

RID October Board Meeting

Thu, Oct 21, 2021 9:00 AM - 1:00 PM (PDT)

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Justin R Robbins

General Manager

Resort Improvement District No.1

Shelter Cove, Humboldt County, CA

gm@sheltercove-ca.gov

707-986-7015

AGENDA

Resort Improvement District No. 1 and Shelter Cove Sewer and Other Facilities Maintenance District No. 1 REGULAR BOARD MEETING

Location: Shelter Cove Fire Hall Meeting Room
9126 Shelter Cove Road, Shelter Cove, California
Date: October 21, 2021
Time: 9:00 a.m.
Posted: October 13, 2021

We welcome you to this meeting. Members of the Public may be heard on any business item on this Agenda before or during the Board's consideration of the item. The public may also directly address the Board on any item of interest to the public that is not on the Agenda during the public comment time; however, the Board generally cannot take action on an item not on the Agenda. The meeting room is wheelchair accessible. Accommodations and access to District board meetings for people with other handicaps must be requested of District staff at 707-986-7447 five (5) working days in advance of the meeting.

A person addressing the Board will be limited to five (5) minutes (Board Policy 5030) unless the Chairperson of the Board grants a longer period of time. While not required, we would appreciate it if you would identify yourself with your name and address when addressing the Board.

I. CALL TO ORDER

II. ROLL CALL

☐ Michael Schad, President
☐ Susan Fox, Vice President
☐ Jack Hargrave, Director
☐ David Sommer, Director
☐ Celeste Myers, Director

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

Any member of the public may directly address the Board of Directors on a matter of public interest not on the Agenda, but which is within the jurisdiction of the Board; however, the Board generally cannot take action on an item not on the Agenda. A person addressing the Board will be limited to five (5) minutes (Board Policy 5030) unless the chairperson of the Board grants a longer period of time.

V. CONSENT CALENDAR

All matters listed under the Consent Calendar are to be considered routine and without opposition. The Consent Calendar may be enacted by one motion. There will be no separate discussion of these items unless a Board member or the General Manager/designee requests that a specific item(s) be removed from the Consent Calendar for separate action. Any items so removed will be considered after the motion to approve the Consent Calendar. If a member of the public wants further discussion on any of these items, we would appreciate it if you make your request prior to the meeting.

1. Approve the Minutes of the September 16, 2021 Regular Board Meeting.
2. Approve Bills for Month of September, 2021: Reports regarding payment of monthly operating bills for the District which are approved expenditures in the current budget.

VI. CORRESPONDENCE / DISCUSSION ITEMS

Items in this category may be discussed, and/or reports presented, but no action may be taken.

1. Sheriff's Office Report.
2. GSRMA Elections.
3. CSDA/Rural County Representative California/Legislative Updates.

[Governor passes \\$15B climate legislation with major focus on fire prevention • The Mendocino Voice | Mendocino County, CA](#)
[The Mendocino Voice | Mendocino County, CA \(mendovoice.com\)](#)

AB9: [Bill Text - AB-9 Fire safety and prevention: wildfires: fire adapted communities: Office of the State Fire Marshal: community wildfire preparedness and mitigation. \(ca.gov\)](#)

SB9: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB9

Election Redistricting: <https://lostcoastoutpost.com/2021/oct/11/heres-those-draft-maps/>

VII. BOARD MEMBER/STAFF REPORTS

The indicated individuals will report to the Board about various matters involving District departments. There will be no Board discussion except to ask questions or refer matters to staff. No action will be taken unless listed on subsequent agenda.

1. Directors' Reports/Comments.

2. Operational Status Report Re: Golf Course, Airport, Recreation, Water, Sewer, Electrical, Fire Department.

VIII. UNFINISHED BUSINESS

IX. ACTION ITEMS

All Agenda Action Items for discussion and possible action by the Board of Directors.

1. Review and Approve District Year-End Financial Statements for 2019-2020 Prepared by Anderson, Lucas, Sommerville and Borges, LLP.
2. Consider FY 2020/21 Fourth Quarter Financial Report.
3. Consider Adoption of Resolution 21-12: Approval of the 2020 Power Source Disclosure Annual Report and Power Content Label.
4. Consider Letter to Humboldt County Regarding Airport Land Use Compatibility Plan Next Steps.

X. OVERLOOKED ISSUES

No actions can be taken.

XI. ADJOURNMENT OF MEETING

This notice is posted in compliance with Government Code § 54954.2. The next Regular Meeting of the Resort Improvement District No.1 Board of Directors will be held on Thursday, November 18th, 2021, in the Fire Hall Meeting Room at 9:00 AM.

MINUTES

RESORT IMPROVEMENT DISTRICT NO. 1 BOARD OF DIRECTORS REGULAR BOARD MEETING September 16th, 2021

I. CALL TO ORDER

President Michael Schad called the meeting to order at 9:05 a.m.

II. ROLL CALL

Michael Schad, President
Susan Fox, Vice President
Jack Hargrave, Director
David Sommer, Director
Celeste Myers, Director

Present - Teleconference
Present - Teleconference
Absent – Arrived in person at 9:07 a.m.
Present - Teleconference
Absent

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

Public comment taken.

V. CONSENT CALENDAR

1. Approve Minutes of the August 19, 2021 Regular Board Meeting.
2. Approve Bills for Month of August 2021.

Motion to approve the Consent Calendar as presented.

Move/Fox, Second/Hargrave. Roll Call Vote:

Ayes: Schad, Fox, Hargrave, Sommer. Motion carried. Myers absent.

VI. CORRESPONDENCE / DISCUSSION ITEMS

1. Sheriff's Office Report.

At 9:15 a.m. Director Hargrave left the meeting to respond to a Fire Department 911 call.

2. Airport Land Use Compatibility Plan Public Correspondence.
3. CSDA/Rural County Rep California/Legislative Updates: Humboldt County Budget Discussion.

VII. BOARD MEMBER / STAFF REPORTS

1. Directors' Reports/Comments.
2. General Manager's Operational Status Report Re: Golf Course, Airport, Water, Sewer, Electrical, Fire Department.

VIII. UNFINISHED BUSINESS

None.

IX. ACTION ITEMS

Director Hargrave recused himself and abstained from discussion and action for this item due to being approached by applicant to sell her product at his coffee shop business.

1. Clubhouse Rental Request.
 1. Consider continuing reduced rental fee for commercial use of kitchen for food preparation.

Motion to approve the reduced hourly rental fee of \$10 per hour for Christina Arredondo's commercial use of the Clubhouse kitchen through the end of October.

Move/Fox, Second/Sommer. Roll Call Vote:

Ayes: Schad, Fox, Sommer. Motion carried. Hargrave abstain, Myers absent.

2. Per Capita Grant Parks and recreation Update:
Final Sports Court Design Approval and Obtaining Engineering Plans, cost estimate and Scope of Work.

Motion to direct staff to obtain engineering services to create a set of plans, scope of work and cost estimate for full court basketball court and 2 to 3 pickleball courts. (Phase 1 and 2). The project to be located parallel to Upper Pacific Drive as shown in Option 2 in the location of the proposed tennis courts.

Move/Hargrave, Second/Fox. Roll Call Vote:

Ayes: Schad, Fox, Hargrave, Sommer. Motion carried. Myers absent.

3. Consider Amendment to Policy 3080: Public Facilities Use and Rental to Include RID Sponsor of Limited Low Risk Public Use such as the Weekly Quilting Class. (Second reading)

Motion to amend Policy 3080: Public Facilities Use and Rental as presented.

Move/Fox, Second/Hargrave. Roll Call Vote:

Ayes: Schad, Fox, Hargrave, Sommer. Motion carried. Myers absent.

Director Hargrave recused himself from discussion and action from the next item as he is a member of the fire department.

4. Consider Resolution 21-11: CalPERS/Social Security Resolution of Intent (Safety Position).

Motion to adopt Resolution 21-11: CalPERS/Social Security Resolution of Intent for Safety Position.

Move/Fox, Second/Sommer. Roll Call Vote:

Ayes: Schad, Fox, Sommer. Motion carried. Hargrave abstain, Myers absent.

X. OVERLOOKED ISSUES

None.

XII. ADJOURNMENT OF MEETING

Board President, Michael Schad adjourned the meeting at 10:47 a.m.

Respectfully submitted,

Justin R. Robbins
Board Secretary
Ss

The payables report will be available before the
meeting

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: October 21, 2021 Agenda Item No.: IX. 1

Agenda Item Title: Review and Approve District Year-End Financial Statements for 2019-2020 Prepared by Anderson, Lucas, Sommerville and Borges, LLP.

Presented by: Justin Robbins, General Manager

Type of Item: ☒ Action ☐ Discussion ☐ Information

Action Required: ☐ No Action ☐ Voice Vote ☒ Roll Call Vote

BACKGROUND:

The board reviews the District's year-end financial statements prepared by the auditor and discusses the findings. Included with this item are copies of the Financial Statements ending June 30, 2020. Final copies of the report will be made available after Board approval.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

Motion to approve the Financial Report ending June 30, 2020.

Move: Second:

Schad: Hargrave: Fox: Sommer: Myers:

Motion carries: YES NO

RESORT IMPROVEMENT DISTRICT NO. 1

FINANCIAL STATEMENTS

June 30, 2020

Required Supplementary Information

Budgetary Comparison Schedule

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Other Supplementary Information

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RESORT IMPROVEMENT DISTRICT NO. 1
Balance Sheet - Governmental Funds
June 30, 2020

ASSETS

Cash and Cash Equivalents	\$ 146,485
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$0	-
Grant Receivable	-
Prepaid	7,583
	<hr/>
Total Assets	<u><u>\$ 154,068</u></u>

LIABILITIES

Accounts Payable	58,545
Payroll and Accrued Liabilities	21,052
Deferred Revenue	74,471
	<hr/>
Total Liabilities	<u>154,068</u>

FUND BALANCE

Fund Balance - Unassigned	-
	<hr/>
Total Fund Balance	-
	<hr/>
Total Liabilities and Fund Balance	<u><u>\$ 154,068</u></u>

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

RESORT IMPROVEMENT DISTRICT NO. 1
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

TOTAL FUND BALANCES - Governmental Funds \$ -

Amounts reported for governmental activities in the Statement
of Net Position are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the funds. \$ 3,592,944

Accumulated depreciation on general fixed assets (1,263,292)

Net Position of Governmental Activities \$ 2,329,652

DRAFT

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

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes and Assessments (Continued)

A tax rate of \$1.00 per \$100.00 of assessed valuation is levied on all property within the County. The District's share of the taxes collected is determined by state law. The County distributes to the District its full share of the taxes whether actually collected or not. All delinquent taxes along with interest and penalties belong to the County.

Assessments are levied against property located within the District and consist of water and sewer standby fees assessed at \$8.00 per parcel for each uninhabited parcel for which service could be made available. A special utility tax is \$80.00 per parcel for every parcel within the District. There are also fire protection taxes depending on type of lot, ranging from \$99 for undeveloped, \$125 for residential, and \$250 for commercial and multifamily lots.

Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable, available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Equity

Contributed capital is recorded in proprietary funds that have received capital contributions from developers, customers, and other sources. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use.

Debt Discounts/Issuance Costs

In governmental fund types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method. Debt discounts are presented as a reduction of the face amount of debt payable, whereas issuance costs are recorded as deferred charges and are presented in the financial statements under "Other Assets".

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

NOTE 2 - PROPERTY TAX REVENUES

During the 1996/97 fiscal year, the County apportioned the District its share of the general tax rate under the "Teeter Plan". Under this plan, the full amount of the levy is paid to the District, whether collected or not. All interest and penalties for late payment of taxes are retained by the County.

NOTE 3 - FIXED ASSETS

The following is a summary of the changes in the general fund fixed assets during the fiscal year.

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
Land and Land Rights	\$ 279,340	\$ -	\$ -	\$ 279,340
Airport Improvements	710,817	275,517	-	986,334
Fire Equipment	1,051,225	87,538	-	1,138,763
Administration	286,982	6,658	-	293,640
Parks	862,197	32,670	-	894,867
Construction in Progress	-	-	-	-
	<u>\$ 3,190,561</u>	<u>\$ 402,383</u>	<u>\$ -</u>	<u>\$ 3,592,944</u>

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 3 - FIXED ASSETS (Continued)

The following is a summary of proprietary fund type (enterprise funds) fixed assets:

Electrical System	8,368,983
Land	105,525
Allowance for Depreciation	<u>(5,465,351)</u>
	<u>3,009,157</u>
 Water System	 11,500,612
Allowance for Depreciation	<u>(3,587,276)</u>
	<u>7,913,336</u>
 Sewer System	 7,327,899
Allowance for Depreciation	<u>(5,097,078)</u>
	<u>2,230,821</u>
 Total	 <u><u>13,153,314</u></u>

NOTE 4 - CASH AND CASH EQUIVALENTS

The District's temporary investments are all deposits in federally insured banks or in investment pools maintained by the Humboldt County Treasurer and the State of California. The carrying amount is the account balance which includes interest. At times such investments may be in excess of the Federal Deposit Insurance corporation (FDIC) insurance limits of \$250,000.

The District had the following cash and cash equivalents on June 30, 2020:

	Not rated	Fair Value
Cash in bank	\$ 721,172	\$ 721,172
Cash on hand	3,114	3,114
Humboldt County Treasury	1,876,251	1,876,251
California Local Agency Investment Fund (LAIF)	394,955	394,955
Total	<u><u>\$ 2,995,492</u></u>	<u><u>\$ 2,995,492</u></u>

Presentation in Statement of Net Position

Cash and cash equivalents - Government activities	\$ 146,485
Cash and cash equivalents - Business -type activities	2,849,007
	<u><u>\$ 2,995,492</u></u>

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

Cash Deposits

The District pools cash from all sources. The District invests excess cash in the Humboldt County Treasury and LAIF investment pools, which at June 30, 2020, approximated fair value of \$1,876,251 and \$394,955, respectively.

The California Government Code requires California banks and savings and loan associations to secure government cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral is considered to be held in the government's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the government's cash deposits. California law also allows institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total cash deposits. The government can waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County has waived these collateralization requirements.

The County Treasurer maintains a cash and investment pool, on behalf of the District, as their custodian, which includes cash balances and authorized investments for all District funds, which is invested to enhance interest earnings. The pooled interest earned is allocated quarterly to the District based on average daily cash and investment balance.

Investments

The District is authorized by State statutes and Governing Board action to invest in the following:

- United States Treasury notes, bonds, bills or certificates of indebtedness.
- Registered state warrants or treasury notes or bonds of the State of California.
- Bonds, notes, warrants or other evidences of indebtedness of any local agency within the State of California.
- Obligations issued by banks and guaranteed by federal agency or United States government-sponsored enterprise.
- Negotiable certificates of deposit or time deposits placed with commercial banks and/or savings and loan companies.
- Banker's acceptances.
- Commercial paper.
- California Local Agency Investment Fund (LAIF).
- Humboldt County Treasury

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

Investments (Continued)

The District's practice has been to limit investments to LAIF and the Humboldt County Treasury, unrated investment pools, which limits the exposure of District funds to interest rate and credit risk by treating all balances as current.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments recorded in interest/investment income.

California statutes authorize Special 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 only authorized investment vehicles that address interest rate risk, credit risk, and concentration of credit risk, per the District's investment policy, are the State of California Local Agency Investment Fund (LAIF) and Humboldt County Treasurer.

Concentration of credit risk – The District's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investments. The investments made by the District Manager are limited to those allowable under State statutes as incorporated into the District's Investment Policy, which is accepted annually by the District Board. There were no concentrations in any one issuer for the year.

The District participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF) which has invested 3.37% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset- Backed Securities are subject to market risk such as changes in interest rates.

Custodial credit risk - Deposits. For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's Investment Policy addresses custodial credit risk, which follows the Government Code.

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

Investments (Continued)

Custodial credit risk – Investments. For investments, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the District, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

At June 30, 2020, the carrying amount of the District's deposits was \$721,172 and the balances in financial institutions were \$721,172. Of the balance in financial institutions, the amount was within the \$250,000 covered by federal depository insurance. Amounts that exceeds the federal depository insurance \$250,000 coverage was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District. Investments were held by the custodial agent and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

Investments in External Investment Pools

Investment in LAIF:

LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. As of June 30, 2020, the total fair value amount invested by all public agencies in LAIF is \$101.8 billion of which the District's fair value amount is \$394,955. Of the total invested, 3.37% was invested in Structured Notes and Asset-Backed securities.

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.

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

Investments in External Investment Pools (Continued)

Investment in Humboldt County Treasury:

The District's investments with the County at June 30, 2020, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions. These investments may include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depends on one or more indices and/or that have embedded forwards or options.

Asset-backed Securities, the bulk of which are mortgage-backed securities, entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables

As of June 30, 2020, the District also had \$1,876,251 invested directly in the County investment pool. The County portfolio summary at June 30, 2020 is as follows:

<u>Investments</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Percentage of Portfolio</u>
Certificates of Deposit	\$ 8,581,000	\$ 8,581,000	2.51
Money Markets	136,286,839	136,286,839	39.92
Medium Term Notes	22,140,391	22,183,270	6.5
Federal Agency Coupon Securities	130,437,413	129,711,070	37.99
Treasury Coupon Securities	34,076,196	34,076,489	9.98
Municipal Bonds	10,602,891	10,562,292	3.09
	\$342,124,730	\$ 341,400,960	

Average Daily Balance - \$347,355,165

Effective Rate of Return - 1.94%

Average Days to Maturity - 442

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial and risk pool coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this coverage in any of the past three years.

NOTE 6 - RETIREMENT PLAN

Plan Description: The District's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the 'Public Employees' Retirement Law. The District selects optional benefits provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board action. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy: Active plan members who were employed prior to June 30, 2013, are required to contribute 7% of their annual covered salary. Other active members are required to contribute 6.25%. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution is an actuarially determined rate which will vary depending on the updated actuarial report. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. The District's contributions to CalPERS for the fiscal years ended June 30, 2020 and 2019 were \$75,718 and \$66,739, respectively and equal the total required contributions for each year. Beginning in FY 2015-2016, CalPERS began collecting additional employer contributions toward the unfunded liability. Payments made against the unfunded liability during the years ended June 30, 2020 and 2019 were \$90,993 and \$74,755, respectively. As of June 30, 2020, and 2019, Resort Improvement District No 1 reported a net pension liability in the amount of \$1,073,787 and \$983,398, respectively. The net pension liability for the Plan is measured as the proportionate share of the net pension liability. The total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2019 and June 30, 2018 measurement dates, using standard update procedures.

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 6 - RETIREMENT PLAN (Continued)

Hire Date	Prior to Jan 1, 2011	Jan 1, 2011 through Dec 31,	On or after Jan 1, 2013
Benefit Formula	2% at 60	2% at 60	2% at 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	50-63	50-63	52-67
Monthly benefits as a % of eligible compensation	1.10% to 2.5%	1.092% to 2.418%	1.0% to 2.5%

Deferred Outflows of Resources and Deferred Inflows of Resources -

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 166,712	\$ -
Differences between expected and actual experience	74,579	5,778
Differences between the employer's contributions and, the employer's proportionate share of contributions	-	39,580
Changes of assumptions	51,203	18,151
Change in employer's proportion	31,850	-
Net difference between projected and actual earnings on plan investments	-	18,773
Total	<u>\$ 324,344</u>	<u>\$ 82,282</u>

\$166,712 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 year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense over 3.8 to 5 years. The deferred outflows of resources and deferred inflows of resources reported in the chart above will be amortized in the proportionate share of pension expense as follows:

Year Ended June 30	Increase (Decrease) Pension Expense
2021	\$ 74,027
2022	(10,724)
2023	8,254
2024	3,793
Total	<u>\$ 75,350</u>

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 6 - RETIREMENT PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2019 (the measurement date), the total pension liability for the Plan was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2019 and June 30, 2018 total pension liabilities for the Plan were based on the following actuarial assumptions:

Actuarial Cost Method	Entry-age normal cost method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.15% (a)
Mortality	Derived using CalPERS's membership data for all funds
Post -retirement benefit increase	Contract COLA up to 2.50% until purchasing power protection allowance floor.

(a) - Net of pension plan investment expense, including inflation

Changes of Assumptions – The discount rate was changed from 7.65 % (net of administrative costs) in 2017 to 7.15% .

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 the Plan, calculated using the discount rate for the Plan, 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:

	Discount Rate less 1% 6.15%	Current Discount 7.15%	Discount Rate plus 1% 8.15%
Net pension liability	\$1,764,633	\$1,073,787	\$503,543

Long-term expected rate of return –

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.

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 6 - RETIREMENT PLAN (Continued)

In determining the long-term expected rate of return, CalPERS staff considered both short-term and long-term market return expectations as well as the expected pension 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 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 for each fund. 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. 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.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Sensitive	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%
	<u>100%</u>		

(a) - An expected inflation of 2.0% used for this period

(b) - An expected inflation of 2.92% used for this period

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports available on CalPERS' website under Forms and Publications.

On June 30, 2020, the District reported no amount payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

The District also offers a Supplemental Income Plan (SIP) 457 Plan to its employees. Contributions received in 2020 total \$47,848.22.

Beginning September 30, 2020, the District also started a Pepra Safety Fire Plan.

RESORT IMPROVEMENT DISTRICT NO. 1
Notes to the Financial Statements
June 30, 2020

NOTE 7 - BUDGETS

The District adopts an annual budget for the General Fund after conducting public hearings. Planning budgets are prepared for the enterprise funds. No budget comparison has been presented in these financial statements for the enterprise funds since the demand for goods and services primarily determines the revenue available and the expenses incurred.

NOTE 8 - WATER TANK REPLACEMENT CONSTRUCTION PROJECT

The Water Tank Project is a construction project to replace seven water tanks throughout Shelter Cove. The District obtained a construction loan with 100% principal forgiveness for \$5,000,000. Funding has been obtained in full or in part by Proposition 1 - the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and the Drinking Water State Revolving Fund through an agreement with the State Water Resources Control Board. Construction started in July 2018 and was completed by March 2020. Grant revenue totaled \$1,972,231 including \$679,456 grant receivable for 2020.

NOTE 9 - BRIDGE LOAN FOR CONSTRUCTION PROJECT

Management received a bridge loan from Umpqua Bank on July 1, 2018 to cover expenses for the Water Tank Project. The loan is not to exceed \$2,000,000. Loan payments are to commence on October 1, 2018 with loan interest rate equal to Prime minus 1.10%. The balance on June 30, 2020 was \$207,707. The loan was paid off in September 2020.

NOTE 10 - HUMAN RESOURCES RECONCILIATION

The District allocates total human resources expense, including payroll and wages, payroll taxes, worker's comp, health insurance and all other related benefits to numerous funds and accounts. A reconciliation of these amounts is provided below for the year ended June 30, 2020:

Total Labor Expenses (Wages, Benefits, Other)	\$ 1,709,918
--	---------------------

Reported in Financial Statements as follows:

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	
Administrative	84,275
Community Center	83,648
Fire Protection	49,665
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	
	<u>1,492,330</u>
	<u><u>\$ 1,709,918</u></u>

RESORT IMPROVEMENT DISTRICT NO. 1

Notes to the Financial Statements

June 30, 2020

NOTE 11 - FINANCIAL STATEMENT PRESENTATION

Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated all known events that have occurred after June 30, 2020, and through September 24, 2021, the date when this financial statement was available to be issued, for inclusion in the financial statements and footnotes.

Management was informed of an error in calculating retirement contributions for two part-time employees in November 2020. The arrearage totaled \$30,433.

The District's operations were affected by the recent and ongoing outbreak of the Covid-19 disease which was declared a pandemic by the World Health Organization in March 2020. The extent to which the virus impacts the District's operations will depend on future developments, which are highly uncertain, including the duration and severity of the outbreak. While management expects this matter to negatively impact its results of operations, cash flows and financial position, the related impact cannot be reasonably estimated at this time.

BUDGETARY COMPARISON SCHEDULE

DRAFT

RESORT IMPROVEMENT DISTRICT NO. 1
Statement of Revenues, Expenses, and
Changes in Fund Balances
Budget and Actual - Governmental Funds
For the Year Ended June 30, 2020

	General Fund		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property Taxes	\$ 425,000	\$ 370,283	\$ (54,717)
Grants	202,000	235,553	33,553
Special Assessments	425,000	378,049	(46,951)
Interest Income	30,000	42,958	12,958
Rent	50,000	61,850	11,850
Other	46,000	3,186	(42,814)
Total Revenues	1,178,000	1,091,879	(86,121)
EXPENDITURES			
Current:			
General and Administrative	558,683	84,275	474,408
Fire Protection	266,172	237,705	28,467
Community Center	124,995	130,220	(5,225)
Grant Expenditures	-	2,939	(2,939)
Noncurrent:			
Capital Outlay	283,000	402,383	(119,383)
Total Expenditures	1,232,850	857,522	375,328
Total Expenditures Allocated to Proprietary Funds	-	-	-
Net Total Expenditures	1,232,850	857,522	375,328
Excess of Revenues Over Expenditures	(54,850)	234,357	(289,207)
Allocated to Proprietary Funds	54,850	(234,357)	289,207
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	-	\$ -
FUND BALANCE - Beginning		-	
PRIOR PERIOD ADJUSTMENT		-	
FUND BALANCE - Ending		\$ -	

OTHER SUPPLEMENTARY INFORMATION

DRAFT

RESORT IMPROVEMENT DISTRICT NO. 1
Combining Statement of Net Position - Proprietary Funds
June 30, 2020

	<u>Electric Utility</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ (39,443)	\$ 436,916	\$ 2,451,534	\$ 2,849,007
Accounts Receivable, Net of Allowance For Doubtful Accounts of \$2,198	157,379	30,412	48,087	235,878
Grant Receivable	-	-	679,456	679,456
Inventory of Materials and Supplies	100,532	2,113	50,879	153,524
Total Current Assets	218,468	469,441	3,229,956	3,917,865
Noncurrent Assets				
Fixed Assets	8,368,983	7,327,899	11,500,612	27,197,494
Accumulated Depreciation	(5,465,351)	(5,097,078)	(3,587,276)	(14,149,705)
Land	105,525	-	-	105,525
Total Noncurrent Assets	3,009,157	2,230,821	7,913,336	13,153,314
Total Assets	3,227,625	2,700,262	11,143,292	17,071,179
Deferred Outflows of Resources				
	120,007	120,007	84,331	324,345
Total Assets and Deferred Outflows of Resources	3,347,632	2,820,269	11,227,623	17,395,524
LIABILITIES				
Current Liabilities				
Accounts Payable	14,375	11,111	6,301	31,787
Bridge Loan	-	-	207,707	207,707
Grant Payable	-	-	-	-
Customer Deposits	16,686	10,130	16,609	43,425
Payroll and Accrued Liabilities	41,801	11,210	18,708	71,719
Total Current Liabilities	72,862	32,451	249,325	354,638
Noncurrent Liabilities				
Net Pension Liability	397,301	397,301	279,185	1,073,787
Total Liabilities	470,163	429,752	528,510	1,428,425
Deferred Inflows of Resources				
	30,444	30,444	21,393	82,281
Total Liabilities and Deferred Inflows of Resources	500,607	460,196	549,903	1,510,706
NET POSITION				
Invested in Capital Assets, Net of Related Debt	3,009,157	2,230,821	7,913,336	13,153,314
Designated - Pension	(397,301)	(397,301)	(279,185)	(1,073,787)
Unrestricted	235,169	526,553	3,043,569	3,805,291
Total Net Position	\$ 2,847,025	\$ 2,360,073	\$ 10,677,720	\$ 15,884,818

RESORT IMPROVEMENT DISTRICT NO. 1
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position- Proprietary Funds
For the Year Ended June 30, 2020

	<u>Electric Utility</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Total</u>
OPERATING REVENUES				
Utility Service Charges	\$ 1,374,567	\$ 272,030	\$ 350,235	\$ 1,996,832
Capital Facility Charges	77,304	-	-	77,304
Special Assessments	-	-	184,940	184,940
Connection, Extension and Other Fees	58,445	34,119	80,519	173,083
Other Operational Income	7,395	-	-	7,395
Total Operating Income	<u>1,517,711</u>	<u>306,149</u>	<u>615,694</u>	<u>2,439,554</u>
OPERATING EXPENSES				
Human Resources	943,388	248,203	300,739	1,492,330
Materials, Supplies and Services	288,863	128,637	90,190	507,690
Power	444,477	-	-	444,477
Insurance	21,451	23,402	15,601	60,454
Depreciation	295,413	202,108	243,972	741,493
Allocated Administrative Costs	90,678	22,061	79,997	192,736
Total Operating Expenses	<u>2,084,270</u>	<u>624,411</u>	<u>730,499</u>	<u>3,439,180</u>
Operating Income (Loss)	<u>(566,559)</u>	<u>(318,262)</u>	<u>(114,805)</u>	<u>(999,626)</u>
NON-OPERATING REVENUES (EXPENSES)				
Property Taxes	31,861	167,449	65,677	264,987
Grant Revenue	-	-	1,972,231	1,972,231
Transfers In	145,800	59,147	29,410	234,357
Interest Expense	-	-	(32,086)	(32,086)
Total Non-Operating Revenues	<u>177,661</u>	<u>226,596</u>	<u>2,035,232</u>	<u>2,439,489</u>
Net Income (Loss)	<u>(388,898)</u>	<u>(91,666)</u>	<u>1,920,427</u>	<u>1,439,863</u>
TOTAL NET POSITION - Beginning	<u>3,235,923</u>	<u>2,451,739</u>	<u>8,757,293</u>	<u>14,444,955</u>
PRIOR PERIOD ADJUSTMENT	-	-	-	-
TOTAL NET POSITION - Ending	<u>\$ 2,847,025</u>	<u>\$ 2,360,073</u>	<u>\$ 10,677,720</u>	<u>\$ 15,884,818</u>

RESORT IMPROVEMENT DISTRICT NO. 1
Combining Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2020

	<u>Electric Utility</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 1,434,252	\$ 345,250	\$ 631,913	\$ 2,411,415
Payments to Suppliers	(893,024)	(172,258)	50,706	(1,014,576)
Payments to Employees and for Benefits	(905,033)	(213,342)	(281,208)	(1,399,583)
Adjustment from Prior Period Adjustment	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(363,805)</u>	<u>(40,350)</u>	<u>401,411</u>	<u>(2,744)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Other Non-Operating Revenues	31,861	167,449	65,677	264,987
Operating Transfers In	145,800	59,147	29,410	234,357
Interest Expense	-	-	(32,086)	(32,086)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>177,661</u>	<u>226,596</u>	<u>63,001</u>	<u>467,258</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Fixed Assets	(152,782)	(56,807)	(2,275,343)	(2,484,932)
Capital Grants	-	-	1,588,247	1,588,247
Proceeds from Loan	-	-	2,496,774	2,496,774
Principal payments on Loan	-	-	(2,291,915)	(2,291,915)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(152,782)</u>	<u>(56,807)</u>	<u>(482,237)</u>	<u>(691,826)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Interest Received	-	-	-	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(338,926)</u>	<u>129,439</u>	<u>(17,825)</u>	<u>(227,312)</u>
CASH AND CASH EQUIVALENTS Beginning of Year	<u>299,483</u>	<u>307,477</u>	<u>2,469,359</u>	<u>3,076,319</u>
CASH AND CASH EQUIVALENTS End of Year	<u>\$ (39,443)</u>	<u>\$ 436,916</u>	<u>\$ 2,451,534</u>	<u>\$ 2,849,007</u>

RESORT IMPROVEMENT DISTRICT NO. 1
Combining Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2020

	<u>Electric Utility</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (566,559)	\$ (318,262)	\$ (114,805)	\$ (999,626)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:				
Current Period Adjustment for Pension	35,372	35,373	24,560	95,305
Depreciation	295,413	202,108	243,972	741,493
Changes in Assets and Liabilities:				
Receivables	(83,321)	38,504	17,375	(27,442)
Grant Receivable	-	-	259,763	259,763
Inventory	(4,359)	560	2,600	(1,199)
Accounts Payable	(43,196)	1,282	(25,869)	(67,783)
Deposits	(138)	597	(1,156)	(697)
Accrued Liabilities	2,983	(512)	(5,029)	(2,558)
Net Cash Provided (Used) By Operating Activities	<u>\$ (363,805)</u>	<u>\$ (40,350)</u>	<u>\$ 401,411</u>	<u>\$ (2,744)</u>

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

RESORT IMPROVEMENT DISTRICT NO. 1
SCHEDULE OF CONTRIBUTIONS FOR THE LAST TEN YEARS *
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
June 30, 2020

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Employer Contributions	\$ 75,719	\$ 66,739	\$ 56,697	\$ 53,268	\$ 44,589	\$ 64,178
Covered-employee payroll	\$ 819,441	\$ 839,242	\$ 807,760	\$ 627,076	\$ 636,816	\$ 731,798
Contributions as a percentage of covered-employee payroll	9.24%	7.95%	7.02%	8.49%	7.00%	8.77%

NOTES TO SCHEDULE:

Actuarial valuation date

Methods and assumptions used to determine contribution rates:

- Actuarial funding method Entry age normal cost
- Amortization method Level percentage of payroll, closed 20 years (a)
- Remaining amortization period Smoothed value
- Asset valuation method 2.50%
- Inflation Varies by entry age and service
- Salary increases 7.15%, net of pension plan investment expense
- Investment rate of return 60 years
- Retirement age CalPERS Mortality Experience Study
- Mortality

(a) - Actuarial Policy ACT-96-05E specifies that all changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20-year period. In addition, all gains or losses are tracked and the net unamortized gain or loss is amortized as a rolling 30-year amortization with the exception of gains and losses in fiscal years 2008-09, 2009-10 and 2010-11 in which each year's gains or losses will be isolated and amortized over fixed and declining 30-year periods (as opposed to the current rolling 30-year amortization). Also, if a plan's accrued liability exceeds the actuarial value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability. Finally, all plans are subject to a minimum employer contribution rate equal to the employer normal cost

Plan's covered employee payroll revised to follow funding history schedule on actuarial valuation reports.

* - Fiscal year 2015 was the first year of implementation

RESORT IMPROVEMENT DISTRICT NO. 1
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE LAST TEN YEARS * -
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
June 30, 2020

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's proportion of the net pension liability	0.025860%	0.027870%	0.027870%	0.027520%	0.024326%	0.031083%
Plan's proportionate share of the net pension liability	\$ 1,073,787	\$ 983,398	\$ 1,029,824	\$ 885,008	\$ 667,367	\$ 768,202
Plan's covered-employee payroll	\$ 819,441	\$ 839,242	\$ 807,760	\$ 627,076	\$ 636,816	\$ 731,798
Plan's proportionate share of the net pension liability as percentage of covered-employee payroll	131.04%	117.18%	127.49%	141.13%	104.80%	104.97%
CalPERS State-wide fiduciary net position	\$ 13,979,687,268	\$ 13,122,440,092	\$ 12,074,499,781	\$ 10,923,476,287	\$ 10,896,039,068	\$ 10,639,461,174
CalPERS State-wide total pension liability	\$ 17,984,188,264	\$ 16,891,153,209	\$ 16,016,547,402	\$ 14,397,353,530	\$ 13,639,503,084	\$ 13,110,948,452
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	79.09%	79.74%	76.93%	77.66%	82.30%	83.60%

NOTES TO SCHEDULE:

Benefit changes: There were no changes to benefit terms.

Changes in assumptions: None

Plan's covered employee payroll revised to follow funding history schedule on actuarial valuation reports for both Miscellaneous and Pepra.

* - Fiscal year 2015 was the first year of implementation

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: October 21, 2021 Agenda Item No.: IX. 2

Agenda Item Title: Review and Approve 2020/21 Fourth Quarter Financial Report.

Presented by: Justin Robbins, General Manager

Type of Item: ☒ Action ☐ Discussion ☐ Information

Action Required: ☐ No Action ☐ Voice Vote ☒ Roll Call Vote

BACKGROUND:

The 2020/21 Fourth Quarter Financial Report is attached for Board review. These actual end of year revenue and expense figures will be used to create next year's budget. This report is preliminary as routine auditor adjustments still have to be made.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

After Board review motion to approve the 2020/21 Fourth Quarter Financial Report.

Move: Second:

Schad: Hargrave: Fox: Sommer: Myers:

Motion carries: YES NO

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: October 21, 2021 Agenda Item No.: IX. 3

Agenda Item Title: Consider Adoption of Resolution 21-12: Approval of the 2020 Power Source Disclosure Annual Report and Power Content Label.

Presented by: Justin R. Robbins, General Manager.

Type of Item: ☒ Action ☐ Discussion ☐ Information

Action Required: ☐ No Action ☐ Voice Vote ☒ Roll Call Vote

BACKGROUND:

The California energy Commission requires all retail suppliers of electricity to annually report all power procurements and retail sales and produce a Power Content Label which discloses the power mix (MWh) of the purchases and sales. See attached draft resolution.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

After Board review, motion to adopt Resolution 21-12: Approval of the 2020 Power Source Disclosure Annual Report and Power Content Label.

Schad: Fox: Hargrave: Sommer: Myers:

Motion carries: Yes No

RESOLUTION 21-12
OF
RESORT IMPROVEMENT DISTRICT NO. 1 AND SHELTER COVE SEWER
AND OTHER FACILITIES MAINTENANCE DISTRICT NO. 1,
APPROVING THE 2020 POWER SOURCE DISCLOSURE ANNUAL REPORT

WHEREAS, in 1997 SB 1305 created the Power Source Disclosure (PSD) Program in California for retail electric suppliers; and

WHEREAS, the PSD Program requires retail electric suppliers to produce an annual PSD Report and Power Content Label (PCL) containing information on power sources; and

WHEREAS, the California Energy Commission (CEC) collects information related to the PSD Program; and

WHEREAS, the Resort Improvement District is a governmental entity formed under California's Resort Improvement District law (Pub. Res. Code § 13000 *et seq.*), and is a uniquely authorized and independent entity in California, with separate and distinct powers and responsibilities; and

WHEREAS, the Resort Improvement District has a history of voluntarily collaborating with requests from CEC staff related to the PSD Program to better enable the CEC's information collection efforts; and

WHEREAS, the Resort Improvement District purchases all of its power from Western Area Power Administration (WAPA), a federal agency established under the United States Department of Energy Organization Act in 1977; and

WHEREAS, WAPA is a federal agency that, among other things, has experience in electric power operations and providing information concerning such operations; and

WHEREAS, the Resort Improvement District has received the electric information provided by WAPA and has completed the 2020 Annual PSD Report and PCL;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RESORT IMPROVEMENT DISTRICT NO. 1 that the board approve the 2020 Annual PSD Report and PCL as presented.

PASSED AND ADOPTED this 21st day of October, 2021 at a Regular Meeting of the Board of Directors of the RESORT IMPROVEMENT DISTRICT NO. 1, by the following vote:

AYES: .
NOES: .
ABSENT: .
ABSTAIN: .

RESORT IMPROVEMENT DISTRICT NO. 1

By: _____

Michael Schad, President
Board of Directors

ATTEST:

Justin R. Robbins, Board Secretary

2020 POWER SOURCE DISCLOSURE ANNUAL REPORT For the Year Ending December 31, 2020

Retail suppliers are required to use the posted template and are not allowed to make edits to this format. Please complete all requested information.

GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME	
Resort Improvement District No. 1	
ELECTRICITY PORTFOLIO NAME	
CONTACT INFORMATION	
NAME	Justin R. Robbins
TITLE	General Manager
MAILING ADDRESS	9126 Shelter Cove Road
CITY, STATE, ZIP	Whitethorn, CA 95589
PHONE	(707) 986-7447
EMAIL	gm@sheltercove-ca.gov
WEBSITE URL FOR PCL POSTING	www.sheltercove-ca.gov

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to PSDprogram@energy.ca.gov. Remember to complete the Retail Supplier Name, Electricity Portfolio Name, and contact information above, and submit separate reports and attestations for each additional portfolio if multiple were offered in the previous year.

NOTE: Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at <https://www.energy.ca.gov/about/divisions-and-offices/chief-counsels-office>.

If you have questions, contact Power Source Disclosure (PSD) staff at PSDprogram@energy.ca.gov or (916) 639-0573.

INTRODUCTION

Retail suppliers are required to submit separate Annual Reports for each electricity portfolio offered to California retail consumers in the previous calendar year. Enter the Retail Supplier Name and Electricity Portfolio Name at the top of Schedule 1, Schedule 2, Schedule 3, and the Attestation.

A complete Annual Report includes the following tabs:

PSD Intro
Instructions
Schedule 1 - Procurements and Retail Sales
Schedule 2 - Retired Unbundled Renewable Energy Credits (RECs)
Schedule 3 - Annual Power Content Label Data
GHG Emissions Factors
Asset-Controlling Supplier (ACS) Procurement Calculator
PSD Attestation

INSTRUCTIONS

Schedule 1: Procurements and Retail Sales

Retail suppliers of electricity must complete this schedule by entering information about all power procurements and generation that served the identified electricity portfolio covered in this filing in the prior year. The schedule is divided into sections: directly delivered renewables, firmed-and-shaped imports, specified non-renewables, and procurements from ACSs. Insert additional rows as needed to report all procurements or generation serving the subject product. Provide the annual retail sales for the subject product in the appropriate space. At the bottom of Schedule 1, provide the retail suppliers' other electricity end-uses that are not retail sales, such as transmission and distribution losses. Retail suppliers shall submit a purchase agreement or ownership arrangement documentation substantiating that any eligible firmed-and-shaped product for which it is claiming an exclusion was executed prior to January 1, 2019. **Any retail supplier that offered multiple electricity portfolios in the prior year must submit separate Annual Reports for each portfolio offered.**

Specified Purchases: A Specified Purchase refers to a transaction in which electricity is traceable to specific generating facilities by any auditable contract trail or equivalent, such as a tradable commodity system, that provides commercial verification that the electricity claimed has been sold once and only once to retail consumers. Do not enter data in the grey fields. For specified purchases, include enter following information for each line item:

Facility Name - Provide the name used to identify the facility.

Fuel Type - Provide the resource type (solar, natural gas, etc.) that this facility uses to generate electricity.

Location - Provide the state or province in which the facility is located.

Identification Numbers - Provide all applicable identification numbers from the Western Renewable Energy Generation Information System (WREGIS), the Energy Information Agency (EIA), and the California Renewables Portfolio Standard (RPS).

Gross Megawatt Hours Procured - Provide the quantity of electricity procured in MWh from the generating facility.

Megawatt Hours Resold - Provide the quantity of electricity resold at wholesale.

Unspecified Power: Unspecified Power refers to electricity that is not traceable to specific generation sources by any auditable contract trail or equivalent, or to power purchases from a transaction that expressly transferred energy only and not the RECs associated from a facility. **Do not enter procurements of unspecified power.** The schedule will calculate unspecified power procurements automatically.

Schedule 2: Retired Unbundled RECs

Complete this schedule by entering information about unbundled REC retirements in the previous calendar year.

Schedule 3: Annual Power Content Label Data

This schedule is provided as an automated worksheet that uses the information from Schedule 1 to calculate the power content and GHG emissions intensity for each electricity portfolio. The percentages calculated on this worksheet should be used for your Power Content Label.

ACS Resource Mix Calculator

Retail suppliers may report specified purchases from ACS system power if the ACS provided its fuel mix of its specified system mix to the Energy Commission. Use the calculator to determine the resource-specific procurement quantities, and transfer them to Schedule 1.

GHG Emissions Factors

This tab will be displayed for informational purposes only; it will not be used by reporting entities, since the emissions factors below auto-populate in the relevant fields on Schedules 1 & 3.

Attestation

This template provides the attestation that must be submitted with the Annual Report to the Energy Commission, stating that the information contained in the applicable schedules is correct and that the power has been sold once and only once to retail consumers. This attestation must be included in the package that is transmitted to the Energy Commission. Please provide the complete Annual Report in Excel format and the complete Annual Report with signed attestation in PDF format as well.

DIRECTLY DELIVERED RENEWABLES

[illegible]

Total Retired Unbundled RECs	
2007	1,000
2008	1,000
2009	1,000
2010	1,000
2011	1,000
2012	1,000
2013	1,000
2014	1,000
2015	1,000
2016	1,000
2017	1,000
2018	1,000
2019	1,000
2020	1,000
2021	1,000
2022	1,000
2023	1,000
2024	1,000
2025	1,000
2026	1,000
2027	1,000
2028	1,000
2029	1,000
2030	1,000
2031	1,000
2032	1,000
2033	1,000
2034	1,000
2035	1,000
2036	1,000
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2039	1,000
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2088	1,000
2089	1,000
2090	1,000
2091	1,000
2092	1,000
2093	1,000
2094	1,000
2095	1,000
2096	1,000
2097	1,000
2098	1,000
2099	1,000
2100	1,000

[illegible]

2020 POWER SOURCE DISCLOSURE ANNUAL REPORT
SCHEDULE 3: POWER CONTENT LABEL DATA
For the Year Ending December 31, 2020
RESORT IMPROVEMENT DISTRICT NO. 1
(ELECTRIC SERVICE PRODUCT NAME)

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	-	0.0%
Biomass & Biowaste	-	0.0%
Geothermal	-	0.0%
Eligible Hydroelectric	-	0.0%
Solar	-	0.0%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	38	0.7%
Natural gas	-	0.0%
Nuclear	3	0.1%
Other	-	0.0%
Unspecified Power	5,171	99.2%
Total	5,212	100.0%

Total Retail Sales (MWh)	5,213
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GHG Emissions Intensity (converted to lbs CO₂e/MWh)	936
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Percentage of Retail Sales Covered by Retired Unbundled RECs	0.0%
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ASSET CONTROLLING SUPPLIER RESOURCE MIX CALCULATOR

Instructions: Enter total net specified procurement of ACS system resources into cell A8, A23, or A38. In Column E, the calculator will determine quantities of resource-specific net procurement for entry on Schedule 1.

Powerex				
Net MWh Procured	N/A	Resource Type	Resource Mix Factors	Resource-Specific Procurements from ACS
		Biomass & biowaste		-
		Geothermal		-
		Eligible hydroelectric		-
		Solar		-
		Wind	0.00	-
		Coal		-
		Large hydroelectric	0.88	-
		Natural gas	0.01	-
		Nuclear	0.01	-
		Other	0.04	-
		Unspecified Power	0.06	-

Bonneville Power Administration				
Net MWh Procured	N/A	Resource Type	Resource Mix Factors	Resource-Specific Procurements from ACS
33		Biomass & biowaste		-
		Geothermal		-
		Eligible hydroelectric		-
		Solar	0.00	0
		Wind		-
		Coal		-
		Large hydroelectric	0.85	28
		Natural gas	0.00	0
		Nuclear	0.11	3
		Other	0.01	0
		Unspecified Power	0.04	1

Tacoma Power				
Net MWh Procured	N/A	Resource Type	Resource Mix Factors	Resource-Specific Procurements from ACS
11		Biomass & biowaste		-
		Geothermal		-
		Eligible hydroelectric		-
		Solar		-

Wind		-
Coal		-
Large hydroelectric	0.90	10
Natural gas		-
Nuclear	0.06	1
Other		-
Unspecified Power	0.04	0

**POWER SOURCE DISCLOSURE ANNUAL REPORT
ATTESTATION FORM**

**for the year ending December 31, 2020
RESORT IMPROVEMENT DISTRICT NO. 1
(ELECTRICITY PORTFOLIO NAME)**

I, (print name) **Justin R. Robbins**,
(title) **General Manager**, declare under penalty of perjury, that the statements contained in
this report including Schedules 1, 2, and 3 are true and correct and that I, as an authorized
agent of (print name of company) **Resort Improvement District No. 1**, have authority to submit
this report on the company's behalf. I further declare that the megawatt-hours claimed as
specified purchases as shown in these Schedules were, to the best of my knowledge, sold
once and only once to retail customers.

Name: **Justin R. Robbins**_____

Representing (Retail Supplier): **Resort Improvement District No. 1**_____

Signature: _____

Dated: _____

Executed at: **Shelter Cove, California**_____

**RESORT IMPROVEMENT DISTRICT NO. 1
AND
SHELTER COVE SEWER AND OTHER
FACILITIES MAINTENANCE DISTRICT NO. 1**

Meeting Date: October 21, 2021 Agenda Item No.: IX. 4

Agenda Item Title: Consider Letter to Humboldt County Regarding Airport Land Use Compatibility Plan for Land Use Around Shelter Cove Airport.

Presented by: Justin R. Robbins, General Manager.

Type of Item: ☒ Action ☐ Discussion ☐ Information

Action Required: ☐ No Action ☐ Voice Vote ☒ Roll Call Vote

BACKGROUND:

See attached letter. Letter will be made available at the board meeting.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

To be determined by the board.

Schad: Fox: Hargrave: Sommer: Myers:

Motion carries: Yes No