

Regular Board Meeting of the Board of Directors
Wednesday, June 19, 2024

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 for 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 15, 2024, 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 2024-04 and Consider Any Protests Submitted | Action |
| 2 | Consider Adopting Resolution 2024-03 – Establishing the Tax Appropriation Limitation for Fiscal Year 2024-25 | Action |
| 3 | Consider Adopting a Capital Budget as included in Resolution 2024-05 | Action |

OLD BUSINESS:

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

CLOSED SESSION:

- | | | |
|---|--|--------|
| 1 | Annual review of District Manager's Performance (§54957) | Action |
|---|--|--------|

GENERAL BUSINESS:

- | | | |
|---|-------------------|-------------|
| 1 | Correspondence | Information |
| 2 | Director's Report | Information |
| 3 | Manager's Report | Information |
| 4 | Committee Reports | Information |
| 5 | Announcements | |
| 6 | Adjournment | |

Next Scheduled Board Meeting
July 17, 2024 @ 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: President Richison, Vice President Hopson, Director Woodstrom, Director Whitehead and Director Oliver

Absent: None

Others Present: Collin Bogener, Ellison Demsher, Tina Teuscher and Chris Muehlbacher

PRELIMINARY BUSINESS:

1. Call to Order: President Richison called the meeting to order at 7:00 pm.
2. Public Comment Period: President Richison opened the public comment period. Both Ellison Demsher and Tina Teuscher were present to speak to the Board regarding the closed session item regarding the proposed 9/80 work week. Ellison stated that he would like the 9/80 work schedule because it would allow him to spend more time with his family and an extra day to take care of personal business. He believes the 9/80 work schedule would enhance both the District and staff. Mrs. Teuscher stated that she too is in favor of the 9/80 work schedule. She believes it would save the District money on overtime and would benefit District staff to have an additional two days a month to take care of appointments or simple rest. She stated that she drives 45 minutes to work and then 45 minutes home again and has been doing it for twenty years. She would love to have two extra days a month that she did not have to drive to work. No other comments were received. The public comment period was closed.
3. Approval of the April 17, 2024 minutes: Director Woodstrom moved to approve the minutes. Director Whitehead seconded. The vote was unanimous. Motion carried.
4. Authorize Payment of Bills for Current Expenses: Director Whitehead moved to pay the bills. Vice President Hopson seconded. Mr. Muehlbacher stated that the payment to Butler Engineering is for the Shop path of entry. The Centerville CSD Texas Springs Water Project account is the taxes received from the County. The Eddie Axner payment is for the leak repair on Olney Park. The Foothill Fire Protection payment is for the annual maintenance on the fire extinguishers. The Superior Tank Solutions payment is the quarterly payment for the tank maintenance program. The vote was unanimous. Motion carried.
5. Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenue year to date was \$979,876 versus expenses of \$1,041,894. He mentioned that April's consumption was low. He also mentioned that we have not received Clear Creek's invoice for May.

Mr. Muehlbacher stated that the Capital revenue was \$208,057 versus expenses of \$344,829. He stated that the capacity revenue included the Skiles progress payment and that the TS Assessment shows a payment from a customer who had deferred their initial TS Assessment until they sold their home. The new vac trailer is also showing on this statement.

Reserve Fund Status Sheet: The total reserve is \$1,181,803. He stated that this statement reflects the interest received from LAIF. He also mentioned that the capital

expenses were taken from the CIR reserve.

NEW BUSINESS

- 1 Consider Adoption of Resolution 2024-02 Ordering Board of Directors Election, Consolidation of Elections, and Specifications Of the Election Order: Vice President Hopson moved to adopt Resolution 2024-02 ordering the Board of Directors Election. Director Oliver seconded. President Richison called for a roll call vote. Director Whitehead – yes; Director Oliver – yes; Director Woodstrom – yes; Vice President Hopson – yes and President Richison – yes. Motion carried.

OLD BUSINESS:

- 1 Muletown Pump Station Generator Project Update: Mr. Muehlbacher stated that the 90% design submittal is expected late May.
- 2 Carr Fire Recovery Project Update: Mr. Muehlbacher stated that CalOES has completed its review of the final project included in the Carr Fire grant. It has now been sent to the State Public Assistance Officer for review and approval, then it will go to FEMA for approval.

CLOSED SESSION

- 1 Conference with Labor Negotiators Agency designated representative: District Manager Unrepresented employee(s): All District Staff: Direction was provided to staff.
- 2 Real Property Negotiations: Water Treatment Plant - No reportable action.

GENERAL BUSINESS

1. Correspondence: Mr. Muehlbacher stated that ACWA JPIA awarded Mrs. Teuscher the HR Labounty Safety Award. He explained that she had submitted both the front office lobby and the operators new flooring as safety issues that had been resolved.
2. Director's Report: None
3. Manager's Report: Mr. Muehlbacher stated that the Bella Vista Agreement has been signed and they will be taking water soon. The Consumer Confidence Report has been completed by staff and is now in review with the SWRCB.

under closed session. Mr. Muehlbacher stated that staff along with Eddie Axner helped repair leak in the early morning on Sunday. This was a 4-inch AC pipe repair. They had water service restored by noon.

They will be meeting with Superior Tank to discuss the vent that was placed on a tank.

Mr. Muehlbacher stated that staff is aware of a possible leak on Montgomery Ranch that they are watching. It is a newer pipe so they are simply monitoring it until the new vac trailer arrives.

4. Committee Reports: President Richison stated that the Personnel Committee met with the District's personnel and that discussion will be brought to the full board tonight during closed session.
5. Announcements: The next regular Board Meeting will be held June 19, 2024.
6. Adjournment: Meeting adjourned at 7:30 to go into closed session. Closed session Adjourned at 8:11.

Centerville Community Services District Profit & Loss Budget Performance May 2024

Ordinary Income/Expense	May 24	Budget	\$ Over Budget	Jul '23 - May 24	YTD Budget	\$ Over Budget	% of Budget
Income							
41000 · WATER SALES							
41100 · Base Rate	45,228.95	45,000.00	228.95	498,124.09	496,000.00	2,124.09	100.43%
41200 · Consumption Rate	56,436.18	56,200.00	236.18	502,525.56	525,500.00	-22,974.44	95.63%
41210 · Late Fees	1,051.48	800.00	251.48	12,265.32	7,600.00	4,665.32	161.39%
41300 · Water Sales-Temp Const	0.00	0.00	0.00	351.19	400.00	-48.81	87.8%
41400 · Pump Zone A (Base Rate)	1,137.75	1,200.00	-62.25	12,422.75	12,200.00	222.75	101.83%
41450 · Pump Zone A (Power Comp)	1,499.02	1,100.00	399.02	16,167.15	15,000.00	1,167.15	107.78%
41500 · Pump Zone A-1 (Base Rate)	418.50	300.00	118.50	4,495.00	4,300.00	195.00	104.54%
41550 · Pump Zone A-1(Power Comp)	566.46	500.00	66.46	5,131.21	4,700.00	431.21	109.18%
Total 41000 · WATER SALES	106,338.34	105,100.00	1,238.34	1,051,482.27	1,065,700.00	-14,217.73	98.67%
41600 · RESERVE FUNDS							
41605 · Consumption Surcharge	2,073.72	2,000.00	73.72	18,403.40	19,000.00	-596.60	96.86%
41700 · Water Treatment Plant Fee	4,143.21	4,000.00	143.21	36,617.41	38,000.00	-1,382.59	96.36%
41800 · Rate Stabilization Fee	6,214.62	6,000.00	214.62	54,903.59	57,000.00	-2,096.41	96.32%
41900 · Drought Surcharge	0.00	0.00	0.00	-2.18	0.00	-2.18	100.0%
56250 · Transfer Reserve Funds	-12,431.55	-12,000.00	-431.55	-109,924.40	-114,000.00	4,075.60	96.43%
Total 41600 · RESERVE FUNDS	0.00	0.00	0.00	-2.18	0.00	-2.18	100.0%
42000 · SERVICE INSTALLATION - METERS							
42100 · Connection Charges	0.00	0.00	0.00	545.00	600.00	-55.00	90.83%
Total 42000 · SERVICE INSTALLATION - METERS	0.00	0.00	0.00	545.00	600.00	-55.00	90.83%
43000 · INTEREST							
43001 · LAIF	0.00	6,200.00	-6,200.00	41,008.44	25,000.00	16,008.44	164.03%
43002 · Other Interest	0.00	5.00	-5.00	10.42	55.00	-44.58	18.95%
Total 43000 · INTEREST	0.00	6,205.00	-6,205.00	41,018.86	25,055.00	15,963.86	163.72%
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	100.0%
Total 44100 · General Property Tax-422	0.00	0.00	0.00	2,500.00	2,500.00	0.00	100.0%

Centerville Community Services District Profit & Loss Budget Performance May 2024

	May 24	Budget	\$ Over Budget	Jul '23 - May 24	YTD Budget	\$ Over Budget	% of Budget
45000 · OTHER OPER. REVENUE							
45400 · Misc. Revenue	0.75	0.00	0.75	104.15	100.00	4.15	104.15%
45850 · Backflow Prevention Testing	247.00	325.00	-78.00	2,940.75	3,575.00	-634.25	82.26%
45955 · Will Serve - Admin	0.00	0.00	0.00	50.00	0.00	50.00	100.0%
Total 45000 · OTHER OPER. REVENUE	247.75	325.00	-77.25	3,094.90	3,675.00	-580.10	84.22%
49706 · Water Sales Bella Vista	22,500.00			22,500.00			
Total Income	129,086.09	111,630.00	17,456.09	1,121,138.85	1,097,530.00	23,608.85	102.15%
Gross Profit	129,086.09	111,630.00	17,456.09	1,121,138.85	1,097,530.00	23,608.85	102.15%
Expense							
51000 · WATER COSTS							
51100 · Raw Water Charge	11,527.84	1,800.00	9,727.84	27,056.47	13,800.00	13,256.47	196.06%
51300 · Oper. & Maint. - Clear Creek	12,899.14	8,000.00	4,899.14	127,871.45	95,000.00	32,871.45	134.6%
51305 · Administration - Clear Creek	4,553.75	4,200.00	353.75	34,209.27	39,700.00	-5,490.73	86.17%
51310 · O & M Adjustment - Clear Creek	0.00	0.00	0.00	1,204.56	10,000.00	-8,795.44	12.05%
51315 · Restoration Fee	11,331.64	1,200.00	10,131.64	25,269.98	9,800.00	15,469.98	257.86%
51316 · Bureau Trinity PUD Charges	0.00	10.00	-10.00	17.83	70.00	-52.17	25.47%
51317 · Water Right Fees	0.00	0.00	0.00	3,949.33	4,000.00	-50.67	98.73%
51325 · WINN Act Lawsuit	0.00	0.00	0.00	158.62	400.00	-241.38	39.66%
Total 51000 · WATER COSTS	40,312.37	15,210.00	25,102.37	219,737.51	172,770.00	46,967.51	127.19%
52000 · TRANSMISSION & DISTRIB.							
52100 · General Repair & Maint.	7,919.33	6,000.00	1,919.33	38,760.46	66,000.00	-27,239.54	58.73%
52130 · Zone A - Repair and Maintenance	0.00	0.00	0.00	1,796.39	1,200.00	596.39	149.7%
52140 · Zone A1 - Repair and Maintenance	0.00	0.00	0.00	1,640.05	1,200.00	440.05	136.67%
52200 · Operating Supplies & Expense	3,922.65	1,800.00	2,122.65	25,082.47	20,200.00	4,882.47	124.17%
52400 · Utilities - General Plant	14.83	100.00	-85.17	1,098.02	1,000.00	98.02	109.8%
52425 · Elect., Muletown Pump Station	0.00	500.00	-500.00	2,050.46	5,500.00	-3,449.54	37.28%
52450 · Elect., Towerview Pump Station	0.00	200.00	-200.00	1,676.81	2,200.00	-523.19	76.22%
52500 · Utilities Pump Zone A	0.00	1,400.00	-1,400.00	27,238.46	21,700.00	5,538.46	125.52%
52600 · Utilities Pump Zone A-1	0.00	400.00	-400.00	6,023.04	5,100.00	923.04	118.1%
52700 · Diggins Generator	240.00	0.00	240.00	618.12	100.00	518.12	618.12%
52850 · Backflow Prevention Testing	0.00	0.00	0.00	3,600.00	3,900.00	-300.00	92.31%
Total 52000 · TRANSMISSION & DISTRIB.	12,096.81	10,400.00	1,696.81	109,584.28	128,100.00	-18,515.72	85.55%

Centerville Community Services District Profit & Loss Budget Performance May 2024

	May 24	Budget	\$ Over Budget	Jul '23 - May 24	YTD Budget	\$ Over Budget	% of Budget
53000 · EQUIPMENT							
53100 · Equipment Repairs & Maint.	0.00	700.00	-700.00	3,161.31	8,300.00	-5,138.69	38.09%
53200 · Gasoline	0.00	1,000.00	-1,000.00	6,114.09	10,000.00	-3,885.91	61.14%
Total 53000 · EQUIPMENT	0.00	1,700.00	-1,700.00	9,275.40	18,300.00	-9,024.60	50.69%
54000 · ADMINISTRATIVE							
54100 · Liability Insurance - District	0.00	0.00	0.00	37,320.66	25,000.00	12,320.66	149.28%
54150 · Utilities-District Office	0.00	800.00	-800.00	8,657.72	8,200.00	457.72	105.58%
54200 · Telephone - District Office	-254.28	1,000.00	-1,254.28	5,675.93	10,000.00	-4,324.07	56.76%
54250 · SWRCB Fees	0.00	0.00	0.00	12,416.59	4,000.00	8,416.59	310.42%
54300 · Travel & Training	0.00	500.00	-500.00	2,049.63	5,500.00	-3,450.37	37.27%
54325 · Employee Recognition	0.00	0.00	0.00	1,472.49	1,400.00	72.49	105.18%
54375 · LAFCO	0.00			3,727.94	3,400.00	327.94	109.65%
54400 · Miscellaneous	0.00	100.00	-100.00	6.58	400.00	-393.42	1.65%
54500 · Engineering - District Engineer	0.00	500.00	-500.00	8,954.49	4,600.00	4,354.49	194.66%
54550 · Legal-Dist. Attorney	720.00	1,200.00	-480.00	8,637.80	13,800.00	-5,162.20	62.59%
54600 · Accounting-Audit & Consult	0.00	0.00	0.00	19,780.00	24,000.00	-4,220.00	82.42%
54625 · Meals	0.00	0.00	0.00	628.32	500.00	128.32	125.66%
54630 · Construction Meals	0.00	0.00	0.00	647.41	500.00	147.41	129.48%
54650 · Office Supplies	1,040.94	700.00	340.94	10,064.89	7,700.00	2,364.89	130.71%
54675 · Bank Charges	0.00	10.00	-10.00	0.00	40.00	-40.00	0.0%
54680 · Merchant Fees	75.10	50.00	25.10	1,002.14	950.00	52.14	105.49%
54700 · Postage	0.00	900.00	-900.00	7,434.45	9,100.00	-1,665.55	81.7%
54750 · Office Equipment (Small)	824.28	1,500.00	-675.72	20,904.37	17,500.00	3,404.37	119.45%
54800 · Office Building - R&M	363.00	500.00	-137.00	7,060.09	4,500.00	2,560.09	156.89%
54850 · Directors Compensation	0.00	400.00	-400.00	3,500.00	5,100.00	-1,600.00	68.63%
54900 · Subscription & Licenses	2,287.00	0.00	2,287.00	33,881.35	29,000.00	4,881.35	116.83%
Total 54000 · ADMINISTRATIVE	5,056.04	8,160.00	-3,103.96	193,822.85	175,190.00	18,632.85	110.64%

Centerville Community Services District Profit & Loss Budget Performance May 2024

	May 24	Budget	\$ Over Budget	Jul '23 - May 24	YTD Budget	\$ Over Budget	% of Budget
55000 · WAGES & BENEFITS							
55100 · Salaries	49,101.61	49,000.00	101.61	393,553.50	391,400.00	2,153.50	100.55%
55110 · Salaries - Standby	600.00	500.00	100.00	5,035.40	6,500.00	-1,464.60	77.47%
55120 · Overtime	1,413.80	500.00	913.80	5,448.20	6,500.00	-1,051.80	83.82%
55200 · Salaries - Part Time Employees	1,629.60	1,500.00	129.60	17,679.85	16,500.00	1,179.85	107.15%
55300 · Pension - Retirement	3,988.11	2,400.00	1,588.11	78,174.63	78,600.00	-425.37	99.46%
55400 · Insurance - Emp. Health&Dental	9,373.99	9,100.00	273.99	101,396.47	92,900.00	8,496.47	109.15%
55500 · Workman's Comp. Insurance	0.00	0.00	0.00	20,408.55	18,400.00	2,008.55	110.92%
55600 · F.I.C.A.	3,222.66	2,000.00	1,222.66	25,793.48	24,200.00	1,593.48	106.59%
55700 · Medicare Tax	753.67	500.00	253.67	6,032.35	5,700.00	332.35	105.83%
Total 55000 · WAGES & BENEFITS	70,083.44	65,500.00	4,583.44	653,522.43	640,700.00	12,822.43	102.0%
59000 · Clearing of Transfers	0.00			-105.00			
Total Expense	127,548.66	100,970.00	26,578.66	1,185,837.47	1,135,060.00	50,777.47	104.47%
Net Ordinary Income	1,537.43	10,660.00	-9,122.57	-64,698.62	-37,530.00	-27,168.62	172.39%
Net Income	1,537.43	10,660.00	-9,122.57	-64,698.62	-37,530.00	-27,168.62	172.39%

Centerville Community Services District Capital Profit & Loss Budget Performance May 2024

Ordinary Income/Expense	May 24	Budget	\$ Over Budget	Jul '23 - May 24	YTD Budget	\$ Over Budget	% of Budget
Income							
43000 · INTEREST							
43003 · Shasta Co 422 Interest	117.84			293.88	100.00	193.88	293.88%
Total 43000 · INTEREST	117.84			293.88	100.00	193.88	293.88%
44100 · General Property Tax-422							
44125 · Current Secured Taxes-0&M	90,338.84	90,000.00	338.84	216,657.83	217,000.00	-342.17	99.84%
44127 · Current Unitary Taxes	4,466.18	4,000.00	466.18	9,202.49	8,750.00	452.49	105.17%
44130 · Curr Sec Adv Teeter	0.00	100.00	-100.00	5,267.95	5,400.00	-132.05	97.56%
44135 · Supp Taxes Current	926.85	1,000.00	-73.15	3,165.82	3,300.00	-134.18	95.93%
44140 · Curr Unsecured Taxes	136.04	100.00	36.04	10,928.08	11,100.00	-171.92	98.45%
44145 · Supp Taxes Prior	3.29	50.00	-46.71	13.33	60.00	-46.67	22.22%
44150 · Prior Year Unsecured Taxes	43.61	50.00	-6.39	237.62	250.00	-12.38	95.05%
44155 · Homeowner's Exemption - 422	884.30	1,000.00	-115.70	2,148.20	1,900.00	248.20	113.06%
Total 44100 · General Property Tax-422	96,799.11	96,300.00	499.11	247,621.32	247,760.00	-138.68	99.94%
46000 · CAPITAL FUNDS							
46100 · Capacity Charge	768.75	800.00	-31.25	28,088.25	28,432.00	-343.75	98.79%
Total 46000 · CAPITAL FUNDS	768.75	800.00	-31.25	28,088.25	28,432.00	-343.75	98.79%
49000 · TAXES & ASSESSMENTS							
49350 · Sp./Asst Texas Springs 2001-1	12,652.59	0.00	12,652.59	51,244.01	20,700.00	30,544.01	247.56%
Total 49000 · TAXES & ASSESSMENTS	12,652.59	0.00	12,652.59	51,244.01	20,700.00	30,544.01	247.56%
49500 · OTHER CAPITAL REVENUE							
49505 · Other Interest	0.00	0.00	0.00	3.34	5.00	-1.66	66.8%
49550 · New Water Purchase Fee	0.00	0.00	0.00	600.00	600.00	0.00	100.0%
Total 49500 · OTHER CAPITAL REVENUE	0.00	0.00	0.00	603.34	605.00	-1.66	99.73%
Total Income	110,338.29	97,100.00	13,238.29	327,850.80	297,597.00	30,253.80	110.17%
Gross Profit	110,338.29	97,100.00	13,238.29	327,850.80	297,597.00	30,253.80	110.17%

Centerville Community Services District Capital Profit & Loss Budget Performance May 2024

Expense	May 24	Budget	\$ Over Budget	Jul '23 - May 24	YTD Budget	\$ Over Budget	% of Budget
51000 · WATER COSTS							
51255 · Clear Creek SWRCB Contract	0.00			4,422.27	4,500.00	-77.73	98.27%
Total 51000 · WATER COSTS	<u>0.00</u>			<u>4,422.27</u>	<u>4,500.00</u>	<u>-77.73</u>	<u>98.27%</u>
56000 · GENERAL PLANT IMPROVEMENTS							
56900 · Equipment Purchase	0.00	0.00	0.00	72,631.00	0.00	72,631.00	100.0%
56910 · Server Migration	0.00	0.00	0.00	24,229.19	24,000.00	229.19	100.96%
Total 56000 · GENERAL PLANT IMPROVEMENTS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>96,860.19</u>	<u>24,000.00</u>	<u>72,860.19</u>	<u>403.58%</u>
57000 · DISTRIBUTION SYSTEM IMPROVE.							
57090 · Tank Coating Program	684.00	0.00	684.00	183,240.69	180,000.00	3,240.69	101.8%
Total 57000 · DISTRIBUTION SYSTEM IMPROVE.	<u>684.00</u>	<u>0.00</u>	<u>684.00</u>	<u>183,240.69</u>	<u>180,000.00</u>	<u>3,240.69</u>	<u>101.8%</u>
57400 · PRINCIPAL EXPENSE							
57406 · Sp./Asst. Txs Sprg 2001-1 Prin.	0.00	0.00	0.00	28,600.00	9,600.00	19,000.00	297.92%
Total 57400 · PRINCIPAL EXPENSE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>28,600.00</u>	<u>9,600.00</u>	<u>19,000.00</u>	<u>297.92%</u>
57500 · INTEREST EXPENSE							
57506 · Sp./Asst. Txs Sprg 2001-1 Int.	0.00	0.00	0.00	12,253.50	12,500.00	-246.50	98.03%
Total 57500 · INTEREST EXPENSE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>12,253.50</u>	<u>12,500.00</u>	<u>-246.50</u>	<u>98.03%</u>
57800 · BOND ADMIN. FEE							
57806 · NBS Admin. Fee TSWAD 2002-1	0.00	0.00	0.00	3,608.52	3,900.00	-291.48	92.53%
57840 · Cent. Admin Fee TSWAD 2001-1	0.00	0.00	0.00	2,500.00	2,500.00	0.00	100.0%
Total 57800 · BOND ADMIN. FEE	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,108.52</u>	<u>6,400.00</u>	<u>-291.48</u>	<u>95.45%</u>
58000 · OTHER CAPITAL EXPENSES							
58070 · Muletown Pump - Generator	0.00			10,559.65	30,000.00	-19,440.35	35.2%
58080 · Telemetry Replacement Program	0.00	5,500.00	-5,500.00	0.00	63,000.00	-63,000.00	0.0%
58515 · Shop Bldg Dev Improvements	0.00			22,468.81			
Total 58000 · OTHER CAPITAL EXPENSES	<u>0.00</u>	<u>5,500.00</u>	<u>-5,500.00</u>	<u>33,028.46</u>	<u>93,000.00</u>	<u>-59,971.54</u>	<u>35.51%</u>
Total Expense	<u>684.00</u>	<u>5,500.00</u>	<u>-4,816.00</u>	<u>364,513.63</u>	<u>330,000.00</u>	<u>34,513.63</u>	<u>110.46%</u>
Net Ordinary Income	<u>109,654.29</u>	<u>91,600.00</u>	<u>18,054.29</u>	<u>-36,662.83</u>	<u>-32,403.00</u>	<u>-4,259.83</u>	<u>113.15%</u>
Net Income	<u>109,654.29</u>	<u>91,600.00</u>	<u>18,054.29</u>	<u>-36,662.83</u>	<u>-32,403.00</u>	<u>-4,259.83</u>	<u>113.15%</u>

CENTERVILLE COMMUNITY SERVICES DISTRICT RESERVE FUND STATUS

May 31, 2024

DESCRIPTION	Balance as of 7-1-2022	Balance as of 7-1-2023	Balance as of Last Month	Current Balance	Projected Balance As of 7-1-2024	Goal Range
DESIGNATED RESERVES:						
Operation & Maintenance	\$139,167.32	\$204,925.15	\$304,645.18	\$153,607.40	\$301,000.00	\$480k - \$720k (3)
Water Treatment Plant	\$106,997.81	\$142,309.81	\$185,922.26	\$185,922.26	\$186,000.00	\$170k - \$250k (4)
Carr Fire Funds	\$141,541.24	\$144,040.80	\$149,460.79	\$149,460.79	\$0.00	
Pump Sta. Rep. & Rep. (Zones A & A1)	\$16,359.22	\$17,909.81	\$18,583.72	\$18,583.72	\$24,000.00	
Capital Improvement Reserve	\$523,116.69	\$434,276.16	\$379,729.90	\$455,767.68	\$403,000.00	
Subtotal	\$927,182.28	\$943,461.73	\$1,038,341.85	\$963,341.85	\$914,000.00	
OBLIGATED RESERVES:						
Capacity Charge	\$80,645.81	\$86,704.43	\$117,832.75	\$117,832.75	\$178,000.00	
Subtotal	\$80,645.81	\$86,704.43	\$117,832.75	\$117,832.75	\$178,000.00	
RESTRICTED RESERVES:						
						Maturity Date
1 1995-1 Redemption Fund	\$53,826.31	\$52,605.70	\$0.00	\$0.00	\$0.00	
2 Texas Springs Assessment	\$39,339.93	\$43,451.90	\$25,629.19	\$25,629.19	\$33,000.00	
Subtotal	\$39,339.93	\$96,057.60	\$25,629.19	\$25,629.19	\$33,000.00	
Total Reserve Balance	\$1,047,168.02	\$1,126,223.76	\$1,181,803.79	\$1,106,803.79	\$1,125,000.00	

- 1 DWR / 1995-1 This Assessment District was formed for improvements to the water distribution and treatment system; which includes the Zone C Pump Station and Tank, matures in 2021.
- 2 Texas Springs Assessment This Assessment District was formed for the water distribution system within the Texas Springs area, matures in 2041.
- 3 O&M Goal Range Goal Range is projected to achieve the Reserve Policy range within 2.7 - 6.4 years using the Rate Stabilization Fee.
- 4 WTP Goal Range Goal Range is projected to achieve the Reserve Policy range within 1.5 - 3 years using the Water Treatment Plant Fee.



MEMORANDUM

Date: June 12, 2024
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 Fee, and Water Availability Charge as Included in Resolution 2024-04 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 Resolution 2024-04 approving the rate adjustments.
5. Roll-Call Vote.

Discussion

The preliminary O&M Budget for Fiscal Year (FY) 2024-25 was approved at the April 17th Board meeting. The Board also authorized providing the 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: \$2 increase to all meters – projected income of \$30k.
2. Consumption Rate: 5-cent increase – projected income of \$28k.

Zone A (approximately 130 customers)

1. Base Rate Surcharge: \$2.50 increase – projected income of \$4k.
2. Consumption Rate Surcharge: 3-cent increase – projected income of \$2.1k.

Water Availability Customers (WACs – 16 customers)

1. WAC: \$2 increase to rate.

Letters of Protest

As of this date, the District received a total of four (4) letters of protest. See attached.

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 reserve absent changes to the final O&M budget subject to Board approval.

Background

Attached for your reference is the O&M Budget Report for FY 2024-25 which provides greater detail for the proposed rate adjustments. Notable factors of the O&M Budget include:

Income

The preliminary O&M Budget assumes that water consumption will continue to recover from the recent drought. In 2022, the District recorded its lowest water sales of 1,122 AF in recent history. During the fiscal year ending in June 2024, water sales increased by only 5% which is a typical recovery. This preliminary budget includes a conservative consumption increase consistent with past trends which aids with the overall net income.

Expense

51300 – Clear Creek Water Treatment Plant (WTP) O&M – is projected to be \$54k higher in comparison to the current year. This is a direct result of Clear Creek's water schedule reflecting a 22% reduction in use which is representative of current trends.

52100 – Repair & Maintenance – assumes a net drop in expense resulting from the purchase of a vac trailer which negates the need for rental.

54100 – Liability Insurance – is projected higher due to increased JPIA member systemwide losses.

54250 – SWRCB Fees – increased approximately \$9k as a result of losing the disadvantaged status.

55100 – Salaries – the preliminary O&M budget includes the Board-approved 4.22% COLA for all employees. It also provides funding for two operator II positions.

55300 – Pension CalPERS Retirement – the budget includes the District's proportionate share as well as the unfunded liability payments of \$49k as well as a \$7.7k discretionary prepayment for the unfunded liability (based upon a 20-year pre-payment plan). It is important to note that the unfunded liability payments are predominantly driven by current retirees.

55500 – Worker's Comp Insurance – is projected to increase by \$10k for the short term due to an increase in claims.

Attachment(s)

- Prop 218 Notice
- O&M Budget Report for FY 2022-23
- Resolution 2024-04
- Letters of protest

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 17, 2024, 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 19, 2024, 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, 2024.

The following is a summary of the recommended adjustments:

- A rate adjustment is proposed to the current **Base and Consumption 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 and the Consumption Rate Surcharge for Pump Zone A** - affecting approximately 130 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 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 (¾ Inch):	\$34.25	Base Rate (¾ Inch):	\$36.25
Consumption Rate per 100 cf:	\$ 1.133	Consumption Rate per 100 cf:	\$ 1.183

Base Rate:	\$34.25	Base Rate:	\$36.25
0 – 3,500 cf x \$ 1.133 =	\$39.66	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	\$80.91	Total	\$84.66

Difference = \$ 3.75

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

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$34.25	Base Rate (¾ Inch):	\$36.25
Consumption Rate per 100 cf:	\$1.133	Consumption Rate per 100 cf:	\$1.183

Base Rate:	\$34.25	Base Rate:	\$36.25
0 – 12,500 cf x \$ 1.133 =	\$141.63	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	\$200.88	Total	\$209.13

Difference = \$8.25

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

<u>Current</u>		<u>Proposed</u>	
Base Rate (¾ Inch):	\$34.25	Base Rate (¾ Inch):	\$36.25
Consumption Rate per 100 cf:	\$1.133	Consumption Rate per 100 cf:	\$1.183

Base Rate:	\$34.25	Base Rate:	\$36.25
0 – 40,000 cf x \$1.133 =	\$453.20	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	\$567.45	Total	\$589.45

Difference = \$22.00

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.

CENTERVILLE COMMUNITY SERVICES
DISTRICT

Operations & Maintenance Budget Report
FY 2024-25



April 2024

1 – Operations & Maintenance Budget Summary for FY 24-25

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 of the analysis and assumptions as well as current and projected budget as well as the 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), 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 \$58k.

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)	\$2.00	5.8%
Consumption Rate	\$0.05	4.4%

Details specific to the Water Availability Customers and Zone A 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 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

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. Getting 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, at the request of the District the Rural Community Assistance Corporation (RCAC) conducted an income survey. The survey identified a total of 1,240 parcels located within the District's boundary. 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 thereby 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 as 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 expenditures; 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 only one year at this time. 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 44% of the total income. This is a slight decline from the 46% projected in the current fiscal year ending June 30, 2024. 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 2024-25	Fixed	Variable
Income	44%	56%
Expense	59%	41%

Regarding fixed income, there are various industry 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 its revenues from base rates with the remaining 70% being collected from consumption rates.

The District utilizes a hybrid of both industry approaches based upon the historical use with a conservative trend towards increasing the fixed income in order to adequately cover the 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 expenditures reviewed include 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 – Principles 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.

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

- Water rates should be easy to understand and implement.
- Water rates should promote efficient use of the 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 2023-24

In review of the O&M Budget as projected through June, FY 2023-24 is trending toward an overall projected gross loss of approximately \$76k. This effectively negates the \$64k collected by the Rate Stabilization Fee but does reinforce its purpose of funding the O&M Reserve and stabilizing rates. This results in a net loss of \$12k for the year. Contributing to this projected gross loss is a dramatic increase to the Clear Creek WTP O&M expense because of their over-estimating water needs, higher liability insurance from systemwide increased claims, as well as a significant increase in the State Water Resources Control Board Fees due to the loss of the disadvantaged status.

During this fiscal year, the District began to emerge from the drought conditions of the previous three years. Recovery is generally slow based upon habits and trends. Contributing to the slower recovery trend are the impacts from nuisance customer leaks being repaired during the drought to avoid overage penalties and staying within one's allocation.

At present, the Clear Creek O&M Adjustment factor (51310) reflects adjustments for fiscal years 2020 and 2021. This annual review typically results in an adjustment to both the Administration and O&M factors which are included in the Dedicated Capacity contract. It remains hopeful that the two remaining adjustments will be completed during this next fiscal year.

The reduced water consumption also impacted the overall amount collected for the Rate Stabilization Fee, the Water Treatment Plant Fee and the consumption amount intended for the O&M and the Capital Improvement Reserves respectively. This decline simply results in a delay in obtaining reserve funding goals consistent with the Reserve Policy.

Further contributors and impacts to the net deficit include:

1. **Consumption (41200)** is anticipated to finish the fiscal year close to budget. This reflects a modest increase from the previous drought conditions.
2. **LAIF Interest (43001)** is performing higher than budget.
3. **Clear Creek O&M (51300)** is nearly \$37k higher than the budget for this current year. This is a direct result of Clear Creek overestimating their use by 28% which then impacts the percentage used of the actual treated water total.
4. **Clear Creek O&M Adjustment (51310)** is considerably lower than budgeted. This reflects FY 20 and 21 adjustments which had nominal CPI adjustments and expenses within their budget. FY 22 and 23 remain incomplete. It is important to note that Clear Creek treatment plant has considerable deferred maintenance that will eventually need to be completed, which includes a very expensive rehab of the filters.

5. **Repair & Maintenance (52100)** is projected to be lower than the budget as a direct result of fewer service line replacements this current year.
6. **Liability Insurance (54100)** is about \$12k higher than budget as a direct result of JPIA incurring higher claims systemwide.
7. **SWRCB Fees (54250)** increased by approximately \$8k over budget as a result of the District not having a disadvantaged status. This higher value will be used as a basis for future budgets.

Proposed O&M Budget for FY 2024-25

The next fiscal year is projected as a gross loss of \$58k absent proposed rate adjustments. To support the Preliminary O&M Budget, the following rate adjustments are proposed:

1. Rate Adjustments for all customers:

Rate Adjustment Options		
Description	Proposed Rate Adjustment	Projected Revenue
Base Rate	\$2.00	\$30,000
Consumption Rate	\$0.05	\$28,000
	Total	\$58,000

The Water Availability Customers (WAC) are based upon the Base Rate for the 3/4-inch meter and would adjust the same amount.

In preparing the preliminary O&M Budget for FY 2024-25 both the income and expenses were thoroughly reviewed and analyzed by staff and the Finance Committee. Below is a discussion of the various budgetary assumptions:

1. **Consumption (41200)** generally increases at a slower rate following drought conditions especially when overage fees are charged. In 2022, the District recorded its lowest water sales of 1,122 AF in recent history. During the fiscal year ending June 2024, water sales increased by only 5% which is a typical response following drought conditions. This preliminary budget assumes a continued recovery towards historical usage trends. While the current pattern is anticipated to continue entering the hotter summer months, it is further projected that consumption will continue to increase since this recent winter experienced above-average rainfalls which negated the need for irrigation. This consumption is projected for the fall and subsequent spring in response to the forecasted transition from the more recent El Nino period to that of a La Nina precipitation. Total water purchased for the current fiscal year is projected to be 1,238 AF through June 2024 and is estimated to be 1,481 AF for the preliminary budget ending June 2025.

Contributing to the increased consumption is a net improvement to the non-revenue water. Previous years assumed a 7% loss; whereas this preliminary budget reflects an improved 5% assumed loss.

2. **LAIF Interest (43001)** is projected as a slight decline from the current interest earned assuming an easing of interest rates.
3. **O&M Clear Creek (51300)** is projected to be \$54k higher than the budget for this current year. This is a direct result of Clear Creek's overscheduling its water needs by 28%. This preliminary budget includes Clear Creek's water schedule reflecting a 22% reduction in use which is more representative of their current trends. The budget for the next fiscal year is \$157k.
4. **Repair & Maintenance (52100)** assumes a drop in the overall expense with the purchase of a vac trailer. This will eliminate rental expense of \$800 per rental day.
5. **Liability Insurance (54100)** this preliminary budget reflects the higher projected JPIA expense which is based upon their greater systemwide losses impacting all rate payers.
6. **SWRCB Fees (54250)** reflect the loss of disadvantaged status. This results in a net increase of approximately \$9k.
7. **Salaries (55100)** have been budgeted to include a 4.22% COLA for all exempt and non-exempt employees as well as eligible step increases for non-exempt staff.
8. **Pension – Retirement (55300)** this preliminary budget includes the unfunded liability payment of \$48,575 for the Classic & \$496 for the PEPRA. It also includes an additional discretionary payment of \$6,681 for the Classic & \$979 for the PEPRA. Unlike the current fiscal year, the discretionary payment schedule for the preliminary budget has increased from a 10-year repayment plan to that of a 20-year repayment plan based upon current investment returns and the unfunded liability.
9. **Worker's Comp Insurance (55500)** has increased due to an increase in claims. This results in a projected increase of \$10k to the preliminary budget for the short term.

Zone A & A1 Pressure Zones

Zone A and A1 pressure zones are located within areas of the District that rely completely upon pumps for their water supply. Below is a summary for each pump zones income versus expense performance which includes each pump zone’s ability to adequately fund the Pump Station Repair and Replacement Reserve in preparation for future extraordinary expenses:

Zone A		
Income	FY 2023-24	FY 2024-25
Base Surcharge	13,500	13,500
Consumption Surcharge	18,000	18,800
Total	\$31,500	\$32,300
Expense		
52500 – Utility Cost	31,500	32,700
52130 – Repairs & Maintenance	1,100	1,600
Extraordinary Expense – new pump / repair motor *	0 *	0 *
PSRR Reserve	3,700	3,700
Total	\$36,300	\$38,000
Net (loss) / gain *	(\$4,800) *	(\$5,700) *
*Not including any reserve-funded expenses		

Zone A1		
Income	FY 2023-24	FY 2024-25
Base Surcharge	4,900	4,900
Consumption Surcharge	6,100	6,500
Total	\$11,000	\$11,400
Expense		
52600 – Utility Cost	7,100	6,800
52140 – Repairs & Maintenance	1,200	1,600
Extraordinary Expense –*	0 *	0 *
PSRR Reserve	2,700	2,700
Total	\$11,000	\$11,100
Net (loss) / gain *	\$0 *	\$300 *
*Not including any reserve funded expense		

At present, the Pump Station Repair and Replacement Reserve is funded directly by the rate payers located within Zone A and A1 pressure zones. The current reserve goal is an annual contribution is \$6,400 (\$3,700 Zone A and \$2,700 Zone A1). Based upon the projected loss for Zone A the following rate adjustment is recommended:

Rate Adjustment: Unit Increase Options	Projected Revenue per Unit Increase	Proposed Adjustment	Projected Revenue
Zone A (approximately 130 customers)			
Base Surcharge: \$0.25 increase	\$400	\$2.50	\$4,000
Consumption Surcharge: \$0.01 increase	\$700	\$0.03	\$2,100
		TOTAL	\$6,100
	Current		Proposed
Base Rate Surcharge	\$9.25		\$11.75
Consumption Rate Surcharge	\$0.282		\$0.312

Preliminary O&M Budget - April 11, 2024

	<u>FY 2023-24</u>		<u>FY 2024-25</u>
	Budget	Projected Thru June	PROPOSED Budget
Income			
41000 · WATER SALES			
41100 · Base Rate	541,000	543,000	573,000
41200 · Consumption Rate	610,000	592,000	695,000
41210 · Late Fees	8,700	16,000	10,000
41300 · Water Sales-Temp Const	500	500	500
41400 · Pump Zone A (Base Rate)	13,400	13,500	17,500
41450 · Pump Zone A (Power Comp)	16,400	18,000	20,900
41500 · Pump Zone A-1 (Base Rate)	4,600	4,800	4,800
41550 · Pump Zone A-1(Power Comp)	5,500	6,100	6,500
41900 · Drought Surcharge	0	0	0
Total 41000 · WATER SALES	1,200,100	1,193,900	1,328,200
41600 · RESERVE FUNDS			
41605 · Consumption Surcharge	22,000	21,000	24,000
41700 · Water Treatment Plant Fee	44,000	43,000	48,000
41800 · Rate Stabilization Fee	66,000	64,000	72,000
56250 · Transer Reserve Funds	(132,000)	(128,000)	(144,000)
	-	-	-
42000 · SERVICE INSTALLATION - METERS			
42100 · Connection Charges	400	600	400
Total 42000 · SERVICE INSTALLATION	400	600	400
43000 · INTEREST			
43001 · LAIF	25,000	39,000	30,000
43002 · Other Interest	65	15	50
43003 · Shasta Co 422 Interest	65	150	150
Total 43000 · INTEREST	25,130	39,165	30,200
44100 · GENERAL PROPERTY TAX			
44840 · Cent. Admin Fee TSWAD 01-1	2,500	2,500	2,500
Total 44100 · General Property Tax-422	2,500	2,500	2,500
45000 · OTHER OPER. REVENUE			
45100 · Inspection Fees	0	0	0
45300 · Returned Check Charge	0	0	0
45400 · Misc. Revenue	500	200	500
45850 · Backflow Prevention Testing	3,900	3,900	3,900
45900 · Will Serve - Engineering	0	50	0
45950 · Will Serve - Legal	0	0	0
45955 · Will Serve - Admin	0	0	0
49715 · Water Sales	0	0	0
Total 45000 · OTHER OPER. REVENUE	4,400	4,150	4,400
TOTAL INCOME	1,232,530	1,240,315	1,365,700

Preliminary O&M Budget - April 11, 2024

FY 2023-24		FY 2024-25
Budget	Projected Thru June	PROPOSED Budget

Expense

51000 · WATER COSTS

51100 · Raw Water Charge	17,000	17,200	23,000
51300 · Oper.& Maint. - Clear Creek	103,000	140,000	157,000
51305 · Administration - Clear Creek	46,000	38,000	50,000
51310 · O & M Adjustment - Clear Creek	10,000	1,204	5,000
51315 · Restoration Fee	12,000	14,000	21,000
51316 · Trinity PUD Bureau Charges	80	17	0
51317 · SWRCB - Water Rights Fee	4,000	3,949	4,100
51319 · McConnell Water Transfer	0	0	0
City of Redding Water Transfer	0	0	0
51325 · WINN Act Lawsuit	5,000	1,000	3,000

Total 51000 · WATER COSTS	197,080	215,370.00	263,100
---------------------------	---------	------------	---------

52000 · TRANSMISSION & DISTRIB.

52100 · Rep. & Maint.	72,000	40,000	40,000
52130 Zone A PS Repairs & Maint.	1,600	1,113	1,600
52140 Zone A1 PS Repairs & Maint.	1,600	1,196	1,600
52200 · Operating Supplies & Expense	22,000	21,000	21,000
52300 · Lease Payment - BLM Tank Site	0	0	0
52400 · Utilities - General Plant	1,100	1,400	1,600
52425 - Elect., Muletown Pump Station	6,000	3,000	4,000
52450 - Elect., Towerview Pump Station	2,500	2,200	2,500
52500 · Utilities - Pump Zone A	24,000	30,000	32,700
52600 · Utilities - Pump Zone A-1	5,500	5,800	6,800
52700 · Diggins Generator Propane	100	300	300
52850 · Backflow Prevention Testing	3,900	3,900	3,900
	140,300	109,909	116,000

53000 · EQUIPMENT

53100 · Equipment Repairs & Maint.	9,000	4,500	8,000
53200 · Gasoline	11,000	7,500	8,500

Total 53000 · EQUIPMENT	20,000	12,000	16,500
-------------------------	--------	--------	--------

54000 · ADMINISTRATIVE

54100 · Liability Insurance - District	25,000	37,320	35,000
54150 · Utilities-District Office	9,000	10,000	11,000
54200 · Telephone - District Office	11,000	7,300	8,000
54250 · SWRCB Fees	4,000	12,416	13,000
54300 · Travel & Training	6,000	4,000	6,000
54325 · Employee Recognition	1,400	1,472	1,600
54350 · Elections	0	0	2,450
54375 · LAFCO	3,400	3,727	4,000
54400 · Miscellaneous	500	100	500
54500 · Engineering - District Engineer	5,000	8,000	8,000
54550 · Legal-Dist. Attorney	15,000	12,000	10,000
54600 · Accounting-Audit & Consult	20,000	20,000	21,000

Preliminary O&M Budget - April 11, 2024

	<u>FY 2023-24</u>		<u>FY 2024-25</u>
	Budget	Projected Thru June	PROPOSED Budget
54625 - Meals	500	700	800
54630 - Construction Meals	500	700	800
54650 - Office Supplies	8,500	10,000	9,000
54675 - Bank Charges	50	50	50
54680 - Merchant Fees	1,000	1,100	1,200
54700 - Postage	10,000	10,000	10,000
54750 - Office Equipment (Small)	19,000	23,000	22,000
54800 - Office Building - R&M	5,000	8,400	5,000
54850 - Directors Compensation	5,500	5,000	5,500
54900 - Subscription & Licenses	29,000	32,000	33,000
Total 54000 · ADMINISTRATIVE	179,350	207,285	207,900
55000 · WAGES & BENEFITS			
55100 · Salaries	424,000	426,300	448,000
55110 · Salaries - Standby	7,000	6,000	6,000
55120 - Overtime	7,000	6,000	6,000
55200 · Salaries - Part Time Employees	18,000	19,000	20,000
55210 · Salaries - Temporary Employees	0	0	0
55300 · Pension - Retirement	80,600	80,800	93,700
55400 · Insurance - Emp. Health&Dental	102,000	113,000	118,000
55500 · Workman's Comp. Insurance	18,400	20,500	29,000
55600 · F.I.C.A.	26,300	27,900	28,000
55700 · Medicare Tax	6,100	6,500	6,500
Total 55000 · WAGES & BENEFITS	689,400	706,000	755,200
Sub-Total Expense	1,226,130	1,250,564	1,358,700
Other Expenses			
57110 - Transfer to Pump Station Res.	6,400	4,300	7,000
Reserves			
Drought Surcharge		61,080	
Total 57102 - OTHER OPER EXPENSES	6,400	65,380	7,000
TOTAL - Expenses/Transfers	1,232,530	1,315,944	1,365,700.00
NET INCOME / (LOSS)	0.00	(75,629)	0

RESOLUTION NO. 2024-04

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 usage water fee and miscellaneous fees 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, 2024.

EXHIBIT A
CENTERVILLE COMMUNITY SERVICES FEE SCHEDULE

Schedule of Rates, Charges and Fees

WATER SERVICE

A. Base Rate	
a. 5/8-inch	\$36.00
b. 3/4-inch	\$36.25
c. 1-inch	\$36.50
d. 1-1/2-inch	\$56.50
e. 2-inch	\$97.00
B. Consumption Rate	\$1.183
C. Zone A Pump Surcharge	
a. Base Rate Surcharge	\$11.75
b. Consumption Rate Surcharge	\$0.312
D. Zone A1 Pump Surcharge	
a. Base Rate Surcharge	\$15.50
b. Consumption Rate Surcharge	\$0.557
E. Rate Stabilization Fee	\$0.12
F. Water Treatment Plant Fee	\$0.08
G. Water Availability Charge (WAC)	\$36.50
H. Backflow Prevention Charge	
a. Up to 2-inch devices	\$4.75
b. Greater than 2-inch devices	\$5.75
I. Deposits	
a. New Customer	\$200.00
b. Rental	\$100.00
J. Temporary Service - Hydrant Meter	
a. Temporary Service Connection Fee	\$50.00
b. Hydrant Meter (Security Deposit)	\$500.00
K. Reconnection Fee:	\$700.00

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 |

Centerville Community Services District
530-246-0680
www.centervillecsd.org
8930 Placer Rd Redding, Ca 96001-9719

RECEIVED CM

MAY 29 2024

CENTERVILLE C.S.D.

May 23, 2024

Please make note that we are NOT in favor of the proposed \$2.00 Rate Increases to both the current Base Rate and Water Availability Charge (WAC). With another \$.05 increase proposed to the Consumption Rate as well as a Rate Increase of \$2.50 to the Zone A Base Rate Surcharge and a \$.03 increase to the Zone A Consumption Surcharge.

Last year 2023 you added an additional \$1.00 to the Base Rate and the Consumption Charges – the prior year of 2022 you increased the Base Rate \$3.00 and added a Water Treatment Fee, a Rate Stabilization Fee and a Drought Surcharge.

This atop inflation at every turn is too much. We conserve water and always have by flushing toilets or watering plants often with tub water or running shower water collected until it gets hot....to what end are my efforts when it clearly is not about conservation – it has now become totally about revenue. The entire water situation has been a political and BIG MONEY issue for decades. It appears it's not enough that the water is sold up and down the state at the price of gold to parts of California that is desert and maybe should have stayed desert, but now it's about grabbing as much as possible from the consumer as well to push us out of the comfort of country life in to the more populated city areas.

This household of 2 says NO increase this year !!!!!



Cathy Anderson
8076 Macie Circle
Redding, CA 96001
530-243-5849
andercat1@aol.com
Account: 495

Centerville Community Services District
530-246-0680
www.centervillecsd.org
8930 Placer Rd Redding, Ca 96001-9719

RECEIVED CM
MAY 29 2024
CENTERVILLE C.S.D.

May 23, 2024

Last year 2023 you added an additional \$1.00 to the Base Rate and the Consumption Charges – the prior year of 2022 you increased the Base Rate \$3.00 and added a Water Treatment Fee, a Rate Stabilization Fee and a Drought Surcharge.

Please make note that we are NOT in favor of the proposed \$2.00 Rate Increases to both the current Base Rate and Water Availability Charge (WAC). With another \$.05 increase proposed to the Consumption Rate as well as a Rate Increase of \$2.50 to the Zone A Base Rate Surcharge and a \$.03 increase to the Zone A Consumption Surcharge.



Bryan Anderson
15603 Sol Semente Trail
Redding, CA 96001

May 1, 2024

To Whom it May Concern;

I am in receipt of the notice from Centerville water proposing yet another increase in base rates. I am very opposed to this as for the last several years you have already increased your base rates and other charges several times. In a time of drought that is understandable. This is not and again I state I am opposed to this proposed increase in our rates.

The info you requested:

Address: 16350 Texas Springs Rd

Assesment number:208-190-025-000

Sincerely,

Sharon E. Pereira



RECEIVED CM
MAY 08 2024
CENTERVILLE C.S.D.

Michael and Jennie Pizzi
8250 Muscat Court
Redding, CA 96001
(530) 510-2073

RECEIVED
MAY 24 2024
CENTERVILLE C.S.D. CM

May 18, 2024

Subject: Protest of the Proposed Rate Increases

Centerville Water District
8930 Placer Road
Redding, CA 96001

To Whom It May Concern,

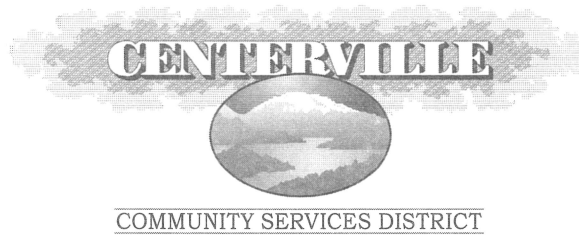
As the parcel owners of 8250 Muscat Court, this letter serves to protest the proposed rate increases spelled out in the *Proposition 218 Notification* with recommended adjustments to:

- The current Base and Consumption Rates
- Water Availability Charge (WAC)
- Base Rate Surcharge and the Consumption Rate Surcharge for Pump Zone A.

Sincerely,


Michael and Jennie Pizzi





MEMORANDUM

Date: June 7, 2024

To: Board of Directors

From: Chris Muehlbacher

Subject: **New Business 2: Consider Adopting Resolution 2024-03 – Establishing the Tax Appropriation Limitation for Fiscal Year 2024-25**

Recommendation

ACTION – that the Board of Directors consider adopting Resolution 2024-03 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.

GANN Limit Summary:

1. The Appropriations Limit applies only to those revenues defined as “proceeds of taxes.” Certain expenditures of tax proceeds do not count as Appropriations Subject to Limit including those for voter approved debt, qualified capital outlay, and the costs of complying with court orders and federal mandates.
2. In order to ensure that taxes are counted in the Appropriations Limit of one but only one agency or government, the law requires that if the State provides funds to a local government for general purposes, the funds are to be counted as “state subventions” and included in the Appropriations Subject to Limit of the local agency. However, if the Legislature restricts the funds to specific purposes, then the funds are counted in the State – rather than local – Appropriations Subject to Limit.
3. During any fiscal year, a government entity may not appropriate any proceeds of taxes received in excess of the Appropriations Limit of the entity. If a local government receives excess funds in any one year, it may “carry those excess funds into the subsequent year” for use. Any excess funds remaining after the second year must be returned to taxpayers by reducing tax rates or fees. As an alternative, a majority of the voters may approve an “override” to increase the Appropriation Limit. The law allows such an override to last for a maximum of four years.

Attachments:

- Resolution 2024-03

RESOLUTION 2024-03

A RESOLUTION ESTABLISHING A TAX
APPROPRIATION LIMITATION FOR THE 2024-2025 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 \$408,493 for the 2024-2025 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 \$408,493 for the 2024-2025 fiscal year.

PASSED AND ADOPTED this 19th day of June 2024.

Walt Richison, President
Centerville Community Services District
Board of Directors

AYES:
NOES:
ABSTAINING:
ABSENT:

ATTEST:

Tina Teuscher
Secretary to the Board

Centerville Community Services District
Special District Revenue Limits
7/1/2024 - 6/30/2025

	Value for PY 2022-2023	Population Change Ratio	Per Capita Change Ratio	Calculation Factor for 2023-2024 FY	Value for CY 2023-2024
Centerville CSD	\$394,854	0.9984	1.0362	1.034542	408,493

- 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 2024-25 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$

Fiscal Year 2024-25

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	23-24	1-1-23	1-1-24	1-1-24
Shasta				
Anderson	-0.46	10,994	10,943	10,943
Redding	0.31	92,039	92,323	92,446
Shasta Lake	-0.31	10,162	10,131	10,131
Unincorporated	-0.16	65,728	65,622	65,675
County Total	0.05	178,923	179,019	179,195

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



MEMORANDUM

Date: June 13, 2024
To: Board of Directors
From: Chris Muehlbacher
Subject: **New Business 3 – Consider Adopting a Capital Budget as included in Resolution 2024-05**

Recommendation

ACTION – it is recommended that the Board consider Resolution 2024-05 adopting a Capital Budget for the Fiscal Year 2024-25.

Discussion

Attached is the Capital Budget for Fiscal Year 2024-25. Below is a summary of the significant assumptions:

Income

- Taxes will be directed to the Capital Improvement Reserve.
- Capacity Charges – assumes four meters will be sold. The projected value includes the five remaining Skiles progress payments.

Expense

The Capital Budget includes the following payments:

- WTP Recycled Project – \$4.4k annual payment to Clear Creek CSD.
- Tank Coating Program – \$180k budget which includes the quarterly payments to Superior Tank Solutions and funds for PACE Engineering to assist with the Tank A1 project.
- Texas Springs Assessment District – P&I and Admin – \$28k payments.

The Capital Budget will also fund the following projects using reserves:

Muletown Generator – Budget: \$420k

This project constructs an emergency generator for the Muletown Pump Station. It is funded by FEMA (75%) and REU (25%). Aside from staff time, this will result in no capital expenditure from the District.

Telemetry & PLC Replacement Program – \$255k

This project will replace both the Telemetry and PLC systems throughout the District. PACE Engineering is currently at the 90% design for the PLC replacement. This will be partially funded with the Shasta County ARPA funds (\$142k) with the remaining from the Capital Improvement Reserve.

Shop Building Project – \$25k

This project will address the final deferred improvements which include a path of travel from the office to the shop building as well as landscape frontage improvements.

Fiscal Impact

As proposed, the capital budget included taxes received, capital-related progress payments and projects that are funded by the Capital Improvement Reserve. Adequate reserve funds are available. It is recommended that the Board adopt the budget.

Attachment(s)

- Capital Budget
- Resolution 2024-05 – Capital Budget

2024-25 Capital Budget - 06-14-2024

FY 2024-25

FY 2023-24

	Budget	Actual thru April	Projected Thru June	Projected vs Budget	PROPOSED Budget
Income					
44100 · GENERAL PROPERTY TAX					
44125 - Current Secured Taxes	205,000	122,447	212,000	7,000	214,000
44127 - Current Unitary Taxes	7,000	4,716	9,000	2,000	9,100
44130 - Current Secured - Adv Teeter	3,300	0	5,200	1,900	4,000
44131 - Current Supp Teeter	500	0	0	-500	500
44135 - Supp Taxes Current	3,000	867	1,800	-1,200	2,000
44140 - Curr Unsecured Taxes	10,000	10,928	11,000	1,000	10,000
44145 - Supp Taxes Prior	50	8	10	-40	50
44150 - Prior Year Unsecured Taxes	100	166	200	100	100
44155 - Homeowner's Exemption - 422	2,500	1,264	2,100	-400	2,500
Total 44100 · GENERAL PROPERTY TAX	231,450	140,396	241,310	9,860	242,250
46000 · CAPITAL FUNDS					
46100 · Capacity Charges	91,500	27,320	28,858	-62,642	87,300
Total 46000 · CAPITAL FUNDS	91,500	27,320	28,858	-62,642	87,300
49000 · TAXES & ASSESSMENTS					
49350 · Sp./Asst. Texas Springs 2001-1	35,000	36,596	49,248	14,248	35,000
Total 49000 · TAXES & ASSESSMENTS	35,000	36,596	49,248	14,248	35,000
OTHER CAPITAL REVENUE					
49505 · Other Interest	50	3	10	-40	50
49550 - New Water Purchase Fee	2,400	600	600	-1,800	2,400
Total 49500 · OTHER CAPITAL REVENUE	2,450	603	610	-1,840	2,450
TOTAL INCOME	360,400	204,915	320,026	-40,374	367,000
Expense					
51000 WATER TREATMENT PLANT					
51255 - WTP Recycled Project Payment	4,400	4,422	4,422	22	4,400
Total 51000 Water Treatment Plant	4,400	4,422	4,422	22	4,400
56000 - GENERAL PLANT IMPROVEMENTS					
56900 - Vac Trailer	0	72,631	76,000	76,000	0
56910 - Server Migration	24,000	24,229	24,229	229	0
Total 56000 ·GENERAL PLANT IMP.	24,000	96,860	100,229	76,229	0

	Budget	Actual thru April	Projected Thru June	Projected vs Budget	PROPOSED Budget
57000 - DISTRIBUTION SYSTEM IMPROVEMENTS					
57090 - Tank Coating Program	180,000	182,557	183,000	3,000	180,000
Total 57000 · DISTRIBUTION SYSTEM IMP.	<u>180,000</u>	<u>182,557</u>	<u>183,000</u>	<u>3,000</u>	<u>180,000</u>
57400 · PRINCIPAL EXPENSE					
57406 · Sp./Asst Tx Sprng 2001-1 Prin.	9,600	28,600	28,600	19,000	9,900
Total 57400 · PRINCIPAL EXPENSE	<u>9,600</u>	<u>28,600</u>	<u>28,600</u>	<u>19,000</u>	<u>9,900</u>
57500 · INTEREST EXPENSE					
57506 · Sp./Asst. Tx Sprng 2001-1 Int.	12,300	12,253	12,253	-47	10,600
Total 57500 · INTEREST EXPENSE	<u>12,300</u>	<u>12,253</u>	<u>12,253</u>	<u>-47</u>	<u>10,600</u>
57800 · BOND ADMIN. FEE					
57806 · NBS Admin. Fee TSWAD 2001-1	4,800	3,608	4,811	11	5,000
57840 - Cent. Admin. Fee TSWAD 01-1	2,500	2,500	2,500	0	2,500
Total 57800 · BOND ADMIN. FEE	<u>7,300</u>	<u>6,108</u>	<u>7,311</u>	<u>11</u>	<u>7,500</u>
58000 OTHER CAPITAL EXPENSES					
58070 - Muletown Generator	0	10,559.00	15,000	15,000	30,000
58080 - Telemetry & PLC Replacement	85,000	0.00	0	-85,000	113,000
58515 - Shop Building	0	22,468.00	23,000.00	23,000	25,000
Total 58000 · OTHER CAPITAL EXPENSES	<u>85,000</u>	<u>33,027</u>	<u>38,000</u>	<u>-47,000</u>	<u>168,000</u>
TOTAL EXPENSES	322,600	363,827	373,815		380,400
Net Difference (Income vs Expenses)	37,800	-158,912.42	-53,789.00		-13,400

Outgoing Budget Transfers into Reserves

58105 - To O&M Reserve (1)	2,450	603	610	-1,840	2,450
58110 - To Capital Imp. Reserve (2)	231,450	140,396	241,310	9,860	242,250
58504 - To Capacity Reserve (3)	91,500	27,320	28,858	-62,642	87,300
58506 - Net to Texas Springs Fund (4)	5,800	-10,365	1,084	-4,716	7,000
Total 58000 · TOTAL OTHER CAPITAL EXP.	<u>331,200</u>	<u>271,862</u>	<u>271,862</u>		<u>339,000</u>
Sub-Total (Net Diff - Transfers to Res)	<u>-293,400</u>		<u>-325,651</u>		<u>-352,400</u>

Incoming Budget Transfers from Reserves

45501 - From O&M Reserve	0		0		
49501 - From Capital Imp. Reserve (5)	293,400		325,651		352,400
49504 - From Capacity Fee Res.	0		0		
Net Total Difference	0		0		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.

RESOLUTION 2024-05

**A RESOLUTION ADOPTING THE CAPITAL BUDGET
FOR THE 2024-25 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 \$367,000 for fiscal year 2024-25.

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 \$367,000 for the 2024-25 fiscal year as presented.

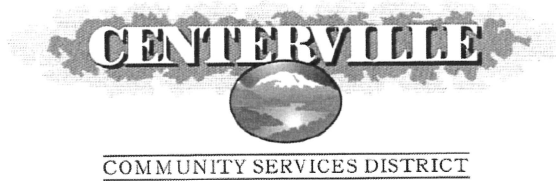
PASSED AND ADOPTED THIS 19th day of June, 2024.

Walt Richison, President
Centerville Community Services District
Board of Directors

AYES:
NOES:
ABSTAINING:
ABSENT:

ATTEST:

Tina Teuscher
Secretary to the Board



MEMORANDUM

Date: June 14, 2024
To: Board of Directors
From: Chris Muehlbacher
Subject: **Old Business 1 – Muletown Pump Station Generator Project Update**

Recommendation

Information – This provides updated information related to the project.

Discussion

Mead & Hunt continues to make progress with the preliminary design. The 90% design was reviewed by staff and comments returned to the engineer. M&H is now finalizing the design.

Attachment(s) – None



MEMORANDUM

Date: June 14, 2024
To: Board of Directors
From: Chris Muehlbacher
Subject: **Old Business 2 – Carr Fire Recovery Project Update**

Recommendation

Information – This is a project update and an agenda place holder.

The remaining \$148k continues to be held in the District's LAIF account compounding interest.

Discussion

The closeout is now under OES management review. It should be submitted to FEMA shortly after being approved by the Governor's Authorized Representative.

Fiscal Impact

It is anticipated that the remaining reserve funds will be retained by the District. It has been reaffirmed by the consultant that part of the close-out process is to confirm that the projects were completed, the expenses are valid, and that there were no additional funding sources such as an insurance claim.

In summary, FEMA awarded a total of seven (7) projects totaling \$347k for the benefit of this District because of Carr Fire impacts. At present, there remains approximately \$148k in reserve which was not used in completing the approved projects and continues to compound interest.

Attachment(s) – None

Manager's Report

5/10/2024

Administration

1. Joint Use Agreement Final draft provided to new Battalion Chief Dusty Gyves.
2. Water Sale Agreement is fully executed with BVWD.
Water schedule is approved by Reclamation.
300 AF in May, June & July
3. Shop Building Permit Submitted for permit. Review is approximately 4-weeks.

Committee Meetings

R&P Committee Future Meeting: TBD
Capital Improvement Program Review and Prioritization
Options for AC Pipe
Table III - non-growth items

Personnel Committee Future Meeting: TBD

Ordinance Committee Future Meeting: TBD

Finance Committee Future Meeting: TBD
Carr Fire Funds reallocation
Capital Budget

Public Info. Committee Future Meeting: TBD

Operations

1. Leaks

Current FYTD

Mainline Leaks - Repaired

1 3

Montgomery Ranch

Service Leaks - Repaired

1 2

Montgomery Ranch

Service Lines - Replaced

0 4

Service Lines - Planned

2 New Meters - Installed

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

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

3. Misc Activities

AV Program

This past month 0 Total Done 28 of 90

Customer Service Line ID

Operators are tasked with inventory of customer material by October 2024.

This past month 122 Total Done 428 of 555

Tank Maintenance Program

C2 Tank - completed. An on-site meeting is scheduled late May to discuss the new air vent installation. STS installed a flat panel on a curved roof.

Lead & Copper Testing

dropped off bottles week of June 10th

1.5" Meter Registers

replaced two registers

Montgomery Ranch Leak

8" C-900 main leaking at a joint. Operators replaced a small section. Outage impacted 5 customers

VacTrailer

Received Friday, June 7th. Used at leak on Monday, June 10th.

Prospect Leak (near B Tank)

observing potential leak.