

# Grizzly Flats Community Services District 2025/2026 Budget (Final Draft)

*1st draft - reviewed by the Budget & Finance Committee on May 29, 2025*

*2nd draft - presented to the Board on June 12, 2025*

*Final draft - approved by the Board on July 10, 2025*



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## Grizzly Flats Community Services District

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### 2025/2026 Operation and Maintenance (O&M) Budget Summary

The following is the proposed budget for the 2025/2026 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 Summaries are included with the budget to explain items and provide a historical document for future management.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 \$89.42. 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 2025/2026 will be calculated with the assumption we will maintain that through the next year with the new rate of \$89.42 per month.

**Volumetric Rate:** The volumetric rate will remain at \$3.87 per hundred cubic feet, unless reduced 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 2024 - May 2025), was about 2,004 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 2024/2025 was about \$10,000 but is expected to be higher this fiscal year due to the base rate increase.

**INCOME**

40100	Water Charges - Base Rate	\$ 650,000	All service connections with access to water are being billed (July: 619 residential service connections x 89.42, USFS 2" x 286.14). 62 liens for non-payment. Base revenue on actual expected, not billing.
40110	Water Charges - Volumetric Rate	\$ 85,000	Meters are read each month. July 2024 to May 2025 monthly average was 2,004 hundred cubic feet for \$7,756, but not all bills were paid. The volumetric charge will remain at \$3.87 unless reduced 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	\$ 1,800	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	\$ 4,000	Based on previous years 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.
<b>Total O&amp;M Income</b>		<b>\$ 752,000</b>	

**O&M EXPENSES**

**A. Personnel Expenses**

- Salaries** – Personnel Salaries (accounts 51100 – 51700) - The District currently employs three full time employees (General Manager, Office Facilitator, and a Maintenance Technician/Distribution Operator) and one temporary Maintenance Technician. The General Manager is recommending converting the temporary employee to full-time in lieu of hiring an Operations Supervisor this year.

**PERSONNEL EXPENSES**

<b>Salaries</b>			
51100	Field Staff	\$ 106,762	Maint/Distribution Operator calculated with 3% COLA, Maint Tech to FT
51200	Admin Staff	\$ 119,707	GM & Admin Emp, calculated at current rate with 3% COLA
51300	Overtime	\$ 1,000	
51400	On Call / Standby Pay	\$ 300	
51600	Holiday Pay	\$ 12,025	Included in wage calculations for now. 12 paid holidays
<b>subtotal- Salaries</b>		<b>\$ 239,794</b>	

Note about Personnel expenses:

- 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**

<b>Series ID</b>	CWUR00005A0
<b>Not Seasonally Adjusted</b>	
<b>Series Title:</b>	All items in U.S. city average, urban wage earners and clerical
<b>Area:</b>	U.S. city average
<b>Item:</b>	All items
<b>Base Period:</b>	1982=84-100
<b>Years:</b>	2014 to 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015				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	297.730	298.382	299.394	299.899	301.551	302.257	302.071	301.224	300.728
2024	302.201	304.284	306.502	307.811	308.163	308.054	308.501	308.640	309.046	309.358	308.998	309.067
2025	311.172	312.460	313.250									

Change	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015												
2016				1.918	1.528	1.485	0.965	1.538	2.834	3.359	3.494	4.599
2017	5.793	6.505	5.447	4.994	4.173	3.524	3.846	4.544	5.444	4.841	5.451	5.126
2018	5.065	5.511	5.807	6.175	7.161	7.383	7.538	6.888	5.626	6.465	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	22.768	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									

**10 Yr Cola Average**      **8.59%**

The 10-year COLA average for 2025 is 8.59%. The Board voted to apply a 3.0% COLA which would increase wages by about \$3,100. This percentage has already been included in the proposed budget.

- 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 \$2,297. For the 2025/2026 Program Year, an increase of \$4,733 increase is estimated. The increased rate assumes a 99% EMOD rate and pool reinsurance rate increase of 16% to 24%.

<b>Payroll Taxes &amp; Workers Comp Ins.</b>			
52100	Payroll Tax Expense	\$ 18,245	Federal Social Security, Medicare, State SDI, and SUI
52300	Workers Comp Ins	\$ 7,050	Estimate for 2025/26 FY is \$7,030
	<b>subtotal- Payroll</b>	<b>\$ 25,295</b>	

- 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:

	2021	2022	2023	2024	2025
Individuals	\$5,300 \$50 / 1.0% increase	\$5,450 \$150 / 2.8% Increase	\$5,850 \$400 / 6.8% increase	\$6,150 \$300 / 4.9% increase	\$6,350 \$200 / 3.1% increase
Families	\$10,700 \$100 / 0.9% increase	\$11,050 \$350 / 3.0% increase	\$11,800 \$750 / 6.4% increase	\$12,450 \$300 / 5.2% increase	\$12,800 \$350 / 2.7% 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	\$ 2,370 <i>GFCSD's contribution to 457 plan (3% of gross of participating employee)</i>
53200	QSEHRA Medical	\$ 44,750 <i>\$12,800 family, \$6,350 for individual (2025 IRS limits for QSEHRA plans)</i>
53300	Life Insurance	\$ 500 <i>5 eligible employees, \$116.50 x 4 quarters = \$466.00 (based on employee's age)</i>
<b>subtotal- Benefits</b>		<b>\$ 47,620</b>

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 - H2Ou	\$ 287,605 <i>Contract was extended through the 2024/2025 fiscal year, will need renewal. Expecting significant amount of operator time dedicated to recovery projects funded by grants and loss of automation in TP requires staff onsite up to 7 days per week until new WTM installation.</i>

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

The proposed budget for O&M estimates that income will increase 8.12% and that budget expenses will decrease by 1.67%. 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** - El Dorado Disposal, PG&E and Verizon have all increased rates in the past year.

<b>OPERATIONS &amp; UTILITIES</b>			
60100	Alarm Service	\$ 1,200	\$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 (\$146/month for 2 cell phones plus hot spot service).
60400	Fire & Safety Supplies	\$ 1,500	SDRMA refunds \$1,000 - extinguisher maint, safety gear, new chair for GM. Need new security system (will be reimbursed by FEMA)
60600	Power	\$ 1,000	Forest View, Office, and Parkside.
60700	Propane	\$ 2,200	Estimating based on previous years.
60800	Trash Disposal	\$ 1,500	\$152.79 / 4x per year + self haul, includes 5% increase for inflation
60900	Website	\$ 500	hosting (\$120) & domain name reg (\$30), annual security cert. for CUSI bill pay (\$240) - 2 year SSL cert. required for CUSI
<b>subtotal - Operations &amp; Utilities</b>		<b>\$ 12,900</b>	

**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.

<b>WATER TREATMENT EXPENSES</b>			
61100	Chemicals	\$ 3,500	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	\$ 1,500	based on prior years
61300	Testing & Lab Reports	\$ 7,000	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, and Lead and Copper rule.
<b>subtotal- Water Treatment</b>		<b>\$ 12,000</b>	

**Maintenance** - Last year, 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.

<b>MAINTENANCE EXPENSES</b>			
62100	Building	\$ 3,000	building maintenance, pest control (\$300/yr), paint the treatment plant (\$?)
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, septic pump (\$465 flat rate)
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. External Hard Drive x 3 (\$500), copier (\$4,500)
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)
62800	Service Contracts	\$ 4,000	\$2,500 for Inland (avg \$205/month-based on # of copies), \$1,100 for Computer Guy (\$212.50 x4, plus new computer programming \$680), annual generator service (\$300)
62900	Treatment Plants 1 & 2	\$ 4,500	repairs and maintenance on TPs, based on prior years, scheduling replacement with ARPA funding.
<b>subtotal- Maintenance Expenses</b>		<b>\$ 48,000</b>	

**Vehicle & Tractor** -HFW recently performed the second combined maintenance of District equipment which helps reduce maintenance costs. This year, we have budgeted to replace the tires on the Ford F-350, the GMC Sierra, the Toyota Tacoma, and the Terex backhoe. The Ford F-350 will also need new rear brakes.

#### **VEHICLE & TRACTOR EXPENSES**

63100	Oil / Grease	\$ 500	oil changes, oil for backhoe, generators, and other small machinery.
63200	Parts & Repairs	\$ 2,500	3 trucks to maintain, Ford F-350 needs new rear brakes (\$950)
63300	Tires & Snow Chains	\$ 8,200	Toyota Tacoma needs tires (\$1,200), Terex (\$4,000), F350 (\$1,400), & GMC (\$1,500)
63400	Tractor Maint & Repairs	\$ 1,500	Terex annual service (\$600) and Case (unknown)
63500	Fuel Purchases	\$ 5,500	based on prior year, fuel prices have been unstable recently
<b>subtotal- Vehicle Expenses</b>		<b>\$ 18,200</b>	

**Employee** - This year's budget includes training costs for equipment certification on the Terex backhoe and new skid-steer.

#### **EMPLOYEE EXPENSES**

64100	Clothing	\$ 800	boot allowance, t-shirts, meter reading shirts, rain gear, gloves
64200	Education & Certifications	\$ 4,150	Classes, certifications, MCWRA events, equipment certification (\$2,650)
64300	Employee Auto Mileage	\$ 300	mileage in personal vehicles
64400	Transportation & Travel	\$ 500	lodging/meals, etc for any employee travel
<b>subtotal- Employee Expenses</b>		<b>\$ 5,750</b>	

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

<b>ADMINISTRATION EXPENSES</b>			
65100	Agency Admin Fees	\$ 9,500	EDC Permit fees, inspection fees, LAFCO (\$553), Water Rights (\$7018), State (\$702), tax forms, USA Fee (\$594)
65150	Bank Fees & Supplies	\$ 1,500	bank fees (avg \$93/month), checks (vendor & payroll) & supplies
65200	Election Costs	\$ -	No election in 2025.
65250	Janitorial & Misc. Supplies	\$ 900	cleaning supplies, batteries, paper towels, toilet paper, etc.
65300	Meeting Expenses	\$ -	space rental, copies, special printing for agenda items
65350	Memberships & Dues	\$ 5,200	MCWRA (\$1412), USA (\$350), CSDA (\$2619), CRWA (\$782)
65400	Office Supplies	\$ 4,000	paper, envelopes, binders, toner, pens/pencils, misc. supplies, based on last year's spending
65450	Postage	\$ 6,700	postage will increase in July 2025 to \$0.78 - billing plus misc. certified & special mailings (avg \$350/month)
65500	Public & Legal Notices	\$ 1,000	Notaries for liens, lien filings.
65550	Software	\$ 7,000	QuickBooks annual fee (\$1,000), Payroll software annual fee (\$2,800), CUSI billing software annual fee (\$2,000).
<b>subtotal- Admin Expenses</b>		<b>\$ 35,800</b>	

**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 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.

<b>PROFESSIONAL SERVICES</b>			
66100	Audit & Accounting Support	\$ 26,500	Audit (Fiscal Year 24/25) \$7,350 + Single Audit \$10,000, Bookkeeper (Darlene) \$740/mo for 2 visits
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	\$ 26,000	Estimate for 2025/26 FY is \$25,784
66900	Prof Services - Other	\$ 1,000	Annual Water Rights Reporting prep - 3 yr. contract with Western Hydrologics (\$300 went under pond expense)
TBD	Prof Services - Engineering	\$ 18,000	Watershed Sanitary Survey & Source Assessment (10,000) & ARPA Oversight (7,200)
<b>subtotal- Professional Services</b>		<b>\$ 74,500</b>	

## O&M BUDGET SUMMARY

Our District continues to recover from the Caldor fire. O&M revenue is expected to increase with the new water rates, and the budgeted expenses have decreased slightly but may exceed estimations due to unknown tariff impacts.

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 completed several major projects this past year such as hazard tree removal along Eagle Ditch pipeline, and installation of a new Clearwell tank. Ongoing projects include treatment plant improvements and cleaning the reservoir liner.

While most customers continue to pay for water service, we are still 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.

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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 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 won’t get funding for emergency repairs to the system.

**BUDGET SUMMARY**

	2021/2022 Actual	2022/2023 Actual	2023/2024 Actual	2024/2025 Est. Actual	2025/2026 Budget	% of total budget	Difference from 24/25 FY	% Change from 24/25 FY
<b>Total Income</b>	292,104	288,500	561,543	633,452	752,000	93%	118,548	15.8%
<i>Total Personnel Costs</i>	373,747	425,922	450,269	447,650	600,313	74%	152,663	25%
<i>Total Operation Costs</i>	67,141	116,297	248,467	287,541	207,150	26%	(80,391)	-39%
<b>Total Expenses (Operating &amp; Personnel)</b>	440,888	542,219	698,737	735,191	807,463		72,272	9%
<b>Reserve Funding (Asset Mgmt &amp; Emergency Reserve)</b>	21,600			0	0		0	
<b>Net Income (Income-Expenses)</b>	(170,384)	(253,719)	(137,193)	(101,738)	(55,463)		46,275	55%

### Grizzly Flats Community Services District Operation & Maintenance (O&M) Budget - Detail July 1, 2025 to June 30, 2026

Acct#	Account Name	2025/2026 Estimated Budget	
<b>INCOME</b>			
40100	Water Charges - Base Rate	\$ 650,000	All service connections with access to water are being billed (July: 619 residential service connections x 89.42, USFS 2" x 286.14). 62 liens for non-payment. Base revenue on actual expected, not billing.
40110	Water Charges - Volumetric Rate	\$ 85,000	Meters are read each month. July 2024 to May 2025 monthly average was 2,004 hundred cubic feet for \$7,756, but not all bills were paid. The volumetric charge will remain at \$3.87 unless reduced 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	\$ 1,800	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	\$ 4,000	Based on previous years 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.
<b>Total O&amp;M Income</b>		<b>\$ 752,000</b>	

**EXPENSES**

<b>PERSONNEL EXPENSES</b>			
<b>Salaries</b>			
51100	Field Staff	\$ 106,762	Maint/Distribution Operator calculated with 3% COLA, Maint Tech to FT
51200	Admin Staff	\$ 119,707	GM & Admin Emp, calculated at current rate with 3% COLA
51300	Overtime	\$ 1,000	
51400	On Call / Standby Pay	\$ 300	
51600	Holiday Pay	\$ 12,025	Included in wage calculations for now. 12 paid holidays
<i>subtotal- Salaries</i>		<b>\$ 239,794</b>	
<b>Payroll Taxes &amp; Workers Comp Ins.</b>			
52100	Payroll Tax Expense	\$ 18,245	Federal Social Security, Medicare, State SDI, and SUI
52300	Workers Comp Ins	\$ 7,050	Estimate for 2025/26 FY is \$7,030
<i>subtotal- Payroll</i>		<b>\$ 25,295</b>	
<b>Benefits</b>			
53100	Deferred Comp	\$ 2,370	GFCSD's contribution to 457 plan (3% of gross of participating employee)
53200	QSEHRA Medical	\$ 44,750	\$12,800 family, \$6,350 for individual (2025 IRS limits for QSEHRA plans)
53300	Life Insurance	\$ 500	4 eligible employees, \$116.50 x 4 quarters = \$466.00 (based on employee's age)
<i>subtotal- Benefits</i>		<b>\$ 47,620</b>	
<b>Contract Operations</b>			
51700	Contract Operations - H2Ou	\$ 287,605	Contract was extended through the 2024/2025 fiscal year, will need renewal. Expecting significant amount of operator time dedicated to recovery projects funded by grants and loss of automation in TP requires staff onsite up to 7 days per week until new WTM installation.
<b>Total - Personnel Expense</b>		<b>\$ 600,313</b>	

<b>OPERATIONS &amp; UTILITIES EXPENSES</b>			
60100	Alarm Service	\$ 1,200	\$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 (\$146/month for 2 cell phones plus hot spot service).
60400	Fire & Safety Supplies	\$ 1,500	SDRMA refunds \$1,000 - extinguisher maint, safety gear, new chair for GM. Need new security system (will be reimbursed by FEMA)
60600	Power	\$ 1,000	Forest View, Office, and Parkside.
60700	Propane	\$ 2,200	Estimating based on previous years.
60800	Trash Disposal	\$ 1,500	\$152.79 / 4x per year + self haul, includes 5% increase for inflation
60900	Website	\$ 500	hosting (\$120) & domain name reg (\$30), annual security cert. for CUSI bill pay (\$240) - 2 year SSL cert. required for CUSI
<i>subtotal - Operations &amp; Utilities</i>		<b>\$ 12,900</b>	

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**WATER TREATMENT EXPENSES**

61100	Chemicals	\$	3,500	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	\$	1,500	based on prior years
61300	Testing & Lab Reports	\$	7,000	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, and Lead and Copper rule.
<b>subtotal- Water Treatment</b>		<b>\$</b>	<b>12,000</b>	

**MAINTENANCE EXPENSES**

62100	Building	\$	3,000	building maintenance, pest control (\$300/yr), paint the treatment plant (\$?)
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, septic pump (\$465 flat rate)
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. External Hard Drive x 3 (\$500), copier (\$4,500)
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)
62800	Service Contracts	\$	4,000	\$2,500 for Inland (avg \$205/month-based on # of copies), \$1,100 for Computer Guy (\$212.50 x4, plus new computer programming \$680), annual generator service (\$300)
62900	Treatment Plants 1 & 2	\$	4,500	repairs and maintenance on TPs, based on prior years, scheduling replacement with ARPA funding.
<b>subtotal- Maintenance Expenses</b>		<b>\$</b>	<b>48,000</b>	

**VEHICLE & TRACTOR EXPENSES**

63100	Oil / Grease	\$	500	oil changes, oil for backhoe, generators, and other small machinery.
63200	Parts & Repairs	\$	2,500	3 trucks to maintain, Ford F-350 needs new rear brakes (\$950)
63300	Tires & Snow Chains	\$	8,200	Toyota Tacoma needs tires (\$1,200), Terex (\$4,000), F350 (\$1,400), & GMC (\$1,500)
63400	Tractor Maint & Repairs	\$	1,500	Terex annual service (\$600) and Case (unknown)
63500	Fuel Purchases	\$	5,500	based on prior year, fuel prices have been unstable recently
<b>subtotal- Vehicle Expenses</b>		<b>\$</b>	<b>18,200</b>	

**EMPLOYEE EXPENSES**

64100	Clothing	\$	800	boot allowance, t-shirts, meter reading shirts, rain gear, gloves
64200	Education & Certifications	\$	4,150	Classes, certifications, MCWRA events, equipment certification (\$2,650)
64300	Employee Auto Mileage	\$	300	mileage in personal vehicles
64400	Transportation & Travel	\$	500	lodging/meals, etc for any employee travel
<b>subtotal- Employee Expenses</b>		<b>\$</b>	<b>5,750</b>	

**ADMINISTRATION EXPENSES**

65100	Agency Admin Fees	\$	9,500	EDC Permit fees, inspection fees, LAFCO (\$553), Water Rights (\$7018), State (\$702), tax forms, USA Fee (\$594)
65150	Bank Fees & Supplies	\$	1,500	bank fees (avg \$93/month), checks (vendor) & supplies
65200	Election Costs	\$	-	No election in 2025.
65250	Janitorial & Misc. Supplies	\$	900	cleaning supplies, batteries, paper towels, toilet paper, etc.
65300	Meeting Expenses	\$	-	space rental, copies, special printing for agenda items
65350	Memberships & Dues	\$	5,200	MCWRA (\$1412), USA (\$350), CSDA (\$2619), CRWA (\$782)
65400	Office Supplies	\$	4,000	paper, envelopes, binders, toner, pens/pencils, misc. supplies, based on last year's spending
65450	Postage	\$	6,700	postage will increase in July 2025 to \$0.78 - billing plus misc. certified & special mailings (avg \$550/month)
65500	Public & Legal Notices	\$	1,000	Notaries for liens, lien filings.
65550	Software	\$	7,000	QuickBooks annual fee (\$1,000), Payroll software annual fee (\$2,800), CUSI billing software annual fee (\$2,000).
<b>subtotal- Admin Expenses</b>		<b>\$</b>	<b>35,800</b>	

<b>PROFESSIONAL SERVICES</b>			
66100	Audit & Accounting Support	\$ 26,500	Audit (Fiscal Year 24/25) \$7,350 + Single Audit \$10,000, Bookkeeper (Darlene) \$740/mo for 2 visits
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	\$ 26,000	Estimate for 2025/26 FY is \$25,784
66900	Prof Services - Other	\$ 1,000	Annual Water Rights Reporting prep - 3 yr. contract with Western Hydrologics (\$300 went under pond expense)
TBD	Prof Services - Engineering	\$ 18,000	Watershed Sanitary Survey & Source Assessment (10,000) & ARPA Oversight (7,200)
<b>subtotal- Professional Services</b>		<b>\$ 74,500</b>	

<b>BUDGET SUMMARY</b>	
<b>Total O&amp;M Income</b>	<b>\$752,000</b>
<i>Personnel Expenses</i>	\$600,313
<i>Operation Expenses</i>	\$207,150
<b>Total O&amp;M Expenses</b>	<b>\$807,463</b>
<b>Reserve Account Funding (Asset Mgmt &amp; Emergency Reserve)</b>	<b>\$80,548</b>
<b>Net Income (Income-Expenses)</b>	<b>(\$55,463)</b>

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

Acct#	Account Name	Actual					Proposed Budget		
		2021/2022	2022/2023	2023/2024	2024/2025 Est.	2025/2026	% of total budget	Difference from 24/25 FY	% Change from 24/25 FY
<b>40000- O&amp;M INCOME</b>									
40100	Water Charges - Basic Rate	265,985	270,000	525,077	560,306	650,000	86.4%	89,694	14%
40110	Water Charges - Volumetric	13,850	6,000	23,992	63,118	85,000	11.3%	21,882	26%
40200	Penalties & Lien Fees	6,413	6,000	6,462	5,936	10,000	1.3%	4,064	41%
40300	Miscellaneous Income	5,457	4,000	606	232	1,800	0.2%	1,568	87%
40400	O&M Pooled Interest	398	500	4,769	3,223	4,000	0.5%	777	19%
40600	New Service Installation	0	2,000	637	637	1,200	0.2%	563	47%
<b>Total- O&amp;M</b>		<b>292,104</b>	<b>288,500</b>	<b>561,543</b>	<b>633,452</b>	<b>752,000</b>		<b>118,548</b>	<b>15.8%</b>
<b>50000- PERSONNEL EXPENSES</b>									
<b>Salaries</b>									
51100	Field Staff	54,260	41,101	48,157	54,269	106,762	13.2%	52,493	49%
51200	Admin Staff	125,567	138,023	108,359	102,490	119,707	14.8%	17,217	14%
51300	Overtime	60	0	0	0	1,000	0.1%	1,000	0%
51400	On Call/Standby Pay			34	103	300			
51600	Holiday Pay	9,875	9,428	8,277	8,621	12,025	1.5%	3,404	28%
<b>subtotal- Salaries</b>		<b>189,762</b>	<b>188,552</b>	<b>164,827</b>	<b>165,483</b>	<b>239,794</b>	<b>29.7%</b>	<b>74,311</b>	<b>31%</b>
<b>Payroll Taxes &amp; Workers Comp Ins.</b>									
52100	Payroll Tax Expense	18,872	16,500	13,032	13,032	18,245	2.3%	5,212	29%
52300	Workers Comp Ins	5,063	4,315	2,651	2,651	7,050	0.9%	4,399	62%
<b>subtotal- Payroll</b>		<b>23,935</b>	<b>20,815</b>	<b>15,684</b>	<b>15,684</b>	<b>25,295</b>	<b>3.1%</b>	<b>9,611</b>	<b>38%</b>
<b>Benefits</b>									
53100	Deferred Comp- Employer's Contribution	2,490	2,905	0	0	2,370	0.3%	2,370	100%
53200	OSEHRA Medical	20,685	33,150	32,547	31,125	44,750	5.5%	13,625	30%
53300	Life Insurance	343	500	279.6	209.7	500	0.1%	290	58%
<b>subtotal- Benefits</b>		<b>23,517</b>	<b>36,555</b>	<b>32,826</b>	<b>31,335</b>	<b>47,620</b>	<b>5.9%</b>	<b>16,285</b>	<b>34%</b>
<b>Operations</b>									
54000	Contract Operations - H2Ou	136,532	180,000	236,932	235,149	287,605	35.6%	52,456	18%
<b>Total - Personnel Expense</b>		<b>373,747</b>	<b>425,922</b>	<b>450,269</b>	<b>447,650</b>	<b>600,313</b>	<b>74.3%</b>	<b>152,663</b>	<b>25%</b>
<b>60000- OPERATIONS &amp; UTILITIES EXPENSES</b>									
60100	Alarm Service	1,237	1,200	972	799	1,200	0.1%	401	33%
60200	Communications	4,069	6,000	3,893	4,276	5,000	0.6%	724	14%
60400	Fire & Safety Supplies	0	1,000	0	775	1,500	0.2%	725	48%
60600	Power	1,981	4,000	390	298	1,000	0.1%	702	70%
60700	Propane	2,538	2,500	1,599	1,524	2,200	0.3%	676	31%
60800	Trash Disposal	521	600	721	458	1,500	0.2%	1,042	69%
60900	Website	224	225	209	135	500	0.1%	365	73%
<b>subtotal - Operations &amp; Utilities</b>		<b>10,571</b>	<b>15,525</b>	<b>7,785</b>	<b>8,265</b>	<b>12,900</b>	<b>1.6%</b>	<b>4,635</b>	<b>36%</b>

Acct#	Account Name	2021/2022 Actual	2022/2023 Actual	2023/2024 Actual	2024/2025 Est. Actual
<b>61000- WATER TREATMENT EXPENSES</b>					
61100	Chemicals	1,302	1,500	4,935	2,241
61200	Equip & Supplies	1,070	2,000	1,250	1,282
61300	Testing & Lab Reports	3,130	5,000	11,045	5,562
<b>subtotal- Water Treatment</b>		<b>5,502</b>	<b>8,500</b>	<b>17,230</b>	<b>9,085</b>

<b>62000- MAINTENANCE EXPENSES</b>					
62100	Building	554	500	510	317
62200	Customer meters	0	2,000	0	355
62300	Distribution System	443	3,000	33,454	65,864
62400	Grounds	0	800	5,003	10,409
62410	Grizzly Pond Expenses	20	700	300	259
62450	Eagle Ditch & Gages	1,412	1,000	0	6,668
62500	Office Equipment	138	500	0	198
62600	Parts & Equipment	636	1,500	432	2,637
62700	Road Repair	2,711	5,000	3,447	933
62800	Service Contract	541	3,000	3,454	2,172
62900	Treatment Plants	519	1,500	2,770	7,502
<b>subtotal- Maintenance Expenses</b>		<b>6,974</b>	<b>19,500</b>	<b>49,370</b>	<b>97,313</b>

<b>63000- VEHICLE EXPENSES</b>					
63100	Oil / Grease	746	500	248	775
63200	Parts & Repairs	0	2,000	2,185	443
63300	Tires & Snow Chains	0	2,000	466	1,485
63400	Tractor Maint. & Repair	0	2,500	438	788
63500	Fuel Purchases	5,809	4,800	3,689	3,198
<b>subtotal- Vehicle Expenses</b>		<b>6,555</b>	<b>11,800</b>	<b>7,026</b>	<b>6,689</b>

<b>64000- EMPLOYEE EXPENSES</b>					
64100	Clothing	0	500	151	151
64200	Education & Certs	205	500	65	65
64300	Employee Auto Mileage	0	200	0	0
64400	Transportation & Travel	0	500	0	0
<b>subtotal- Employee Expenses</b>		<b>205</b>	<b>1,700</b>	<b>216</b>	<b>216</b>

<b>65000- ADMINISTRATION EXPENSES</b>					
65100	Agency Admin Fees	3,751	4,000	5,781	9,431
65150	Bank Fees & Supplies	2,719	2,500	486	840
65200	Election Costs	0	1,000	0	30
65250	Janitorial & Misc. Supplies	422	1,000	621	730
65300	Meeting Expenses	105	500	162	0
65350	Memberships & Dues	3,963	4,000	2,948	5,113
65400	Office Supplies	1,397	3,000	3,524	2,262
65450	Postage	2,397	4,800	4,910	5,016
65500	Public & Legal Notices	0	0	2,019	1,300
65550	Software	4,020	2,500	4,216	6,069
<b>subtotal- Admin Expenses</b>		<b>18,775</b>	<b>23,300</b>	<b>24,669</b>	<b>30,791</b>

2025/2026 Budget	% of total budget	Difference from 24/25 FY	% Change from 24/25 FY
3,500	0.4%	1,259	36%
1,500	0.2%	218	15%
7,000	0.9%	1,438	21%
<b>12,000</b>	<b>1.5%</b>	<b>2,915</b>	<b>24%</b>

3,000	0.4%	2,683	89%
2,000	0.2%	1,645	82%
20,000	2.5%	(45,864)	-229%
2,000	0.2%	(8,409)	-420%
700	0.1%	441	63%
1,000	0.1%	(5,668)	-567%
5,300	0.7%	5,102	96%
3,000	0.4%	363	12%
2,500	0.3%	1,567	63%
4,000	0.5%	1,828	46%
4,500	0.6%	(3,002)	-67%
<b>48,000</b>	<b>5.9%</b>	<b>(49,313)</b>	<b>-103%</b>

500	0.1%	(275)	-55%
2,500	0.3%	2,057	82%
8,200	1.0%	6,715	82%
1,500	0.2%	712	47%
5,500	0.9%	2,302	42%
<b>18,200</b>	<b>2.3%</b>	<b>11,511</b>	<b>63%</b>

800	0.1%	649	81%
4,150	0.5%	4,085	98%
300	0.0%	300	100%
500	0.1%	500	100%
<b>5,750</b>	<b>0.7%</b>	<b>5,534</b>	<b>96%</b>

9,500	1.2%	69	1%
1,500	0.2%	660	44%
0	0.0%	(30)	#DIV/0!
900	0.1%	170	19%
0	0.0%	0	#DIV/0!
5,200	0.6%	87	2%
4,000	0.5%	1,738	43%
6,700	0.8%	1,684	25%
1,000	0.1%	(300)	0%
7,000	0.9%	931	13%
<b>35,800</b>	<b>4.4%</b>	<b>5,009</b>	<b>14%</b>

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Acct#	Account Name	2021/2022 Actual	2022/2023 Actual	2023/2024 Actual	2024/2025 Est. Actual	2025/2026 Budget	% of total budget	Difference from 24/25 FY	% Change from 24/25 FY
<b>66000- PROFESSIONAL SERVICES</b>									
66100	Audit & Accounting Support	0	12,740	15,730	16,990	26,500	3.3%	9,510	36%
66200	Legal	958	5,000	5,654	5,537	3,000	0.4%	(2,537)	-85%
66400	Liability / Auto Insurance	17,191	17,232	20,763	19,606	26,000	3.2%	6,394	25%
66900	Other	410	1,000	100,024	93,049	1,000	0.5%	(92,049)	0%
TBD	Professional Services - Eng.	0	0	0	0	18,000	2.2%	18,000	100%
<b>subtotal- Professional Services</b>		<b>18,559</b>	<b>35,972</b>	<b>142,171</b>	<b>135,182</b>	<b>74,500</b>	<b>9.2%</b>	<b>(60,682)</b>	<b>-81%</b>

**BUDGET SUMMARY**

	2021/2022 Actual	2022/2023 Actual	2023/2024 Actual	2024/2025 Est. Actual	2025/2026 Budget	% of total budget	Difference from 24/25 FY	% Change from 24/25 FY
<b>Total Income</b>	<b>292,104</b>	<b>288,500</b>	<b>561,543</b>	<b>633,452</b>	<b>752,000</b>	<b>93%</b>	<b>118,548</b>	<b>15.8%</b>
Total Personnel Costs	373,747	425,922	450,269	447,650	600,313	74%	152,663	25%
Total Operation Costs	67,141	116,297	248,467	287,541	207,150	26%	(80,391)	-35%
<b>Total Expenses (Operating &amp; Personnel)</b>	<b>440,888</b>	<b>542,219</b>	<b>698,737</b>	<b>735,191</b>	<b>807,463</b>		<b>72,272</b>	<b>9%</b>
Reserve Funding (Asset Mgmt & Emergency Reserve)	21,600			0	0		0	
<b>Net Income (Income-Expenses)</b>	<b>(170,384)</b>	<b>(253,719)</b>	<b>(137,193)</b>	<b>(101,738)</b>	<b>(55,463)</b>		<b>46,275</b>	<b>55%</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).

### Purchases requested for the 2025/2026 Fiscal Year are:

<b>Computer</b>	<b>\$2,200</b>
The General Manager's computer is 12 years old, and though the front office computer was refurbished, it is 15 years old. Both units are not Windows 11 compliant. The Personnel and Policy Review Committee recommended that staff purchase one replacement unit last fiscal year, and another one this fiscal year. Estimated cost includes set-up.	
	<b>\$2,200</b>

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

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## Grizzly Flats Community Services District

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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.

<b>40500 - CIP INCOME</b>			
45100	Standby Charges	\$ 58,560	1220 parcels/ \$48 each (expect at least 2 lot merges)
45200	Penalties	\$ 1,200	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	\$ 8,508	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>\$ 79,972</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 \$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 \$747,500 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 2025/2026 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 April 30, 2025, 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".

<b>Budget Summary</b>		
<b>Total CIP Income</b>	<b>\$</b>	<b>79,972</b>
<b>Total CIP Expenses</b>	<b>\$</b>	<b>134,547</b>
<b>Reserve Account Funding</b>		
Hydrant Reserve	\$	-
CIP Dedicated Reserve	\$	77,872
<b>Net (Income-Expenses)</b>	<b>\$</b>	<b>(54,575)</b>
<i>CIP Expenses (loan, &amp; hydrant reserve) without depreciation</i>	\$	42,595

## 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*).

<b>O&amp;M Reserve Accounts</b>	<i>The Operating &amp; Maintenance (O&amp;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&amp;M income. The reserves are for O&amp;M activities related to the maintenance of the water system and the production and distribution of water.</i>	
<b>Reserve Account</b>	<b>Purpose</b>	<b>Target Balance:</b>
Asset Management Reserve	Asset replacement expenditures have the possibility to significantly impact the annual	Target amount of \$75,000

	O&M budget. The reserve account is used to fund these replacements while stabilizing the annual budget for the District's rate payers.	<b>Current balance: \$0</b>
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  <b>Current balance:\$0</b>  <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  <b>Current balance: \$91,000</b>

<b>CIP Reserve Accounts</b>	<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>	
<b>Reserve Account</b>	<b>Purpose</b>	<b>Target Balance:</b>
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  <b>Current balance: \$71,478*</b>  <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  <b>Current balance: \$250,000</b>
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)  <b>Current balance: \$0</b>

<b>Debt Service Reserves</b>	<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>	
<b>Reserve Account</b>	<b>Purpose</b>	<b>Minimum balance to maintain:</b>
USDA Loan Reserve	Condition of loan – see “Letter of Conditions”, dated Nov 18, 2010	Amount equal to the annual payment: \$41,828.03  <b>Current balance: \$45,946</b>

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 - Prior Year Comparison**  
 July 1, 2025 to June 30, 2026

Acct#	Account Name	2021/2022 Actual	2022/2023 Actual	2023/2024 Actual	2024/2025 Estimated Actual	2025/2026 Proposed Budget
<b>405000- CIP INCOME</b>						
45100	Standby Charges	\$ 51,000.00	\$ 56,386.57	\$ 62,716.03	\$ 58,560.00	\$ 58,560.00
45200	Penalties	\$ 426.00	\$ 1,950.28	\$ 1,221.02	\$ 1,217.04	\$ 1,200.00
45300	New Connection Fees	\$ -	\$ 12,061.20	\$ 6,030.60	\$ -	\$ 11,704.00
45600	Pooled Interest	\$ 1,187.71	\$ 7,625.97	\$ 11,771.34	\$ 11,251.77	\$ 8,508.00
45900	Grant Revenue	\$ -	\$ 638,260.71	\$ -	\$ -	\$ -
	<b>Total O&amp;M Income</b>	<b>\$ 52,613.71</b>	<b>\$ 716,284.73</b>	<b>\$ 81,738.99</b>	<b>\$ 71,028.81</b>	<b>\$ 79,972.00</b>

<b>20000- Debt Service</b>						
20200	USDA- Prinsipal 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	\$ 1,093.43	\$ -	\$ -	\$ 1,095.00	\$ 1,095.00
70210	Grant Expenses	\$ -	\$ 461,015.66	\$ -	\$ -	\$ -
70300	Interest on Long-Term Debt	\$ 24,830.00	\$ 23,812.50	\$ 24,126.76	\$ 25,000.00	\$ 25,000.00
70400	Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
70510	Payroll- CIP	\$ -	\$ -	\$ -	\$ -	\$ -
70600	Fixed Asset - Building & Imp	\$ -	\$ -	\$ -	\$ -	\$ -
70700	Fixed Asset - Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
70800	Depreciation	\$ 89,959.44	\$ 91,697.56	\$ 91,952.00	\$ 91,952.00	\$ 91,952.00
	<b>Total - CIP Expenses</b>	<b>\$ 132,382.87</b>	<b>\$ 593,025.72</b>	<b>\$ 132,578.76</b>	<b>\$ 134,547.00</b>	<b>\$ 134,547.00</b>

<b>Budget Summary</b>						
	2021/2022 Actual	2022/2023 Actual	2023/2024 Actual	2024/2025 Estimated Actual	2025/2026 Proposed Budget	
Total CIP Income	\$ 52,613.71	\$ 716,284.73	\$ 81,738.99	\$ 71,028.81	\$ 79,972.00	
Total CIP Expenses	\$ 132,382.87	\$ 593,025.72	\$ 132,578.76	\$ 134,547.00	\$ 134,547.00	
<b>Net (Income-Expenses)</b>	<b>\$ (79,769.16)</b>	<b>\$ 123,259.01</b>	<b>\$ (50,839.77)</b>	<b>\$ (63,518.19)</b>	<b>\$ (54,575.00)</b>	

1923