

# Grizzly Flats Community Services District 2023/2024 Budget (Final Draft)

*1st draft - reviewed by the Budget & Finance Committee on June 7, 2023*

*2nd draft - presented to the Board on June 8, 2023*

*3rd draft - approved by the Board on July 13, 2023*



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## Grizzly Flats Community Services District

4765 Sciaroni Road / P.O. Box 250  
Grizzly Flats, CA 95636  
Ph: 530/622-9626 Fax: 530/622-4806  
www.grizzlyflatscsd.com



### 2023/2024 Operation and Maintenance (O&M) Budget Summary

The following is the proposed budget for the 2023/2024 fiscal year. A budget is the District's best guess of its income and expenses for the coming year. Summaries are included with the budget to explain items and provide a historical document for future management.

#### O&M INCOME

##### A. Water User Fees (accounts 40100 & 40110)

The Board adopted a new rate structure on July 18, 2016 after going through the Prop 218 process which included performing a Cost of Services Study (COS) and holding several public meetings. The 5-year plan included a small increase each year to cover our expected expenses and fund our reserve accounts based on a projected budget from our assumptions at that time. Many things have changed at GFCSD since 2016. Water rates are supposed to cover our expenses and fund our reserve accounts, but our reserve accounts are not being funded with the current rate. The reserve accounts are discussed in detail in the "Reserve Account Summary".

**Basic Rate:** The current basic water rate is \$68.97. This covers our fixed expenses. Those are expenses we have regardless of the amount of water we produce. The COS determined that 96% of our expenses were fixed. Our current number of active service connections is 574, so our budget for 2023/2024 will be calculated with the assumption we will maintain that through the next year with the current rate of \$68.97 per month.

**Volumetric Rate:** Our current volumetric rate is \$1.20 per hundred cubic feet. This covers our variable expenses. Those are costs that increase as we make more water; so things like some chemicals, part of the power bill, etc. The COS determined that 4% of our expenses were variable. Last year's billed water usage (May 2022 - April 2023), was about 18,000 hundred cubic feet (hcf) so our volumetric rate income will be calculated using that with the current rate of \$1.20/hcf.

##### B. Other Income (accounts 40200 - 40700)

Other income includes penalties and lien fees, miscellaneous income (office services like copies and faxes, and various reimbursements), pooled interest from bank accounts, new meter installation fees, and Grizzly Pond t-shirt sales. Most of these are based on the prior year's income. The penalty income in 2022/2023 was about \$6,400.

**INCOME**

40100	Water Charges - Base Rate	\$ 484,000	All service connections with access to water are being billed (July: 585 active service connections (out of 622) x 68.97). 39 liens for non-payment. Base revenue on actual expected, not billing.
40110	Water Charges - Volumetric Rate	\$ 19,000	Meters are read each month. May 2022 to April 2023 monthly average was 1,5034 hundred cubic feet for \$1,803, but not all bills were paid.
40200	Penalties & Lien Fees	\$ 6,000	Estimate for late fees, liens, etc. paid. Billed would be approx \$10,000.
40300	Miscellaneous income	\$ 4,000	Raw water, temp meter connection, fax, & copy services, SDRMA Cost sharing, misc customer invoices for repairs or add'l services, grants, etc.
40400	O&M Pooled Interest	\$ 1,000	Based on previous years LAIF interest earnings - interest rates were LOW again last year due to the reduced balance after Caldor Fire expenses.
40500	New Meter Installation	\$ 2,000	2 new connections are estimated. Installation will be done with a contractor, so fees collected would be for service connection parts, actual tap by operator and any inspection work.
<b>Total O&amp;M Income</b>		<b>\$ 516,000</b>	

**O&M EXPENSES**

**A. Personnel Expenses**

1. **Salaries** – Personnel Salaries (accounts 51100 – 51700) - The District employs three full time employees (General Manager, Office Assistant, and a Maintenance Technician/Distribution Operator). We are also considering hiring a temporary Maintenance Technician.

**PERSONNEL EXPENSES**

<b>Salaries</b>			
51100	Field Staff	\$ 68,016	Maint/Distribution Operator calculated with 4% COLA & Temp Maint Tech
51200	Admin Staff	\$ 101,194	GM & Admin Emp, calculated at current rate with 4% COLA
51600	Holiday Pay	\$ 8,030	Included in wage calculations for now. 13 paid holidays
<i>subtotal- Salaries</i>		<b>\$ 177,240</b>	

Notes about Personnel expenses:

- a. A Salary Survey is done every three years to review the District’s pay scales. One was completed prior to the fire, but not implemented. Our employees are one of our most valued assets and it is important that we provide a fair wage for the work they do to keep this District operating efficiently.
- b. Merit Increases – The General Manager determines if employees have earned a merit increase based on their job performance, pay scale and budget considerations. One employee has reached the top of the pay scale for their position and is not eligible for a merit increase unless pay scales are adjusted. A Personnel and Policy Review Committee meeting took place on July 6, 2023 to discuss adjusting the pay scales and hiring a temporary Maintenance Tech. The committee’s recommendations will be presented to the whole Board at the July 13, 2023 regular meeting.
- c. Cost of Living Adjustments (COLA) – Each year, the Board considers whether a COLA will be applied to the District. A COLA is provided to all employees as a way of keeping wages in line with inflation. It is not based on performance.

**GFCSD Policy:** Cost of Living salary adjustments (COLA), when and if provided by the Board of Directors, shall be applied at the same percentage rate to all positions and classifications in the salary and wage schedule. The percentage rate shall be equivalent to the 10-year average increase in the Consumer Price Index (<https://www.bls.gov/data.htm>) for U.S. All cities, Urban Wage Earners and Clerical Workers, by not less than zero (0%) percent and not more than four (4%) percent.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)												
Original Data Value												
Series ID	CWUR000SA0											
Not Seasonally Adjusted												
Series Title:	All items in U.S. city average, urban wage earners											
Area:	U.S. city average											
Item:	All items											
Base Period:	1982-84=100											
Years:	2013 to 2023											
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	226.520	228.677	229.323	228.949	229.399	230.002	230.084	230.359	230.537	229.735	229.133	229.174
2014	230.040	230.871	232.560	233.443	234.216	234.702	234.525	234.030	234.170	233.229	231.551	229.909
2015	228.294	229.421	231.055	231.520	232.908	233.804	233.806	233.366	232.661	232.373	231.721	230.791
2016	231.061	230.972	232.209	233.438	234.436	235.289	234.771	234.904	235.495	235.732	235.215	235.390
2017	236.854	237.477	237.656	238.432	238.609	238.813	238.617	239.448	240.939	240.573	240.666	240.526
2018	241.919	242.988	243.463	244.607	245.770	246.196	246.155	246.336	246.565	247.038	245.933	244.786
2019	245.133	246.218	247.768	249.332	249.871	249.747	250.236	250.112	250.251	250.894	250.644	250.452
2020	251.361	251.935	251.375	249.515	249.521	251.054	252.636	253.597	254.004	254.076	253.826	254.081
2021	255.296	256.843	258.935	261.237	263.612	266.412	267.789	268.387	269.086	271.552	273.042	273.925
2022	276.296	278.943	283.176	284.575	288.022	292.542	292.219	291.629	291.854	293.003	292.495	291.051
2023	293.565	295.057	296.021									
Change												
2013	3.30	4.36	3.02	1.94	2.80	3.97	4.52	3.30	2.35	1.76	2.54	3.29
2014	3.52	2.19	3.24	4.49	4.82	4.70	4.44	3.67	3.63	3.49	2.42	0.73
2015	-1.75	-1.45	-1.51	-1.92	-1.31	-0.90	-0.72	-0.66	-1.51	-0.86	0.17	0.88
2016	2.77	1.55	1.15	1.92	1.53	1.48	0.96	1.54	2.83	3.36	3.49	4.60
2017	5.79	6.51	5.45	4.99	4.17	3.52	3.85	4.54	5.44	4.84	5.45	5.14
2018	5.07	5.51	5.81	6.18	7.16	7.38	7.54	6.89	5.63	6.47	5.27	4.26
2019	3.21	3.23	4.31	4.72	4.10	3.55	4.08	3.78	3.69	3.86	4.71	5.67
2020	6.23	5.72	3.61	0.18	-0.35	1.31	2.40	3.49	3.75	3.18	3.18	3.63
2021	3.94	4.91	7.56	11.72	11.72	12.56	13.78	14.19	14.38	15.01	17.73	18.96
2022	21.0	22.1	24.2	23.3	24.4	26.1	24.4	23.2	22.8	21.5	19.4	17.1
2023	17.3	16.1	12.8									
10 Yr Cola Average	6.30%											

The 10-year COLA average for 2023 is 6.3%. The Budget & Finance Committee recommends the Board follow District policy and apply the maximum 4.0% COLA which would increase wages by about \$2,700. This percentage has already been included in the proposed budget.

2. **Payroll Taxes & Workers Compensation** – Payroll taxes have been calculated based on the budgeted wages. Workers Compensation is paid in advance each year in June. This year, we have been invoiced \$3,607.29 for the 2023/2024 Program Year, a savings of about \$708 compared to last year. This is based on improved safety procedures and discounts earned by District staff and Board members through attendance at training.

<b>Payroll Taxes &amp; Workers Comp Ins.</b>			
52100	Payroll Tax Expense	\$ 16,500	Federal Social Security, Medicare, State SDI, SUI, and Training Tax
52300	Workers Comp Ins	\$ 3,607	Actual for 2023/24 FY
<i>subtotal- Payroll</i>		\$ 20,107	

**3. Employee Benefits** – Employee benefits include a Deferred Compensation plan, Health Reimbursement Account (HRA) and life insurance.

- a. Deferred Compensation (457 Plans) are an optional retirement benefit offered to employees through CalPERS. GFCSD offers a 50% match to an employee’s contribution (up to 3% of an employee’s gross wage). We currently have one employee participating in the plan.
- b. Health benefits are offered through a qualified small employer health reimbursement arrangement (QSEHRA) which allows the District to set aside a fixed amount of money each month that employees can use to purchase individual health insurance or use on medical expenses, tax-free. The IRS determines what qualifies as an “allowable expense”. The funds stay with the employer until an employee makes a claim that qualifies for reimbursement. GFCSD’s plan allows employees to accrue unused balances for up to three years. An employee stops accruing funds if they reach that three-year limit. The IRS announced under Revenue Procedure 2021-45 the inflation adjusted **2023** limits for QSEHRA are as follows:

	2019	2020	2021	2022	2023
Individuals	\$5,100 \$50 / 0.9% increase	\$5,250 \$150 / 2.9% increase	\$5,300 \$50 / 1.0% increase	\$5,450 \$150 / 2.8% Increase	\$5,850 \$400 / 6.8% increase
Families	\$10,450 \$200 / 2.0% increase	\$10,600 \$150 / 1.4% increase	\$10,700 \$100 / 0.9% increase	\$11,050 \$350 / 3.0% increase	\$11,800 \$750 / 6.4% increase

- c. A Life Insurance policy of \$10,000 is provided to all full time employees. The premium we pay is based on the ages of the employees and may change mid-year if an employee has a birthday that puts them in a higher priced category.

<b>Benefits</b>			
53100	Deferred Comp	\$ 2,509	GFCSD's contribution to 457 plan (3% of gross of participating employees)
53200	QSEHRA Medical	\$ 35,400	\$11,800 family, \$5,850 for individual (2023 IRS limits for QSEHRA plans)
53300	Life Insurance	\$ 500	3 eligible employees, \$40 x 12 months = \$480 (based on employee's age)
<i>subtotal- Benefits</i>		\$ 38,409	

**4. Contract Operations** - GFCSD contracts with H2O Urban Solutions, Inc. to provide water operation services to the District. They supply licensed treatment and distribution operators and are responsible for the operation of the treatment and distribution systems. The District went out for bid for these services in 2017 and awarded a three year contract to H2Ou. In March 2020, the Board approved a one year contract extension as allowed by our original agreement and adjusted the dates of the

contract to coincide with the District's fiscal year. That contract has now expired, and they are working on a month-to-month basis. The budget amount reflects the cost for the 12 months of this fiscal year.

**Contract Operations**

51700	Contract Operations - H2Ou	\$ 200,000	Contract has expired and we are working on a month-to-month basis. Expecting significant amount of operator time dedicated to recovery projects funded by grants but loss of automation in TP requires staff onsite 7 days per week.
<b>Total - Personnel Expense</b>		<b>\$ 435,756</b>	

**B. Operation Expenses (accounts 60000 - 66000)**

The proposed budget for O&M is very different than last year's budget. Our budgeted income is expected to increase 58% and our budgeted expenses will increase by 9.7%. Staff works hard to keep costs to a minimum but we also must meet increasing regulations imposed by the State and County regulatory agencies and rising prices from our vendors. Also, since FEMA has not obligated all the District's Caldor Fire related projects there is some assumption of costs for recovery efforts.

**Operations & Utilities** - AT&T, El Dorado Disposal, PG&E and our liability insurance have all increased rates in the past year. We are expecting an increase in propane use due to PG&E's "Public Safety Power Shutoff Program". GFCSD will need to operate on generator power during power outages.

<b>OPERATIONS &amp; UTILITIES</b>			
60100	Alarm Service	\$ 1,200	\$95/month = Upgraded to system in July 2021, new monthly fee due to fire req.
60200	Communications	\$ 6,000	AT&T (Pre fire: \$500/month for 5 phone lines, internet access. Post fire: No idea what new bill will be for new service), Verizon Wireless (\$136/month for 2 cell phones plus hot spot service)
60400	Fire & Safety Supplies	\$ 1,000	SDRMA refunds \$1,000 - extinguisher maint, safety gear
60600	Power	\$ 500	Pre Fire: average \$500/month for 5 sites (Office, Tyler, Southview, Winding Way, Forest View). Now paying Parkside and Sciaroni.
60700	Propane	\$ 4,000	Estimating based on previous year.
60800	Trash Disposal	\$ 650	\$135.09 / 4x per year + self haul, includes recent rate increase
60900	Website	\$ 250	hosting (\$120) & domain name reg (\$30), annual security cert. for CUSI bill pay (\$89) - up from last year due to new cert. required for CUSI
<b>subtotal - Operations &amp; Utilities</b>		<b>\$ 13,600</b>	

**Water Treatment** - We have started using the Northstar N-1770 coagulant which is much more expensive than the 8809 that we purchase from El Dorado Irrigation District. Using this coagulant appears to result in better water quality during the summer months so it is assumed that we will use it for the majority of next year. The State Water Resources Control Board (SWRCB) has increased the testing we are required to perform so we will see the expenses in this category increase.

<b>WATER TREATMENT EXPENSES</b>			
61100	Chemicals	\$ 3,100	50 gallons N1770 \$33.68/gal (new coagulant), 16 gallons 8809 \$9.62/gal, 840 gallons NAOCL \$1.52 gal
61200	Equip & Supplies	\$ 2,000	based on prior years
61300	Testing & Lab Reports	\$ 6,000	monthly, quarterly & annual water quality testing required by SWRCB is about \$5000. We also have additional testing for annual VOC.
<b>subtotal- Water Treatment</b>		<b>\$ 11,100</b>	

**Maintenance** – The Budget and Finance Committee has recommended increases to several accounts (Customer meters, Distribution System, and Road Repair) until FEMA funding has been obligated for Caldor Fire Recovery projects.

<b>MAINTENANCE EXPENSES</b>			
62100	Building	\$ 500	building maintenance, pest control (\$300/yr)
62200	Customer meters	\$ 6,000	based on 2 meter installations and various repairs. 44 damaged meters were replaced from July 2022 to May 2023 for about \$22,000.
62300	Distribution System	\$ 10,000	based on prior years spending - parts & supplies to fix or maintain water lines, pumps, tanks, etc. This could see a large increase due to repairs that must be done until reimbursed by Cal OES, PGE, or other entities.
62400	Grounds	\$ 1,500	based on prior years
62410	Grizzly Pond Expenses	\$ 700	Pond power (200), water rights (250), misc fees (100), maintenance (150)
62450	Eagle Ditch & Gages	\$ 2,000	**Gages destroyed by fire. On hold until gages are reinstalled. Monthly gage monitoring - 3 year contract (2019-2022) with Western Hydrologics, usually \$12,000/year. Reduced this year while contract is on hold.
62500	Office Equipment	\$ 500	misc. items throughout the year based on prior spending, will increase this budget for equipment replacement in the next year or two.
62600	Parts & Equipment	\$ 1,500	based on prior years spending for small engine repairs, chainsaw blades, various tools as needed
62700	Road Repair	\$ 10,000	**ON hold with Caldor Fire Recovery** restore roadways to County specs, County inspection fees, etc. - expense depends on number of leaks, patch size and current requirements of EDC (slurry backfill, pave area, slurry seal, inspection fees)
62800	Service Contracts	\$ 3,000	\$1000 for Inland (avg \$85/month-based on # of copies), \$700 for Computer Guy (\$170 x4), Annual generator service (\$1220 - less for 1 generator post fire)
62900	Treatment Plants 1 & 2	\$ 1,500	repairs and maintenance on TPs, based on prior years.
<b>subtotal- Maintenance Expenses</b>		<b>\$ 37,200</b>	

**Vehicle & Tractor** – Although we are not using more fuel, we continue to see this expense increase due to taxes and fees. We have also budgeted to replace all four tires on the dump trailer.

<b>VEHICLE &amp; TRACTOR EXPENSES</b>			
63100	Oil / Grease	\$ 500	oil changes, oil for backhoe, generators, and other small machinery.
63200	Parts & Repairs	\$ 2,000	3 trucks to maintain
63300	Tires & Snow Chains	\$ 2,000	Dump trailer needs tires
63400	Tractor Maint & Repairs	\$ 2,800	Annual service by Terex
63500	Fuel Purchases	\$ 5,500	based on prior year, fuel prices have been unstable recently
<b>subtotal- Vehicle Expenses</b>		<b>\$ 12,800</b>	

**Employee** – There are no big changes to this category.

<b>EMPLOYEE EXPENSES</b>			
64100	Clothing	\$ 500	boot allowance, t-shirts, meter reading shirts, rain gear, gloves
64200	Education & Certifications	\$ 500	Classes, certifications & MCWRA events
64300	Employee Auto Mileage	\$ 200	mileage in personal vehicles
64400	Transportation & Travel	\$ 500	lodging/meals, etc for any employee travel
<b>subtotal- Employee Expenses</b>		<b>\$ 1,700</b>	

**Administration** - County permit fees (site specific permits) and inspections have increased in the last year. There is no election scheduled for this year.

<b>ADMINISTRATION EXPENSES</b>			
65100	Agency Admin Fees	\$ 5,350	EDC Permit fees, inspection fees, LAFCO (\$475), Water Rights (\$500), State (\$1,050), tax forms, USA Fee (\$1350)
65150	Bank Fees & Supplies	\$ 2,500	bank fees (avg \$100/month), checks (vendor & payroll) & supplies
65200	Election Costs	\$ 50	Election fees will be dependent on how many candidates file, could range from \$50 to \$5000.
65250	Janitorial & Misc. Supplies	\$ 650	cleaning supplies, batteries, paper towels, toilet paper, etc.
65300	Meeting Expenses	\$ 500	space rental, copies, special printing for agenda items
65350	Memberships & Dues	\$ 8,650	MCWRA (\$1300), USA (\$3500), CSDA (\$2205), CRWA (\$709)
65400	Office Supplies	\$ 3,000	paper, envelopes, binders, toner, pens/pencils, misc. supplies, based on last year's spending
65450	Postage	\$ 4,800	postage expected to increase in July 2022 - billing plus misc. certified & special mailings (avg \$400/month)
65550	Software	\$ 2,500	QuickBooks annual fee (\$299), Payroll software annual fee (\$615), CUSI billing software annual fee (\$1200). Team Viewer membership (will only purchase if working at home is necessary - \$600)
<b>subtotal- Admin Expenses</b>		<b>\$ 28,000</b>	

**Professional Services** - Darlene Serpa continues to come to the District office two times per month to assist with bookkeeping tasks. There has been no change in our water right reporting.

<b>PROFESSIONAL SERVICES</b>			
66100	Audit & Accounting Support	\$ 16,500	Audit (Fiscal Year 22/23) \$6,850, Bookkeeper (Darlene) \$740/mo for 2 visits
66200	Legal	\$ 8,000	Based on best case, could be more if legal assistance is necessary for additional issues this year.
66300	Property / Liability / Auto Insurance	\$ 20,988	2023-24 estimated contribution is \$20,445 to \$20,988
66900	Prof Services - Other	\$ 31,000	Annual Water Rights Reporting prep - 3 yr. contract with Western Hydrologics (\$250 went under pond expense), COS Study NTE \$34,915 (\$4,350 billed so far).
<b>subtotal- Professional Services</b>		<b>\$ 76,488</b>	

## O&M BUDGET SUMMARY

Our District continues to recover from the Caldor fire. Although O&M revenue is expected to increase when we restore the remaining service connections that were destroyed or buried in the fire, the budgeted expenses have increased due to inflation.

Staff continue to navigate the FEMA process to secure funding for recovery efforts from the Caldor fire and damage sustained during the extreme storms in December 2022. We are working hard to implement numerous system improvements through grant funding (hazard tree removal along Eagle Ditch pipeline, treatment plant improvements, cleaning the reservoir liner, and a new Clearwell tank).

While most customers continue to pay for water service, we are seeing an influx of new property owners who aren't setting up their accounts or paying their bills. Staff have relied on reports from the Tax Assessor's office to get contact information for new property owners, but by the time our correspondence reaches the new customer a services lien has usually been filed against the parcel.



With all that in mind, our goal is to create a realistic budget that will allow us to provide the highest quality water and customer service to the residents of our District. We are working to complete a cost of services study with Hansford Consulting LLC, but the results will likely not be available until April, 2024 or May, 2024. A Cost of Services Study is required for any rate adjustments the Board may consider approving. That study would be done along with the Prop 218 process\*, which includes public meetings that detail the results of the Cost of Services Study and a method that provides the public an opportunity to protest any rate increase that may be proposed.

We are estimating a loss because our budgeted income is less than our budgeted expenses. The District uses the net income (income - expenses) to fund the District's reserve accounts. If our net income is negative, our reserve accounts don't get funded. Instead of putting money into reserves for much needed repairs to the system, we will be taking money out to cover our basic operating costs.

Budget Summary								
	2019/2020 Actual	2020/2021 Actual	2021/2022 Actual	2022/2023 Est Actual	2023/2024 Budget	% of total budget	Difference from 22/23 FY	% Change from 20/21 FY
<b>Total Income</b>	559,542	592,969	292,104	484,337	516,000		31,663	-5.98%
<i>Total Personnel Costs</i>	441,901	446,995	373,747	218,652	435,756	70%	217,104	44%
<i>Total Operation Costs</i>	108,279	117,759	67,141	133,930	180,888	30%	46,958	-1%
<b>Total Expenses (Operating &amp; Personnel)</b>	550,179	564,754	440,888	352,582	616,644		264,062	18%
<b>Reserve Funding (Asset Mgmt &amp; Emergency Reserve)</b>	21,600	21,600		0	0		0	
<b>Net Income (Income-Expenses)</b>	(12,237)	6,615	(148,784)	131,755	(100,644)		(256,496)	-267%

\* California Constitution Article XIID ("Proposition 218"), a state law which requires providers of public utility services (including water service) to notify rate payers of increases in proposed rates. The District shall hold a public hearing to consider changes to its current water rates, the reasons for the proposed rate change, and the methods by which customers can protest the proposed rates if they desire.

### Grizzly Flats Community Services District Operation & Maintenance (O&M) Budget - Detail July 1, 2023 to June 30, 2024

Acct#	Account Name	2023/2024 Estimated Budget	
<b>INCOME</b>			
40100	Water Charges - Base Rate	\$ 484,000	All service connections with access to water are being billed (July: 585 active service connections (out of 622) x 68.97). 39 liens for non-payment. Base revenue on actual expected, not billing.
40110	Water Charges - Volumetric Rate	\$ 19,000	Meters are read each month. May 2022 to April 2023 monthly average was 1,5034 hundred cubic feet for \$1,803, but not all bills were paid.
40200	Penalties & Lien Fees	\$ 6,000	Estimate for late fees, liens, etc. paid. Billed would be approx \$10,000.
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40500	New Meter Installation	\$ 2,000	2 new connections are estimated. Installation will be done with a contractor, so fees collected would be for service connection parts, actual tap by operator and any inspection work.
<b>Total O&amp;M Income</b>		<b>\$ 516,000</b>	

**EXPENSES**

**PERSONNEL EXPENSES**

<b>Salaries</b>			
51100	Field Staff	\$ 68,016	Maint/Distribution Operator calculated with 4% COLA & Temp Maint Tech
51200	Admin Staff	\$ 101,194	GM & Admin Emp, calculated at current rate with 4% COLA
51600	Holiday Pay	\$ 8,030	Included in wage calculations for now. 13 paid holidays
<i>subtotal- Salaries</i>		<b>\$ 177,240</b>	
<b>Payroll Taxes &amp; Workers Comp Ins.</b>			
52100	Payroll Tax Expense	\$ 16,500	Federal Social Security, Medicare, State SDI, SUI, and Training Tax
52300	Workers Comp Ins	\$ 3,607	Actual for 2023/24 FY
<i>subtotal- Payroll</i>		<b>\$ 20,107</b>	
<b>Benefits</b>			
53100	Deferred Comp	\$ 2,509	GFCSO's contribution to 457 plan (3% of gross of participating employees)
53200	QSEHRA Medical	\$ 35,400	\$11,800 family, \$5,850 for individual (2023 IRS limits for QSEHRA plans)
53300	Life Insurance	\$ 500	3 eligible employees, \$40 x 12 months = \$480 (based on employee's age)
<i>subtotal- Benefits</i>		<b>\$ 38,409</b>	
<b>Contract Operations</b>			
51700	Contract Operations - H2Ou	\$ 200,000	Contract has expired and we are working on a month-to-month basis. Expecting significant amount of operator time dedicated to recovery projects funded by grants but loss of automation in TP requires staff onsite 7 days per week.
<b>Total - Personnel Expense</b>		<b>\$ 435,756</b>	

**OPERATIONS & UTILITIES EXPENSES**

60100	Alarm Service	\$ 1,200	\$95/month = Upgraded to system in July 2021, new monthly fee due to fire req.
60200	Communications	\$ 6,000	AT&T (Pre fire: \$500/month for 5 phone lines, internet access. Post fire: No idea what new bill will be for new service), Verizon Wireless (\$136/month for 2 cell phones plus hot spot service)
60400	Fire & Safety Supplies	\$ 1,000	SDRMA refunds \$1,000 - extinguisher maint, safety gear
60600	Power	\$ 500	Pre Fire: average \$500/month for 5 sites (Office, Tyler, Southview, Winding Way, Forest View). Now paying Parkside and Sciaroni.
60700	Propane	\$ 4,000	Estimating based on previous year.
60800	Trash Disposal	\$ 650	\$135.09 / 4x per year + self haul, includes recent rate increase
60900	Website	\$ 250	hosting (\$120) & domain name reg (\$30), annual security cert. for CUSI bill pay (\$89) - up from last year due to new cert. required for CUSI
<i>subtotal - Operations &amp; Utilities</i>		<b>\$ 13,600</b>	

**WATER TREATMENT EXPENSES**

61100	Chemicals	\$ 3,100	50 gallons N1770 \$33.68/gal (new coagulant), 16 gallons 8809 \$9.62/gal, 840 gallons NAOCL \$1.52 gal
61200	Equip & Supplies	\$ 2,000	based on prior years
61300	Testing & Lab Reports	\$ 6,000	monthly, quarterly & annual water quality testing required by SWRCB is about \$5000. We also have additional testing for annual VOC.
<i>subtotal- Water Treatment</i>		<b>\$ 11,100</b>	

**MAINTENANCE EXPENSES**

62100	Building	\$	500	building maintenance, pest control (\$300/yr)
62200	Customer meters	\$	6,000	based on 2 meter installations and various repairs. 44 damaged meters were replaced from July 2022 to May 2023 for about \$22,000.
62300	Distribution System	\$	10,000	based on prior years spending - parts & supplies to fix or maintain water lines, pumps, tanks, etc. This could see a large increase due to repairs that must be done until reimbursed by Cal OES, PGE, or other entities.
62400	Grounds	\$	1,500	based on prior years
62410	Grizzly Pond Expenses	\$	700	Pond power (200), water rights (250), misc fees (100), maintenance (150)
62450	Eagle Ditch & Gages	\$	2,000	**Gages destroyed by fire. On hold until gages are reinstalled. Monthly gage monitoring - 3 year contract (2019-2022) with Western Hydrologics, usually \$12,000/year. Reduced this year while contract is on hold.
62500	Office Equipment	\$	500	misc. items throughout the year based on prior spending, will increase this budget for equipment replacement in the next year or two.
62600	Parts & Equipment	\$	1,500	based on prior years spending for small engine repairs, chainsaw blades, various tools as needed
62700	Road Repair	\$	10,000	**ON hold with Caldor Fire Recovery** restore roadways to County specs, County inspection fees, etc. - expense depends on number of leaks, patch size and current requirements of EDC (slurry backfill, pave area, slurry seal, inspection fees)
62800	Service Contracts	\$	3,000	\$1000 for Inland (avg \$85/month-based on # of copies), \$700 for Computer Guy (\$170 x4), Annual generator service (\$1220 - less for 1 generator post fire)
62900	Treatment Plants 1 & 2	\$	1,500	repairs and maintenance on TPs, based on prior years.
<b>subtotal- Maintenance Expenses</b>		<b>\$</b>	<b>37,200</b>	

**VEHICLE & TRACTOR EXPENSES**

63100	Oil / Grease	\$	500	oil changes, oil for backhoe, generators, and other small machinery.
63200	Parts & Repairs	\$	2,000	3 trucks to maintain
63300	Tires & Snow Chains	\$	2,000	Dump trailer needs tires
63400	Tractor Maint & Repairs	\$	2,800	Annual service by Terex
63500	Fuel Purchases	\$	5,500	based on prior year, fuel prices have been unstable recently
<b>subtotal- Vehicle Expenses</b>		<b>\$</b>	<b>12,800</b>	

**EMPLOYEE EXPENSES**

64100	Clothing	\$	500	boot allowance, t-shirts, meter reading shirts, rain gear, gloves
64200	Education & Certifications	\$	500	Classes, certifications & MCWRA events
64300	Employee Auto Mileage	\$	200	mileage in personal vehicles
64400	Transportation & Travel	\$	500	lodging/meals, etc for any employee travel
<b>subtotal- Employee Expenses</b>		<b>\$</b>	<b>1,700</b>	

**ADMINISTRATION EXPENSES**

65100	Agency Admin Fees	\$	5,350	EDC Permit fees, inspection fees, LAFCO (\$475), Water Rights (\$500), State (\$1,050), tax forms, USA Fee (\$1350)
65150	Bank Fees & Supplies	\$	2,500	bank fees (avg \$100/month), checks (vendor & payroll) & supplies
65200	Election Costs	\$	50	Election fees will be dependent on how many candidates file, could range from \$50 to \$5000.
65250	Janitorial & Misc. Supplies	\$	650	cleaning supplies, batteries, paper towels, toilet paper, etc.
65300	Meeting Expenses	\$	500	space rental, copies, special printing for agenda items
65350	Memberships & Dues	\$	8,650	MCWRA (\$1300), USA (\$3500), CSDA (\$2205), CRWA (\$709)
65400	Office Supplies	\$	3,000	paper, envelopes, binders, toner, pens/pencils, misc. supplies, based on last year's spending
65450	Postage	\$	4,800	postage expected to increase in July 2022 - billing plus misc. certified & special mailings (avg \$400/month)
65550	Software	\$	2,500	QuickBooks annual fee (\$299), Payroll software annual fee (\$615), CUSI billing software annual fee (\$1200). Team Viewer membership (will only purchase if working at home is necessary - \$600)
<b>subtotal- Admin Expenses</b>		<b>\$</b>	<b>28,000</b>	

**PROFESSIONAL SERVICES**

66100	Audit & Accounting Support	\$	16,500	Audit (Fiscal Year 22/23) \$6,850, Bookkeeper (Darlene) \$740/mo for 2 visits
66200	Legal	\$	8,000	Based on best case, could be more if legal assistance is necessary for additional issues this year.
66300	Property / Liability / Auto Insurance	\$	20,988	2023-24 estimated contribution is \$20,445 to \$20,9088
66900	Prof Services - Other	\$	31,000	Annual Water Rights Reporting prep - 3 yr. contract with Western Hydrologics (\$250 went under pond expense), COS Study NTE \$34,915 (\$4,350 billed so far).
<b>subtotal- Professional Services</b>		<b>\$</b>	<b>76,488</b>	

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<b>BUDGET SUMMARY</b>	
<b>Total O&amp;M Income</b>	<b>\$516,000</b>
<i>Personnel Expenses</i>	<i>\$435,756</i>
<i>Operation Expenses</i>	<i>\$180,888</i>
<b>Total O&amp;M Expenses</b>	<b>\$616,644</b>
<b>Reserve Account Funding (Asset Mgmt &amp; Emergency Reserve)</b>	<b>\$0</b>
<b>Net Income (Income-Expenses)</b>	<b>(\$100,644)</b>

## Grizzly Flats Community Services District

4765 Sciaroni Road / P.O. Box 250  
Grizzly Flats, CA 95636  
Ph: 530/622-9626 Fax: 530/622-4806  
www.grizzlyflatscsd.com



### Asset Management Summary

The Asset Management Account was created by the Board of Directors in 2010. The account is meant to help stabilize the O&M budget by keeping a reserve account designated for the replacement of O&M equipment. The funds are held in our Local Agency Investment Fund (LAIF) and the account balance can be found on the Balance Sheet (account #11120).

In recent years, projects included:

- Repainting District buildings
- Paving temporary road patches
- Repairs to Eagle Ditch gages
- Pump Replacements
- Synthetic Organic Contaminants (SOC) Water Quality Testing - \$4,500 (waiver expired, DDW may require additional testing to approve a new waiver)
- Work to finalize paving other temporary sites (depending on DOT requirements)
- Driveway seal coat (Last done in Sept 2017 for \$1,000)

For now, reserve account spending from accounts such as the Asset Management Account have been put on hold. These projects, while important, have been overshadowed by Caldor Fire Recovery. Due to the gap in O&M revenue we are currently dealing with, we will continue to postpone any spending from this account.

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### Capital Improvement Projects (CIP) Summary

#### CIP Income

##### A. Standby Charges

The Capital Improvement Projects (CIP) account is funded by the District's Standby Charge which is collected from all 1220 parcels within our District boundaries. The Standby Charge is collected as part of the County property tax bill and is \$48 per year per parcel. That charge hasn't changed since 1990. Standby charges are commonly charged by water districts throughout California because water districts have ongoing large capital and maintenance costs that are unrelated to the amounts of water provided to customers. The cost to maintain capacity for future development is considered to be an expense to be shared by all current and future customers. Property owners, even if they do not currently use water services, benefit from the water system. The availability of the service makes property more developable and thus more valuable than property that cannot be developed. Property owners also reap the benefit of available local water for firefighting purposes and could benefit by connection to the community system in the event of drought conditions if their private wells should fail.

##### B. Capital Connection Fees (CCF)

Capital Connection Fees (CCF) is also an important part of our CIP income. The CCF is a charge to new customers when they connect to the District's water system. The fee is assessed to all new meter connections to pay for the cost of new facilities, improvements and capital expansions necessitated by the increased demands of new development in the District. We have budgeted for two new meter connections this fiscal year (acct. 45300).

##### C. Other CIP income

Other CIP Income includes penalties on the standby charges; interest earned on our investment funds and miscellaneous income such as grant funding.

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<b>40500 - CIP INCOME</b>			
45100	Standby Charges	\$ 58,560	1220 parcels/ \$48 each
45200	Penalties	\$ 1,500	varies each year, based on prior year
45300	New Connection Fees	\$ 12,060	Est. 2 new connections / CCF is \$6,030
45600	Pooled Interest	\$ 5,300	based on prior year
45900	Grant Income		Unknown - several grant applications in progress (DDW-amt not set, application in progress), (USDA- 1m for hazard tree work), (ARPA -2.8m for Clearwell, TP and reservoir)
<b>Total CIP Income</b>		<b>\$ 77,420</b>	

## CIP Expenses

### A. Debt Service (account 20200 and 70300)

The District currently has one loan that is paid for by the Standby charges. USDA - Rural Development awarded a loan and grant for the Water System Improvement Project (WSIP) in 2012. The original loan amount was \$941,000. Payments are made twice per year (April & October) for a total annual payment of **\$41,186**. The current balance of the loan is \$836,000 and the expected payoff date is October 2053. The Budget Committee has discussed researching ways to save on this loan. USDA has stated the payment schedule cannot be modified to save interest. When the loan was made it was done with a debt instrument called a bond and the bond requires that the payment is paid in accordance with the schedule set by the loan documents (one annual principal payment and two semiannual interest payments). Any change to that schedule would not change the amount you pay. However, if the District wishes to pay additional principal payments, there is no prepayment penalty.

<b>20000- Debt Service, USDA Loan</b>				
20200	Principal on Loan	\$	16,500	WSIP Project - USDA-RD loan
70300	Interest on Long-Term Debt	\$	25,000	USDA-RD loan - 3%
		\$	<b>41,500.00</b>	

### B. Depreciation (account 70800)

A number that has a significant impact on this budget is depreciation. This is a bookkeeping figure that we must include in our expenses. It is the loss of value of our fixed assets as they are listed on our Depreciation Schedule. It is shown as an expense on the District's financial reports (CIP, acct #70800) but it doesn't affect the District's cash account balances. Our current depreciation schedule calls for an annual expense of \$100,943 but this may be adjusted when it is reviewed by our Auditor in August as part of our annual audit.

<b>70000- CIP Misc. Expenses</b>				
70800	Depreciation	\$	100,943	Set by Auditor / Depreciation schedule, will be adjusted during the annual audit.
		\$	<b>100,943.00</b>	

### C. System Improvements & Equipment (accounts 70600 & 70700)

Purchases in this category are usually driven by our 5 Year Plan. That plan is currently under review. Although, there isn't an equipment purchase planned in this budget, the Board may be asked to approve a purchase if the need arises during the year.

### D. Ongoing Projects

Due to the ongoing recovery efforts from the Caldor Fire, we do not have any additional projects included in the 2023/2024 budget.

### E. Fire Hydrant Replacement Plan (Reserve Account #11240 on the Balance Sheet)

This plan was developed in 2016 with the intent of designating funds to start replacing fire hydrants in our water system. As of June 6, 2023, we have \$14,000 in this reserve account. During our Caldor Fire damage assessment, 89 hydrants (74 for coatings, 11 siezed, 4 other mechanical/physical) hydrants have damage to the coatings and/or mechanical issues identified during the damage assessments. We submitted these damages to FEMA, and hope to use their funding for repair. For now, we are not replacing fire hydrants due to age, but if they have been compromised.

### CIP Budget Summary

The CIP budget is limited in many ways. Our only stable source of income is the annual Standby Charges. Other income may come from grants, interest or new meter connections. Our CIP income and expenses can vary greatly from year to year.

The District has worked with the current Standby Charge of \$48 per year, per parcel for 29 years without an increase. The District cannot change the Standby Charge. If it becomes necessary to collect more revenue in the future, we would be required to go through the process of adding a second assessment to parcels in our District. We use 70% (\$41,186) of the Standby Charge income on debt service (WSIP Loan). The other 30% (approximately \$17,000) is used to purchase fixed assets, make improvements to the water system or fund reserve accounts. We have been awarded several grants in the past few years that helped to supplement the CIP budget and fund projects that improved our water system.

We maintain two CIP reserve accounts that are funded through any net income the CIP account may have. The reserve accounts are discussed in detail in the "Reserve Account Summary".

<b>Budget Summary</b>	
<b>Total CIP Income</b>	<b>\$ 77,420</b>
<b>Total CIP Expenses</b>	<b>\$ 143,538</b>
<b>Reserve Account Funding</b>	
Hydrant Reserve	<b>\$ 14,000</b>
CIP Dedicated Reserve	<b>\$ 57,882</b>
<b>Net (Income-Expenses)</b>	<b>-</b>

*CIP expenses (loan + hydrant reserve) without depreciation - \$45,443*



### Grizzly Flats Community Services District Capital Improvement Project Budget - Detail July 1, 2023 to June 30, 2024

Acct#	Account Name	2022/2023 Budget	Notes:
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**INCOME**

**40500 - CIP INCOME**

45100	Standby Charges	\$ 58,464	1218 parcels/ \$48 each (expect at least 2 lot merges)
45200	Penalties	\$ 1,500	varies each year, based on prior year
45300	New Connection Fees	\$ 12,060	Est. 2 new connections / CCF is \$6,030
45600	Pooled Interest	\$ 5,300	based on prior year
45900	Grant Income		Unknown - several grant applications in progress (DDW-amt not set, application in progress), (USDA - 1m for hazard tree work), (ARPA - 2.8m for Clearwell, TP and reservoir)
<b>Total CIP Income</b>		<b>\$ 77,324</b>	

**EXPENSES**

**20000- Debt Service, USDA Loan**

20200	Principal on Loan	\$ 16,500	WSIP Project - USDA-RD loan
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**70000- CIP Misc. Expenses**

70100	Compliance Fees	\$ 1,095	charged by EDC, based on prior years
70210	Grant Expenses		unknown
70300	Interest on Long-Term Debt	\$ 25,000	USDA-RD loan - 3%
70400	Professional Services		
70510	Payroll- CIP		
70600	Fixed Asset - Building & Imp		
70700	Fixed Asset - Equipment		
70800	Depreciation	\$ 100,943	Set by Auditor / Depreciation schedule, will be adjusted during the annual audit.
<b>Total - CIP Misc. Expenses</b>		<b>\$ 143,538</b>	

Budget Summary	
<b>Total CIP Income</b>	<b>\$ 77,324</b>
<b>Total CIP Expenses</b>	<b>\$ 143,538</b>
<b>Net (Income-Expenses)</b>	<b>\$ (66,214)</b>

<i>Net (Income-Expenses) without depreciation</i>	\$ 34,729
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**Grizzly Flats Community Services District**  
**Capital Improvement Project Budget - Prior Year Comparison**  
 July 1, 2023 to June 30, 2024

Acct#	Account Name	2019/2020 Actual	2020/2021 Actual	2021/2022 Actual	2022/2023 Estimated Actual	2023/2024 Proposed Budget
<b>405000- CIP INCOME</b>						
45100	Standby Charges	\$ 56,906.04	\$ 57,792.00	\$ 51,000.00	\$ 41,338.57	\$ 58,464.00
45200	Penalties	\$ 513.48	\$ 1,199.49	\$ 426.00	\$ 1,490.64	\$ 1,500.00
45300	New Connection Fees	\$ 6,030.60	\$ 6,030.60	\$ -	\$ 6,030.60	\$ 12,060.00
45600	Pooled Interest	\$ 10,084.39	\$ 2,840.19	\$ 1,187.71	\$ 3,216.82	\$ 5,300.00
45900	Grant Revenue	\$ 64,751.02	\$ 2,609.33	\$ -		
	<b>Total O&amp;M Income</b>	<b>\$ 138,285.53</b>	<b>\$ 70,471.61</b>	<b>\$ 52,613.71</b>	<b>\$ 52,076.63</b>	<b>\$ 77,324.00</b>

<b>20000- Debt Service</b>						
20200	USDA- Prinpial on Loan	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00

<b>70000- CIP Misc. Expenses</b>						
70100	Compliance Fees	\$ 1,094.97	\$ 1,093.43	\$ 1,093.43	\$ -	\$ 1,095.00
70210	Grant Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
70300	Interest on Long-Term Debt	\$ 25,327.50	\$ 24,832.50	\$ 24,830.00	\$ 13,037.50	\$ 25,000.00
70400	Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
70510	Payroll- CIP	\$ 4,836.21	\$ -	\$ -	\$ -	\$ -
70600	Fixed Asset - Building & Imp	\$ -	\$ 3,819.94	\$ -	\$ -	\$ -
70700	Fixed Asset - Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
70800	Depreciation	\$ 89,959.70	\$ 89,959.44	\$ 89,959.44	\$ 75,707.28	\$ 100,943.00
	<b>Total - CIP Expenses</b>	<b>\$ 137,718.38</b>	<b>\$ 136,205.31</b>	<b>\$ 132,382.87</b>	<b>\$ 105,244.78</b>	<b>\$ 143,538.00</b>

<b>Budget Summary</b>						
	2019/2020 Actual	2020/2021 Actual	2021/2022 Actual	2022/2023 Estimated Actual	2023/2024 Proposed Budget	
<b>Total CIP Income</b>	\$ 138,285.53	\$ 70,471.61	\$ 52,613.71	\$ 52,076.63	\$ 77,324.00	
<b>Total CIP Expenses</b>	\$ 137,718.38	\$ 136,205.31	\$ 132,382.87	\$ 105,244.78	\$ 143,538.00	
<b>Net (Income-Expenses)</b>	\$ 567.15	\$ (65,733.70)	\$ (79,769.16)	\$ (53,168.15)	\$ (66,214.00)	