

Manager's Report

6/12/2026

Administration

- 1 Joint Use Agreement Received comments from the County.
Will review with Committee.

- 2 Roof Leak Roof leak in back office. Exploring repair versus replacement costs. Insurance will not cover the damage.
Met with CalFire. Discussed various options. They will review with the County.

Committee Meetings

- | | |
|-------------------------------|---|
| <u>R&P Committee</u> | Future Meeting: June/July
Fire Sgreement |
|
 | |
| <u>Personnel Committee</u> | Future Meeting: June/July
Indoor Heat & Illness Policy |
|
 | |
| <u>Ordinance Committee</u> | Future Meeting: June/July
Prohibited Acts Update
Board Policy - Training |
|
 | |
| <u>Finance Committee</u> | Future Meeting:
Clear Creek CSD invoices |
|
 | |
| <u>Public Info. Committee</u> | Future Meeting: TBD |
|
 | |
| <u>Ad Hoc - WTP Contract</u> | May - TBD |

Operations

1. Leaks

	Current	FYTD
<u>Mainline Leaks - Repaired</u>	0	3
<u>Service Leaks - Repaired</u>	0	10
<u>Service Lines - Replaced</u>	0	8
<u>Service Lines - Planned</u>		

2 New Meters - Installed

This past month: **0**
 sold to:

Fiscal Year TOTAL: **1**
 Annual Projection: **4**
WAC Total **0**

3. Misc Activities

		To Date	Total
Dead End Flushing/FHs	20	217	of 376
Tank Maintenance Program	C1 completed		
Cross Control Update	Reviewing Customer Service option & Website updates		
Well on Richison Ranch	Bafklow installed; testing scheduled 6-15		
A 1 PS	Replacement not needed.		
Vibration Testing	C PS and Record Lane PS need alignment		



Regular Board Meeting of the Board of Directors
Wednesday, June 17, 2026

7:00 PM

AGENDA

TO ADDRESS THE BOARD DURING OPEN TIME OR NOTICED PUBLIC HEARINGS: pursuant to the Brown Act (Government Code Section 54950 et seq.) action or Board discussion can not be taken on open time matters other than to receive the comments, and if deemed necessary, to refer the subject matter to the District Manager for follow-up and/or to schedule the matter on a subsequent Board agenda.

ITEM

FUNCTION

PRELIMINARY BUSINESS:

- | | | |
|---|--|-------------|
| 1 | Call to Order | |
| 2 | Public Comment Period – Open Time – This time is set for members of the public to address the Board on matters not on the agenda. If your comments concern an item noted on the regular agenda, please address the Board after that item is open to public comments. By law, the Board of Directors cannot discuss or make decisions on matters that are not on the agenda. The Board will customarily refer these matters to the District Manager’s Office. Each speaker is allocated (5) minutes to speak for a maximum of 20 minutes on each subject. Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the District. After receiving recognition from the Board President, please state your name and comments. | |
| 3 | Approval of the minutes of:
May 20, 2026, Regular Board Meeting | Action |
| 4 | Authorize Payment of Bills for Current Expenses | Action |
| 5 | Status of the Budget Report | Information |

NEW BUSINESS:

- | | | |
|---|---|--------|
| 1 | Public Hearing for the Board to Consider Rate Increases for Water Rates, Pump Surcharge Fees, and Water Availability Charge as included in Resolution 2026-04 and Consider Any Protests Submitted | Action |
| 2 | Consider Adopting Resolution 2026-02 – Establishing the Tax Appropriation Limitation for Fiscal Year 2026-27 | Action |
| 3 | Consider Adoption of Resolution 2026-03 Ordering Board of Directors Election, Consolidation of Elections, and Specifications of the Election Order | Action |
| 4 | Defer Annual Capacity Charge Adjustment | Action |

NEW BUSINESS CONTINUED:

- | | | |
|---|--|-------------|
| 5 | Consider Adopting Resolution 2026-05 Capital Budget for Fiscal Year 2026-27 | Action |
| 6 | Consider Adopting Resolution 2026-06 Amending the Reserve Policy and Reviewing the Reserve Study | Action |
| 7 | Project Completion Report for Tank C1 | Information |

OLD BUSINESS:

- | | | |
|---|--|-------------|
| 1 | Muletown Pump Station Generator Project Update | Information |
| 2 | Carr Fire Recovery Project Update | Information |

GENERAL BUSINESS:

- | | | |
|---|--|-------------|
| 1 | Correspondence | Information |
| 2 | Director's Report | Information |
| 3 | Manager's Report | Information |
| 4 | Committee Reports | Information |
| | Resource & Planning – June 3 rd | |
| 5 | Announcements | |
| 6 | Adjournment | |

Next Scheduled Board Meeting
July 15, 2026 @ 7:00 P.M.

“This is an equal opportunity provider”

In compliance with the Americans with Disabilities Act, the Centerville Community Services District will make available to any member of the public who has a disability, a needed modification or accommodation, including an auxiliary aid or service, for that person to participate in the public meeting. A person needing assistance should contact the district office by telephone at (530) 246-0680, or in person or by mail at 8930 Placer Road, Redding, California 96001, or by e-mail at tteuscher@centervillecsd.com, at least two working days in advance. Accommodation may include, but are not limited to, interpreters, assistive listening devices, accessible seating, or documentation in an alternate format. If requested, this document and other agenda materials can be made available in an alternative format for persons with a disability who are covered by the Americans with Disabilities Act.

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

Directors Present: Director Whitehead, Director Richison and Director Hopson
Absent: President Oliver and Vice President Woodstrom
Others Present: Tina Teuscher and Chris Muehlbacher

PRELIMINARY BUSINESS:

1. Call to Order: Director Whitehead called the meeting to order at 7:00 pm.
2. Public Comment Period: Director Whitehead opened the public comment period. No comments were received. The public comment period was closed.
3. Approval of April 15, 2026, minutes: Director Hopson moved to approve the minutes. Director Richison seconded. The vote was unanimous. Motion carried.
4. Authorize Payment of Bills for Current Expenses: Director Richison moved to pay the bills. Director Hopson seconded. Mr. Muehlbacher stated that the payment to Big Valley Sanitation was for pumping the septic tank. All other payments were routine. The vote was unanimous. Motion carried.
5. Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenue thru April was \$1,219,007 versus expenses of \$1,162,358. He mentioned that consumption has increased. Regarding expenses, line items 51300 and 51305 indicate that Clear Creek is also using more water.

Capital Revenue through February is \$209,442 verses expenses of \$131,955. The only change this month was the Tank Coating program expenses from PACE Engineering.

Reserve Fund Status Sheet: The total reserve is \$1,495,737. Mr. Muehlbacher stated that the notable change was the O&M Reserve decreased by \$46k due to a LAIF transfer for cash flow purposes. He mentioned that the interest is also reflected this month.

NEW BUSINESS

- 1 Investment Fund Quarterly Reports Ending December 31, 2025 and March 31, 2026: Mr. Muehlbacher stated that consistent with the Investment Policy this report provides the balance and interest earned on each of the accounts.

OLD BUSINESS

- 1 Muletown Pump Station Generator Project Update: No update at this time.
- 2 Carr Fire Recovery Project Update: Mr. Muehlbacher stated that approximately two weeks ago, the District was notified that a CalOES Program Specialist was assigned to finalize the California Disaster Assistance Act (CDAA) Cost Share closeout. This effort was completed on May 13th and was submitted to management for their final review

CENTERVILLE COMMUNITY SERVICES DISTRICT
RESOURCE & PLANNING COMMITTEE MEETING NOTES

Committee Present: Director Whitehead and Director Hopson

Absent: None

Others Present: Dan Peters and Chris Muehlbacher

RESOURCE & PLANNING COMMITTEE AGENDA

1 Open Session

No public comment was received.

2 Discussion Regarding Capacity Charge

The Committee reviewed data presented by staff regarding Westridge Development, the Will Serve Letter data base as well as completed developments all in reference to the 2015 Water Master Plan and the related capital needs. The potential for Westridge under the current map is not likely and there remains strong potential for change. It is the recommendation to the Board to suspend Capacity Charge adjustments and to revisit it at a future date.

3 Discussion of the Capital Improvement Plan for FY 2026-27

Staff presented the proposed capital improvements for fiscal year 2026-27. The Committee concurred with the projects presented.

4 Adjournment

Centerville Community Services District Profit & Loss Budget Performance May 2026

	May 26	Budget	\$ Over Budget	Jul '25 - May 26	YTD Budget	\$ Over Budget
Ordinary Income/Expense						
Income						
41000 · WATER SALES						
41100 · Base Rate	48,734.50	48,415.00	319.50	535,304.75	532,585.00	2,719.75
41200 · Consumption Rate	51,800.90	70,000.00	-18,199.10	595,626.44	660,000.00	-64,373.56
41210 · Late Fees	1,595.03	1,700.00	-104.97	17,507.39	15,900.00	1,607.39
41220 · Miscellaneous Charges	0.00	0.00	0.00	750.00	0.00	750.00
41300 · Water Sales-Temp Const	0.00	0.00	0.00	157.65	0.00	157.65
41400 · Pump Zone A (Base Rate)	1,595.00	1,650.00	-55.00	17,647.21	18,550.00	-902.79
41450 · Pump Zone A (Power Comp)	1,579.64	1,600.00	-20.36	20,230.02	20,900.00	-669.98
41500 · Pump Zone A-1 (Base Rate)	455.00	470.00	-15.00	5,005.00	5,130.00	-125.00
41550 · Pump Zone A-1(Power Comp)	469.04	800.00	-330.96	5,824.72	7,400.00	-1,575.28
Total 41000 · WATER SALES	106,229.11	124,635.00	-18,405.89	1,198,053.18	1,260,465.00	-62,411.82
41600 · RESERVE FUNDS						
41605 · Consumption Surcharge	1,729.40	2,500.00	-770.60	20,905.28	23,000.00	-2,094.72
41700 · Water Treatment Plant Fee	3,476.08	5,000.00	-1,523.92	41,688.36	46,400.00	-4,711.64
41800 · Rate Stabilization Fee	5,208.44	7,400.00	-2,191.56	62,669.32	69,500.00	-6,830.68
56250 · Transfer Reserve Funds	-10,413.92	-14,900.00	4,486.08	-125,262.96	-138,900.00	13,637.04
Total 41600 · RESERVE FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
42000 · SERVICE INSTALLATION - METERS						
42100 · Connection Charges	0.00	0.00	0.00	545.00	400.00	145.00
Total 42000 · SERVICE INSTALLATION - METERS	0.00	0.00	0.00	545.00	400.00	145.00
43000 · INTEREST						
43001 · LAIF	0.00	0.00	0.00	60,206.25	52,000.00	8,206.25
43002 · Other Interest	1.62	4.00	-2.38	16.01	44.00	-27.99
Total 43000 · INTEREST	1.62	4.00	-2.38	60,222.26	52,044.00	8,178.26
44100 · General Property Tax-422						
44840 · Cent. Admin Fee TSWAD 2001-1	0.00	0.00	0.00	2,500.00	2,500.00	0.00
Total 44100 · General Property Tax-422	0.00	0.00	0.00	2,500.00	2,500.00	0.00

Centerville Community Services District Profit & Loss Budget Performance

May 2026

	May 26	Budget	\$ Over Budget	Jul '25 - May 26	YTD Budget	\$ Over Budget
45000 · OTHER OPER. REVENUE						
45400 · Misc. Revenue	0.00	50.00	-50.00	722.44	450.00	272.44
45850 · Backflow Prevention Testing	256.50	300.00	-43.50	3,102.50	3,300.00	-197.50
45955 · Will Serve - Admin	0.00	0.00	0.00	50.00	0.00	50.00
Total 45000 · OTHER OPER. REVENUE	256.50	350.00	-93.50	3,874.94	3,750.00	124.94
49706 · Water Sales Bella Vista	0.00	0.00	0.00	60,300.00	60,300.00	0.00
Total Income	106,487.23	124,989.00	-18,501.77	1,325,495.38	1,379,459.00	-53,963.62
Gross Profit	106,487.23	124,989.00	-18,501.77	1,325,495.38	1,379,459.00	-53,963.62
Expense						
51000 · WATER COSTS						
51100 · Raw Water Charge	11,852.54	4,300.00	7,552.54	33,179.91	38,000.00	-4,820.09
51300 · Oper. & Maint. - Clear Creek	10,826.19	14,200.00	-3,373.81	124,533.29	147,300.00	-22,766.71
51305 · Administration - Clear Creek	4,177.47	4,900.00	-722.53	39,536.67	46,300.00	-6,763.33
51315 · Restoration Fee	11,835.18	4,000.00	7,835.18	33,045.45	37,500.00	-4,454.55
51317 · Water Right Fees	0.00	0.00	0.00	4,348.23	4,600.00	-251.77
51325 · WINN Act Lawsuit	252.14	160.00	92.14	1,707.30	1,840.00	-132.70
Total 51000 · WATER COSTS	38,943.52	27,560.00	11,383.52	236,350.85	275,540.00	-39,189.15
52000 · TRANSMISSION & DISTRIB.						
52100 · General Repair & Maint.	9,315.51	6,000.00	3,315.51	61,771.50	67,000.00	-5,228.50
52130 · Zone A - Repair and Maintenance	0.00	0.00	0.00	1,399.72	1,600.00	-200.28
52140 · Zone A1 - Repair and Maintenance	0.00	0.00	0.00	1,162.27	1,600.00	-437.73
52200 · Operating Supplies & Expense	918.08	2,000.00	-1,081.92	19,964.48	22,000.00	-2,035.52
52400 · Utilities - General Plant	118.82	140.00	-21.18	1,329.32	1,560.00	-230.68
52425 · Elect., Muletown Pump Station	200.91	250.00	-49.09	2,347.75	2,950.00	-602.25
52450 · Elect., Towerview Pump Station	124.70	250.00	-125.30	1,859.48	2,750.00	-890.52
52500 · Utilities Pump Zone A	2,914.93	2,600.00	314.93	33,834.72	34,000.00	-165.28
52600 · Utilities Pump Zone A-1	618.72	900.00	-281.28	7,656.96	8,700.00	-1,043.04
52850 · Backflow Prevention Testing	0.00	0.00	0.00	3,805.00	3,600.00	205.00
Total 52000 · TRANSMISSION & DISTRIB.	14,211.67	12,140.00	2,071.67	135,131.20	145,760.00	-10,628.80

Centerville Community Services District Profit & Loss Budget Performance May 2026

	May 26	Budget	\$ Over Budget	Jul '25 - May 26	YTD Budget	\$ Over Budget
53000 · EQUIPMENT						
53100 · Equipment Repairs & Maint.	1,794.72	600.00	1,194.72	5,850.45	7,400.00	-1,549.55
53200 · Gasoline	634.23	750.00	-115.77	7,211.33	7,750.00	-538.67
Total 53000 · EQUIPMENT	2,428.95	1,350.00	1,078.95	13,061.78	15,150.00	-2,088.22
54000 · ADMINISTRATIVE						
54100 · Liability Insurance - District	0.00			33,367.68	40,000.00	-6,632.32
54150 · Utilities-District Office	627.43	1,000.00	-372.57	9,205.60	11,000.00	-1,794.40
54200 · Telephone - District Office	671.96	750.00	-78.04	9,471.93	8,250.00	1,221.93
54250 · SWRCB Fees	0.00	0.00	0.00	13,928.82	15,000.00	-1,071.18
54300 · Travel & Training	20.02	500.00	-479.98	7,015.72	5,500.00	1,515.72
54325 · Employee Recognition	195.00	100.00	95.00	1,528.88	1,600.00	-71.12
54375 · LAFCO	0.00	0.00	0.00	2,554.86	4,000.00	-1,445.14
54400 · Miscellaneous	0.00	25.00	-25.00	158.23	475.00	-316.77
54455 · Watershed Sanitary Survey	0.00	0.00	0.00	1,984.20	0.00	1,984.20
54500 · Engineering - District Engineer	0.00	800.00	-800.00	2,148.00	9,200.00	-7,052.00
54550 · Legal-Dist. Attorney	720.00	800.00	-80.00	13,376.07	9,200.00	4,176.07
54600 · Accounting-Audit & Consult	0.00	0.00	0.00	20,775.00	23,000.00	-2,225.00
54625 · Meals	25.45	60.00	-34.55	884.76	740.00	144.76
54650 · Office Supplies	296.37	750.00	-453.63	6,196.77	8,250.00	-2,053.23
54675 · Bank Charges	0.00			25.00	0.00	25.00
54680 · Merchant Fees	152.10	100.00	52.10	905.96	1,100.00	-194.04
54700 · Postage	172.51	800.00	-627.49	1,758.14	9,200.00	-7,441.86
54710 · Billing and Notices	139.00	0.00	139.00	12,287.77	0.00	12,287.77
54750 · Office Equipment (Small)	0.00	1,900.00	-1,900.00	14,896.58	20,100.00	-5,203.42
54800 · Office Building - R&M	1,019.11	750.00	269.11	9,412.80	8,250.00	1,162.80
54850 · Directors Compensation	300.00	500.00	-200.00	6,050.00	5,000.00	1,050.00
54900 · Subscription & Licenses	4,764.51	3,200.00	1,564.51	33,425.69	39,500.00	-6,074.31
Total 54000 · ADMINISTRATIVE	9,103.46	12,035.00	-2,931.54	201,358.46	219,365.00	-18,006.54

Centerville Community Services District Profit & Loss Budget Performance May 2026

	May 26	Budget	\$ Over Budget	Jul '25 - May 26	YTD Budget	\$ Over Budget
55000 · WAGES & BENEFITS						
55100 · Salaries	53,383.77	53,000.00	383.77	424,038.69	424,700.00	-661.31
55110 · Salaries - Standby	600.00	500.00	100.00	4,900.00	5,500.00	-600.00
55120 · Overtime	835.00	600.00	235.00	8,208.79	7,400.00	808.79
55200 · Salaries - Part Time Employees	1,916.64	1,700.00	216.64	18,074.05	19,300.00	-1,225.95
55300 · Pension - Retirement	4,368.39	5,600.00	-1,231.61	94,844.92	104,300.00	-9,455.08
55400 · Insurance - Emp. Health&Dental	10,425.18	10,000.00	425.18	112,514.10	110,000.00	2,514.10
55500 · Workman's Comp. Insurance	0.00	0.00	0.00	20,518.17	21,000.00	-481.83
55600 · F.I.C.A.	3,468.31	2,500.00	968.31	27,848.98	26,500.00	1,348.98
55700 · Medicare Tax	811.12	600.00	211.12	6,513.07	6,400.00	113.07
Total 55000 · WAGES & BENEFITS	75,808.41	74,500.00	1,308.41	717,460.77	725,100.00	-7,639.23
Total Expense	140,496.01	127,585.00	12,911.01	1,303,363.06	1,380,915.00	-77,551.94
Net Ordinary Income	-34,008.78	-2,596.00	-31,412.78	22,132.32	-1,456.00	23,588.32
Net Income	-34,008.78	-2,596.00	-31,412.78	22,132.32	-1,456.00	23,588.32

Centerville Community Services District
Capital Profit & Loss Budget Performance
May 2026

2:29 PM
 06/12/26
 Accrual Basis

	May 26	Budget	Jul '25 - May 26	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
43000 · INTEREST					
43003 · Shasta Co 422 Interest	209.42	0.00	551.23	400.00	400.00
Total 43000 · INTEREST	209.42	0.00	551.23	400.00	400.00
44100 · General Property Tax-422					
44125 · Current Secured Taxes-0&M	97,373.07	95,000.00	231,997.88	223,000.00	223,000.00
44127 · Current Unitary Taxes	5,771.26	5,000.00	11,964.47	10,000.00	10,000.00
44130 · Curr Sec Adv Teeter	0.00	0.00	4,758.09	4,000.00	4,000.00
44131 · Curr Supp Teeter	0.00	0.00	606.62	500.00	500.00
44135 · Supp Taxes Current	1,039.27	200.00	2,722.92	2,300.00	2,300.00
44140 · Curr Unsecured Taxes	242.59	0.00	12,612.00	12,100.00	12,100.00
44145 · Supp Taxes Prior	3.20	20.00	23.33	60.00	60.00
44150 · Prior Year Unsecured Taxes	56.49	40.00	168.25	150.00	150.00
44155 · Homeowner's Exemption - 422	852.78	600.00	2,071.04	2,100.00	2,100.00
Total 44100 · General Property Tax-422	105,338.66	100,860.00	266,924.60	254,210.00	254,210.00
46000 · CAPITAL FUNDS					
46100 · Capacity Charge	0.00	0.00	22,147.00	67,500.00	88,588.00
Total 46000 · CAPITAL FUNDS	0.00	0.00	22,147.00	67,500.00	88,588.00
49000 · TAXES & ASSESSMENTS					
49350 · Sp./Asst Texas Springs 2001-1	12,929.21	11,000.00	37,694.73	34,000.00	34,000.00
Total 49000 · TAXES & ASSESSMENTS	12,929.21	11,000.00	37,694.73	34,000.00	34,000.00
49500 · OTHER CAPITAL REVENUE					
49505 · Other Interest	0.41	2.00	3.31	48.00	50.00
49550 · New Water Purchase Fee	0.00	0.00	600.00	600.00	600.00
Total 49500 · OTHER CAPITAL REVENUE	0.41	2.00	603.31	648.00	650.00
Total Income	118,477.70	111,862.00	327,920.87	356,758.00	377,848.00
Gross Profit	118,477.70	111,862.00	327,920.87	356,758.00	377,848.00
Expense					
51000 · WATER COSTS					
51255 · Clear Creek SWRCB Contract	0.00	0.00	13,266.81	4,400.00	4,400.00
Total 51000 · WATER COSTS	0.00	0.00	13,266.81	4,400.00	4,400.00
57000 · DISTRIBUTION SYSTEM IMPROVE.					
57090 · Tank Coating Program	39,495.83	0.00	182,652.12	175,000.00	180,000.00
Total 57000 · DISTRIBUTION SYSTEM IMPROVE.	39,495.83	0.00	182,652.12	175,000.00	180,000.00

CENTERVILLE COMMUNITY SERVICES DISTRICT RESERVE FUND STATUS

May 31, 2026

DESCRIPTION	Balance as of 7-1-2025	Balance as of Last Month	Current Balance	Projected Balance As of 7-1-2026	Goal Range
DESIGNATED RESERVES:					
Operation & Maintenance	\$406,359.97	\$450,712.64	\$366,525.70	\$486,000.00	\$614k - \$920k (2)
Water Treatment Plant	\$249,846.89	\$299,507.74	\$302,983.82	\$303,000.00	\$250k - \$500k (3)
Carr Fire Funds	\$156,297.70	\$162,956.80	\$162,956.80	\$158,000.00	
Pump Sta. Rep. & Maint. (Zones A & A1)	\$16,024.24	\$16,706.96	\$16,706.96	\$22,000.00	
Capital Improvement Reserve	\$372,107.57	\$363,830.40	\$444,541.26	\$350,000.00	
Subtotal	\$1,200,636.37	\$1,293,714.54	\$1,293,714.54	\$1,319,000.00	
OBLIGATED RESERVES:					
Capacity Charge	\$119,370.25	\$157,690.32	\$157,690.32	\$209,000.00	
Subtotal	\$119,370.25	\$157,690.32	\$157,690.32	\$209,000.00	
RESTRICTED RESERVES:					
Texas Springs Assessment	\$44,793.92	\$43,069.30	\$55,998.92	\$33,000.00	
Subtotal	\$44,793.92	\$43,069.30	\$55,998.92	\$33,000.00	
Total Reserve Balance	\$1,364,800.54	\$1,494,474.16	\$1,507,403.78	\$1,561,000.00	

- 1 O&M Goal Range Goal Range is projected to achieve the Reserve Policy range within 3 - 7 years using the Rate Stabilization Fee.
- 2 WTP Goal Range Goal Range is projected to achieve the Reserve Policy range within 1.5 - 5 years using the Water Treatment Plant Fee.



MEMORANDUM

DATE: June 11, 2026

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: **New Business 1 – Public Hearing for the Board to Consider Rate Increases for Water Rates, Pump Surcharge Fees, and Water Availability Charge as included in Resolution 2026-04 and Consider Any Protests Submitted**

Recommendation

ACTION – That the Board conduct the following:

1. Accept the staff report.
2. Open the Public Hearing and consider any written protests.
3. Close the Public Hearing.
4. Discussion to consider adoption of the Resolution approving the rate adjustments.
5. Roll-Call Vote.

Item Explanation

The preliminary O&M Budget for Fiscal Year (FY) 2026-27 was approved at the April 15th Board meeting. The Board also authorized providing Proposition 218 notice and set the Public Hearing for June 17th. As required by California Constitution Article XIII D, Section 6 – Property Related Fees and Charges paragraph (1) the notice shall include: “The parcels upon which a fee or charge is proposed shall be identified. The amount of the fee or charge proposed to be imposed upon each parcel shall be calculated. The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.”

Following a public hearing, the Board will consider the following rate adjustments:

All customers

1. **Base Rate & WAC:** \$1.00 increase to all meters – projected income of \$15,000.

Zone A (approximately 130 customers)

1. **Base Rate Surcharge:** \$0.75 increase (\$14.50) – projected income of \$1,200.

Zone A1 (approximately 28 customers)

2. **Base Rate Surcharge:** \$0.50 increase (\$18.00) – projected income of \$200.

Letters of Protest

As of this date, the District received no letters of protest.

Fiscal Impact

The preliminary budget includes the proposed rate adjustments to support the O&M budget and the goals of the District's Reserve Policy. If not approved, the preliminary O&M budget would include a projected deficit which would impact the O&M and the Pump Station reserves absent changes to the final O&M budget subject to Board approval.

Water Rate Comparison

Attached is a Water Rate Comparison table showing the relative cost of consuming 3,500 cubic-feet of water using a ¾-inch meter. In summary, Centerville remains toward the bottom third based upon cost in comparison to neighboring agencies.

Background

Attached is the O&M Budget Report for FY 2026-27 which provides greater detail for the proposed rate adjustments. Once approved, the proposed rate adjustments will provide approximately \$15k in O&M revenue as well as fund the Zone A and A1 pump zone reserves. Notable factors included in the O&M Budget are:

1. **Consumption (41200)** is assumed to flatten out the following year. The next fiscal year is projected to be 3% higher than the current year as a conservative estimate towards restored consumption from previous drought restrictions which also reflects customer leaks being repaired.
2. **LAIF Interest (43001)** is projected to remain stable.
3. **Water Sales (49706)** reflect the \$65,700 sales proceeds from Bella Vista WD. This provides adequate funds to purchase equivalent M&I contract water while also funding an additional \$13,100 for the O&M Reserve.
4. **O&M Clear Creek (51300)** is projected to be about \$4k lower than the current budget. This is based upon each District's estimated proportional use of the water treatment plant.
5. **Repair & Maintenance (52100)** is projected to remain stable, reflecting an increased number of service line replacements and minor mainline leak repairs. This budget assumes a continued higher trend reflecting an aging infrastructure.

6. **Liability Insurance (54100)** the budget reflects the higher projected JPIA expense.
7. **SWRCB Fees (54250)** reflect a modest increase.
8. **Salaries (55100)** have been budgeted to include a 2.664% COLA for all exempt and non-exempt as well as eligible step increases for non-exempt employees.
9. **Pension – Retirement (55300)** budget includes the unfunded liability payment of \$62,650 for the Classic & PEPRA contracts. It also includes an additional discretionary payment of \$8,305 for the Classic & PEPRA. These payments continue to improve the District's position in paying off the unfunded liability.
10. **Worker's Comp Insurance (55500)** continues to lower due to the elapsed time from increased claims.

Attachment(s)

- Prop 218 Notice
- O&M Budget Report for FY 2026-27
- Water Rate Comparison
- Resolution 2026-04



Proposition 218 Notification Notice of Public Hearing Date and Water Rate Adjustments

In accordance with California Constitution Article XIII D, the Centerville Community Services District (the "District") recommends adopting proposed fees and charges. You are receiving this notice in compliance with California Proposition 218 requirements which state that all impacted property owners are mailed a notice of proposed rate changes at least 45 days prior to the public hearing. This notice describes the District's proposed rate increases and explains why they are necessary. It also provides information on how to file a protest of the proposed rate increases if so desired. Please call the office at (530) 246-0680 should you have any questions.

At the April 15, 2026, Regular Board meeting the Directors reviewed and adopted a preliminary Operations & Maintenance ("O&M") Budget based upon the completed cost-of-service analysis.

The Board of Directors set a public hearing for **June 17, 2026, at 7:00 pm** ("Regular Board Meeting"). The Regular Board Meeting will be held at the District Office located at 8930 Placer Road, Redding, CA. Please refer to the posted agenda for the most current meeting information. At the public hearing, the proposed rate increases will be presented, and the public will be given an opportunity to comment. If adopted, the proposed changes will become effective July 1, 2026.

The following is a summary of the recommended adjustments:

- A rate adjustment is proposed to the current **Base Rates** – affecting all customers.
- A rate adjustment is proposed to the **Water Availability Charge (WAC)** – affecting 16 customers.
- Adjustments are proposed to the **Base Rate Surcharge for Pump Zone A and Pump Zone A1** – affecting approximately 154 customers.

Basis of Proposed Rates

In providing an adequate water supply and service to its customers, the District requires a total revenue adequate enough to ensure the proper operation and maintenance ("O&M") of the distribution system, which includes the development and sustainability of the water system as well as preserving the District's financial stability. The District utilizes a cash-needs approach as the basis of rate-making. The basic revenue requirement components of the cash-needs approach are O&M expenses, taxes or transfer payments, debt-service payments, contributions to specific reserves, and the cost of capital expenditures that are not debt financed or contributed (i.e., capital improvements funded directly from rate revenues).

It is the District's mission to provide a reliable and adequate supply of high-quality water, at the lowest reasonable price, and in an environmentally responsible manner. In pursuit of this mission, the District operates and maintains 55 miles of pipeline, six separate pressure zones, 377 fire hydrants, 725 valves, 93 air valves, 21 blow-offs, five booster pump stations, five pressure reducing stations, one pressure relief station, five reservoirs and three inter-tie connections.

The District receives its water from Whiskeytown Lake which is treated at the Clear Creek CSD ("CCCSD") Filtration Treatment Plant ("Treatment Plant"). As such, the District is responsible for a proportionate share of all costs associated with the operations and maintenance of the Treatment Plant.

Proposed Base Rate Increases

The Board of Directors adopted a preliminary O&M Budget at the Regular meeting on April 15, 2026. An increase in the rates is necessary to cover the costs associated with operating and maintaining the aging water system. Specifically, the inflationary cost increases to energy, fuel, and higher water treatment expenses have contributed significantly to the need for rate adjustments. Also contributing are employee-related costs, as well as increased regulatory fees and liability insurance. As a result, rate adjustments are proposed to the Base Rates for Residential, Commercial, Industrial, and Institutional customers. Please note the Base Rate does not include any water consumption.

The proposed increases are depicted in the tables below:

Base Rate Structure

<u>Meter Size</u>	<u>Current Monthly Rate</u>	<u>Proposed Monthly Rate</u>
5/8"	\$36.50	\$37.50
3/4"	\$36.75	\$37.75
1"	\$37.00	\$38.00
1.5"	\$57.00	\$58.00
2"	\$97.50	\$98.50

Proposed Water Availability Charge (WAC)

The District is proposing to adjust the Water Availability Charge (WAC). This increase is recommended to cover increased expenses associated with the cost for the ongoing operation and maintenance of the District's distribution system.

<u>Current Rate</u>	<u>Proposed Rate</u>
\$37.00	\$38.00

Proposed Rate Increase Protest Procedure

If you intend to protest the proposed rate increases, you must submit a written protest to the District at, or before, the time set for the public hearing. If a written protest is filed by a majority of ratepayers/parcel owners, the proposed rate increases will not be adopted.

A written protest must contain a description of the parcel, or parcels, in which the party signing the protest owns. A current address, or assessor's parcel number, is sufficient to identify the parcel(s). If the party signing the protest is not shown on the last equalized assessment role of Shasta County as the owner of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner of the parcel(s). Only one written protest will be counted per identified parcel.

Proposed Residential Rate Increase User Comparison

The following indicates how this proposal would affect the average user's **AUGUST** bill:

Low End User – One Month AUGUST Bill – Usage of 3,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¼ Inch):	\$36.75	Base Rate (¼ Inch):	\$37.75
Consumption Rate per 100 cf:	\$ 1.183	Consumption Rate per 100 cf:	\$ 1.183

Base Rate:	\$36.75	Base Rate:	\$37.75
0 – 3,500 cf x \$ 1.183 =	\$41.41	0 – 3,500 cf x \$ 1.183 =	\$41.41
RSF (35 x \$.12) =	\$4.20	RSF (35 x \$.12) =	\$4.20
WTP (35 x \$.08) =	\$2.80	WTP (35 x \$.08) =	\$2.80
Total	\$85.16	Total	\$86.16

Difference = \$ 1.00

Mid-Range User – One Month AUGUST Bill – Usage of 12,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¼ Inch):	\$36.75	Base Rate (¼ Inch):	\$37.75
Consumption Rate per 100 cf:	\$1.183	Consumption Rate per 100 cf:	\$1.183

Base Rate:	\$36.75	Base Rate:	\$37.75
0 – 12,500 cf x \$ 1.183 =	\$147.88	0 – 12,500 cf x \$ 1.183 =	\$147.88
RSF (125 x \$.12) =	\$15.00	RSF (125 x \$.12) =	\$15.00
WTP (125 x \$.08) =	\$10.00	WTP (125 x \$.08) =	\$10.00
Total	\$209.63	Total	\$210.63

Difference = \$ 1.00

High End – One Month AUGUST Bill – Usage of 40,000 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¼ Inch):	\$36.75	Base Rate (¼ Inch):	\$37.75
Consumption Rate per 100 cf:	\$1.183	Consumption Rate per 100 cf:	\$1.183

Base Rate:	\$36.75	Base Rate:	\$37.75
0 – 40,000 cf x \$ 1.183 =	\$473.20	0 – 40,000 cf x \$ 1.183 =	\$473.20
RSF (400 x \$.12) =	\$48.00	RSF (400 x \$.12) =	\$48.00
WTP (400 x \$.08) =	\$32.00	WTP (400 x \$.08) =	\$32.00
Total	\$589.95	Total	\$590.95

Difference = \$ 1.00

Proposed Zone A and A1 Pump Surcharge Fee Increases

Zone A comprises approximately 125 customers and Zone A1 is comprised of 28 customers. Both zones are generally located in the Middletown Park and Secluded Valley areas. These pressure zones rely completely upon electrical pumps for their water supply. As a result of higher energy expenses and the need to adequately fund the reserve, adjustments to both Base Rate Surcharges are proposed. Below is a summary of the adjustments:

Zone A & A1 Surcharges

Surcharge Rates

	<u>Current</u>	<u>Proposed</u>
Zone A Base Rate Surcharge:	\$ 13.75	\$ 14.50
Zone A1 Base Rate Surcharge :	\$ 17.50	\$18.00

The following example depicts how these proposed rate increases would impact a Zone A and A1 customers' typical August bill depending on their water usage:

Zone A – Usage of 7,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$36.75	Base Rate (¾ Inch):	\$37.75
Consumption Rate per 100 cf:	\$ 1.183	Consumption Rate per 100 cf:	\$ 1.183
Zone A Base Surcharge:	\$13.75	Zone A Base Surcharge:	\$14.50
Zone A Consumption Surcharge:	\$.312	Zone A Consumption Surcharge:	\$.312

Base Rate:	\$36.75	Base Rate:	\$37.75
0 – 7,500 cf x \$ 1.183 =	\$88.73	0 – 7,500 cf x \$ 1.183 =	\$88.73
Zone A Base Surcharge:	\$13.75	Zone A Base Surcharge:	\$14.50
Zone A Consumption Surcharge:	\$23.40	Zone A Consumption Surcharge:	\$23.40
RSF (75 x \$.12) =	\$9.00	RSF (75 x \$.12) =	\$9.00
WTP (75 x \$.08) =	\$6.00	WTP (75 x \$.08) =	\$6.00
Total	\$177.63	Total	\$179.38

Difference = \$ 1.75

Zone A1 – Usage of 7,500 cubic-feet

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$36.75	Base Rate (¾ Inch):	\$37.75
Consumption Rate per 100 cf:	\$ 1.183	Consumption Rate per 100 cf:	\$ 1.183
Zone A Base Surcharge:	\$17.50	Zone A Base Surcharge:	\$18.00
Zone A Consumption Surcharge:	\$.557	Zone A Consumption Surcharge:	\$.557

Base Rate:	\$36.75	Base Rate:	\$37.75
0 – 7,500 cf x \$ 1.183 =	\$88.73	0 – 7,500 cf x \$ 1.183 =	\$88.73
Zone A Base Surcharge:	\$17.50	Zone A Base Surcharge:	\$18.00
Zone A Consumption Surcharge:	\$41.78	Zone A Consumption Surcharge:	\$41.78
RSF (75 x \$.12) =	\$9.00	RSF (75 x \$.12) =	\$9.00
WTP (75 x \$.08) =	\$6.00	WTP (75 x \$.08) =	\$6.00
Total	\$199.76	Total	\$201.26

Difference = \$ 1.50

CENTERVILLE COMMUNITY SERVICES
DISTRICT

Operations & Maintenance Budget Report
FY 2026-27



June 2026

1 – Operations & Maintenance Budget Summary for FY 25-26

Executive Summary

This report provides an overview of the Operations & Maintenance Budget for both the current fiscal year as well as the pending future budget. It provides a background analysis and identifies assumptions as well as current and projected budget and resulting revenue requirements for the pending year.

The Centerville Community Services District operates a water distribution system with approximately 1,300 customer connections, over 55 miles of pipes, six pressure zones, 377 fire hydrants, 725 valves, 93 air valves, 21 blow-offs, five booster pump stations, five pressure reducing stations, one pressure relief station, five reservoirs and three inter-tie connections. Centerville is a water contractor with the Bureau of Reclamation and receives its treated water from the Clear Creek Water Treatment Plant located near Whiskeytown Lake.

The goal of this report is to ensure that revenues cover the cost of service, meet reserve requirements, and provide for future capital improvement projects as included in the Capital Improvement Program.

Projected Water System Revenue Requirement Summary

The revenue requirement of the District's water distribution system is a cash-needs approach that includes Operating and Maintenance (O&M), property taxes or transfer payments, debt-service payments, contributions to specified reserves, and the cost of capital expenditures that are not debt financed or contributed (i.e., capital improvements funded directly from rate revenues).

Based upon the rates necessary to cover associated O&M costs for an aging water system that includes the inflationary cost increases to energy, fuel, higher water treatment expenses, employee-related costs as well as increased regulatory fees and liability insurance, it is necessary to adjust rates to address the projected gross loss of \$8k.

Recommended Rate Changes Summary

Based upon the projected revenue requirements, the following rate adjustments are proposed for all customers:

Rate	Amount Adjusted	Percent Adjustment
Base Rate (3/4-inch)	\$1.00	2.7%
Consumption Rate	\$0.00	0%

Details specific to the Water Availability Customers and Zone A & A1 pump zones are provided in the annual summary.

2 – Budget Background and Scope

Background

The Centerville Community Services District provides potable water service to an approximate 4,100 population based upon Shasta County GIS parcel data and the most current US Census. Its customer base is predominately rural residential with a small number of commercial, industrial, and institutional customers. Nearly 10% of the customers are located within the City of Redding's boundaries serving residential, urban lots. Grant School is the single largest water use customer.

The District is an M&I water contractor with the Bureau of Reclamation having both a Repayment Contract and an Exchange Contract. The District's primary source of water is conveyed via the Muletown Conduit from Whiskeytown Lake.

The District has a dedicated capacity contract with Clear Creek Community Services District for water treatment services.

Disadvantaged Unincorporated Community (DUC)

The Shasta County 2021 Median Household Income (MHI) was approximately \$54,667. This is 68% of the California 2021 MHI of \$80,440.

The District contains the Centerville Census Designated Place (CDP), however it is much smaller than the CSD. Determining the MHI for the District requires some projections, since income data only comes at the Census Block Group level. The surrounding block groups are large and extend beyond the District boundary. The average MHI for the block groups that intersect the District boundary is \$81,501 (ACS 2019). This indicates that the District would not be considered a DUC.

Median Household Income Report

In 2020, the District requested that the Rural Community Assistance Corporation (RCAC) conduct an income survey. The survey identified a total of 1,240 parcels located within the District's boundary at that time. A total of 241 responded, which provided a 19.8% response rate. Accordingly, the District's MHI was reported as \$94,000 which is not considered disadvantaged.

Cost-Based Water Utility Ratemaking

Establishing cost-based rates, fees and charges is an important component in a well-managed and operated water district. Cost-based rates provide it with sufficient funding which allows it to build, operate, maintain, and reinvest into the water system that provides a safe and reliable water supply for public health and safety. The methods and analyses used to establish the cost-based rates, fees and charges have a long history within the water utility industry. Establishing cost-based and equitable rates is a technically challenging process which requires knowledge and understanding of finance, accounting, budgeting, engineering, system design and operations, customer service, public

outreach, and communications as well as the legal requirements as they relate to setting rates, fees, and charges. When appropriately applied, these methodologies are generally considered to be fair and equitable because they result in cost-based rates that generate revenue from each class of customer in proportion to the cost to serve each class of customer. Water rates are fair and equitable when each customer pays the cost allocated to the class and consequently cross-class subsidies are avoided. This ratemaking process includes an evaluation of: Revenue Requirement Analysis; Cost-of-Service Analysis; and Rate-Design Analysis.

Revenue Requirements Analysis

The purpose of a revenue requirement analysis is to determine the adequacy and appropriate level of funding for the District. The revenue requirements are determined by the summation of operations, maintenance and capital costs that must be covered during the period for which the rates will be in place.

The development of the District's revenue requirements is the first analytical step of a comprehensive rate-setting process. The determination and establishment of revenue requirements is the basis for setting the overall level for rates, while also providing adequate and sustainable funding levels for operating and maintaining the water system and its related capital costs. In providing an adequate water supply and service to its customers, the District requires a total revenue sufficient to ensure the proper O&M of the distribution system, which includes the development and sustainability of the water system as well as preserving the District's financial stability. The District's total revenue requirements are primarily financed from revenues derived from providing water to its customers.

There are generally two approaches for revenue requirements: cash-needs, and utility-basis. The objective of the cash-needs approach is to provide sufficient revenues to recover total cash requirements for a given period. Generally, this approach is used by government-owned utilities (except for those that require use of the utility-basis approach). As it pertains to ratemaking, the cash-needs approach should not be confused with the cash-basis accounting method of revenue and expense recognition. From a ratemaking perspective, cash-needs refer to the total revenues required to meet its annual cash expenditure; whereas, in terms of accounting, cash-basis refers to the revenues being recognized as earned when cash is received and expenses are charged when cash is disbursed. The basic revenue requirement components of the cash-needs approach include O&M expenses, taxes or transfer payments, debt-service payments, contributions to specified reserves, and the cost of capital expenditures that are not debt financed or contributed (i.e., capital improvements funded directly from rate revenues). It is common practice for a utility to finance a portion of its capital improvement program from annual revenues sometimes referred to as pay-as-you-go (or PAYGO) capital funding. This includes normal annual replacements, extensions, and other improvements (such as meters, services, vehicles, smaller mains, and similar items that occur on a

regular basis each year). Depreciation is not included within the cash-needs revenue requirement.

In contrast, the utility-basis approach is typically mandated for investor-owned water utilities as well as for government-owned utilities requiring it. This approach for determining revenue requirements includes much of what is included in the cash-basis but also includes depreciation expense and a “fair” return on the rate base investment.

The District uses the cash-needs approach for determining its revenue requirements.

Length of Projection

Revenue projections can be made for any length of time depending upon the purpose of the projection. From a strategic financial planning or revenue-adequacy standpoint, projections beyond 10 years are generally quite speculative and have limited value. Accordingly, a projection period of approximately five years is generally considered adequate for near-term financial planning. This time frame provides a reasonable forecast of anticipated future revenue needs which then aids management, the Board of Directors and the public to foresee potential shortfalls and to better avoid surprises in the future.

For O&M budgetary purposes, the District currently projects a period of only one year. This provides the opportunity to better match the actual financial needs of the agency.

For capital purposes, the District reviews projected needs in a twenty-plus year timeframe with a primary focus upon the nearest five-year period since projections beyond that period are generally more speculative.

Test Year

Test Years are an important starting point in establishing revenue requirements. It may represent a specific 12-month period, or it may be an annualization of a rate-design period of more, or less, than a year period. Generally, there are three types of Test Year: historical, projected (future), or pro forma. Pro forma has the advantage of using a combination of historical and projected data to establish a Test Year.

For budgeting purposes, the District utilizes a pro forma approach which requires projections based upon historical data to develop a future test year to evaluate the adequacy of revenues using the proposed rates and charges.

Percentage of Fixed versus Variable Revenue

The District's Base Rate is the most significant contributor to the District's fixed income. The fixed portion of all income for the next fiscal year is approximately 38% of the total income. This is a slight decline from the 40% projected in the current fiscal year ending June 30, 2025. The fixed income alone covers approximately 59% of the fixed expenses. In this manner it aids in the fiscal stability of the District on an annual basis. In

times when consumption is lower the resulting consumption income becomes inadequate to address O&M expenses. While the District does maintain an O&M Reserve for many purposes, including cash flow stability, it is equally important to maintain reserve levels that are consistent with the Reserve Policy. This reserve is primarily funded by the Rate Stabilization Fee which is based upon consumption. Currently, the O&M Reserve is below the policy levels.

Below is a summary of the relative fixed versus variable incomes and expenses:

FY 2026-27	Fixed	Variable
Income	41%	59%
Expense	55%	45%

Regarding fixed income, there are various accepted approaches for use by agencies. American Water Works Association (AWWA) uses meter factors that are proportionally based upon their hydraulic capacity. Alternatively, the California Water Conservation Council developed a memorandum of understanding (MOU) in 2010 which established a goal for public agencies to collect 30% of their revenues from base rates with the remaining 70% being collected from consumption rates.

The District utilizes a hybrid of both industry approaches based upon historical use with a conservative trend towards increasing the fixed income to adequately insure fixed expenses.

The remaining variable incomes and expenses are commensurate with actual consumption in that higher consumption derives higher income which is then offset by the higher costs of water-related expenses.

Cost-of-Service Analysis / Rate Design Analysis

This Cost-of-Service Analysis (COSA) presents the results of the review and analysis of the District's current water rates. The review was conducted to determine if the current rate structures can provide sufficient revenues that result in a full recovery of the total costs of the water system. A review of the historical revenues and operating expenses is included in this analysis. Operating expenditure reviewed includes O&M cost, debt service, normal additions and replacement to the systems, administrative costs, reserve requirements, and capital replacement needs. The District strives to develop rate structures to be equitable such that, as nearly as practical, each customer pays their fair and proportionate share of the costs.

The District utilizes recommendations set forth in the AWWA Manual M1 – Principals of Water Rates, Fees, and Charges for determining its rate structures. The District's water rates are established using the "Cash-Needs" approach, as defined in the AWWA Manual M1. Like most public agencies throughout California, the District's water rates contain a

base (fixed) charge and a uniform consumption charge, based upon the amount of water consumed. The base rate is designed to collect most of the revenue needed to cover the fixed expenses. The base rate does not include any volume of water.

When establishing water rates, the District strives to adhere to the following principles:

- Water rates should be easy to understand and implement.
- Water rates should promote efficient use of resources (i.e. conservation-minded).
- Water rates should be equitable and non-discriminating (i.e. cost-based).
- There should be continuity in the ratemaking philosophy over time.
- Water rates should consider all aspects of utility usage, including planning for the future.
- Water rates should provide month-to-month and year-to-year revenue stability.
- Water rates should recover adequate revenue to fund the following:
 - Day-to-day O&M expenses, including reserves intended to replace short-lived assets, such as pumps, instrumentation, controls, computers, etc.
 - Debt service obligations for long-term capital improvement loans, including required reserves by funding agencies.
 - Capital replacement project costs.

3 – Budget Review and Report

Review of the O&M Budget for FY 2025-26

In review of the O&M Budget as projected through fiscal year ending June 30th is trending toward an overall projected surplus of \$34k which will enhance the O&M Reserve.

During this fiscal year, the District continued to emerge from the drought conditions with consumption below the budget by 6%.

At present, the Clear Creek O&M Adjustment factor (51310) reflects no adjustments. Clear Creek is delinquent with financial audits for fiscal years ending 2022, 2023, 2024 and soon to be 2025. Clear Creek has completed audits for FYE 2023 and 2023 and still needs to conduct the annual true-ups. This annual review typically results in an adjustment to both the Administration and O&M factors which are included in the Dedicated Capacity contract. This remains a potential budget impact depending upon the significance of the adjustments.

Further contributors and impacts to the net deficit include:

1. **Consumption (41200)** is trending approximately 6% lower than budgeted. This reflects a strong precipitation experienced this past fall as well as consumer usage levelling off following the previous drought.
2. **LAIF Interest (43001)** continues to perform higher than budget.
3. **O&M Clear Creek (51300)** is \$23k lower than the budget for this current year. This reflects improved usage by Clear Creek which lessens the overall expense based upon use.
4. **O&M Adjustment Clear Creek (51310)** while there have been no adjustments for this current year, there remains a potential for two completed audits to be processed.
5. **Repair & Maintenance (52100)** is projected to be lower than the budget as a direct result of a slowing of service line replacements this current year. A total of 8 as of April 2026.

Proposed O&M Budget for FY 2026-27

Next Fiscal Year Summary: The next fiscal year is projected as a gross loss of approximately \$15k.

Below is a summary of the significant items for the next fiscal year:

1. **Consumption (41200)** is assumed to flatten out the following year. The next fiscal year is projected to be 3% higher than the current year as a conservative estimate towards restored consumption from previous drought restrictions which also reflects customer leaks being repaired.
2. **LAIF Interest (43001)** is projected to remain stable.
3. **Water Sales (49706)** reflect the \$65,700 sales proceeds from Bella Vista WD. This provides adequate funds to purchase equivalent M&I contract water while also funding an additional \$13,100 for the O&M Reserve.
4. **O&M Clear Creek (51300)** is projected to be about \$4k lower than the current budget. This is based upon each District's estimated proportional use of the water treatment plant.
5. **Repair & Maintenance (52100)** is projected to remain stable, reflecting an increased number of service line replacements and minor mainline leak repairs. This budget assumes a continued higher trend reflecting an aging infrastructure.
6. **Liability Insurance (54100)** the budget reflects the higher projected JPIA expense.
7. **SWRCB Fees (54250)** reflect a modest increase.
8. **Salaries (55100)** have been budgeted to include a 2.664% COLA for all exempt and non-exempt as well as eligible step increases for non-exempt employees.
9. **Pension – Retirement (55300)** budget includes the unfunded liability payment of \$62,650 for the Classic & PEPRA contracts. It also includes an additional discretionary payment of \$8,305 for the Classic & PEPRA. These payments continue to improve the District's position in paying off the unfunded liability.
10. **Worker's Comp Insurance (55500)** continues to lower due to the elapsed time from increased claims.

Discussion items for the preliminary budget:

1. The preliminary O&M budget has an approximate \$15k deficit. Below is a summary of proposed rate adjustments:

Rate Adjustment Options				
Description	Potential Rate Increase Amount	Resulting Revenue Increase	Proposed Rate Adjustment	Projected Revenue
Base Rate	\$0.25	\$3,800	\$1.00	\$15,200
Consumption Rate	\$0.01	\$6,300	\$0.00	\$0
			Total	\$15,200

2. **Zone A** has a current \$1,100 deficit and has a projected \$2,000 deficit for the next fiscal year. This zone is especially sensitive to the high PGE expense. While this zone yields adequate revenue to cover its annual expense, the challenge remains in producing adequate revenue to fund the projected reserve contribution of \$3,700. Due to price elasticity, any increase to the customer's monthly expense can negatively impact the consumption. As such, it is recommended that rate adjustments be primarily made to the Base Rate Surcharge to ensure a reliable income.

Rate Adjustment Options				
Description	Rate Increase Amount	Resulting Revenue Increase	Proposed Rate Adjustment	Projected Revenue
Base Rate Surcharge	\$0.25	\$400	\$0.75	\$1,200
Consumption Rate Surcharge	\$0.01	\$800	\$0.00	\$0
			Total	\$1,200

3. **Zone A1** is funded for the current fiscal year. Like Zone A, the current rates address the ongoing O&M expense but fall short of fully funding the reserve most years. This next fiscal year is projected to have a \$1,400 reserve funding deficit. Based upon the most recent efficiency test, the pumps are showing signs of needing repairs or replacement. Once completed, it is anticipated that the pumping will be restored to more efficient production. Below is the proposed rate adjustment to remedy the reserve fund.

Rate Adjustment Options				
Description	Rate Increase Amount	Resulting Revenue Increase	Proposed Rate Adjustment	Projected Revenue
Base Rate Surcharge	\$0.25	\$100	\$0.50	\$200
Consumption Rate Surcharge	\$0.01	\$100	\$0.00	\$0
			Total	\$200

O&M Budget (April 10, 2026) - Draft O&M Budget

FY 2026-27

**PROPOSED
Budget**

Income

41000 · WATER SALES

41100 · Base Rate	599,000
41200 · Consumption Rate	712,000
41210 · Late Fees	19,000
41300 · Water Sales-Temp Const	500
41400 · Pump Zone A (Base Rate)	21,300
41450 · Pump Zone A (Power Comp)	23,600
41500 · Pump Zone A-1 (Base Rate)	5,600
41550 · Pump Zone A-1(Power Comp)	7,500
41900 · Drought Surcharge	

Total 41000 · WATER SALES 1,388,500

41600 · RESERVE FUNDS

41605 · Consumption Surcharge	25,000
41700 · Water Treatment Plant Fee	50,000
41800 · Rate Stabilization Fee	75,000
56250 · Transer Reserve Funds	(150,000)

42000 · SERVICE INSTALLATION - METERS

42100 · Connection Charges	400
----------------------------	-----

Total 42000 · SERVICE INSTALLATION 400

43000 · INTEREST

43001 · LAIF	60,000
43002 · Other Interest	50
43003 · Shasta Co 422 Interest	200

Total 43000 · INTEREST 60,250

44100 · GENERAL PROPERTY TAX

44840 · Cent. Admin Fee TSWAD 01-1	2,500
------------------------------------	-------

Total 44100 · General Property Tax-422 2,500

45000 · OTHER OPER. REVENUE

45100 · Inspection Fees	0
45300 · Returned Check Charge	0
45400 · Misc. Revenue	500
45850 · Backflow Prevention Testing	3,600
45900 · Will Serve - Engineering	0
45950 · Will Serve - Legal	0
45955 · Will Serve - Admin	0
49706 · Water Sales BVWD	65,700
Total 45000 · OTHER OPER. REVENUE	69,800
TOTAL INCOME	1,521,450

Expense

51000 · WATER COSTS

51100 · Raw Water Charge	46,000
51300 · Oper. & Maint. - Clear Creek	133,000
51305 · Administration - Clear Creek	49,000
51310 · O & M Adjustment - Clear Creek	10,000
51315 · Restoration Fee	41,000
51317 · SWRCB - Water Rights Fee	4,600
51319 · McConnell Water Transfer	0
City of Redding Water Transfer	0
51325 · WINN Act Lawsuit	2,000
Total 51000 · WATER COSTS	285,600

52000 · TRANSMISSION & DISTRIB.

52100 · Rep. & Maint.	60,000
52130 Zone A PS Repairs & Maint.	1,600
52140 Zone A1 PS Repairs & Maint.	1,600
52200 · Operating Supplies & Expense	25,000
52300 · Lease Payment - BLM Tank Site	0
52400 · Utilities - General Plant	1,700
52425 - Elect., Muletown Pump Station	3,000
52450 - Elect., Towerview Pump Station	3,000
52500 · Utilities - Pump Zone A	40,000
52600 · Utilities - Pump Zone A-1	10,000
52700 · Diggins Generator Propane	0
52850 · Backflow Prevention Testing	3,600
	149,500

53000 · EQUIPMENT

53100 · Equipment Repairs & Maint.	8,000
------------------------------------	-------

53200 · Gasoline	8,500
Total 53000 · EQUIPMENT	16,500
54000 · ADMINISTRATIVE	
54100 · Liability Insurance - District	38,000
54150 · Utilities-District Office	12,000
54200 · Telephone - District Office	11,000
54250 · SWRCB Fees	15,000
54300 · Travel & Training	7,000
54325 · Employee Recognition	1,800
54350 · Elections	0
54375 · LAFCO	3,000
54400 · Miscellaneous	500
54500 · Engineering - District Engineer	10,000
54550 · Legal-Dist. Attorney	10,000
54600 · Accounting-Audit & Consult	23,000
54625 · Meals	800
54650 · Office Supplies	6,000
54675 · Bank Charges	50
54680 · Merchant Fees	1,200
54700 · Postage	100
54710 · Billing & Notices	18,000
54750 · Office Equipment (Small)	16,000
54800 · Office Building - R&M	10,000
54850 · Directors Compensation	10,000
54900 · Subscription & Licenses	40,000
Total 54000 · ADMINISTRATIVE	233,450

55000 · WAGES & BENEFITS	
55100 · Salaries	476,000
55110 · Salaries - Standby	6,500
55120 · Overtime	8,000
55200 · Salaries - Part Time Employees	22,000
55210 · Salaries - Temporary Employees	0
55300 · Pension - Retirement	110,000
55400 · Insurance - Emp. Health&Dental	132,000
55500 · Workman's Comp. Insurance	22,000
55600 · F.I.C.A.	30,000
55700 · Medicare Tax	7,000

Total 55000 · WAGES & BENEFITS 813,500

Sub-Total Expense | 1,498,550

Other - Reserve Transfer From O&M

57110 - Transfer to Pump Station Res. | 4,800

Net Water Sale Proceeds to Reserve 13,100

Reserve Fund 5,000

Total 57102 - OTHER OPER EXPENSES 22,900

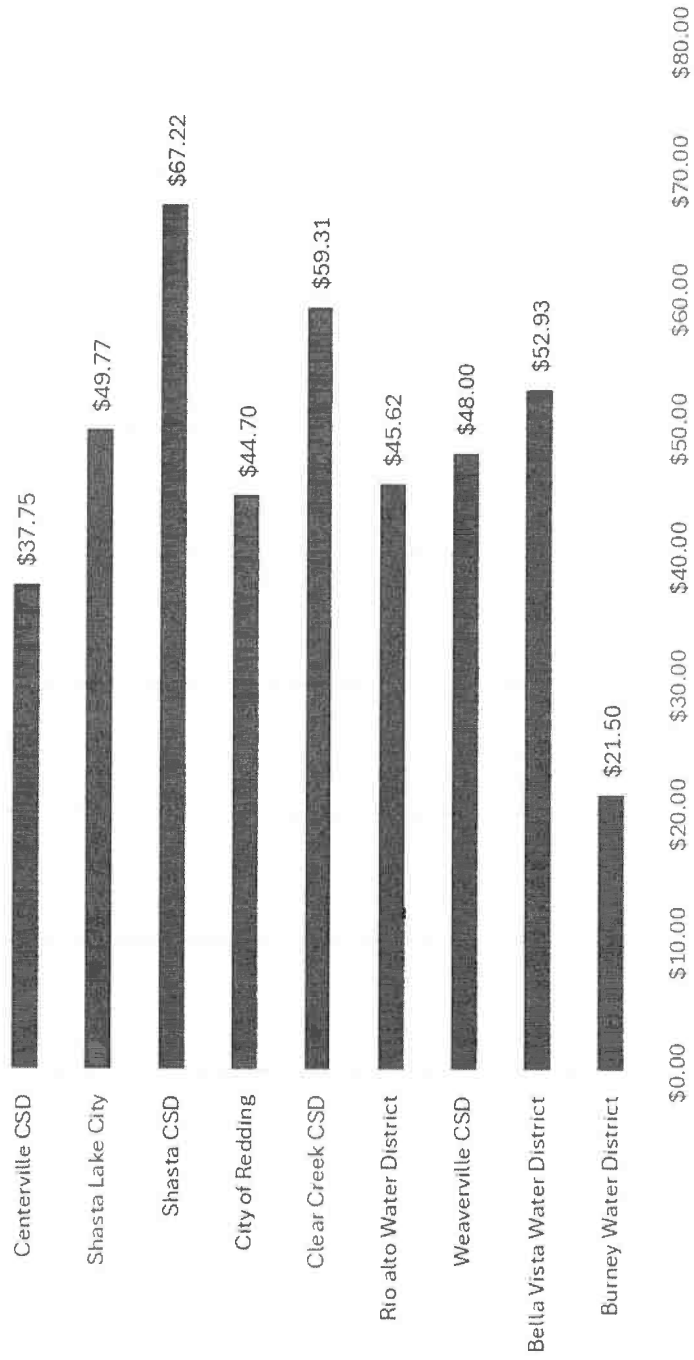
TOTAL - Expenses/Transfers 1,521,450.00

NET INCOME / (LOSS) 0

RATE COMPARISON

	Base Rate 3/4 Inch Meter	Base Rate 1 Inch Meter	Consumption per 100 cf	Surcharges	Average Monthly Bill 3,500 cf with 3/4 Inch Meter
Burney Water District	\$21.50	\$21.50	\$0.83		\$50.55
Bella Vista Water District	\$52.93	\$52.93	\$0.81	\$14.00	\$61.82
Weaverville CSD	\$48.00	\$68.00	\$1.65		\$105.58
Rio alto Water District	\$45.62	\$62.17	\$1.50		\$98.12
Clear Creek CSD	\$59.31	\$59.31	\$0.56	\$10.81	\$89.72
City of Redding	\$44.70	\$70.76	\$2.13		\$119.25
Shasta CSD	\$67.22	\$67.22	\$2.52		\$155.42
Shasta Lake City	\$49.77	\$122.36	\$3.22	.41 phcf	\$176.82
Centerville CSD	\$37.75	\$38.00	\$1.18	.20 phcf	\$86.16

Rate Comparison 2026



RESOLUTION NO. 2026-04

A RESOLUTION OF THE CENTERVILLE COMMUNITY SERVICES DISTRICT INCREASING FEES AND CHARGES ASSOCIATED WITH THE PROVISION OF WATER SERVICE

WHEREAS, the Centerville Community Services District (“District”) is a Community Services District formed pursuant to Government Code section 61000, et seq.; and

WHEREAS, pursuant to Government Code section 61115, the District has the authority to fix rates and charges and collect the same for water service within the District; and

WHEREAS, the costs for delivering water to property owners, as well as the costs for operation and maintenance, have and continue to increase; and

WHEREAS, after a Cost-of-Service analysis was performed by the District, increases in water usage rates, water availability charges and other miscellaneous fees and charges are recommended to be adopted by the District; and

WHEREAS, notice of the proposed increase to water rates and other charges was provided to customers and property owners by mail pursuant to California Constitution Article XIII D, Section 6(a) and Government Code section 53755 and 61123; and

WHEREAS, notice of the proposed increase of fees was provided by publication and mailed to the requesting parties pursuant to Government Code sections 66016 and 66018; and

WHEREAS, a public hearing was held pursuant to California Constitution Article XIII, Section 6(a) and Government Code sections 66016 and 66018; and

WHEREAS, written protests against property related fees and charges were not presented by a majority of the affected parcels by the owners thereof.

NOW, THEREFORE, BE IT RESOLVED that the District does hereby resolve, determine and order as follows:

1. Rescission of Conflicting Resolutions or Policies. All prior resolutions, formal actions or policies inconsistent with this Resolution are hereby repealed but only to the extent they conflict with this Resolution.
2. Increases. The water service rates will be increased according to the schedule attached hereto as Exhibit A.
3. Effective Date. The increases set forth in Exhibit A will become effective on July 1, 2026.

PASSED AND ADOPTED by the Board of Directors of the Centerville Community Services District this 17th day of June, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mark Oliver, President

ATTEST:

Tina Teuscher, Board Secretary

EXHIBIT A
CENTERVILLE COMMUNITY SERVICES FEE SCHEDULE

Schedule of Rates, Charges and Fees

WATER SERVICE

July 2026

A. Base Rate — Monthly	
a. 5/8-inch	\$37.50
b. 3/4-inch	\$37.75
c. 1-inch	\$38.00
d. 1-1/2-inch	\$58.00
e. 2-inch	\$98.50
B. Consumption Rate — Monthly	\$1.183
C. Zone A Pump Surcharge — Monthly	
a. Base Rate Surcharge	\$14.50
b. Consumption Rate Surcharge	\$0.312
D. Zone A1 Pump Surcharge — Monthly	
a. Base Rate Surcharge	\$18.00
b. Consumption Rate Surcharge	\$0.557
E. Rate Stabilization Fee - Monthly	\$0.12
F. Water Treatment Plant Fee — Monthly	\$0.08
G. Drought Surcharge – Monthly	
a. August-September 2022 (4,000 +)	
b. October-April 2023 (1,300 +)	
c. May-June 2023 (3,300 +)	\$0.59
H. Water Availability Charge (WAC) — Monthly	\$38.00

I. Backflow Prevention Charge — Monthly	
a. Up to 2-inch devices	\$4.75
b. Greater than 2-inch devices	\$5.75
J. Deposits	
a. Credit	\$200.00
b. Rental	\$100.00
K. Temporary Service - Hydrant Meter	
a. Temporary Service Connection Fee	\$50.00
b. Hydrant Meter (Security Deposit)	\$500.00
L. Reconnection Fee:	\$700.00
M. Miscellaneous Fees	
a. Delinquency Charge	
b. Turn-Off Fee	N/C
c. Turn-On Fee	\$50.00
d. Turn-On Fee (Below 200% of Poverty Line)	\$50.00
e. Turn-On Fee Non-Operations Hours	\$150.00
f. Turn-On Fees Non-Op (Below 200% Poverty Line)	\$150.00
g. 24-Hour Shut-OffNotice On-Site Posting	\$15.00
h. Return Check Charge	\$15.00
i. Meter Testing Fee	\$50.00
j. Inspection Fee (per Lineal Foot)	\$0.30
k. Lien Filing Fee	\$19.50
l. Lien Release Fee	\$20.00
N. Fines per Prohibited Acts (Section 3.1400)	
a. First Violation — up to	\$250.00
b. Second Violation — up to	\$500.00
c. Third Violation and Subsequent Violations up to	\$1,000.00
d. Fire Hydrant Tampering — up to	\$1,000.00
O. Capacity Charge	
a. 3/4" Service	\$22,147.00
b. 1" Service	\$36,900.00
c. 1-1/2" Service	\$73,800.00
P. New Water Purchase Fee	\$600.00

DEVELOPMENT-RELATED FEES & CHARGES

A. Water Supply Annexation Fee	\$600.00
B. Annexation Fee	\$7,663.00
C. Will Serve Letter	
a. District Administrative Overhead Filing	\$50.00
b. Development Projects requiring a Development Agreement	\$150.00
i. Includes 3 hours of staff time. In excess will be	\$65.00 hour
c. Initial Deposit (Engineering and attorney \$500 each)	\$1,000

MISCELLANEOUS

A. Public Records Request Fees	
a. Duplication of Hard Copies via Paper	\$0.25 per copy
b. Duplication of Hard Copies via Scanning	\$0.25 per scan
c. Electronic Media Fee	\$7.00
d. Staff hourly rate for: copying/scanning/faxing and emailing	\$45.00 / hour



MEMORANDUM

Date: June 9, 2026
To: Board of Directors
From: Chris Muehlbacher
Subject: **New Business 2: Consider Adopting Resolution 2026-02 – Establishing the Tax Appropriation Limitation for Fiscal Year 2026-27**

Purpose/Recommendation

ACTION – That the Board of Directors consider adopting Resolution 2026-02 which approves the Tax Appropriation Limits as calculated by Executive Assistant Tina Teuscher.

Discussion

This is a standard housekeeping item that is completed towards the end of each fiscal year in relation to the next fiscal year. As to the law, it is typically referred to as the “Gann Limit” or the “Spirit of 13” (in reference to Prop 13) and set forth under Article XIII B of the CA Constitution. It is also referenced as the State Appropriations Limit (SAL). In summary, the purpose of the limit is to keep inflation adjusted per person government spending under 1978- 1979 levels. From the 1978-1979 base rate, an agency could only increase the spending of tax proceeds based on population growth and cost of living factors.

Here is how it is defined by the League of Cities-

The Gann limit is defined with respect to tax proceeds to a local government in the 1978–1979 fiscal year (Id., § 8, subd. (h)), before Proposition 13’s significant cut in property tax proceeds. The limit is also adjusted annually for changes in population and inflation. (Id., § 1.) Should a local government receive proceeds of tax refunds in excess of its Gann limit, the excess must be returned to taxpayers unless voters temporarily authorize an override of the Gann limit. (Id., § 4 [voters may authorize override for up to four years].) Article XIII B is implemented by Government Code sections 7900 et seq.

In determining the value, the State Department of Finance provides an annual “percentage in population factor” for January 1st and a change in the cost of living, or price factor in the area of per Capita Personal Income. These two factors are then used to calculate the District’s appropriations limit for the next fiscal year.

RESOLUTION 2026-02

A RESOLUTION ESTABLISHING A TAX
APPROPRIATION LIMITATION FOR THE 2026-2027 BUDGET

WHEREAS, it is a requirement of Article XIII B of the California Constitution as amended by Proposition 111 effective July 1, 1990, that each local government establish its tax appropriation limitation each year by resolution of the Board of Directors at a regularly scheduled meeting or a noticed special meeting, and

WHEREAS, according to the prescribed formula, the Centerville Community Services District established the limitation to be \$455,957 for the 2026-2027 fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Centerville Community Services District does hereby set forth a tax appropriation limitation of \$455,957 for the 2026-2027 fiscal year.

PASSED AND ADOPTED this 17th day of June 2026.

Mark Oliver, President
Centerville Community Services District
Board of Directors

AYES: Directors
NOES: None
ABSTAINING: None
ABSENT:

ATTEST:

Tina Teuscher
Secretary to the Board

Centerville Community Services District
Special District Revenue Limits
7/1/2026 - 6/30/2027

	Value for PY 2025-2026	Population Change Ratio	Per Capita Change Ratio	Calculation Factor for 2026-2027 FY	Value for CY 2025-2026
Centerville CSD	\$434,539	0.9998	1.0495	1.049290	455,957

About the Data

**May 2026
Attachment A**

A. Price Factor. Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2026-27 appropriation limit is:

Per Capita Personal Income

Fiscal Year 2026-27	Percentage Change (FY) over prior year 4.95
------------------------	--

B. Appropriation Limit Calculation Example. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2026-27 appropriation limit.

2026-27:

Per Capita Cost of Living Change = 4.95 percent
Population Change = -0.14 percent

Per Capita Cost of Living converted to a ratio: $(4.95 + 100) \div 100 = 1.0495$ ①

Population converted to a ratio: $(-0.14 + 100) \div 100 = 0.9986$

Calculation of factor for FY 2026-27: $1.0495 \times 0.9986 = 1.0480$



MEMORANDUM

DATE: June 9, 2026

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: **New Business 3 – Consider Adoption of Resolution 2026-03 Ordering Board of Directors Election, Consolidation of Elections, and Specifications of the Election Order**

Purpose/Recommendation

ACTION – That the Board of Directors approve Resolution 2026-03 Ordering Board of Directors Election, Consolidation of Elections, and Specifications of the Election Order.

Item Explanation

The District has three Board seats up for the November 3, 2026 General Election. Attached is information related to these seats. The Candidate Nomination period runs July 13 through August 7th. This applies to Directors Mark Oliver, Larry Hopson and Larry Whitehead.

Attachment

- Shasta County information
- Resolution 2026-03

RESOLUTION 2026-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTERVILLE COMMUNITY SERVICES DISTRICT ORDERING BOARD OF DIRECTORS ELECTION; CONSOLIDATION OF ELECTIONS; AND SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, California Elections Code requires a General District Election be held in each District to choose a successor for each elective officer whose term will expire in December (December 2, 2026) following the election to be held on Tuesday, November 3, 2026; and

WHEREAS, other elections may be held in whole or in part of the territory of the District and it is to the advantage of the District to consolidate pursuant to Elections Code Section 10400; and

WHEREAS, Elections Code Section 10520 requires each District involved in a general election to reimburse the County for the actual costs incurred by the County elections official in conducting the election for that District; and

WHEREAS, Elections Code Section 13307(e) requires that before the nominating period opens the District Board must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; and

WHEREAS, Elections Code Section 12112 requires the election official of the principal County to publish a notice of the election once in a newspaper of general circulation in the District;

NOW, THEREFORE, BE IT ORDERED that an election be held within the territory included in this District on the 3rd day of November, 2026, for the purpose of electing members to the Board of Directors of said District in accordance with the following specifications:

SPECIFICATIONS OF THE ELECTION ORDER

1. The Election shall be held on Tuesday, the 3rd day of November, 2026. The purpose of the election is to choose members of the Board of Directors for the following four-year seats: Director Hopson, Director Whitehead and Director Oliver.
2. The District has determined that the Candidate will pay for the Candidate's Statement. The Candidates Statement will be limited to two hundred words. The Candidate shall pay the estimated costs at the time of filing Declaration of Candidacy.



SHASTA COUNTY

Clint Curtis, County Clerk / Registrar of Voters

County Clerk & Elections Department / elections.shastacounty.gov

1450 Court St., Suite 108, Redding, CA 96001 / PO Box 990880, Redding, CA 96099-0880

Phone: 530-225-5730 / FAX: 530-225-5454 / CA Relay Service: 711 or 800-735-2922

April 23, 2026

Centerville Community Services District
8930 Placer Rd
Redding, CA 96001

530 229 8852

Dear Centerville Community Services District,

Our records indicate your district has board member seats up for the General Election on November 3, 2026. These are the documents that we are asking you to review for accuracy and return to the Election's Office on or before **July 1, 2026**.

- **Incumbent List (two enclosed)**
 - Review and note any changes necessary.
 - Return one copy with changes to our office.
- **Fact Sheet (blue sheet enclosed)**
 - Indicate if there are changes necessary from incumbent List.
 - Indicate the number and term length of open seats.
 - Candidate Statement responsibility.
 - Qualifications for office.
 - District boundary changes – using the mapping shape format.
- **Resolution (provided by the district)**
 - The date and purpose of the election, the authority for ordering the election, authorization and agreement to reimburse the cost of the notice of election publication, who is to pay for the candidates' statement, and how to resolve tie votes pursuant to Education Code 5016 – by lot or by run off.
 - Provide the final resolution to the Election's Office no later than **July 1, 2026**.

Please mail the originals in the enclosed envelope as soon as possible.

The *Candidate Nomination* period runs **July 13, 2026 through August 7, 2026**. If an incumbent does not file, the nomination period is extended to August 12, 2026, for non-incumbents only. Anyone wishing to apply for candidacy should contact our office and make an appointment.

Enclosed is a draft calendar regarding the above dates as well as other dates that might pertain to the governing board's role in the upcoming election. If you have any questions, please feel free to contact Laura Hobbs at (530) 225-5839 or email at lhobbs@shastacounty.gov.

Regards,

Clint Curtis
Shasta County Clerk/Registrar of Voters

Fact Sheet for
Centerville Community Services District
General Election November 3, 2026

Return Fact Sheet and Incumbent List by (E-125) **July 1, 2026**. EC 10509

Incumbent Information: Review the attached Incumbent List, check where applicable:

- The information is correct.
- The information is incorrect; changes are noted on enclosed copy.

Indicate open seats:

Number of Full-Term seats up for election: 3

Number of Short-Term seats up for election: _____

Paid Candidate Statement: Indicate whether the district or the candidate pays for the candidate statement.

- Candidate
- District

Qualifications for Office: As of 2024, districts qualifications require candidates to be a registered voter and district resident.

- The qualifications listed above are correct and have not changed.
- The qualifications for office have changed. Explain: _____

District Boundaries EC 12262

- No changes to district boundaries.
- District boundaries changes have been made to since 2024;
 - Provide a map and a description of the district boundary changes.
 - Provide a list of completed annexation numbers since the last regular district election.

Resolution Calling for an Election EC 10002 The resolution must include:

- Request for consolidation of election
- Accept actual election costs.
- Candidate statement costs responsibility.

Sign, date, seal and return the Fact Sheet and Incumbent List report noting any changes.

5/29/2026
Date

Tina Teuscher
Administrator or Administrative Secretary

Tina Teuscher
Printed Name

8930 PLACER Rd, Redding 96001
Mailing Address

530-246-0680
Area Code/Phone Number

Teuscher@centervillecsd.com
E-Mail Address

(DISTRICT SEAL)



Incumbent List by District

District Range: 340 to 340

340

Centerville Community Services District

3027 - 1 Centerville Community Services District

3027 - 1 Larry Franklin Hopson
Director
Res Addr: 14955 Middletown Park Dr
Redding, CA 96001

Mail Addr: 14955 Middletown Park Dr
Redding, CA 96001

(530)246-4796

Incumbent - Elect..... No
Residence County..... Yes
Appointed/Elected..... Appointed In Lieu
Party..... Republican
Incumbent Vacated..... No
lfharch@sbcglobal.net

4

12/2/2022 to 12/4/2026

Remarks:09-14-18-22

3027 - 2 Lawrence D Whitehead
Director

Res Addr: 15661 Prospect Dr
Redding, CA 96001

Mail Addr: 15661 Prospect Dr
Redding, CA 96001

(530)246-8558

Incumbent - Elect..... No
Residence County..... Yes
Appointed/Elected..... Appointed In Lieu
Party.....
Incumbent Vacated..... No
LDW1933@gmail.com

4

12/2/2022 to 12/4/2026

Remarks:09-14-18-22-26

3027 - 3 Mark Thayer Oliver
Director

Res Addr: 15754 Horseless Carriage Dr
Redding, CA 96001

Mail Addr:

(530)604-4670

Incumbent - Elect..... No
Residence County..... No
Appointed/Elected..... Appointed In Lieu
Party.....
Incumbent Vacated..... No
mpo15754@gmail.com

4

12/2/2022 to 12/4/2026

Remarks:Oliver AIL 2022

3029 - 4 Centerville Community Services District

3029 - 4 Eric James Woodstrom
Director

Res Addr: 16045 Alhambra Ln
Redding, CA 96001

Mail Addr: 16045 Alhambra Ln
Redding, CA 96001

(530) 604-3339
(530)604-3339

Incumbent - Elect..... No
Residence County..... Yes
Appointed/Elected..... Appointed In Lieu
Party.....
Incumbent Vacated..... No
ewoodstrom@sbcglobal.net

4

12/6/2024 to 12/8/2028

Remarks:16-20-24-28 '07 filed DOC appt'd in lieu; Moty resigned replaced by Woodstrom; Woodstrom AIL 9/22/2009 to remainder of seat, DOC, AIL '16. Richison AIL '20. E.Woodstrom

3029 - 5 Walton C Richison
Director

Res Addr: 9276 Placer Rd
Redding, CA 96001

Mail Addr: 9276 Placer Rd
Redding, CA 96001

(530)941-5552
(530)941-5552

Incumbent - Elect..... No
Residence County..... Yes
Appointed/Elected..... Appointed In Lieu
Party.....
Incumbent Vacated..... No
walt.richison@icloud.com

4

12/6/2024 to 12/8/2028

Remarks:16-20-24-28

Total Incumbents: 5

Draft Calendar of Important Deadlines

November 3, 2026 General Election

DATE	EVENT
July 1, 2026 <i>E-125</i> EC§ 10522, 10509	<ul style="list-style-type: none"> Last day for <u>special district</u> secretaries to notify county election office of district boundary changes. Last day for <u>special districts</u> to deliver the “Specifications for Election” notice to the county elections office.
July 3, 2026	<ul style="list-style-type: none"> Independence Day – County Elections Office will be closed.
July 6, 2026 <i>E-120</i> EdC§ 5322, 5324, 5325	<ul style="list-style-type: none"> Last day for governing <u>school boards</u> to deliver the “Specifications of the Election Order” by resolution to the County Superintendent of Schools. (The deadline of E-123 falls on a holiday, performance of these duties moves to the next business day E-120). Last day for Superintendent of Schools to deliver copies of the order of election and the formal notice of election to the County Clerk.
July 13, 2026 <i>E-113</i> EC§ 10220	<ul style="list-style-type: none"> Declaration of Candidacy begins (Ends 8/7/26). Statement of Qualifications filing period begins.
Mid-July 2026, TBD EC§ 9084	<ul style="list-style-type: none"> Deadline for Candidate Statements for State Voter Information Guide for U.S. Senate and statewide offices.
July 31, 2026	<ul style="list-style-type: none"> Semi-Annual Campaign Disclosure Statements FPPC Form 460/470 due (Period covered** through 06/30/26).
August 5, 2026 <i>E-90</i>	<ul style="list-style-type: none"> Beginning of the FPPC = 24-Hour Election Cycle Reports. <ul style="list-style-type: none"> -Form 496 - Independent Expenditure Report -Form 497 - Contribution Report
August 7, 2026 <i>E-88</i> EC§ 10220, 13307	<ul style="list-style-type: none"> Last day to file Candidate Nomination Forms including: <ul style="list-style-type: none"> -Declaration of Candidacy ends (no extension if an incumbent files). -Nomination Signatures due 5:00 p.m. -Statement of Qualifications (optional) due 5:00 p.m.
August 8, 2026 <i>E-87</i> EC§ 13307(a)(3), 13311 and 13112	<ul style="list-style-type: none"> Last day to withdrawal Statement of Qualifications by 5:00 p.m. First day Statement of Qualifications are available for review. First Day of 10-calendar-day public examination period.
August 8, 2026 <i>E-87 to E-78</i> EC§ 13313	10 – day period in which candidates’ Statement of Qualifications will be available for public examination begins.
August 12, 2026 <i>E-83, EC§ 10220,</i> 8022, and 8024	<ul style="list-style-type: none"> <u>Extended</u> Declaration of Candidacy ends (only extended if incumbent fails to file).
August 13, 2026 <i>E-82</i> EC§ 13112	Random Alpha Drawing conducted by California Secretary of State’s Office determining order of local candidates to appear on ballot.
August 17, 2026 <i>E-78</i>	<ul style="list-style-type: none"> 1st Pre-election Campaign Disclosure Statements FPPC Form 460/470 due (Period covered** through 08/12/26).
September 4, 2026 <i>E-60</i>	<ul style="list-style-type: none"> Military/Overseas voter information is mailed out.



MEMORANDUM

DATE: June 9, 2026

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: **New Business 4 – Defer Annual Capacity Charge Adjustment**

Purpose/Recommendation

ACTION – Resource & Planning Committee concurs with the recommendation that the Board suspend an adjustment to the Capacity Charge at this time and revisit it at a future date.

Discussion

Background

Historically, the District has adjusted the Capacity Charge annually based upon the Engineering News Record Construction Cost Index (“ENR CCI”) to reflect the inflation experienced upon proposed capital projects included in the 2015 Water Master Plan (“WMP”). These annual adjustments help to ensure that there are adequate funds available when additional capacity is needed. In summary of the 2015 WMP, Westridge is the single largest need for additional capacity.

Westridge is situated in the eastern portion of Centerville and was approved by the City of Redding to include approximately 300 homes. It is comprised of three separate phases, owned by Greenview Development and Mark Guitton. This project requires considerable capital investment since the City requires that all sewer lines be constructed for all three phases before a single house is sold. Additionally, Centerville requires significant offsite construction prior to the selling of the 51st lot.

Recently, the Resource & Planning Committee met with Mr. Guitton to discuss this project. He expressed that this project is economically infeasible and that he will explore changing the density. The market for \$600-700k homes is only 5% of the market. Most of the Redding market is within the \$400-500k range. It is his desire to also include affordable housing and price condominiums in the \$100-200k range. While the developer did explore the potential of what is required for a detachment from Centerville, he did not express a desire to proceed during the meeting.

Current Status

In review of the most current water availability reflected in the Will Serve Letter database, Westridge is the single most significant development requiring additional capacity. In review of the completed developments list, there are 69 open lots. Absent Westridge, Centerville has adequate capacity for the foreseeable future.



COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: June 12, 2026
TO: Board of Directors
FROM: Chris Muehlbacher
SUBJECT: New Business 5 – Consider Adopting Resolution 2026-05 Capital Budget for Fiscal Year 2026-27

Purpose/Recommendation

ACTION (Roll-Call Vote): That the Board consider adoption of Resolution 2026-05 adopting a capital budget.

Discussion

Overview

Attached is the Capital Budget for Fiscal Year 2026-27. The budget includes the following:

1. **Property Taxes** – Are dedicated to the Capital Improvement Reserve.
2. **Consumption Rate** – 4-cents is dedicated to the CIR to help build this reserve.
3. **Capacity Charges** – Assumes that four meters will be sold this next year. In comparison, the current fiscal year had one water meter sold.
4. **WTP Recycled Water Project Payment** – Includes Centerville's annual payment of \$4,400.
5. **Texas Springs AD** – This is funded by taxes received for this assessment district.
6. **Tank Coating Program** – The District has five remaining years in its 10-year agreement with Superior Tank Solutions. All tanks have been rehabbed. The remaining agreement provides maintenance services.
7. **Zone C PS – VFD Replacements** – The VFDs at this site are beginning to fail and it is recommended to predictively replace them by both staff and PACE Engineering.
8. **Zone C PS – Roof Replacement** – Replaces a 30-year-old asphalt shingle roof.
9. **Chip Seal Project – Tank C Access Road** – This project improves the deteriorating roadway.

10. **AC Paving (B Tank, C Pump Station, Muletown PS and the Office)** – This project seals cracks and extends the life of the pavement at various sites.
11. **Muletown PS – Communications Generator** – This project is proposed only if the District received the ACWA-JPIA Risk Transfer Grant of \$10k and that the FEMA funding is dissolved for the generator project. An alternative grant application can be waterline locating equipment.
12. **Muletown PS** – This project is predominately funded by FEMA and Redding REU. Centerville has committed up to \$52k. While there remains a potential that this funding will be continued, officially this disaster has closed and CalOES awaits a response from FEMA to extend it.

Attachment(s)

- Capital Budget

RESOLUTION 2026-05

**A RESOLUTION ADOPTING THE CAPITAL BUDGET
FOR THE 2025-26 FISCAL YEAR**

WHEREAS, the District's staff has prepared the Capital Budget, and

WHEREAS, the District Manager recommends that the Board adopt the Capital budget in the amount of \$533,700 for fiscal year 2026-27.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Centerville Community Services District does hereby adopt the Capital Budget in the amount of \$533,700 for the 2026-27 fiscal year as presented.

PASSED AND ADOPTED THIS 17th day of June, 2026.

Mark Oliver, President
Centerville Community Services District
Board of Directors

AYES:
NOES:
ABSTAINING:
ABSENT:

ATTEST:

Tina Teuscher
Secretary to the Board

2026-27 Capital Budget - 06-03-2026

FY 2026-27

PROPOSED
Budget

Income

44100 · GENERAL PROPERTY TAX

44125 - Current Secured Taxes	225,000
44127 - Current Unitary Taxes	10,000
44130 - Current Secured - Adv Teeter	4,000
44131 - Current Supp Teeter	500
44135 - Supp Taxes Current	2,000
44140 - Curr Unsecured Taxes	12,000
44145 - Supp Taxes Prior	50
44150 - Prior Year Unsecured Taxes	100
44155 - Homeowner's Exemption - 422	2,100

Total 44100 · GENERAL PROPERTY TAX 255,750

46000 · CAPITAL FUNDS

46100 · Capacity Charges	88,588
--------------------------	--------

Total 46000 · CAPITAL FUNDS 88,588

49000 · TAXES & ASSESSMENTS

49350 · Sp./Asst. Texas Springs 2001-1	34,000
--	--------

Total 49000 · TAXES & ASSESSMENTS 34,000

OTHER CAPITAL REVENUE

49505 · Other Interest	50
49550 · New Water Purchase Fee	2,400

Total 49500 · OTHER CAPITAL REVENUE 2,450

TOTAL INCOME 380,788

Expense

51000 WATER TREATMENT PLANT

51255 - WTP Recycled Project Payment	4,400
--------------------------------------	-------

Total 51000 Water Treatment Plant 4,400

56000 - GENERAL PLANT IMPROVEMENTS

56100 - Zone C PS - VFD Replacement	25,000
56200 - Zone C PS - Roof Replacement	5,000
56300 - Muletown PS - Communications Generator	19,000
56500 - Tank A Access Road - Chip Seal	29,000
56600 - AC Pavement Crack & Seal	37,000

Total 56000 · GENERAL PLANT IMP. 115,000

57000 - DISTRIBUTION SYSTEM IMPROVEMENTS

57090 - Tank Coating Program	180,000
------------------------------	---------

Total 57000 · DISTRIBUTION SYSTEM IMP. 180,000

57400 · PRINCIPAL EXPENSE

57406 · Sp./Asst Txs Sprng 2001-1 Prin.	9,400
---	-------

Total 57400 · PRINCIPAL EXPENSE 9,400

57500 · INTEREST EXPENSE

57506 · Sp./Asst. Txs Sprng 2001-1 Int.	9,400
---	-------

Total 57500 · INTEREST EXPENSE 9,400

57800 · BOND ADMIN. FEE

57806 · NBS Admin. Fee TSWAD 2001-1	5,000
57840 · Cent. Admin. Fee TSWAD 01-1	2,500

2026-27 Capital Budget - 06-03-2026

FY 2026-27

	PROPOSED Budget
Total 57800 · BOND ADMIN. FEE	7,500
58000 OTHER CAPITAL EXPENSES	
58070 - Muletown Generator	52,000
58080 - Telemetry & PLC Replacement	156,000
58520 - Mini Split Replacement	0
Total 58000 · OTHER CAPITAL EXPENSES	208,000
TOTAL EXPENSES	533,700
Net Difference (Income vs Expenses)	-152,912

Outgoing Budget Transfers into Reserves

58105 - To O&M Reserve (1)	2,450
58110 - To Capital Imp. Reserve (2)	255,750
58504 - To Capacity Reserve (3)	88,588
58506 - Net to Texas Springs Fund (4)	7,700
Total 58000 · TOTAL OTHER CAPITAL EXP.	354,488
Sub-Total (Net Diff - Transfers to Res)	-507,400

Incoming Budget Transfers from Reserves

45501 - From O&M Reserve	
49501 - From Capital Imp. Reserve (5)	507,400
49504 - From Capacity Fee Res.	
Net Total Difference	0

Notes

- (1) This transfers the New Water Purchase Fee.
- (2) Transfers all Property Tax.
- (3) Assumes 4 meters sold.
- (4) Net remaining for Texas Springs AD.
- (5) Capital Improvement Reserve Funds encumbered during FY.



MEMORANDUM

DATE: June 12, 2026

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: **New Business 6 – Consider Adopting Resolution 2026-06 Amending the Reserve Policy and Reviewing the Reserve Study**

Recommendation

ACTION (Roll-Call Vote): That the Board review the Reserve Study and that it considers adoption of Resolution 2026-06 amending the Reserve Policy.

Item Explanation

Attached for review is the Reserve Study. The purpose of this study is to provide a comprehensive overview of all assets included in each fund (Operations and Maintenance (“O&M”), Water Treatment Plant (“WTP”), Pump Station Repair & Replacement, Capital Improvement Program, and Capacity). It will estimate the assets useful lives, their remaining useful lives and the estimated future expenditures for planning purposes. The intent of this study is to aid in ensuring the availability of adequate resources for when they are needed to maintain and improve the distribution system. This study is limited to the assets and their respective funding reserves as they exist today and does notate needed updates.

As recommended in the Reserve Study, attached for consideration is an amended Reserve Policy enacting the changes. Both a mark-up version and clean version are included.

Attachment(s)

- Reserve Study
- Reserve Policy (Mark-Up and Final versions)
- Resolution 2026-06

CENTERVILLE COMMUNITY SERVICES DISTRICT RESERVE POLICY

PURPOSE

Special districts have a legal authority to establish reserve funds as the districts “deem reasonable and proper.” Therefore, Centerville Community Services District’s (“District”) Reserve Policy has been developed to consider the level of reserves necessary to adequately provide for future projected and unforeseen needs.

Reserve funds are not “surplus” funds, but rather necessary funds designated or restricted for various purposes important to the short and long-term operations of the District. The District believes that a certain portion of its annual revenues should be held in reserve as part of its overall financial management strategy.

There are two major types of reserve funds:

- **Designated Reserve** funds are earmarked for purposes of funding new capital facilities, construction, repair or refurbishment of existing facilities, rate stabilization and operating reserves. These funds can be utilized at the discretion of the District. The Board of Directors (“Board”) can change fund designations at any time.
- **Restricted Reserve** funds are used strictly to meet requirements established by creditors, grant agencies, or law. The Board has no discretion as to the use of these funds.

Adequate levels of reserves are critical to the successful and stable operation of the District. Maintaining adequate reserves allows for reasonable levels of rate stabilization from year to year for rate payers and provides assurance that the District can respond to short-term emergencies including unforeseen costly regulatory requirements.

SUMMARY OF RESERVE FUNDS BY CATEGORY

Designated Reserves

- *Operations & Maintenance Reserve*

These funds have been designated by the District to act as a working cash requirement to bridge the cash flow shortages that may arise when expenses exceed revenue as well as an emergency event fund that requires immediate attention. This fund shall also address significant O&M Extraordinary Expenses, ~~including the Water Treatment Plant and the Muletown Conduit~~, as well as future water and water rights. This fund shall be maintained initially in the range of 40% - 60% with a long-term goal of maintaining a target of 50% of the District's annual O&M Budget.

- *Water Treatment Plant and Muletown Conduit Reserve*

These funds have been designated by the District for the repair and replacement of items related to the Clear Creek Water Treatment Plan and the US Bureau of Reclamation Muletown Conduit. The funding goal of this reserve will be reviewed upon completion of the renegotiation of the Dedicated Capacity agreement with Clear Creek Community Services District.

- *Pump Station Repair & Replacement Reserve*

These funds have been designated by the District for the repair and replacement of the pumping equipment in the District's A and A1 Zones. The reserve level will be based upon a detailed table which is reviewed annually and updated as needed.

- *Capital Improvement Reserve*

These funds have been designated by the District to systematically fund ~~an~~ capital improvements and ~~a~~ reinvestments for maintaining, rehabilitating and replacing significant Capital Infrastructure in excess of \$25,000 or having a useful life greater than 20 years. This reserve includes capital improvements for the distribution system, miscellaneous facilities and rolling stock assets. This reserve also includes a subset of small capital improvements that are long-term assets that are under the \$25,000 threshold but which will be capitalized.

- *Capacity Charge Reserve*

This Reserve holds the Capacity Charge funds received by the District for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the District involving capital expense related to its use of existing or new public facilities pursuant to Government Code §66013. The Capacity Charge does not include a commodity charge. These funds have been designated by the District to fund those major capital improvements described in the District's Water Master Plan that will be necessary as the District grows to reach its planned ultimate development.

The Capacity Charge Reserve shall be segregated into a separate Capital Facilities Fund with other charges received, and account in a manner to avoid any commingling with other moneys of the District, except for investments, and shall expend those charges solely for which the charges were collected. Any interest income from the investment of moneys in the Capital Facilities Fund shall be deposited in that fund.

Formatted: Indent: Left: 0.25", No bullets or numbering, Tab stops: Not at 2.94"

Restricted Reserves

The District recognizes that there may be a need to establish Restricted Reserves pursuant to certain legal or contractual commitments. At present, the following are the required Restricted

Reserves:

• ~~*Berkadia (formerly Farmers Home Administration—FMHA) Reserve*~~

~~These funds are required as part of the issuance of Series 1982 Water Revenue Bonds for debt service. This bond will be paid in full in 2022.~~

• ~~*Assessment District 1995-1 Reserve*~~

~~These funds are required by Assessment District 1995-1. This assessment was formed and financed with limited obligation improvement bonds under the California Improvement Bond Act of 1915. The special assessment district was formed to improve the water distribution and treatment system within the special assessment district. This is scheduled to mature in 2026. This reserve is comprised of the following:~~

~~* *1995-1 Redemption Fund*~~

~~— This fund is a requirement of the loan documents which dictate that monies disbursed be accounted for separately. These funds are sent to the Fiscal Agent in making payments.~~

~~* *1995 Contract Reserves*~~

~~This fund is a requirement of the loan documents for the purpose of making the final two payments.~~

~~* *1995-1 Contingent Assessments*~~

~~This fund holds those monies acquired during times that a segregation of assessment is determined which resulted from a lot split of the originally assessed parcels. This fund is reviewed annually and presented to the Finance Committee when adequate monies are available that are consistent with the Policy for the Payment of Refunds to the Pre-paid Property Owners.~~

• *Assessment District 2001 Reserve*

These funds are required by Assessment District 2001-1. This assessment was formed and financed with limited obligation improvement bonds under the California Improvement Bond Act of 1915. This special assessment district was formed to improve the water distribution system within the special assessment district which originally benefitted 31 parcels generally in the south-eastern portion of the District. This is scheduled to mature in 2041.

PROCEDURES FOR USING RESERVE FUNDS

It is the District's intention that current operating expenditures plus budgeted annual capital expenditures (less than \$25,000) be funded with current revenues. Reserves may be used at the discretion of the Board to provide budgetary funding for the purposes for which the reserves were established, as detailed in this Reserve Policy.

The Board will authorize the use of reserve funds during the District's annual budget process. Authorization for the use of reserve funds for unbudgeted projects during the year shall also be approved by the Board. The Board, at its sole discretion, may establish new reserve funds, combine or modify existing reserves, and set new minimum or maximum funding levels.

PROCEDURE FOR MONITORING RESERVE LEVELS

Reserve Review

Reserve balances will be reported to the Board at each monthly Meeting with a summary of changes from the previous month.

Annually, the Finance Committee shall perform a reserve analysis and submit recommended adjustments to the Board not less than one time during each fiscal year as part of the budgeting process.

Capacity Charge

Specific to this reserve, within 30 days after the last day of each fiscal year, the following information for that previous fiscal year will be made available to the public as follows:

1. A description of the charges deposited in the fund.
2. The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.
3. The amount of charges collected in that fiscal year.
4. An identification of all of the following:
 - A. Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.
 - B. Each public improvement on which charges were expended that was completed during that fiscal year.
 - C. Each public improvement that is anticipated to be undertaken in the following fiscal year.
5. The information required in Paragraphs 1 – 4 may be included in the District's annual financial report.
6. A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public

improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

CENTERVILLE COMMUNITY SERVICES DISTRICT RESERVE POLICY

PURPOSE

Special districts have a legal authority to establish reserve funds as the districts “deem reasonable and proper.” Therefore, Centerville Community Services District’s (“District”) Reserve Policy has been developed to consider the level of reserves necessary to adequately provide for future projected and unforeseen needs.

Reserve funds are not “surplus” funds, but rather necessary funds designated or restricted for various purposes important to the short and long-term operations of the District. The District believes that a certain portion of its annual revenues should be held in reserve as part of its overall financial management strategy.

There are two major types of reserve funds:

- **Designated Reserve** funds are earmarked for purposes of funding new capital facilities, construction, repair or refurbishment of existing facilities, rate stabilization and operating reserves. These funds can be utilized at the discretion of the District. The Board of Directors (“Board”) can change fund designations at any time.
- **Restricted Reserve** funds are used strictly to meet requirements established by creditors, grant agencies, or law. The Board has no discretion as to the use of these funds.

Adequate levels of reserves are critical to the successful and stable operation of the District. Maintaining adequate reserves allows for reasonable levels of rate stabilization from year to year for rate payers and provides assurance that the District can respond to short-term emergencies including unforeseen costly regulatory requirements.

SUMMARY OF RESERVE FUNDS BY CATEGORY

Designated Reserves

- *Operations & Maintenance Reserve*

These funds have been designated by the District to act as a working cash requirement to bridge the cash flow shortages that may arise when expenses exceed revenue as well as an emergency event fund that requires immediate attention. This fund shall also address significant O&M Extraordinary Expenses as well as future water and water rights. This fund shall be maintained initially in the range of 40% - 60% with a long-term goal of maintaining a target of 50% of the District's annual O&M Budget.

- ***Water Treatment Plant and Muletown Conduit Reserve***

These funds have been designated by the District for the repair and replacement of items related to the Clear Creek Water Treatment Plan and the US Bureau of Reclamation Muletown Conduit. The funding goal of this reserve will be reviewed upon completion of the renegotiation of the Dedicated Capacity agreement with Clear Creek Community Services District.

- ***Pump Station Repair & Replacement Reserve***

These funds have been designated by the District for the repair and replacement of the pumping equipment in the District's A and A1 Zones. The reserve level will be based upon a detailed table which is reviewed annually and updated as needed.

- ***Capital Improvement Reserve***

These funds have been designated by the District to systematically fund capital improvements and reinvestments for maintaining, rehabilitating and replacing significant Capital Infrastructure in excess of \$25,000 or having a useful life greater than 20 years. This reserve includes capital improvements for the distribution system, miscellaneous facilities and rolling stock assets. This reserve also includes a subset of small capital improvements that are long-term assets that are under the \$25,000 threshold but which will be capitalized.

- ***Capacity Charge Reserve***

This Reserve holds the Capacity Charge funds received by the District for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the District involving capital expense related to its use of existing or new public facilities pursuant to Government Code §66013. The Capacity Charge does not include a commodity charge. These funds have been designated by the District to fund those major capital improvements described in the District's Water Master Plan that will be necessary as the District grows to reach its planned ultimate development.

The Capacity Charge Reserve shall be segregated into a separate Capital Facilities Fund with other charges received, and account in a manner to avoid any commingling with other moneys of the District, except for investments, and shall expend those charges solely for which the charges were collected. Any interest income from the investment of moneys in the Capital Facilities Fund shall be deposited in that fund.

Restricted Reserves

The District recognizes that there may be a need to establish Restricted Reserves pursuant to certain legal or contractual commitments. At present, the following are the required Restricted

Reserves:

- *Assessment District 2001 Reserve*

These funds are required by Assessment District 2001-1. This assessment was formed and financed with limited obligation improvement bonds under the California Improvement Bond Act of 1915. This special assessment district was formed to improve the water distribution system within the special assessment district which originally benefitted 31 parcels generally in the south-eastern portion of the District. This is scheduled to mature in 2041.

PROCEDURES FOR USING RESERVE FUNDS

It is the District's intention that current operating expenditures plus budgeted annual capital expenditures (less than \$25,000) be funded with current revenues. Reserves may be used at the discretion of the Board to provide budgetary funding for the purposes for which the reserves were established, as detailed in this Reserve Policy.

The Board will authorize the use of reserve funds during the District's annual budget process. Authorization for the use of reserve funds for unbudgeted projects during the year shall also be approved by the Board. The Board, at its sole discretion, may establish new reserve funds, combine or modify existing reserves, and set new minimum or maximum funding levels.

PROCEDURE FOR MONITORING RESERVE LEVELS

Reserve Review

Reserve balances will be reported to the Board at each monthly Meeting with a summary of changes from the previous month.

Annually, the Finance Committee shall perform a reserve analysis and submit recommended adjustments to the Board not less than one time during each fiscal year as part of the budgeting process.

Capacity Charge

Specific to this reserve, within 30 days after the last day of each fiscal year, the following information for that previous fiscal year will be made available to the public as follows:

1. A description of the charges deposited in the fund.
2. The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.
3. The amount of charges collected in that fiscal year.
4. An identification of all of the following:
 - A. Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of

the public improvement that was funded with those charges if more than one source of funding was used.

- B. Each public improvement on which charges were expended that was completed during that fiscal year.
 - C. Each public improvement that is anticipated to be undertaken in the following fiscal year.
5. The information required in Paragraphs 1 – 4 may be included in the District’s annual financial report.
 6. A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

CENTERVILLE COMMUNITY
SERVICES DISTRICT
RESERVE STUDY
FY 2025-26



April 2026

Executive Summary

The purpose of this Reserve Study is to provide a comprehensive overview of all assets included in each fund (Operations and Maintenance (“O&M”), Water Treatment Plant (“WTP”), Pump Station Repair & Replacement, Capital Improvement Program, and Capacity). It will estimate the assets useful lives, their remaining useful lives and the estimated future expenditures for planning purposes. The intent of this study is to aid in ensuring the availability of adequate resources for when they are needed to maintain and improve the distribution system. This study is limited to the assets and their respective funding reserves as they exist today and does notate needed updates.

Background

The Centerville Community Services District (the “District” or “Centerville”) provides potable water service to an approximate population of 4,100 through nearly 1,300 customer connections. The customer base is predominately rural residential with a small number of commercial, industrial, and institutional customers. Nearly 10% of the customers are located within the City of Redding’s boundaries serving residential, urban lots. Grant School is the single largest water use customer.

The water distribution system has over 55 miles of pipelines, six pressure zones, 377 fire hydrants, 725 mainline valves, 93 air valves, 21 blow-offs, five booster pump stations, five pressure reducing stations, five reservoirs and three inter-tie connections with the City of Redding.

Centerville is an M&I water contractor with the Bureau of Reclamation having both a Repayment Contract and an Exchange Contract. The District’s primary source of water is conveyed to Centerville via the Muletown Conduit from Whiskeytown Lake located on the western portion of the District. The primary income sources include customer rates and property taxes.

Centerville has a dedicated capacity contract with Clear Creek Community Services District for water treatment services and is a D2 water distribution system.

Reserve Policy

The District’s Reserve Policy was established in January 2020 and is due for a thorough review and update.

Special districts have a legal authority to establish reserve funds as the districts “deem reasonable and proper.” In support of this, Centerville has adopted a Reserve Policy that considered the level of reserves necessary to adequately provide for future projected and unforeseen needs of the water system.

Reserve funds are not “surplus” funds, but rather necessary funds designated, or restricted, for various purposes important to the short-term and long-term operations of the District. It is Centerville’s position that a certain portion of its annual revenues should be held in reserve as part of its overall financial management strategy.

There are two major types of reserve funds:

- **Designated Reserve** – are funds that are earmarked for purposes of funding new capital facilities, construction, repair or refurbishment of existing facilities, rate stabilization and operating reserves. These funds can be utilized at the discretion of the District. The Board of Directors (“Board”) can change fund designations at any time.
- **Restricted Reserve** – are funds that are to be used strictly to meet requirements established by creditors, grant agencies, or law. The Board has no discretion as to the use of these funds.

Adequate levels of reserves are critical to the successful and stable operation of the District. Maintaining adequate reserves allows for reasonable levels of rate stabilization from year to year for rate payers and provides assurance that the District can respond to short-term emergencies including unforeseen costly regulatory requirements.

SUMMARY OF CURRENTLY ACTIVE RESERVE FUNDS BY CATEGORY

Designated Reserves

- ***Operations & Maintenance Reserve***

These funds are designated by the District to act as a working cash requirement to bridge the cash flow shortages that may arise when expenses exceed revenue as well as an emergency event fund that requires immediate attention. This fund shall also address significant O&M Extraordinary Expenses and the Muletown Conduit, as well as future water and water rights. This fund shall be maintained initially in the range of 40% - 60% with a long-term goal of maintaining a target of 50% of the District's annual O&M Budget. This reserve is funded using the Rate Stabilization fees collected based upon consumption.

- ***Water Treatment Plant (“WTP”) Reserve***

These funds are designated for the District's cost-share of the expenses related to the Water Treatment Plant. This reserve is funded using the Water Treatment Plant fees collected based upon consumption.

- ***Pump Station Repair & Replacement Reserve***

These funds are designated by the District for the repair and replacement of the pumping equipment in the District's A and A1 Zones. This reserve is funded by the net margin collected from the Base Rate Surcharge and the Consumption Rate Surcharge beyond expenses.

- ***Capital Improvement Reserve***

These funds are designated by the District to systematically fund improvement and a reinvestment for maintaining, rehabilitating and replacing significant capital infrastructure costing more than \$25,000 or having a useful life greater than 20 years. This reserve includes capital improvements for the distribution system, miscellaneous facilities and rolling stock assets. This reserve is funded by a portion of the Consumption Rate (currently, 4-cents) as well as the annual property taxes.

- ***Capacity Charge Reserve***

This reserve retains the Capacity Charges collected by the District for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the District involving capital expense related to its use of existing or new public facilities pursuant to Government Code §66013. The Capacity Charge does not include a commodity charge. These funds have been designated by the District to fund those major capital improvements described in the District's Water Master Plan that will be necessary as the District grows to reach its planned ultimate development.

Restricted Reserves

The District recognizes that there may be a need to establish Restricted Reserves pursuant to certain legal or contractual commitments. At present, the following are the required Restricted Reserves:

- ***Assessment District 2001 Reserve***

These funds are required by Assessment District 2001-1. This assessment was formed and financed with limited obligation improvement bonds under the California Improvement Bond Act of 1915. This special assessment district was formed to improve the water distribution system within the special assessment district which originally benefitted 31 parcels generally in the south-western portion of the District. This is scheduled to mature in 2041.

Obsolete Reserves

Below is a summary of reserves that are included in the current Reserve Policy which will need to be eliminated with the next policy update since they have been fully paid:

1. Berkadia (formerly Farmers Home Administration – FmHA) Reserve
2. Assessment District 1995-1 Reserve

Capitalization Policy

In accordance with Government Accounting Standards Board Statement 34 and the State Accounting Manual for California State Agencies, the District will capitalize all assets with a purchase or acquisition price greater than five thousand dollars (\$5,000) and a normal useful life of more than one (1) year.

DISCUSSION FOR EACH INDIVIDUAL RESERVE

1. Operations & Maintenance

While this reserve has a wide spectrum of uses, its primary focus is to act as a working cash requirement to bridge cash flow shortages as well as fund emergency events. A secondary focus for this reserve is to fund those significant O&M Extraordinary Expenses which are not captured in the Capital Improvement Reserve; meaning that they are less than \$25k or have an estimated useful life less than 20 years. This is where the Capitalization Policy comes into play since it is a GASB 34 issue to capitalize expenses greater than \$5,000 and which have a useful life greater than one year. The meaningful part of this process is that these items are then itemized in the Depreciation Schedule as included in the annual audit process and are a useful planning tool for life cycles. In addition to the previously mentioned purposes, this reserve also covers expenses related to future water and water rights.

The O&M Reserve is funded by the Rate Stabilization Fee ("RSF") which was established in 2020 and first assessed on July 1st as \$0.08 per hundred cubic feet ("HCF") of consumption. It was later adjusted to \$0.12 per HCF to improve reserve funding. This fee is consumption-based to ensure fairness and equity, as the amount assessed is directly proportional to the volume of water used. The funding goal of this reserve was established with an initial goal range of 40% to 60% of the annual O&M Budget and a long-term goal of maintaining 50% of the annual O&M budget in reserves. As of March 31, 2026, the O&M Reserve balance is \$497k in comparison to the goal range of \$614k to \$920k and it is estimated to take another three to seven years to obtain this range.

Attached is Table A which provides greater detail about the more significant assets currently being funded by the O&M Reserve. While it is not an exhaustive list of assets, it does include those items which are considered depreciable by the Capitalization Policy yet are not within the criteria of the Capital Improvement Reserve. Also, while the remaining useful lives shown are only reasonable estimates, it is important to note that they do provide a reasonable basis for projecting future expenses. Based upon those items listed, an estimated \$20k contribution is needed to maintain those assets. In comparison, the RSF generates about \$75k for this reserve. While this reserve serves many purposes in support of the District's distribution system, it may benefit the District to explore the potential of migrating these assets into a newly created "Short-Lived Asset Replacement" Reserve as to lessen the financial impacts to the primary goals of the O&M Reserve. In review of

Table A, it is noted that there are numerous assets which have or are approaching their estimated useful lives where they will likely need additional maintenance or asset replacement. It is also noted that maintenance for the PRV stations is recommended for initial funding during the next three fiscal years, which would then be followed by a five-year maintenance cycle for all stations.

It is also important to note that the current Reserve Policy for this category includes references to the water treatment plant and the Muletown conduit which will need to be updated during the next policy review. Additional details regarding the WTP and Muletown Conduit are provided below.

2. Water Treatment Plant

The District has a Dedicated Capacity in the Clear Creek Water Treatment Plant and receives its treated water from the Bureau of Reclamation's Muletown Conduit. Acknowledging the many current and future needs of the Clear Creek WTP, Centerville proactively established the Water Treatment Plant fee effective July 1, 2020 which was assessed at \$0.08 per HCF of consumption. This fee is based upon consumption which makes it directly linked to the volume of water consumed. During the next policy review, it will be necessary to include a description of this new reserve category, as well as define funding goal range for both the WTP and the Muletown Conduit.

3. Pump Station Repair & Replacement

This reserve is specific to the District's A and A1 pump zones and is intended to fund the repair and replacement of the pumping equipment. See Table B for more information. Currently, this table includes the items needed to move water. It does not include those expenses related to the building which include roof replacement. The metal roof replacement costs are currently included in the O&M Reserve table.

4. Capital Improvement

This reserve systematically funds improvements and reinvestments for maintaining, rehabilitating and replacing significant Capital Infrastructure more than \$25,000 or having a useful life greater than 20 years. This reserve includes capital improvements for the distribution system, miscellaneous facilities and rolling stock assets. See Table C for more information. This table shows the reserve starting balance for each fiscal year including additional credits available each year. It then identifies those funded projects for each year as well as those items included in the Rolling Stock Program. This table also includes various projects shown only for planning consideration since they do not have funds encumbered. Towards the bottom of the table, are listed the various revenues dedicated to this reserve. At present, this reserve is funded by property taxes as well as 4-cents of the consumption rate being dedicated to it for the benefit of the tank program. In review of this table, both VFDs at the Zone C Pump Station are also showing signs of failure and are recommended PACE Engineering for replacement in Fiscal Year 2026-27.

5. Capacity Charge

This reserve holds the Capacity Charge funds received by the District for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the District involving capital expense related to its use of existing or new public facilities pursuant to Government Code §66013. The Capacity Charge does not include a commodity charge. These funds have been designated by the District to fund those major capital improvements described in the District's Water Master Plan that will be necessary as the District grows to reach its planned ultimate development.

Future Reserve Policy Review Summary

Below is a summary of items needing to be considered during the next policy review:

1. Remove Berkadia (formerly Farmers Home Administration – FmHA) Reserve.
2. Remove Assessment District 1995-1 Reserve.
3. Update O&M Reserve description by removing reference of the WTP and Muletown Conduit. Consider establishing a "Short-Lived Asset Replacement" reserve to include assets listed in Table A.
4. Draft a new description for the Water Treatment Plant Reserve to include reference to the Muletown Conduit and define a funding goal contingent upon finalizing the Dedicated Capacity contract renegotiation as well as Clear Creek finalizing a Capital Improvement Plan for the water treatment plant.

Table A

O&M Reserve: Short-Lived Asset Replacement Funded By: Rate Stabilization Fee				As of:	2026
	Most Recent Date (1)	Expected Useful Life (years)	Remaining Useful Life (years)	Estimated Cost - 2019	Annual Contribution
O & M Extraordinary Expense					
Meter - Handheld Device	2018	8	0	11,000	1,375
Meter - Handheld Device	2018	8	0	11,000	1,375
VAULTS					
PRV Rebuild - Chaparral		5	n/a	7,000	1,400
PRV Rebuild - Texas Springs		5	n/a	12,000	2,400
PRV Rebuild - Powerline		5	n/a	7,000	1,400
PRV Rebuild - C- Pump Station		5	n/a	2,000	400
PRV Rebuild - Middletown Upper		5	n/a	2,500	500
PRV Rebuild - Middletown Lower		5	n/a	2,500	500
PRV Rebuild - Muletown Turn-Out		5	n/a	6,000	1,200
PRV Rebuild - Record Lane		5	n/a	2,000	400
FACILITIES					
Zone C PS - VFD 1	2012	15	1	12,000	800
Zone C PS - VFD 2	2012	15	1	12,000	800
Zone C - Replace/Rebuild Pump 1	1996	20	(10)	5,500	275
Zone C - Replace/Rebuild Pump 2	1996	20	(10)	5,500	275
Zone C - Replace/Rebuild Motor 1 (40 hp)	1996	20	(10)	4,500	225
Zone C - Replace/Rebuild Motor 2 (40 hp)	1996	20	(10)	4,000	200
MTPS PS - VFD 1	2009	20	3	15,000	750
MTPS PS - VFD 2	2009	20	3	15,000	750
MTPS - Replace/Rebuild Pump 1	2009	20	3	10,000	500
MTPS - Replace/Rebuild Pump 2	2009	20	3	10,000	500
MTPS - Replace/Rebuild Motor 1 (150 hp)	2009	20	3	7,500	375
MTPS - Replace/Rebuild Motor 2 (150 hp)	2009	20	3	7,500	375
Record Lane - Replace/Rebuild Pump	2000	20	(6)	6,500	325
Record Lane - Replace/Rebuild Motor	2000	20	(6)	5,000	250
Office Bldg - HVAC (2011)	2011	20	5	11,000	550
Office Bldg - HVAC (unknown)			(2026)	11,000	550
Office Bldg - Mini-split	2026	20	20	11,000	550
ANNUAL FUNDING GOAL					19,000

Table B

Pump Station Repair & Replacement Reserve				As of: 2026	
Funding Source: Zone A & Zone A1 for each reserve					
	Most Recent Date (1)	Expected Useful Life (years)	Remaining Useful Life (years)	Estimated Cost - 2019	Annual Contribution
Zone A					
Zone A: Rebuild/Replace Pump 1	2021	20	15	6,500	325
Zone A: Rebuild/Replace Pump 2	1992	20	(14)	6,500	325
Zone A: Rebuild/Replace Mtr 1 (75 hp)	2013	15	2	5,500	367
Zone A: Rebuild/Replace Mtr 2 (75 hp)	1992	15	(19)	5,500	367
Zone A: Replace VFD 1	2012	15	1	10,000	667
Zone A: Replace VFD 2	2012	15	1	10,000	667
Automatic Back-up Generator		50		50,000	1,000
				ANNUAL FUNDING GOAL	3,717
				Monthly GOAL	310
Zone A1					
Zone A1: Rebuild/Replace Pump 1	2014	20	8	5,000	250
Zone A1: Rebuild/Replace Pump 2	1992	20	(14)	5,000	250
Zone A1: Rebuild/Replace Mtr 1 (30 hp)	2018	15	7	3,800	253
Zone A1: Rebuild/Replace Mtr 2 (30 hp)	2017	15	6	3,800	253
Zone A1: Replace VFD 1	2012	15	1	5,000	333
Zone A1: Replace VFD 2	2012	15	1	5,000	333
Automatic Back-up Generator		50		50,000	1,000
				ANNUAL FUNDING GOAL	2,673
				Monthly GOAL	223
				TOTAL FUNDING GOAL	6,390

RESOLUTION NO. 2026-06

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CENTERVILLE COMMUNITY SERVICES DISTRICT
AMENDING A RESERVE POLICY**

WHEREAS, the Centerville Community Services District (the “District”) was established pursuant to the provisions of law found in the California Government Code at Section 61000, et seq.; and

WHEREAS, the Board of Directors of the District established a Reserve Policy (“Policy”) with passage of Resolution 2020-01; and

WHEREAS, it is the desire of the Board of Directors of the District to amend the Reserve Policy (“Policy”); and

WHEREAS, the purpose of the Policy is to consider the level of reserves necessary to adequately provide for future projected and unforeseen needs; and

WHEREAS, Reserves may be used at the discretion of the Board to provide budgetary funding for the purposes for which the reserves were established; and

WHEREAS, The Board of Directors, at its sole discretion, may establish new reserve funds, combine or modify existing reserves and set new minimum or maximum funding levels.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Centerville Community Services District does hereby adopt Resolution No. 2026-06 amending a Reserve Policy:

PASSED AND ADOPTED this 17th Day of June 2026.

Mark Oliver, President
Board of Directors

AYES:
NOES:
ABSTAINING:
ABSENT:

ATTEST:

Tina Teuscher
Secretary to the Board



MEMORANDUM

Date: June 11, 2026
To: Board of Directors
From: Chris Muehlbacher
Subject: New Business 7 – Completion Report for Tank C1

Recommendation

INFORMATION – This provides information regarding the C1 Tank project.

Discussion

Tank C1 is the fifth and final tank to receive a full tank rehabilitation as part of the Tank Coating Program. While this tank is the youngest and largest tank in the District's inventory (constructed in 1996 and containing 1.0 million gallons), it was surprisingly also the tank in the worst condition. This was not discovered until the coating was sandblasted off thereby exposing the true condition of the steel below the coating. The previous practice of conducting cleanings by divers has proved to be ineffective for the asset management approach of predictive maintenance. The steel rafter and support ring were repaired as part of the Superior Tank Solutions contract and without any further change order. The remaining phase of the contract is now washouts and maintenance. Following the next five years it is recommended that the District consider an additional 10-year maintenance agreement to continue management of the coating. This effort would be considerably less money than the current program and would effectively ensure a reliable coating for many years to come.

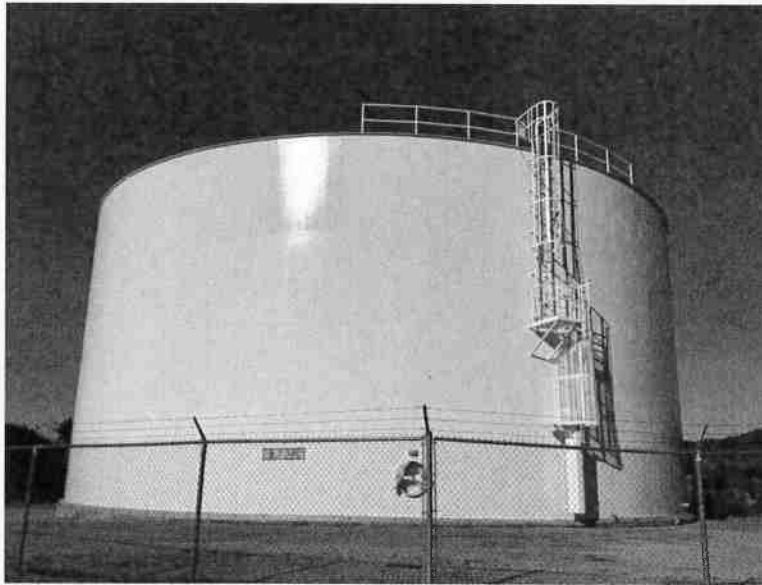
Attachment(s)

- Completion Report



Project Completion Report

Centerville CSD Tank C1 – 1 million Gallon Water Storage Tank



RENOVATION COMPLETED ON MAY 22, 2026

Anthony Castruita

NACE Level 3 #17376

(707) 860-3303

ACastruita@superiortanksolutions.com

CENTERVILLE CSD TANK C1 - 1 MILLION GALLON WATER STORAGE TANK

PROJECT OVERVIEW

Superior Tank Solutions, Inc. conducted an interior and exterior renovation on the Centerville CSD - C1 Storage Tank on the following dates:

- Start Date - March 6, 2026
- Completion Date - May 22, 2026

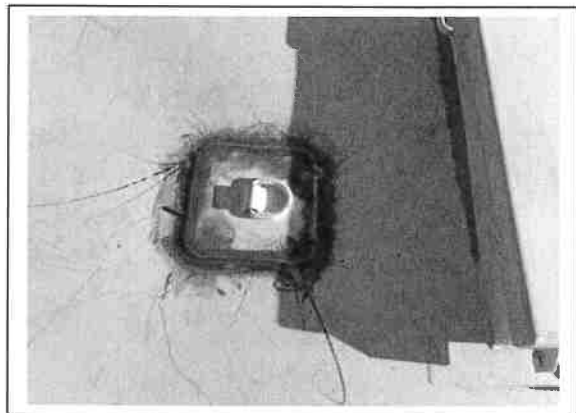
TANK INFORMATION	
Report Date	June 02, 2026
Tank Location	Centerville, CA
Year Built	1996
Tank Size (gallons)	1,000,000 Gallons
Tank Dimensions (feet)	Approximately 74'D x 33'H
Design Standard	AWWA D 100 and D 102
Tank Style	Welded

PROJECT INFORMATION AND SUMMARY

UPGRADES AND REPAIRS:

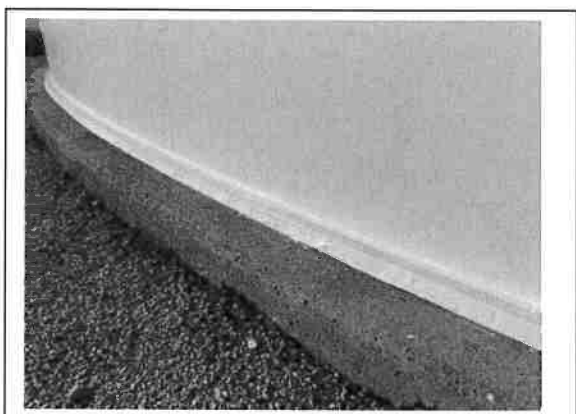
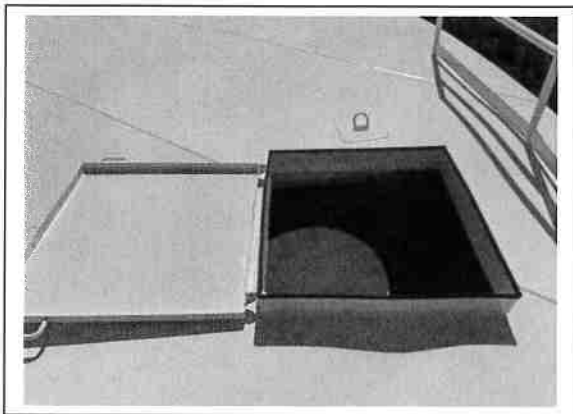
The following upgrades and repairs have been performed, provided and installed by STS:

- Install a one new – 30” auxiliary roof vent.
- Repair roof rafter and dollar plate corrosion.
- Install 6 tie off points on the roof.
 - 2 – At the roof hatch
 - 2 – At the center vent
 - 2 – At the new auxiliary roof vent



MAINTENANCE ITEMS:

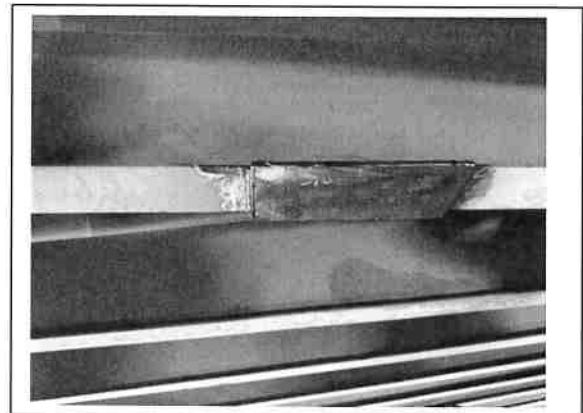
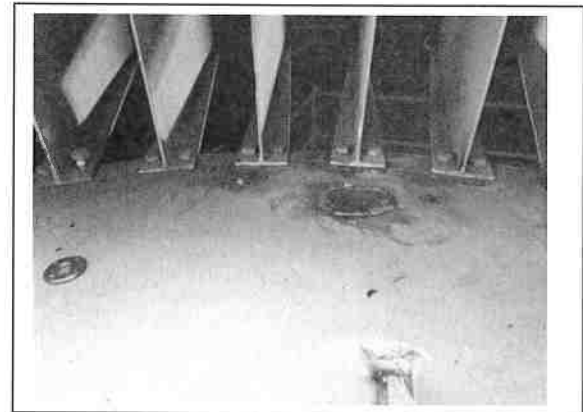
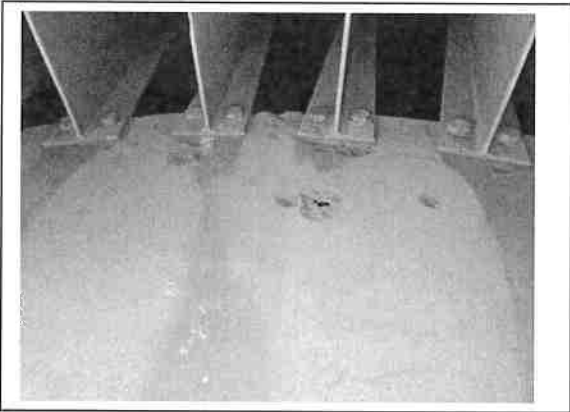
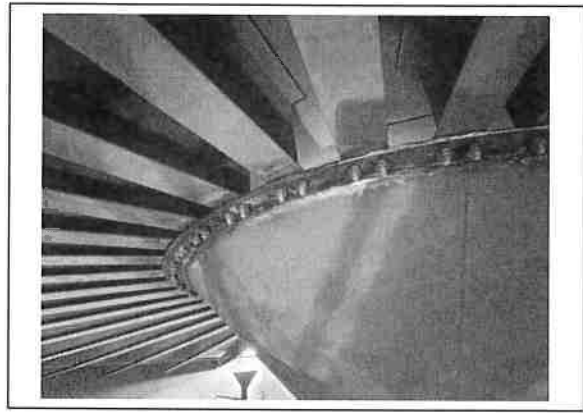
- Replace the gaskets on the roof hatches.
- Install new confined space signs following the tank coating application.
- Replace the roof vent screens.
- Replace the shell manway gaskets.
- Replace the shell manway hardware as necessary
- Caulk the exterior foundation – Sikaflex 1A



ADDITIONAL REPAIRS:

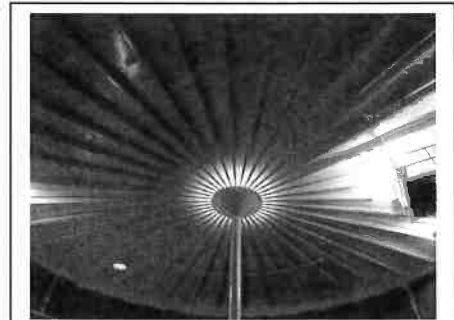
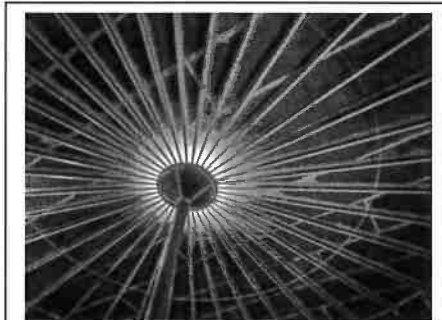
Upon inspection of the interior roof and support structure, aggressive corrosion was identified on the dollar plate and isolated locations on the rafters. STS coordinated with PACE engineering to develop a plan of the repair to the corroded locations.

- Corrosion to the hat plate bolted connect was repaired with a custom support ring
- Corrosion on the hat plate was filled or plated over
- Corrosion on rafter lower flanges was plated over



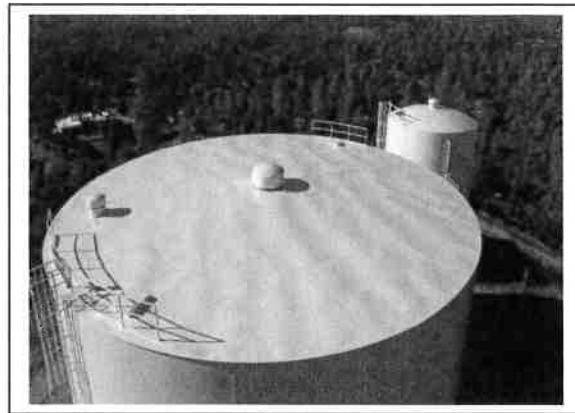
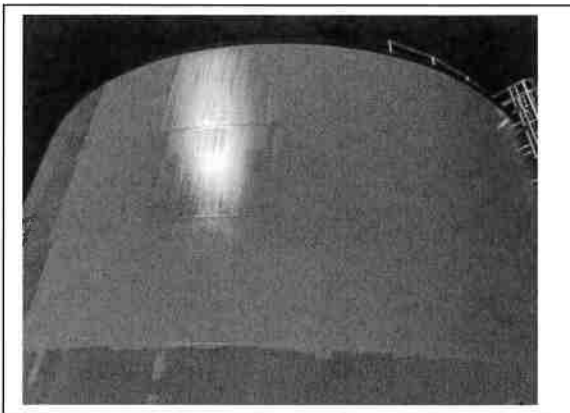
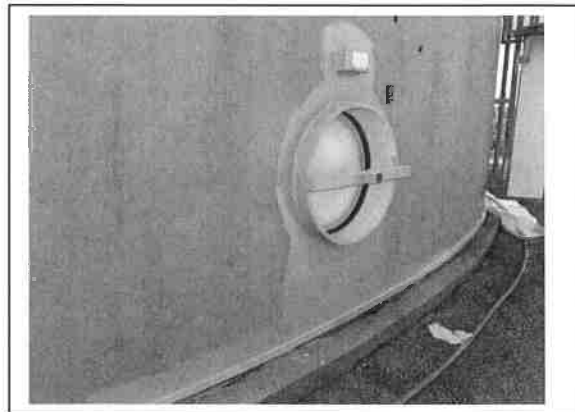
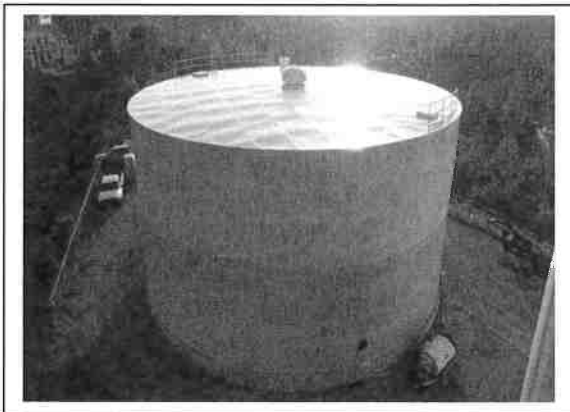
INTERIOR COATING RENOVATION:

- Any preplanned welding upgrades and repairs will be completed prior to coating activities.
- Tank will be cleaned per SSPC-SP1 prior to blasting as necessary.
- Remove residual water.
- Vapor Space Above the Rafters:
 - SSPC-Sp10 "Near White Metal Abrasive Blast" areas to bare steel and new welds, 2-4 mil profile.
 - Wedge the roof
 - Apply a zinc prime coat to areas of bare steel, 2-4 mils DFT
 - Sherwin Williams Corothane Zinc Primer.
 - Apply a epoxy stripe coat to welds, edges, sharp corners and irregular surfaces, 4-8 mils DFT.
 - Sherwin Williams Sherplate 600 4-8 mils.
 - Apply a full prime coat to the atmospheric zone.
 - Sherwin Williams Sherplate 600 (Light Blue) 6-10 mils.
 - Apply a finish coat to the atmospheric zone.
 - Sherwin Williams Sherplate 600 (White) 6-10 mils.
- Immersion Zone:
 - SSPC-Sp10 "Near White Metal Abrasive Blast" areas to bare steel and new welds, 2-4 mil profile.
 - Apply a zinc prime coat to areas of bare steel, 2-4 mils DFT.
 - Sherwin Williams Corothane Zinc Primer.
 - Apply a epoxy stripe coat to welds, edges, sharp corners and irregular surfaces, 4-8 mils DFT.
 - Sherwin Williams Sherplate 4-8 mils.
 - Apply a full finish coat to the immersion zone.
 - Sherwin Williams Sherplate PW (White) 25-30 mils.
- The interior will be ventilated and allowed to cure per the manufacture recommendations.
- Connection points and shell to roof juncture will be caulked with NSF 61 Silkaflex 1A.
- Holiday detection will be performed in the immersion zone per NACE SP-0188
- All holidays and defects identify identified will be repaired per the manufacture's recommendations.
- Tank will be cleaned and rinsed to remove all debris and residual contaminants.
- Manway gaskets will be replaced.
- Perform disinfection of the tank in accordance with AWWA C-652 – Method 2 Disinfection of Water Tanks.



EXTERIOR COATING RENOVATION:

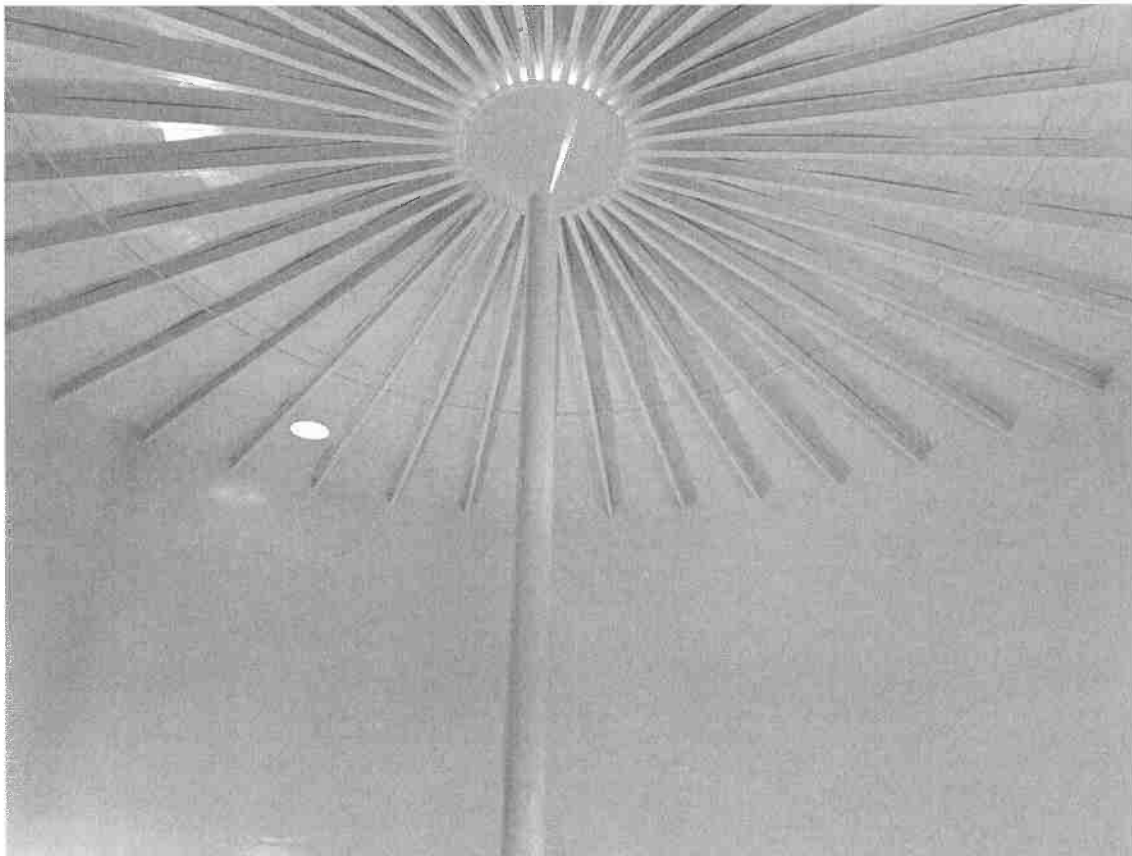
- The exterior surfaces will be cleaned, prepared and overcoated.
- Exterior surface preparation:
 - Perform surface preparation to areas of spot coating failure or bare steel including but not limited to new welds, areas damaged by welding. New appurtenances, and areas of coating failure.
 - Blast per SSPC-SP 6 or spot prep areas per SSPC-SP 2 or 3
 - Sweep blast or pole sand shop primed surfaces as needed.
 - Spot prime areas of bare steel:
 - Sherwin Williams Macropoxy 646 – Applied in one coat to an average or 3-6 mils DFT.
 - Pressure wash all exterior areas per SSPC – SP1.
- Coating Application:
 - Apply one full primer coat to all exterior areas.
 - Sherwin Williams Macropoxy 646 – Applied in one coat 2-5 mils DFT.
 - Apply one full coat of Polysiloxane to all areas:
 - Sherwin Williams Sherloxane 800 – Applied in one coat 3-6 mils DFT.



COMMENTS:

Centerville Water District's 1-Million-gallon welded steel water storage tank was de-watered prior to STS arrival. Superior Tank Solutions identified few tank discrepancies from on the roof and roof support system (rafters) of the tank prior to starting the renovation. Work was performed in a continuous manner with the only interruption coming from weather conditions. The tank received full interior and exterior coating renovation, regulatory upgrades/repairs. The interior coating systems have been repaired and replaced in accordance with current AWWA D.102 recommendations and the District's specifications. The steel interior was abrasive blasted to a SSPC SP10 "Near White Metal" abrasive blast then coated with a ANSI/NSF 61 and 600 approved epoxy coating. Per the AWWA M42 it is recommended to maintain the tanks through a planned series of annualized tasks. This task includes visually inspecting the tank annually and washing out the tank interior every 2-5 years. Washing out the tank is important to maintain the interior coatings and to improve water quality.

- As specified by the American Water Works Association, D.102 Standard, the Superior Tank Solutions Inc. will provide a one (1) year warranty on the work performed. At the 11-month warranty inspection Superior Tank Solutions Inc. will provide a representative to inspect the work performed. Deficiencies identified will be repaired at no additional charge.



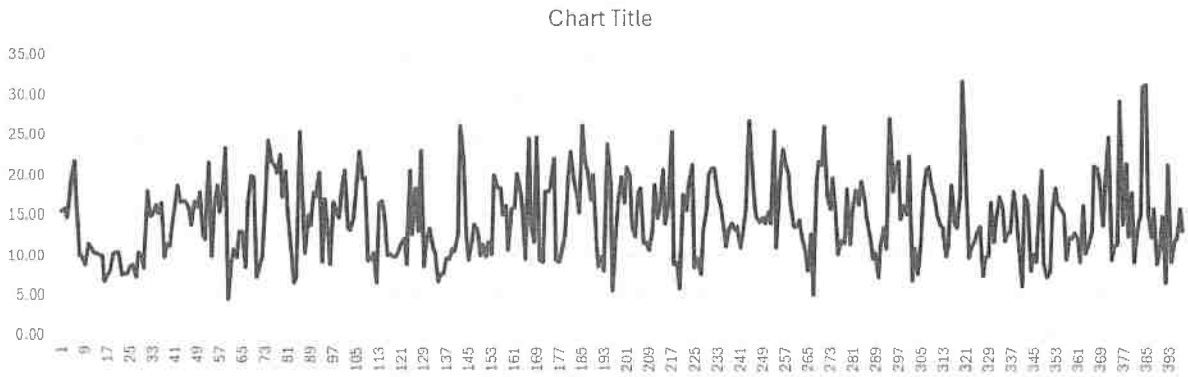
Reference Standards:

- ASTM International Standards
 - “Standard Test Methods for Field Measurement of Surface Profile of Blast Cleaned Steel”, ASTM D4417-14.
 - “Standard Practice for Discontinuity (Holiday) Testing of Nonconductive Protective Coating on Metallic Substrates”, ASTM D5162-15.
 - “Standard Practice for Nondestructive Measurement of Dry Film Thickness of Nonmagnetic Coatings Applied to Ferrous Metals and Nonmagnetic, Nonconductive Coatings Applied to Non-Ferrous Metals”, ASTM D7091-13.
 - “Standard Test Method for Measuring Humidity with a Psychrometer (the Measurement of Wet- and Dry-Bulb Temperatures)”, ASTM E337-15.

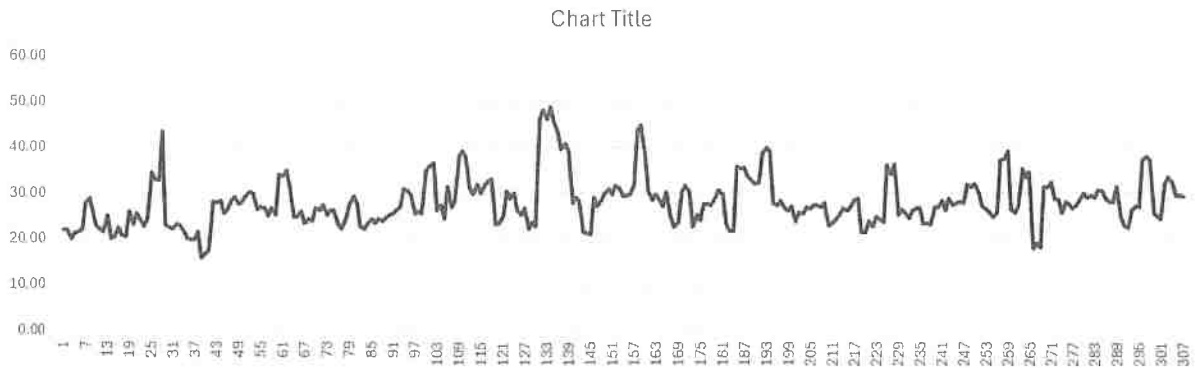
- NACE International Standards:
 - “Field Measurement of Surface Profile of Abrasive Blast-Cleaned Steel Surfaces using a Replica Tape, SP0287-2016.
 - “Discontinuity (Holiday) Testing of New Protective Coatings on Conductive Substrates”, SP0188-2006.
 - “Inspection of Linings on Steel and Concrete Equipment”, SP0288-2011.
 - “Surface Preparation of Contaminated Steel Surfaces”, NACE 6G186

DRY FILM THICKNESS READINGS:

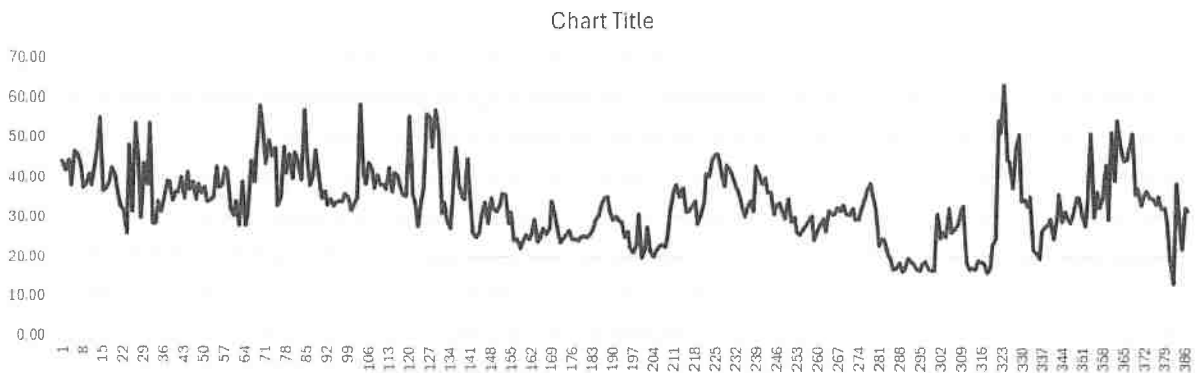
Roof and Upper Shell DFT Chart



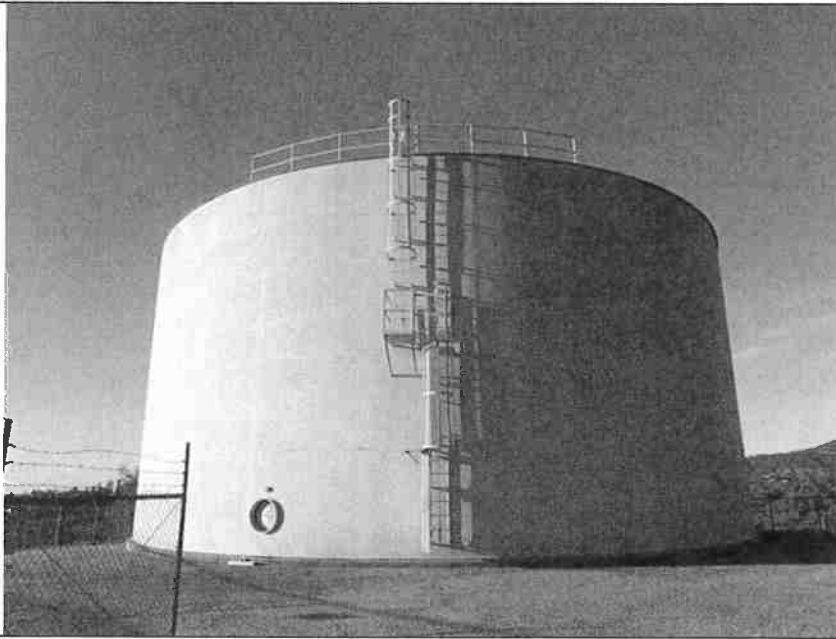
Shell DFT Chart



Floor DFT Chart



Project Photos



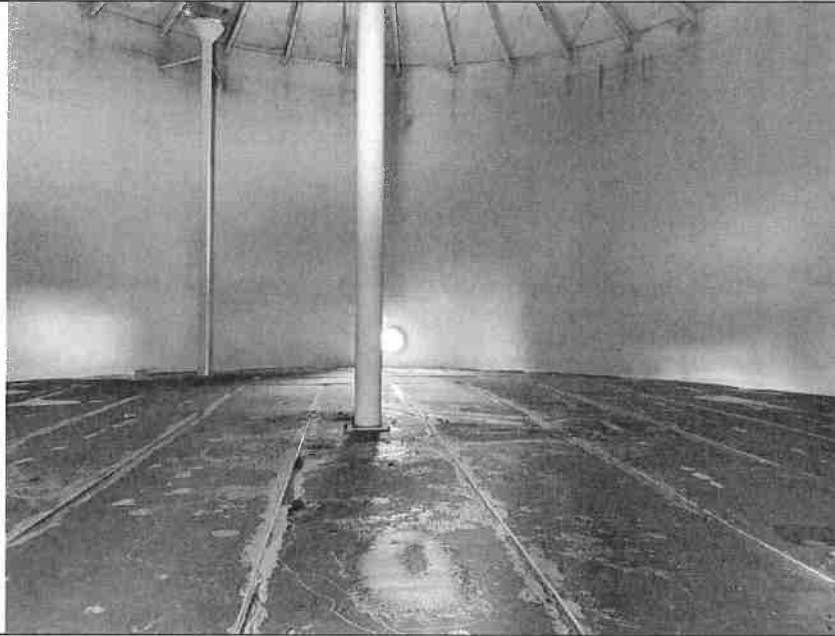
Before

Exterior tank condition prior to starting renovation



After

Completed exterior renovation



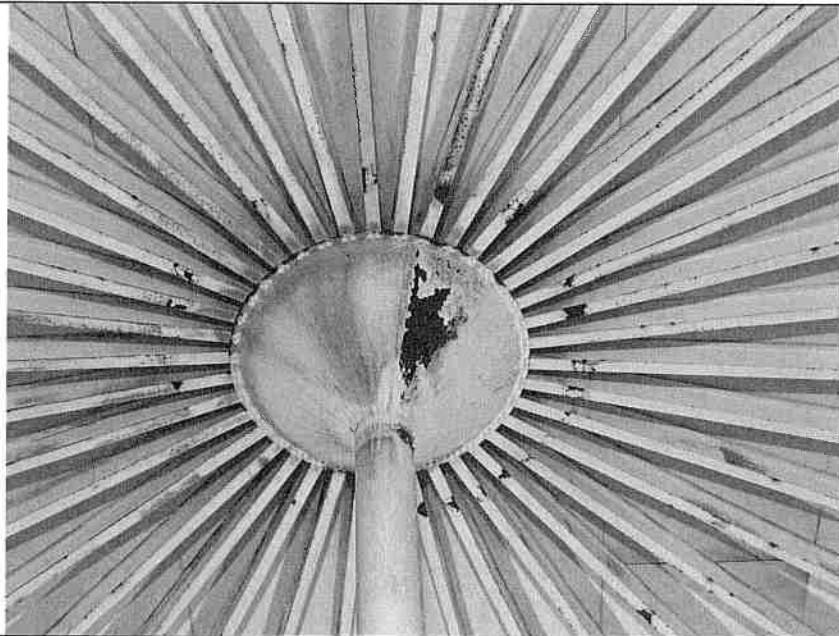
**Interior
Before**

Interior tank before renovation.

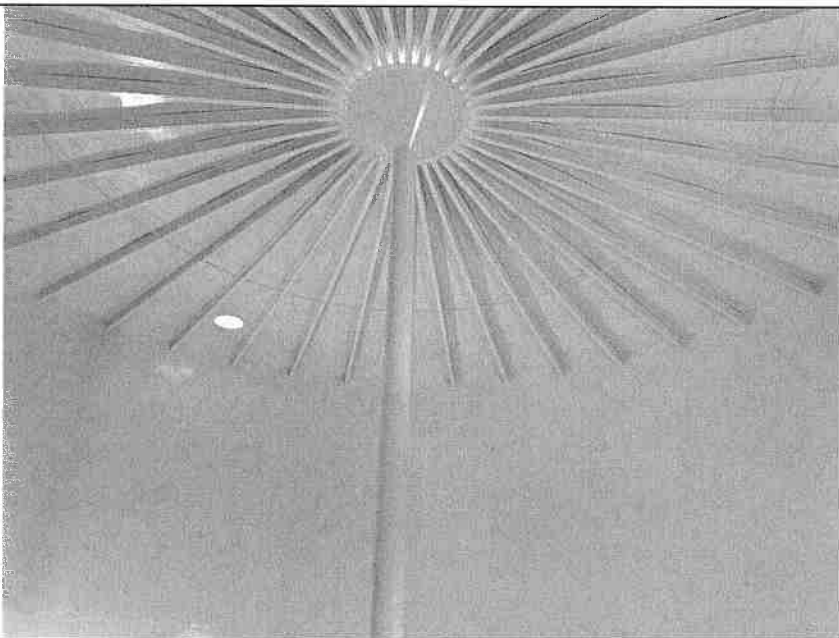


**Interior
After**

Completed interior coating renovation

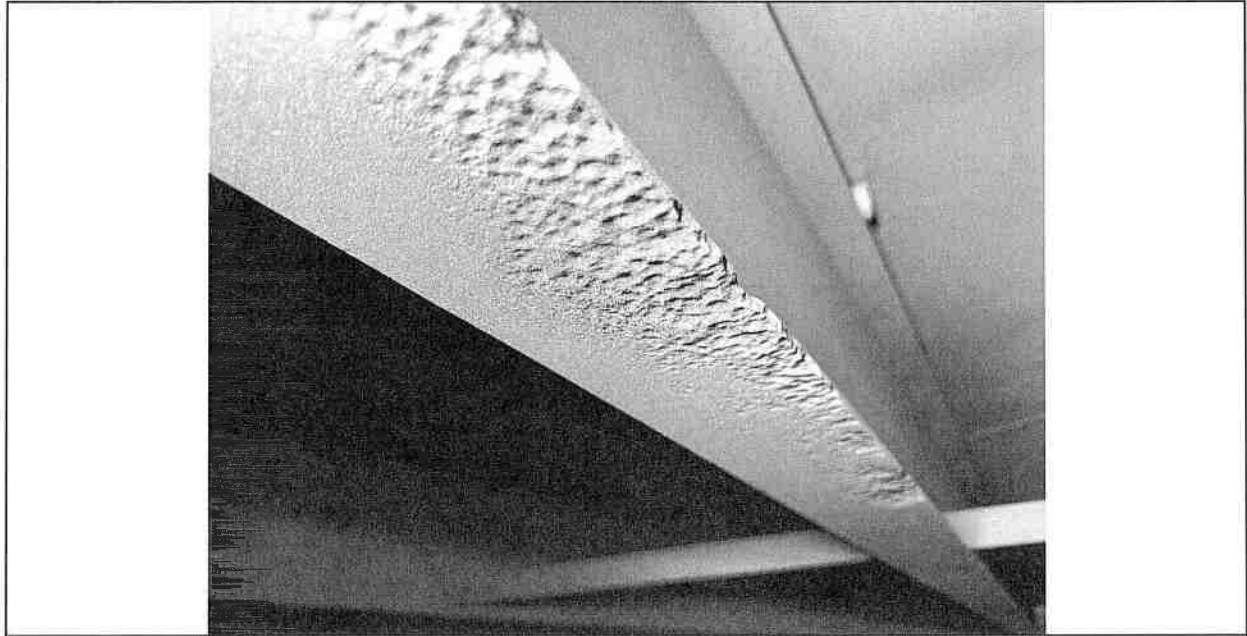


**Interior
Before**



**Interior
Before**

Completed: New roof, rafters and coating



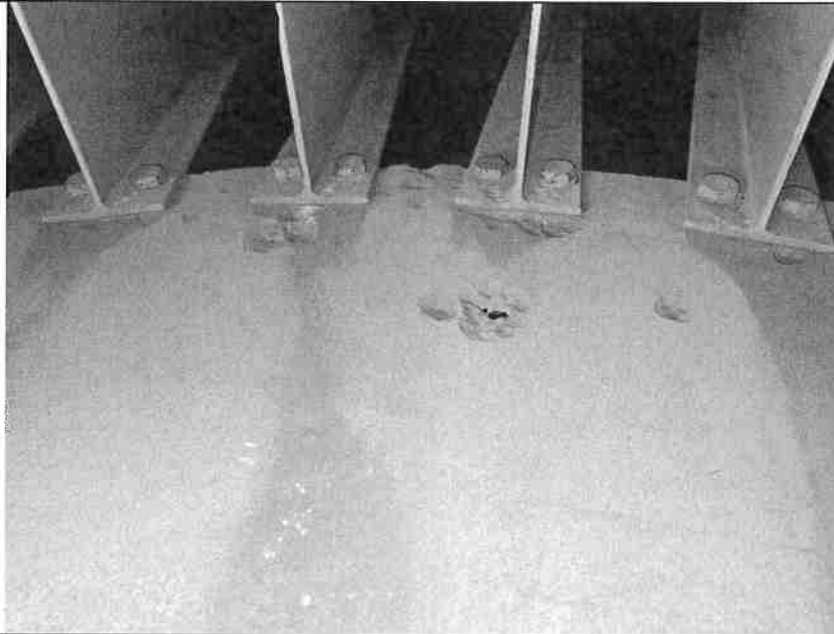
**Rafter weld
repair**

Before:



**Rafter weld
repair**

After:



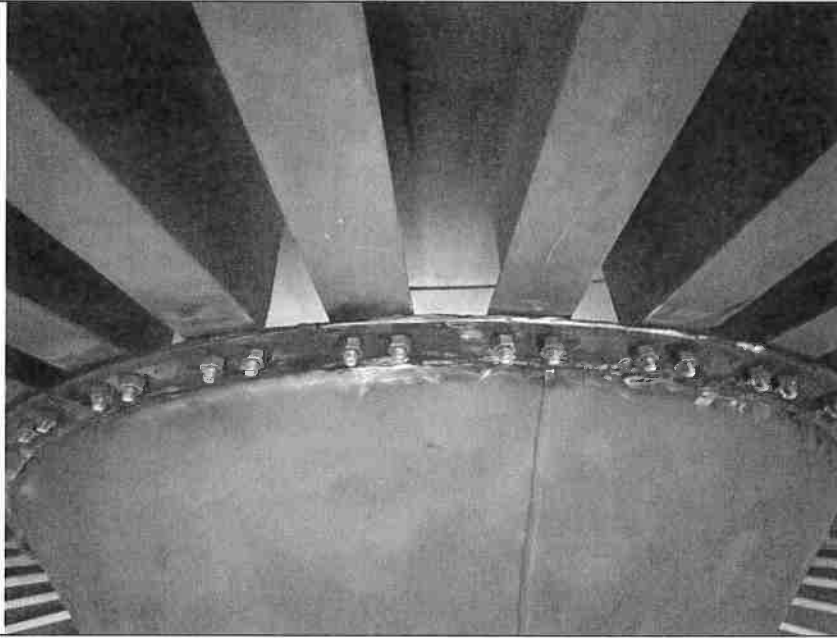
**Dollar plate
weld repair**

Before:

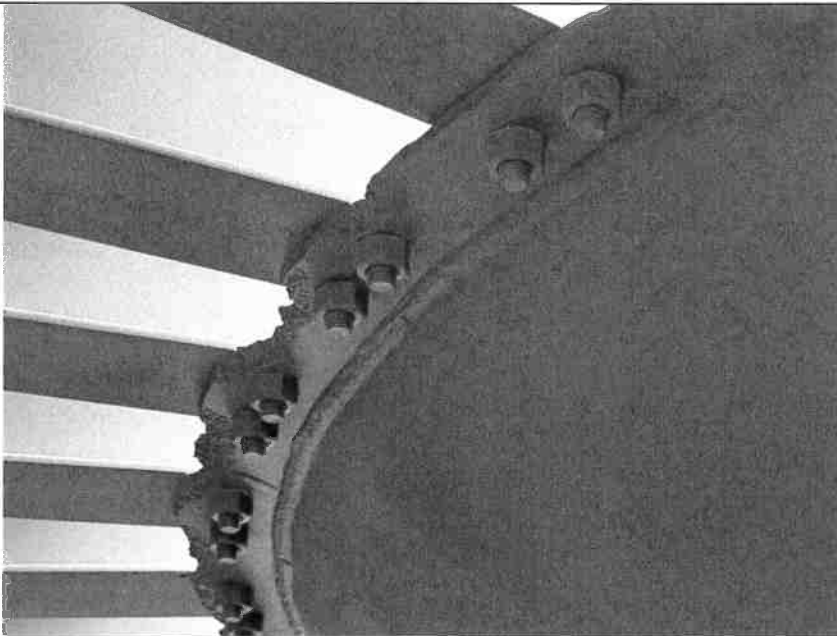


**Dollar plate
weld repair**

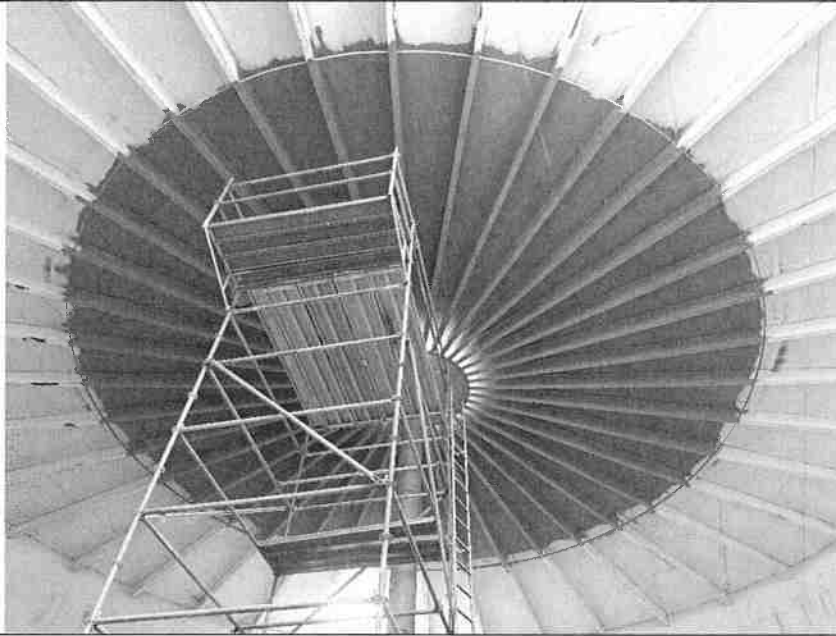
After:



**Dollar plate
weld repair**

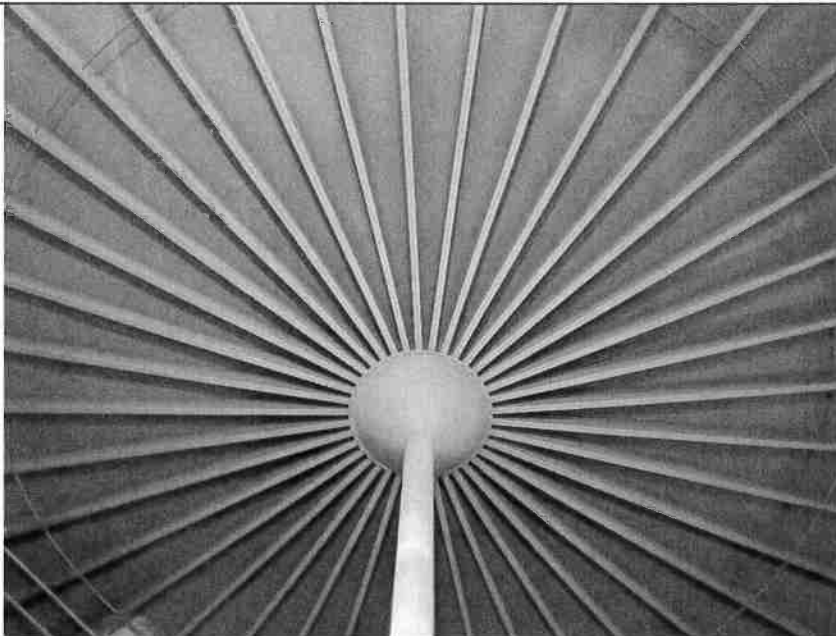


**Dollar plate
weld repair**



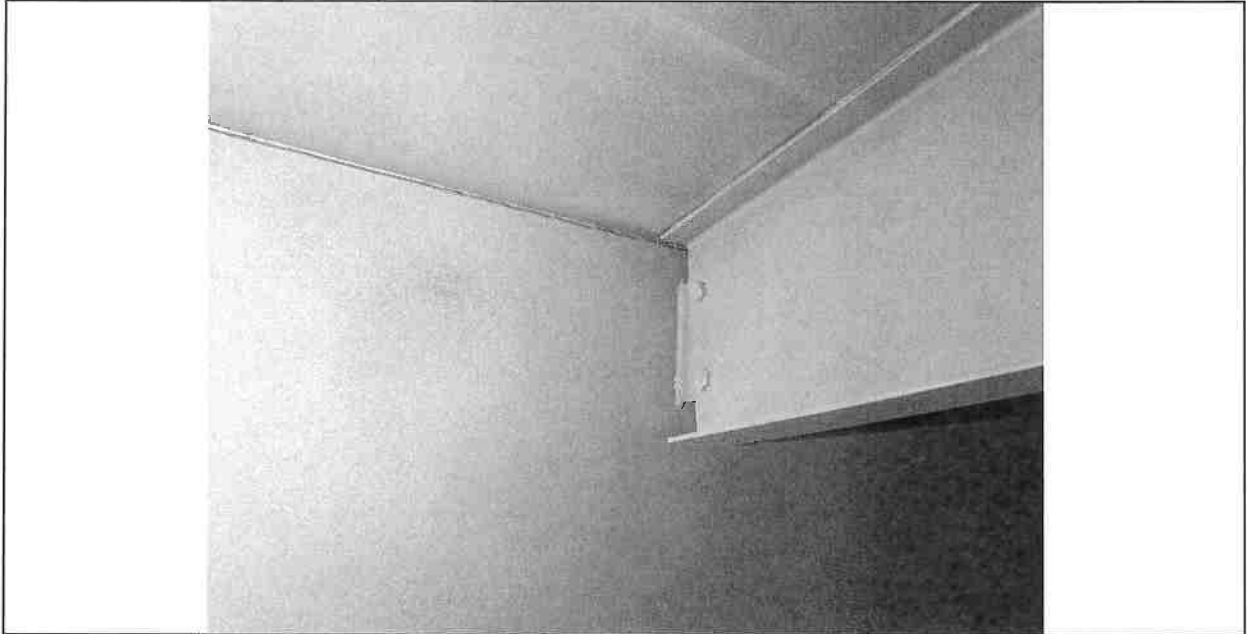
Interior

Abrasive blasting progression

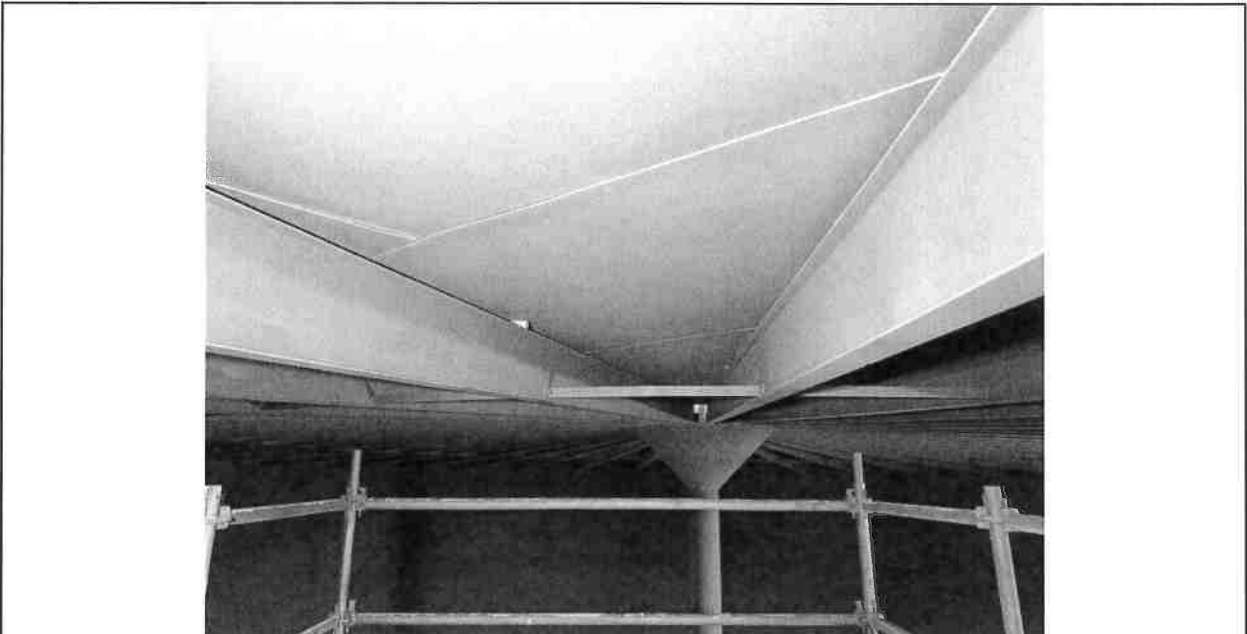


Interior

Completed abrasive blasting meeting and exceeding specified SSPC SP10 "Near White" metal abrasive blast.



Interior	Completed abrasive blasting meeting and exceeding specified SSPC SP10 "Near White" metal abrasive blast.
-----------------	--



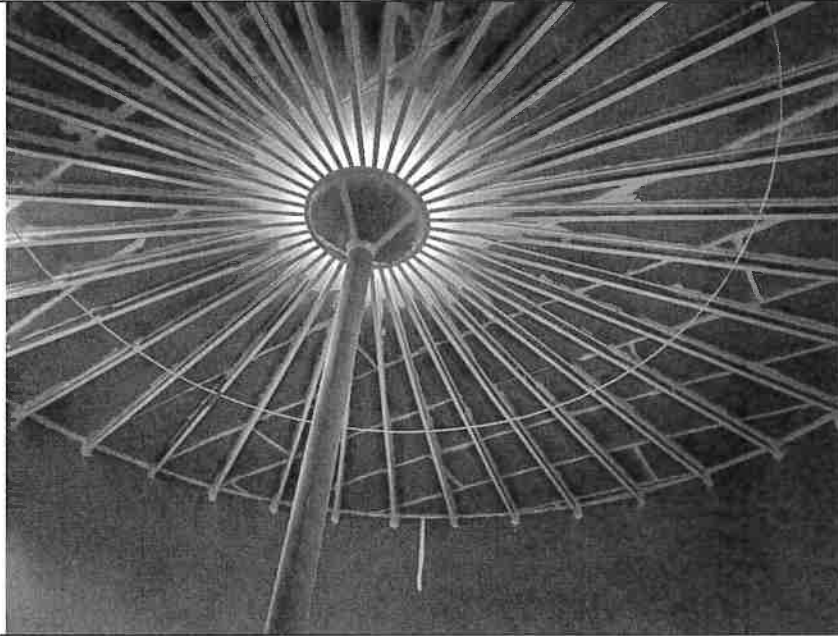
Interior	Completed abrasive blasting meeting and exceeding specified SSPC SP10 "Near White" metal abrasive blast.
-----------------	--



Interior	Completed abrasive blasting meeting and exceeding specified SSPC SP10 "Near White" metal abrasive blast.
-----------------	--

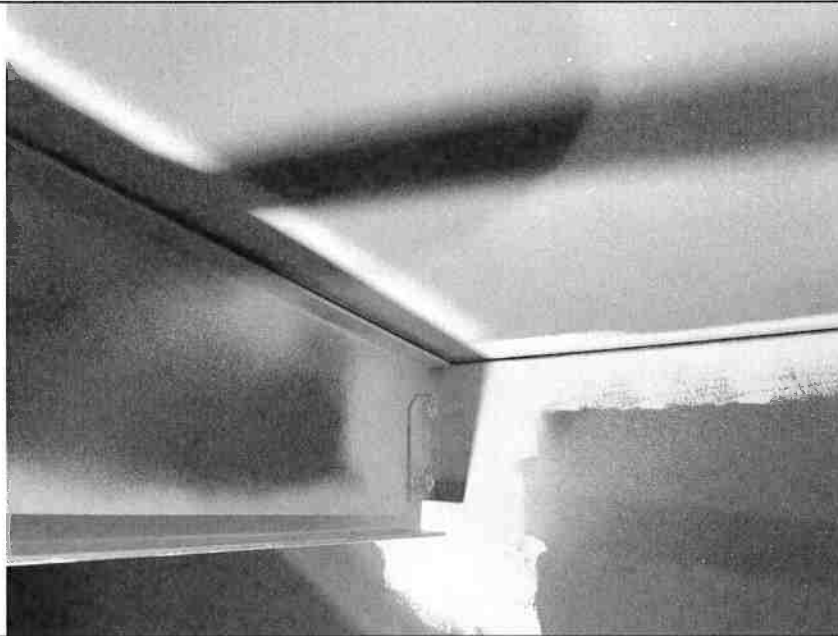


Interior	Completed abrasive blasting meeting and exceeding specified SSPC SP10 "Near White" metal abrasive blast.
-----------------	--



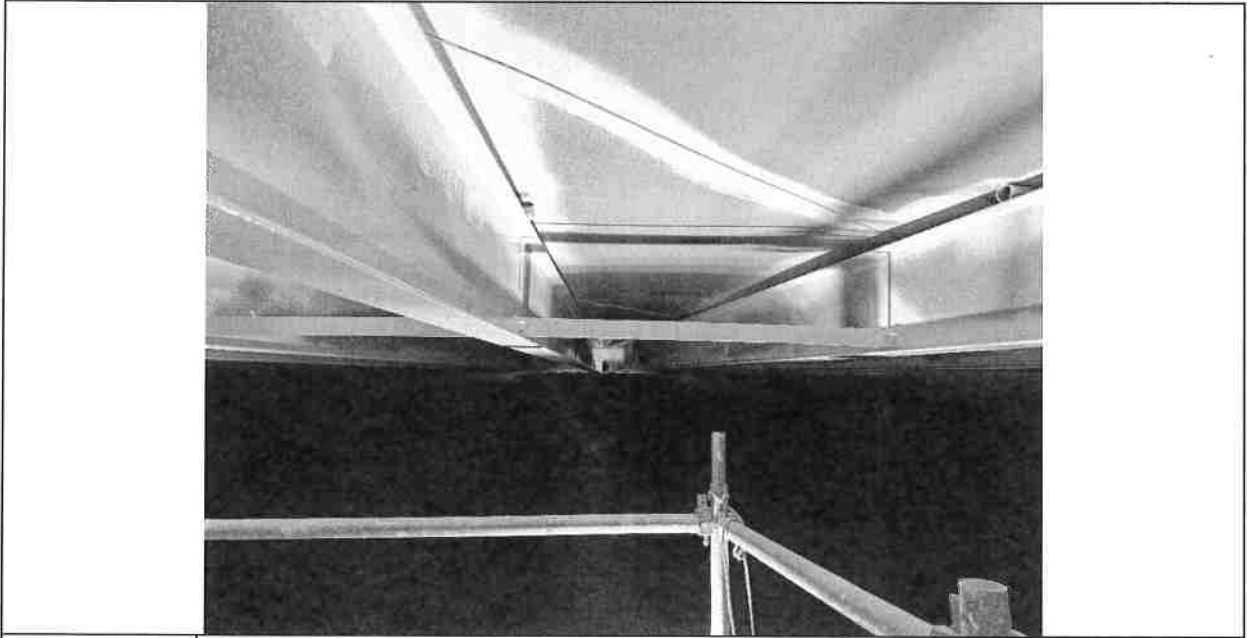
Interior

Stripe coating operations



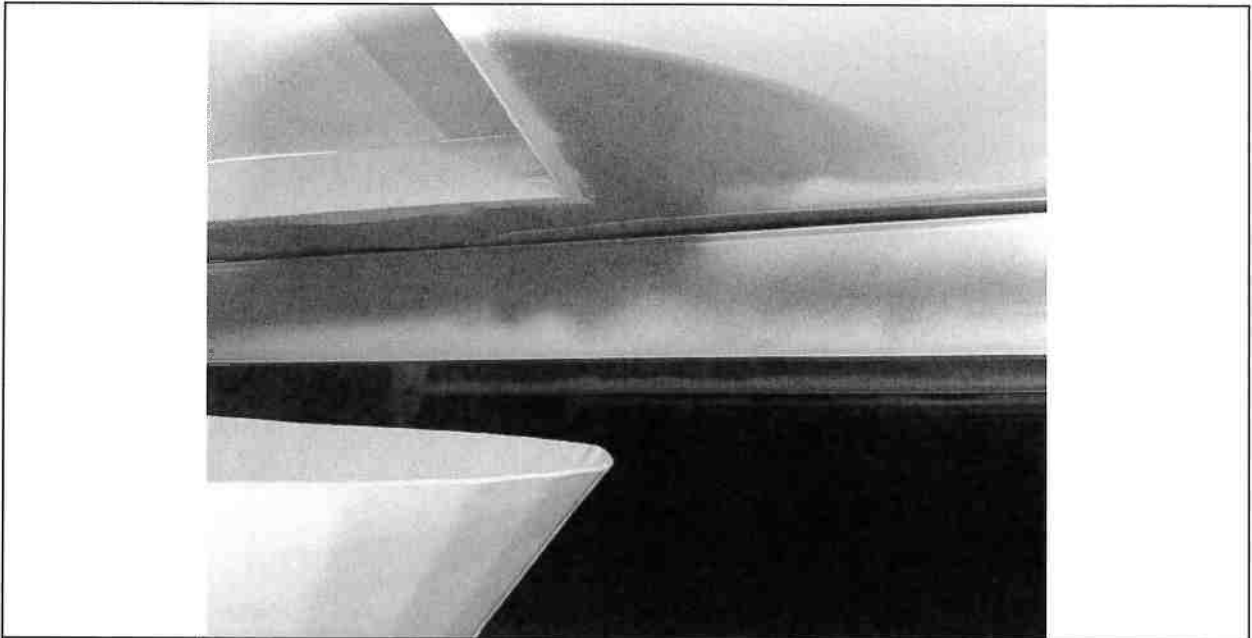
Interior

Stripe coating operations



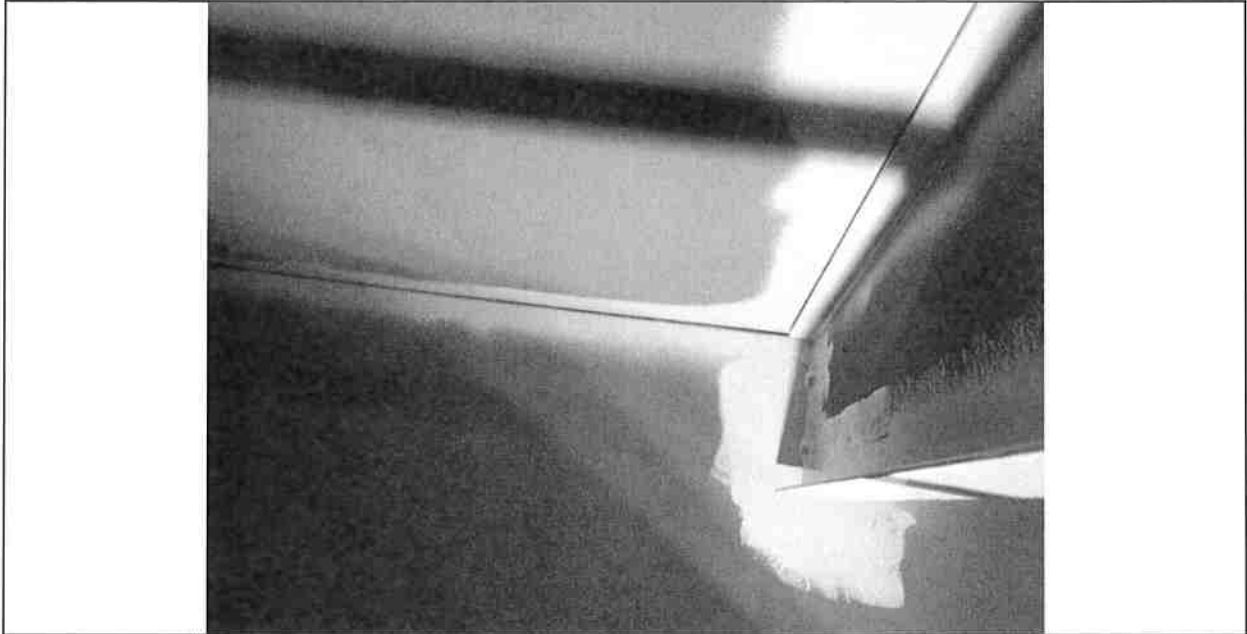
Interior

Stripe coating operations



Interior

Stripe coating operations



Interior Stripe coating operations

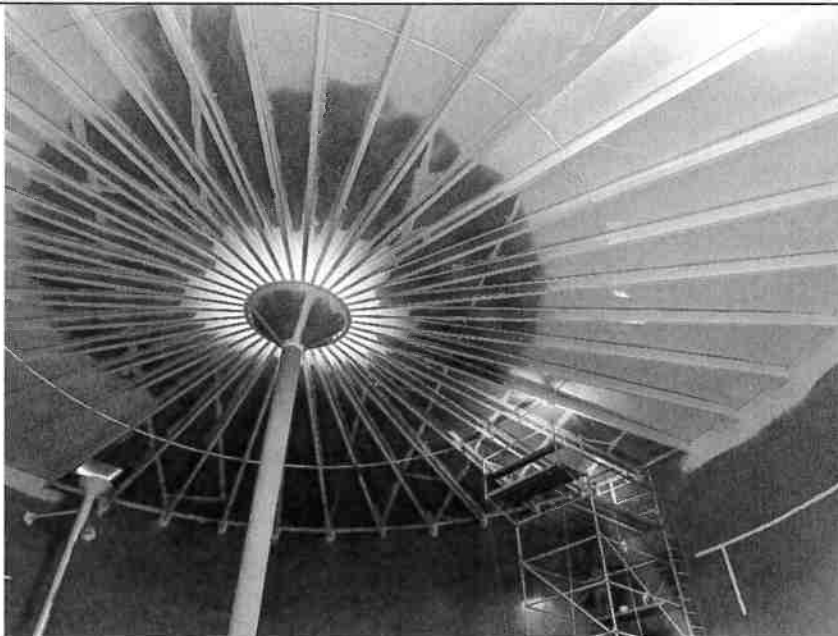


Interior Ambient temperatures prior to internal primer coating



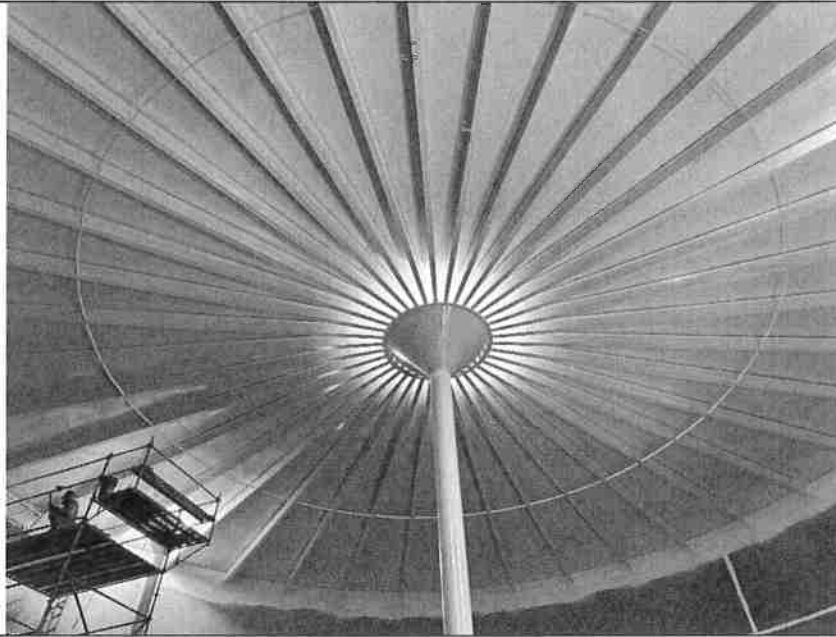
Interior

Primer coating application to interior roof



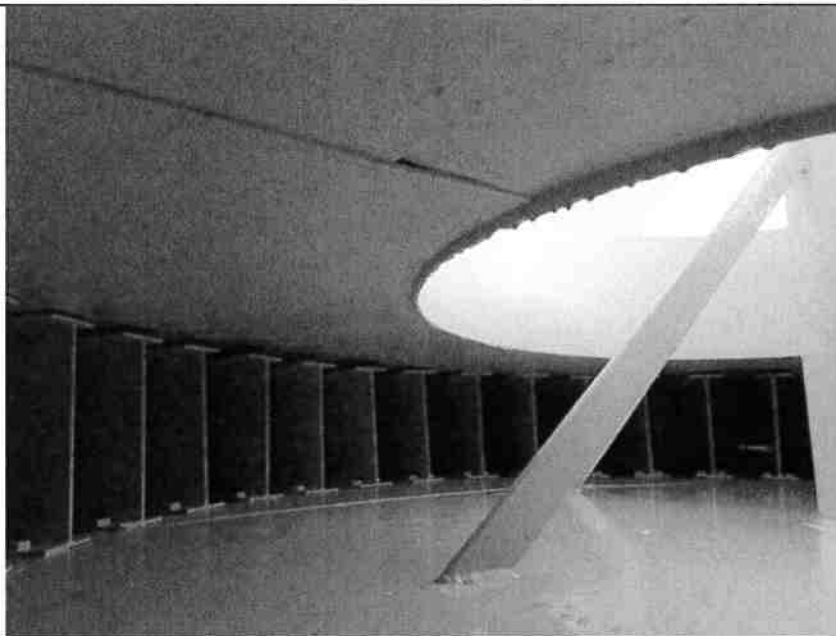
Interior

Primer coating application to interior roof



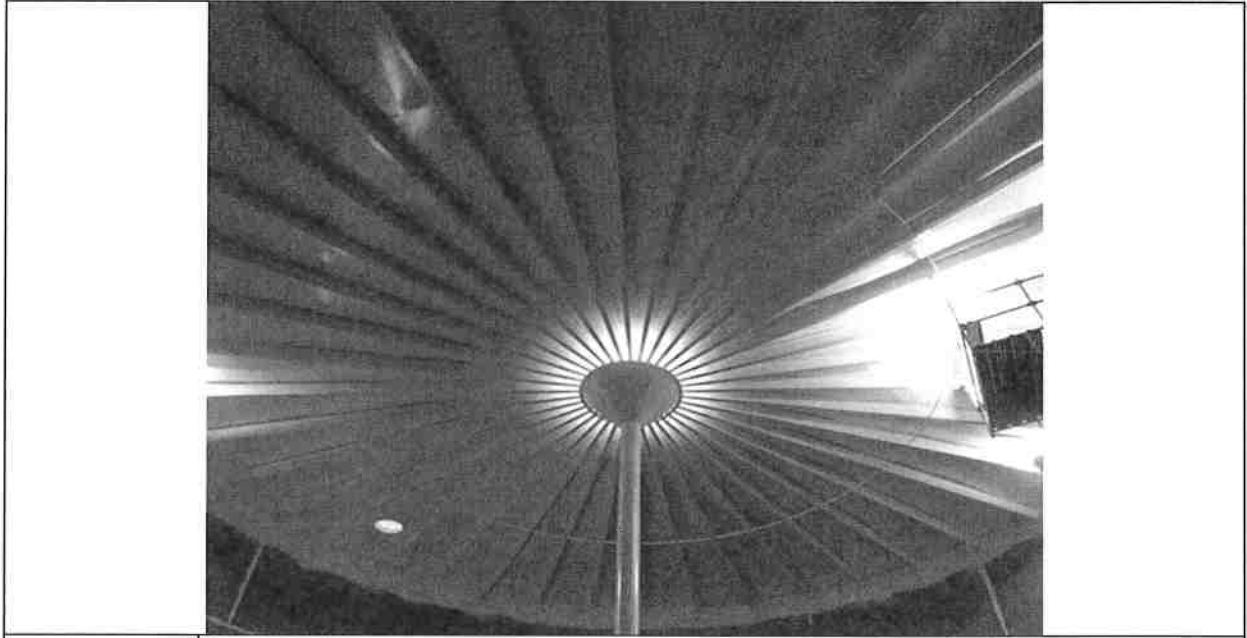
Interior

Completed primer coating application to interior roof



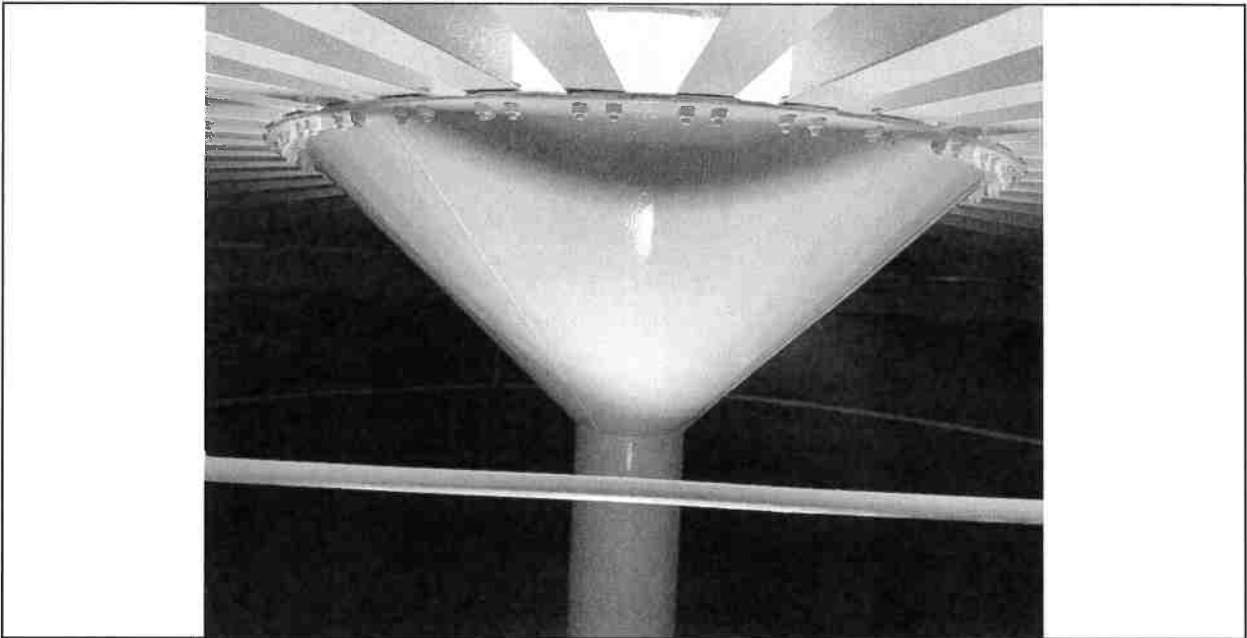
Interior

Completed primer coating application



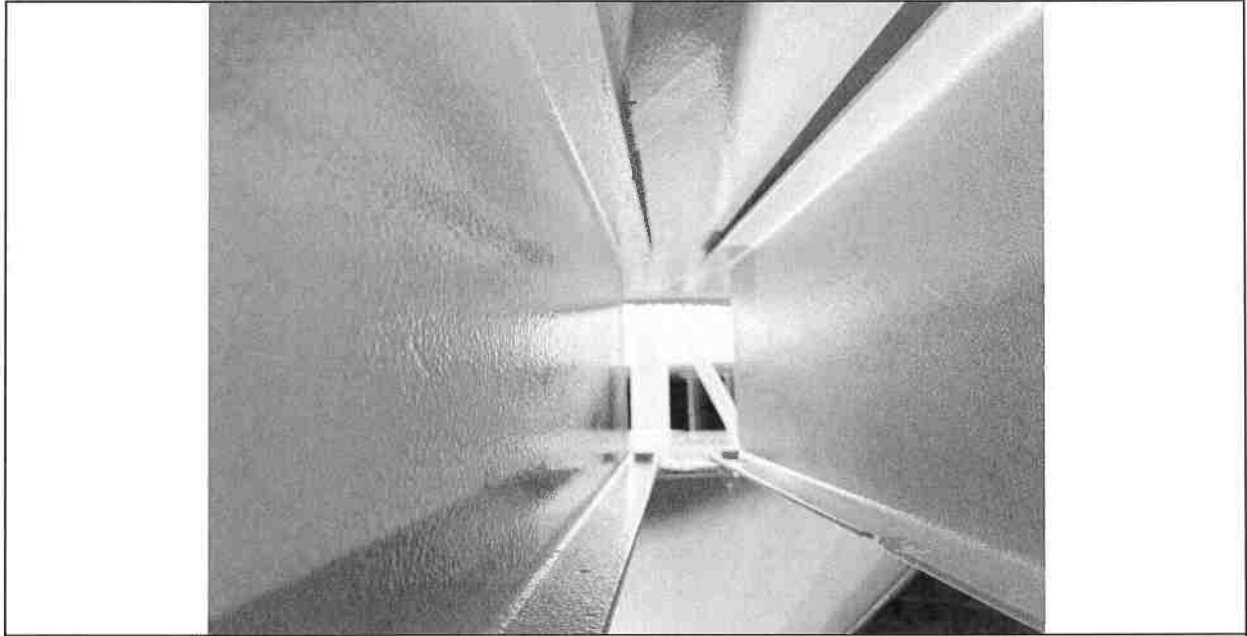
Internal

Completed topcoat application to interior roof



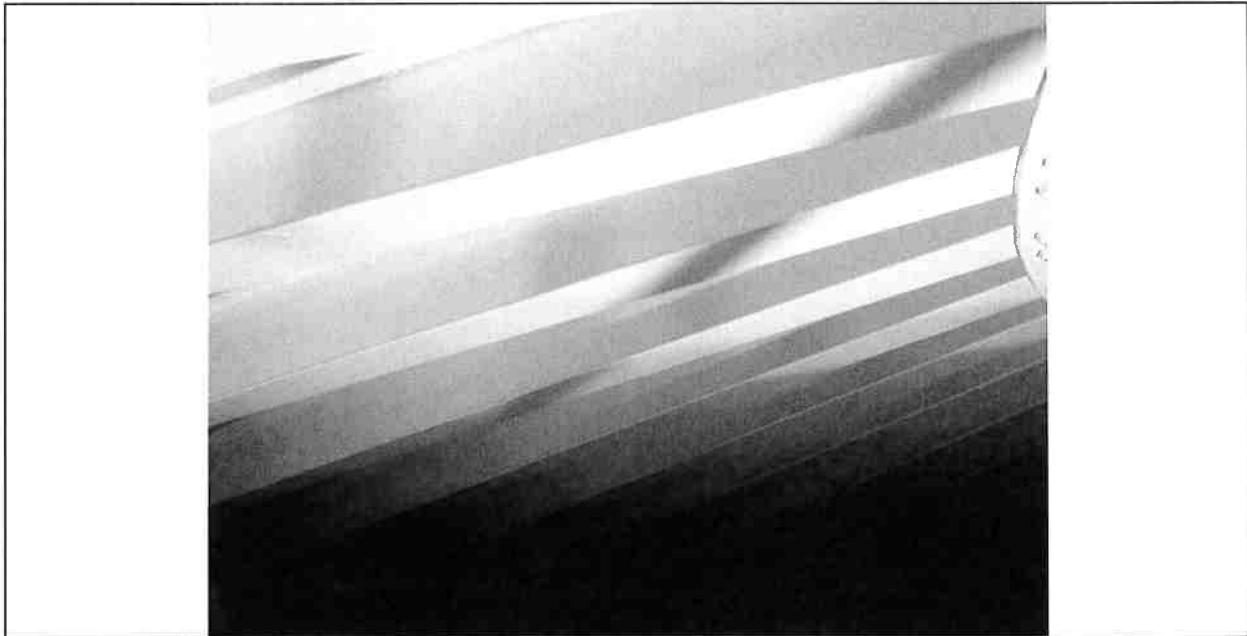
Internal

Completed top coating application to interior roof and rafters



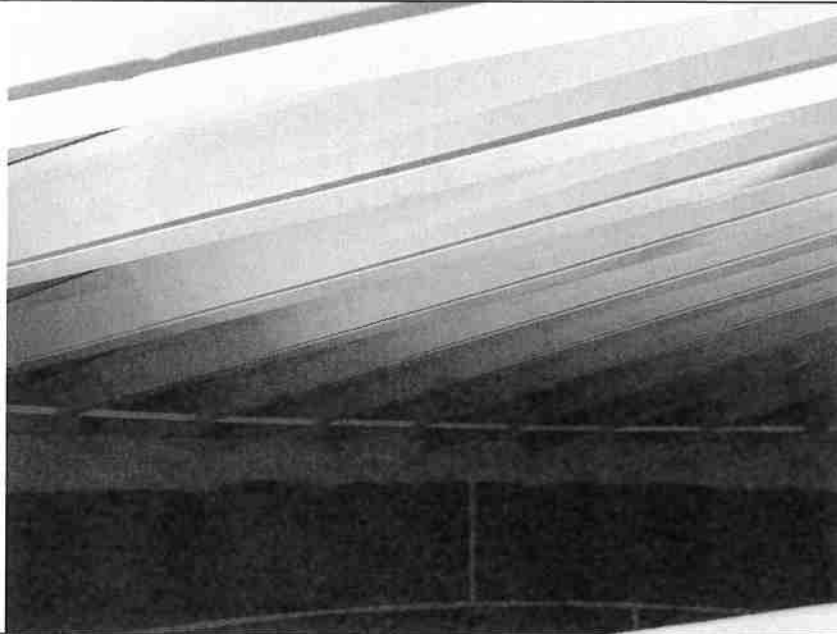
Interior

Completed top coating application



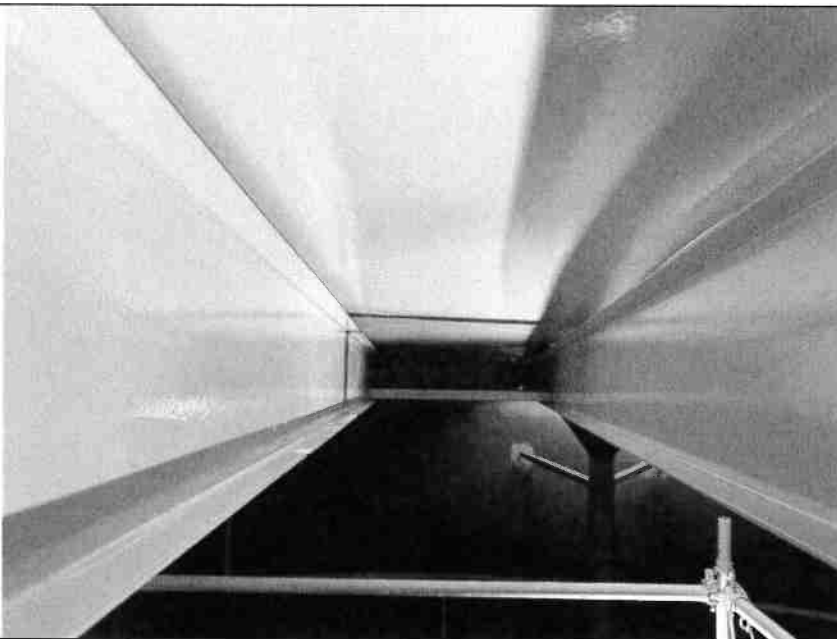
Interior

Completed top coating application to interior roof



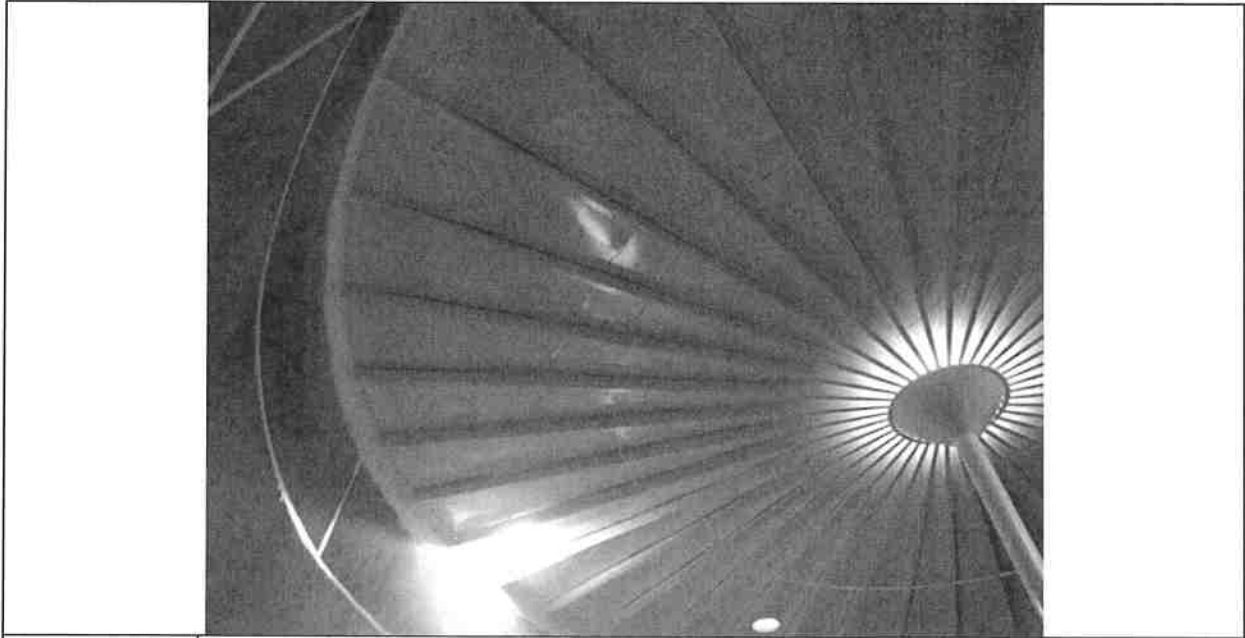
Internal

Completed top coating application to interior roof



Internal

Completed top coating application to interior roof



Interior

Completed atmospheric zoon coating application.



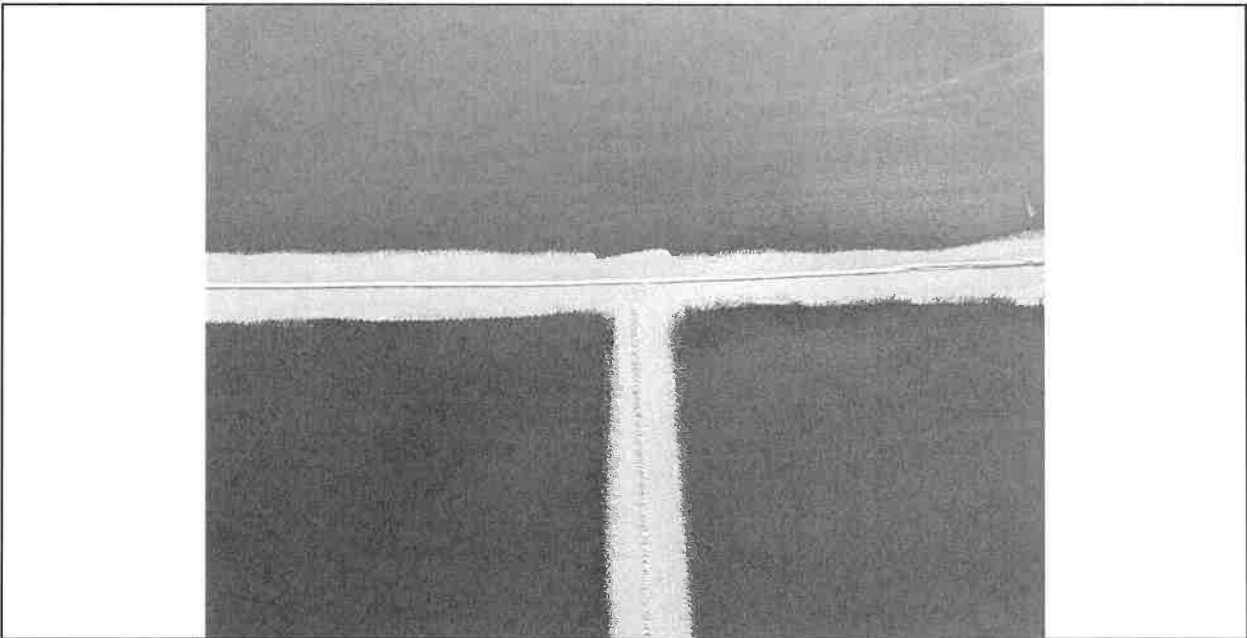
Interior

Shell stripe coating application



Interior

Shell stripe coating application



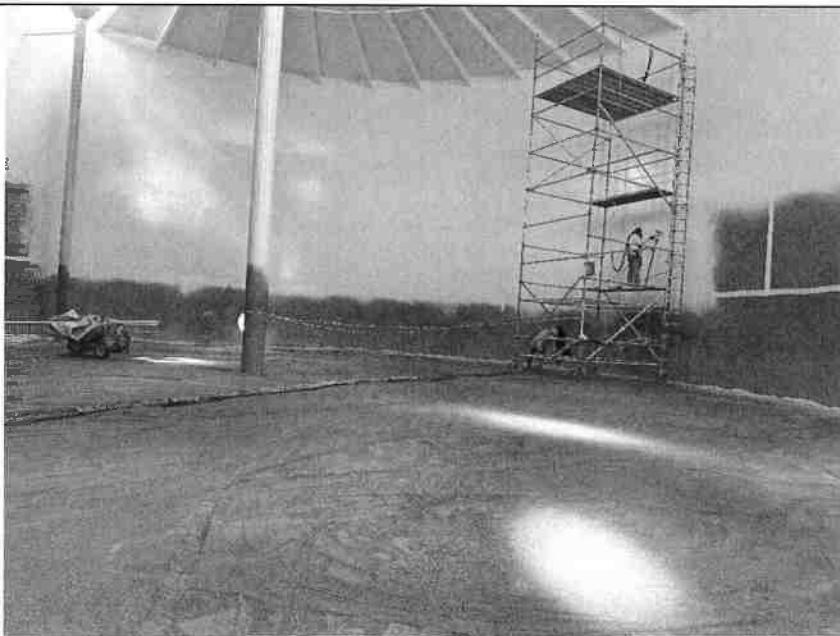
Interior

Shell stripe coating application



Interior

Shell coating application



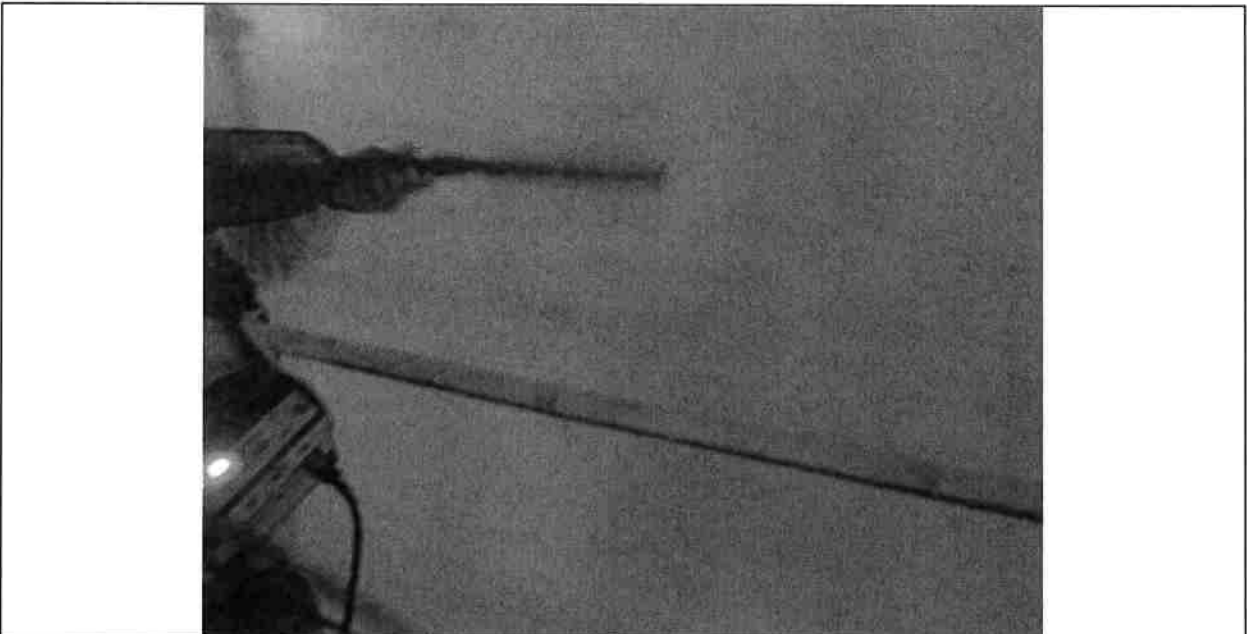
Interior

Shell coating application



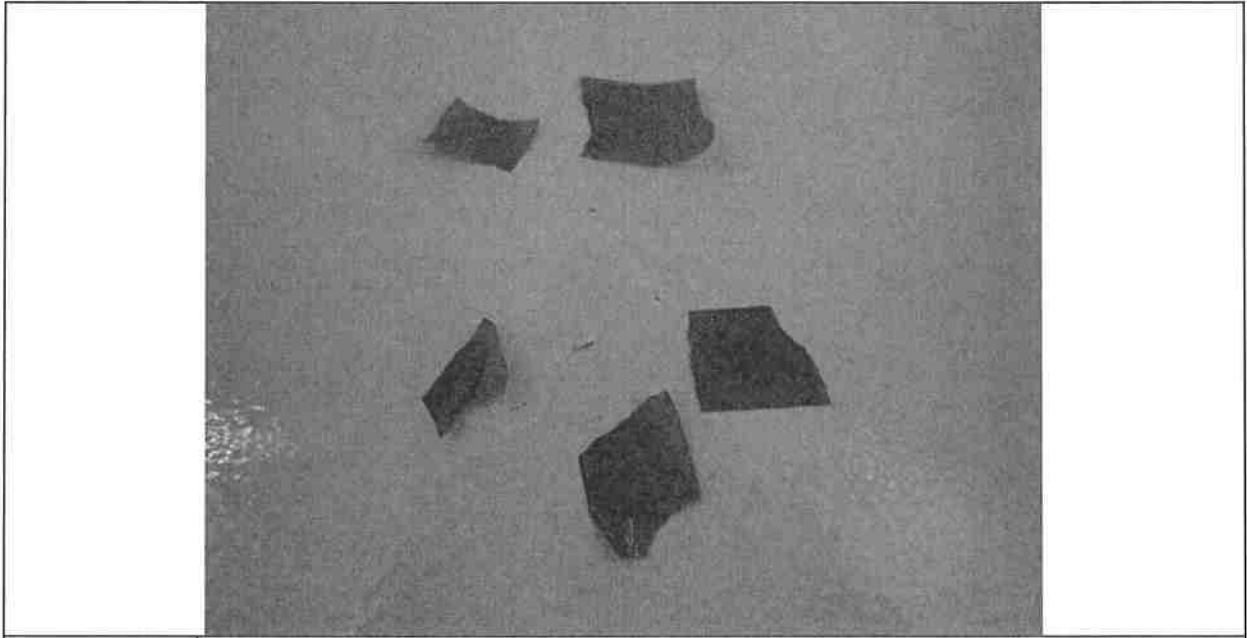
Interior

Completed shell coating application



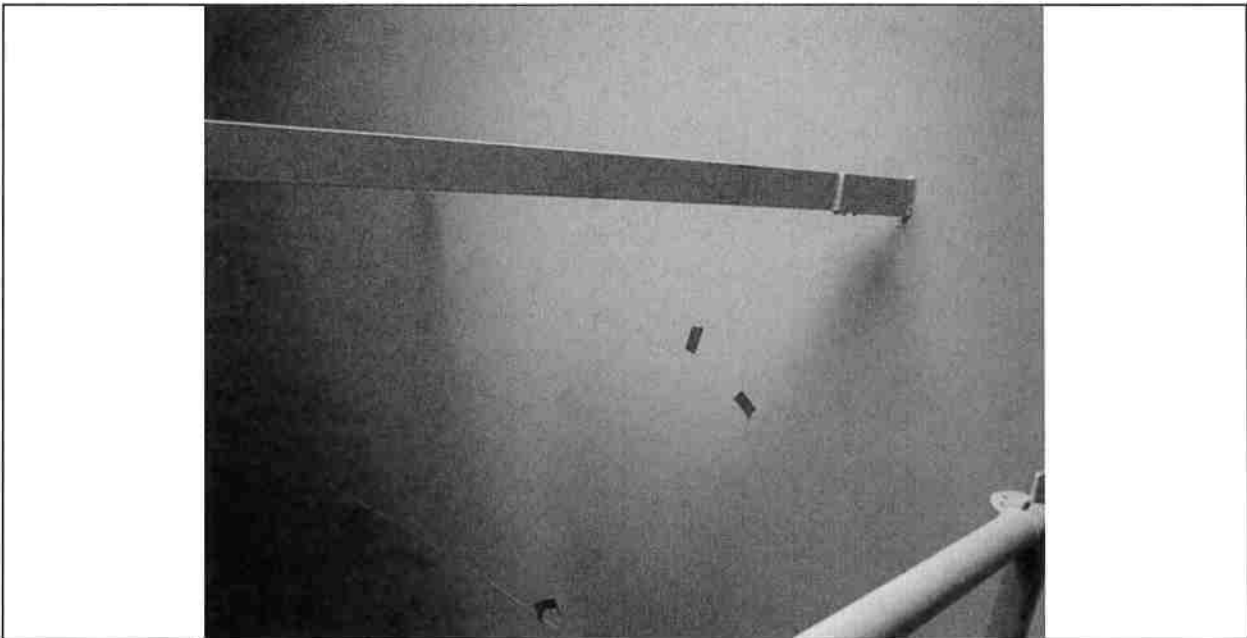
Interior

Shell high voltage holiday detection



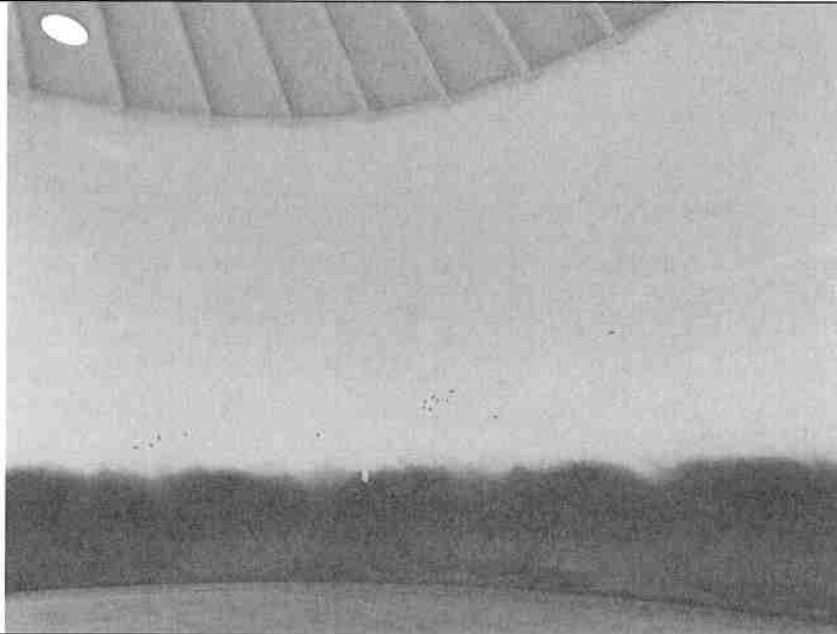
Internal

Interior coating inspection operations on shell (pin holes)



Internal

Interior coating inspection operations on shell (pin holes)



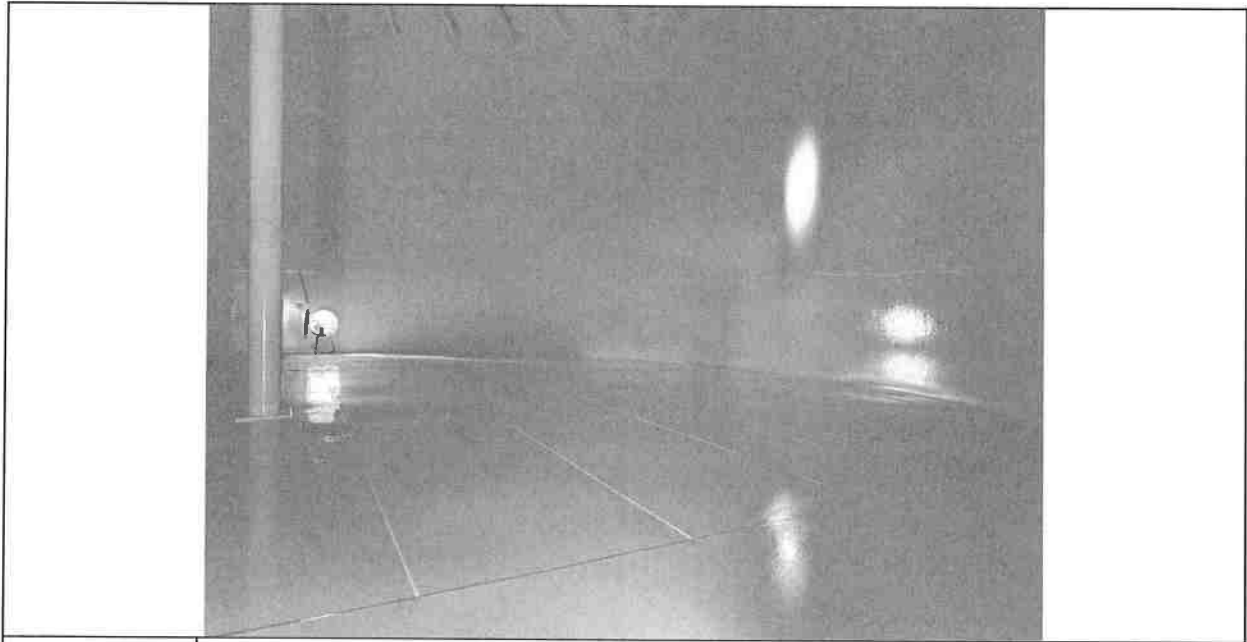
Internal

Pin holes found by high voltage holiday detection

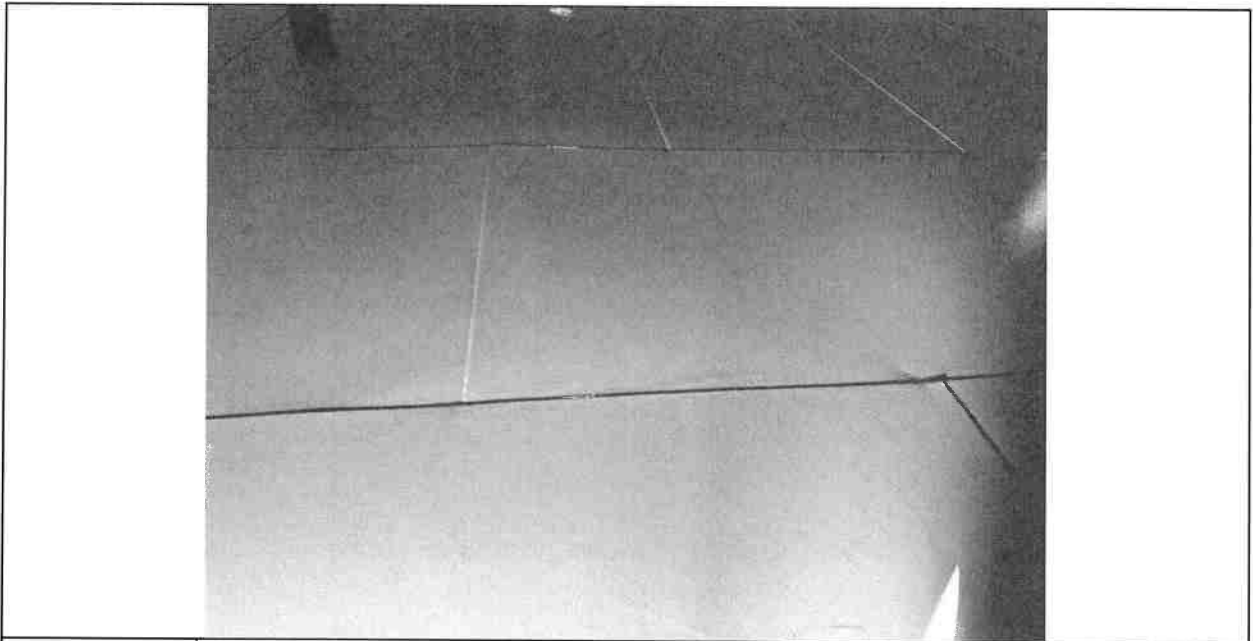


Internal

Completed abrasive blasting (Floor)



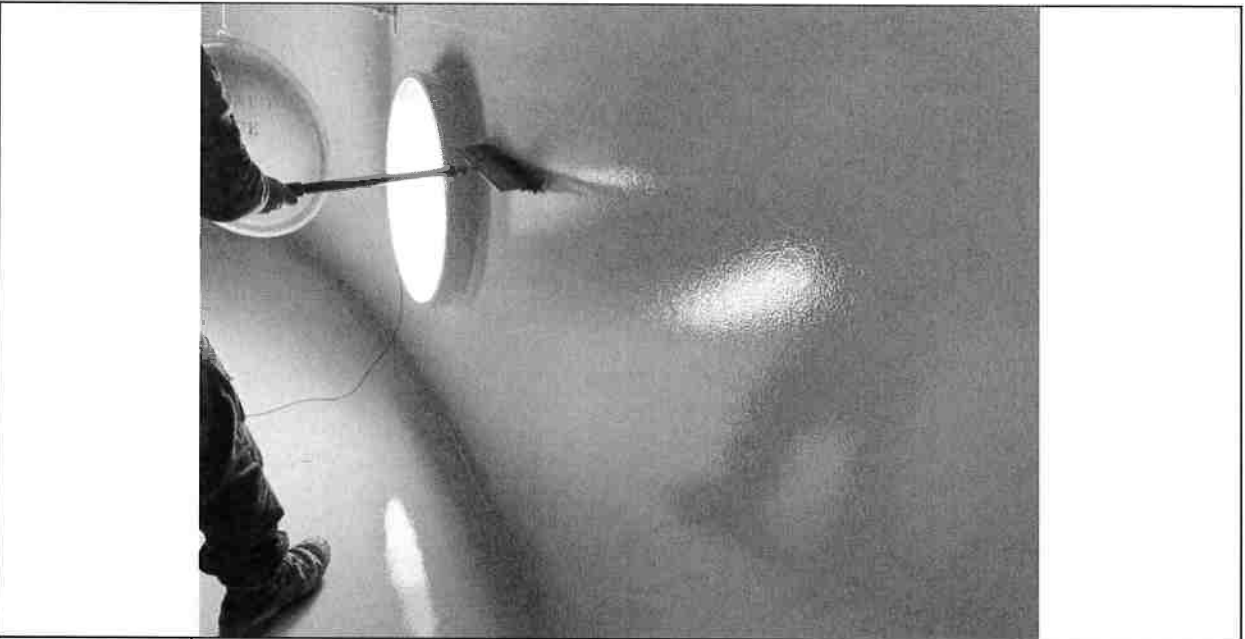
Internal	Completed coating application floor
-----------------	-------------------------------------



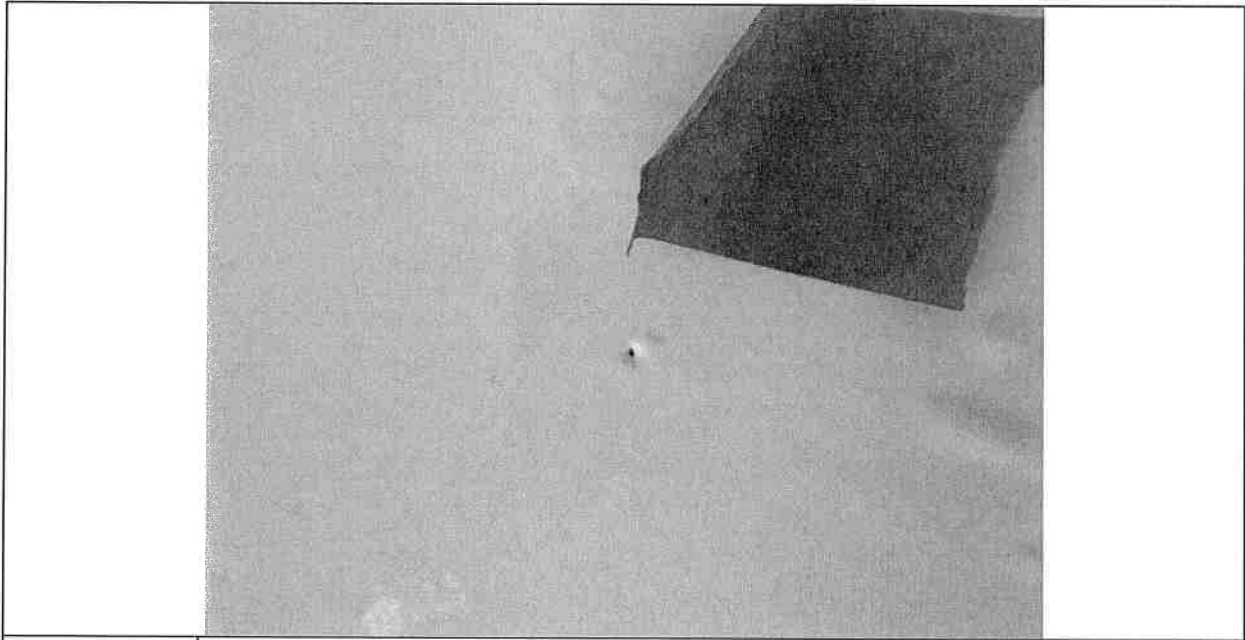
Internal	Completed coating application floor
-----------------	-------------------------------------



Interior	Completed coating on internal floor
-----------------	-------------------------------------



Interior	Floor coating inspection
-----------------	--------------------------



Internal

Coating discrepancies found on floor



Internal

Coating discrepancy on weld seam



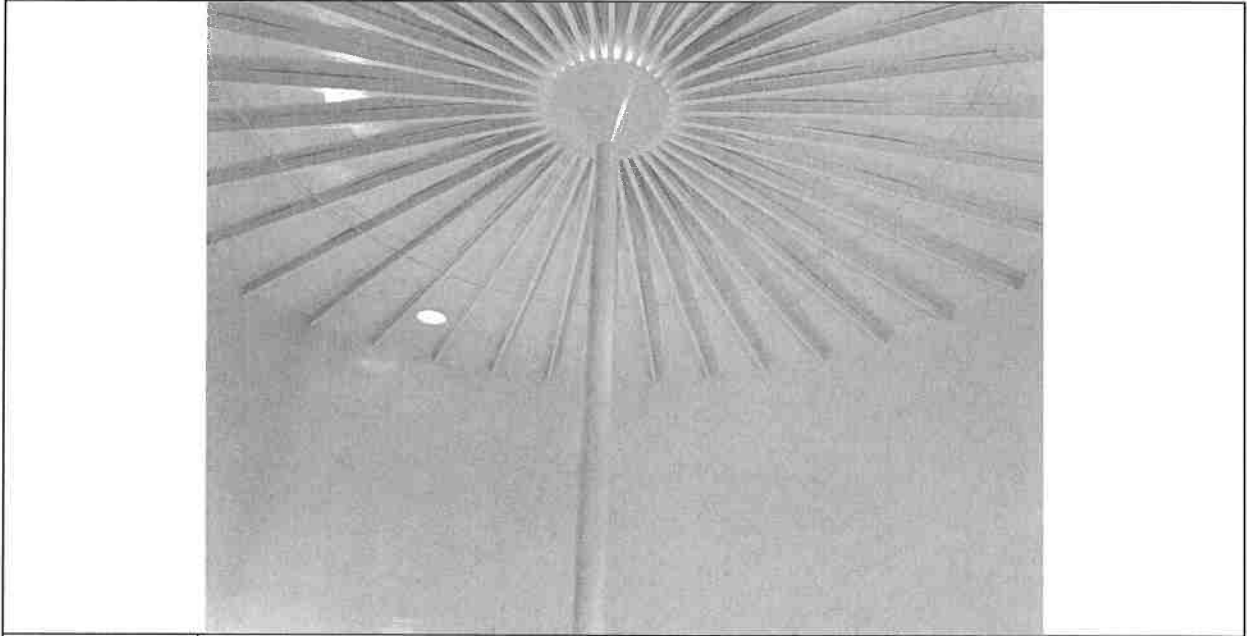
Interior

Completed coating application on floor



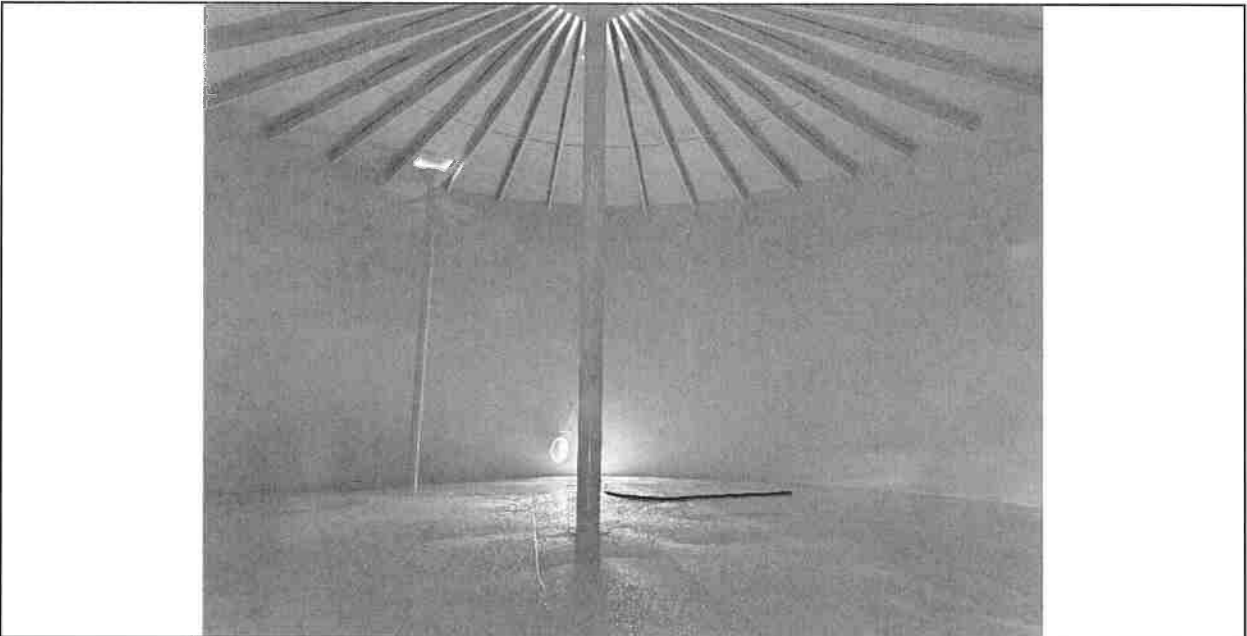
Internal

Disinfection operations



Internal

Completed internal coating



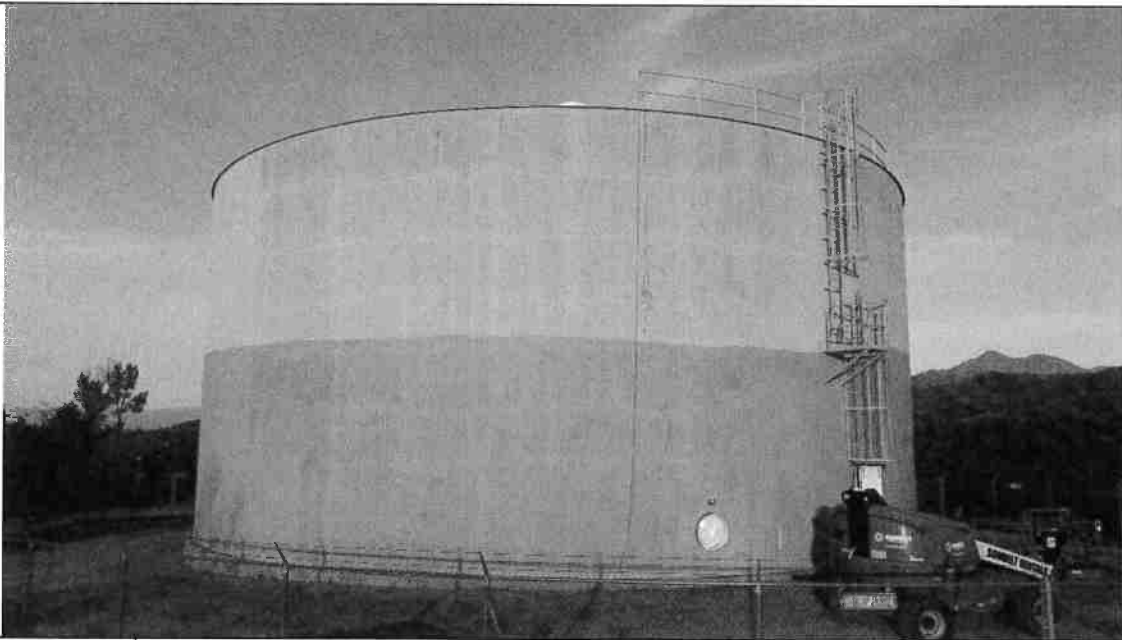
Interior

Completed internal coating



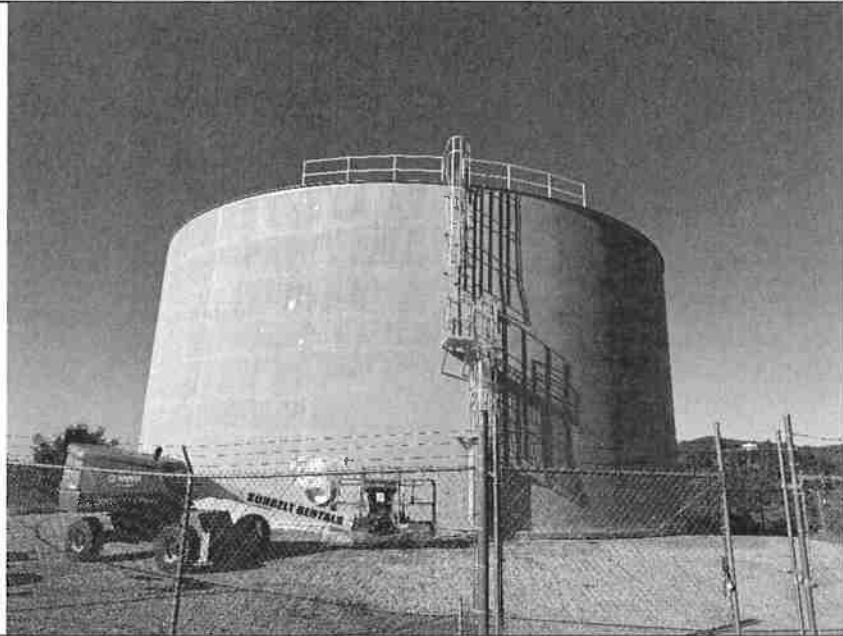
Interior

Completed internal coating



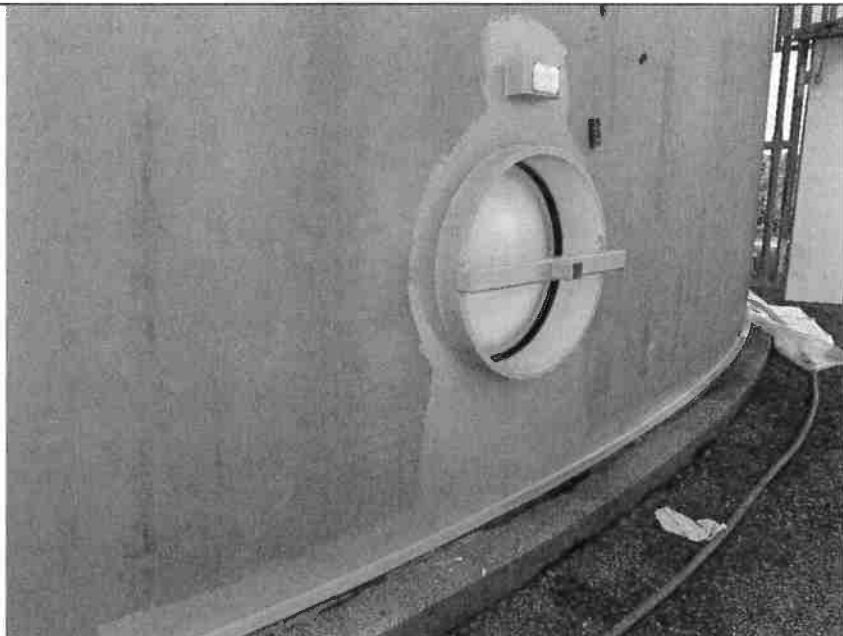
Exterior

Exterior pressure washing operations ½ completion



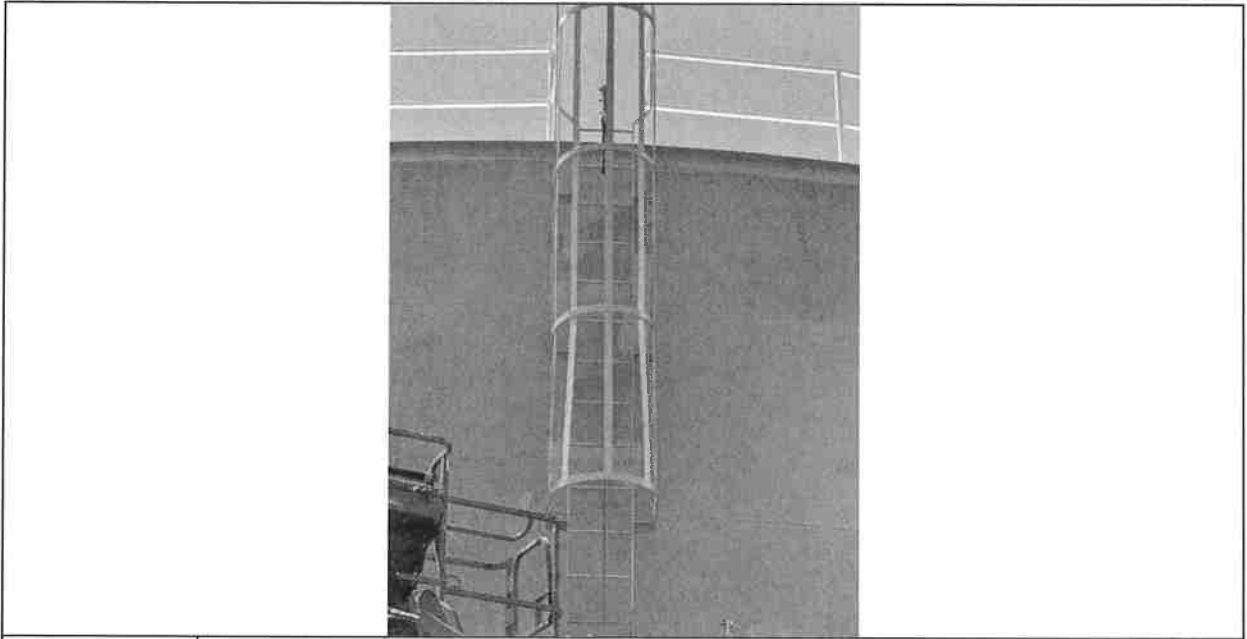
Exterior

Exterior primer cut in



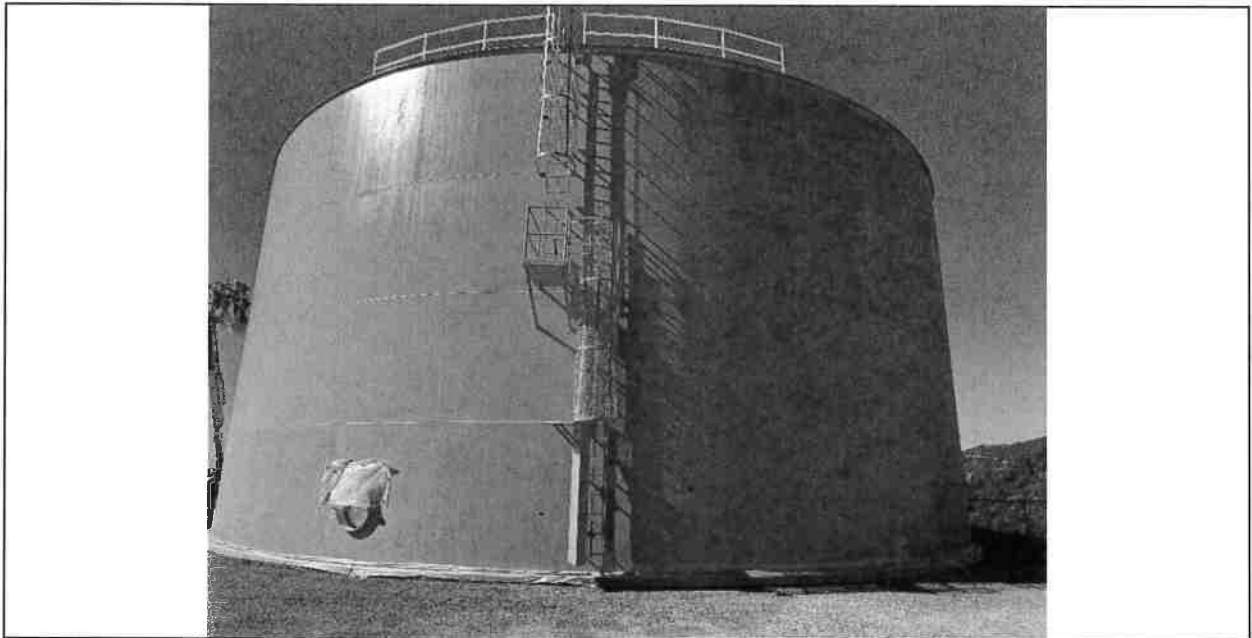
Exterior

Exterior primer cut in



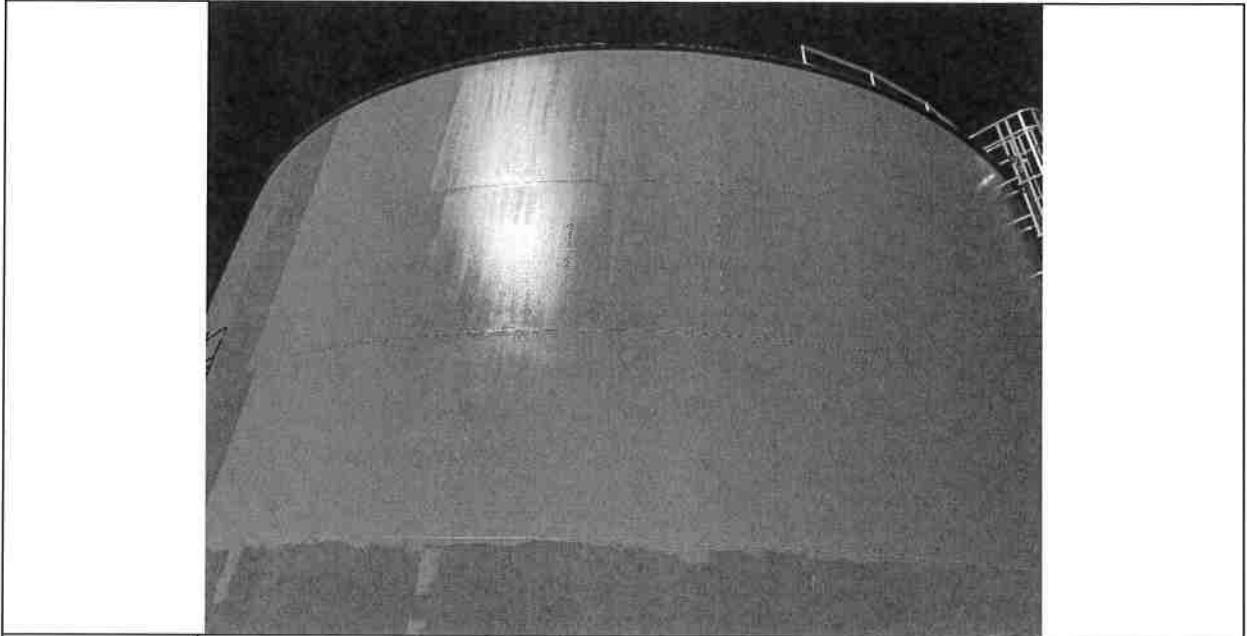
Exterior

Exterior primer cut in



Exterior

Exterior primer coating application.



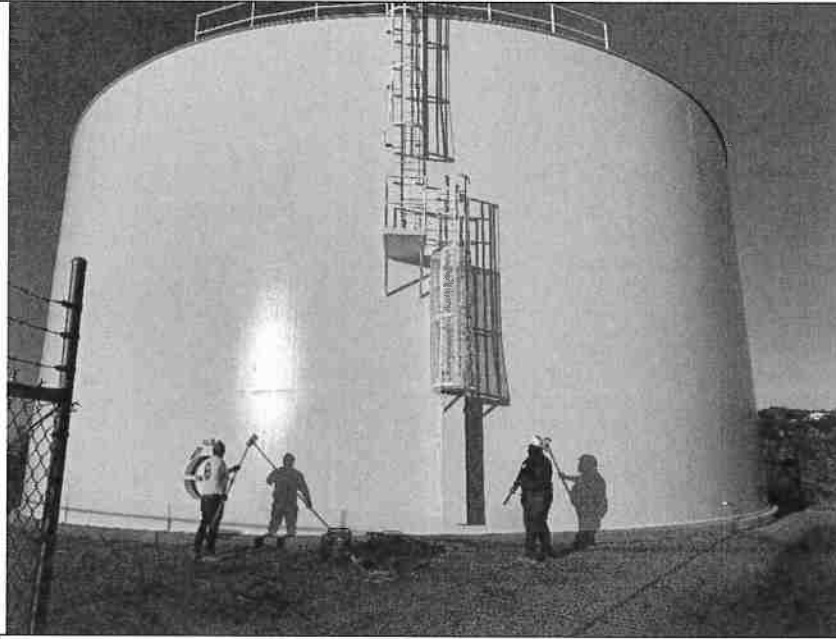
Exterior

Exterior primer coating application.



Exterior

Exterior primer coating application roof.



Exterior

Surface preparations for second top coat application



Exterior

Secondary exterior topcoat application



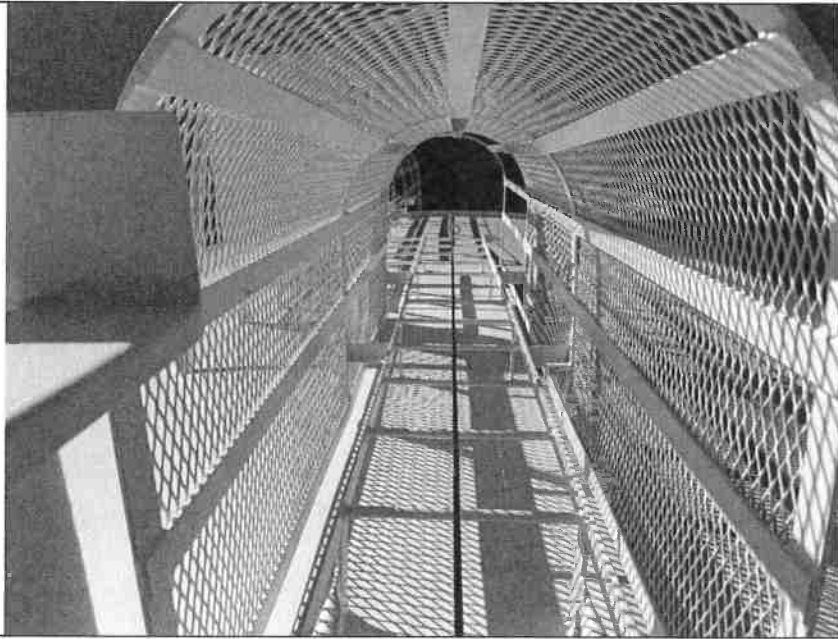
Exterior.

Completed exterior topcoat application



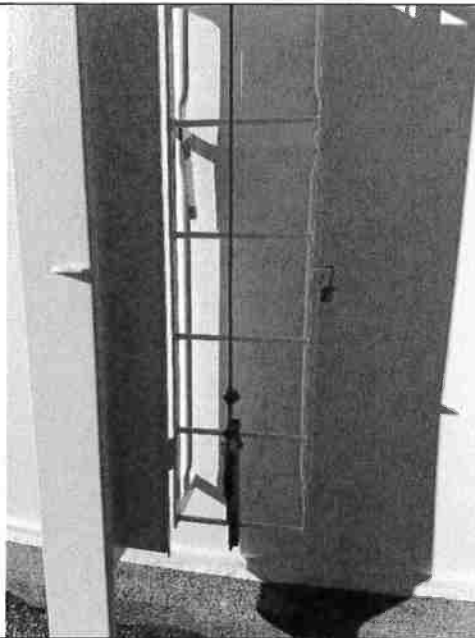
Exterior

Completed exterior topcoat application



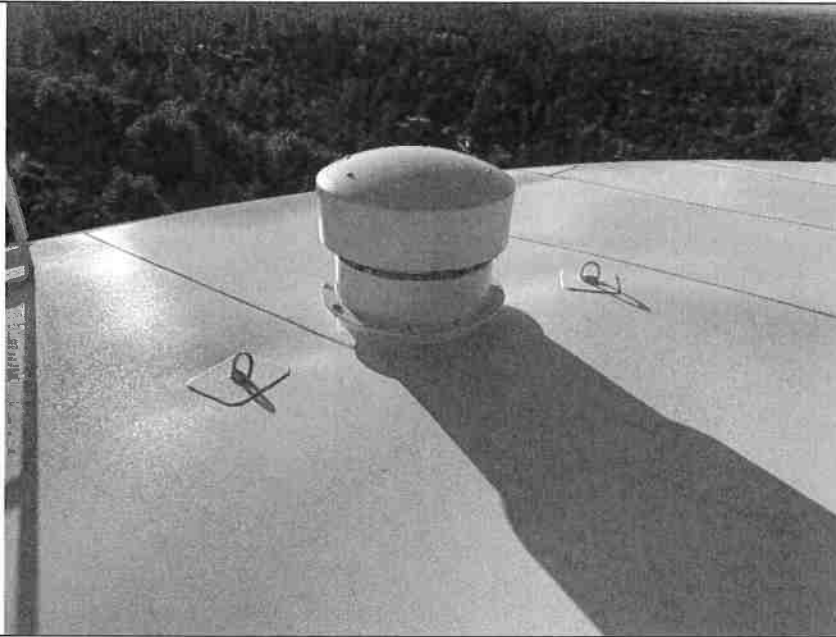
MISC.

Safety climb installed on External ladder



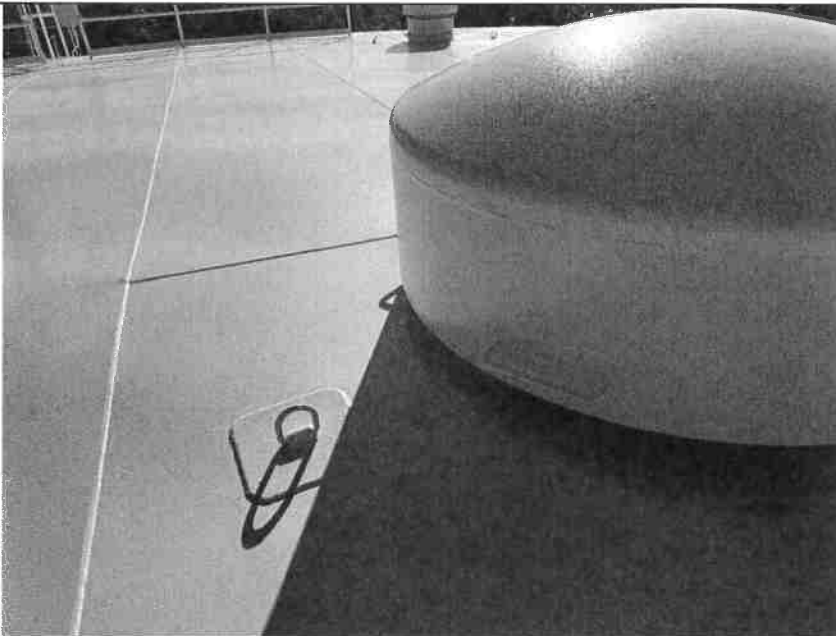
MISC.

External ladder safety climb installed



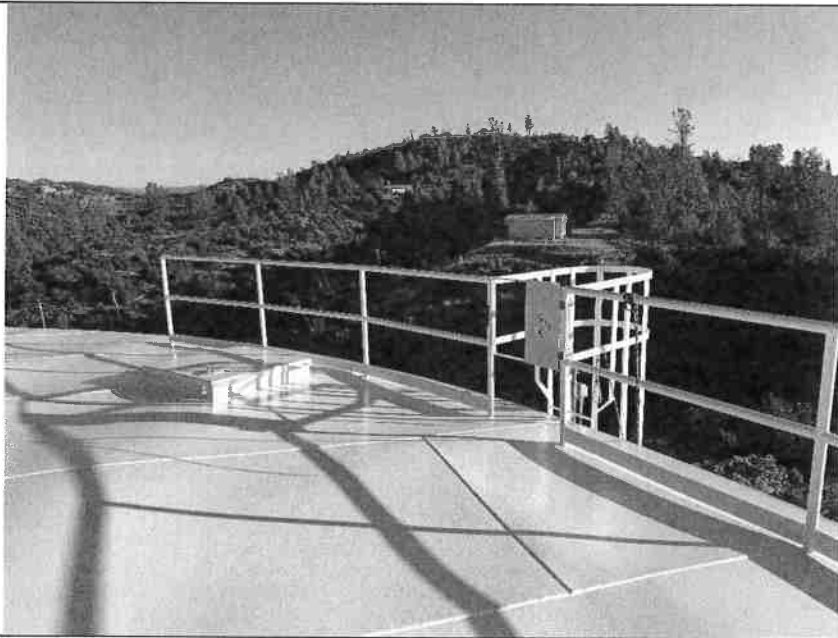
MISC.

Safety D-rings and new vent



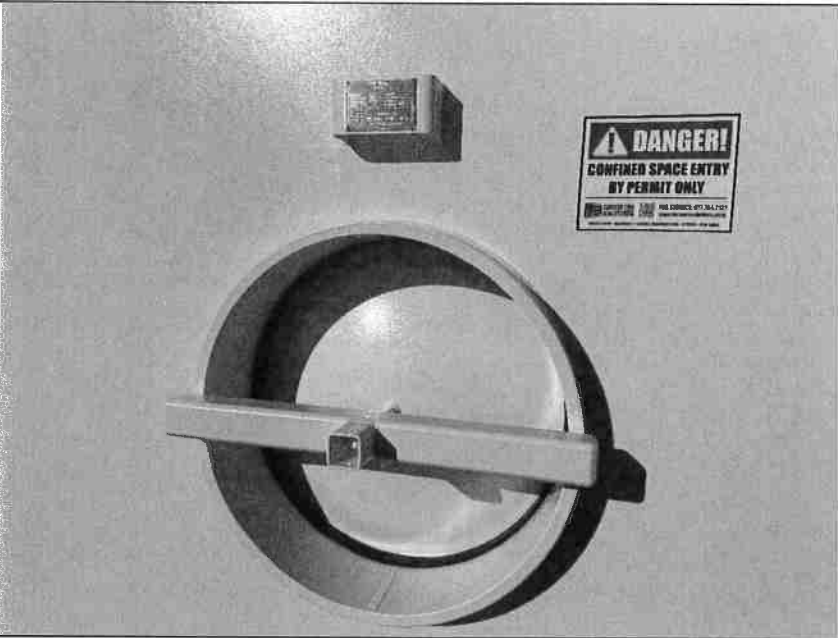
MISC.

D-rings center vent installed



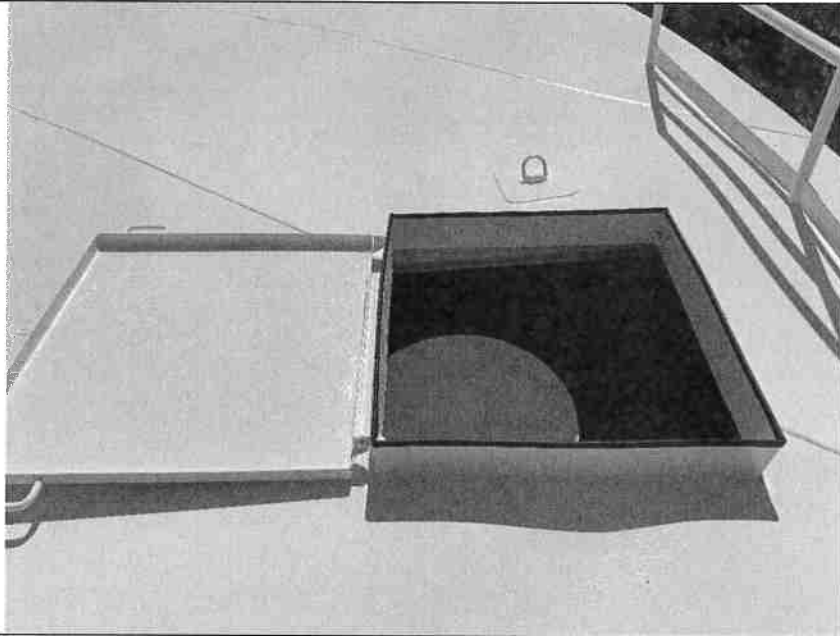
MISC.

Self closing gate installed.



MISC.

Confined space decals installed



MISC.

New gasket on roof hatches



MISC.

Completed C-1 and C-2 tanks



MEMORANDUM

Date: June 11, 2026
To: Board of Directors
From: Chris Muehlbacher
Subject: Old Business 1 – Muletown Pump Station Generator Project Update

Recommendation

INFORMATION – No update is available. According to CalOES, FEMA has not provided any updates.

Discussion

Scope Of Work & Budget Increase

As a result of operational issues identified during the design process, it was determined that it was necessary to request a change to the approved scope of work which also required a budget increase. This request was made by the City of Redding on February 11, 2025. This request also included a local share commitment of \$51k from Centerville. In total, it was requested to increase the budget by \$287k which would increase the approved budget of \$419k upwards to \$706k. To date, no response has been provided.

Time Extension

On June 17, 2024, the City of Redding requested a time extension for this project. CalOES approved a time extension on June 23, 2025, which extended the project performance period until January 9, 2026. As that date is rapidly approaching, CalOES has requested a further time extension from FEMA for the entire DR4382 grant program. On December 3rd, Centerville was advised by CalOES that FEMA has 90 days to respond to this request.

At this time, this project is at risk of being closed out on January 6th absent of an extension being made for the entire grant program.

A meeting is scheduled with CalOES, City of Redding and Centerville to further discuss this project, any updates for the time extension, and all available options. An update will be provided at the Board meeting.



MEMORANDUM

Date: June 11, 2026
To: Board of Directors
From: Chris Muehlbacher
Subject: Old Business 2 – Carr Fire Recovery Project Update

Recommendation

INFORMATION – No update is available from CalOES.

Discussion

Approximately two weeks ago, the District was notified that a CalOES Program Specialist was assigned to finalize the California Disaster Assistance Act (“CDAA”) Cost Share closeout. This effort was completed on May 13th and was submitted to management for their final review and approval. Once this is done, it will then be transferred to the Financial Processing Unit for final processing. No timeline is provided.

Background

On November 24, 2025, the final project closeout for the Direct Administrative Costs (DAC – Project Worksheet PW-98) was completed by CalOES. The closeout process began on December 21, 2022 with the District’s submittal of the P-4 form which summarized all the projects. Review of this item began in April 2025.

On April 9, 2025, CalOES provided a letter acknowledging that six of the PWs were closed-out (23, 25, 27, 32, 44 and 58) totaling \$328,215 and that the additional PWs remain to be closed out. In June 2025, a Final Inspection Report was provided by CalOES for these projects.

On November 21, 2025, CalOES provided the Federal Final Inspection Report: Application Closeout for the remaining PW-98 (DAC) noting that “upon closeout of PW 98, the District DR 4382 application will be closed in its entirety once all FEMA determinations are received, PW obligations are accounted for, and any subsequent appeal rights are exhausted”.

On December 2, 2025, CalOES confirmed that there is nothing more for the District to do at this time unless reached out by a Specialist. They advised that a letter will be sent to confirm this after the Closeout transmits the disaster application to Finance (this is a Cost-share disaster application and is currently pending assignment to a Closeout Specialist). No timeline has been provided as of this writing.