - 3. Training Facility Committee (Directors Hartley and Durante)
 - 4. Fire Chief Recruitment Committee (Directors Hartley and Hus);
Consideration of Public Employee Appointment; Position under
Consideration: Fire Chief; Discussion of Terms and Conditions of
Employment

- VIII. Operations Report
 - A. Operations Report (Receive and file)
 - B. Review and update regarding Joint Powers Authority

- IX. Fiscal Items
 - A. Receive and file 2017/2018 Final Audit Report, Management Letter and SAS 114
Governance Letter
 - B. Review and approve transfer of excess 2017/18 and 2018/19 funds to PARS
Pension and OPEB Trust accounts
 - C. Review and discuss status of land parcel located at Heffren/Dodson in Latrobe,
lot APN# 087-330-391
 - D. Review and approve Resolution 2018-16 authorizing an amendment to the
CalPERS contract

- X. New Business
 - A. Review and approve the release of a Request for Proposal for Construction
Inspection Services Training Center Construction Project

- XI. Old Business

- XII. Oral Communications
 - A. Directors
 - B. Staff
 - C. Schedule upcoming committee meetings

- XIII. Adjournment

Note: Action may be taken on any item posted on this agenda.

This Board meeting is normally recorded.

EL DORADO HILLS COUNTY WATER DISTRICT

SEVEN HUNDRED EIGHTY SEVENTH MEETING OF THE BOARD OF DIRECTORS

Thursday, October 18, 2018

5:30 p.m.

District Office, 1050 Wilson Boulevard, El Dorado Hills, CA 95762

Meeting convened at 5:30 for Closed Session and reconvened to open session at 6:00 p.m. No action was taken in closed session.

I. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND RECESS TO CLOSED SESSION

President Durante reconvened the meeting at 6:00 p.m. and Chief Keating led the Pledge of Allegiance. Directors in attendance: Durante, Giraudo, Hartley, Hus, and Winn. Director Giraudo attended via teleconference. Staff in attendance: Chief Keating and Director of Finance Braddock. Counsel Cook was also in attendance.

II. CLOSED SESSION ITEMS

- A. **Closed Session pursuant to Government Code Section 54956.9: Conference with legal counsel regarding existing litigation; LisaMarie Mason v. El Dorado Hills County Water District, et. al.; United States District Court Case No. 2:18-cv-00223-MCE-AC**
- B. **Closed Session Pursuant to Government Code Section 54956.9(D)(1): Conference with legal counsel regarding pending litigation; Thomas and Helen Austin v. The County of El Dorado, et. al.; El Dorado County Superior Court Case No. 21050633**
- C. **Closed Session Pursuant to Government Code Section 54957(b)(1); Consideration of public employee appointment/employment; Positions under consideration: Fire Chief (Permanent)**

III. CONSENT CALENDAR

- A. **Approve Minutes of the 784th Board meeting held September 20, 2018**
- B. **Approve Minutes of the 785th Board meeting held September 26, 2018**
- C. **Approve Minutes of the 786th Board meeting held September 26, 2018**
- D. **Approve Financial Statements for September 2018**

Director Hartley made a motion to approve the consent calendar, seconded by Director Winn and unanimously carried.

IV. ORAL COMMUNICATIONS

- A. **EDH Professional Firefighters** – Mark Ali, Union President, formally introduced himself as the new union president and Mat Eckhardt as the new vice president.
- B. **EDH Firefighters Association** – Lantz Burvant, Association President, stated that the association members would be participating in the smoke detector giveaway on Saturday.

C. **Public Comment** – None

V. **CORRESPONDENCE** – None

VI. **ATTORNEY ITEMS** – None

VII. **COMMITTEE REPORTS**

A. **Administrative Committee (Directors Durante and Hus)** – No report.

B. **Finance Committee (Directors Giraudo and Hus)** – No report.

C. **Ad Hoc Committee Reports**

1. **Strategic Planning Committee (Directors Hus and Winn)** – No report.

2. **Communications Committee (Directors Durante and Winn)** – No report.

3. **Training Facility Committee (Directors Hartley and Durante)** – No report.

4. **Fire Chief Recruitment Committee (Directors Hartley and Hus)** – No report.

VIII. **OPERATIONS REPORT**

A. **Operations Report (Receive and file)**

B. **Review and update regarding Joint Powers Authority** – Chief Keating stated that the JPA meetings have moved to an “every other month” schedule.

IX. **FISCAL ITEMS**

A. **Receive and File Accountability Act Annual Report (2017/18) for the Latrobe Zone Special Tax**– Director of Finance Braddock presented the Accountability Act Annual Report (2017/18) for the Latrobe Zone Special Tax stating that the District collected \$35,742 and spent approximately \$1.45 million for Services and supplies at the Latrobe Station.

X. **NEW BUSINESS**

A. **Review and approve Resolution 2018-15 in appreciation of Firefighter/Paramedic Robyn MacKenzie** – Chief Keating asked the Board to review and approve a resolution of appreciation for Robyn MacKenzie’s retirement.

Director Hartley made a motion to approve Resolution 2018-15 in appreciation of Firefighter/Paramedic Robyn MacKenzie, seconded by Director Winn, and carried. (Roll Call: Ayes: 5, Noes: 0)

XI. **OLD BUSINESS**

XII. ORAL COMMUNICATIONS

- A. Directors** – None
- B. Staff** – Chief Keating reported a fatal fire in Rescue and notified the Board that he will be out of town October 23-30 and stated that Chief Lienthal would be acting chief while he is gone. Director of Finance Braddock informed the Board that the Final Audit and the updated long-term forecast would be presented at the November Board meeting.
- C. Schedule upcoming committee meetings** – No committee meetings scheduled at this time.

XIII. ADJOURNMENT

Director Hartley made a motion to adjourn the meeting, seconded by Director Hus, and unanimously carried.

The meeting adjourned at 6:13 p.m.

Approved:

Jessica Braddock, Board Secretary

Greg Durante, President

EL DORADO HILLS COUNTY WATER DISTRICT

SEVEN HUNDRED EIGHTY EIGHTH MEETING OF THE BOARD OF DIRECTORS

Tuesday, October 30, 2018

9:00 a.m.

District Office, 1050 Wilson Boulevard, El Dorado Hills, CA 95762

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Durante called the meeting to order at 9:00 a.m. Directors in attendance: Durante, Giraud, Hartley, and Winn. Director Hus was Absent. Staff in attendance: Chief Keating and Director of Finance Braddock. Counsel Cook was also in attendance.

II. Closed Session

- A. **Closed Session Pursuant to Government Code Section 54957(b)(1); Consideration of public employee appointment/employment; Positions under consideration: Fire Chief (Permanent); Review of Candidates, Required Qualifications and Certifications**

The Board adjourned for closed session at 9:01 a.m.

Director Winn left the meeting at 4:15 p.m.

The meeting reconvened at 4:24 p.m. The Board took no action during closed session.

III. ADJOURNMENT

The meeting adjourned at 4:24 p.m.

Approved:

Greg Durante, President

Jessica Braddock, Board Secretary

EL DORADO HILLS COUNTY WATER DISTRICT

SEVEN HUNDRED EIGHTY NINTH MEETING OF THE BOARD OF DIRECTORS

Monday, November 5, 2018

12:00 p.m.

District Office, 1050 Wilson Boulevard, El Dorado Hills, CA 95762

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Durante called the meeting to order at 12:18 p.m. Directors in attendance: Durante, Giraud, Hartley, and Winn. Director Hus was Absent. Staff in attendance: Chief Keating and Director of Finance Braddock. Counsel Cook was also in attendance.

II. Closed Session

- A. **Closed Session Pursuant to Government Code Section 54957(b)(1); Consideration of public employee appointment/employment; Positions under consideration: Fire Chief (Permanent); Review of Candidates, Required Qualifications and Certifications**

The Board adjourned for closed session at 12:30 p.m.

The meeting reconvened at 1:50 p.m. The Board took no action during closed session.

III. ADJOURNMENT

The meeting adjourned at 1:50 p.m.

Approved:

Greg Durante, President

Jessica Braddock, Board Secretary

EL DORADO HILLS COUNTY WATER DISTRICT

SEVEN HUNDRED NINETIETH MEETING OF THE BOARD OF DIRECTORS

Wednesday, November 7, 2018

8:00 a.m.

District Office, 1050 Wilson Boulevard, El Dorado Hills, CA 95762

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President Durante called the meeting to order at 8:30 a.m. Directors in attendance: Durante, Giraud, Hartley, and Winn. Director Hus was Absent. Staff in attendance: Chief Keating and Director of Finance Braddock. Counsel Cook was also in attendance.

II. Closed Session

- A. **Closed Session Pursuant to Government Code Section 54957(b)(1); Consideration of public employee appointment/employment; Positions under consideration: Fire Chief (Permanent); Review of Candidates, Required Qualifications and Certifications**

The Board adjourned for closed session at 8:30 a.m.

The meeting reconvened at 11:25 a.m. The Board took no action during closed session.

III. ADJOURNMENT

The meeting adjourned at 11:25 a.m.

Approved:

Greg Durante, President

Jessica Braddock, Board Secretary

El Dorado Hills Fire Department
Revenue and Expense Summary - ALL FUNDS
For the Period Ending October 31, 2018



	FINAL Full Year Budget FY18/19	Actual October 2018	Actual YTD October 31, 2018	Variance YTD Actual to Full Year Budget	(Target 33%) YTD Actual % of Full Year Budget	Notes/Comments
Revenue						
3240 · Tax Revenue						
3260 · Secured Tax Revenue	17,490,369			(17,490,369)		} Timing of property tax collection. Few entries booked by the County for 2018-19
3270 · Unsecured Tax Revenue	299,895	66,813	66,813	(233,082)		
3280 · Homeowners Tax Revenue	163,982			(163,982)		
3320 · Supplemental Tax Revenue	312,000			(312,000)		
3330 · Sacramento County Revenue	17,930		396	(17,534)		
3335 · Latrobe Revenue				-		
3335.2 · Latrobe Special Tax	36,840			(36,840)		Timing of collection
3335.3 · Latrobe Base Transfer	256,000			(256,000)		
3340 · Property Tax Administration Fee	(353,953)			353,953		Not yet charged by County
Total 3240 · Tax Revenue	18,223,063	66,813	67,209	(18,155,854)	0%	
3505 · Misc. Revenue, Vacant Lot	-	-	(25,615)	(25,615)	0%	Timing of collection
3506 · Misc. Revenue, Fire Prev. Fees	75,000	10,142	30,966	(44,034)	41%	
3510 · Misc. Operating Revenue						
3512 · JPA Revenue	1,150,000	95,833	383,333	(766,667)	33%	
3513 · Rental Income (Cell site)	25,200	2,100	8,400	(16,800)	33%	
3515 · OES/Mutual Aid Reimbursement	560,000	109,700	273,617	(286,383)	49%	Timing of OES billing/Strike Team Season
3520 · Interest Earned	225,000	-	1,275	(223,725)	1%	LAIF Interest Collected Quarterly
3510 · Misc. Operating Revenue - Other	20,000	3,406	4,707	(15,293)	24%	
Total 3510 · Misc. Operating Revenue	1,980,200	211,039	671,333	(1,308,867)	34%	
Total Operating Revenue	\$ 20,278,263	\$ 287,994	\$ 743,893	\$ (19,534,371)	4%	
3550 · Development Fee						
3560 · Development Fee Revenue	2,000,000	42,110	375,397	(1,624,603)	19%	
3561 · Development Fee Interest	-	-	23,574	23,574	100%	
Total 3550 · Development Fee	2,000,000	42,110	398,971	(1,601,029)	20%	
3570 · Proceeds from Sale of Assets	-	-	200	200	100%	Sale of surplus vehicle to Mosquito FPD
Total Revenue	\$ 22,278,263	\$ 330,104	\$ 1,143,064	\$ (21,135,200)	5%	

El Dorado Hills Fire Department
Revenue and Expense Summary - ALL FUNDS
For the Period Ending October 31, 2018



	FINAL Full Year Budget FY18/19	Actual October 2018	Actual YTD October 31, 2018	Variance YTD Actual to Full Year Budget	(Target 33%) YTD Actual % of Full Year Budget	Notes/Comments
Expenditures						
6000 · Salaries & Wages						
6001 · Salaries & Wages, Fire	6,171,004	469,730	1,892,528	4,278,476	31%	
6011 · Education/Longevity Pay	453,872	33,634	136,708	317,164	30%	
6016 · Salaries & Wages, Admin/Prev	697,794	46,995	197,106	500,688	28%	
6017 · Volunteer Pay	25,000	260	260	24,740	1%	No CVIS payments made to date
6018 · Director Pay	17,850	1,100	2,300	15,550	13%	
6019 · Overtime						
6019.1 · Overtime, Operational	1,592,205	35,606	620,763	971,442	39%	
6019.2 · Overtime, Outside Aid	480,000	100,202	224,283	255,717	47%	
6019.3 · Overtime, JPA	115,832	6,081	85,619	30,213	74%	
Total 6019 · Overtime	2,188,037	141,888	930,665	1,257,372	43%	
6020 · P.E.R.S. Retirement	2,479,525	37,723	1,337,886	1,141,639	54%	Annual required lump sum payments made in July (\$845k)
6030 · Workers Compensation	659,027	93,496	186,993	472,034	28%	
6031 · Life Insurance	6,512	502	1,999	4,513	31%	
6032 · P.E.R.S. Health Benefits	1,449,396	-	494,823	954,573	34%	
6033 · Disability Insurance	17,052	1,445	5,831	11,221	34%	
6034 · Health Cost of Retirees	916,254	-	498,655	417,599	54%	Annual required lump sum payment made in July (\$300k)
6040 · Dental/Vision Expense	188,760	10,473	52,529	136,231	28%	
6050 · Unemployment Insurance	14,490	-	-	14,490	0%	
6070 · Medicare	138,549	9,894	44,430	94,119	32%	
Total 6000 · Salaries & Wages	15,423,122	847,141	5,782,711	9,640,410	37%	
6100 · Clothing & Personal Supplies						
6101 · Uniform Allowance	54,400	-	25,133	29,267	46%	Semi-annual uniform allowance paid in July
6102 · Other Clothing & Personal Supplies	67,276	1,443	13,769	53,507	20%	
Total 6100 · Clothing & Personal Supplies	121,676	1,443	38,902	82,774	32%	

El Dorado Hills Fire Department
Revenue and Expense Summary - ALL FUNDS
For the Period Ending October 31, 2018



	FINAL Full Year Budget FY18/19	Actual October 2018	Actual YTD October 31, 2018	Variance YTD Actual to Full Year Budget	(Target 33%) YTD Actual % of Full Year Budget	Notes/Comments
6110 · Network/Communications						
6111 · Telecommunications	49,699	3,433	12,187	37,512	25%	
6112 · Dispatch Services	60,000	-	-	60,000	0%	Dispatch services billed quarterly.
6113 · Network/Connectivity	50,012	3,325	13,321	36,691	27%	
Total 6110 · Communications	159,711	6,757	25,508	134,203	16%	
6120 · Housekeeping	37,960	3,600	11,449	26,512	30%	
6130 · Insurance						
6131 · General Insurance	55,000	54,521	54,521	479	99%	Annual insurance premium paid in October
Total 6130 · Insurance	55,000	54,521	54,521	479	99%	
6140 · Maintenance of Equipment						
6141 · Tires	35,000	-	1,053	33,947	3%	
6142 · Parts & Supplies	20,000	268	8,636	11,364	43%	
6143 · Outside Work	130,000	8,099	49,936	80,064	38%	
6144 · Equipment Maintenance	41,753	744	8,873	32,880	21%	
6145 · Radio Maintenance	43,696	1,998	2,815	40,881	6%	
Total 6140 · Maintenance of Equipment	270,449	11,110	71,313	199,136	26%	
6150 · Maintenance, Structures & Ground	103,859	9,740	36,054	67,805	35%	
6160 · Medical Supplies						
6161 · Medical Supplies	5,000	(781)	2,795	2,205	56%	Timing of purchases
Total 6160 · Medical Supplies	5,000	(781)	2,795	2,205	56%	
6170 · Dues and Subscriptions	12,610	797	8,527	4,083	68%	Timing of payments
6180 · Miscellaneous						
6181 · Miscellaneous	3,500	1	1	3,499	0%	
6182 · Honor Guard	5,000	-	-	5,000	0%	
6183 · Explorer Program	2,000	-	-	2,000	0%	
6184 · Pipes and Drums	-	-	-	-	0%	
Total 6180 · Miscellaneous	10,500	1	1	10,499	0%	
6190 · Office Supplies	20,109	1,701	6,610	13,498	33%	

El Dorado Hills Fire Department
Revenue and Expense Summary - ALL FUNDS
For the Period Ending October 31, 2018



	FINAL Full Year Budget FY18/19	Actual October 2018	Actual YTD October 31, 2018	Variance YTD Actual to Full Year Budget	(Target 33%) YTD Actual % of Full Year Budget	Notes/Comments
6200 · Professional Services						
6201 · Audit	13,500	26,852	2,580	10,920	19%	
6202 · Legal/Human Resources	193,250	557	41,609	151,641	22%	
6203 · Notices	2,500	-	557	1,943	22%	
6204 · Other Professional Services	94,653	3,054	67,795	26,858	72%	
6205 · Elections/Tax Administration	-	-	-	-	0%	
6206 · Public Relations	6,566	-	200	6,366	3%	
Total 6200 · Professional Services	310,469	30,463	112,741	197,728	36%	
6210 · Information Technology						
6211 · Software Licenses/Subscriptions	63,850	108	17,812	46,038	28%	
6212 · IT Support/Implementation	118,000	8,599	25,796	92,204	22%	
6213 · IT Equipment	36,978	456	995	35,983	3%	
Total 6210 · Information Technology	218,828	9,163	44,604	174,224	20%	
6220 · Rents and Leases						
6221 · Facilities/Equipment Lease	-	-	-	-	0%	
6222 · Solar Lease	67,224	5,602	22,218	45,006	33%	
Total 6220 · Rents and Leases	67,224	5,602	22,218	45,006	33%	
6230 · Small Tools and Supplies	77,625	5,625	18,387	59,238	24%	
6240 · Special Expenses						
6241 · Training	155,107	16,926	55,635	99,472	36%	
6242 · Fire Prevention	49,582	4,259	18,755	30,827	38%	
6243 · Licenses	-	-	84	(84)	100%	
Total 6240 · Special Expenses	204,689	21,185	74,474	130,215	36%	
6250 · Transportation and Travel						
6251 · Fuel and Oil	62,000	7,348	23,806	38,194	38%	
6252 · Travel	25,000	22	3,193	21,807	13%	
6253 · Meals & Refreshments	23,000	2,773	6,308	16,692	27%	
Total 6250 · Transportation and Travel	110,000	10,143	33,308	76,693	30%	

Captain Promotional Testing Services; Rescue Shared Services Agmt paid Aug-18; Annual LAFCO Fees

El Dorado Hills Fire Department
Revenue and Expense Summary - ALL FUNDS
For the Period Ending October 31, 2018



	FINAL Full Year Budget FY18/19	Actual October 2018	Actual YTD October 31, 2018	Variance YTD Actual to Full Year Budget	(Target 33%) YTD Actual % of Full Year Budget	Notes/Comments
6260 · Utilities						
6261 · Electricity	10,600	448	2,683	7,917	25%	
6262 · Natural Gas/Propane	20,000	298	811	19,189	4%	
6263 · Water/Sewer	20,000	3,000	5,986	14,014	30%	
Total 6260 · Utilities	50,600	3,746	9,480	41,120	19%	
Total Operating Expenditures	\$ 17,259,430	\$ 1,021,956	\$ 6,353,602	\$ 10,905,828	37%	
Operating Revenue - Operating Expenditures	\$ 3,018,833	\$ (733,962)	\$ (5,609,709)	\$ 8,628,543		
6560 · Pension UAL Lump Sum Payment	1,600,000	-	-	1,600,000	0%	
6570 · OPEB UAL Lump Sum Payment	500,000	-	-	500,000	0%	
6720 · Fixed Assets	1,981,460	72,983	803,236	1,178,224	41%	
Total Expenditures	\$ 21,340,890	\$ 1,094,939	\$ 7,156,838	\$ 14,184,052	34%	
Total Revenue - Total Expense	\$ 937,373	\$ (764,835)	\$ (6,013,774)	\$ (6,951,147)		
Less: Development Fee Revenue	(2,000,000)		(398,971)			
Add: Development Fee Qualified Expenditures	1,200,425		216,894			
Total Revenue - Total Expense Net of Dev Fees	\$ 137,798		\$ (6,195,851)			

El Dorado Hills Fire Department

11/8/2018 11:58 AM

Register: 1000 · Bank of America
 From 10/01/2018 through 10/31/2018
 Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
10/01/2018	EFT	State Compensation ...	6030 · Workers Compe...	Policy # 11048...	46,748.17	X		180,637.22
10/01/2018	EFT	El Dorado Disposal S...	-split-	9/1/2018 - 9/30...	876.53	X		179,760.69
10/01/2018	EFT	De Lage Landen Fin...	6190 · Office Supplies	Account # 988...	230.59	X		179,530.10
10/01/2018	EFT	Technology Credit C...	-split-	Oct-18	5,602.00	X		173,928.10
10/01/2018	EFT	P. G. & E.	-split-		98.77	X		173,829.33
10/02/2018	EFT	Nationwide Retireme...	-split-	PR18-9-2	20,228.38	X		153,600.95
10/04/2018		Deposit	-split-	Deposit		X	104,398.80	257,999.75
10/04/2018	21695	7th Dimension, LLC	6212 · IT Support/Impl...	Inv # 180836	8,598.79	X		249,400.96
10/04/2018	21696	A-CHECK	6202 · Legal/Human R...	Inv # 59-05615...	12.50	X		249,388.46
10/04/2018	21697	Advanced IPM	-split-		320.00	X		249,068.46
10/04/2018	21698	Aflac	2029 · Other Payable	Inv # 393453	209.44	X		248,859.02
10/04/2018	21699	Aramark	-split-		73.80	X		248,785.22
10/04/2018	21700	AT&T	-split-	Sep-18	278.98	X		248,506.24
10/04/2018	21701	California Family Fit...	6204 · Other Professio...	Inv # 20192018	79.99	X		248,426.25
10/04/2018	21702	Capital Building Mai...	6120 · Housekeeping	Invoice # 10431	121.77	X		248,304.48
10/04/2018	21703	CA Assoc. of Profess...	6033 · Disability Insur...	OCTOBER 2018	1,445.50	X		246,858.98
10/04/2018	21704	Core Logic	6170 · Dues and Subsc...	Inv # 81910672	137.50	X		246,721.48
10/04/2018	21705	Diamondback Fire &...	6144 · Equipment Mai...	Invoice # 14161	100.17	X		246,621.31
10/04/2018	21706	Drapery Concepts	6150 · Maintenance,Str...	Invoice # 10097	695.00	X		245,926.31
10/04/2018	21707	Doug Veerkamp	6142 · Parts & Supplies	Invoice # 326377	80.27	X		245,846.04
10/04/2018	21708	El Dorado County E...	6720 · Fixed Assets	Invoice # 092518	12,977.25	X		232,868.79
10/04/2018	21709	FedEx	-split-	Acct 5320-132...	88.14	X		232,780.65
10/04/2018	21710	Fire Service Specific...	-split-	Invoice # 9650 ...	41,379.38	X		191,401.27
10/04/2018	21711	Folsom Lake Ford	6143 · Outside Work	Invoice No. FO...	2,089.93	X		189,311.34
10/04/2018	21712	G & O Body Shop Inc.	6143 · Outside Work	Inv # 0051127	225.00	X		189,086.34
10/04/2018	21713	Hefner, Stark & Mar...	-split-	Statement # 37...	8,314.00	X		180,772.34
10/04/2018	21714	InterState Oil Compa...	-split-		2,418.66	X		178,353.68
10/04/2018	21715	Atwood Insurance	6131 · General Insurance	Invoice # 11427	54,402.00	X		123,951.68
10/04/2018	21716	Lehr Auto Electric, Inc	6143 · Outside Work	Invoice # SI20...	989.18	X		122,962.50
10/04/2018	21717	L.N. Curtis & Sons	-split-		1,679.43	X		121,283.07
10/04/2018	21718	Motorola Solutions Inc	-split-	Customer Acct....	64.34	X		121,218.73
10/04/2018	21719	Mountain Democrat	6170 · Dues and Subsc...	Invoice # 5524	27.00	X		121,191.73
10/04/2018	21720	National Garage Doo...	6150 · Maintenance,Str...		464.00	X		120,727.73
10/04/2018	21721	Nick Sharples Produ...	-split-	Invoice # 1295	348.56	X		120,379.17
10/04/2018	21722	Rotary	-split-	Oct 2018 Dues	150.00	X		120,229.17
10/04/2018	21723	Sonetics	6145 · Radio Maintena...	Invoice # INV3...	514.80	X		119,714.37
10/04/2018	21724	Standard Insurance Co.	6031 · Life Insurance	Policy # 00 359...	501.60	X		119,212.77
10/04/2018	21725	Stewart DiMuccio	-split-		745.78	X		118,466.99
10/04/2018	21726	Supplyworks	6120 · Housekeeping	Invoice # 4560...	1,440.95	X		117,026.04
10/04/2018	21727	Time Printing	-split-	Inv # 14591-A ...	339.25	X		116,686.79

El Dorado Hills Fire Department

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Register: 1000 · Bank of America
 From 10/01/2018 through 10/31/2018
 Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
10/04/2018	21728	West Coast Frame/C...	-split-		3,883.31	X		112,803.48
10/04/2018	21729	Wing Inflatables, Inc.	6720 · Fixed Assets	Invoice # 5857	11,412.19	X		101,391.29
10/04/2018	21730	Greg F. Durante (Di...	-split-	Sep-18	200.00	X		101,191.29
10/04/2018	21731	Charles J. Hartley	-split-	Sep-18	200.00	X		100,991.29
10/04/2018	21732	John Giraudo	-split-	Sep-18	300.00	X		100,691.29
10/04/2018	21733	Douglas A. Hus	-split-	Sep-18	300.00	X		100,391.29
10/04/2018	21734	Barbara Winn	6018 · Director Pay	Sep-18	100.00	X		100,291.29
10/04/2018	21735	Connie Bair	-split-		150.00	X		100,141.29
10/04/2018	21736	Brian Bresnahan	-split-		150.00			99,991.29
10/04/2018	21737	David Kennedy	-split-		100.00	X		99,891.29
10/04/2018	21738	John Niehues	-split-		150.00			99,741.29
10/04/2018	21739	Dwight Piper	-split-		150.00	X		99,591.29
10/04/2018	21740	Frederick Russell	-split-		150.00	X		99,441.29
10/04/2018	21741	Sean Ward	-split-		150.00	X		99,291.29
10/04/2018	21742	Chase Bank	2029 · Other Payable	Sept 13, 27	400.00	X		98,891.29
10/04/2018	21743	Wells Fargo Bank	2026 · EDH Associate...	Deposit to Acct...	5,076.50	X		93,814.79
10/05/2018	EFT	ADP	6204 · Other Professio...	PR18-9-2	306.65	X		93,508.14
10/05/2018	EFT	P. G. & E.	-split-		64.40	X		93,443.74
10/05/2018	EFT	ADP (FSA)	-split-		163.23	X		93,280.51
10/08/2018	EFT	De Lage Landen Fin...	6190 · Office Supplies	Account # 988...	70.20	X		93,210.31
10/08/2018	EFT	P. G. & E.	-split-		9.85	X		93,200.46
10/09/2018		Transfer from LAIF	1074 · Local Agency I...	Confirm #1546...		X	550,000.00	643,200.46
10/09/2018	EFT	ADP (FSA)	-split-		26.50	X		643,173.96
10/10/2018	EFT	P. G. & E.	-split-		153.77	X		643,020.19
10/11/2018	EFT	ADP (FSA)	-split-		2,663.37	X		640,356.82
10/11/2018	PR18-10-1		-split-	Total Payroll T...	63,232.96	X		577,123.86
10/11/2018	PR18-10-1		1000 · Bank of Americ...	Direct Deposit	244,767.47	X		332,356.39
10/11/2018	PR18-10-1		1000 · Bank of Americ...	Payroll Checks -		X		332,356.39
10/12/2018	EFT	Verizon Wireless	-split-	Sep-18	114.05	X		332,242.34
10/12/2018	EFT	Verizon Wireless	-split-	Sep-18	70.26	X		332,172.08
10/12/2018	EFT	Verizon Wireless	-split-	Sep-18	496.87	X		331,675.21
10/12/2018	EFT	Verizon Wireless	-split-	Sep-18	2,150.94	X		329,524.27
10/12/2018	EFT	P.E.R.S. Retirement	-split-	PR18-10-1	81,923.69	X		247,600.58
10/12/2018	EFT	P.E.R.S. ING	-split-	PR18-9-2	3,392.72	X		244,207.86
10/12/2018	EFT	P.E.R.S. ING	-split-	PR18-10-1	3,392.72	X		240,815.14
10/12/2018	EFT	P. G. & E.	-split-		105.88	X		240,709.26
10/15/2018			6204 · Other Professio...	Service Charge	218.37	X		240,490.89
10/15/2018	EFT	State Board of Equali...	-split-	Q3 2018	1,267.56	X		239,223.33
10/15/2018	EFT	ADP (FSA)	-split-		48.57	X		239,174.76
10/16/2018		Transfer from Paypal	1010 · Paypal	Deposit		X	9,217.25	248,392.01

El Dorado Hills Fire Department

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
10/16/2018	EFT	ADP (FSA)	-split-		290.00	X		248,102.01
10/18/2018	EFT	ADP (FSA)	-split-		195.00	X		247,907.01
10/18/2018	21744	Allstar Fire Equipme...	6102 · Other Clothing ...	Inv# 210221	471.90	X		247,435.11
10/18/2018	21745	Aramark	-split-		73.80	X		247,361.31
10/18/2018	21746	Bartel Associates, LLC	6204 · Other Professio...	Invoice # 18-818	1,575.00	X		245,786.31
10/18/2018	21747	Best Best & Krieger	6202 · Legal/Human R...	Inv # 832143	6,737.68	X		239,048.63
10/18/2018	21748	Big O Tires	-split-		123.02	X		238,925.61
10/18/2018	21749	Blue Collar Training ...	6241 · Training	Invoice # 0022...	9,234.00	X		229,691.61
10/18/2018	21750	Caltronics Business ...	-split-		568.52	X		229,123.09
10/18/2018	21751	Career Survival Group	6241 · Training	El Dorado Hill...	4,700.00	X		224,423.09
10/18/2018	21752	Core Logic	6170 · Dues and Subsc...	Inv # 81919409	137.50	X		224,285.59
10/18/2018	21753	Dept of Forestry and ...	6241 · Training	Invoice # 154775	128.00	X		224,157.59
10/18/2018	21754	Education Specialty ...	6242 · Fire Prevention	Invoice # 57793	175.00	X		223,982.59
10/18/2018	21755	El Dorado Hills Cha...	6170 · Dues and Subsc...	Invoice # 15278	225.00	X		223,757.59
10/18/2018	21756	Hefner, Stark & Mar...	-split-	Statement # 37...	10,899.63	X		212,857.96
10/18/2018	21757	InterState Oil Compa...	-split-		3,661.81	X		209,196.15
10/18/2018	21758	Atwood Insurance	6131 · General Insurance	Invoice # 11622	119.00	X		209,077.15
10/18/2018	21759	Jacob Winkler	-split-	Intern Stipend ...	260.00	X		208,817.15
10/18/2018	21760	Kaiser Foundation H...	-split-	Account # 320...	846.00	X		207,971.15
10/18/2018	21761	Motorola Solutions Inc	-split-	Customer Acct...	147.55	X		207,823.60
10/18/2018	21762	Preferred Alliance, Inc.	6202 · Legal/Human R...	Invoice # 0142...	42.00	X		207,781.60
10/18/2018	21763	PowerGen Inc.	-split-		7,376.02	X		200,405.58
10/18/2018	21764	The Sacramento Bee	6203 · Notices	Reference I038...	557.04	X		199,848.54
10/18/2018	21765	Waynes Locksmith	6150 · Maintenance,Str...	Invoice # 0000...	91.99			199,756.55
10/19/2018	EFT	ADP	6204 · Other Professio...	PR18-10-1	306.65	X		199,449.90
10/21/2018	EFT	Verizon Wireless	-split-	Sep-18	40.01	X		199,409.89
10/21/2018	EFT	Verizon Wireless	-split-	Sept-18	697.18	X		198,712.71
10/22/2018	EFT	P. G. & E.	-split-		313.53	X		198,399.18
10/23/2018		Transfer from LAIF	1074 · Local Agency I...	Confirm # 155...		X	600,000.00	798,399.18
10/23/2018	EFT	Nationwide Retireme...	-split-	PR18-10-1	21,678.38	X		776,720.80
10/23/2018	EFT	U.S. Bank Telepay	2010 · Accounts Payable	Ref # 1162410...	33,810.64	X		742,910.16
10/25/2018	EFT	WageWorks	6204 · Other Professio...	INV952636	96.15	X		742,814.01
10/25/2018	EFT	ADP (FSA)	-split-		238.80	X		742,575.21
10/25/2018	PR18-10-2		-split-	Total Payroll T...	66,847.48	X		675,727.73
10/25/2018	PR18-10-2		1000 · Bank of Americ...	Direct Deposit	250,579.47	X		425,148.26
10/25/2018	PR18-10-2		1000 · Bank of Americ...	Payroll Checks -		X		425,148.26
10/26/2018	EFT	State Compensation ...	6030 · Workers Compe...	Policy # 11048...	46,748.17	X		378,400.09
10/26/2018	EFT	ADP HCM	6204 · Other Professio...	Workforce No...	234.60	X		378,165.49
10/26/2018	EFT	ADP	6204 · Other Professio...	PR18-11-1	258.95	X		377,906.54
10/29/2018	EFT	Employment Develo...	-split-	Account ID# 7...	1,947.58	X		375,958.96

El Dorado Hills Fire Department

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10/29/2018	EFT	ADP (FSA)	-split-		200.00	X		375,758.96



EL DORADO HILLS FIRE DEPARTMENT

MONTHLY ACTIVITY REPORT

OCTOBER 2018

“YOUR SAFETY ... OUR COMMITMENT”

The Board of Directors is considering adopting performance measurement goals to direct fire crew planning and to monitor the operation of the Department. These measures of time are designed to deliver outcomes that will save patients medically salvageable upon arrival and to keep small fires from becoming more serious. Such measures and goals provide the Department a foundation upon which future deployment decisions are based.

These deployment measurements include:

- DM 1 – 911 Call Handling Time
- DM 2 – Turnout Time
- DM 3 – Travel Time
- DM 4 – Total Response Time
- DM 5 – Effective Response Force Time

*All times are collected using a combination of Active 911 and Crystal Reports. The times are provided with the best accuracy possible given the limitations of technology in our system. The current system does not allow for accurate data collection.

Significant Incidents/Trainings/Events – Oct. 2018

Auto-aid to Folsom, Residential Structure Fire – October 5, 2018



6-Month Evaluations for Probationary Firefighters, - October 2018



Firefighter/Paramedic Robyn MacKenzie Retirement, October 23, 2018



Please join the El Dorado Hills Fire Department
at a retirement celebration for
Firefighter Robyn MacKenzie
for her 17 years of dedicated fire service to the
El Dorado Hills community.



E84 on a Vegetation Fire, Darwin Place – October, 2018



Fire Prevention Month for El Dorado Hills and Rescue Fire Depts. – October 2018



Finished training all personnel on Active Shooter Response – October 2018



New Engine 85 In-Service Ceremony, Station 85 – October 31, 2018



2018 vs. 2017 Statistics

Response District	Total Number of Responses OCT 2018	Total Number of Responses YTD 2018	Total Number of Responses OCT 2017	Total Number of Responses YTD 2017
84	83	659	66	643
85	70	681	84	701
86	46	461	39	437
87	91	906	78	681
91	9	48	13	66
92	2	20	0	14
Mutual Aid	73	745	72	690
Transfer	18	206	23	185
TOTALS	392	3726	372	3417

86.57% Medic Unit Response, < 10 Minutes (before exception reports)

90.67% Medic Unit Response, < 11 Minutes (before exception reports)

Report: Queries – Incident – NFIRS Incident – Incident By District (Summary) Note: Run all Districts on 1 page (manually add subdistricts)

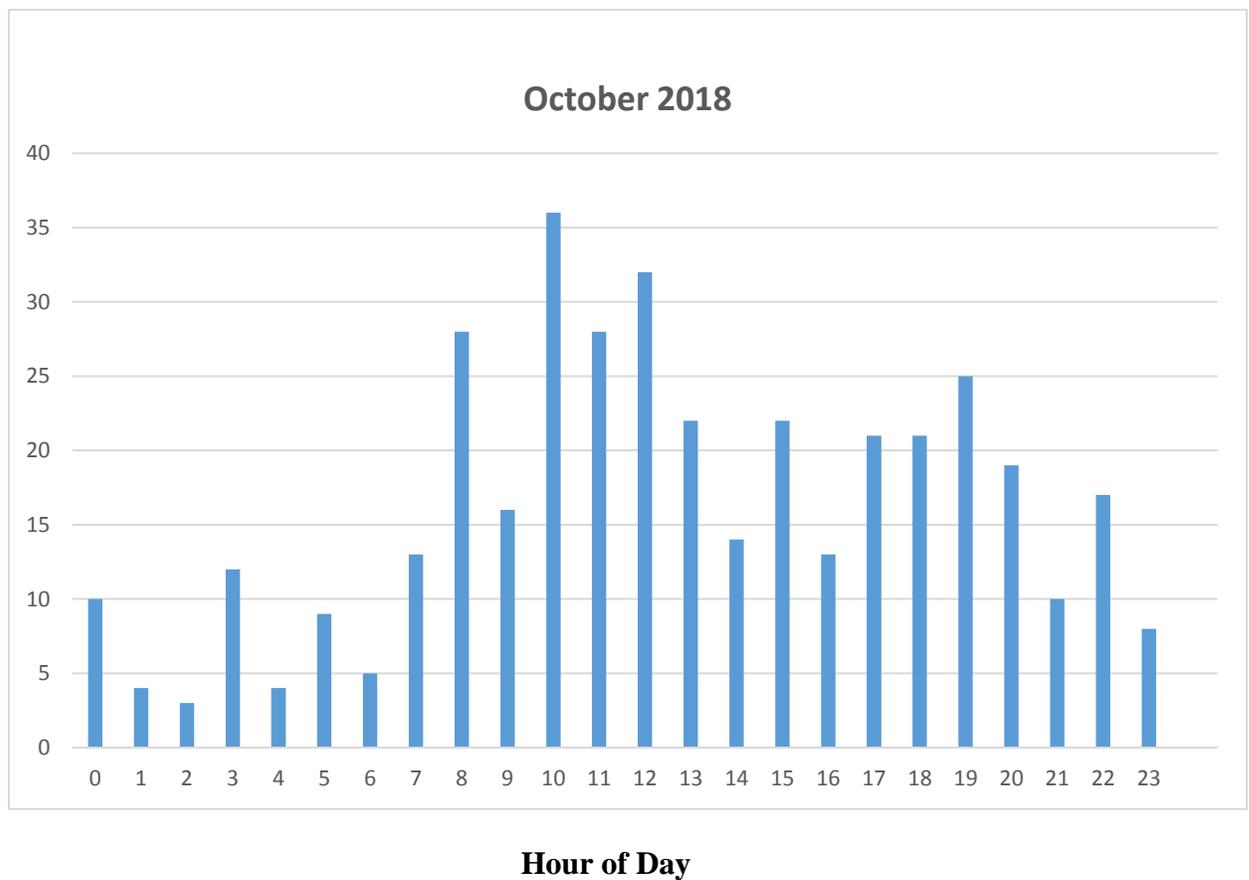
Crystal: Emergency Response Summary-Medic Unit Response Time-El Dorado

Deployment Measures

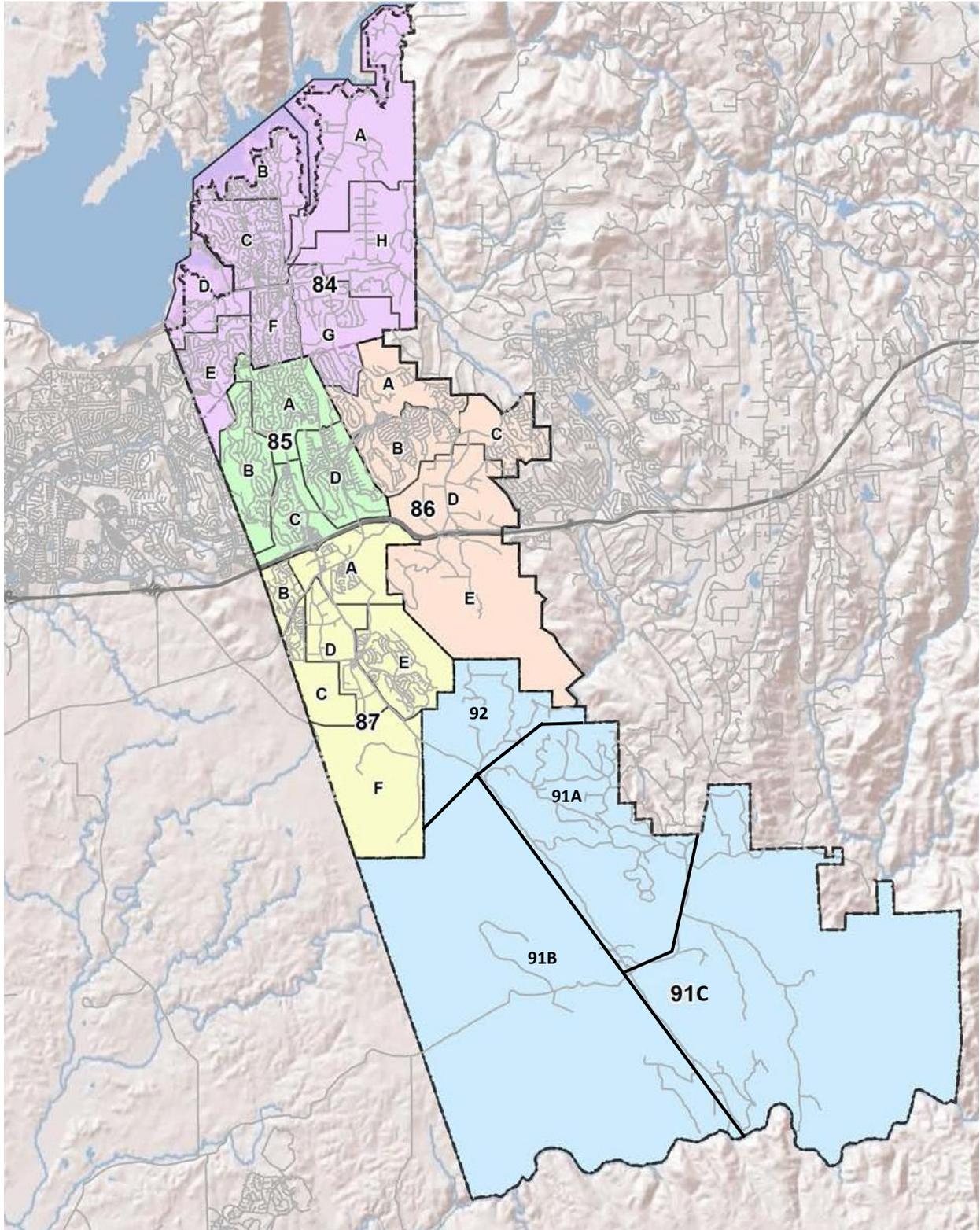
The 2016 Deployment Measures Policies are unable to be reported/tracked due to technology issues with our current Dispatch system and software limitations:

- Deployment Measure 1 - 911 Call Handling Time
- Deployment Measure 2 - Turnout Time
- Deployment Measure 3 - Travel Time
- Deployment Measure 4 - Total Response Time
- Deployment Measure 5 - Effective Response Force (Fire/Rescue Large Emergency)

Incidents by Hour of the Day



Tools – Queries – Incident Report – NFIRS – Count of Incidents by Alarm Hour





550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

MANAGEMENT LETTER

To the Board of Directors and Management
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)
El Dorado Hills, California

In planning and performing our audit of the financial statements of the governmental activities and the major fund of the El Dorado Hills County Water District (dba El Dorado Hills Fire Department) (the District) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

During our audit, we became aware of the following matters that warrant consideration:

Separation of Duties: The District has a small number of Finance Department staff, which results in staff performing duties that would normally be separated by entities with more Finance Department staff. There is a higher risk that an unauthorized transaction could be processed and concealed if a single management or staff level employee processes a transaction from initial processing through recording and adjusting in the general ledger. Although we noted controls performed were generally adequate, we have the following recommendations related to the performance and documentation of controls performed to ensure evidence of separation of duties exists:

Documentation of Controls Performed: We recommend the District include an initial or signature of the preparer and reviewer of each control performed over cash receipts, cash disbursements, payroll and investing activity, including transfers between bank and investment accounts. This can be done

To the Board of Directors and Management
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)

by ensuring electronic documents or manual documents/reports indicate the name or initial and date of the preparer and reviewer of the document/report. This will provide evidence that two staff were involved in performing the control.

Payroll: All payroll processing functions are performed by the Director of Finance. We recommend that entering employees in the payroll system, processing timesheets, posting data in the payroll system and reviewing and approving the payroll prior to payment be separated to the extent possible. If the Finance Director must process the payroll due to absence of the Finance Assistant, a second management level employee should review and approve the payroll.

Cash Disbursements: We recommend the check run report be signed by the staff preparing the check run and Finance Director to show two staff were involved in processing the check run. We also recommend the Finance Director sign the entry of the check run into the general ledger as evidence this review occurred. If the Finance Director must process the check run due to absence of the Finance Assistant, a second management level employee should review and approve the check run.

Other observations and recommendations:

We noted that the District was unable to locate step letters indicating approval of the current salary and step for four of twenty-five employees selected for testing. We recommend that new step letters for these employees be prepared indicating their current position and step and the step letters be approved by the Fire Chief. A list of these employees was provided to the Finance Director.

We understand Health Reimbursement Arrangement (HRA) benefits may be forfeited under certain circumstances, but the HRA liability accrued assumes participants will receive 100% of the benefits. Although the forfeitures are not expected to be significant, we recommend any forfeitures be tracked on a tab on the HRA spreadsheet to provide evidence about whether the liability should be reduced by the probable forfeitures in the future.

We noted that several assets were sold during the year without a summary schedule being provided to the Finance Department so the individual assets sold could be removed the capital asset records. We recommend that a list of surplus assets be prepared for all disposals of capital assets using the identifying information included on the capital asset records, be approved by the Board and included in the meeting packets for future reference.

We recommend the District develop a purchasing policy that documents the dollar amount of purchasing authority of management and the Board. The purchasing policy should indicate the dollar amounts when informal and formal bids should be obtained and the requirements of each method. The policy should also document any additional steps that should be performed if the project is funded by federal or state grants.

We recommended the District develop a capital assets policy that indicated the capitalization threshold and depreciable lives of different types of capital assets. We understand a new policy was adopted prior to the completion of our audit.

We noted that a number of recurring expenses (EDD, Verizon, ADP, El Dorado Disposal Service, PG&E, Modular Space Corporation, and CalPERS) are not reviewed by management prior to payment because the PO is considered adequate authority for payment. We believe it is a best practice to have management review all invoices, including recurring invoices, to ensure the invoices appear to be genuine and do not include unusual charges.

To the Board of Directors and Management
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)

* * * * *

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than the specified parties.

Richardson & Company, LLP

November 7, 2018



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

GOVERNANCE LETTER

To the Board of Directors
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)
El Dorado Hills, California

We have audited the financial statements of the governmental activities and the major fund and of the El Dorado Hills Fire Department for the year ended June 30, 2018, and have issued our report thereon dated November 7, 2018. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated June 21, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Due to the implementation of this Statement the District recorded a restatement to recognize deferred outflows of resources, a net OPEB liability and deferred inflows of resources computed in accordance with this Statement as of July 1, 2018. Also, additional disclosures were added to the notes to the financial statements and Required Supplementary Information due to the implementation of this Statement. The application of existing policies was not changed during the year with the exception of the increase in the useful lives of capital assets approved by the Board that resulted in the disposal of a number of smaller assets. We noted one transaction entered into by the District during the year for which there is a lack of authoritative guidance or consensus, which is the fact that the District's actuary for other postretirement healthcare benefits (OPEB) did not include age adjusted healthcare premiums in the computation of the net OPEB liability. Many other actuaries consider it necessary under actuarial standards to use age-adjusted premiums in the computation of the OPEB liability. Had age-adjusted premiums been used, the District's OPEB liability would have been significantly larger. This is an apparent lack of consensus in the industry that was disclosed in Note F to the financial statements. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the depreciable lives and methods used to depreciate capital assets, the computation of the health reimbursement arrangement liability, the current portion of compensated absences, the computation of the net pension and other

To the Board of Directors
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)

postemployment benefits liabilities and the computation of qualifying expenditures under the fire services agreement. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The computation of the net pension liability and postemployment benefits liability were determined by an actuarial valuation performed by a qualified actuary.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures about the defined benefit pension plan, other postemployment benefits plan, contingencies and restatements disclosed in Notes E, F, I and J to the financial statements, respectively.

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

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit. The audit did take longer than expected due to the restatements identified as disclosed in Note J to the financial statements.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We identified 12 adjustments during the audit and 36 closing entries were posted during the audit. The adjustments included the restatements reported in Note J to the financial statements, government-wide entries that had not previously been recorded in the District's general ledger and reclassifications for reporting purposes. The attached schedule also summarizes an uncorrected misstatement of the financial statements. Management has determined that the effect of the entry is immaterial to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 7, 2018.

Management Consultations with Other Independent Accountants

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

To the Board of Directors
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)

Other Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis and information related to the District's pension and other post-employment benefits plans, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction of Use

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

Richardson & Company, LLP

November 7, 2018

EI DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES - GENERAL FUND
YEAR ENDED JUNE 30, 2018

Description	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets and Deferred Outflows	Total Liabilities and Deferred Inflows	Total Fund Balance/Net Position	Total Change in Fund Balance/Net Position
To record the fair value adjustment for the investment in LAIF	\$ 35,390		\$ 35,390	\$ 35,390
Net Unadjusted Audit Differences - This Year	35,390		35,390	35,390
Financial Statement Caption Totals - General Fund	\$ 28,466,949	\$ (553,620)	\$ 27,913,329	\$ (3,545,814)
Net Audit Differences as % of F/S Captions	0.12%	0.00%	0.13%	(1.00%)
Financial Statement Caption Totals-Governmental activities	\$ 58,555,565	\$ (27,135,662)	\$ (31,419,903)	\$ 2,510,151
Net Audit Differences as % of F/S Captions	0.06%	0.00%	(0.11%)	1.41%

**EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)**

Audited Financial Statements and
Compliance Report

June 30, 2018

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

AUDITED FINANCIAL STATEMENTS AND
COMPLIANCE REPORTS

June 30, 2018

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550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)
El Dorado Hills, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the El Dorado Hills County Water District (dba El Dorado Hills Fire Department) (the District) as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the District'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 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.

Auditor's Responsibility

Our responsibility is to express opinions 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. 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 involves 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 entity'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 entity'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 presentation of the financial statements.

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

To the Board of Directors
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Correction of Errors

As described in Note J to the financial statements, the District corrected certain errors in the June 30, 2017 financial statements. Our opinion is not modified with respect to that matter.

Emphasis of Matters

As discussed in Note F to the financial statements, the District's actuary did not consider it necessary to use age adjusted health insurance premiums in the calculation of the District's net other postemployment benefits (OPEB) liability. Had the actuary included age adjusted health insurance premiums in the calculation of the net OPEB liability, the OPEB liability may have been significantly larger in amount. Our opinion is not modified with respect to this matter.

As discussed in Note J to the financial statements, during the year ended June 30, 2018 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Prior Year Comparative Information

The financial statements of the District as of June 30, 2017 were audited by other auditors whose report dated October 18, 2017 expressed an unmodified opinion on those statements. As discussed in Note J to the financial statements, the District corrected certain errors in the June 30, 2017 financial statements. The other auditors reported on the June 30, 2017 financial statements before the restatements described above.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, schedule of contributions to the pension plan, schedule of changes in the net OPEB liability and related ratios and schedule of contributions to the pension plan as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richardson & Company, LLP

November 7, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the El Dorado Hills County Water District (Fire Department), we offer this Management Discussion and Analysis Report as an overview and analysis of the financial activities of the Fire Department for the fiscal year ended June 30, 2018.

Our discussion and analysis of the Fire Department provides the reader with an overview of the District's financial position and performance. The MD&A describes the significant changes from the prior year that occurred in general operations and discusses the activities during the year for capital assets. We encourage the reader to consider the information presented here in conjunction with the additional information furnished in our annual financial report including the financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- Revenues for the year, mostly comprised of property tax revenues, exceeded expenses by \$2,510,151. Most of this excess, however, is comprised of restricted development fee revenue. Excluding development impact fees, revenues exceeded expenses by \$280,866.
- The District ended the fiscal year with a positive Net Position of \$31,419,903. This amount is made up of \$21,475,181 in net capital assets and another \$8,190,667 in assets that are restricted for qualifying capital improvements related to District growth. Unrestricted Net Position ended at \$1,754,055, increasing from prior year's restated unrestricted net *deficit* of \$862,035.
- The Net Pension Liability increased by \$2,474,495 from prior year. In addition, the District implemented GASB 75 to account for other post-employment benefits (OPEB). A Net OPEB Liability of \$6,464,923 was recorded. Total Net Pension and OPEB liabilities were \$23,549,056 as of June 30, 2018.
- The District's General Fund reported total fund balances of \$27,913,329. Of this balance, \$219,700 is nonspendable and \$19,502,969 is unrestricted. The portion of the unrestricted balance committed for future capital replacements is \$3,803,787. The remaining \$15,699,175 of unrestricted fund balance is approximately 85.2% of the year's total operating expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District maintains its accounts in accordance with general accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The attached audit report is comprised of both governmental fund and government-wide financial statements.

Government-Wide Financial Statements

The government-wide financial statements include a Statement of Net Position and Statement of Activities. These statements report financial information using the full accrual basis of accounting and reflect a longer-term perspective. The government-wide statement of net position includes non-current assets and liabilities such as net capital assets and the pension and other post-employment benefit (OPEB) unfunded liabilities, as well as related deferred inflows and outflows.

Fund Financial Statements

The governmental fund financial statements are comprised of a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. These statements report current financial resources on a modified accrual basis and reflect a near term perspective. The fund balance sheet reflects assets, deferred outflows of resources and liabilities and deferred inflows of resources that are generally current in nature.

INVESTMENT POLICIES AND PROCEDURES

The Board reviews the District's investment policy periodically. During the 2017-18 fiscal year, the District was invested mostly with the State of California Local Agency Investment Fund and minimally with the El Dorado County Treasury.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The analysis below is based on information found in the District's Government-Wide Statement of Activities and Statement of Net Position.

Revenues

Total revenues for fiscal year 2017/18 increased by \$1,224,124 from 2016/17. The primary source of funding for the District to provide services is property taxes, which makes up approximately 79.6% of total revenues. Property Tax Revenues increased by \$1,722,250, or 11.0% from prior year. Other Revenue also increased by \$135,926 primarily as a result of higher interest earnings. JPA Revenue was higher than prior year due to an increase in passthrough JPA overtime costs. There were partially offsetting decreases in OES/Mutual Aid Revenue (offset by OES expenses) and Development Impact Fees.

Summary of Total Revenues

	2017/18	2016/17	\$ Change	% Change
General Revenues				
Property Tax Revenue	\$ 17,315,334	\$ 15,593,084	\$ 1,722,250	11.0%
Development Fees	2,229,285	2,954,286	(725,001)	(24.5%)
Other Revenue	525,516	389,590	135,926	34.9%
Total General Revenues	<u>\$ 20,070,135</u>	<u>\$ 18,936,960</u>	<u>\$ 1,133,175</u>	<u>6.0%</u>
Program Revenues				
JPA Revenue	1,162,437	982,207	180,230	18.3%
OES/Mutual Aid Revenue	524,276	613,557	(89,281)	(14.6%)
Total Program Revenues	<u>\$ 1,686,713</u>	<u>\$ 1,595,764</u>	<u>\$ 90,949</u>	<u>5.7%</u>
Total Revenues	<u>\$ 21,756,848</u>	<u>\$ 20,532,724</u>	<u>\$ 1,224,124</u>	<u>6.0%</u>

Expenses

Total expenses for fiscal year 2017/18 increased by \$962,971, or 5.3% from prior year. The majority of the District's cost to operate is comprised of labor costs. Wages and Benefits made up approximately 83.9% of total expenses for the 2017/18 fiscal year, and increased by \$756,861 or 4.9% from 2016/17. This increase is mostly due to a rise in overtime costs associated with long-term employee leaves as well as an increase in total retirement expense. Professional Services & IT costs increased by 23.6% from prior year due to an increase in legal fees related to pending legal matters. The loss on disposal of capital assets in 2017/18 represents the sale of a land parcel as well as the write off of several capital assets that did not meet a newly adopted capitalization threshold. There were partially offsetting decreases in Other Operating Expense which is mostly the result of a decrease in dispatch service costs of about \$50,000 due to a one-time CAD system upgrade in 2016/17.

Summary of Total Expenses

	2017/18	2016/17	\$ Change	% Change
<u>Public Protection</u>				
Wages & Benefits	\$ 16,155,973	\$ 15,399,112	\$ 756,861	4.9%
Professional Services & IT	570,569	461,806	108,763	23.6%
Maintenance	335,729	371,479	(35,750)	12.4%
Other Operating Expense	742,781	861,741	(118,960)	(13.8%)
Total Public Protection	<u>\$ 17,805,052</u>	<u>\$ 17,094,138</u>	<u>\$ 710,914</u>	<u>4.2%</u>
Depreciation Expense	\$ 1,117,604	\$ 1,092,104	\$ 25,500	2.3%
Loss on Disposal of Capital Assets	\$ 324,041	\$ 97,484	\$ 226,557	232.4%
Total Expenses	<u>\$ 19,246,697</u>	<u>\$ 18,283,726</u>	<u>\$ 962,971</u>	<u>5.3%</u>

Net Position

The District's net position of \$31,419,903 at June 30, 2018 increased by \$2,510,151, or 8.7% from prior year. This increase is primarily attributable to an increase in the District's Current Assets and Deferred Outflows, with a partially offsetting decrease in Capital Assets and increase in the Net Pension Liability. The increase in Current Assets is mostly due to an increase in the Development Fee Fund cash balance of \$1,507,600 and an increase in the Local Agency Investment Fund (LAIF) balance of \$2,062,345. The increase in Deferred Outflows is primarily due to the delayed recognition of pension and OPEB discretionary lump sum payments made after the GASB 68/75 measurement date of June 30, 2017 totaling \$1,450,000. Deferred Outflows also increased due to a change in assumptions (CalPERS discount rate reduction). The decrease in Capital Assets is due to asset disposals and depreciation in excess of new asset additions. The increase in Net Pension Liability is mostly due to the decrease of 0.5% in the assumed discount rate or investment return rate.

Summary of Net Position

	2017/18	2016/17 (restated)	\$ Change	% Change
Current Assets	\$ 28,466,949	\$ 24,801,672 ¹	\$ 3,665,277	14.8%
Capital Assets	21,475,181	23,089,566	(1,614,385)	(7.0%)
Deferred Outflows	8,613,435	6,277,126 ¹	2,336,309	37.2%
Total Assets & Deferred Outflows	\$ 58,555,565	\$ 54,168,364	\$ 4,387,201	8.1%
Current Liabilities	1,290,942	2,099,234 ¹	(808,292)	(38.5%)
Net Pension Liability	17,084,133	14,609,638	2,474,495	16.9%
Net OPEB Liability	6,464,923	6,711,816 ¹	(246,893)	(3.7%)
Other Non-Current Liabilities	975,763	-	975,763	N/A
Deferred Inflows	1,319,901	1,837,924 ¹	(518,023)	(28.2%)
Total Liabilities & Deferred Inflows	\$ 27,135,662	\$ 25,258,612	\$ 1,877,050	7.4%
Net Position	\$ 31,419,903	\$ 28,909,752	\$ 2,510,151	8.7%

¹ Restated balance as of 6/30/2017

FINANCIAL ANALYSIS OF THE DISTRICT'S GENERAL FUND

The District's General Fund is broken down into a General Reserve Fund (unassigned and non-spendable), a Capital Replacement Fund (committed), and a Development Fee Fund (restricted). Fund balances totaled \$27,913,329 at the end of 2017/18, an increase of \$3,545,814 from 2016/17. The General Reserve Fund, comprised of unassigned and non-spendable (prepaid) fund balances, totaled \$15,918,875. The 8.8% increase in this fund is primarily due to an excess of operating revenues over operating expenditures. The committed, or Capital Replacement Fund balance was \$3,803,787 at the end of the fiscal year, an increase of \$751,107 from prior year. This increase represents a transfer from the General Reserve Fund in excess of capital purchases out of the fund. The District's restricted, or Development Fee Fund balance ended at \$8,190,667, also a significant increase from prior year, which is the result of development fee collections exceeding transfers out for qualifying expenditures. There are outstanding reimbursements due to the General Reserve Fund from the Development Fee Fund of approximately \$6,090 as of June 30, 2018 for qualifying expenditures made in 2017/18.

Summary of Total Fund Balances

	2017/18	2016/17 (restated)	\$ Change	% Change
General Reserve Fund	\$ 15,918,875	\$ 14,632,614 ²	\$ 1,286,261	8.8%
Capital Replacement Fund	3,803,787	3,052,680	751,107	24.6%
Unrestricted Fund Balances	\$ 19,722,662	\$ 18,003,119	\$ 1,719,543	9.6%
Development Fee Fund	8,190,667	6,682,221	1,508,446	22.6%
Total Fund Balances	\$ 27,913,329	\$ 24,367,515	\$ 3,545,814	14.6%

² Restated balance as of 6/30/2017

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual financial results are evaluated against the District's final adopted budget monthly at its regular board meetings. Below is a comparison of the final budget and actual results for fiscal year 2017/18:

Budget vs. Actual – General Fund

	2017/18 Final Budget	2017/18 Actual	\$ Variance Favorable/ (Unfavorable)
Total Revenues	\$ 21,060,132	\$ 21,709,568	\$ 649,436
Operating Expenditures	(18,262,288)	(18,418,482)	(156,194)
Capital Outlay	(2,989,298)	(579,635)	2,409,663
Other Financing Sources (Uses)	-	834,363	834,363
Net Change in Fund Balance	\$ (191,454)	\$ 3,545,814	\$ 3,737,268

- Actual revenue exceeded budgeted revenue by \$649,436 due to the following:
 - Supplemental property tax revenue exceeded the budgeted estimate
 - Latrobe base transfer revenue was budgeted for the current year only, but collections were made for the prior year as well as the current year
 - JPA revenue was higher than budget due to an increase in JPA overtime (passthrough expense)
 - Interest revenue was significantly higher than budget due to rising interest rates
- Actual operating expenditures were consistent with the final budget. Capital outlay, however, was favorable to budget by \$2,409,663 because of the following:
 - Delayed purchase of a budgeted Type I engine to fiscal year 2018/19
 - Delay in budgeted Training Center expenditures
- Other Financing Sources include proceeds from the sale of capital assets and proceeds from insurance. Actual results in this category were favorable to budget due to the unplanned sale of a land parcel in the Business Park and the collection of insurance proceeds for damage caused by a water leak at Station 86.

CAPITAL ASSETS

The District purchased fixed assets totaling \$579,635 in 2017/18. This includes \$333,852 for the remodel of Station 91 and \$130,160 for the planning and design of the Training Facility (construction in progress). A Battalion Chief vehicle was also purchased totaling \$79,763. Other expenditures include a Prevention iPlan table, a SCBA Mask Annual Fit Test System, and station appliance replacements. The District sold a 5-acre land parcel during the fiscal year. Sale proceeds totaled \$746,749 and the District recognized a loss on the sale of \$126,124.

The District adopted a Capital Asset Policy effective 6/30/2018 which implemented new capitalization thresholds and resulted in the write-off of a group of assets that did not meet this criterion. Approximately \$694,789 in assets were written off and the District recognized a loss of \$203,541, which represented the remaining net book value of these assets. All capital assets are valued at historical cost and depreciated over their estimated useful lives using the straight-line method.

ECONOMIC OUTLOOK

The District's net position continues to be adequate and reflects financial stability. Development and property values continue to grow and this trend is expected to continue into the 2018/19 fiscal year. However, the District recognizes the significant challenges that lie ahead with increased pension and healthcare costs and is active in its efforts to prefund its pension and OPEB obligations. The District made deposits of \$1,450,000 to its PARS (Public Agency Retirement Services) Pension and OPEB trust accounts during the 2017/18 fiscal year and plans to make another \$2,100,000 in deposits during 2018/19. These funds will serve to offset the growing unfunded liability balances and may also be utilized to offset future qualifying expenses in the event of an economic downturn. The District's Board of Directors and staff continuously monitor economic trends and forecasts to ensure sound fiscal management.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

For questions regarding this report, please contact the El Dorado Hills Fire Department Director of Finance at 1050 Wilson Blvd., El Dorado Hills, CA 95762. More information about the District can also be found at www.edhfire.com.

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

June 30, 2018

	General Fund	Adjustments (Note J)	Statement of Net Position
ASSETS			
Cash and investments - unrestricted	\$ 19,603,764		\$ 19,603,764
Cash and investments - restricted	8,190,667		8,190,667
Receivables:			
Interest receivable - unrestricted	79,087		79,087
Due from other governments	370,789		370,789
Other receivables	2,942		2,942
Prepaid costs	219,700		219,700
Capital assets:			
Nondepreciable		\$ 3,983,977	3,983,977
Depreciable, net		17,491,204	17,491,204
TOTAL ASSETS	28,466,949	21,475,181	49,942,130
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan		6,723,110	6,723,110
Other postemployment benefits plan		1,890,325	1,890,325
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 28,466,949	30,088,616	58,555,565
LIABILITIES			
Accounts payable	\$ 105,668		105,668
Salaries and benefits payable	400,672		400,672
Compensated absences - current		613,498	613,498
Health reimbursement arrangement liability - current		171,104	171,104
Noncurrent liabilities:			
Compensated absences - noncurrent		687,761	687,761
Health reimbursement arrangement liability - noncurrent		288,002	288,002
Net other postemployment benefits liability		6,464,923	6,464,923
Net pension liability		17,084,133	17,084,133
TOTAL LIABILITIES	506,340	25,309,421	25,815,761
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	47,280	(47,280)	
Pension plan		1,153,861	1,153,861
Other postemployment benefits plan		166,040	166,040
TOTAL DEFERRED INFLOWS OF RESOURCES	47,280	1,272,621	1,319,901
FUND BALANCES/NET POSITION			
Fund balance:			
Nonspendable—prepaid costs	219,700	(219,700)	
Restricted for capital improvements	8,190,667	(8,190,667)	
Committed	3,803,787	(3,803,787)	
Unassigned	15,699,175	(15,699,175)	
TOTAL FUND BALANCES	27,913,329	(27,913,329)	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 28,466,949		
Net position:			
Investment in capital assets		21,475,181	21,475,181
Restricted for capital improvements		8,190,667	8,190,667
Unrestricted		1,754,055	1,754,055
TOTAL NET POSITION		\$ 31,419,903	\$ 31,419,903

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

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2018

	General Fund	Adjustments (Note J)	Statement of Activities
EXPENDITURES/EXPENSES			
Current:			
Public protection	\$ 18,418,482	\$ (613,430)	\$ 17,805,052
Capital outlay	579,635	(579,635)	
Depreciation		1,117,604	1,117,604
Loss on disposal of capital assets		324,041	324,041
TOTAL EXPENDITURES/EXPENSES	18,998,117	248,580	19,246,697
PROGRAM REVENUES			
Charges for services			
Reimbursements from other agencies	1,162,437		1,162,437
State operating grants	524,276		524,276
TOTAL PROGRAM REVENUES	1,686,713		1,686,713
NET PROGRAM EXPENSE	(17,311,404)	(248,580)	(17,559,984)
GENERAL REVENUES			
Property taxes and assessments	17,315,334		17,315,334
Fire impact fees	2,229,285		2,229,285
Other revenues	478,236	47,280	525,516
TOTAL GENERAL REVENUES	20,022,855	47,280	20,070,135
EXCESS OF REVENUES OVER EXPENDITURES	2,711,451	(201,300)	2,510,151
OTHER FINANCING SOURCES/(USES)			
Proceeds from sale of capital assets	752,375	(752,375)	
Proceeds from insurance	81,988	(81,988)	
TOTAL OTHER FINANCING SOURCES/(USES)	834,363	(834,363)	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	3,545,814	(3,545,814)	
CHANGE IN NET POSITION		(1,035,663)	2,510,151
Fund balance/net position, beginning of year - as previously reported	23,048,106	12,274,570	35,322,676
Restatement	1,319,409	(7,732,333)	(6,412,924)
Fund balance/net position, beginning of year - as restated	24,367,515	4,542,237	28,909,752
FUND BALANCE/NET POSITION, END OF YEAR	\$ 27,913,329	\$ 3,506,574	\$ 31,419,903

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

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes and assessments	\$ 16,776,075	\$ 16,776,075	\$ 17,315,334	\$ 539,259
Fire impact fees	2,500,000	2,500,000	2,229,285	(270,715)
Reimbursements from other agencies	1,028,857	1,028,857	1,162,437	133,580
State operating grants	560,000	560,000	524,276	(35,724)
Other revenues	195,200	195,200	478,236	283,036
TOTAL REVENUES	21,060,132	21,060,132	21,709,568	649,436
EXPENDITURES				
Current				
Public protection				
Salaries and wages	7,628,549	7,628,549	7,591,798	36,751
Retirement	2,174,379	2,174,379	2,065,849	108,530
Overtime	2,197,066	2,197,066	2,720,638	(523,572)
Health insurance	1,444,276	1,444,276	1,417,119	27,157
Retiree health insurance	1,881,479	1,881,479	1,890,325	(8,846)
Other insurance	874,067	874,067	701,027	173,040
Professional services	315,676	315,676	413,357	(97,681)
Employment taxes and benefits	350,274	350,274	319,031	31,243
Maintenance				
Equipment	223,754	223,754	236,630	(12,876)
Structures	98,364	98,364	181,088	(82,724)
Information technology	189,997	189,997	157,212	32,785
Communications	141,769	141,769	145,419	(3,650)
Special department expenditures	213,261	213,261	107,973	105,288
Clothing and personal supplies	100,483	100,483	102,090	(1,607)
Transportation and travel	109,880	109,880	101,705	8,175
Rents and leases	81,646	81,646	72,924	8,722
Other expenditures	237,368	237,368	194,297	43,071
Capital outlay	2,989,298	2,989,298	579,635	2,409,663
TOTAL EXPENDITURES	21,251,586	21,251,586	18,998,117	2,253,469
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			752,375	752,375
Proceeds from insurance			81,988	81,988
TOTAL OTHER FINANCING SOURCES (USES)			834,363	834,363
NET CHANGE IN FUND BALANCE	\$ (191,454)	\$ (191,454)	3,545,814	\$ 3,737,268
Fund balance at beginning of year - as previously reported				
			23,048,106	
Restatement				
			1,319,409	
Fund balance at beginning of year - as restated				
			24,367,515	
FUND BALANCE AT END OF YEAR				
			\$ 27,913,329	

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

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements present the El Dorado Hills County Water District, which is doing business as (DBA) the El Dorado Hills Fire Department. The financial statements of the El Dorado Hills County Water District (DBA El Dorado Hills Fire District) (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Background: The El Dorado Hills County Water District was formed by the Board of Supervisors of the County of El Dorado pursuant to Division 12, Part 2, Chapter 4, Section 30320 of the Water Code of the State of California. In 1963, the El Dorado Hills Fire Department was established under the El Dorado Hills County Water District (the District). Ten years later, the citizens of El Dorado Hills voted to transfer all water and sewer system powers to the El Dorado Irrigation District; thereby leaving only fire protection under the direction of the District's Board.

The District's functions are governed by a five-member Board of Directors elected by the District's voting population. The Board of Directors manages the Fire Chief who oversees all financial, administrative and operational aspects of the District for the purpose of carrying-out fire and emergency services.

El Dorado Hills County Water District operates five fire stations. The District provides emergency medical services, rescue, fire suppression, and other public services as needed. The District is a member of the El Dorado County Emergency Services Authority, which also provides advanced life support and ambulance transport within the County. The District serves approximately 58,500 acres with close to 16,000 homes and an estimated population of 45,000.

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. All of the District's activities are reported in the General Fund.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues to be available if they are collected within 90 days of the end of the current fiscal period or 60 days for taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Payable balances consist primarily of payables to vendors.

Property and other tax revenues, reimbursements and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund – The General Fund is the general operating fund of the District and accounts for revenues collected to provide services and finance the fundamental operations of the District. The fund is charged with all costs of operations.

Budgets: Budgets are adopted on a basis consistent with generally accepted accounting principles and in accordance with the District’s policy and procedure. Budgetary control is exercised by major object. All budgetary changes during the fiscal year require the approval of the District’s Board of Directors. Unencumbered budget appropriations lapse at the end of the fiscal year.

Risk Management: The District is subject to various risks of loss that are covered by commercial insurance. The District’s claims have not exceeded the insurance coverage and no reductions of coverage have occurred during the past three years.

Restricted Assets: Restricted assets consist of unspent fire impact fees collected by the County of El Dorado on the District’s behalf. The impact fees are required to be spent on public facilities and equipment by the related County of El Dorado Ordinance.

Prepaid Costs: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. Prepaid costs of governmental funds are offset by a nonspendable portion of fund balance to indicate they do not represent resources available for future appropriation.

Capital Assets: Capital assets for governmental funds are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets are stated at historical cost or estimated historical cost if actual historical cost is not available. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Contributed capital assets are recorded at their acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Capital assets are defined by the District as assets with at least three years expected life and meet the required minimum value threshold seen below. Costs of assets sold or retired are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Capital Asset Category	Threshold	Estimated Useful Life
Land & Easements	-	N/A
Building/Improvements	50,000	39.5 years
Fire Equipment (SCBA's)	1,000	8-15 years
Fire Equipment (Other)	3,000	5-15 years
Hose (LDH)	3,000	15-20 years
Office Equipment	3,000	3-7 years
Radio Communications Equipment	3,000	5 years
Fire Apparatus	3,000	15 years
Vehicles	3,000	5-7 years
Furniture/Fixtures/Tools	3,000	3-7 years

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the balance sheet will sometimes report separate sections for deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or and inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources include amounts deferred related to the District’s pension and OPEB plans under GASB Statements No. 68 and No. 75, respectively, as described in Notes E and F. Unavailable revenues in governmental funds arise when a potential revenue source does not meet both the “measurable” and “available” criteria for recognition in the current period. Revenues unavailable because they were not received in the availability period are recognized for the government-wide presentation.

Compensated Absences: The District compensates employees for unused vacation and, subject to certain conditions, sick leave upon separation from the District. The District’s policy for sick leave states that sick leave will not be paid upon separation due to termination for cause, but otherwise up to 60% of accumulated sick leave will be paid to the employee or employee’s beneficiary at retirement, separation or in the event of death. Sick leave may also be converted to service credit under the District’s pension plan with CalPERS. All vacation is accrued when earned. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate compensated absences.

Unearned Revenues: Unearned revenues arise when resources are received by the District before it has legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures). The District had no unearned revenues at year-end.

Fund Balance: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise prepaid items and other assets.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Amounts reported as restricted funds represent mitigation fees collected for future capital expenditures. The Districts restricted fund balance represents unspent fire impact fees restricted for certain capital improvements as defined in the County Ordinance establishing the fees.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, which is a Resolution of the Board of Directors. These amounts cannot be used for any other purpose unless the Board modifies or removes the fund balance commitment with another Resolution of the Board of Directors.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned Funds – Unassigned fund balance is the residual classification of the District’s funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

When both restricted and unrestricted resources are available, it is the District’s policy to use restricted resources, then unrestricted resources as they are needed.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. The outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

Property Taxes: The District receives property taxes from El Dorado County. Property taxes become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this Program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

These taxes are accrued as intergovernmental revenue only if they are received from the County within 60 days after year end in the governmental fund. They are accrued when earned regardless of the timing of the related cash flows in the government-wide statement.

Joint Powers Authority: The District is a member agency of the El Dorado County Emergency Services Authority, a Joint Powers Authority (JPA), which provides ambulance and other pre-hospital emergency transport services on the west slope of El Dorado County. There are ten member agencies in total. The governing Board of Directors controls the operations of the JPA. The JPA Board is made up of a Fire Chief or authorized alternate from each member agency. The JPA is independently accountable for its fiscal matters and maintains its own accounting records under the oversight of the El Dorado County board of Supervisors. Each of the ten member Fire Districts approves the JPA budget and their vote is carried by their Fire Chief to the Board. The JPA contracts with the District for one medic unit and six employees working shift work. The District is fully reimbursed for all authorized costs incurred in the execution of the contract. The District is not responsible for the liabilities of the JPA upon dissolution. Separate financial statements for the JPA are available by contacting the JPA staff through the link at edcjpga.org.

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Health Reimbursement Arrangement: The District provides a health reimbursement arrangement (HRA) for each full-time and part-time employee working a minimum of 32 hours per week for dental and vision expenses. The benefit is also offered to the eligible employee's spouse and dependents. Eligible participants are allowed to submit qualifying dental and vision expenses for reimbursement under the HRA as defined in the Department Policy Manual. The benefit provided is \$120, \$150 and \$200 per month for employees with no dependents, one dependent and two or more dependents, respectively. As described in Note F, HRA benefits are extended to retirees. Retirees are provided a benefit of \$100 and \$150 with no dependents and one dependent, respectively. The District does not have a trust where the HRA assets are set aside for the benefit of employees. Consequently, the HRA assets are available to the District's creditors.

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

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

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from these estimates.

New Pronouncements: In June 2017, the GASB issued Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The District is currently analyzing the impact of the required implementation of this new statement.

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE B – CASH AND INVESTMENTS

As of June 30, 2018, the District’s cash and investments consisted of the following:

Cash and investments - unrestricted	\$ 19,603,764
Cash and investments - restricted	8,190,667
	<u>\$ 27,794,431</u>
Deposits in financial institutions	\$ 11,016
Paypal account	10,243
California Local Agency Investment Fund (LAIF)	18,893,719
Investment in County of El Dorado investment pool	8,879,453
Total cash and investments	<u>\$ 27,794,431</u>

Investment policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The District does not have an investment policy that addresses its interest rate risk, credit risk and concentration of credit risk.

Investment in the County of El Dorado’s Investment Pool: The District maintains an investment in the County of El Dorado cash and investment pool, which is managed by the County Treasurer. The County pool is stated at amortized cost, which approximates fair value. The amount invested by all public agencies in El Dorado County’s cash and investment pool is \$497,642,747 at June 30, 2018. The County does not invest in any derivative financial products. The County Treasury Investment Oversight Committee has oversight responsibility for the investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in El Dorado County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District’s position in the pool. Investments held in the County’s investment pool are available on demand to the District and are stated at amortized cost. This investment is not subject to categorization under GASB No. 3.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2018, the weighted average maturity of the investments contained in the County’s investment pool was approximately 173 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. The County’s investment pool does not have a rating provided by a nationally recognized statistical rating organization.

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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of 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 or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy does not contain legal or policy requirements that would limit the exposure to custodial

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE B – CASH AND INVESTMENTS (Continued)

credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2018, the carrying amount and balance per banks of the District's bank deposits were \$11,016 and \$74,859, respectively. Of the balance per banks, \$74,859 was covered by federal depository insurance and the remaining amount was collateralized by the pledging financial institution's investment securities, which were not in the name of the District.

California Local Agency Investment Fund (LAIF): LAIF is stated at amortized cost, which approximates fair value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by all public agencies in LAIF is \$88,798,232,977, which is managed by the State Treasurer. Of that amount, 2.67 percent is invested in structured notes and asset-backed commercial paper. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 193 days at June 30, 2018.

NOTE C – CAPITAL ASSETS

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

	Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 4,587,512		\$ (872,873)		\$ 3,714,639
Construction in process:					
Station 91 remodel	49,534	\$ 333,852		\$ (383,386)	
Training facility	139,178	130,160			269,338
Total capital assets, not being depreciated	<u>4,776,224</u>	<u>464,012</u>	<u>(872,873)</u>	<u>(383,386)</u>	<u>3,983,977</u>
Capital assets, being depreciated:					
Buildings and improvements	19,261,721		(19,360)	383,386	19,625,747
Vehicles	5,244,950	63,129	(1,268)		5,306,811
Equipment	2,908,463	52,494	(674,162)		2,286,795
Total capital assets being depreciated	<u>27,415,134</u>	<u>115,623</u>	<u>(694,790)</u>	<u>383,386</u>	<u>27,219,353</u>
Less accumulated depreciation:					
Buildings and improvements	(4,537,406)	(509,227)	6,210		(5,040,423)
Vehicles	(2,797,724)	(381,254)			(3,178,978)
Equipment	(1,766,662)	(227,123)	485,037		(1,508,748)
Total accumulated depreciation	<u>(9,101,792)</u>	<u>(1,117,604)</u>	<u>491,247</u>		<u>(9,728,149)</u>
Total capital assets being depreciated	<u>18,313,342</u>	<u>(1,001,981)</u>	<u>(203,543)</u>	<u>383,386</u>	<u>17,491,204</u>
Capital assets, net	<u>\$ 23,089,566</u>	<u>\$ (537,969)</u>	<u>\$ (1,076,416)</u>	<u>\$ -</u>	<u>\$ 21,475,181</u>

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities activity other than pension and OPEB liability activity for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Repayments	Balance June 30, 2018	Due Within One Year	Due in More Than One Year
Compensated absences	\$ 1,229,941	\$ 739,648	\$ (668,330)	\$ 1,301,259	\$ 613,498	\$ 687,761
Health reimbursement arrangement (HRA) liability	435,136	192,786	(168,816)	459,106	171,104	288,002
	<u>\$ 1,665,077</u>	<u>\$ 932,434</u>	<u>\$ (837,146)</u>	<u>\$ 1,760,365</u>	<u>\$ 784,602</u>	<u>\$ 975,763</u>

NOTE E – DEFINED BENEFIT PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District’s Cost-Sharing Multiple Employer Defined Benefit Pension Plan (the Plan or PERFC) administered by the California Public Employees’ Retirement System (CalPERS). PERFC consists of a miscellaneous risk pool and a safety risk pool, which are comprised of the following rate plans:

- Miscellaneous Rate Plan
- Miscellaneous Second Tier Rate Plan
- PEPRA Miscellaneous Rate Plan
- Safety Rate Plan
- Safety Second Tier Rate Plan
- PEPRA Safety Police Rate Plan

Although one Plan exists, CalPERS provides the information separately for the Miscellaneous and Safety Risk Pools and the information is presented separately below where available. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

The rate plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous Rate Plan	Miscellaneous Second Tier Rate Plan	PEPRA Miscellaneous Rate Plan
	Prior to August 13, 2011	August 13, 2011 to December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula (at full retirement)	3.0% @ 60	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	12.50%	11.50%	6.25%
Required employer contribution rates	8.939%	4.392%	6.842%
	Safety Rate Plan	Safety Second Tier Rate Plan	PEPRA Safety Rate Plan
	Prior to August 13, 2011	August 13, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.00% to 2.70%
Required employee contribution rates	15.00%	15.00%	12.00%
Required employer contribution rates	14.556%	11.614%	12.141%

All rate plans except the PEPRA rate plans are closed to new members that are not already CalPERS participants. All miscellaneous rate plans are combined and reported below as the Miscellaneous Risk Pool and all safety rate plans are combined and reported below as the Safety Risk Pool.

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

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2018, the contributions recognized as part of pension expense for each risk pool were as follows:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
Contributions - employer	\$ 99,091	\$ 1,966,758	\$ 2,065,849

A. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the District reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

	Proportionate Share of <u>Net Pension Liability</u>
Miscellaneous Risk Pool	\$ 823,658
Safety Risk Pool	16,260,475
Total Net Pension Liability	\$ 17,084,133

The District's net pension liability for each risk pool is measured as the proportionate share of the net pension liability. The net pension liability of each risk pool is measured as of June 30, 2017, and the total pension liability for each risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the risk pool relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for each risk pool as of June 30, 2016 and 2017 were as follows:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
Proportion - June 30, 2016	0.019986%	0.268676%	0.168837%
Proportion - June 30, 2017	0.020894%	0.272132%	0.172267%
Change - Increase (Decrease)	0.000908%	0.003456%	0.003430%

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2018, the District recognized pension expense of \$2,065,849 for both risk pools combined. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources for the Plan from the following sources:

	Miscellaneous Risk Pool		Safety Risk Pool		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 99,091		\$ 1,966,758		\$ 2,065,849	
Differences between actual and expected experience	1,193	\$ (17,093)	199,697	\$ (52,066)	200,890	\$ (69,159)
Changes in assumptions	148,036	(11,288)	2,896,112	(222,197)	3,044,148	(233,485)
Differences between the employer's contribution and the employer's proportionate share of contributions		(37,752)	469,228	(201,893)	469,228	(239,645)
Change in employer's proportion	22,873	(3,159)	255,176	(608,413)	278,049	(611,572)
Net differences between projected and actual earnings on plan investments	33,480		631,466		664,946	
Total	<u>\$ 304,673</u>	<u>\$ (69,292)</u>	<u>\$ 6,418,437</u>	<u>\$ (1,084,569)</u>	<u>\$ 6,723,110</u>	<u>\$ (1,153,861)</u>

The \$2,065,849 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the risk pools will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous Risk Pool	Safety Risk Pool	Total
2019	\$ 24,633	\$ 890,143	\$ 914,776
2020	82,517	1,740,250	1,822,767
2021	49,017	1,106,209	1,155,226
2022	(19,877)	(369,492)	(389,369)
	<u>\$ 136,290</u>	<u>\$ 3,367,110</u>	<u>\$ 3,503,400</u>

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liabilities in the June 30, 2017 actuarial valuations for each risk pool was determined using the following actuarial assumptions:

Valuation Date		June 30, 2016
Measurement Date		June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	
Amortization Method	Level Percent of Payroll	
Asset Valuation Method	Market Value	
<u>Actuarial Assumptions:</u>		
Discount Rate		7.15%
Inflation		2.75%
Payroll Growth		3.0%
Projected Salary Increases	3.2% to 12.2% Miscellaneous and 3.4% to 20.0% Safety, Depending on Entry Age and Service	
Investment Rate of Return		7.375%
Mortality ¹	Derived using CalPERS Membership Data for all funds	

¹ The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study Report can be found on CalPERS’ website under Forms and Publications.

Change of Assumptions: In 2017, the accounting discount rate declined from 7.65% to 7.15%.

Discount Rate: The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained on CalPERS’ website under the GASB 68 section.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employee’s Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability for each risk pool, calculated using the discount rate for each risk pool, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 1,311,629	\$ 25,828,028	\$ 27,139,657
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 823,658	\$ 16,260,475	\$ 17,084,133
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 419,512	\$ 8,439,477	\$ 8,858,989

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE E – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Plan Fiduciary Net Position: Detailed information about each risk pool’s fiduciary net position is available in the separately issued CalPERS financial reports.

B. Payable to the Pension Plans

At June 30, 2018, the District reported payables for the outstanding amount of employer contributions to the Plan of \$53,397.

NOTE F – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description: The District's defined benefit OPEB plan (the Plan), is an agent multiple-employer defined benefit OPEB plan that provides OPEB benefit for all miscellaneous and public safety employees once they have a minimum of five years of CalPERS credited service with the District and a minimum of ten years of CalPERS credited service, including service at other public agencies. Employees hired prior to March 1, 2012 receive the same benefits as other employees whether or not the District remains in CalPERS. Eligible employees’ surviving spouses and dependents are also eligible for benefits. The California Water Code grants the Board of Directors the authority to establish and amend the benefit terms. The District participates in the CalPERS CERBT, which is a Sect 115 trust fund administered by CalPERS. The CERBT is included in the CalPERS publicly available financial report that can be obtained at www.calpers.ca.gov under Forms and Publications. No other publicly available reports are available for the Plan.

Benefits Provided: The Plan provides healthcare benefits for retirees, surviving spouses and their dependents. Benefits are provided through CalPERS, and the full cost of the benefits are covered by the Plan. The plan provides a cash subsidy for monthly insurance premiums on a graded scale of 50% of insurance premium costs at ten years of service up to 100% of insurance premium costs at twenty years of service. Benefits do not cease at age 65 when the retiree or spouse is eligible for Medicare. Retirees are eligible to continue medical coverage as a participant with active employees at a blended premium rate until eligible for Medicare under CalPERS requirements. Retirees are also eligible for a contribution to a health reimbursement arrangement (HRA) of \$150 per month for dental and vision expenses. The HRA contributions are not held in a trust for the benefit of participants and, therefore, are not considered plan assets.

Employees Covered by Benefit Terms: At the June 30, 2017 actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	31
Active employees	<u>63</u>
Total	<u><u>94</u></u>

Contributions: The Board of Directors has the authority to establish and amend the contribution requirements of the District and employees under powers granted to it under the California Water Code, subject to the District’s Memorandum of Understanding with employee bargaining units.

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE F – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

The Board of Directors has established reimbursement percentages of actual insurance premiums paid by Plan members. No other contribution requirements exist under the Plan. Employees are not required to contribute to the Plan. During the fiscal year ended June 30, 2018, the District's direct payments of insurance premiums were \$890,325 and cash contributions to the trust were \$1,000,000, resulting in total contributions of \$1,890,325. The District makes contributions to the CERBT, which is administered by CalPERS.

Net OPEB Liability: The District's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Measurement date	June 30, 2017
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.00%
Inflation	2.75%
Salary increases	2.75%, average, including inflation
Investment rate of return	7.0%
Mortality rate	Derived using CalPERS membership data
Pre-retirement turnover	Derived using CalPERS membership data
Healthcare trend rate	4% per year
Participation rate	100%

Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE F – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
U.S. Large Cap	43.0%	7.795%
U.S. Small Cap	23.0%	7.795%
Long-Term Corporate Bonds	12.0%	5.295%
Long-Term Government Bonds	6.0%	4.500%
Treasury Inflation Protected Securities (TIPS)	5.0%	7.795%
U.S. Real Estate	8.0%	7.795%
All Commodities	3.0%	7.795%
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total OPEB liability was 7.0%, which was the same discount rate used in the previous valuation. The projection of cash flows used to determine the discount rate assumed that District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017	\$ 12,127,917	\$ 5,416,101	\$ 6,711,816
Changes in the year:			
Service cost	355,436		355,436
Interest	841,728		841,728
Differences between expected and actual experience			
Changes in assumptions			
Changes in benefit terms			
Contributions - employer		852,110	(852,110)
Investment income		597,001	(597,001)
Administrative expenses		(5,054)	5,054
Benefit payments	(552,110)	(552,110)	
Net changes	<u>645,054</u>	<u>891,947</u>	<u>(246,893)</u>
Balance at June 30, 2018	<u>\$ 12,772,971</u>	<u>\$ 6,308,048</u>	<u>\$ 6,464,923</u>

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE F – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
Net OPEB liability	\$ 8,122,165	\$ 6,464,923	\$ 5,091,652

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease 3%	Healthcare Cost Trend Rates 4%	1% Increase 5%
Net OPEB liability	\$ 5,191,878	\$ 6,464,923	\$ 7,930,169

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the District recognized OPEB expense of \$563,707.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,890,325	
Differences between actual and expected experience		
Changes in benefit terms		
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		\$ (166,040)
Total	\$ 1,890,325	\$ (166,040)

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE F – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2019	\$ (41,510)
2020	(41,510)
2021	(41,510)
2022	<u>(41,510)</u>
	<u>\$ (166,040)</u>

Payable to the OPEB Plan: At June 30, 2018, there was no payable to the OPEB Plan.

Age-adjusted Premiums Not Used: As a general rule, Actuarial Standard of Practice 6 (ASOP 6) indicates retiree costs should be based on actual claim costs or age-adjusted premiums. However, the Plan's net OPEB liability was not computed using age-adjusted premiums because the District's actuary did not consider the use of age-adjusted premiums to be appropriate under the circumstances. This is due to the District participating in the CalPERS health insurance plan, PEMHCA. PEMHCA uses blended premiums for active and retired participants and is expected to continue this practice into the future. Contributions based on age-adjusted premiums would be larger than contributions based on actual premiums charged by PEMHCA. The actuary believes this would overstate contributions to the CERBT that would not be able to be recovered by the District. Many other actuaries believe it is appropriate to use age-adjusted premiums when computing net OPEB liabilities under GASB Statement No. 75. The District's net OPEB liability would have been significantly larger had it been computed using age-adjusted premiums.

NOTE G – FIRE IMPACT FEES

The use of fire impact fees is restricted solely for financing public facilities and equipment necessary to serve new developments. Changes in unspent fire impact fees reported as restricted cash and investments were as follows during the year ended June 30, 2018:

Amount available at June 30, 2017	\$ 6,682,221
Add fees collected and interest income	2,307,139
Less transfers for prior year capital items	<u>(798,693)</u>
Amount available in county investment pool at June 30, 2018	8,190,667
Less outstanding transfer at June 30, 2018	<u> </u>
Amount available at June 30, 2018	<u><u>\$ 8,190,667</u></u>

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE H – COMMITMENTS AND CONTINGENCIES

Operating Lease: The District leases various equipment including solar energy systems. Monthly payments for these leases total approximately \$6,000.

Contingencies: The District is a party to claims and lawsuits arising in the normal course of business. The District's management does not believe that the ultimate liability, if any, arising from these claims will have a material adverse impact on the financial position of the District.

The District has a number of funding sources under grant and other funding agreements that are subject to compliance audits by the provider. The amount of expenditures, if any, which may be disallowed by the provider cannot be determined although the District expects such amounts, if any, to be immaterial.

The County of El Dorado (the County) collects fire impact fees imposed on behalf of the District and deposits those fees into a separate account within the County's investment pool. The balance of the account in the County's investment pool holding the impact fees is reported as part of the District's cash and investments. The County will only release the fees from the County investment pool when the District incurs qualifying expenditures and provides supporting documentation for expenditures incurred that is acceptable to the County. It is possible that the County could disallow costs incurred by the District as part of the approval process.

The District's Board of Directors approved the design of a fire training facility as part of its strategic plan. Design costs are being included as part of construction in progress, which is reported in capital assets on the District's balance sheet. Construction of the training facility has not been approved by the Board of Directors. If the project is cancelled the design costs included in construction in process are required to be written-off through expenditures under generally accepted accounting principles.

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE I – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the governmental funds balance sheet are being adjusted to arrive at the statement of net position. The adjustments are as follows at June 30, 2018:

Fund balances - Total Governmental Funds	\$ 27,913,329
Deferred outflows of resources on pensions and OBEB are not reported in the governmental funds.	8,613,435
Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds.	21,475,181
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.	
Compensated absences	(1,301,259)
Net HRA Liability	(459,106)
Net OBEB Liability	(6,464,923)
Net pension obligation	(17,084,133)
Deferred inflows of resources on pensions and OBEB are not reported in the governmental funds.	(1,319,901)
Revenues that are deferred in the governmental funds because they are not current financial resources are recognized in the government-wide statements.	<u>47,280</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 31,419,903</u></u>

EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE I – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)

Amounts reported for governmental activities in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances are adjusted to arrive at the Statement of Activities for Government-wide presentation. The adjustments for the fiscal year ended June 30, 2018 are as follows:

Net change in fund balance - Governmental Funds	\$ 3,545,814
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The change in net position for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capital outlay	579,635
Depreciation	(1,117,604)

Governmental funds report proceeds from disposal of capital assets as revenues. However, in the government-wide statement of activities only the gain or (loss) on the sale of capital assets is reported. This is the difference between the gain or (loss) and proceeds.	(1,076,416)
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Changes in deferred inflows and outflows related to the pension and OPEB plans do not result in the receipt or use of current financial resources and are not reported in the governmental funds.

Change in deferred outflows of resources	2,336,309
Change in deferred inflows of resources	518,023

Governmental funds do not present revenues that are not available to pay current expenditures. Such revenues are recognized in the Statement of Activities.	47,280
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences liability	(71,318)
Change in health reimbursement arrangement liability	(23,970)
Change in OBEB liability	246,893
Change in pension liability	<u>(2,474,495)</u>

NET CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,510,151</u></u>
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EL DORADO HILLS COUNTY WATER DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2018

NOTE J – RESTATEMENT

During the year ended June 30, 2018 the District discovered certain errors to the June 30, 2017 financial statements, including revenue that was inadvertently recognized that was related to the subsequent fiscal year, the compensated absences and health reimbursement arrangement liabilities that do not represent current liabilities were inadvertently recorded in the General Fund rather than in the government-wide statements and the payroll liability for the last payroll period of the year was not accrued. The District corrected these errors during the year ended June 30, 2018, which resulted in a decrease in General Fund assets of \$27,844, a decrease in liabilities of \$1,347,253, an increase in fund balance of \$1,319,409 and a decrease in change in fund balance of \$345,668 as well as a decrease in government-wide net position of \$345,668 as of and for the year ended June 30, 2017.

The District also adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the year ended June 30, 2018. Due to the implementation of this Statement, the District recorded deferred outflows of resources of \$852,110 and a net OPEB liability of \$6,711,816 and deferred inflows of resources of \$207,550 in its government-wide statements as of July 1, 2017. The effect of these changes on the change in net position for the year ended June 30, 2017 was not known because the effect of GASB Statement No. 75 on the June 30, 2016 balances would need to be known to determine the change in net position for the year ended June 30, 2017, but was not determined.

The effects of these restatements are listed below:

	Fund Balance General Fund	Government- wide Net Position
Balance as originally reported - June 30, 2017	\$ 23,048,106	\$ 35,322,676
To report strike team revenue in proper period	(27,844)	(27,844)
To move compensated absences liability out of General Fund	1,229,941	
To move health reimbursement arrangement liability out of General Fund	435,136	
To accrue payroll payable in the proper period	(317,824)	(317,824)
Total effect of the correction of errors	1,319,409	(345,668)
To adjust OPEB deferred outflows to implement GASB Statement No. 75		852,110
To adjust net OPEB liability to implement GASB Statement No. 75		(6,711,816)
To adjust OPEB deferred inflows to implement GASB Statement No. 75		(207,550)
Total effect of the implementation of GASB Statement No. 75		(6,067,256)
Total change to fund balance/net position	1,319,409	(6,412,924)
Balance as restated - June 30, 2017	\$ 24,367,515	\$ 28,909,752

REQUIRED SUPPLEMENTARY INFORMATION

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (UNAUDITED)
Last 10 Years**

	2018	2017	2016	2015
Proportion of the net pension liability	0.172267%	0.168837%	0.176436%	0.166733%
Proportionate share of the net pension liability	\$ 17,084,133	\$ 14,609,638	\$ 12,110,427	\$ 10,374,901
Covered payroll - measurement period	\$ 7,684,157	\$ 7,132,639	\$ 6,686,466	\$ 6,342,947
Proportionate share of the net pension liability as a percentage of covered payroll	222.33%	204.83%	181.12%	163.57%
Plan fiduciary net position as a percentage of the total pension liability	76.22%	74.06%	78.40%	79.82%

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN (UNAUDITED)
Last 10 Years**

	2018	2017	2016	2015
Contactually required contribution (actuarially determined)	\$ 1,615,849	\$ 1,609,245	\$ 1,506,948	\$ 1,535,189
Contributions in relation to the actuarially determined contributions	(2,065,849)	(1,609,245)	(2,706,948)	(1,535,189)
Contribution deficiency (excess)	<u>\$ (450,000)</u>	<u>\$ -</u>	<u>\$ (1,200,000)</u>	<u>\$ -</u>
Covered payroll - employer's fiscal year	\$ 7,786,603	\$ 7,684,157	\$ 7,132,639	\$ 6,686,466
Contributions as a percentage of covered payroll	26.53%	20.94%	37.95%	22.96%

Notes to schedule:

Valuation date:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Investment rate of return and discount rate used to compute contribution rates	7.375%	7.50%	7.50%	7.50%
Change in benefit terms: There were no changes to benefit terms.				

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal cost method
Amortized method	Difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over average remaining service life of participants
Remaining amortization period	Not specified
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by entry age and service
Retirement age	50-67 years. Probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007.
Mortality	CalPERS specific data from January 2014 Actuarial Experience Study for the period 1997 to 2011 that uses 20 years of mortality improvements using Society of Actuaries Scale BB.

Omitted Years: GASB Statement No. 68 was Implemented During the Year Ended June 30, 2015. No information was Available Prior to this Date. Future years will be reported prospectively as they become available.

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

For the Year Ended June 30, 2018

	2018
Total OPEB liability	
Service cost	\$ 355,436
Interest	841,728
Differences between expected and actual experience	
Changes in assumptions	
Changes in benefit terms	
Benefit payments	(552,110)
Net change in total OPEB liability	645,054
Total OPEB liability - beginning	12,127,917
Total OPEB liability - ending (a)	\$ 12,772,971
Plan fiduciary net position	
Contributions - employer	\$ 852,110
Investment income	597,001
Benefit payments	(552,110)
Administrative expenses	(5,054)
Net change in plan fiduciary net position	891,947
Plan fiduciary net position - beginning	5,416,101
Plan fiduciary net position - ending (b)	\$ 6,308,048
Net OPEB liability - ending (a)-(b)	\$ 6,464,923
Plan fiduciary net position as a percentage of the total OPEB liability	49.39%
Covered-employee payroll - measurement period	\$ 7,684,157
Net OPEB liability as percentage of covered-employee payroll	84.13%
Notes to schedule:	
Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017
Benefit changes:	None
Changes in assumptions:	None
Actuarial cost method:	Entry age normal cost method
Discount rate and investment rate of return:	7.00%
Healthcare trend:	4.00%
Inflation	2.75%
Mortality rate and pre-retirement turnover	Derived using CalPERS membership data

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

EL DORADO HILLS COUNTY WATER DISTRICT
(DBA EL DORADO HILLS FIRE DEPARTMENT)
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
LAST TEN FISCAL YEARS

For the Year Ended June 30, 2018

	2018
Contractually determined contribution - employer fiscal year	\$ 890,325
Contributions in relation to the contractually determined contributions	(1,890,325)
Contribution deficiency (excess)	\$ (1,000,000)
 Covered-employee payroll - employer fiscal year	\$ 7,786,603
 Contributions as a percentage of covered-employee payroll	24.28%

Notes to Schedule:

Valuation date	June 30, 2016
Measurement period - fiscal year ended	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method/period	Level percentage of payroll over working lifetime of employees. Period not stated.
Asset valuation method	Market value
Inflation	2.75%
Payroll growth	2.75%
Investment rate of return	7.00%
Healthcare cost-trend rate	4.00% per year
Retirement age	Fire fighters hired before 2013: 2009 CalPERS 3%@50 retirement rates for sworn fire employees. Fire fighters hired after 2012: 2009 CalPERS 3%@55 retirement rates for sworn fire employees adjusted to reflect minimum retirement age of 52. General employees hired before 2013: 2009 CalPERS 3%@60 retirement rates for miscellaneous employees. General employees hired after 2012: 2009 CalPERS 2%@60 retirement rates for miscellaneous employees adjusted to reflect minimum retirement age of 52.
 Mortality	2014 CalPERS 1997-2011 Experience Study mortality for fire fighters and miscellaneous employees.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

COMPLIANCE REPORT



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

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 Board of Directors
El Dorado Hills County Water District
(dba El Dorado Hills Fire Department)
El Dorado Hills, 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 and the major fund of the El Dorado Hills Fire Department (dba El Dorado Hills Fire Department) (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 7, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Richardson & Company, LLP

November 7, 2018



El Dorado Hills Fire Department

Finance Committee Staff Report

Agenda Item IX.B

November 15, 2018

To: Finance Committee

From: Jessica Braddock, Director of Finance

Budget Excess Transfer to PARS

Background

The District's final audited financial statements for the fiscal year ending June 30, 2018 show an increase in the District's General Reserve Fund of approximately \$1,286,261, which is primarily due to an excess of operating revenues over operating expenditures. In addition, the District's 2018/19 final budget projects that total operating revenues will exceed total operating expenditures by approximately \$3,018,833. After of a budgeted transfer to the Capital Replacement Fund of \$800,000, there will be a remaining excess of \$2,218,833 budgeted in the General Reserve Fund for 2018/19.

Recommendation

Staff recommends the following regarding the 2017/18 (actual) and 2018/19 (budgeted) excess of operating revenues over operating expenditures:

- 1) Transfer \$1,000,000 of the 2017/18 excess to the PARS pension account in November 2018;
- 2) Transfer \$600,000 of the budgeted 2018/19 excess to the PARS OPEB account in March 2019;
- 3) Transfer \$500,000 of the budgeted 2018/19 excess to the PARS pension account in March 2019;
- 4) Transfer \$1,000,000 of the budgeted 2018/19 excess in June 2019 to either (a) CalPERS as an additional discretionary lump sum payment toward the District's pension unfunded liability in the event it's funded ratio is anticipated to drop below 75%, or (b) the PARS pension account in the event the District's CalPERS pension liability funded ratio is anticipated to remain at or above 75%.

The recommendation above for the 2018/19 excess is consistent with the approved final 2018/19 budget. The timing of the proposed transfers takes into consideration the volatility of the investment market. If the recommendations above are approved by the Board, it will not only reduce the District's net pension and OPEB liabilities, but it will also position the District to offset future pension and OPEB expenses if needed in the event of an economic downturn.

Budget Impact

Because the 2017/18 excess was not budgeted for, the first of the proposed transfers to PARS will result in an increase in Pension UAL Additional Lump Sum Payments of \$1,000,000 in 2018/19. The remaining transfers will have no budget impact as they were already budgeted for this fiscal year.

EL Dorado Hills County Water District

**RESOLUTION
AUTHORIZING AN AMENDMENT TO THE CONTRACT**

No. 2018-16

WHEREAS, the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of the El Dorado Hills County Water District entered into a contract effective on October 1, 1978 providing for the participation of said public agency in the California Public Employees' Retirement System; and

WHEREAS, it is now desirable to take advantage of certain benefits provided under said Retirement System and not included in said contract;

NOW, THEREFORE, BE IT RESOLVED, that said governing body authorized, and it does hereby authorize, an amendment to said contract, a copy of said amendment attached hereto and by such reference made a part hereof as though herein set out in full; and

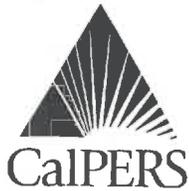
NOW, THEREFORE, BE IT FURTHER RESOLVED, that the presiding officer of said governing body is hereby authorized, empowered and directed to execute said amendment for and on behalf of said public agency.

Adopted this _____ day of _____, _____.

Presiding Officer

Attest:

Clerk/Secretary



California
Public Employees' Retirement System



AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
El Dorado Hills County Water District



The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective October 1, 1978, and witnessed September 20, 1978, and as amended effective December 30, 1986, December 26, 1989, November 21, 1991, January 16, 1992, December 22, 1994, June 26, 2001, July 1, 2002, August 1, 2006, October 22, 2010, September 20, 2011, November 27, 2012, October 11, 2016, August 29, 2017 and July 3, 2018 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 17 are hereby stricken from said contract as executed effective July 3, 2018, and hereby replaced by the following paragraphs numbered 1 through 17 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for classic local miscellaneous members entering membership in the miscellaneous classification on or prior to November 27, 2012, age 55 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after November 27, 2012, age 62 for new local miscellaneous members, age 50 for classic local safety members entering membership in the safety classification on or prior to November 27, 2012, age 55 for classic local safety members entering membership for the first time in the safety classification after November 27, 2012 and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after October 1, 1978 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Employees other than local safety members (herein referred to as local miscellaneous members).
5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **ELECTIVE DIRECTORS; AND**
 - b. **POLICE OFFICERS.**

6. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment before and not on or after August 1, 2006 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after August 1, 2006 and not entering membership for the first time with this agency in the miscellaneous classification after November 27, 2012 shall be determined in accordance with Section 21354.3 of said Retirement Law (3% at age 60 Full).
8. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time with this agency in the miscellaneous classification after November 27, 2012 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member entering membership in the safety classification on or prior to November 27, 2012 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
11. The percentage of final compensation to be provided for each year of credited current service as a classic local safety member entering membership for the first time with this agency in the safety classification after November 27, 2012 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
12. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
13. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21573 (Third Level of 1959 Survivor Benefits).
 - b. Section 20042 (One-Year Final Compensation) for those classic local miscellaneous members and classic local safety members entering membership on or prior to November 27, 2012.
 - c. Section 21024 (Military Service Credit as Public Service) for local safety members only.

- d. Section 20903 (Two Years Additional Service Credit).
- e. Section 21427 (Improved Nonindustrial Disability Allowance).
- f. Section 21623.5 (\$5,000 Retired Death Benefit).
- g. Section 21540.5 (Special Death Benefit – Violent Act).
- h. Section 21547.7 (Alternate Death Benefit for Local Fire Members Credited with 20 or More Years of Service).
- i. Section 20516 (Employees Sharing Cost of Additional Benefits):

Section 21354.3 (3% at age 60 Full) for local miscellaneous members. From and after the September 20, 2011 for those local miscellaneous members entering membership on or prior to November 27, 2012 and until October 11, 2016 the miscellaneous employees of Public Agency shall be assessed an additional 3% of their compensation for a total contribution rate of 11% pursuant to Government Code Section 20516.

Section 21362.2 (3% at age 50 Full) and Section 21363.1 (3% at age 55 Full) for local safety members. From and after September 20, 2011 and until October 11, 2016 the safety employees of Public Agency shall be assessed an additional 3% of their compensation for a total contribution rate of 12% pursuant to Government Code Section 20516.

- j. Section 20475 (Different Level of Benefits): Section 21354 (2% at age 55 Full) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after November 27, 2012.

Section 21363.1 (3% at age 55 Full) and Section 20037 (Three-Year Final Compensation) are applicable to classic local safety members entering membership for the first time with this agency in the safety classification after November 27, 2012.

- k. Section 20516 (Employees Sharing Additional Cost):

From and after October 11, 2016 and August 29, 2017, 3.5% for classic local miscellaneous members.

From and after October 11, 2016 and until the effective date of this amendment to contract, 6% for classic local safety members.

From and after August 29, 2017 and until July 3, 2018, 4% for classic local miscellaneous members.

From and after July 3, 2018, 4.5% for classic local miscellaneous members.

From and after the effective date of this amendment to contract, 7.5% for classic local safety members.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

14. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
15. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
16. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

17. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
EL DORADO HILLS COUNTY WATER
DISTRICT

BY _____
ARNITA PAIGE, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

Request for Proposal – Project Management for the Training Center Project

Summary:

Phase 1 of the Training Center project has progressed to the point where the need exists for a greater level of construction knowledge and project management services. The intent is to retain a professional to assist the Department with preparation of and release of the bid documents needed to take Phase 1 of the project out to bid.

Fiscal Impact:

Responsive professionals will submit their hourly rates in their responses. The Department has accounted for these expenses in the adopted budget for FY2018-2019.

Recommendation:

Staff recommends the Board of Directors approve the release of the REQUEST FOR PROPOSAL CONSTRUCTION INSPECTION SERVICES El Dorado Hills Fire Department Training Center Construction Project as shows on the attached document.

**REQUEST FOR PROPOSAL
CONSTRUCTION INSPECTION SERVICES
El Dorado Hills Fire Department
Training Center Construction Project**

November 8, 2018

The El Dorado Hills Fire Department is currently soliciting proposals for professional services for: **Training Center Construction Project** Inspection Services.

Each proposal shall specify each and every item as set forth in the attached proposal format. Any and all exceptions must be clearly stated in the proposal. Failure to set forth any item in the proposal format without taking exception may be grounds for rejection. The EDHFD (El Dorado Hills Fire Department) reserves the right to reject any and all proposals and to waive any irregularity or informality in any proposal or in the Request for Proposal process, as long as, in the judgment of the EDHFD, such action will not negate fair competition and will permit proper comparative evaluation of the proposals submitted.

This Request for Proposal is posted on the EDHFD's website at www.edhfire.com. Any changes, additions, or deletions to this Request for Proposal will be in the form of written addenda issued by the EDHFD. Any addenda will be posted on the website. Prospective proposers must check the website for addenda or other relevant new information during the response period. The EDHFD is not responsible for the failure of any prospective proposer to receive such addenda. All addenda so issued shall become a part of this Request for Proposal.

If your firm is interested and qualified, please submit four (4) hard copies and one (1) electronic copy of your proposal by **December 17, 2018 by 3:00 p.m.** to:

El Dorado Hills Fire Department
Deputy Chief Michael Lilienthal
1050 Wilson Blvd.
El Dorado Hills, CA 95762

If you have any technical questions or questions about the proposal process, please contact Deputy Chief Michael Lilienthal at 916-933-6623 ext. 1029 or by email at mlilienthal@edhfire.com. All questions will receive a response within five (5) business days.

PROPOSAL SUBMITTAL AND SELECTION

1. All proposals, consisting of four (4) hard copies and one (1) electronic copy must be received by mail, recognized carrier, or hand delivered no later than **3:00 p.m. on December 17, 2018**. Late proposals will not be considered and will be returned, unopened.

2. All correspondence should be directed to:

El Dorado Hills Fire Department
1050 Wilson Blvd.
El Dorado Hills, CA 95762
ATTENTION: Deputy Chief Michael Lilienthal
Telephone: (916) 933-6623 ext. 1029

3. All costs incurred in the preparation and submission of proposals and related documentation will be borne by the proposer.

4. It is preferred that all proposals be submitted on recycled paper, printed on two sides.

5. Selection of qualified proposers will be by an impartial Selection Committee. Selection will be made on the basis of the proposals as submitted, although the EDHFD reserves the right to interview applicants as part of the selection process. The proceedings of the Selection Committee are confidential; members of the Selection Committee are not to be contacted by the proposers.

6. This Request for Proposal does not constitute an offer of employment or a contract for services.

7. The EDHFD reserves the option to accept or reject any or all proposals, wholly or in part, received by reason of this request as the best interests of the EDHFD may appear.

8. All documents submitted to the EDHFD in response to this Request for Proposal will become the exclusive property of the EDHFD and may be returned to the proposer or kept by the EDHFD, in the EDHFD's sole discretion.

9. All proposals shall remain firm for ninety (90) days following closing date for receipt of proposals.

10. The EDHFD reserves the right to award the contract to the firm who presents the proposal which in the judgment of the EDHFD, best accomplishes the desired results, and shall include, but not be limited to, a consideration of the professional service fee.

11. Any contract awarded pursuant to this Request for Proposal will incorporate the requirements and specifications contained in this Request for Proposal. All information presented in a proposer's proposal will be considered binding upon selection of the successful proposer, unless otherwise modified and agreed to by the EDHFD during subsequent negotiations. Notwithstanding the above, there shall be no binding agreement until each of the parties has executed a formal agreement to be prepared by EDHFD.

12. Under the provisions of the California Public Records Act (the "Act"), Government Code section 6252 et seq., all "public records" (as defined in the Act) of a local agency, such as the EDHFD, must be available for inspection and copying upon the request of any person. Under the Act, the EDHFD may be obligated to provide a copy of any and all responses to this Request for Proposal, if such requests are made after the contract is awarded. One exception to this required disclosure is information which fits within the definition of a confidential trade secret [Government Code section 6254(k)] or contains other technical, financial or other data whose public disclosure could cause injury to the proposer's competitive position. If any proposer believes that information contained in its response to this Request for Proposal should be protected from disclosure, the proposer MUST specifically identify the pages of the response that contains the information by properly marking the applicable pages and inserting the following notice in the front of its response:

NOTICE: *The data on pages _ of this response identified by an asterisk (*) contain technical or financial information, which are trade secrets, or information for which disclosure would result in substantial injury to the proposer's competitive position. Proposer requests that such data be used only for the evaluation of the response but understands that the disclosure will be limited to the extent the County considers proper under the law. If an agreement is entered into with the proposer, the EDHFD shall have the right to use or disclose the data as provided in the agreement, unless otherwise obligated by law.*

The EDHFD will not honor any attempt by proposer to designate its entire proposal as proprietary. If there is any dispute, lawsuit, claim or demand as to whether information within the response to the Request for Proposal is protected from disclosure under the Act, proposer shall indemnify, defend, and hold harmless, the EDHFD arising out of such dispute, lawsuit, claim or demand.

PROPOSAL FORMAT

A qualifying proposal must address all of the following points and shall be in the format outlined in this section:

1. Project Title
2. Applicant or Firm Name
3. Firm/Inspector Qualifications
 - a. Type of organization, size, professional registration, certificates, and affiliations.
 - b. Names and qualifications of personnel to be assigned to this project.
 - c. Outline of prior projects that are directly related to inspection and construction management services for Essential Services facilities and fire stations, and the time frame when those projects were completed.
 - d. Qualifications of consultant(s), subcontractors, or joint venture firm, if appropriate. Consultant is required to demonstrate specific Essential Services Facility Act inspection expertise relating to the requirements of the Project Scope, as well as California Building Codes, SWPPP, NFPA, and Construction management skills.
 - e. Provide a minimum of 3 client references from recent related projects, including name, address and phone number of individual to contact for referral.
4. Understanding of and Approach to the Project
 - a. Summary and level of services provided.
 - b. Description of the organization and staffing to be used for the project.
 - c. Participation and coordination proposer will require from EDHFD staff.
5. Fees and Insurance
 - a. Provide hourly rate and reimbursable rate schedules for the project as described under Project Scope. Provide an estimated total cost for services as described under Project Scope based on an indefinite construction time period.
 - b. The selected Consultant will be required to provide insurance coverage in the amount of \$2 million Commercial General Liability Insurance. The selected consultant shall also maintain automobile liability and workers' compensation coverage in an amount not less than \$1 million. This amount of insurance coverage shall be reflected in your estimated professional fee rates and the estimated total costs.

Proposal Format
Page Two

c. The Consultant shall provide within five (5) days after the Notice of Award is issued a certificate of liability insurance naming the EDHFD and its employees and officers as additionally named insured. This shall be maintained in full force and effect for the duration of the contract and must be in an amount and format satisfactory to the EDHFD.

d. Indemnification

EDHFD Hold Harmless – General Liability:

Consultant undertakes and agrees to indemnify, defend, hold harmless EDHFD, and any and all EDHFD's Board of Directors, officers, employees, and successors in interest, from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees and reasonable costs of litigation, damage(s) or liability of any nature whatsoever for death or injury to any person, including Consultant's employees and agents, or for damage to, or destruction of, any property of either party hereto, or of third persons, in any manner to the extent arising by reasons of the performance of this Contract on the part of Consultant, or any of Consultant's Sub-consultants, employees, or anyone for whom Consultant has obligated itself under this Contract, whether or not contributed to by any act or omission of the EDHFD or any of the EDHFD's Board, officers or employees.

EXHIBIT A - SCOPE OF CONSULTANT SERVICES

The Scope of Services as described shall assist Consultants in developing their proposals to serve as the Project Inspector for the Training Center Construction Project. All proposals shall be based on, but not limited to, the services listed below. The intent is to provide complete inspection services for a Fire Training Center/Essential Services Facility with construction management services, and to limit the duplication of services between the Inspector of record, the Architect of Record, the Structural Engineer, the Soils Engineer and the Construction Testing firm. This will be a multi-year and multi-phase project that may include periods of time with no activity when in between phases.

1. General

The Project Inspector shall act as an agent for the EDHFD at the project site. No work shall be carried out except under the direction of the Project Inspector, or as approved by the EDHFD. The project is expected to take an undefined amount of time with varied intervals of continuous inspection services. The project is a multi-phase project that may extend several years with long periods of no activity.

2. Relations with the Architect or Engineer

Cooperate with the Architect and/or Registered Engineer in general responsible charge of the observation of the construction to ensure compliance with the approved drawings and specifications. Coordinate inspection work with the Contractor and other El Dorado County inspectors and testing firms.

Requests for information and all inconsistencies or errors in the plans and specifications shall be reported promptly in writing to the EDHFD Representative and the Architect of Record for his/her clarification and direction.

Refer any received code interpretations which cause deviations from the approved drawings and specifications to the Architect of Record for preparation of clarification and direction. In no case shall the instructions of the Architect of Record be construed to cause work to be done which is not in conformity with the approved plans, specifications and documents authorizing changes.

3. Facilities and Equipment

The General Contractor will provide the Project Inspector with a lockable desk for the Inspector and the EDHFD representatives for the duration of the project. The Project Inspector shall provide their cell phone, vehicle, equipment, clerical support, and other goods or supplies necessary to perform services as required by this proposal.

4. Project Inspection Duties

4.1 Periodic and Continuous Inspection by the Project Inspector

- a. The Project Inspector must possess personal knowledge obtained by his or her personal inspection of construction work in all stages of its progress to ensure that the

requirements of the approved plans and specifications are being executed.

- b. Continuous inspection means complete inspection of every part of the work. Work, such as structural concrete work or masonry work which can be inspected only as it is placed, shall require the constant presence of the Project Inspector of Record. Periodic inspection refers to other types of work which can be completely inspected after the work is installed may be carried on while the Project Inspector is not present. In any case, the Project Inspector must personally inspect every part of the work. In no case shall the Project Inspector have or assume any duties which will prevent him or her from providing inspection services required under the Essential Services Seismic Safety Act.
- c. The Project Inspector may obtain personal knowledge of the work of construction, either on-site or off-site, from the inspections performed by Special Inspectors or Assistant Inspectors and from the reporting of others on testing and inspection of materials and workmanship for compliance with the plans, specification and applicable standards. The exercise of reasonable diligence to obtain the facts shall be required.

4.2 Special Inspection

- a. Special inspections by Inspectors approved by EDHFD may be required, by way of example and without limitation, on some or all the following, as applicable:
 - Grading and fill for foundations and structural site elements
 - Glued laminated lumber fabrication
 - Wood truss fabrication
 - Concrete testing
 - Structural steel fabrication
 - High strength steel bolt installations
 - Welding
 - Water tank assembly
 - Training prop installation/construction
 - SWPPP monitoring
- b. For the purposes of this proposal, Special Inspections will be conducted by a separate agency, or the scope of those services will be separate from this proposal's estimated total fee for services. Special Inspections may be performed by the Project Inspector if he/she has been specially approved for such purposes and if he/she has the time available for the work. The EDHFD may choose to contract those services with other Special Inspectors or through another agency.
- c. Any employment of Special Inspectors or Assistant Inspectors shall not be construed as relieving the Project Inspector of his/her duties and responsibilities per California State Building Code.

- d. The EDHFD may also require special inspection for any other shop fabrication procedures that preclude the complete inspection of the work after assembly. It may require special inspection at the site in addition to those listed above if found necessary because of the special use of a material or methods of construction.

4.3 Job Files

The Project Inspector shall keep a hard copy file of approved plans and specifications (including all approved documents authorizing changes) on the job at all times and shall immediately return any unapproved documents to the Architect of Record and the EDHFD for proper action.

4.4 Construction Procedure Records

The Project Inspector shall keep a record of certain phases of construction procedures including, but not limited to the following:

- a. Excavation, grading, fill for streetscapes, future building and site pads throughout the site.
- b. Concrete pouring operations:
The records shall indicate the time and date of placing concrete and the time and date of removal of forms in each portion of the structure.
- c. Framing operations and truss assembly and construction on-site.
- d. Training prop construction and installation
- e. Site work and improvements such as paving and base, underground utilities, off-road course construction, retention basin construction, etc.
- f. Welding operations:
The record shall include identification marks of welders, lists of defective welds, manner of correction of defects, etc.

4.5 Deviations

The Project Inspector shall notify the Contractor, in writing, of any deviations from the approved plans and specifications which are not immediately corrected by the Contractor when brought to his or her attention. Copies of such notice shall be forwarded immediately to the Architect of Record and to the EDHFD.

Failure on the part of the Project Inspector to notify the Contractor of deviations from the approved plans and specifications shall in no way relieve the Contractor of any responsibility to complete the work covered by his or her contract in accordance with the approved plans and specifications and all laws and regulations.

4.6 Verified Reports

The Project Inspector shall submit verified reports to the EDHFD as required in Section 214 of the Essential Services Building Seismic Safety Act.

All verified reports shall be filed on forms per Essential Services Act. Original manual signatures of the Project Inspector and Special Inspector are required.

Submittal of required duly verified reports to the County on prescribed forms indicating that of his/her own personal knowledge the work during the period covered by the report has been performed and materials have been used and installed in every material respect in compliance with the duly approved plans and specifications and setting forth such detailed statement of fact as shall be required per sections 16020 and 16021 of the Essential Services Building Seismic Safety Act of 1986 of the Health & Safety Code.

4.7 Violations

Failure, refusal or neglect on the part of the Project Inspector to notify the Contractor of any work which does not comply with the requirements of the approved plans and specifications, or failure, refusal or neglect to report immediately, in writing, any such violation to the Architect of Record and to the EDHFD shall constitute a violation of the Agreement and shall be cause for the EDHFD to take action.

5. Constructions Management Duties

5.1 Construction Observation

Observe the progress of the work as required to determine compliance with the Contract Document and regulatory requirements. Monitor daily weather conditions, contractors and subcontractors, equipment, deliveries and other on-site activities. (See Project Records Section) Review and monitor Contractor's construction methods and procedures during all construction activities.

Inspect and monitor BMP (Best Management Practice) required under the Storm Water Prevention pollution requirements prior to and following a storm event.

Inspect and bring to the EDHFD's attention any issues with the Contractor's performance meeting the environmental requirements on the project.

5.2 Construction Progress

Monitor the construction schedule and report to the Project Coordinator conditions which may cause any deviation from the project completion.

5.3 Coordination

Maintain communications with the Owner's Project Coordinator on all issues. Promptly notify the Project Coordinator of any work which does not conform to the Contract Documents. Maintain liaison with the Architect, Testing Consultant, Fire Department and other regulatory agencies and governing bodies as necessary for project continuity.

5.4 Help Develop and Review of Contract Documents

Help develop, review and become familiar with the Contract Documents. Monitor the plans and specifications for errors or omissions. Notify the Project Coordinator of any Request for Information (RFI), clarification or interpretation by the Contractor.

5.5 Construction Administration

- a. Contractor Submittals: Assist the Project Coordinator in the review of Contractor submittals and shop drawings.
- b. Field Orders and Change Orders: Make recommendations to the Project Coordinator regarding Field Orders and Change Orders required during the course of the work.
- c. Contractor's Payment Requests: Review the Contractor's Monthly Payment Requests verifying the reported percentage of completion and receipt of all conditional and unconditional lien releases required for such Payment Requests.
- d. Punch Lists and Final Inspection: Assist the Project Coordinator in development and review of the Contractor's punch lists. Take part in substantial completion and the final completion inspections of the work.
- e. Safety: Monitor the Contractor's public safety procedures.
- f. As-Built Documents: Monitor and verify that the Contractor's set of plans and specifications are maintained in an "as-built" condition, making further annotations as required. The "as-built" record documents shall be reviewed periodically and will be verified with each Contractor's Payment Request.

6. Project Meetings

Attend the pre-construction meetings and assist leading all regularly scheduled project construction meetings. Two to four meetings per month are the estimated requirement for this project.

7. Construction Testing

A separate Testing Consultant will be performing the required testing. The Construction Manager shall coordinate with and monitor the Testing Consultant and shall schedule, log, and observe tests required by the Contract Documents. Furnish the Project Coordinator with a copy of the test procedures and results.

8. Project Records

8.1 General

Maintain an accurate and complete set of original hard copy project records in an orderly fashion. Submit all records to the Project Coordinator upon completion of the work. Project records shall include:

- Mark-ups of the Contract Documents
- Cost Request Bulletins
- Owner Directives
- Field Orders
- Change Orders
- RFI's and Clarifications
- Correspondence
- Meeting Reports and summaries of Project Meeting Minutes
- Contractor Submittals
- Regulatory Agency Reports
- Contractor Payment Requests
- List of Subcontractors and Material Suppliers
- Records of Prevailing Wage Law Compliance from Contractor and Subcontractors
- Copies of All Conditional and Unconditional Lien Releases from Contractor and Subcontractors
- Certified Conformance Reports
- Record SWPPP/BMP failures following storm events

8.2 Construction Log

Maintain a daily log book of all construction activities. Provide copies monthly to the Project Coordinator accompanying the pay request. Submit the final log book to Project Coordinator upon completion of the work. The log book shall include the following:

- Weather and site conditions at the time of inspection.
- Nature and location of the work being performed, and the contractors/workers on-site performing the work.
- Starting and completion dates for various portions of the work.
- Verbal instruction and clarifications of the work given to the Contractor.

- Inspections by representatives of regulatory agencies.
- Note occurrences or conditions that might affect the contract time.
- List visitors to the site, titles, and reasons for visit.
- List telephone calls made or received, and a substantial outline of the nature of such calls, including any statements or commitments made during the call.
- Record any work or material in place that does not correspond with the drawings or specifications, as well as resulting action taken.
- List any other problems or abnormal occurrences that arise during each day, including notations of any particular lack of activity on the part of the Contractor.
- Note corrective actions taken.
- Unforeseen conditions observed by the Inspector that may cause a slowdown by the Contractor.
- Log the number and trade craft of each person on the job and any idled by unforeseen construction delays as well as any operating and idle equipment that would otherwise be capable of working.
- Record all substantive conversations held with the Contractor at the site, as well as any tradeoffs, agreements or commitments made by EDHFD or Contractor.
- Record any field errors made by any party at the site. Identify in detail and indicate probable effect. Indicate resolution and any recommended course of action.

8.3 Weekly Progress Report

Prepare a separate summary of the construction progress activities which is not a duplication of the Daily Logs. Provide a copy of the progress reports to the Project Coordinator on a weekly basis. The progress reports shall include the following:

- The report number and date (example: week 1, week 2...).
- Name of the Contractor and each Subcontractor on the site.
- Size of the work force distinguished between laborers and foremen.
- List of major pieces of construction equipment on site, indicating if idle and the reason, if applicable.
- All work commenced, noting the status of completion as well as its description, along with which Subcontractor is performing the work.
- List of materials stored on the site.
- Identify any tests, inspections or discrepancy reports filed during the week and results or action required.
- Identify any accidents or hazardous conditions.

8.4 Discrepancy Reports

Furnish the Project Coordinator with a detailed report or request for clarification whenever any corrective change is necessary in the field construction that would result in a variance from the specifications and drawings as originally issued.