



# WATERLOO MORADA FIRE DISTRICT BOARD OF DIRECTORS

**April 3, 2024, Regular Board Meeting @ 6:00 pm**  
6925 E. Foppiano Lane, Stockton, CA 95212  
(209) 931-3107

## AGENDA

1. CALL TO ORDER - ROLL CALL
  - 1.1. Notice of meeting recorded.
2. PLEDGE OF ALLEGIANCE:
3. CLOSED SESSION:  
Pursuant to Government code Section 54957.6 Conference with Labor Negotiator and Government code Section 54957.8 Labor Negotiations – Waterloo Morada Professional Firefighter Association IAFF Local 1243
4. REPORT FROM CLOSED SESSION: Pursuant to Government Code Section 54956.9 (d) (2) or (3) and Section 54957.8

### **Return to Open Session @ Approx 7pm**

5. PRESENTATIONS: None
6. IN THE MATTER OF PUBLIC DISCUSSION:  
This time is provided to the public to address the Board of Directors on items not on the agenda. State law prohibits the Board of Directors from taking action on these items. Each person will be limited to no more than five minutes of discussion time and the total time allotted for discussion shall not exceed thirty minutes.

### **DISCUSSION / ACTION ITEMS**

7. LATE AGENDA ITEMS: Government Code Section 54954.2(b)2
8. CORRESPONDENCE
9. APPROVAL OF MINUTES:
  - 9.1. Board Meeting – March 27, 2024, Approval/Action
10. FINANCIAL REPORTS:
  - 10.1. Unpaid Bills by Vendor and Requisition # 10 Approval / Action
  - 10.2. Monthly Summary Report – Review / Discussion
11. OLD BUSINESS:
  - 11.1. Station 2 Update –
    - 11.1.1 Station 2 Remodel (House) – Discussion / Action
    - 11.1.2 Station 2 Training Ground - Update
    - 11.1.3 Station 2 Training Room - Update
  - 11.2. American Rescue Plan Act (ARPA) Update– Reimbursements to Date
  - 11.3. Ayera Antenna Lease Update: Review Executed Agreement

*Our Community...Our Priority*

**12. NEW BUSINESS:**

- 12.1 Croce, Sanguinetti & Vander Veen – 2022/2023 Financial Statement / Action
- 12.2 Fire Hazard Reduction Guidelines Revision- Discussion/Action

**13. REPORTS:**

- 13.1. Member Reports:
- 13.2. Chief Report
- 13.3. Finance Committee:  
(Board Members Ralph Lucchetti, Ken Vogel, Public Member Ryan Haggerty, Fire Administration, Board President Clay Titus, Alternate)

**14. CLOSED SESSION:**

- 14.1 Anticipated Litigation, Significant exposure to litigation pursuant to paragraph (2) or (3) subdivision (d) of Section 54956.9 of Government Code: one potential case.
  
- 14.2 Pursuant to Government code Section 54957.6 Conference with Labor Negotiator and Government code Section 54957.8 Labor Negotiations – Unrepresented Employee – Administrative Secretary

**Closed Session:** A "Closed" or "Executive" Session of the Fire District Board may be held as required for items as follows: personnel matters; labor negotiations; security matters; providing instructions to real property negotiators; legal counsel regarding pending litigation; and protection of records exempt from public disclosure. Closed session will be held in the Fire Station at 6925 E. Foppiano Lane, and any announcements or discussion will be held at the same location following Closed Session. Reference California Government Section 54956.9 (d)

**15. REPORT FROM CLOSED SESSION: Pursuant to Government Code Section 54956.9 (d) (2) or (3) and Section 54957.8**

**16. FUTURE AGENDA ITEMS/MEETINGS**

- 16.1 Directors Open Discussion

**17. ADJOURNMENT:**

## **WATERLOO MORADA FIRE DISTRICT**

**March 6, 2024, Regular Board Meeting @ 7:00 pm**

6925 E. Foppiano Lane, Stockton, CA 95212

1. **Meeting Called to Order** –7:07 pm  
**Announcement of Meeting Recorded**  
**Roll Call/ Members Present:** Clay Titus, John Baker, Ralph Lucchetti, Ryan Gresham and Ken Vogel  
**Also Present:** Chief Walder, Yolanda Palermo, B.C. Harper, Captain Ellsworth, Engineer Trent, Firefighters Hawkins and Wilson. Guest: Valley Construction, Wes  
**Absent:**
2. **Pledge of Allegiance:** Battalion Chief Culbertson
3. **Presentations:**
4. **IN THE MATTER OF PUBLIC DISCUSSION:** This time is provided to the public to address the Board of Directors on items not on the agenda. State law prohibits the Board of Directors from acting on these items. Each person will be limited to no more than five minutes of discussion time and the total time allotted for discussion shall not exceed thirty minutes.
5. **Late Agenda Items: Government Code Section 54954.2 (b)**
6. **Correspondence:**
  - 6.1 SJCCD PA-2300217 (MS) Subdivision and existing 10.68-acre parcel into 4 Parcels, location Cherryland Ave
7. **Approval of Minutes:**
  - 7.1 Board Meeting February 7, 2024, Motion to approve by Ken Vogel, Second: John Baker  
Motion carried 4/0/1 Abstain: Ryan Gresham
8. **Financial Reports:**
  - 8.1 Motion to approve Unpaid Bills Detail Report Requisition # 9 by, Ryan Gresham, Second: John Baker  
Motion carried 5/0.
  - 8.2 Review of Monthly Summary Report.
9. **Old Business:**
  - 9.1 Station 2: Update Action/Approval
    - 9.1.1 Station 2 Remodel (House)
      - Remodel Bid Results – Valley Construction low bid at \$430,778. Diede Construction bid \$546,608.
      - Station 2 – Board would like a priority list for Remodel of Firefighters Residence.
      - Reduce Scope of Work due to Bid Proposals and bring back to next Board Meeting.
    - 9.1.2 Station 2 Training Ground
      - Containers were purchased and when they are received, they will be painted.
    - 9.1.3 Station 2 Training Room – In progress.
  - 9.2 American Rescue Plan Act (ARPA) Update- Total Funds Rec'd to date \$995,406.
  - 9.3 Draft Waterloo Morada Fire – Ayera Antenna Lease- Board of Directors give authorization to Chief Walder To sign Lease agreement with Ayera, in addition Chief will request seven (7) cameras at each station and termination notice of contract to be reduced from 60 days to shorter period. Motion to approve Ryan Gresham, Second: John Baker. Motion carried 5/0.
  - 9.4 Assistance to Firefighters Grant – Radios – District Match Increase 2<sup>nd</sup> round, District will receive 14 radios. Included in the budget.

**10. New Business:**

- 10.1 Unit 15 of San Joaquin County Firefighters L1243 Request to Open Negotiations
- 10.2 District Negotiation Committee – All Board Members will be negotiating with Local 1243.
- 10.3 Engine 2 Estimate to Repair. Motion made by John Baker to move forward with all repairs to Engine 2, Second: Ken Vogel, Motion carried 5/0.
- 10.4 Annual Firefighter Appreciation Dinner, date is May 4, 2024.
- 10.5 District Counsel – Client Services Agreement. Motion to approve Client Services Agreement by Ralph Lucchetti and Second: John Baker, Motion carried 5/0.
- 10.6 Fire Impact Fee Nexus Study. The Chief will contact SCI for information to run Nexus Study.

**11. Reports:**

## 11.1 Member Reports:

- MAC Meeting will be held here on March 13, 2024,

## 11.2 Chief Report:

- Monthly Incident Report for December. Calls for the month of January 203, YTD 203
- April 16<sup>th</sup> ERAF funding offer with the County CEO office and on May 14<sup>th</sup> will be presented to Board of Supervisors.
- Discussion on providing I-Pads or Laptop to Board Members.
- Engine 3 and Brush were ceramic coated professionally, by Bella Vita Mobile Detailing this service was donated to the district by the Detail Mafia.
- Croce Sanguinetti and Vander Veen will be at the April Board Meeting to present Financial Statement for 2023/2024.
- Firefighter Sean Nasty has been promoted to Engineer.

**12. Closed Session:**

- 12.1 Anticipated Litigation, Significant exposure to litigation pursuant to paragraph (2) or (3) subdivision (d) of Section 54956.9 of Government Code: one potential case.
- 12.2 Pursuant to Government code Section 54957.6 Conference with Labor Negotiator and Government Code Section 54957.8 Labor Negotiations – Unrepresented Employee – Administrative Secretary.

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**13. Report from Closed Session: Pursuant to Government Code Section 54956.9 (D) (2) or (3) and Section 54957.8****Open Session: 8:46 pm**

No action or decision was taken by the Board on item 12.1 and 12.2.

**14. Future Agenda Items/Meetings**

- 14.1 Directors Open discussion
- 14.2 CSV Annual Audit Presentation

**Meeting Adjourned: 8:46 pm**


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Board of Director  
Waterloo Morada Fire District

## Waterloo Morada Rural County Fire Protection District

### Unpaid Bills by Vendor

#### All Transactions

Type	Date	Num	Due Date	Open Balance
<b>Akerland Technology Solutions</b>				
Bill	4/1/2024		4/1/2024	610.00
Total Akerland Technology Solutions				610.00
<b>AT&amp;T - CALNET 3</b>				
Bill	3/24/2024	9391062550	4/1/2024	134.46
Total AT&T - CALNET 3				134.46
<b>AT&amp;T Regular</b>				
Bill	3/28/2024	20993104147139	4/1/2024	85.83
Total AT&T Regular				85.83
<b>Baker, John</b>				
Bill	4/2/2024		4/2/2024	150.00
Total Baker, John				150.00
<b>California Choice</b>				
Bill	4/1/2024		4/1/2024	19,169.61
Total California Choice				19,169.61
<b>Clutch and Brake Xchange, Inc.</b>				
Bill	3/24/2024	923952	4/1/2024	31.42
Total Clutch and Brake Xchange, Inc.				31.42
<b>Comcast</b>				
Bill	3/24/2024		4/1/2024	161.63
Total Comcast				161.63
<b>DeLage Landen Financial Services, Inc.</b>				
Bill	3/26/2024		4/1/2024	101.74
Total DeLage Landen Financial Services, Inc.				101.74
<b>Diesel Performance, Inc.</b>				
Bill	4/1/2024	100710	4/1/2024	4,903.06
Bill	4/2/2024	100532	4/2/2024	403.28
Total Diesel Performance, Inc.				5,306.34
<b>Fire Risk Management Services</b>				
Bill	3/13/2024		3/13/2024	53,804.25
Total Fire Risk Management Services				53,804.25
<b>Firefighters of San Joaquin / Local 1243</b>				
Bill	3/24/2024		4/1/2024	969.36
Total Firefighters of San Joaquin / Local 1243				969.36
<b>Flyers</b>				
Bill	3/24/2024		4/1/2024	393.85
Total Flyers				393.85
<b>Gresham, Ryan</b>				
Bill	4/2/2024		4/2/2024	100.00
Total Gresham, Ryan				100.00
<b>Harper, Jason</b>				
Bill	4/2/2024		4/1/2024	171.52
Total Harper, Jason				171.52
<b>Hi-Tech Emergency Vehicle Service, Inc.</b>				
Bill	3/24/2024	178292	4/1/2024	78.39
Total Hi-Tech Emergency Vehicle Service, Inc.				78.39
<b>Humana Insurance Co.</b>				
Bill	3/24/2024	823312420	4/1/2024	2,359.81
Total Humana Insurance Co.				2,359.81

Handwritten initials and signatures in blue ink are present next to the Open Balance column for each vendor's total row. The initials appear to be 'RW' or 'RS' written in a cursive style.

10.1

12:35 PM

04/02/24

# Waterloo Morada Rural County Fire Protection District Unpaid Bills by Vendor All Transactions

Type	Date	Num	Due Date	Open Balance
<b>Hunt &amp; Sons, Inc</b>				
Bill	3/28/2024	860455	4/1/2024	596.97
Bill	3/28/2024	875727	4/1/2024	567.20
Bill	3/28/2024	901891	4/1/2024	559.57
Bill	4/2/2024	901891	4/2/2024	559.57
Bill	3/24/2024	897372	4/3/2024	373.23
Bill	4/2/2024	901894	4/12/2024	486.20
Total Hunt & Sons, Inc				3,142.74
<b>Life-Assist, Inc.</b>				
Bill	3/24/2024		4/1/2024	1,595.75
Bill	4/1/2024	1419468	4/1/2024	118.09
Total Life-Assist, Inc.				1,713.84
<b>Linden Peters Fire District</b>				
Bill	3/24/2024		4/1/2024	7,860.27
Total Linden Peters Fire District				7,860.27
<b>Lucchetti, Ralph</b>				
Bill	4/2/2024		4/2/2024	150.00
Total Lucchetti, Ralph				150.00
<b>Mission Linen Supply</b>				
Bill	3/24/2024		4/1/2024	119.86
Bill	3/24/2024		4/3/2024	199.93
Total Mission Linen Supply				319.79
<b>Pacific Gas &amp; Electric Co.</b>				
Bill	3/27/2024	Station 2 Electric	4/1/2024	630.93
Bill	3/27/2024	Station 1	4/1/2024	1,790.92
Total Pacific Gas & Electric Co.				2,421.85
<b>Pacific Records Management</b>				
Bill	4/1/2024	MARCH	4/1/2024	45.00
Total Pacific Records Management				45.00
<b>Pathian Administrators</b>				
Bill	3/14/2024	183955	3/14/2024	237.66
Total Pathian Administrators				237.66
<b>Rose City Label</b>				
Bill	4/1/2024		4/1/2024	354.00
Total Rose City Label				354.00
<b>Scott's PPE Recon, Inc</b>				
Bill	3/27/2024	39424	4/1/2024	3,150.00
Total Scott's PPE Recon, Inc				3,150.00
<b>Stockton Dodge</b>				
Bill	3/24/2024		4/1/2024	3,432.76
Total Stockton Dodge				3,432.76
<b>Titus, Clay</b>				
Bill	4/2/2024		4/2/2024	100.00
Total Titus, Clay				100.00
<b>TouchDown Fire, Inc</b>				
Bill	4/1/2024	24-3300	4/1/2024	214.00
Total TouchDown Fire, Inc				214.00
<b>U.S. Bank Corporate Payment System</b>				
Bill	4/1/2024		4/1/2024	7,642.19
Total U.S. Bank Corporate Payment System				7,642.19
<b>Vogel, Ken</b>				
Bill	4/2/2024		4/2/2024	150.00
Total Vogel, Ken				150.00

*(Handwritten initials and signatures in blue ink, including "PW" and "RW", are present next to several rows of the table.)*

10.1

12:35 PM  
04/02/24

**Waterloo Morada Rural County Fire Protection District**  
**Unpaid Bills by Vendor**  
**All Transactions**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Due Date</u>	<u>Open Balance</u>
WMFF Association Bill	3/24/2024		4/1/2024	460.00
Total WMFF Association				460.00
<b>TOTAL</b>				<b>114,619.03</b>



CAL CARD- STATEMENT 3/22/2024  
Credit Card Charges

10.1

<b>Account</b>	<b>Total Expense</b>
Training	\$ 425.00
Tools	\$ 145.57
Meeting	\$ 133.41
Conference	\$ 1,075.00
Computer	\$ 297.15
Email Service ( monthly service)	\$ 856.68
Radio	\$ 170.84
Station Supplies	\$ 463.98
PPE	\$ 161.23
Office Supplies	\$ 166.38
Vehicle Maint.	\$ 345.35
Bldg. Maint	\$ 377.27
EMS	\$ 379.17
Training/Prevention	\$ 2,645.16
	<u>\$ 7,642.19</u>



A/P Prior to Meeting

Waterloo Morada Rural County Fire Protection District

10.1  
4/2/2024 2:06 PM

Register: Unrestricted-Undesignated:101 · F & M Checking-General

From 03/07/2024 through 04/02/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
03/11/2024	8480	Alhambra	2000 · *Accounts Paya...	585832812761...	427.12			120,183.36
03/11/2024	8481	Business Office Syst...	2000 · *Accounts Paya...	C001345	72.11			120,111.25
03/11/2024	8482	California Waste Rec...	2000 · *Accounts Paya...	01-4746 3	301.07			119,810.18
03/11/2024	8483	California Waste Rec...	2000 · *Accounts Paya...	01-0040982	281.70			119,528.48
03/11/2024	8484	Comcast	2000 · *Accounts Paya...	815560068045...	205.36			119,323.12
03/11/2024	8485	Pacific Gas & Electri...	2000 · *Accounts Paya...	8928861230-5	538.10			118,785.02
03/11/2024	8486	Terminix International	2000 · *Accounts Paya...	566259 / 648357	127.00			118,658.02
03/13/2024	8487	Mission Linen Supply	2000 · *Accounts Paya...	Customer 2735...	119.86			118,538.16
03/26/2024	8488	Blake Silva	2000 · *Accounts Paya...	WalMart Reim...	122.96			118,415.20
03/26/2024	8489	Cody Rapella	2000 · *Accounts Paya...	Company Offic...	450.00			117,965.20
03/26/2024	8490	Trent, Frank	2000 · *Accounts Paya...		559.69			117,405.51
03/26/2024	8491	Pacific Records Man...	2000 · *Accounts Paya...	Invoice 1161286	45.00			117,360.51

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427.12+

72.11+

301.07+

281.70+

205.36+

538.10+

127.00+

119.86+

122.96+

450.00+

559.69+

45.00+

012

3,249.97\*



2023 Budget Summary

10.2

BUDGET YEAR LEFT		24.66%	Today's Date		4/1/2024		
GENERAL REVENUE ACCOUNTS		2023/24 Budget Amount	Revenue Rec'd July-Dec	Revenue Rec'd Jan-June	Total Revenue Rec'd to date	Estimated Revenue to be received	% of Revenue Received
4100100010	PROPERTY TAX-SECURED	\$2,252,041	\$1,120,201		\$1,120,201	\$1,131,840	49.74%
4100200070	PROPERTY TAX-SECURED-SB813	\$66,700	\$47,914		\$47,914	\$18,786	71.83%
4101000000	PROPERTY TAX-UNSECURED	\$104,200	\$117,707		\$117,707	-\$13,507	112.96%
4101000007	PROPERTY TAX-UNSECURED-SB813	\$1,360	\$1,827		\$1,827	-\$467	134.32%
4101000020	PROPERTY TAX-SB813-PRIOR	\$100	\$236		\$236	-\$136	236.44%
4101000030	PROPERTY TAX-UNSECURED-PRIOR	\$2,448	\$1,278		\$1,278	\$1,170	52.21%
4505500000	ST-HOMEOWNER PROPERTY TAX	\$6,417	\$1,870		\$1,870	\$4,547	29.14%
4605110000	SPECIAL ASSESSMENTS-1986	\$810,135	\$434,171		\$434,171	\$375,964	53.59%
56702	SPECIAL ASSESSMENTS-2019 (Measure N)	\$1,624,252	\$847,513		\$847,513	\$776,739	52.18%
	SAFER GRANT REVENUES	\$364,089	\$341,491		\$341,491	\$22,598	93.79%
	ARPA REVENUE RECEIVED	\$63,420					
	EMPLOYEE DEDUCTION (Association Dues)	\$18,582					
	<b>TOTAL GENERAL REVENUES</b>	<b>\$5,313,744</b>					
<b>Total Revenue Rec'd to Date \$</b>			<b>\$2,914,207</b>	<b>\$0</b>	<b>\$2,914,207</b>	<b>\$2,317,535</b>	

2023/24 RESTRICTED REVENUE ACCOUNTS (Estimated)		2023/24 Budget Amount	Revenue Rec'd July-Dec	Revenue Rec'd Jan-June	Total Revenue Rec'd to date	Estimated Revenue to be received	% of Revenue Received
	SJC-CAPITAL OUTLAY FUND/MITIGATION	\$28,067	\$4,921	\$157	\$5,078	\$22,989	18.09%
	ESTIMATED OES Reimbursement Minus OT	\$139,000	\$131,513	\$26,675	\$158,188	-\$19,188	113.80%
	Prevention Fees	\$56,910	\$37,529	\$566	\$38,095	\$18,815	66.94%
	Fire Recovery Fees	\$12,253	\$13,817		\$13,817	-\$1,564	112.76%
	<b>TOTAL ESTIMATED RESTRICTED REVENUE</b>	<b>\$236,230</b>	<b>\$187,780</b>	<b>\$27,398</b>			
<b>Total Revenue Rec'd to Date \$</b>						<b>\$215,178.10</b>	

EXPENDITURES- Personnel		2023/24 Budget Amount	Safer Grant Reimbursement	Total Budget	Expense Paid to Date	Remaining Budget to Date	% of Budget Remaining
510	SALARIES - REGULAR/A13-15, A2Q	\$1,769,274	\$96,050	\$1,769,274	\$1,287,593	\$481,681	27.22%
512	SALARIES - OVERTIME- FLSA-ATO	\$348,700		\$348,700	\$381,148	-\$32,448	-9.31%
515	SALARIES - EXTRA HELP - PART TIME	\$52,019		\$52,019	\$38,011	\$14,008	26.93%
SJCERA	RETIREMENT - EMPLOYER SHARE	\$1,550,133	\$75,750	\$1,625,883	\$1,176,995	\$448,888	27.61%
SJCO	SALARIES MEDICARE	\$30,000	\$1,742	\$31,742	\$20,586	\$11,156	35.15%
SJCO	SOCIAL SECURITY - EXTRA HELP - OASDI	\$3,225		\$3,225	\$1,504	\$1,721	53.37%
SJCO	MEDICARE EXTRA HELP	\$754		\$754	\$548	\$206	27.32%
SJCO	OTHER EMPLOYEE BENEFIT - UNIFORMS-CLASS A	\$22,000		\$22,000	\$24,000	-\$2,000	-9.09%
SJCO	EMPLOYEE BENEFIT UNION DUES AND ASSN.DUES	\$18,582		\$18,582	-\$1,429	\$20,011	107.69%
530	INSURANCE - MEDICAL-VISION-OPT OUT	\$291,197	\$11,645	\$302,842	\$183,304	\$119,538	39.47%
532	INSURANCE - DENTAL	\$19,365	\$1,014	\$20,379	\$17,929	\$2,450	12.02%
535	INSURANCE - WORKER'S COMP	\$218,529	\$10,229	\$228,758	\$151,183	\$77,575	33.91%
536	DIRECTORS FEES	\$4,500		\$4,500	\$2,450	\$2,050	45.56%
6010100000	UNEMPLOYMENT COMP INSURANCE	\$1,000		\$1,000	\$0	\$1,000	100.00%
533	SICK LEAVE /POST RETIREMENT						
<b>TOTAL PERSONNEL</b>		<b>\$4,329,278</b>	<b>\$196,430</b>	<b>\$4,525,708</b>	<b>\$3,283,822</b>	<b>\$1,241,887</b>	<b>27.44%</b>

2023 Budget Summary

10.2

VEHICLE & EQUIPMENT		2023/24 Budget Amount	2023/24 Restricted Budget/Operating Reserve	Total Budget	Expense Paid to Date	Remaining Budget to Date	% of Budget Remaining
541	APPARATUS REPLACEMENT PROGRAM/PAYMENT	\$92,088	\$167,067	\$259,155	\$259,153.21	\$2	0.00%
542	FUEL	\$65,000		\$65,000	\$41,865.13	\$23,135	35.59%
546	FF TOOLS/EXTRICATION EQUIPT/GAS EQUIPT	\$9,250		\$9,250	\$3,764.61	\$5,485	59.30%
547	RADIOS	\$18,000	\$10,000	\$28,000	\$6,339.89	\$9,005	32.16%
549	SCBA	\$9,300		\$9,300	\$8,253.17	\$1,047	11.26%
550	HOSE & NOZZLES	\$16,200		\$16,200	\$15,256.75	\$943	5.82%
552	EQUIPT ANNUAL MAINTENANCE	\$6,200		\$6,200	\$684.25	\$5,516	88.96%
553	VEHICLE MAINTENANCE	\$46,500		\$46,500	\$43,500.90	\$2,999	6.45%
554	EQUIPMENT CAPITOL OUTLAY	\$18,085	\$25,000	\$43,085	\$0	\$43,085	100.00%
<b>TOTAL VEHICLE &amp; MAINTENANCE</b>		<b>\$280,623</b>	<b>\$202,067</b>	<b>\$482,690</b>	<b>\$378,818</b>	<b>\$91,217</b>	<b>18.90%</b>

BUILDINGS & GROUNDS		GENERAL	2023/24 Restricted Budget/Operating Reserve	Total Budget	Expense Paid to Date	Remaining Budget to Date	% of Budget Remaining
561	BUILDING MAINTENANCE	\$11,400	\$10,200	\$21,600	\$16,139	\$5,461	25.28%
562	REPAIR OFFICE/LIVING QUARTERS	\$2,500		\$2,500	\$483	\$2,017	80.67%
564	FURNITURE	\$15,500		\$15,500	\$7,699	\$7,801	50.33%
569	BUILDING & GROUND CONTINGENCIES	\$1,500	\$350,000	\$351,500	\$0	\$351,500	100.00%
570	STATION 2 APP BAY FINNISHING		\$124,800	\$124,800	\$59,827	\$64,973	52.06%
570	STATION / PROPERTY CAPITOL OUTLAY	\$206,362		\$206,362	\$132,016	\$74,346	36.03%
	STATION 2 APP BAY CONSTRUCTION		\$394,807	\$394,807	\$367,195	\$27,612	6.99%
<b>TOTAL BUILDINGS &amp; GROUNDS</b>		<b>\$237,262</b>	<b>\$879,807</b>	<b>\$1,117,069</b>	<b>\$583,359</b>	<b>\$533,710</b>	<b>47.78%</b>

SUPPLIES		GENERAL	2023/24 Restricted Budget/Operating Reserve	Total Budget	Expense Paid to Date	Remaining Budget to Date	% of Budget Remaining
601	OFFICE EQUIPMENT	\$1,200		\$1,200	\$357	\$843	70.27%
602	COMPUTER EQUIPMENT	\$3,600		\$3,600	\$3,925	-\$325	-9.02%
603	ANNUAL CONTRACT SERVICES	\$27,320		\$27,320	\$26,029	\$1,291	4.72%
606	OFFICE SUPPLIES	\$5,200		\$5,200	\$1,048	\$4,152	79.85%
607	POSTAGE	\$1,326		\$1,326	\$436	\$890	67.12%
608	STATION SUPPLIES-CLEAN/MAINT	\$8,000		\$8,000	\$3,466	\$4,534	56.68%
616	CLOTHING - SAFETY/BOOTS	\$11,490	\$51,910	\$63,400	\$36,408.10	\$26,992	42.57%
618	MEDICAL SUPPLIES	\$16,100		\$16,100	\$9,749	\$6,351	39.45%
633	MEETING/TRAVEL SUPPLIES	\$11,200		\$11,200	\$7,165	\$4,035	36.03%
635	FIREFIGHTING FOAM	\$6,000		\$6,000	\$2,653	\$3,347	55.78%
636	SUPPLIES - CONTINGENCIES		\$8,000	\$8,000	\$0	\$8,000	100.00%
<b>TOTAL SUPPLIES</b>		<b>\$91,436</b>	<b>\$59,910</b>	<b>\$151,346</b>	<b>\$91,235</b>	<b>\$60,111</b>	<b>39.72%</b>



2023 Budget Summary

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650	SERVICES	GENERAL	2023/24 Restricted Budget/Operating Reserve	Total Budget	Expense Paid to Date	Remaining Budget to Date	% of Budget Remaining
625	UTILITIES - ELEC/ GAS/ WATER/GARBAGE/TEL-INT	\$50,578		\$50,578	\$34,457	\$16,121	31.87%
652	INSURANCE - CASUALTY	\$63,884		\$63,884	\$65,571	-\$1,687	-2.64%
654	SJ CO. AUDITOR - PAYROLL	\$2,800		\$2,800	\$0	\$2,800	100.00%
655	ANNUAL AUDIT	\$13,000		\$13,000	\$600	\$12,400	95.38%
656	SJ CO. TAX ADMINISTRATION CHARGE	\$38,000		\$38,000	\$15,022	\$22,978	60.47%
656-1	SJ CO. AUDITOR DIRECT ASSESSMENT CHARGE	\$27,840		\$27,840	\$22,122	\$5,718	20.54%
657	DISPATCHING	\$80,000		\$80,000	\$47,756	\$32,245	40.31%
658	COMPUTER SUPPORT	\$11,800		\$11,800	\$11,755	\$45	0.38%
665	PHYSICAL EXAMS/EMT RECERT	\$10,450		\$10,450	\$2,682	\$7,768	74.34%
670	FIRE PREVENTION/PUBLIC EDUCATION		\$5,000	\$5,000	\$4,681	\$319	6.39%
675	EMPLOYEE TRAINING	\$4,123	\$87,253	\$91,376	\$31,319	\$60,057	65.73%
676	ELECTIONS	\$0		\$0	\$0	\$0	
677	PROFESSIONAL	\$45,318		\$45,318	\$16,819	\$28,499	62.89%
678	ATTORNEY'S FEES	\$9,000		\$9,000	\$228	\$8,773	97.47%
679	PUBLICATIONS & LEGAL NOTICES	\$1,100		\$1,100	\$2,099	-\$999	-90.77%
679-1	CONFERENCE/MEMBERSHIPS	\$13,175		\$13,175	\$7,819	\$5,356	40.65%
680	EMPLOYEE MILEAGE REIMBURSEMENT	\$500		\$500	\$0	\$500	100.00%
690	SERVICES CONTINGENCIES	\$3,500		\$3,500	\$0	\$3,500	100.00%
<b>TOTAL SERVICES</b>		<b>\$375,068</b>	<b>\$92,253</b>	<b>\$467,321</b>	<b>\$262,928</b>	<b>\$204,393</b>	<b>43.74%</b>
<b>TOTAL EXPENDITURES</b>		<b>\$5,313,667</b>	<b>\$1,430,467</b>	<b>\$6,744,134</b>	<b>\$4,600,163</b>	<b>\$2,131,317</b>	<b>31.60%</b>

BALANCE SHEET		LAST MONTH	CURRENT	CHANGE
100	SJ COUNTY - GENERAL ACCOUNT	-\$128,881	-\$552,498	-\$423,617
101	F&M GENERAL OPERATING FUNDS	\$120,610	\$2,338	-\$118,272
103	SJ COUNTY OPERATING RESERVE (Mitigation Fees)	\$4,855	\$5,470	\$615
106	F&M OPERATING RESERVE FUNDS	\$646,321	\$806,935	\$160,614

LONG TERM LIABILITY	BEG. BALANCE	LIABILITY PAID	BALANCE	PAYOFF DATE
STATION 2 PROPERTY	\$536,250	\$173,947	\$362,303	06/05/2030
2018 TYPE 1 ( HI TECH )	\$626,281	\$626,281	\$0	11/15/2023
2018 TYPE 3 ( BME )	\$377,170	\$377,170	\$0	03/01/2024
2020 TYPE 1 (E-2)	\$694,818	\$355,867	\$338,951	10/25/2026
SJCERA SICK LEAVE BANK	\$230,000	\$110,000	\$120,000	

Other Misc. Revenue Received	July-Dec	Jan-June	Total Rec'd.
SJC General Acct. Interest	\$6,973		\$6,973
SJC Capitol Outlay Interest	\$316		\$316
Other Misc. Revenue Received	\$44,099		\$44,099
<b>Total</b>	<b>\$51,388.00</b>		<b>\$51,388</b>

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STOCKTON, CA 95203  
209.462.2873

March 29, 2024

VCSI #E24.003

Mr. Jason Harper  
Battalion Chief  
WATERLOO MORADA FIRE DISTRICT  
6925 E Foppiano Lane  
Stockton, CA 95212

Re: Proposal for Turnkey Construction Services  
Waterloo Morada Fire Station #2 Remodel  
Revision #1

Mr. Harper,

Thank you for inviting Valley Construction Services, Inc. ("VCSI") to submit this proposal for Construction Services related to your Remodel project at Waterloo Morada Fire Station #2 in Stockton California.

1. EXECUTIVE SUMMARY

Waterloo Morada Fire District ("WMFD" or "Client"), wishes to remodel the existing Fire Station 2 located at 4946 E 8 Mile Rd in Stockton California. The proposed scope of work is detailed below and per attached Exhibit A. VCSI will mobilize **according to WMFD's schedule** after receiving written approval of this proposal after all materials and equipment have been procured. VCSI will work with WMFD to develop a mutually-agreeable schedule for performance of the work. VCSI is submitting this proposal as a turnkey prime contractor to provide design, permitting and all trade work.

2. SCOPE OF WORK TO BE PROVIDED BY VCSI

VCSI's services are summarized below.

- Project management and general requirements
- Design
- Permitting
- Job layout
- Supervision
- Temporary toilets and handwash
- All trade work associated with the cost items broken out below
- Final clean
- Project closeout

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3. TIMELINE

VCSI will work with WMFD to develop a mutually-agreeable schedule for performance of the work.

4. BASE COST PROPOSAL

VCSI's proposed lump sum cost for the proposed scope of work is as follows:

#	Scope	Construction	Design 9%	Permits 4%	Total	Original Bid	Delta
1r	Paint exterior of house, including gutters, downspouts, doors,	\$29,836	\$0	\$0	\$29,836	\$30,270	(434)
2	Deleted	\$0	\$0	\$0	\$0	\$98,091	(98,091)
3	Deleted	\$0	\$0	\$0	\$0	\$37,890	(37,890)
4r	New door in existing opening (non-ADA)	\$5,851	\$0	\$0	\$5,851	\$9,931	(4,080)
5	Deleted	\$0	\$0	\$0	\$0	\$20,852	(20,852)
6r	New door in existing opening (non-ADA)	\$5,851	\$0	\$0	\$5,851	\$9,931	(4,080)
7r	Install 40-foot ribbed metal awning between the two buildings	\$39,485	\$3,554	\$1,579	\$44,618	\$45,838	(1,220)
8	Deleted	\$0	\$0	\$0	\$0	\$9,581	(9,581)
9	Restroom/Shower remodel	\$128,073	\$11,527	\$5,123	\$144,723	\$168,394	(23,671)
<b>Totals:</b>		<b>\$209,097</b>	<b>\$15,080</b>	<b>\$6,702</b>	<b>\$230,879</b>	<b>\$430,778</b>	<b>(199,899)</b>
7r-alt	Install 20-foot ribbed metal awning between the two buildings	\$32,919	\$2,963	\$1,317	\$37,198		

Payment Terms: Client will be billed monthly. Invoiced amounts are payable and due within thirty (30) days from receipt of invoice. Invoices for which payment is not received within 45 days will accrue a 1.5% per month late charge (18% Annual Percentage Rate). VCSI's Hourly Rate Schedule is attached

ASSUMPTIONS & CLARIFICATIONS

1. The pricing above is being presented as a "menu" for WMFD to select the scope item it wishes to proceed with while staying within the CUPCCAA bid limit.
2. Permits fees at 4% of the cost of the work are an allowance, WMFD will pay the actual fees as determined by the permitting agency.
3. All new paints will be Fire District approved colors.
4. Design and construction contingencies are excluded.
5. Perimeter temporary fencing is excluded.
6. Design services are included.
7. Hazmat abatement is excluded.
8. WMFD will have to provide a hazmat lab test report confirming no hazmat is present.
9. New furniture is excluded.
10. Any work not specifically listed in Section 2 above is excluded.
11. VCSI certifies that this project will be done as prevailing wage in accordance with the Department of Industrial Relations.
12. All utilities and services will be connected to existing infrastructure, service upgrades are excluded.
13. VCSI will not be responsible for the performance of Client vendors or contractors.
14. VCSI will not be responsible for existing site conditions, deficiencies, violations, hazardous materials outside the scope of this project, contamination that may exist on the site.
15. VCSI personnel will not work with hazardous or contaminated materials.

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- 16. Client will be responsible for any permit, agency or utility company fees.
- 17. Any other services not specifically included above will incur additional cost at T&M Rates.
- 18. VCSI provides the following standard insurance coverages; if additional coverages are requested by Client, they will be provided upon acceptance by Client of additional premium:
  - a. General Liability: \$1 million per occurrence/\$2 million aggregate
  - b. Auto: \$1 million per occurrence/\$2 million aggregate
  - c. Workers Comp: per statute

ACCEPTANCE OF THIS PROPOSAL

WATERLOO MORADA FIRE DISTRICT

VALLEY CONSTRUCTION SERVICES, INC.

\_\_\_\_\_  
(Signature of Client or Authorized Representative)

  
\_\_\_\_\_  
(Signature of Authorized Representative)

\_\_\_\_\_  
(Printed Name and Title)

**Wes Eckhart General Manager**  
\_\_\_\_\_  
(Printed Name and Title)

\_\_\_\_\_  
(Date)

**03-29-2024**  
\_\_\_\_\_  
(Date)



**HOURLY RATE SCHEDULE**  
 Effective July 1, 2023

The following rate schedule shall be used as a basis for establishing "Time-and-Materials" compensation:

Classification	Hourly Rate	Over-Time	Double-Time
Project Executive	\$160	-	-
Senior Project Manager	\$140	-	-
Project Manager	\$130	-	-
Senior Project Engineer	\$105	-	-
Project Engineer	\$90	-	-
Project Coordinator	\$75	-	-
Administrative Support	\$70	-	-
General Superintendent	\$160	-	-
Project Superintendent	\$135	\$175	\$215
Assistant Superintendent	\$125	\$160	\$195
Project Foreman	\$120	\$155	\$190
Journeyman Carpenter*	\$115	\$152	\$188
Journeyman Laborer*	\$90	\$113	\$136
Apprentice Carpenter*	\$99	\$127	\$155
Apprentice Laborer*	\$75	\$99	\$118

Time-and-Materials compensation shall include Subcontractor and Reimbursable costs billed at actual cost plus 10%; insurance at 1.5%; bonds at 1.5%; OH&P at 15%. Reimbursable costs include reproduction, office consumables, mileage, shipping, telephone, software services, meeting costs, travel time, lodging, other miscellaneous services and expenses required to accomplish the work. Mileage will be reimbursed at the IRS standard mileage rate. These expenses shall not be considered a part of the Base Cost Proposal. All invoices are due and payable within 30 days of invoice date. All invoices for which payment is not received within 45 days will accrue a 1.5% per month late charge (18% Annual Percentage Rate). This Hourly Rate Schedule is subject to adjustment every July 1st.



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11.1.1  
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## Mission Statement

*To be the leader in customer service, satisfaction and loyalty in the California public education market as well as a place where employees feel valued, supported and proud to be part of our team.*

- Valley Construction Services, Inc. (VCSI) is a General Contractor providing services to the K-12 public education market throughout Northern California
- Self-perform Carpentry and Concrete
- Pursuing single projects up to \$2 million
- Department of Industrial Relations (DIR) number: PW-LR-1001105306
- Bonding Capacity: \$5 million
- Partnering with DCA, VCSI can provide Design-Build
- All DCA resources available to VCSI
- Offices in Stockton, San Jose
- Leadership
  - Juan Barroso                      President & Chief Estimator
  - Wes Eckhart                      General Manager
  - Stuart Young                      General Superintendent
  - Chris Brown                      Controller

"Excellent Customer Service is Our Mission"

## VALLEY CONSTRUCTION SERVICES, INC.

Juan G. Barroso  
President & Chief Estimator  
(408) 314-6601

### Responsibilities at Valley Construction Services, Inc.

- Financial and Operational Oversight
- Cost Estimating
- Contracting Oversight
- Project Management on Key Accounts
- Ensure excellent customer satisfaction

### Professional Work History

- |   |                 |
|---|-----------------|
| Managing Partner and 100% Owner at Derivi Castellanos Architects  | 2014 to Present |
| <ul style="list-style-type: none"><li>• Financial and Operational Oversight</li><li>• Business Development</li><li>• Cost Estimating</li><li>• Contracting Oversight</li><li>• Project Management on Key Accounts</li></ul>   |                 |
| Vice President of Preconstruction and Shareholder at Blach Construction Co.   | 2009 to 2014    |
| <ul style="list-style-type: none"><li>• Business Development</li><li>• Cost Estimating</li><li>• Contracting Oversight</li><li>• Project Management on Key Accounts</li><li>• Increased annual sales from \$90M to \$300M</li></ul>   |                 |
| Chief Estimator, Project Manager/Engineer at Blach Construction Co.   | 1998 to 2009    |
| <ul style="list-style-type: none"><li>• Chief Estimator on a variety of K-12 Public Education, Higher Education and Commercial projects between \$5-\$80M</li><li>• Project Manager on Public Education projects between \$2-\$40M</li><li>• Project Engineer on projects between \$2-\$10M</li></ul> |                 |
| Process Engineer at City & County of San Francisco  | 1996 to 1998    |
| <ul style="list-style-type: none"><li>• Engineering and design tasks for CCSF wastewater projects</li><li>• Worked on various large new construction projects, as well as small projects throughout San Francisco and Treasure Island</li></ul>   |                 |



Juan G. Barroso  
President & Chief Estimator  
Valley Construction Services, Inc.

### Notable Projects

- Albany Unified School District, Albany, CA 2015 to 2023  
Program Manager on \$115M multi-year design/build program. Included two new ground-up elementary schools, a new middle school annex campus and a new 2-story high school classroom building. Program delivered with excellent customer satisfaction and no claims.
- Alisal Union School District, Salinas, CA 2014 to 2023  
Management and oversight of architectural services for various projects, including new kindergarten classrooms, a new library, a new District office and the phased re-construction of an elementary school with a total value of \$50M. Projects delivered with excellent customer satisfaction and no claims.
- Oak Grove School District, San Jose, CA 2014 to 2023  
Management and oversight of architectural services for various projects, including modernization at ten campuses with a total value of \$200M. Projects delivered with excellent customer satisfaction and no claims.
- Roseville City School District, Roseville, CA 2017 to 2019  
Management and oversight of design/build delivery of a \$30M, new ground-up elementary school. Project delivered with excellent customer satisfaction and no claims.
- San Jose State University, San Jose, CA 2012 to 2014  
Management and oversight of design/build delivery of a \$34M, 3-story Student Health Center on an occupied campus. Project delivered with excellent customer satisfaction and no claims.
- San Jose City College, San Jose, CA 2006 to 2008  
Management and oversight of design/build delivery of a \$25M, 3-story multi-disciplinary, academic building on an occupied campus. Project delivered with excellent customer satisfaction and no claims.
- Alum Rock Union School District, San Jose, CA 2004 to 2007  
Program Manager on \$179M multi-year construction program. Included comprehensive modernizations at twelve school campuses, and one ground-up new elementary school. Program delivered with excellent customer satisfaction, and no claims.

### Education

B. Sc. in Civil Engineering, UC Berkeley

1999

## VALLEY CONSTRUCTION SERVICES, INC.

Wes Eckhart  
General Manager  
(209) 304-9830

### Responsibilities at Valley Construction Services, Inc.

- Day-to-day management of all company operations
- Manage staff and resource assignments
- Maintain subcontractor and consultant relationships
- Contracting oversight
- Project Management on Key Accounts
- Ensure excellent Customer satisfaction

### Professional Work History

- |   |              |
|---|--------------|
| Senior Project Manager at Derivi Castellanos Architects   | 2021 to 2023 |
| <ul style="list-style-type: none"><li>• Project Management/Owner Representation on assigned projects</li><li>• Direct contractors and consultants</li><li>• Coordinate with agencies and inspectors having jurisdiction</li><li>• Oversight of quality control</li><li>• Responsible for meeting project budget and schedule</li></ul>                  |              |
| Project Designer at Derivi Castellanos Architects   | 2015 to 2021 |
| <ul style="list-style-type: none"><li>• Architectural design on assigned projects</li><li>• Surveys of existing facilities as required for design process</li><li>• Oversight of construction phase on assigned projects</li><li>• Coordinate with design consultants</li><li>• Coordinate with agencies and inspectors having jurisdiction</li></ul>   |              |
| Project Designer/Coordinator at General Mills   | 2002 to 2014 |
| <ul style="list-style-type: none"><li>• Manufacturing equipment layout on assigned projects</li><li>• Surveys of existing facilities as required for design process</li><li>• Direct contractors and consultants</li><li>• Oversight of installation phase on assigned projects</li><li>• Responsible for meeting project budget and schedule</li></ul> |              |

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Wes Eckhart  
General Manager  
Valley Construction Services, Inc.

### Notable Projects

- Re-construction of Marin Elementary School, Albany CA 2021 to 2023  
Project Manager/Owner Representative on Design/Build re-construction of existing elementary school campus. Scope included construction of two new classroom wings with 24 new classroom, modernization and seismic upgrade of existing admin offices, library, support spaces and all new outdoor play areas. Project completed under budget with excellent customer satisfaction and no claims. Total Project Budget: \$37M
- Le Gette Elementary New Construction & Modernization, Fair Oaks CA 2022 to 2023  
Project Manager/Construction Administrator for new ground-up construction of a Multi-use Building including full kitchen, stage, and basketball court; modernization of three existing classroom wings and administration offices. Project is on schedule and projected to be completed early and under budget. Construction Budget: \$37M
- Re-construction of Ocean View Elementary School, Albany CA 2020 to 2022  
Project Manager/Owner Representative on Design/Build re-construction of existing elementary school campus. Scope included construction of three new classroom wings with 27 new classrooms, modernization and seismic upgrade of existing multi-purpose room, support spaces and all new outdoor play areas. Project completed under budget with excellent customer satisfaction and no claims. Total Project Budget: \$39M
- Modernization of Sierra Middle School Kitchen, Sockton CA 2022 to 2023  
Coordinated the design and permitting process then Project Manager for full kitchen re-build project. Construction included full gut of existing Multi-purpose Room, conversion of storage and office space into a walk-in refrigerator and freezer and replacement of all existing HVAC equipment. Project completed under budget with excellent customer satisfaction and no claims. Total Project Budget: \$3.5M
- Modernization of Nevada Union High School, Grass Valley CA 2022 to 2023  
Project Manager for culinary and music wing. Construction included full gut within existing buildings. Culinary included all new equipment and finishes, audio-visual and addition to existing building. Music included removal of tiered concrete seating, all new HVAC system, audio visual systems, sound and audio recording system, band equipment storage, and extensive site work for ADA compliance. Project completed under budget and excellent customer satisfaction and no claims.  
Construction Budget: \$8M

## VALLEY CONSTRUCTION SERVICES, INC.

Stuart Young  
 General Superintendent  
 (408) 592-1909

### Responsibilities at Valley Construction Services, Inc.

- Manage workforce assignments
- Maintain subcontractor relationships
- Ensure quality control on all projects
- Ensure safety on all projects
- Ensure excellent customer satisfaction
- Collaborate with management team to achieve company goals

### Professional Work History

Project Superintendent at Blach Construction Co.	1998 to 2017
<ul style="list-style-type: none"> <li>• Manage overall construction schedule</li> <li>• Manage workforce of Carpenters and Laborers</li> <li>• Direct subcontractors</li> <li>• Coordinate with agencies and inspectors having jurisdiction</li> <li>• Coordinate with architects and engineers</li> <li>• Ensure quality control plan is followed</li> <li>• Ensure safety plan is followed</li> <li>• Collaborate with management team to achieve project goals</li> </ul>	
Journeyman Carpenter, Carpenter Foreman at Blach Construction Co.	1982 to 1998

### Notable Projects

- New Kinesiology and Wellness Center, Canada College, Redwood City, CA  
 Project Superintendent on construction of new ground-up, 3-story, 115,000 square foot Kinesiology and Wellness Center to house Physical Education and Athletics Departments for Canada College. Features include: NCAA-competition basketball and volleyball courts, multiple fitness studios and weight rooms, team locker rooms, Olympic-size warm-water wellness pools, expanded parking lot, activated roof with running track, pickleball courts, outdoor yoga studio. Project completed with excellent customer satisfaction and no claims. Construction Value: \$80M  
 2015 to 2017
- College Terrace Center, Palo Alto, CA  
 Project Superintendent on construction of privately-funded, new mixed-use development on El Camino Real in Palo Alto. Features include: steel frame construction, retail and office space, residential units with two levels of underground parking. Project completed with excellent customer satisfaction and no claims. Construction Value: \$35M  
 2012 to 2014

- New Workday Student Center at Monte Vista High School, Danville, CA 2010 to 2012  
 Project Superintendent on construction of privately-funded, new ground-up, 2-story, 18,000 square foot Student Center, on an occupied campus, including a café and lobby, study alcoves, project rooms, library and outdoor courtyards. Project completed with excellent customer satisfaction and no claims. Construction Value: \$20M
- The Gordon & Betty Moore Foundation, Palo Alto, CA 2007 to 2009  
 Project Superintendent on tenant improvement in an existing 2-story, 50,000 square foot office building. Scope of work included: structural modifications to accommodate new grand stair, new private offices, conference rooms, kitchen, break room, fitness center and lobby. High-end finishes, audio-visual systems and elaborate ceilings throughout. Project completed with excellent customer satisfaction and no claims. Construction Value: \$15M
- Venture Capital Firm, Sand Hill Road, Palo Alto, CA 2004 to 2006  
 Project Superintendent on tenant improvement in an existing 2-story, 30,000 square foot office building. Scope of work included: structural modifications for second floor archives room, new Partner offices, conference rooms, kitchen, break room, fitness center and lobby. High-end finishes and audio-visual systems throughout. Project completed with excellent customer satisfaction and no claims. Construction Value: \$18M
- New Academic Building for Notre Dame High School, San Jose, CA 2002 to 2003  
 Project Superintendent on construction of new ground-up, 3-story, 50,000 square foot academic building, including classrooms, labs, offices and support spaces in Downtown San Jose. Project completed with excellent customer satisfaction and no claims. Construction Value: \$14M
- Stevens Creek Center, San Jose, CA 1999 to 2001  
 Project Superintendent on construction of new ground-up, 3-story, 60,000 square foot office building with a 3-story parking structure for 300 vehicles. Project completed with excellent customer satisfaction and no claims. Construction Value: \$12M



1) Paint brick black, paint stucco gray to match adjacent masonry building, Paint Ceilings and Trim Black, Paint all doors red.



2) Provide and install a new metal door with window, frame, and hardware. Matching the current paint color on the north side of the building. The door shall be painted in the district-approved "Red" and "Black". Door size to match as is.



3) Provide and install a metal door with a window, frame, and hardware that matches the new front door. The door will be matching the existing door between the metal building and the house. The door shall be painted in the district-approved "Red" and "Black". The door size will remain as is.

4) Provide and install aluminum casing around the 2" window. The casing should span the entire length of the house. It will need to be angled appropriately to connect for efficient drainage into the frame gutter or other approved slope. The casing shall be painted black and gray, matching the existing colors. Provide price for 40'-0" length and provide price for 20'-0" length for comparison.

5) Remodel bathroom. Tiles to be replaced with wet-dry in the shower. When the demo has started, there shall be plans to make construction of the new membranes the primary focus of the project. The door that the toilet is without restrooms and showers shall be finished to a mutually agreed-upon condition. Provide Design pair to subcontracting work.

- a) Demolish both bathroom doors to bare studs.
- b) Frame in, electrical, tape, texture, and paint the bathroom access door that is in the bathroom.
- c) Demolish the existing cabinet, remove in wall, electrical, and plumbing.
- d) Demolish the vanity and distribute DP within the room and distribute DP within the room.
- e) Provide the bathroom floor membrane and waterproofing.
- f) Frame in 6" dimensional floor joists with 2x4s (11'6" shower). Provide and install a toilet.
- g) Provide and install cabinet (11'6" shower).
- h) Provide and install shower (11'6" shower).
- i) Provide and install 2" P-trap (11'6" shower).
- j) Provide and install the flooring in both showered rooms and some areas of the bathroom, including the wall base throughout.
- k) Provide and install LED lighting in both showered rooms and some areas of the bathroom.
- l) Paint all walls and ceiling.
- m) Re-install HVAC vents to provide airblast heat and set up to all three areas of the bathroom, including showering (11'6" shower) and the toilet system in the office. (The District will provide the venting, if a new existing vent is made any of bathroom).

Additional #1

- 1) The pricing of the bath existing work is included in the original work to be done on the toilet in Miller's Summary. Pricing of the full existing shall be included in all Miller's proposals.
- 2) Permit fees and design cost shall be included and line itemed in all Miller's proposals.



Old tile wall back to shower, remove door to water closet



Change tube to wall in the shower. All other tile to be replaced at same location



# "EXHIBIT A"

See Page 2 for exterior house scope to be repaired in lieu of skinning the house with metal.

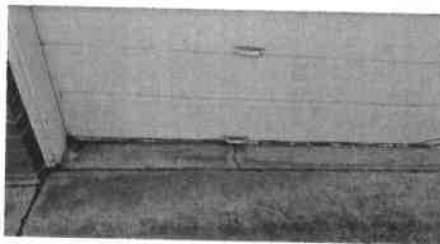
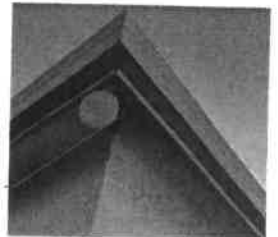
**Stucco Repairs**



**Brick Repairs**



**Misc Repairs/Replacement**



Replace  
Garage Door  
Rubber  
Weather Strip





FILE NUMBER: \_\_\_\_\_

**OPERATIONS**

Employees/Customers/Deliveries per Work Shift (Attach additional sheets as necessary)									
Shift #	Shift Hours	Days of Operation	Average Number of Employees Per Shift		Average Number of Customers per Shift		Average Deliveries/Shipments per Shift		Seasonal Or Year-round?
			Existing	Proposed	Existing	Proposed	Existing	Proposed	
#1	7AM-4PM	5		7	0	0	0	0	Year Round
#2									
#3									
#4									

Surface Transportation Assistance Act (STAA)	
Will STAA type trucks, over California Legal length, be used as part of the proposed operation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Existing route: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<i>Note: Contact the Department of Public Works for information regarding STAA routes at 209-468-3000</i>	

Buildings and Structures (This information must be shown on the Site Plan)						
Structure Number (as shown on site plan)	Proposed Use(s)	Number of Floors	Square Footage per Floor	Total Square Footage	Building Height	Occupancy
	Ex. Fire Fighter Residence	1	1,740 s.f.	1,740 s.f.		
	Ex. Fire Fighter Building	1	2,400 s.f.	2,400 s.f.		
	Training Room Trailer	1	1,440 s.f.	1,440 s.f.		
	Training Area	1	960 s.f.	1,440, s.f.		
	<b>Carpport</b>	<b>1</b>	<b>640 s.f.</b>	<b>640 s.f.</b>		

On-Site Parking							
Full-size Parking Spaces (Number)		Compact Parking Spaces (Number)		ADA Parking (Number)		Total Parking Spaces (Number)	
Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
12	2	0	0	1	1	12	14

Landscaping				
Landscaping Area (Square Feet)	Percent of Project Area Landscaped	Street Trees		Method of Irrigation
		Type	Number	
9,037	3%	N/A	0	Drip





FILE NUMBER: \_\_\_\_\_

**SERVICES**

Water			
Public <input type="checkbox"/>	Service Provider:	Will Serve Letter Provided <input type="checkbox"/>	Distance to Public Water:
Private <input checked="" type="checkbox"/>	Existing Well <input checked="" type="checkbox"/>	New Well <input type="checkbox"/>	Well Replacement <input type="checkbox"/>

Wastewater Disposal			
Public <input type="checkbox"/>	Service Provider:	Will Serve Letter Provided <input type="checkbox"/>	Distance to Public Sewer:
Private <input checked="" type="checkbox"/>	Existing Septic System <input checked="" type="checkbox"/>	New Septic System <input type="checkbox"/>	Septic System Replacement <input type="checkbox"/>
If the project will result in process wastewater provide the following information:	Description of process wastewater:	Volume of process wastewater:	Method of disposal:

Storm Drainage			
Public <input type="checkbox"/>	Service Provider:	Will Serve Letter Provided <input type="checkbox"/>	Distance to Public Storm Drain:
Private <input checked="" type="checkbox"/>	Existing On-site Retention Pond <input type="checkbox"/>	New On-site Retention Pond <input type="checkbox"/>	Natural Drainage <input checked="" type="checkbox"/>

**OTHER PUBLIC SERVICES**

School Service		Fire Protection Service	
Service Provider	Distance to School	Service Provider	Distance to Fire Station
Lodi Unified	3 Miles	Eight-Mile Road Station	On-Site

Existing Roads		
Road Name	Right-of-Way Width	Pavement Width
Eight Mile Road	80'	31'



**AUTHORIZATION SIGNATURES**

**ONLY THE OWNER OF THE PROPERTY OR AN AUTHORIZED AGENT MAY FILE AN APPLICATION**

I, the Owner/Applicant/Agent agrees to indemnify, defend (with counsel reasonably approved by County), and hold harmless the County and its officers, officials, employees, agents, boards and commissions (collectively "County") as follows:

**1. INDEMNITY:**

A. From and against any and all claims, demands, actions, proceedings, lawsuits, losses, damages, judgments and/or liabilities arising out of, related to, or in connection with the application and applied for project or to attack, set aside, void, or annul, in whole or in part, an approval of the applied for project by the County, the adoption of environmental review documents related to the applied for project, and any related development approvals or project conditions for the applied for project (hereinafter "Claim");

B. For any and all costs and expenses incurred by the County on account of any Claim, except where such indemnification is prohibited by law, including but not limited to damages, costs, expenses, attorney's fees, or expert witness costs that may be asserted by any person or entity, private attorney general fees claimed by or awarded to any party against the County, and the County's costs incurred in preparing an administrative record which are not paid by the petitioner.

C. Except as to the County's sole negligence or willful misconduct.

**2. DEFENSE:**

A. The County may participate or direct the defense of any Claim. The County's actions in defense of any claim shall not relieve me of any obligation to indemnify, defend, and hold harmless the County.

B. In the event of a disagreement between County and me regarding defense of any Claim, the County shall have the authority to control the litigation and make litigation decisions, including, but not limited to, the manner in which the defense is conducted.

C. If the County reasonably determines that having common counsel presents such counsel with a conflict of interest, or if I fail to promptly assume the defense of any Claim or to promptly employ counsel reasonably satisfactory to the County, then County may utilize the Office of the County Counsel or employ separate outside counsel to represent or defend the County, and I shall pay the reasonable attorneys' fees and costs of such counsel.

I, further, certify under penalty of perjury that I am (check one):

Legal property owner (owner includes partner, trustee, trustor, or corporate officer) of the property(s) involved in this application, or

Legal agent (attach proof of the owner's consent to the application of the properties involved in this application) and have been authorized to file on their behalf, and that the foregoing application statements are true and correct.

Print Name: _____	Signature: _____	Date: _____
Print Name: _____	Signature: _____	Date: _____
Print Name: _____	Signature: _____	Date: _____
Print Name: _____	Signature: _____	Date: _____
Print Name: _____	Signature: _____	Date: _____



11.2

# Waterloo-Morada Fire District



Included in MKE ARPA Request	Approved ARPA Requests	BOS Approved 2-27-24	Received to Date	Remaining
Pyramid Repeaters x2, \$6,500 each	\$13,000.00		\$ 13,000.00	
Portable Radio Grant Cost Share	\$11,474.34			
<b>Waterloo Morada ARPA Requests</b>				
Command Vehicle	\$93,806.00	\$126,297.00	\$ 76,915.99	\$49,381.01
Remodel Dorm Room-Orig \$75,000	\$75,000.00	\$79,302.00	\$ 79,302.00	
Lucas Device	\$20,500.00	\$20,500.00	\$ 20,500.00	0
Apparatus Bay / Office - Cost Share	\$652,750.00	\$769,307.00		
Apparatus Bay / Office -Pay App #1 & #2			\$ 162,853.75	
Apparatus Bay / Office -Pay App #3			\$ 121,293.82	
Apparatus Bay / Office -Pay App #4			\$ 170,591.02	
Apparatus Bay / Office -Pay App #5			\$91,628.85	
Apparatus Bay / Office -Pay App #6			\$61,046.14	
<b>Total Received for Sta #2 to date</b>			\$ 607,413.58	\$161,893.42
<b>Total</b>	\$842,056	\$995,406	\$784,132	\$ 211,274.43



## ROOFOP SPACE LEASE AGREEMENT

This Rooftop Space Lease Agreement ("Agreement") is entered into this 12th day of March, 2024, between Ayera Technologies, Inc. (Lessee) and Waterloo-Morada Fire District (Lessor), owners of the property designated in Leased Space. This Agreement will supersede any previous agreement in effect as of the Commencement Date.

### 1. Term

The term of this Agreement shall be for five (5) years commencing on June 1, 2024 ("Commencement Date") and terminating on May 31, 2029 (the "Term") unless otherwise terminated as provided in Paragraph 7. Lessee shall have the right to extend the Term for up to four (4) successive five (5) year periods (the "Renewal Terms") on the same terms and conditions as set forth herein. This Agreement shall automatically be extended for each successive Renewal Term unless Lessee or Lessor notifies the other party their intent to not renew at least 120 days prior to commencement of the succeeding Renewal Term.

### 2. Rent and Services provided to Lessor

- a) Lessee shall pay to Lessor as rent Three-Hundred and 00/100 Dollars (\$300.00) per month ("Rent"). Rent shall be payable to Lessor at 6925 E Foppiano Lane, Stockton, CA, 95212. Rent shall increase upon commencement of each renewal term by 10%.
- b) Lessee will, during the term of this Agreement and any option period, include a 1-Gbps symmetrical network connection for Lessor's internal use to each of Lessor's following locations ("Fire Stations"):
  - a. 6925 East Foppiano Lane, Stockton, CA ("Station 1")
  - b. 4946 East 8 Mile Rd, Stockton, CA ("Station 2")

These connections may be used for both Layer 2 connectivity between Fire Stations ("L2 Service") as well as internet service ("Internet Service"). A routable public IP subnet up to a /28 (13 assignable IPs) shall be included upon request.

- c) Lessee, upon Lessor's request, shall provide, install, and maintain at no charge to Lessor, up to fourteen (14) fixed 1k, 2k, or 4k cameras, two (2) 4k Point-to-Zoom cameras, and one (1) Network Video Recorder ("NVR") among any or all Fire Stations.
- d) Lessee shall provide, install, and maintain at no charge to Lessor, up to two (2) emulated T1 service connections ("T1 Service") for Lessor's legacy TDM-type equipment located at Station 1. Endpoint of each T1 Service circuit may vary, but must be at a location serviced by Lessee.

### 3. Leased Space

This is a multi-site lease, with the following locations included as designated Leased Space ("Leased Space Locations"), each including indoor rack or wall space ("Shelter Space") for Lessee's power and switching equipment, and up to

5 Amps of 120V power at each location paid for by Lessor via a nearby electrical outlet or panel. Any power used over the included amount will be paid monthly by Lessee at actual cost of power. Leased Space also includes sufficient space for fiber, Ethernet, and/or Low Voltage power cabling from antennas to Shelter Space at each Leased Space Location.

- a) 6925 East Foppiano Lane, Stockton, CA, 95212 ("Station 1"). Sufficient rooftop space for Lessee to install a non-penetrating base of type Rohn 25GBRM or similar ("Tower Base 1"), and erect a guyed mast on top of Tower Base of type Rohn 45G or similar not to exceed 60 feet tall ("Tower Mast 1"), for mounting and operation of Lessee's various antennas and supporting equipment. Approximate latitude / longitude of Tower Base 1 and Tower Mast 1 is 38.028986, -121.225555.
- b) 4946 East 8 Mile Rd, Stockton, CA, 95366 ("Station 2"). Sufficient rooftop space for Lessee to install a base of type Rohn 45GSSB or similar ("Tower Base 2"), and erect a guyed mast on top of Tower Base of type Rohn 45G or similar not to exceed 60 feet tall ("Tower Mast 2"), for mounting and operation of Lessee's various antennas and supporting equipment. Approximate latitude / longitude of Tower Base 2 and Tower Mast 2 is 38.057116, -121.254641.

**4. Installation, Maintenance and Operation of Equipment**

- a) Lessee shall be responsible for the cost of all installation expenses. Lessor understands that Tower Masts may require guy wires and guy wire anchor points which may penetrate each Leased Space Location's roof and that Lessee shall properly seal all such penetrations. Lessee understands that cable runs may require roof, wall or parapet penetrations and that Lessee shall properly seal such penetrations.
- b) Lessee's employees or designated contractors that climb the various towers or masts at the Leased Space Locations must have Competent or Authorized Climber certification issued from a reputable Tower Safety & Rescue Training Program such as Comtrain. All appropriate safety measures must be taken when climbing Tower Masts.
- c) Lessee will, during the term of this Agreement and any option period, have the right to ingress and egress with sufficient notice to Lessor. Such right shall be limited to authorized engineers of Lessee or persons under Lessee's direct supervision. Such approval shall not be unreasonably withheld.

**5. Taxes**

If personal property taxes are assessed, Lessee shall pay any portion of such taxes directly attributable to the Lessee Facilities. Except as provided immediately below, Lessor shall pay all real property taxes attributable to the land. Lessee shall reimburse Lessor for any increases in real property taxes which are assessed as a direct result of Lessee's improvements to the Land. As a condition of Lessee's obligation to pay such tax increases, Lessor shall provide



to Lessee the documentation from the taxing authority, reasonably acceptable to lessee, indicating the increase is due to Lessee's improvements.

**6. Termination**

This Agreement shall be in effect for the dates and time periods stated herein. Upon expiration or earlier termination of the Lease, Lessee will remove all equipment installed on the Leased Premises within 60 days without damage to Lessor's property. Any equipment or property remaining following the 60 day removal period shall be deemed abandon by the Lessee and Lessor shall have the right to dispose of such property as it deems appropriate. Lessee shall repair any damage caused by its installation, maintenance or removal of its equipment and other personal property to the original building condition. During the term of the Agreement, Lessor will not grant a license to any other party which would interfere with Lessee's use of the premises as contemplated herein.

This Agreement may be terminated without further liability as follows:

- a) By either party upon a default of any covenant or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of default, provided that the grace period for any monetary default is ten (10) days from receipt of notice.
- b) By Lessor if Lessee damages Lessor's property in any such way and does not repair within sixty (60) days of receipt of written notice.

**7. Indemnification**

Lessee does hereby indemnify and hold Lessor harmless from any claim which may arise against Lessor by reason of any occurrence attributable to the installation, operation or maintenance of Lessee's equipment. Except if caused by the gross negligence or misconduct of Lessor or its employees, agents or representatives, Lessor shall not have any obligations or liability with respect to the Lessee's equipment or any obligation to comply with any current or future enacted laws or regulations relating thereto. Lessee's installation, maintenance and use of its equipment shall be at its own risk and expense.

**8. Insurance**

Lessee, at Lessee's sole cost and expense, shall procure and maintain on the Premises and on the Lessee Facilities, bodily injury and property damage insurance with a combined single limit of at least One Million and 00/100 Dollars (\$1,000,000.00) per occurrence. Such insurance shall insure, on an occurrence basis, against all liability of Lessee, its employees and agents arising out of or in connection with Lessee's use of Premises, all as provided for herein. Lessor shall be named as an additional insured on Lessee's policy. Lessee shall provide to Lessor a certificate of insurance evidencing the coverage required by this paragraph within ten (10) days of written request by Lessor.

**9. Assignment and Subletting**

Lessee may not assign or otherwise transfer all or any part of its interest in this Agreement or in the Premises without the prior written consent of Lessor; provided, however, that Lessee may assign its interest to its parent company,

any subsidiary or affiliate or to any successor-in-interest or entity acquiring fifty-one percent (51%) or more of its stock or assets. Lessor may assign and/or transfer its title in interest in this Agreement upon written notice to Lessee, subject to the assignee and/or the transferee assuming all of Lessor's obligations herein.

**10. Miscellaneous**

- a) This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.
- b) If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- c) This Agreement shall be binding on and inure to the benefit of the successors, transferees of title, and permitted assignees of the respective parties.
- d) This Agreement shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above noted. Any notice or demand required to be given herein shall be made to the address of the respective parties set forth below:

**Lessee:**  
Avera Technologies, Inc.  
P.O. Box 576846  
Modesto, CA 95357

**Lessor:**  
Waterloo-Morada Fire District  
6925 East Foppiano Lane  
Stockton, CA 95212

Signature: Mathew Ford

Signature: Eric Walder

Name: **Mathew Ford**

Name: **Eric Walder**

Title: **CEO**

Title: **Fire Chief**

Date: 3/12/2024

Date: 3/12/2024

**WATERLOO MORADA RURAL COUNTY  
FIRE PROTECTION DISTRICT**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

**JUNE 30, 2023**

Working Draft



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**CROCE, SANGUINETTI, & VANDER VEEN**

INC.

**CERTIFIED PUBLIC ACCOUNTANTS**

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## **Independent Auditor's Report**

To the Board of Directors  
**Waterloo Morada Rural County Fire  
Protection District**  
Stockton, California

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Waterloo Morada Rural County Fire Protection District** (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Waterloo Morada Rural County Fire Protection District**, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Waterloo Morada Rural County Fire Protection District**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Waterloo Morada Rural County Fire Protection District's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Waterloo Morada Rural County Fire Protection District's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Waterloo Morada Rural County Fire Protection District's** ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and statement of revenues, expenditures and changes in fund balances - budget and actual - governmental funds on pages 4 through 9 and 39 through 43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary



information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CROCE, SANGUINETTI, & VANDER VEEN, INC.  
Certified Public Accountants  
Stockton, California  
March 23, 2024

Working Draft

# WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT

## Management's Discussion and Analysis (Unaudited)

June 30, 2023

As management of the Waterloo Morada Rural County Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial statements of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and the accompanying notes to the basic financial statements, which begin on page 10.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The basic financial statements include: (1) government-wide, (2) fund financial statements, and (3) notes to the financial statements. This report includes required supplementary information.

These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

### *Government-wide Financial Statements*

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position*. This is the District-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

(Continued)

# WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT

## Management's Discussion and Analysis (Continued) (Unaudited)

June 30, 2023

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported.

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

### ***Notes to the Financial Statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

### **Financial Highlights**

Governmental Fund revenues increased by \$643,160 this fiscal year due primarily to an increase in operating revenue.

Operating expenditures were \$5,453,452, an increase of \$611,803 or 12.6% from the prior year. The majority of the increase is due to the increase in net pension liability.

### ***Financial Condition***

Net position is a measure of an entity's financial position and, over time, a trend of increasing or decreasing net position is an indication of financial health of the organization. The District's total liabilities exceeded assets by \$4,116,441 at June 30, 2023. The District's investment in capital assets at June 30, 2023 represents a major portion of net position. The District's net position increased by \$531,928 during the fiscal year, (see Table 1 on Page 6).

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Management's Discussion and Analysis (Continued)  
(Unaudited)**

June 30, 2023

**Table 1**

	<b>Net Position</b>		Increase	%
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	(Decrease)	
<b>Assets</b>				
Current assets	\$ 1,850,701	\$ 2,063,617	\$ (212,916)	(10.3)%
Capital assets	<u>3,623,507</u>	<u>2,568,274</u>	<u>1,055,233</u>	41.1
Total assets	<u>5,474,208</u>	<u>4,631,891</u>	<u>842,317</u>	18.2
<b>Deferred outflows</b>	<u>4,682,677</u>	<u>3,645,737</u>	<u>1,036,940</u>	28.4
<b>Liabilities</b>				
Current liabilities	615,154	425,512	189,642	44.6
Long-term liabilities	<u>11,724,097</u>	<u>9,219,916</u>	<u>2,504,181</u>	27.2
Total liabilities	<u>12,339,251</u>	<u>9,645,428</u>	<u>2,693,823</u>	27.9
<b>Deferred inflows</b>	<u>1,934,075</u>	<u>3,280,569</u>	<u>(1,346,494)</u>	(41.0)
<b>Net position</b>				
Net investment in capital assets	2,652,106	1,309,731	1,342,375	102.5
Unrestricted	<u>(6,768,547)</u>	<u>(5,958,100)</u>	<u>(810,447)</u>	13.6
Total net position	<u>\$ (4,116,441)</u>	<u>\$ (4,648,369)</u>	<u>\$ 531,928</u>	(11.4)%

**Table 2**

	<b>Statement of Activities</b>		Increase	%
	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	(Decrease)	
<b>Revenues</b>				
Property taxes and assessments	\$ 4,608,985	\$ 4,663,250	\$ (54,265)	(1.2)%
Operating revenues	1,346,350	527,456	818,894	155.3
Gain on sale of capital assets	-	150,765	(150,765)	(100.0)
Other income	<u>65,934</u>	<u>36,638</u>	<u>29,296</u>	80.0
Total revenues	<u>6,021,269</u>	<u>5,378,109</u>	<u>643,160</u>	12.0
<b>Expenditures</b>				
Operating expenses	5,453,452	4,841,649	611,803	12.6
Interest on long-term debt	<u>35,889</u>	<u>33,644</u>	<u>2,245</u>	6.7
Total expenses	<u>5,489,341</u>	<u>4,875,293</u>	<u>614,048</u>	12.6
<b>Change in net position (deficit)</b>	531,928	502,816	29,112	5.8
<b>Beginning net position (deficit)</b>	<u>(4,648,369)</u>	<u>(5,151,185)</u>	<u>502,816</u>	(9.8)
<b>Ending net position (deficit)</b>	<u>\$ (4,116,441)</u>	<u>\$ (4,648,369)</u>	<u>\$ 531,928</u>	(11.4)%

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Management's Discussion and Analysis (Continued)  
(Unaudited)**

June 30, 2023

**Capital Assets**

The District's investment in capital assets, as of June 30, 2023, amounts to \$3,623,507 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The District's investment in capital assets increased by a total of \$1,055,233 for the current fiscal year. Major capital asset events during the current fiscal year included the following:

Depreciation of the capital assets	\$ 303,357
Purchase of new building and improvements	107,992
Purchase of apparatus equipment	102,531
Purchase of apparatus and vehicles	78,214
Purchase of station equipment	9,292
Construction in progress	1,060,561
Disposal of depreciable capital assets	4,211

**Reserve Funds**

The District's reserve fund assets as of June 30, 2023 amounted to \$1,232,274, which is an increase of \$19,955 (1.6%) from the prior year. The District is preparing to meet the upcoming expenses of Measure N Capital Expenditures over the next few budget years.

The District has two types of reserve fund accounts:

San Joaquin County

The District's capital outlay fund is held with the San Joaquin County Auditor's office and is reserved for facilities and apparatus expenditures. The balance as of June 30, 2023 was \$42,279 as compared to \$9,221 at June 30, 2022.

F&M Bank Money Market Account

The District currently holds funds in a money market account with F&M Bank reserved for capital improvement projects. The total of the money market account at June 30, 2023 is \$1,189,995 compared to \$1,203,098 at June 30, 2022.

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Management's Discussion and Analysis (Continued)  
(Unaudited)**

June 30, 2023

**Long-Term Debt**

At the end of the current fiscal year, the District had total long-term obligations outstanding of \$971,401. During the current fiscal year, the District's total debt decreased by \$287,142. The District's long-term obligations include the Station 2 Property and the preexisting leases on Engines 1, 2 and 3.

The District obligations include the District's estimated share of the San Joaquin County Employee Retirement Association (SJCERA) Sick Leave Bank, of \$130,000 at June 30, 2023. This liability represents the estimated future cost to the District for post-employment healthcare costs although the District is not in agreement with the San Joaquin County Employees' Retirement Association's change in policy regarding sick leave bank obligations.

The District recorded a net pension liability of \$10,819,220 at June 30, 2023 in accordance with the implementation of GASB Statement No. 68. This number is an increase of \$2,804,321 from audit ending June 30, 2022's net pension liability total of \$8,014,899.

**Budgetary Highlights**

The General Fund and Reserve-Restricted Expenditures budget for fiscal year 2023 was approximately \$6,208,237. There were not significant variances between budgeted costs and actual costs. Small variances in some budgeted line items can be attributed to the wildland fire season of 2023. Additionally, the year ending fund balance or increase in net balance can partially be attributed to budgeted items that were not completed during the 2023 fiscal budget year.

**Economic Factors for Budget Year 2023/2024**

In the past year, the Fire District has continued to put Measure N funds to work for the community. The Station 2 Apparatus Room Office request for proposal was awarded to a local construction company and the project will be completed in 2023/2024. The new apparatus room structure will serve the community and the District needs into the future. Additionally, the increased staffing levels promised to the community were maintained throughout the year utilizing Measure N funds. Salary costs will increase this next budget year as the District has been awarded a Staffing for Adequate Fire and Emergency Response (SAFER) grant adding three firefighters on duty within the District. Although there will be additional cost, these will be offset by the grant which funds these positions for three years at 100%.

(Continued)



**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Management's Discussion and Analysis (Continued)  
(Unaudited)**

June 30, 2023

The District's unfunded pension liability continues to be of concern fiscally into the foreseeable future. This year the increase in the employer costs of the retirement plan will see an increase from 92 cents for every dollar earned by an employee to 93 cents. This increase not only pays the normal costs of retirement for each employee but also pays a portion of the Unfunded Accrued Liability (UAL) accrued by the District's former employees. Over time, these increased payments will reduce the total pension liability owed by the District. This current audit year, the major cause of the District's increase in net pension liability of \$2,804,321 from \$8,014,899 to \$10,819,220 can be primarily attributed to SJCERA's return on investments during their fiscal year. Although increased significantly, the UAL of the District's pension plan of \$10.8 million dollars continues to be a limiting factor on the District service expansion.

The District continues to utilize its funding sources to increase the level of service provided remembering our community is our priority.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Waterloo Morada Fire District, 6925 E. Foppiano Lane, Stockton, CA 95212.

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Statement of Net Position (Deficit)**

June 30, 2023

	<u>Governmental activities</u>
<b>Assets</b>	
Cash and investments	\$ 1,570,184
Accounts receivable	178,439
Interest receivable	7,289
Prepaid expenses	94,789
Capital assets, net of accumulated depreciation	<u>3,623,507</u>
Total assets	<u>5,474,208</u>
<b>Deferred outflows of resources</b>	
Deferred outflows - pension	<u>4,682,677</u>
<b>Liabilities</b>	
Accounts payable	193,894
Accrued expenses	125,621
Long-term liabilities	
Due within one year	
Finance leases payable	244,227
Long-term debt	51,412
Due in more than one year	
Compensated absences	99,115
Accrued sick-leave bank	130,000
Finance leases payable	330,979
Long-term debt	344,783
Net pension liability	<u>10,819,220</u>
Total liabilities	<u>12,339,251</u>
<b>Deferred inflows of resources</b>	
Deferred inflows - pension	<u>1,934,075</u>
<b>Net Position (Deficit)</b>	
Net investment in capital assets	2,652,106
Unrestricted	<u>(6,768,547)</u>
Total net position (deficit)	<u>\$ (4,116,441)</u>

The accompanying notes are an integral part of this financial statement.

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Statement of Activities**

For the year ended June 30, 2023

	<u>Expenses</u>	<u>Program revenues</u>			Net (expenses) revenues and changes in net position (deficit)
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	
<b>Governmental activities</b>					
Operating	\$ 5,453,452	\$ 300,776	\$ 145,060	\$ 900,514	\$ (4,107,102)
Interest on long-term debt	35,889	-	-	-	<u>(35,889)</u>
Net program (expenses) revenues					<u>(4,142,991)</u>
General revenues					
Assessments					2,399,038
Property taxes					2,197,113
Other					65,934
Property tax relief					<u>12,834</u>
Total general revenues					<u>4,674,919</u>
<b>Changes in net position (deficit)</b>					531,928
<b>Net position (deficit), beginning of year</b>					<u>(4,648,369)</u>
<b>Net position (deficit), end of year</b>					<u>\$ (4,116,441)</u>

The accompanying notes are an integral part of this financial statement.

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Balance Sheet - Governmental Funds**

June 30, 2023

	<u>General fund</u>
<b>Assets</b>	
<b>Assets</b>	
Cash and investments	\$ 1,570,184
Accounts receivable	149,856
Interest receivable	7,289
Prepaid expenses	<u>94,789</u>
Total assets	<u>\$ 1,822,118</u>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 193,894
Accrued expenses	<u>125,620</u>
Total liabilities	<u>319,514</u>
<b>Fund balances</b>	
Nonspendable:	
Prepaid expenses	94,789
Assigned to:	
Capital outlay reserve	42,279
Unassigned	<u>1,365,536</u>
Total fund balance	<u>1,502,604</u>
Total liabilities and fund balances	<u>\$ 1,822,118</u>

The accompanying notes are an integral part of this financial statement.

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position (Deficit)**

June 30, 2023

<b>Total fund balances - governmental funds</b>	<b>\$ 1,502,604</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Accounts receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds balance sheet.	28,582
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,623,507
Deferred outflows are not available to pay for current period expenditures and, therefore, are not reported in the funds.	4,682,677
Deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds.	(1,934,075)
Net pension liability is not due and payable in the current period and, therefore, are not reported in the funds.	(10,819,220)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(99,115)
Accrued sick-leave bank costs are not due and payable in the current period and therefore, are not reported in the funds.	(130,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Finance leases payable	(575,206)
Long-term debt	<u>(396,195)</u>
<b>Net position (deficit) of governmental activities</b>	<b><u>\$ (4,116,441)</u></b>

The accompanying notes are an integral part of this financial statement.



**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

For the year ended June 30, 2023

<b>Revenues</b>	
Special tax	\$ 2,399,038
Property taxes	2,315,303
Grant revenue	1,026,503
Service fees	254,907
Fire permits and inspections	61,129
Insurance proceeds and reimbursements	50,024
Impact fees	32,649
Other	16,700
Property tax relief	12,833
Total revenues	<u>6,169,086</u>
<b>Expenditures</b>	
Salaries and wages	2,317,117
Retirement	1,345,657
Employee benefits	483,681
Professional fees	80,036
Dispatching	69,552
Fuel	59,890
Insurance	53,601
Repairs and maintenance	51,174
Utilities	43,305
Building repairs and maintenance	42,891
Safety equipment	35,207
Office supplies	35,008
Payroll taxes	34,612
Supplies	32,939
Small tools and equipment	23,167
Training	14,268
Dues and subscriptions	8,917
Directors' fees	2,900
Capital outlay	1,358,590
Debt service	
Principal	287,142
Interest and financing costs	35,889
Total expenditures	<u>6,415,543</u>
<b>Net change in fund balance</b>	<b>(246,457)</b>
<b>Fund balance, beginning of year</b>	<u>1,749,061</u>
<b>Fund balance, end of year</b>	<u>\$ 1,502,604</u>

The accompanying notes are an integral part of this financial statement.

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities**

For the year ended June 30, 2023

<b>Net change in fund balances - governmental funds</b>	<b>\$ (246,457)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(147,817)
Governmental funds report capital outlay as expenditures while government activities record depreciation expense to allocate those expenditures over the life of the assets.	1,358,590
Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds.	(303,357)
Changes in compensated absences are recorded as an expense in the statement of activities, but are not reported in the funds.	14,714
Changes in accrued sick-leave bank is recorded as an expense in the statement of activities, but is not reported in the funds.	(10,000)
Changes in net pension liability and deferred inflows and outflows associated with pensions are recognized in the statement of activities, but are not reported in the funds.	(420,887)
The repayment of principal related to long-term liabilities is recognized as an expenditure in the governmental funds, and reduces long-term liabilities in the statement of net position (deficit).	<u>287,142</u>
<b>Change in net position (deficit) of governmental activities</b>	<b><u>\$ 531,928</u></b>

The accompanying notes are an integral part of this financial statement.

# WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2023

### Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of Waterloo Morada Rural County Fire Protection District (the District) is presented to assist in understanding the District's financial statements.

#### Description of the reporting entity

The District was organized for the purpose of offering fire protection to the residents and landowners in the Waterloo Morada area of San Joaquin County and operates under the authority of Division 12, Part 2, Section 13801 of the California Health and Safety Code. At June 30, 2023 the District has one fire station at 6925 East Foppiano Lane, Stockton. Station Number Two which was located at 9373 North Highway 99 in Stockton was closed.

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

#### Government-wide financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not classified as program revenues are presented as general revenues.

#### Fund financial statements

The fund financial statements provide information about the District's funds. The District has one type of fund (governmental), which is comprised of one major fund as follows:

General fund - This fund is established to account for resources devoted to financing the general services that the District performs. Property taxes, special taxes and other sources of revenue used to finance the fundamental operations of the District are included in this fund. This fund is charged with all costs of operating the District for which a separate fund has not been established.

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note A - Summary of Significant Accounting Policies (Continued)**

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, special taxes and property tax relief are recognized as revenues in the year for which they are intended to finance.

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period and apply to the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and long-term liabilities are recorded only when payment is due.

Property taxes, proceeds from sales of capital assets, special taxes, strike teams, interest, federal awards, impact fees, fire permits and inspection fees, property tax relief, state assistance and insurance proceeds and reimbursements 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.

Budget procedures

The District adopts a budget annually which is approved by the Board of Directors and filed with the San Joaquin County Auditor-Controller in accordance with California Government Code Section 53901. The budget is prepared on the modified accrual basis of accounting. The minutes record a resolution adopting the budget which is prepared within the spending limit as regulated by Proposition 4. The appropriations lapse at year-end.

Cash and investments

For the purpose of financial reporting "cash and investments" includes all demand and savings accounts and short-term investments with an original maturity of three months or less and the District's investment in the County of San Joaquin's pooled cash and investments.

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note A - Summary of Significant Accounting Policies (Continued)**

Accounts receivable

District management considers all accounts receivable to be fully collectible. Accordingly, an allowance of doubtful accounts has not been recorded in these financial statements.

Capital assets

All capital assets are valued at historical cost. The District's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Buildings and improvements	10-40 years
Station equipment	3-10 years
Apparatus and vehicles	10-20 years
Apparatus equipment	5-10 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Accrued sick-leave bank

The District offers certain benefits to retirees of the District that were paid through the San Joaquin County Employees' Retirement Association (the Association) in accordance with a prior agreement. Currently, the District has accrued a liability due to a change in policy by the Association, although the District is not in agreement with the Association's change in policy.

(Continued)



# WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2023

### Note A - Summary of Significant Accounting Policies (Continued)

#### Deferred outflow/inflows of resources

In addition to assets, liabilities and net position, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resource (revenue) until that time.

Contributions made to the District's pension plan(s) after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net pension liability in the next fiscal year.

Additional factors involved in the calculation of the District's pension expense and net pension liability include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods.

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resource related to pensions, and pension expense, information about the fiduciary net position of the District's portion of the San Joaquin County Employees' Retirement Association (SJCERA) and additions to/deductions from the SJCERA's fiduciary net position have been determined on the same basis as they are reported by SJCERA. 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.

#### Net position

Equity in the government-wide financial statements is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.

(Continued)

# WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2023

### Note A - Summary of Significant Accounting Policies (Continued)

- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted - Amounts not required to be reported in other components of net position.

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

#### Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

**Nonspendable** - Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

**Restricted** - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

**Committed** - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision-making authority.

**Assigned** - Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors, District manager or their designee.

**Unassigned** - Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

(Continued)

# WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2023

### Note A - Summary of Significant Accounting Policies (Continued)

#### Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

#### Property taxes

Property taxes were levied January 1, 2022 and were payable in two installments on December 10, 2022 and April 10, 2023. The County of San Joaquin bills and collects property taxes on behalf of the District.

#### Special tax

There are two special taxes levied annually by the Board of Directors in accordance with California Government Code Section 53978, as approved by District voters in 1986 and 2019. The special tax passed in 2019 has a nine-year sunset clause. The Board has determined that the special tax is reasonably related to the District's costs for providing fire prevention, suppression and emergency medical service for each non-exempt taxable parcel, and the charge is levied without regard to property valuation, but rather parcel usage. The County of San Joaquin bills and collects the special tax on behalf of the District.

#### Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note A - Summary of Significant Accounting Policies (Continued)**

*New accounting pronouncements*

*Standards not yet adopted*

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for fiscal years beginning after December 15, 2023. The District will be required to implement the provisions of this Statement for the year ended June 30, 2025. The District has not determined the effect on the financial statements.

**Note B - Cash and Investments**

Cash and investments of the District as of June 30, 2023, consist of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>	<u>Fair value</u>
<u>Deposits in commercial accounts</u>			
Public checking	\$ 137,322	\$ 150,894	
Public Money Market	<u>1,189,995</u>	<u>1,188,875</u>	
	<u>1,327,317</u>	<u>\$ 1,339,769</u>	
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>242,867</u>		<u>\$ 242,867</u>
Total cash and investments	<u>\$ 1,570,184</u>		

*Deposit and Investment Policy*

California statutes authorize special districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. As specified in Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of the District's investment policy shall be (1) safety, (2) liquidity, and (3) yield. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note B - Cash and Investments (Continued)**

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600-53609 (authorized investments), 53630-53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity.

The table below identifies the investment types that are authorized for the District by the California Government Code, Section 53600 (or District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Notes, and Bonds	5 years	None	None
U.S. Government Agency Obligations	5 years	None	None
Repurchase Agreements	1 year	None	None
State Registered Warrants, Notes or Bonds	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	30%	10%
Time Deposits	1 year	30%	None
Medium Term Corporate Notes	3 years	30%	None
Mutual Funds	N/A	20%	10%
Bank Deposits	N/A	10%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pools	N/A	None	None
Capital Asset Management Program	N/A	10%	None

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments. The District does not maintain a formal investment policy.

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note B - Cash and Investments (Continued)**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment type</u>	<u>Total</u>	<u>Remaining maturity (in months)</u>					<u>More than 60 months</u>
		<u>12 months or less</u>	<u>13 - 24 months</u>	<u>25 - 36 months</u>	<u>37-48 months</u>	<u>49-60 months</u>	
San Joaquin County Treasurer	\$ 242,867	\$ 242,867	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 242,867</u>	<u>\$ 242,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of fiscal year end for each investment type.

<u>Investment type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
San Joaquin County Treasurer	\$ 242,867	N/A	\$ -	\$ -	\$ -	\$ -	\$ 242,867
	<u>\$ 242,867</u>	<u>N/A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,867</u>

(Continued)



# WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2023

### Note B - Cash and Investments (Continued)

#### Concentration of Credit Risk

The District had no investment policy limiting the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District's investments are concentrated in certificates of deposit and external investment pools which are not subject to investment limits.

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, the District's bank balance was \$1,339,769 and \$250,000 of that amount was insured by the Federal Deposit Insurance Corporation and collateralized as required by state law and the remaining amount of \$1,089,769 was secured by a pledge of securities by the financial institution.

#### Investment in External Investment Pool

The District's investment in the San Joaquin County investment pool is managed by the San Joaquin County Treasurer and is stated at fair value or amortized cost, which approximates fair value. Cash held by the San Joaquin County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.sjgov.org/treasurer/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained by the Pool. Participants' equity in the investment pool is

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note B - Cash and Investments (Continued)**

determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. In accordance with applicable State laws, the San Joaquin County Treasurer may invest in derivative securities. However, at June 30, 2023, the San Joaquin County Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

*Fair value hierarchy*

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District's investment in the County of San Joaquin Treasury Pool is classified as Level 2 and its value is based on the fair value factor provided by the Treasurer of the County of San Joaquin, which is calculated as the fair value divided by the amortized cost of the investment pool. The District's investment in certificates of deposit are classified as Level 1.

**Note C - Capital Assets**

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance					Balance
	June 30, 2022	Additions	Disposals	Transfers		June 30, 2023
<b>Nondepreciable capital assets</b>						
Land	\$ 192,291	\$ -	\$ -	\$ -		\$ 192,291
Construction in progress	140,796	1,060,561	-	(44,707)		1,156,650
Total nondepreciable capital assets	333,087	1,060,561	-	(44,707)		1,348,941
<b>Depreciable capital assets</b>						
Buildings and improvements	1,387,052	107,992	-	-		1,495,044
Station equipment	190,243	9,292	(1,951)	44,707		242,291
Apparatus and vehicles	2,155,400	78,214	-	-		2,233,614
Apparatus equipment	353,452	102,531	(2,260)	-		453,723
Total depreciable capital assets	4,086,147	298,029	(4,211)	44,707		4,424,672
Less accumulated depreciation	(1,850,960)	(303,357)	4,211	-		(2,150,106)
Total depreciable capital assets, net	2,235,187	(5,328)	-	44,707		2,274,566
Total capital assets, net	\$ 2,568,274	\$ 1,055,233	\$ -	\$ -		\$ 3,623,507

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note D - Compensated Absences**

Employees accrue vacation and sick leave benefits based on bargaining unit, length of service and current compensation. Accumulated vacation leave is subject to maximum accruals for employees who are part of the Firefighters of San Joaquin County Local 1243 International Association of Firefighters Unit 15 bargaining unit. Accumulated vacation leave is not subject to maximum accruals for the Fire Chief or Administrative Secretary bargaining units. As of June 30, 2023, the District's accrued liability for accumulated unused vacation leave and compensation time is \$99,115. Employees are paid for their accumulated unused vacation leave upon separation from service. The liability is expected to be liquidated with future resources and not with expendable available financial resources.

Accumulated sick leave is subject to maximum accruals for employees hired on or before August 27, 2001. Upon separation from service, an employee's accumulated unused sick leave is converted to a sick leave bank or a service credit for all employees hired on or before August 27, 2001. District employees hired after August 27, 2001 receive no sick leave bank or service credit for accumulated unused sick leave. Sick leave banks are used to pay post-retirement medical, dental and vision insurance premiums. Once a retiree's sick leave bank is depleted, the retiree is responsible for his/her medical, dental and vision insurance premiums. Effective in the 2022-2024 MOU, the District will now pay employees who retire from the District 25% of their accrued, unused sick leave. The District has estimated and recorded a liability of \$130,000 as of June 30, 2023, although the District believes the San Joaquin County Employees' Retirement Association is liable for these benefits.

**Note E - Long-Term Liabilities**

Long-term liabilities outstanding as of June 30, 2023 consist of the following:

	Interest rate	Maturity date	Amounts authorized and issued	Outstanding	Due within one year
Finance lease - BME Fire Truck	3.24%	March 1, 2024	\$ 332,742	\$ 52,193	\$ 52,193
Finance lease - Spartan Type 1	2.88%	November 15, 2023	560,000	86,966	86,966
F&M loan - Eight Mile property	3.35%	June 5, 2030	536,250	396,195	51,412
Finance lease - Hi Tech Spartan	2.46%	October 25, 2026	<u>648,978</u>	<u>436,047</u>	<u>105,068</u>
			<u>\$ 2,077,970</u>	<u>\$ 971,401</u>	<u>\$ 295,639</u>

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note E - Long-Term Liabilities (Continued)**

The following is a summary of long-term liability issuances and transactions during the year ended June 30, 2023:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>
Finance lease - BME Fire Truck	\$ 102,750	\$ -	\$ (50,557)	\$ 52,193
Finance lease - Spartan Type 1	171,500	-	(84,534)	86,966
F&M loan - Eight Mile property	445,703	-	(49,508)	396,195
Finance lease - Hi Tech Spartan	<u>538,590</u>	<u>-</u>	<u>(102,543)</u>	<u>436,047</u>
	<u>\$ 1,258,543</u>	<u>\$ -</u>	<u>\$ (287,142)</u>	<u>\$ 971,401</u>

Finance lease - 2017 BME Model Fire Truck

The District has entered into a lease agreement with Leasing 2, Inc. to finance the purchase of a fire truck. The capitalized cost of the fire truck, included in apparatus and vehicles, is \$337,742. Accumulated depreciation recorded relative to the fire truck is \$213,903 as of June 30, 2023. The lease is collateralized by the fire truck.

The following is a schedule by years of future minimum lease payments under the finance lease together with the present value of the net minimum lease payments as of June 30, 2023.

<u>Year ending June 30,</u>	
2024	\$ <u>53,882</u>
Total minimum lease payments	53,882
Less amount representing interest	<u>(1,689)</u>
Present value of net minimum lease payments	\$ <u>52,193</u>
Current finance lease obligation	\$ 52,193
Noncurrent finance lease obligation	<u>-</u>
	\$ <u>52,193</u>

Finance lease - 2016 Spartan Type 1 Pumper

The District has entered into a lease agreement with Leasing 2, Inc. to finance the purchase of a fire truck. The capitalized cost of the fire truck, included in apparatus and vehicles, is \$560,000. Accumulated depreciation recorded relative to the fire truck is \$373,333 as of June 30, 2023. The lease is collateralized by the fire truck.

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note E - Long-Term Liabilities (Continued)**

The following is a schedule by years of future minimum lease payments under the finance lease together with the present value of the net minimum lease payments as of June 30, 2023.

<u>Year ending June 30,</u>	
2024	\$ 89,468
Total minimum lease payments	89,468
Less amount representing interest	<u>(2,502)</u>
Present value of net minimum lease payments	\$ 86,966
Current finance lease obligation	\$ 86,966
Noncurrent finance lease obligation	<u>-</u>
	<u>\$ 86,966</u>

Finance lease - 2021 Spartan Pumper

The District has entered into a lease agreement with Leasing 2, Inc. to finance the purchase of a fire truck. The capitalized cost of the fire truck, included in apparatus and vehicles, is \$648,978. Accumulated depreciation recorded relative to the fire truck is \$129,796 as of June 30, 2023. The lease is collateralized by the fire truck.

The following is a schedule by years of future minimum lease payments under the finance lease together with the present value of the net minimum lease payments as of June 30, 2023.

<u>Year ending June 30,</u>	
2024	\$ 115,803
2025	115,803
2026	115,803
2027	<u>115,803</u>
Total minimum lease payments	463,212
Less amount representing interest	<u>(27,165)</u>
Present value of net minimum lease payments	\$ 436,047
Current finance lease obligation	\$ 105,068
Noncurrent finance lease obligation	<u>330,979</u>
	<u>\$ 436,047</u>

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note E - Long-Term Liabilities (Continued)**

Term loan - Eight Mile Road Property

During June 2020, the District entered into a loan agreement with Farmers & Merchants Bank of Central California for the purpose of obtaining financing for the acquisition of a fire station. The note is payable in monthly principal and interest payments of \$5,323, due in 2030 and is secured by a deed of trust.

Summary of long-term liabilities service requirements

Long-term liabilities service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 295,639	\$ 27,393	\$ 323,032
2025	160,815	18,866	179,681
2026	165,274	14,407	179,681
2027	169,861	9,820	179,681
2028	58,773	5,105	63,878
2029-2030	121,039	4,144	125,183
Total requirements	<u>\$ 971,401</u>	<u>\$ 79,735</u>	<u>\$ 1,051,136</u>

**Note F - Defined Benefit Pension Plan**

General Information about the Pension Plan

**Plan Description** - The District contributes to the San Joaquin County Employees' Retirement Association (SJCERA), a cost-sharing multiple-employer defined benefit pension plan. SJCERA is administered by the Board of Retirement of the San Joaquin County Employees' Retirement Association (SJCERA) and is governed by the County Employee's Retirement Law (CERL) of 1937 (California Government Code Section 31450 et Seq.), and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The Board of Retirement has the authority to establish and amend benefit terms, which are set by the CERL and PEPRA, and may be amended by the California state legislature. SJCERA issues a publicly available financial report that includes financial statements and required supplementary information for the participants in the plan. A copy of the financial report may be obtained by writing to the Board of Retirement, San Joaquin County Employees' Retirement Association, 6 South El Dorado, Suite 400, Stockton, California, 95202 or is available on SJCERA's website, [www.sjcera.org](http://www.sjcera.org).

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note F - Defined Benefit Pension Plan (Continued)**

**Benefits Provided** - SJCERA provides retirement, disability, 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. Retirement benefits are calculated on the basis of age, average final compensation, and service credit. Members hired prior to January 1, 2013 (Tier 1) are eligible to retire once they attain the age of 50 and have acquired five or more years of retirement service credit and have passed the tenth anniversary of their membership in SJCERA. A member with twenty years of service is eligible to retire regardless of age. Members who are first hired on or after January 1, 2013 (Tier 2) are eligible to retire once they have attained the age of 50 and have acquired five years of retirement service credit or after attaining age 70, regardless of service.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Safety</u>	
	<u>Tier 1</u>	<u>Tier 2</u>
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years	5 years
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0% to 2.7%
Required employer contribution rates	92.98%	80.98%
Required employee contribution rates	9.59% to 13.67%	15.84%

The Tier 1 plan is closed to new members that are not already SJCERA eligible participants or a member in a California reciprocal public retirement system.

**Contributions** - The District is required by statute to contribute to the retirement plan based upon actuarially determined contribution rates (percentage of covered salary) adopted by the Board of Retirement. This requirement is pursuant to Government Code sections 31453.5 and 31454, for participating employers and Government Code sections 31621.6, 31639.25, and 7522.30 for active members. The contribution requirements are established and may be amended by the SJCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted annually based upon recommendations received from SJCERAs' independent actuary after the completion of the annual actuarial valuation. The combined active member and employer contribution rates are expected to finance any unfunded accrued liability.

(Continued)



**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note F - Defined Benefit Pension Plan (Continued)**

For the year ended June 30, 2023, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 1,321,024
Contributions - employee (paid by employer)	<u>27,648</u>
	<u>\$ 1,348,672</u>

All District employees are classified as safety plan members. The contribution requirements of plan members and the District are established and may be amended by the Board of Retirement. The District's contribution to the SJCERA for the years ended June 30, 2023, 2022, and 2021 were \$1,258,947, \$1,239,423 and \$1,072,843, respectively, equal to the required contributions for each year.

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

As of June 30, 2023, the District reported a net pension liability for its proportionate share of the net pension liability in the amount of \$10,819,220. The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of December 31, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined. The District's proportionate share of the net pension liability for each Plan as of December 31, 2021 and 2022 was as follows:

	<u>Safety</u>
Proportion - December 31, 2021	0.6574%
Proportion - December 31, 2022	<u>0.6367%</u>
Change - increase (decrease)	(0.0207)%

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note F - Defined Benefit Pension Plan (Continued)**

For the year ended June 30, 2023, the District recognized pension expense of \$1,780,031. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to measurement date	\$ 713,006	\$ -
Differences between actual and expected experience	6,303	(407,017)
Changes in assumptions	364,216	(299,182)
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,621,498	(1,227,876)
Net differences between projected and actual earnings on plan investments	<u>1,977,654</u>	<u>-</u>
Total	<u>\$ 4,682,677</u>	<u>\$ (1,934,075)</u>

The \$713,006 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,

2024	\$ 474,641
2025	624,078
2026	324,078
2027	<u>612,799</u>
Total	<u>\$ 2,035,596</u>

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note F - Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions** - The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation Date	January 1, 2022
Measurement Date	December 31, 2022
Actuarial Cost Method	Entry age normal cost level
Actuarial Assumptions:	
Inflation	2.75%
Amortization Growth Rate	3.00%
Projected Salary Increase	3.00% plus merit component (1)
Cost of living adjustments (COLA)	2.60%
Investment Rate of Return	6.75% (2)
Mortality	2021 CalPERS Industrial and Non-Industrial Mortality Table, with generational mortality improvements projected from 2017 using 80% Projection Scale MP-2020.

- (1) Depending on employee classification and years of service
- (2) Net of pension plan investment expenses, including inflation

**Discount rate** - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note F - Defined Benefit Pension Plan (Continued)**

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. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The following table was the Retirement Board's approved asset allocation policy and the long-term expected real rates of return as of June 30, 2023:

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Aggressive Growth	16.00%	9.65%
Traditional Growth	34.00%	5.45%
Stabilized Growth	30.00%	3.75%
Principal Protection	7.00%	(0.25)%
Crisis Risk Offset	13.00%	1.95%
Cash	0.00%	(1.05)%
Total	<u>100.00%</u>	

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** - The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each 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:

	<u>Safety</u>
1% Decrease	5.75%
Net pension liability	\$ 15,489,349
Current discount rate	6.75%
Net pension liability	\$ 10,819,220
1% Increase	7.75%
Net pension liability	\$ 6,969,092

***Pension Plan Fiduciary Net Position*** - Detailed information about each pension plan's fiduciary net position is available in the separately issued SJCERA financial reports.

***Payable to the Pension Plan***

At June 30, 2023, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

# WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2023

### Note G - Deferred Compensation Plan

Employees of the District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all full-time employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. Total employee contributions to the plan during the year ended June 30, 2023 were \$122,477.

### Note H - 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 for which the District obtains insurance coverage.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the District's responsibility.

#### Fire Agencies Insurance Risk Authority

The District is insured for comprehensive liability, automotive, and property damage coverage as a member of the Fire Agencies Insurance Risk Authority (the Authority). The Authority is a public agency risk pool created pursuant to a joint powers' agreement between the numerous member fire agencies. The Authority manages one pool for all member agencies. Each member pays an annual premium to the system based on numerous factors including the number of personnel, types and values of assets held. The following coverage limits and deductibles are listed as follows:

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note H - Risk Management (Continued)**

<u>Coverage</u>	<u>Limit</u>	<u>Deductible</u>
General liability	\$ 1,000,000	\$ -
Personal & advertising injury	1,000,000	-
Fire damage legal liability	1,000,000	-
Medical expense (each accident)	10,000	-
General aggregate	10,000,000	-
Products/completed operations annual aggregate	10,000,000	-
Management liability	1,000,000	5,000
Cyber liability	1,000,000	-
Automobile	1,000,000	5,000
Garage keepers legal liability	500,000	250-500
Excess liability	9,000,000	5,000
Crime (Employee Dishonesty)	2,000,000	1,000

The Authority is not a component entity of the District for purposes of GASB Statement No. 14.

Fire Districts Association of California - Fire Association Self-Insurance System

The District is self-insured for workers' compensation coverage as a member of the Fire Districts Association of California - Fire Agencies Self-Insurance System (the System). The System is a public agency risk pool created pursuant to a joint powers agreement between the numerous member fire agencies. The System manages one pool for all member agencies. Each member pays an annual premium to the System based on the number of personnel, an estimated dollar amount of payroll and an experience factor. At fiscal year-end, when actual payroll expenditures are available, an adjustment to the year's annual premium is made. The System reinsures through the Local Agency Excess Workers' Compensation Authority (LAWCX), a joint powers authority, for claims in excess of \$750,000 for each insured event. The District's claims did not exceed coverage over the last 3 fiscal years.

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

June 30, 2023

**Note I - Lease Commitments**

The District leases office equipment under a lease agreement that requires monthly lease payments of \$99/month and expires in 2026. The following summarizes future minimum rental payments required under the operating lease.

<u>Year ending June 30,</u>	
2024	\$ 1,193
2025	1,193
2026	<u>596</u>
	<u>\$ 2,982</u>

Total equipment rent expenses for the year ended June 30, 2023 was \$1,291.

**Note J - Governing Board**

As of June 30, 2023, the five members of the District's Board of Directors were as follows:

<u>Director</u>	<u>Term expires</u>
Clayton A. Titus, President	December 2024
Ryan Gresham, Vice president	December 2026
John D. Baker, Treasurer	December 2024
Ken Vogel	December 2026
Ralph P. Lucchetti	December 2026

**Note K - Net Position (Deficit)**

The governmental activities has a net position (deficit) of \$(4,116,441) as of June 30, 2023. The deficit is due to the District incurring expenses in excess of revenue and is expected to be offset in the future from the receipt of general revenues.



**REQUIRED SUPPLEMENTARY INFORMATION**

Working Draft

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Statement of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual - Governmental Funds**

For the year ended June 30, 2023

	General fund		
	Actual amounts	Budgeted amounts original/final	Variance with final budget positive/(negative)
<b>Revenues</b>			
Special tax	\$ 2,399,038	\$ 2,427,617	\$ (28,579)
Property taxes	2,315,303	2,279,242	36,061
Grant revenue	1,026,503	-	1,026,503
Service fees	254,907	356,000	(101,093)
Fire permits and inspections	61,129	30,000	31,129
Insurance proceeds and reimbursements	50,024	15,482	34,542
Impact fees	32,649	2,700	29,949
Other	16,700	-	16,700
Property tax relief	12,833	11,416	1,417
Total revenues	<u>6,169,086</u>	<u>5,122,457</u>	<u>1,046,629</u>
<b>Expenditures</b>			
Salaries and wages	2,317,117	1,889,087	(428,030)
Retirement	1,345,657	1,336,036	(9,621)
Employee benefits	483,681	497,960	14,279
Professional fees	80,036	108,185	28,149
Dispatching	69,552	80,000	10,448
Fuel	59,890	65,000	5,110
Insurance	53,601	53,601	-
Repairs and maintenance	51,174	51,000	(174)
Utilities	43,305	46,145	2,840
Building repairs and maintenance	42,891	77,400	34,509
Safety equipment	35,207	49,624	14,417
Office supplies	35,008	21,400	(13,608)
Payroll taxes	34,612	33,597	(1,015)
Supplies	32,939	66,700	33,761
Small tools and equipment	23,167	30,625	7,458
Training	14,268	25,100	10,832
Dues and subscriptions	8,917	18,710	9,793
Directors fees	2,900	4,500	1,600
Elections	-	20,000	20,000
Capital outlay	1,358,590	1,474,412	115,822
Debt services			
Principal	287,142	259,155	(27,987)
Interest and financing costs	35,889	-	(35,889)
Total expenditures	<u>6,415,543</u>	<u>6,208,237</u>	<u>(207,306)</u>

(Continued)

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Statement of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual - Governmental Funds (Continued)**

For the year ended June 30, 2023

	General fund		Variance with final budget positive/ negative
	<u>Actual amounts</u>	<u>Budgeted amounts original/final</u>	
<b>Other financing sources (uses)</b>			
Proceeds from sales of capital assets	-	18,000	(18,000)
Total other financing sources (uses)	-	18,000	(18,000)
<b>Net change in fund balance</b>	(246,457)	(1,067,780)	821,323
<b>Fund balance, beginning of year</b>	1,749,061	1,749,061	-
<b>Fund balance, end of year</b>	<u>\$ 1,502,604</u>	<u>\$ 681,281</u>	<u>\$ 821,323</u>

The accompanying notes are an integral part of this financial statement.

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Required Supplementary Information  
For the year ended June 30, 2023**

**Schedule of the District's Proportionate Share  
of the Net Pension Liability**

**Last 10 years\***

	Measurement Date									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Proportion of the net pension liability	0.6367%	0.6574%	0.5668%	0.4683%	0.4421%	0.4534%	0.4333%	0.4405%	0.4405%	0.4405%
Proportionate share of the net pension liability	\$ 10,819,220	\$ 8,014,899	\$ 9,505,101	\$ 7,909,217	\$ 8,222,002	\$ 7,172,233	\$ 7,225,480	\$ 6,776,387	\$ 5,803,567	\$ 5,803,567
Covered - employee payroll	1,489,210	1,510,140	1,395,677	1,187,062	1,090,298	1,094,499	995,408	1,054,884	1,001,044	1,001,044
Proportionate share of the net pension liability as percentage of covered - employee payroll	722.14%	530.74%	681.04%	666.29%	754.10%	655.30%	725.88%	642.38%	579.75%	579.75%
Plan's fiduciary net position	3,817,752,762	4,198,788,004	3,546,712,249	3,244,361,827	2,841,042,076	2,879,288,631	2,554,802,124	2,413,242,547	2,466,349,529	2,466,349,529
Plan fiduciary net position as a percentage of the total pension liability	69.20%	77.50%	67.90%	65.76%	60.44%	64.54%	60.50%	61.10%	187.20%	187.20%

**Notes to schedule:**

Benefit changes - There have been no changes in benefits since the prior valuation.

Changes in assumptions: In 2016, amounts reported as changes in assumptions resulted primarily from adjustments on expected retirement ages of employees.

\*Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

The accompanying notes are an integral part of this financial statement.

**WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

**Required Supplementary Information  
For the year ended June 30, 2023**

**Schedule of Contributions**

**Last 10 years\***

	Measurement Date									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
	December 31,									
Contractually required contribution (actuarially determined)	\$ 1,258,947	\$ 1,239,423	\$ 1,072,843	\$ 869,045	\$ 967,513	\$ 763,082	\$ 659,624	\$ 634,840	\$ 549,362	
Contributions in relation to the actuarially determined contributions	1,258,947	1,239,423	1,072,843	869,045	967,513	763,082	659,624	634,840	549,362	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 1,498,210	\$ 1,510,140	\$ 1,395,677	\$ 1,187,062	\$ 1,090,298	\$ 1,094,499	\$ 995,408	\$ 1,054,884	\$ 1,001,044	
Contributions as a percentage of covered - employee payroll	84.03%	82.07%	76.87%	73.21%	88.70%	69.70%	66.27%	60.18%	54.88%	

**Notes to schedule:**

- Valuation date: 1/1/2022
- Methods and assumptions used to determine contribution rates:
  - Actuarial cost method: Entry age normal cost method
  - Asset valuation method: Actuarial value: Excess earnings smoothed over five years, 80%/120% corridor around market value
  - Amortization method: Level percentage of payroll (12 years as of 1/1/2021) with separate periods for Extraordinary Actuarial Gains or Losses (18 years for 2008 losses as of 1/1/2021).
- Discount rate: 6.75%, net of investment expenses
- Amortization growth rate: 3.00%
- Price Inflation: 2.75%
- Salary increases: 3.00%, plus merit component based on employee classification and years of service
- Mortality: Sex distinct 2021 CalPERS Industrial and Non-Industrial Mortality tables, with generational mortality improvements projected from 2017 using 80% Projection Scale MP-2020

\*Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

The accompanying notes are an integral part of this financial statement.

# **WATERLOO MORADA RURAL COUNTY FIRE PROTECTION DISTRICT**

## **Notes to Required Supplementary Information**

June 30, 2023

The manager of the District prepares an expenditure budget annually which is approved by the Board of Directors setting forth the contemplated fiscal requirements. The District's budgets are maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual budget as originally adopted. There were no amendments to the budget during the year ended June 30, 2023. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for capital outlay, debt service and contingencies may vary significantly from budget due to timing of such expenditures.

Working Draft

**WATERLOO MORADA RURAL COUNTY  
FIRE PROTECTION DISTRICT  
6925 EAST FOPPIANO LANE  
STOCKTON, CALIFORNIA 95212**

March 29, 2024

Croce, Sanguinetti, & Vander Veen, Inc.  
3520 Brookside Road, Suite 141  
Stockton, CA 95219

This representation letter is provided in connection with your audit of the financial statements of **Waterloo Morada Rural County Fire Protection District** (the District), which comprise the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 23, 2024, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 19, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



14. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

**Government - Specific**

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
21. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
22. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
23. We are responsible for the District's compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
24. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.

38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
39. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
40. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
41. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of RSI.
42. The charges to capital asset accounts as recorded in the books represent cost of additional equipment, or additions or improvements to existing facilities, or replacements thereof. All units of property which have been replaced, sold, or otherwise disposed of or which are permanently unusable have been removed from the fixed asset accounts.
43. All disbursements are reviewed by the Board of Directors and approval or disapproval is so stated in the minutes of the meetings. All transfers of funds are approved by the Board of Directors and so stated in the minutes of the meetings.
44. We have reviewed travel, meals, and entertainment expenditures and have determined that all related expenditures are reasonable and pertain to District operations.
45. We have reviewed the remaining estimated useful lives of all capital assets and have determined that such lives are appropriate.
46. The District provides reimbursement for retiree health insurance for employees hired before August 27, 2001, based upon the retirees' accrued sick leave balance at retirement. The calculation of the accrual is based on the number of shifts accrued at retirement multiplied by a set rate. The District calculates accrued shifts based upon a 24-hour period or an 8-hour period depending on the employee classification at the time the sick leave was earned. Insurance premiums for retirees are paid by the respective retiree and not by the District.
47. Aside from the accrued sick leave bank and pension benefits, we are not aware of any other post-employment benefits available to retired employees or future retirees of the District in accordance with GASB Statement No. 45.

## Proposed Fire Hazard Reduction Guideline Changes

1. Added trash and rubbish to definitions.
  - a. Proposed:
    - i. FIRE HAZARD: (Defined for the purpose of weed abatement).  
Generally, any dry grasses, weeds, trash, or rubbish that when exposed to an ignition source, could ignite, and threaten or prove harmful to life, property, and or the environment.
  - b. Current:
    - i. FIRE HAZARD: (Defined for the purpose of weed abatement).  
Generally, any dry grasses or weeds, that when exposed to an ignition source, could ignite and-threaten or prove harmful to life, property, and or the environment.
2. Change dates for "Fire Season":
  - a. Proposed:
    - i. "FIRE SEASON" generally begins May 1st and ends October 30th, or any other time of the year that weather conditions may constitute unseasonably dry conditions.
  - b. Current:
    - i. "FIRE SEASON" begins May 1st and ends October 30th in San Joaquin County.
3. Change minimum fire break for properties over 2 acres:
  - a. Proposed:
    - i. 100 ft. firebreak around all structures and property lines. It is the option of the Fire District to abate the whole property when surrounding exposure warrants it. If you have a question, please contact the fire district.
  - b. Current:
    - i. 30 ft. firebreak around all structures and property lines. It is the option of the Fire District to abate the whole property when surrounding exposure warrants it. If you are in question, please contact your fire district.
4. Change Pasture or Farmland minimum fire break:
  - a. Proposed:
    - i. 15ft.firebreak around property lines and 100 ft. around all structures and combustible exposures, (haystacks, barns, etc).
  - b. Current:

- i. 10ft. firebreak around property lines and 30 ft. around all structures and combustible exposures, (haystacks, barns, etc).
5. Change acceptable methods of making fire breaks:
  - a. Proposed:
    - i. Fire breaks shall be Disced or Rotor-tilled: Grasses and weeds shall be disced or rotor-tilled to create a firebreak. Laying the weeds over with a drag device is not acceptable.
    - ii. Cutting/Mowing: Cutting and Mowing will only be accepted if the entire parcel is 100% abated. Grasses and weeds that have been cut or mowed must be REMOVED or SPREAD so as not to present a fire hazard and the remaining vegetation growth shall be maintained at "NO HIGHER THAN 4 INCHES".
  - b. Current:
    - i. Discing or Rotor-tilling: (Preferred Method) Grasses and weeds may be disc or rotor-tilled to reduce the hazard or to create a firebreak. Laying the weeds over with a drag device is not acceptable.
    - ii. Cutting/Mowing: Grasses and weeds that have been cut or mowed must be REMOVED or SPREAD so as not to present a fire hazard and the remaining vegetation growth shall be maintained at "NO HIGHER THAN 4 INCHES".
6. Changes to Properties with livestock:
  - a. Proposed:
    - i. PROPERTIES WITH LIVESTOCK: Grasses and weeds may be abated using livestock. However, all other firebreaks and defendable space guidelines still apply. A 15 ft. firebreak around property lines is required, and it is still the option of the Fire District to abate weeds on properties where the number of animals on the property could not maintain a reasonably safe fire condition.
  - b. Current:
    - i. PROPERTIES WITH LIVESTOCK: Grasses and weeds may be abated by the use of livestock. However, all other firebreaks and defendable space guidelines still apply. A 10 ft. firebreak around property lines is required, and it is still the option of the Fire District to abate weeds on properties where the amount of animals on the property could not maintain a reasonably safe fire condition

## FIRE HAZARD REDUCTION GUIDELINES

The following guide will assist you in complying with the requirements of the weed abatement program of San Joaquin County and make your property "Fire Safe."

**FIRE HAZARD:** (Defined for the purpose of weed abatement). Generally, any dry grasses, weeds, trash, or rubbish that when exposed to an ignition source, could ignite and threaten or prove harmful to life, property, and or the environment.

**FIRE HAZARD REDUCTION:** *DRY GRASSES OR WEEDS, WHICH HAVE BEEN DEEMED A FIRE HAZARD, SHALL BE ABATED AND KEPT ABATED THROUGHOUT THE FIRE SEASON.* The time period designated as "FIRE SEASON" generally begins **May 1<sup>st</sup> and ends October 30<sup>th</sup>**, or any other time of the year that weather conditions may constitute unseasonably dry conditions.

A DEFENDABLE SPACE shall be created around all structures, and other combustible properties and property lines, using one or more of the acceptable methods outlined below. Defendable Space is an area immediately adjacent to combustible properties, which has been cleared of combustibles, dry grasses and weeds, to create and maintain a minimum firebreak.

The recognized **MINIMUM FIREBREAK** is generally as follows:

<b>Properties LESS than 2 acres:</b>	The entire property to be abated.
<b>Properties MORE than 2 acres:</b>	100 ft. firebreak around all structures and property lines. It is the option of the Fire District to abate the whole property when surrounding exposure warrants it. If you have a question contact the fire district.
<b>Pasture or Farm Land:</b>	15ft. firebreak around property lines and 100 ft. around all structures and combustible exposures, (haystacks, barns, etc).

Property owners are required to provide large firebreaks on properties that have limited access, insufficient water supply and contain a high fire load.

Note: The San Joaquin County Board of Supervisors has also adopted an ordinance requiring the property owner to maintain the public right of way adjacent to their property free of tire hazards.

### Acceptable methods of making firebreaks:

**Fire breaks shall be Disced or Rotor-tilled:** Grasses and weeds shall be disced or rotor-tilled to create a firebreak. Laying the weeds over with a drag device **is not** acceptable.

**Cutting/Mowing:** Cutting and Mowing will only be accepted if the entire parcel is 100% abated. Grasses and weeds that have been cut or mowed must be REMOVED or SPREAD so as not to present a fire hazard and the remaining vegetation growth shall be maintained at "**NO HIGHER THAN 4 INCHES**".

**PROPERTIES WITH LIVESTOCK:** Grasses and weeds may be abated using livestock However, all other firebreaks and defendable space guidelines still apply. **A 15 ft. firebreak around property lines is required**, and it is still the option of the Fire District to abate weeds on properties where the number of animals on the property could not maintain a reasonably safe fire condition.

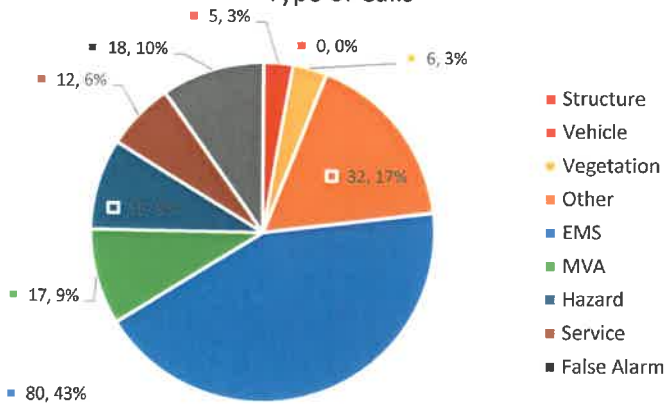


# WATERLOO MORADA FIRE DISTRICT MONTHLY ACTIVITY REPORT

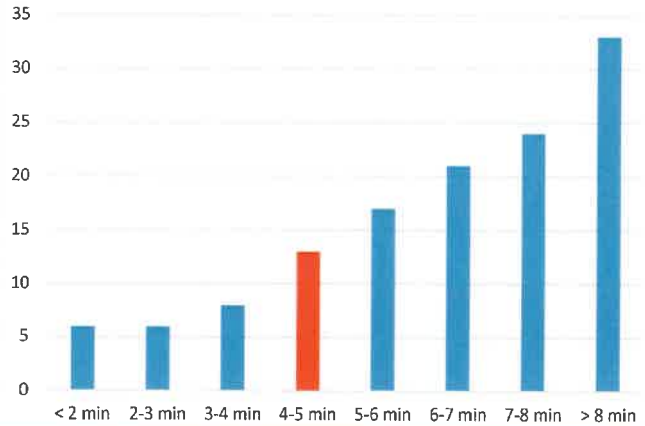
13.2  
February  
2024

## EMERGENCY OPERATIONS

Type of Calls



Response Times



Incidents		Month	YTD
Total Calls:		205	408
Station	Incidents	% Per Station	
1	144	70.2%	
2	61	29.8%	
Emergency Response - Code 3 Calls Only			
Station	Incidents	Avg Resp Time	% Per
1	92	6:35	45%
2	37	6:05	18%
Avg. Both Sta.		6:20	

Prevention	Month	YTD
Business Inspections	35	47
Fire Permits Issued	33	58
Public Education	0	1
Children	0	40
Adults	0	20

Training	
Month	717
YTD	1639

Dollar Loss	Monthly	YTD
Property	\$70,000.00	\$ 70,000
Contents	\$2,000.00	\$ 2,000

Response by Shift	
A	59
B	85
C	61

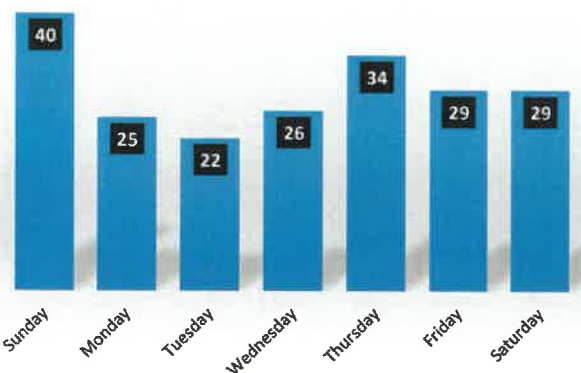
Response by Unit								
E15-1	E15-2	E15-3	BR15-1	WT15-1	BC15	CH15-1	OES 4122	Total
135	13	2	4	3	28	1	68	254

Stacked Calls	This Month	YTD
Incidents	51	84
Percentage	25%	21%

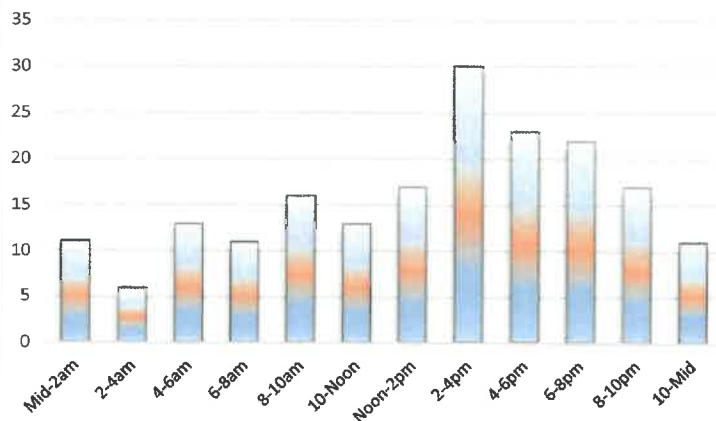
Aid Given/Received	This Month	YTD
Given	13	37
Received	15	19

Homeless Related	
Month	27
YTD	50
	12%

Incidents by Day of Week



Incidents by Time of Day

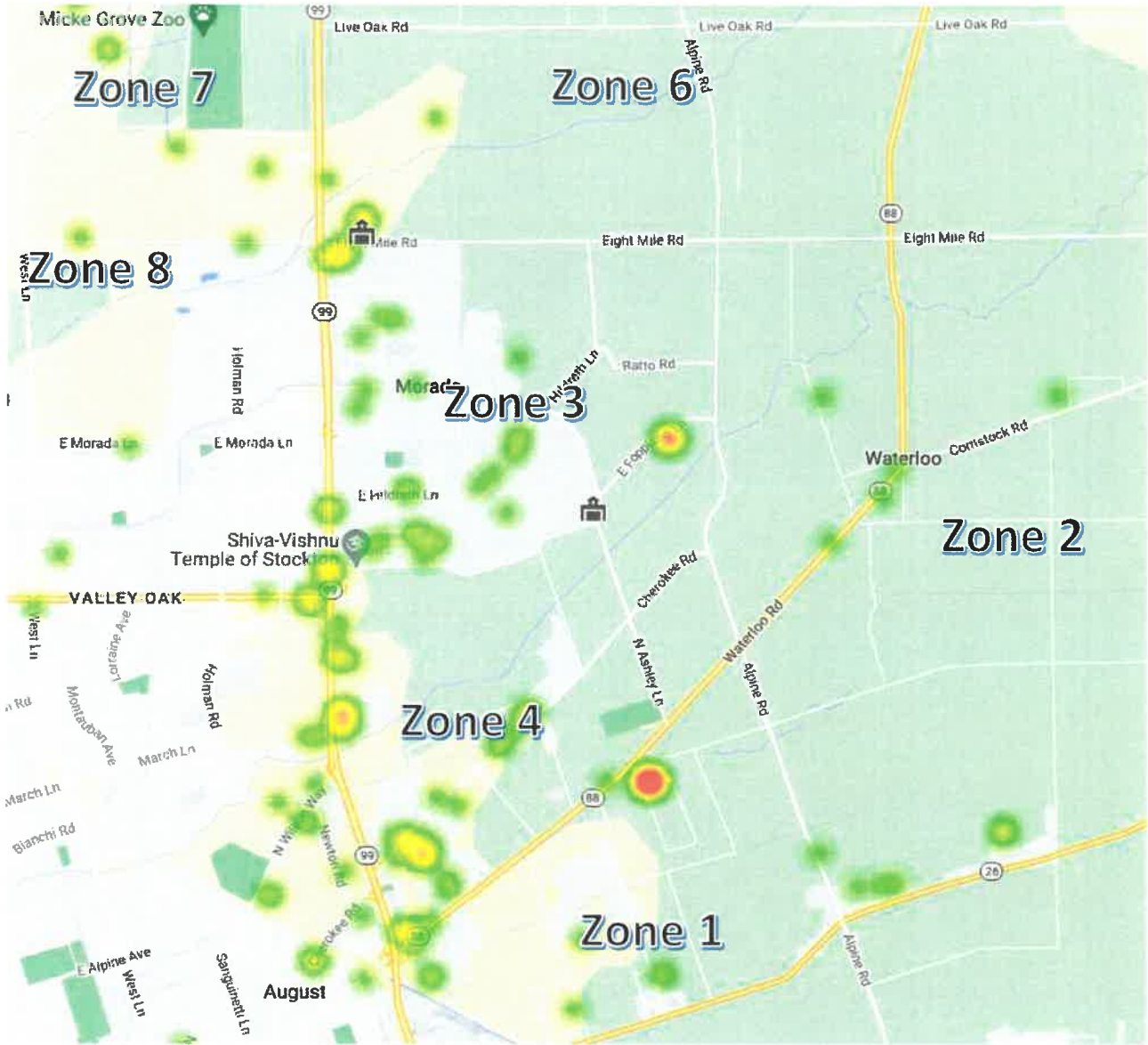






# WATERLOO MORADA FIRE DISTRICT MONTHLY ACTIVITY REPORT

13.2  
February  
2024



## Incident Density Map

Zone 1	44
Zone 2	16
Zone 3	46
Zone 4	54
Zone 6	14
Zone 7	17
Zone 8	0



# WATERLOO MORADA FIRE DISTRICT

6925 E Foppiano Lane

Stockton, CA 95212

(209) 931-3107

13.2  
Board of Directors  
Clay Tit  
John Bak  
Ralph Luche  
Ryan Gresha  
Ken Vog  
Fire Chief  
Eric Wald

April 3, 2024

Dear The Detail Mafia Member,

On behalf of the entire Board of Directors of Waterloo Morada Fire District, we are writing to express our heartfelt gratitude for your recent donation of detailing services to our organization. Your generosity and support mean a great deal to us, and we wanted to take a moment to convey our sincerest thanks.

Your commitment to giving back to the community is truly admirable, and we are incredibly grateful that you chose to support our cause in such a meaningful way. The donated detailing work will undoubtedly help us maintain our vehicles in top condition, enabling us to continue our important work effectively.

Your professionalism and attention to detail were evident throughout the entire process, from our initial discussions to the completion of the work. It is clear that you take pride in your craft, and your dedication to excellence shines through in the quality of your workmanship.

Please know that your contribution will have a lasting impact on our organization and the individuals we serve. By helping us maintain our vehicles, you are directly contributing to our ability to fulfill our mission and make a positive difference in the lives of those in need.

Once again, thank you for your generosity and support. We are truly grateful for your partnership, and we look forward to the opportunity to work together again in the future.

With gratitude,

Clay Titus, President

Ryan Gresham, Vice President

John Baker, Secretary

Ralph Luchetti, Director

Ken Vogel, Director

*Our Community... Our Priority*

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