

Grizzly Flats Community Services District 2026/2027 Budget (2nd Draft)

1st draft - reviewed by the Budget & Finance Committee on June 12, 2026

2nd draft - reviewed by the Board on July 9, 2026



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Grizzly Flats Community Services District

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2026/2027 Operation and Maintenance (O&M) Budget Summary

The following is the proposed budget for the 2026/2027 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 Summaries are included with the budget to explain items and provide a historical document for future management.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 April 13, 2024, 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. The reserve accounts are discussed in detail in the "Reserve Account Summary".

Basic Rate: The current basic water rate is changing to \$91.52. This covers our fixed expenses. Those are expenses we have regardless of the amount of water we produce. The COS determined that 76% of our expenses were fixed. Our current number of active service connections is 619, so our budget for 2026/2027 will be calculated with the assumption we will maintain that through the next year with the new rate of \$91.52 per month.

Volumetric Rate: The volumetric rate will remain at \$3.87 per hundred cubic feet, unless reduced or raised by the Board. 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 14% of our expenses were variable. Last year's average monthly water usage (July 2025 – May 2026), was about 1,714 hundred cubic feet (hcf) so our volumetric rate income will be calculated using that with the current rate of \$3.87/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 2025/2026 was about \$10,000 but is expected to be higher this fiscal year due to the base rate increase. Also, O&M Pooled Interest is expected to greatly increase due to the recent transfer of funding from our Wells Fargo account to LAIF.

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INCOME

40100	Water Charges - Base Rate	\$ 655,000	All service connections with access to water are being billed (July: 619 residential service connections x 91.52, USFS 2" x 292.85). 77 liens for non-payment. Base revenue on actual expected, not billing.
40110	Water Charges - Volumetric Rate	\$ 75,000	Meters are read each month. July 2025 to May 2026 monthly average was 1,714 hundred cubic feet for \$6,633, but not all bills were paid. The volumetric charge will remain at \$3.87 unless adjusted by the Board.
40200	Penalties & Lien Fees	\$ 10,000	Estimate for late fees, liens, etc. paid. Billed would be approx \$37,000.
40300	Miscellaneous Income	\$ 2,500	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	\$ 84,200	Based on previous years and expected LAIF interest earnings.
40500	New Meter Installation	\$ 1,200	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.
Total O&M Income		\$ 827,900	

O&M EXPENSES

A. Personnel Expenses

1. **Salaries** – Personnel Salaries (accounts 51100 – 51700) - The District currently employs four full time employees (General Manager, Office Facilitator, a Maintenance Technician/Distribution Operator), and a Maintenance Technician.

PERSONNEL EXPENSES			
Salaries			
51100	Field Staff	\$ 108,541	Maint/Distribution Operator calculated with 3% COLA
51200	Admin Staff	\$ 123,299	GM & Office Fac calculated with 3% COLA
51300	Overtime	\$ 1,000	
51400	On Call / Standby Pay	\$ 300	
51600	Holiday Pay	\$ 12,307	Included in wage calculations for now. 12 paid holidays
subtotal- Salaries		\$ 245,447	

Note about Personnel expenses:

- a. 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.

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CPI for Urban Wage Earners and Clerical Workers (CPI-W)
Original Data Value

Series ID: CWUR0000SA0
Not Seasonally Adjusted
Series Title: All items in U.S. city average, urban wage earners and
Area: U.S. city average
Item: All items
Base Period: 1982-84=100
Years: 2016 to 2026

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	297.730	298.382	299.394	299.839	301.551	302.257	302.071	301.224	300.728
2024	302.201	304.28	306.502	307.811	308.163	308.054	308.501	308.64	309.046	309.36	308.998	309.067
2025	311.172	312.460	313.250	314.243	314.839	315.945	316.349	317.306	318.139	N/A	317.414	317.014
2026	317.942	319.422	323.500									

Change

2016												
2017	5.793	6.505	5.447	4.994	4.173	3.524	3.846	4.544	5.444	4.841	5.451	5.136
2018	5.065	5.511	5.807	6.175	7.161	7.383	7.538	6.888	5.826	6.485	5.267	4.260
2019	3.214	3.230	4.305	4.725	4.101	3.551	4.081	3.776	3.686	3.856	4.711	5.666
2020	6.228	5.717	3.607	0.183	-0.350	1.307	2.400	3.485	3.753	3.182	3.182	3.629
2021	3.935	4.908	7.560	11.722	14.091	15.358	15.153	14.790	15.082	17.476	19.216	19.844
2022	21.000	22.100	24.241	23.338	24.410	26.130	24.430	23.242	22.788	21.451	19.453	17.126
2023	17.269	16.114	12.845	13.155	10.360	6.852	7.680	9.922	10.403	9.068	8.729	9.677
2024	8.636	9.227	10.481	10.081	9.781	8.660	8.602	7.089	6.789	7.287	7.774	8.339
2025	8.971	8.176	6.748	6.432	6.676	7.891	7.848	8.666	9.093	N/A	8.416	7.947
2026	6.770	6.962	10.250									

10 Yr Cola Average	9.02%
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The 10-year COLA average for 2026 is 9.02%. Last year, the Board voted to apply an 3.0% COLA. The same percentage was input into this year's draft budget, which would increase wages by about \$5,654.

- Payroll Taxes & Workers Compensation** - Payroll taxes have been calculated based on the budgeted wages. Workers Compensation is paid in advance each year in June. Last year, we were invoiced for \$6,126. For the 2026/2027 Program Year, a decrease of \$1,319 is estimated. The decreased rate assumes a 99% EMOD rate and pool reinsurance rate remaining flat (no change).

Payroll Taxes & Workers Comp Ins.

52100	Payroll Tax Expense	\$ 18,677	Federal Social Security, Medicare, State SDI, and SUI
52300	Workers Comp Ins	\$ 5,000	Estimate for 2026/27 FY is \$4,807
	subtotal- Payroll	\$ 23,677	

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

- 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 expect to have one employee participating in the plan.

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- 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 that the inflation adjusted **2025** limits for QSEHRA are as follows:

	2022	2023	2024	2025	2026
Individuals	\$5,450 \$150 / 2.8% Increase	\$5,850 \$400 / 6.8% increase	\$6,150 \$300 / 4.9% increase	\$6,350 \$200 / 3.1% increase	\$6,450 \$100 / 1.57% increase
Families	\$11,050 \$350 / 3.0% increase	\$11,800 \$750 / 6.4% increase	\$12,450 \$300 / 5.2% increase	\$12,800 \$350 / 2.7% increase	\$13,100 \$300 / 2.34% 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.

Benefits

53100	Deferred Comp	\$ 2,417	GFCSD's contribution to 457 plan (3% of gross of participating employee)
53200	QSEHRA Medical	\$ 45,750	\$13,100 family, \$6,450 for individual (2026 IRS limits for QSEHRA plans)
53300	Life Insurance	\$ 350	4 eligible employees, \$81.00 x 4 quarters = \$324.00 (based on employee's age)
subtotal- Benefits		\$ 48,517	

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 October 2023, 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. Their current contract will expire June 30, 2024, and should be renewed. The budget amount reflects the cost for the 12 months of this fiscal year.

Contract Operations

51700	Contract Operations - NCH2O	\$ 297,096	Contract was transitioned from H2Ou to NCH2O and is good through the 2027/2028 fiscal year. Expecting significant amount of operator time dedicated to recovery projects and to babysit plants until TP automation.
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B. Operation Expenses (accounts 60000 – 66000)

The proposed budget for O&M estimates that income will increase 10.1% and that budget expenses will increase by 2.31%. 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, as well as unknown impacts of tariffs. Also, since FEMA still has not obligated all the District's Caldor Fire related projects there is some assumption of costs for recovery efforts.

Operations & Utilities – Accounting, legal, and professional service fees continue to rise in addition to services from vendors such as AT&T, El Dorado Disposal, and PG&E.

OPERATIONS & UTILITIES			
60100	Alarm Service	\$ 1,100	\$84/month = Upgraded to system in July 2021, new monthly fee due to fire req, county permit fee \$43
60200	Communications	\$ 5,000	AT&T (\$263/month average for 3 phone lines and internet), Verizon Wireless (\$162/month for 2 cell phones plus hot spot service).
60400	Fire & Safety Supplies	\$ 1,500	SDRMA refunds \$1,000 – extinguisher maint, safety gear. Need new security system (will be reimbursed by FEMA).
60600	Power	\$ 4,500	Forest View, Office, and South View.
60700	Propane	\$ 2,500	Estimating based on previous years.
60800	Trash Disposal	\$ 1,500	\$172.23 / 4x per year + self haul, includes 5% increase for inflation
60900	Website	\$ 650	hosting (\$120 & \$216 Spam Reduction) & domain name reg (\$30), annual security cert. for CUSI bill pay (\$240) – 2 year SSL cert. required for CUSI
subtotal - Operations & Utilities		\$ 16,750	

Water Treatment – Operations staff has been using Sterling 8809 coagulant which is cheaper than the new Northstar N-1770 but may need to switch back if water quality degrades during the summer months. 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.

WATER TREATMENT EXPENSES			
61100	Chemicals	\$ 3,000	50 gallons N1770 \$33.68/gal (new coagulant), 16 gallons 8809 \$9.62/gal, 840 gallons NAOCL \$3.35 gal, currently using 8809 which is cheaper.
61200	Equip & Supplies	\$ 3,000	based on prior years
61300	Testing & Lab Reports	\$ 10,000	monthly, quarterly & annual water quality testing required by SWRCB is about \$5000. We also have additional testing for annual VOC, the new N-1770 coagulant, nitrates and nitrites.
subtotal- Water Treatment		\$ 16,000	

Maintenance – In 2024, the Budget and Finance Committee recommended increases to several accounts (Customer meters, Distribution System, and Road Repair) until FEMA funding has been obligated for Caldor Fire Recovery projects.

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MAINTENANCE EXPENSES			
62100	Building	\$ 3,000	building maintenance, pest control (\$300/yr).
62200	Customer Meters	\$ 2,000	based on 2 meter installations and various repairs.
62300	Distribution System	\$ 20,000	based on prior years spending - parts & supplies to fix or maintain water lines, pumps, tanks, etc. Outsourcing for backhoe operation which was around \$45,000 last year. May be needed to cover parts for service repairs not yet funded by FEMA. Tariffs may impact parts as well.
62400	Grounds	\$ 2,000	based on prior years, tree removal
62410	Grizzly Pond Expenses	\$ 700	Pond power (200), water rights (250), misc fees (100), maintenance (150)
62450	Eagle Ditch & Gages	\$ 1,000	**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	\$ 5,300	misc. items throughout the year based on prior spending, will increase this budget for equipment replacement in the next year or two. New GM CPU (\$1,500)
62600	Parts & Equipment	\$ 3,000	based on prior years spending for small engine repairs, chainsaw blades, various tools as needed (pressure gauges, socket set, wheelbarrow, weed eater (\$364)
62700	Road Repair	\$ 2,500	**ON hold with Caldor Fire Recovery** restore roadways to County specs - expense depends on number of leaks, patch size and current requirements of EDC (slurry backfill, pave area, slurry seal, inspection fees) Valve box raising
62800	Service Contracts	\$ 4,000	\$1,000 for Inland (avg \$71.88/month-based on # of copies), \$1,700 for Computer Guy (\$240.00 x4, plus new computer programming \$680), annual generator service (\$1300)
62900	Treatment Plants 1 & 2	\$ 2,000	repairs and maintenance on TPs, based on prior years.
subtotal- Maintenance Expenses		\$ 45,500	

Vehicle & Tractor -HFW recently performed the annual combined maintenance of District equipment which helps reduce maintenance costs. This year, we have budgeted to replace the tires on the Ford F-350, and the GMC Sierra.

VEHICLE & TRACTOR EXPENSES			
63100	Oil / Grease	\$ 800	oil changes, oil for backhoe, generators, and other small machinery.
63200	Parts & Repairs	\$ 3,250	4 trucks to maintain
63300	Tires & Snow Chains	\$ 2,900	Ford F350 needs tires (\$1,400), & GMC Sierra (\$1,500)
63400	Tractor Maint & Repairs	\$ 1,500	Terex annual service (\$600) and Case (unknown)
63500	Fuel Purchases	\$ 4,800	based on prior year, fuel prices have been unstable recently
subtotal- Vehicle Expenses		\$ 13,250	

Employee - This year's budget includes costs to purchase volunteer t-shirts.

EMPLOYEE EXPENSES			
64100	Clothing	\$ 1,200	boot allowance, t-shirts, meter reading shirts, rain gear, gloves
64200	Education & Certifications	\$ 1,500	Classes, certifications, MCWRA events
64300	Employee Auto Mileage	\$ 500	mileage in personal vehicles
64400	Transportation & Travel	\$ 500	lodging/meals, etc for any employee travel
subtotal- Employee Expenses		\$ 3,700	

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Administration – County permit fees (site specific permits) and inspections have increased in the last year.

ADMINISTRATION EXPENSES			
65100	Agency Admin Fees	\$ 12,000	EDC Permit fees, inspection fees, LAFCO (\$553), Water Rights (\$7018), State (\$702), tax forms, USA Fee (\$594)
65150	Bank Fees & Supplies	\$ 1,250	bank fees (avg \$93/month), checks (vendor) & supplies
65200	Election Costs	\$ 500	3 seats.
65250	Janitorial & Misc. Supplies	\$ 1,000	cleaning supplies, batteries, paper towels, toilet paper, etc.
65300	Meeting Expenses	\$ 300	space rental, copies, special printing for agenda items
65350	Memberships & Dues	\$ 5,700	MCWRA (\$1443), USA (\$300), CSDA (\$2960), CRWA (\$821)
65400	Office Supplies	\$ 4,000	paper, envelopes, binders, toner, pens/pencils, misc. supplies, based on last year's spending
65450	Postage	\$ 6,700	postage remains at \$0.78 - billing plus misc. certified & special mailings (avg \$550/month)
65500	Public & Legal Notices	\$ 1,300	Notaries for liens, lien filings.
65550	Software	\$ 7,200	QuickBooks annual fee (\$1,200), Payroll software annual fee (\$3,000), CUSI billing software annual fee (\$2,750).
subtotal- Admin Expenses		\$ 39,950	

Professional Services – Darlene Serpa continues to come to the District office two times per month to assist with bookkeeping tasks. We will need to complete a single audit again this fiscal year after spending more than \$1,000,000 in federal grant funding. Also, H2O Urban Solutions, Inc. continues to provide Engineering services in accordance with previously approved task orders.

PROFESSIONAL SERVICES			
66100	Audit & Accounting Support	\$ 34,000	Audit (Fiscal Year 25/26) \$8,850 + Single Audit \$13,650, Bookkeeper (Darlene) \$800/2 visits per month and 2 days audit prep (\$11,200)
66200	Legal	\$ 3,000	Based on best case, could be more if legal assistance is necessary for additional issues this year.
66300	Property / Liability / Auto Insurance	\$ 29,000	Estimate for 2026/27 FY is \$28,746
66900	Prof Services - Other	\$ 1,200	Annual Water Rights Reporting prep - 3 yr. contract with Western Hydrologics (\$300 went under pond expense) \$345 ParcelQuest
TBD	Prof Services - Engineering	\$ 10,000	Watershed Sanitary Survey & Source Assessment (10,000)
subtotal- Professional Services		\$ 77,200	

O&M BUDGET SUMMARY

Our District continues to recover from the Caldor fire. O&M revenue and expenses are expected to increase this year.

Staff continues to navigate the FEMA process to secure funding for recovery efforts from the Caldor fire. We completed several major projects this past year such as replacing the Water Treatment Modules and cleaning out the raw water reservoir. Ongoing projects include the Consolidated Tank Replacement project and Booster System Improvement project.

Most new customers are now contacting our office or being tracked down by staff so that their accounts can be set up in a timely manner, avoiding arrearages.

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.

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We are not expecting a large surplus of income this year due to inflation. The District uses the net income (income – expenses) to fund the District’s reserve accounts. If our net income is as estimated, our reserve accounts will get minimal funding for emergency repairs to the system.

BUDGET SUMMARY

	2022/2023 Actual	2023/2024 Actual	2024/2025 Actual	2025/2026 Est. Actual	2026/2027 Budget	% of total budget	Difference from 25/26 FY	% Change from 25/26 FY
Total Income	288,500	561,543	767,373	800,075	827,900	100%	27,825	3.4%
Total Personnel Costs	425,922	450,269	530,242	596,783	614,737	74%	17,954	3%
Total Operation Costs	116,297	248,467	314,327	293,435	212,350	26%	(81,085)	-38%
Total Expenses (Operating & Personnel)	542,219	698,737	844,569	890,218	827,087		(63,130)	-8%
Reserve Funding (Asset Mgmt & Emergency Reserve)	0	0	0	0	0	0	0	0%
Net Income (Income-Expenses)	(253,719)	(137,193)	(77,196)	(90,143)	813		90,955	-1%

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Grizzly Flats Community Services District
Operation & Maintenance (O&M) Budget - Detail
 July 1, 2026 to June 30, 2027

Acct#	Account Name	2025/2026 Estimated Budget	
INCOME			
40100	Water Charges - Base Rate	\$ 655,000	All service connections with access to water are being billed (July: 619 residential service connections x 91.52, USFS 2" x 292.85). 77 liens for non-payment. Base revenue on actual expected, not billing.
40110	Water Charges - Volumetric Rate	\$ 75,000	Meters are read each month. July 2025 to May 2026 monthly average was 1,714 hundred cubic feet for \$6,633, but not all bills were paid. The volumetric charge will remain at \$3.87 unless adjusted by the Board.
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40400	O&M Pooled Interest	\$ 84,200	Based on previous years and expected LAIF interest earnings.
40500	New Meter Installation	\$ 1,200	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.
Total O&M Income		\$ 827,900	

EXPENSES**PERSONNEL EXPENSES****Salaries**

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51200	Admin Staff	\$ 123,299	GM & Office Fac calculated with 3% COLA
51300	Overtime	\$ 1,000	
51400	On Call / Standby Pay	\$ 300	
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subtotal- Salaries		\$ 245,447	

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subtotal- Payroll		\$ 23,677	

Benefits

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53200	QSEHRA Medical	\$ 45,750	\$13,100 family, \$6,450 for individual (2026 IRS limits for QSEHRA plans)
53300	Life Insurance	\$ 350	4 eligible employees, \$81.00 x 4 quarters = \$324.00 (based on employee's age)
subtotal- Benefits		\$ 48,517	

Contract Operations

51700	Contract Operations - NCH2O	\$ 297,096	Contract was transitioned from H2Ou to NCH2O and is good through the 2027/2028 fiscal year. Expecting significant amount of operator time dedicated to recovery projects and to babysit plants until TP automation.
Total - Personnel Expense		\$ 614,737	

OPERATIONS & UTILITIES EXPENSES

60100	Alarm Service	\$ 1,100	\$84/month = Upgraded to system in July 2021, new monthly fee due to fire req, county permit fee \$43
60200	Communications	\$ 5,000	AT&T (\$263/month average for 3 phone lines and internet), Verizon Wireless (\$162/month for 2 cell phones plus hot spot service).
60400	Fire & Safety Supplies	\$ 1,500	SDRMA refunds \$1,000 - extinguisher maint, safety gear. Need new security system (will be reimbursed by FEMA).
60600	Power	\$ 4,500	Forest View, Office, and South View.
60700	Propane	\$ 2,500	Estimating based on previous years.
60800	Trash Disposal	\$ 1,500	\$172.23 / 4x per year + self haul, includes 5% increase for inflation
60900	Website	\$ 650	hosting (\$120 & \$216 Spam Reduction) & domain name reg (\$30), annual security cert. for CUSI bill pay (\$240) - 2 year SSL cert. required for CUSI
subtotal - Operations & Utilities		\$ 16,750	

WATER TREATMENT EXPENSES

61100	Chemicals	\$ 3,000	50 gallons N1770 \$33.68/gal (new coagulant), 16 gallons 8809 \$9.62/gal, 840 gallons NAOCL \$3.35 gal, currently using 8809 which is cheaper.
61200	Equip & Supplies	\$ 3,000	based on prior years
61300	Testing & Lab Reports	\$ 10,000	monthly, quarterly & annual water quality testing required by SWRCB is about \$5000. We also have additional testing for annual VOC, the new N-1770 coagulant, nitrates and nitrites.
subtotal- Water Treatment		\$ 16,000	

MAINTENANCE EXPENSES

62100	Building	\$ 3,000	building maintenance, pest control (\$300/yr).
62200	Customer Meters	\$ 2,000	based on 2 meter installations and various repairs.
62300	Distribution System	\$ 20,000	based on prior years spending - parts & supplies to fix or maintain water lines, pumps, tanks, etc. May be needed to cover parts for service repairs not yet funded by FEMA.
62400	Grounds	\$ 2,000	based on prior years, tree removal
62410	Grizzly Pond Expenses	\$ 700	Pond power (200), water rights (250), misc fees (100), maintenance (150)
62450	Eagle Ditch & Gages	\$ 1,000	**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	\$ 5,300	misc. items throughout the year based on prior spending, will increase this budget for equipment replacement in the next year or two. New GM CPU (\$1,500)
62600	Parts & Equipment	\$ 3,000	based on prior years spending for small engine repairs, chainsaw blades, various tools as needed (pressure gauges, socket set, wheelbarrow, weed eater (\$364)
62700	Road Repair	\$ 2,500	**ON hold with Caldor Fire Recovery** restore roadways to County specs - expense depends on number of leaks, patch size and current requirements of EDC (slurry backfill, pave area, slurry seal, inspection fees) Valve box raising
62800	Service Contracts	\$ 4,000	\$1,000 for Inland (avg \$71.88/month-based on # of copies), \$1,700 for Computer Guy (\$240.00 x4, plus new computer programming \$680), annual generator service (\$1300)
62900	Treatment Plants 1 & 2	\$ 2,000	repairs and maintenance on TPs, based on prior years.
subtotal- Maintenance Expenses		\$ 45,500	

VEHICLE & TRACTOR EXPENSES

63100	Oil / Grease	\$ 800	oil changes, oil for backhoe, generators, and other small machinery.
63200	Parts & Repairs	\$ 3,250	4 trucks to maintain
63300	Tires & Snow Chains	\$ 2,900	Ford F350 needs tires (\$1,400), & GMC Sierra (\$1,500)
63400	Tractor Maint & Repairs	\$ 1,500	Terex annual service (\$600) and Case (unknown)
63500	Fuel Purchases	\$ 4,800	based on prior year, fuel prices have been unstable recently
subtotal- Vehicle Expenses		\$ 13,250	

EMPLOYEE EXPENSES

64100	Clothing	\$ 1,200	boot allowance, t-shirts, meter reading shirts, rain gear, gloves
64200	Education & Certifications	\$ 1,500	Classes, certifications, MCWRA events
64300	Employee Auto Mileage	\$ 500	mileage in personal vehicles
64400	Transportation & Travel	\$ 500	lodging/meals, etc for any employee travel
subtotal- Employee Expenses		\$ 3,700	

ADMINISTRATION EXPENSES

65100	Agency Admin Fees	\$ 12,000	EDC Permit fees, inspection fees, LAFCO (\$553), Water Rights (\$7018), State (\$702), tax forms, USA Fee (\$594)
65150	Bank Fees & Supplies	\$ 1,250	bank fees (avg \$93/month), checks (vendor) & supplies
65200	Election Costs	\$ 500	3 seats.
65250	Janitorial & Misc. Supplies	\$ 1,000	cleaning supplies, batteries, paper towels, toilet paper, etc.
65300	Meeting Expenses	\$ 300	space rental, copies, special printing for agenda items
65350	Memberships & Dues	\$ 5,700	MCWRA (\$1443), USA (\$300), CSDA (\$2980), CRWA (\$821)
65400	Office Supplies	\$ 4,000	paper, envelopes, binders, toner, pens/pencils, misc. supplies, based on last year's spending
65450	Postage	\$ 6,700	postage remains at \$0.78 - billing plus misc. certified & special mailings (avg \$550/month)
65500	Public & Legal Notices	\$ 1,300	Notaries for liens, lien filings.
65550	Software	\$ 7,200	QuickBooks annual fee (\$1,200), Payroll software annual fee (\$3,000), CUSI billing software annual fee (\$2,750).
subtotal- Admin Expenses		\$ 39,950	

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PROFESSIONAL SERVICES

66100	Audit & Accounting Support	\$ 34,000	Audit (Fiscal Year 25/26) \$8,850 + Single Audit \$13,650, Bookkeeper (Darlene) \$800/2 visits per month and 2 days audit prep (\$11,200)
66200	Legal	\$ 3,000	Based on best case, could be more if legal assistance is necessary for additional issues this year.
66300	Property / Liability / Auto Insurance	\$ 29,000	Estimate for 2026/27 FY is \$28,746
66900	Prof Services - Other	\$ 1,200	Annual Water Rights Reporting prep - 3 yr. contract with Western Hydrologics (\$300 went under pond expense) \$345 ParcelQuest
TBD	Prof Services - Engineering	\$ 10,000	Watershed Sanitary Survey & Source Assessment (10,000)
subtotal- Professional Services		\$ 77,200	

BUDGET SUMMARY

Total O&M Income	\$827,900
Personnel Expenses	\$614,737
Operation Expenses	\$212,350
Total O&M Expenses	\$827,087
Reserve Account Funding (Asset Mgmt & Emergency Reserve)	\$80,548
Net Income (Income-Expenses)	\$813

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Grizzly Flats Community Services District
Operation & Maintenance Budget - Prior Year Comparison

Acct#		Account Name	2022/2023 Actual	2023/2024 Actual	2024/2025 Actual	2025/2026 Est. Actual	2026/2027 Budget	% of total budget	Difference from 25/26 FY	% Change from 25/26 FY
40000- O&M INCOME										
40100		Water Charges - Basic Rate	270,000	525,077	674,270	700,643	655,000	79.1%	(45,643)	-7%
40110		Water Charges - Volumetric	6,000	23,992	77,637	73,982	75,000	9.1%	1,018	1%
40200		Penalties & Lien Fees	6,000	6,462	11,851	11,803	10,000	1.2%	(1,803)	-18%
40300		Miscellaneous Income	4,000	606	339	7,764	2,500	0.3%	(5,264)	-211%
40400		O&M Pooled Interest	500	4,769	3,276	4,134	84,200	10.2%	80,066	95%
40600		New Service Installation	2,000	637	0	1,749	1,200	0.1%	(549)	-46%
Total- O&M			288,500	561,543	767,373	800,075	827,900		27,825	3.4%
50000- PERSONNEL EXPENSES										
Salaries										
51100		Field Staff	41,101	48,157	63,210	106,762	108,541	13.1%	1,779	2%
51200		Admin Staff	138,023	108,359	118,029	119,707	123,299	14.9%	3,592	3%
51300		Overtime	0	0	0	36	1,000	0.1%	964	96%
51400		On Call/Standby Pay	0	34	103	103	300	0.0%	197	66%
51600		Holiday Pay	9,428	8,277	9,325	12,025	12,307	1.5%	282	2%
subtotal- Salaries			188,552	164,827	190,667	238,633	245,447	29.7%	6,814	3%
Payroll Taxes & Workers Comp Ins.										
52100		Payroll Tax Expense	16,500	13,032	14,867	18,245	18,677	2.3%	432	2%
52300		Workers Comp Ins	4,315	2,651	3,034	7,050	5,000	0.6%	(2,050)	-41%
subtotal- Payroll			20,815	15,684	17,901	25,295	23,677	2.9%	(1,618)	-7%
Benefits										
53100		Deferred Comp- Employer's Contribution	2,905	0	0	0	2,417	0.3%	2,417	100%
53200		QSEHRA Medical	33,150	32,547	37,350	44,750	45,750	5.5%	1,000	2%
53300		Life Insurance	500	279.6	279.6	500	350	0.0%	(150)	-43%
subtotal- Benefits			36,555	32,826	37,630	45,250	48,517	5.9%	3,267	7%
Operations										
54000		Contract Operations - H2Ou	180,000	236,932	284,046	287,605	297,096	35.9%	9,491	3%
Total - Personnel Expense			425,922	450,269	530,242	596,783	614,737	74.3%	17,954	3%
60000- OPERATIONS & UTILITIES EXPENSES										
60100		Alarm Service	1,200	972	1,051	1,200	1,100	0.1%	(100)	-9%
60200		Communications	6,000	3,893	4,763	5,000	5,000	0.6%	0	0%
60400		Fire & Safety Supplies	1,000	0	788	1,500	1,500	0.2%	0	0%
60600		Power	4,000	390	339	1,000	4,500	0.5%	3,500	78%
60700		Propane	2,500	1,599	1,524	2,200	2,500	0.3%	300	12%
60800		Trash Disposal	600	721	458	1,500	1,500	0.2%	0	0%
60900		Website	225	209	135	500	650	0.1%	150	23%
subtotal - Operations & Utilities			15,525	7,785	9,058	12,900	16,750	2.0%	3,850	23%

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Acct#	Account Name
61000- WATER TREATMENT EXPENSES	
61100	Chemicals
61200	Equip & Supplies
61300	Testing & Lab Reports
subtotal- Water Treatment	

2022/2023 Actual	2023/2024 Actual	2024/2025 Actual	2025/2026 Est. Actual
1,500	4,935	2,550	3,500
2,000	1,250	1,687	1,282
5,000	11,045	6,107	5,562
8,500	17,230	10,344	10,343

2026/2027 Budget	% of total budget	Difference from 25/26 FY	% Change from 25/26 FY
3,000	0.4%	(500)	-17%
3,000	0.4%	1,718	57%
10,000	1.2%	4,438	44%
16,000	1.9%	5,657	35%

62000- MAINTENANCE EXPENSES	
62100	Building
62200	Customer meters
62300	Distribution System
62400	Grounds
62410	Grizzly Pond Expenses
62450	Eagle Ditch & Gages
62500	Office Equipment
62600	Parts & Equipment
62700	Road Repair
62800	Service Contract
62900	Treatment Plants
subtotal- Maintenance Expenses	

500	510	7,043	317
2,000	0	1,886	355
3,000	33,454	71,146	65,864
800	5,003	10,409	10,409
700	300	259	259
1,000	0	6,766	6,668
500	0	198	198
1,500	432	3,237	2,637
5,000	3,447	3,470	933
3,000	3,454	2,460	2,172
1,500	2,770	7,502	7,502
19,500	49,370	114,376	97,313

3,000	0.4%	2,683	89%
2,000	0.2%	1,645	82%
20,000	2.4%	(45,864)	-225%
2,000	0.2%	(8,409)	-420%
700	0.1%	441	63%
1,000	0.1%	(5,668)	-567%
5,300	0.6%	5,102	96%
3,000	0.4%	363	12%
2,500	0.3%	1,567	63%
4,000	0.5%	1,828	46%
2,000	0.2%	(5,502)	-275%
45,500	5.5%	(51,813)	-114%

63000- VEHICLE EXPENSES	
63100	Oil / Grease
63200	Parts & Repairs
63300	Tires & Snow Chains
63400	Tractor Maint. & Repair
63500	Fuel Purchases
subtotal- Vehicle Expenses	

500	248	775	775
2,000	2,185	491	443
2,000	466	1,485	1,485
2,500	438	788	788
4,800	3,689	3,198	3,198
11,800	7,026	6,737	6,689

800	0.1%	25	3%
3,250	0.4%	2,807	86%
2,900	0.4%	1,415	49%
1,500	0.2%	712	47%
4,800	0.8%	1,602	33%
13,250	1.6%	6,561	50%

64000- EMPLOYEE EXPENSES	
64100	Clothing
64200	Education & Certs
64300	Employee Auto Mileage
64400	Transportation & Travel
subtotal- Employee Expenses	

500	151	151	151
500	65	280	65
200	0	448	0
500	0	130	0
1,700	216	1,009	216

1,200	0.1%	1,049	87%
1,500	0.2%	1,435	96%
500	0.1%	500	100%
500	0.1%	500	100%
3,700	0.4%	3,484	94%

65000- ADMINISTRATION EXPENSES	
65100	Agency Admin Fees
65150	Bank Fees & Supplies
65200	Election Costs
65250	Janitorial & Misc. Supplies
65300	Meeting Expenses
65350	Memberships & Dues
65400	Office Supplies
65450	Postage
65500	Public & Legal Notices
65550	Software
subtotal- Admin Expenses	

4,000	5,781	9,676	9,431
2,500	486	840	840
1,000	0	30	30
1,000	621	862	730
500	162	0	0
4,000	2,948	5,113	5,113
3,000	3,524	2,266	2,262
4,800	4,910	6,257	5,016
0	2,019	1,351	1,300
2,500	4,216	6,069	6,069
23,300	24,669	32,464	30,791

12,000	1.5%	2,569	21%
1,250	0.2%	410	33%
500	0.1%	470	94%
1,000	0.1%	270	27%
300	0.0%	300	100%
5,700	0.7%	587	10%
4,000	0.5%	1,738	43%
6,700	0.8%	1,684	25%
1,300	0.2%	(0)	0%
7,200	0.9%	1,131	16%
39,950	4.8%	9,159	23%

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Acct#	Account Name
66000- PROFESSIONAL SERVICES	
66100	Audit & Accounting Support
66200	Legal
66400	Liability / Auto Insurance
66900	Other
TBD	Professional Services - Eng
subtotal- Professional Services	

2022/2023 Actual	2023/2024 Actual	2024/2025 Actual
12,740	15,730	18,470
5,000	5,654	5,537
17,232	20,763	23,527
1,000	100,024	92,804
0	0	0
35,972	142,171	140,338

2025/2026 Est. Actual
16,990
5,537
19,606
93,049
0
135,182

2026/2027 Budget	% of total budget	Difference from 25/26 FY	% Change from 25/26 FY
34,000	4.1%	17,010	50%
3,000	0.4%	(2,537)	-85%
29,000	3.5%	9,394	32%
1,200	0.6%	(91,849)	-7654%
10,000	1.2%	10,000	100%
77,200	9.3%	(57,982)	-75%

BUDGET SUMMARY

Total Income
Total Personnel Costs
Total Operation Costs
Total Expenses (Operating & Personnel)
Reserve Funding (Asset Mgmt & Emergency Reserve)
Net Income (Income-Expenses)

2022/2023 Actual	2023/2024 Actual	2024/2025 Actual
288,500	561,543	767,373
425,922	450,269	530,242
116,297	248,467	314,327
542,219	698,737	844,569
0	0	0
(253,719)	(137,193)	(77,196)

2025/2026 Est. Actual
800,075
596,783
293,435
890,218
0
(90,143)

2026/2027 Budget	% of total budget	Difference from 25/26 FY	% Change from 25/26 FY
827,900	100%	27,825	3.4%
614,737	74%	17,954	3%
212,350	26%	(81,085)	-38%
827,087		(63,130)	-8%
0	0	0	0%
813		90,955	-1%

Grizzly Flats Community Services District

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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).

Purchases requested for the 2026/2027 Fiscal Year are:

Computer	\$2,200
The General Manager's computer is 13 years old and is not Windows 11 compliant. Estimated cost includes set-up.	

2026/2027 Fiscal Year	
<i>Est. Beginning Balance (July 2025)</i>	\$0
<i>Contributions (+)</i>	\$0
<i>Budgeted Expenses (-)</i>	\$2,200
<i>Est. Ending Balance (June 2027)</i>	(\$2,200)

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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.

40500 - CIP INCOME			
45100	Standby Charges	\$ 58,560	1220 parcels/ \$48 each (expect at least 2 lot merges)
45200	Penalties	\$ 900	varies each year, average of last 2 years
45300	New Connection Fees	\$ 11,704	Est. 2 new connections / CCF is \$5.32 per ERU, typical home size estimate is 1,100 sq. ft.
45600	Pooled Interest	\$ 16,815	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)
Total CIP Income		\$ 87,979	

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 \$952,000. Payments are made twice per year (April & October) for a total annual payment of \$41,995. The current balance of the loan is \$728,000 and the expected payoff date is October 2051. 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.

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

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 \$91,952 but this may be adjusted when it is reviewed by our Auditor in August as part of our annual audit.

70000- CIP Misc. Expenses			
70800	Depreciation	\$ 91,952	Set by Auditor / Depreciation schedule, will be adjusted during the annual audit.

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

Purchases in this category are usually driven by our 5 Year Plan. That plan is currently on hold due to ongoing recovery efforts and other projects.

D. Ongoing Projects

Due to the ongoing recovery efforts from the Caldor Fire, we do not have any additional projects included in the 2026/2027 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 1, 2026, we have no funding in this reserve

account. During our Caldor Fire damage assessment, 89 hydrants (74 for coatings, 11 seized, 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 plan 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".

Budget Summary		
Total CIP Income	\$	87,979
Total CIP Expenses	\$	133,452
Reserve Account Funding		
Hydrant Reserve	\$	-
CIP Dedicated Reserve	\$	72,544
Net (Income-Expenses)	\$	(45,473)

*CIP Expenses (compliance fees,
loan, & hydrant reserve) without
depreciation*

\$ 41,500

Grizzly Flats Community Services District

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Reserve Account Summary

The Grizzly Flats Community Services District Board of Directors adopted the following Reserve Policy in 2016. They researched the topic extensively and created a policy that was very comprehensive and addressed concerns that they had regarding the need to maintain the financial stability of the District. Each reserve account has a specific purpose and a target balance. Target balances are used in the calculation of revenues when and if a rate increase is needed. The policy states the Board shall review these accounts annually and make a determination regarding the continuing need for and purpose of the reserve funds, the appropriate levels of accumulation and the conditions precedent to utilization of the reserve funds.

Following the Caldor Fire, the District did not bill customers for the first eight months, so that staff could verify that they had access to use the water service before they were charged. In result, the District depleted most of it's reserve funding and paused certain activities such as fire hydrant replacements.

GRIZZLY FLATS COMMUNITY SERVICES DISTRICT RESERVE POLICY

1. The District will maintain sufficient revenues to meet its operating expenses, debt service, depreciation expenses, and prescribed reserves.
2. The District will hold cash and/or investments in reserve as authorized by the District's Investment Policy, and in accordance with state and federal laws.
3. The District reserves should be examined and adjusted each year based on the operating net income or loss at the conclusion of each fiscal year, according to reserve fund prioritization.
4. The District will maintain a reserve of cash and/or investments for both unrestricted and restricted purposes as follows (*current balance as of May 31, 2020 but will change before this FY is over*).

O&M Reserve Accounts	<i>The Operating & Maintenance (O&M) Reserve accounts are funded with the water user fees paid by the District's rate payers, interest and other miscellaneous revenue determined to be O&M income. The reserves are for O&M activities related to the maintenance of the water system and the production and distribution of water.</i>	
Reserve Account	Purpose	Target Balance:
Asset Management Reserve	Asset replacement expenditures have the possibility to significantly impact the annual O&M budget. The reserve account is used to	Target amount of \$75,000

	fund these replacements while stabilizing the annual budget for the District's rate payers.	Current balance: \$0
O&M Emergency Reserve	An emergency reserve is cash set aside for unplanned major maintenance or equipment failure. Industry standards suggest setting aside enough cash to cover the cost of replacing the most vulnerable component of your system; the component that would cause the greatest disruption of service and is the most costly to replace. Replacement of a source of supply, the largest piece of pumping equipment or a key transmission line are examples of the most vulnerable component for many water or wastewater systems.	Target amount of \$150,000 Current balance:\$0 <i>*this balance will change as year-end adjustments are made.</i>
O&M Reserve	These funds are used to ensure the continued orderly operation of the District. Such funds are used to immediately undertake unanticipated O&M activities and to manage cash-flow fluctuations. A 45-day (approximately 6 weeks) operating reserve is a frequently used industry norm. The operating reserve can also cover costs of unplanned expenses such as increase in electrical or operational costs; costs caused by leaks; extra callouts, late payments, etc.	Target amount of \$80,000 Current balance: \$0

CIP Reserve Accounts	<i>Capital Improvement Projects (CIP) reserve is for system rehabilitation, long-term equipment replacement, system expansion, and equipment/components, as well as "cash on-hand" for expansion and new projects. These projects include planned and unplanned CIP improvements. The CIP Reserve accounts are funded with the annual Standby Assessment, Capital Connection fees, interest and other miscellaneous income determined to be CIP income.</i>	
Reserve Account	Purpose	Target Balance:
CIP Dedicated Reserve	Fund dedicated to specific projects identified in the District's 5 Year Plan. Per Board Policy, the Target Balance is to increase \$35,000 per year until it funds the 5 Year Plan.	Target amount of \$240,000 Current balance: \$72,544* <i>*this balance will change as year-end adjustments are made.</i>

CIP Restricted Reserve	Funds restricted by the Board of Directors for emergency purposes only.	Target amount of \$250,000 Current balance: \$250,000
Hydrant Repair and Replacement Reserve	Funds will be designated for hydrant replacements and large repairs. The Operations Committee has recommended a schedule that replaces an average of 3 hydrants per year for 50 years. (ON HOLD)	Target amount of \$25,000 (replacement of 3 hydrants plus some repairs) Current balance: \$0

Debt Service Reserves	<i>A Debt Service Reserve is in addition to loan repayments. The Debt Service Reserve helps ensure timely payments can be made even if there is a financial emergency within the District. Once a loan is paid off, the balance of the loan reserve account may be transferred into another reserve account as directed by the Board of Directors.</i>	
Reserve Account	Purpose	Minimum balance to maintain:
USDA Loan Reserve	Condition of loan – see “Letter of Conditions”, dated Nov 18, 2010	Amount equal to the annual payment: \$41,828.03 Current balance: \$42,008

5. The District should invest reserve funds in liquid money market accounts such as the Local Agency Investment Fund (LAIF), so that the funds are immediately available for District use if needed. Any investments should follow the criteria set in the District’s Investment Policy (GFCSD Accounting Policies & Procedures Manual, section 7).
6. The District’s target ratio of debt-to-income should be 70%. (Standby fees collected / debt paid by Standby fees).
7. At least annually the Board should review all reserve accounts and make a determination regarding the continuing need for and purpose of the reserve funds, the appropriate levels of accumulation and the conditions precedent to utilization of the reserve funds.
8. When additional reserve funds are to be established, they should be established by Board resolution, which should include:
 - a. A statement of the purpose for which the reserve is created;
 - b. To the extent possible, specification of minimum and maximum parameters for the accumulation of the monies in the reserve fund; and
 - c. Specification of the conditions under which reserve funds shall be expended or transferred, consistent with Board directives.
9. This Grizzly Flats Community Services District Reserve Policy shall become effective on the date of its adoption and District staff is hereby directed to take all actions necessary to implement this policy and to maintain the designated reserve funds.

Grizzly Flats Community Services District
Capital Improvement Project Budget - Detail
 July 1, 2026 to June 30, 2027

Acct#	Account Name	2026/2027 Budget	Notes:
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INCOME**40500 - CIP INCOME**

45100	Standby Charges	\$ 58,560	1220 parcels/ \$48 each (expect at least 2 lot merges)
45200	Penalties	\$ 900	varies each year, average of last 2 years
45300	New Connection Fees	\$ 11,704	Est. 2 new connections / CCF is \$5.32 per ERU, typical home size estimate is 1,100 sq. ft.
45600	Pooled Interest	\$ 16,815	based on prior year
45900	Grant Income		Unknown (DDW-amt not set, application in progress)
Total CIP Income		\$ 87,979	

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		
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	\$ 91,952	Set by Auditor / Depreciation schedule, will be adjusted during the annual audit.
Total - CIP Misc. Expenses		\$ 133,452	

Budget Summary		
Total CIP Income	\$	87,979
Total CIP Expenses	\$	133,452
Net (Income-Expenses)	\$	(45,473)

Net (Income-Expenses) without depreciation

\$ 46,479

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Grizzly Flats Community Services District

Capital Improvement Project Budget - Prior Year Comparison

July 1, 2026 to June 30, 2027

Acct#	Account Name	2022/2023 Actual	2023/2024 Actual	2024/2025 Actual	2025/2026 Estimated Actual	2026/2027 Proposed Budget
405000- CIP INCOME						
45100	Standby Charges	\$ 56,386.57	\$ 62,716.03	\$ 55,854.80	\$ 58,560.00	\$ 58,560.00
45200	Penalties	\$ 1,950.28	\$ 1,221.02	\$ 1,772.40	\$ 1,000.00	\$ 900.00
45300	New Connection Fees	\$ 12,061.20	\$ 6,030.60	\$ -	\$ 10,411.24	\$ 11,704.00
45600	Pooled Interest	\$ 7,625.97	\$ 11,771.34	\$ 11,360.91	\$ 14,100.00	\$ 16,815.00
45900	Grant Revenue	\$ 638,260.71	\$ -	\$ -		
	Total O&M Income	\$ 716,284.73	\$ 81,738.99	\$ 68,988.11	\$ 84,071.24	\$ 87,979.00

20000- Debt Service						
20200	USDA- Prinipal on Loan	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00

70000- CIP Misc. Expenses						
70100	Compliance Fees	\$ -	\$ -	\$ -		\$ -
70210	Grant Expenses	\$ 461,015.66	\$ -	\$ -		
70300	Interest on Long-Term Debt	\$ 23,812.50	\$ 24,126.76	\$ 22,710.00	\$ 25,000.00	\$ 25,000.00
70400	Professional Services	\$ -	\$ -	\$ -		
70510	Payroll- CIP	\$ -	\$ -	\$ -		
70600	Fixed Asset - Building & Imp	\$ -	\$ -	\$ -		
70700	Fixed Asset - Equipment	\$ -	\$ -	\$ 6,394.00		
70800	Depreciation	\$ 91,697.56	\$ 91,952.00	\$ 91,952.00	\$ 91,952.00	\$ 91,952.00
	Total - CIP Expenses	\$ 593,025.72	\$ 132,578.76	\$ 137,556.00	\$ 133,452.00	\$ 133,452.00

Budget Summary					
	2022/2023 Actual	2023/2024 Actual	2024/2025 Actual	2025/2026 Estimated Actual	2026/2027 Proposed Budget
Total CIP Income	\$ 716,284.73	\$ 81,738.99	\$ 68,988.11	\$ 84,071.24	\$ 87,979.00
Total CIP Expenses	\$ 593,025.72	\$ 132,578.76	\$ 137,556.00	\$ 133,452.00	\$ 133,452.00
Net (Income-Expenses)	\$ 123,259.01	\$ (50,839.77)	\$ (68,567.89)	\$ (49,380.76)	\$ (45,473.00)