



Regular Board Meeting of the Board of Directors
Wednesday, April 17, 2024

7:00 PM

AGENDA

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

ITEM

FUNCTION

PRELIMINARY BUSINESS:

- 1 Call to Order
- 2 Public Comment Period – Open Time – This time is set for members of the public to address the Board on matters not on the agenda. If your comments concern an item noted on the regular agenda, please address the Board after that item is open for public comments. By law, the Board of Directors cannot discuss or make decisions on matters that are not on the agenda. The Board will customarily refer these matters to the District Manager’s Office. Each speaker is allocated (5) minutes to speak for a maximum of 20 minutes on each subject. Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the District. After receiving recognition from the Board President, please state your name and comments.
- 3 Approval of the minutes of:
March 20, 2024, Regular Board Meeting Action
- 4 Authorize Payment of Bills for Current Expenses Action
- 5 Status of the Budget Report Information

NEW BUSINESS:

- 1 Approval of Financial Statements for Fiscal Year
Ending June 30, 2023
 - a. Audit Report by Horton, McNulty and Saeteurn, LLP Action
- 2 Consider Authorizing the Purchase of a Vac Trailer
Rolling Stock Asset Action
- 3 Public Hearing to Consider Adoption of Resolution
No. 2024-01 Amending the Plant Capacity Charge Action
- 4 Review and Adoption of the Preliminary O&M Budget for
Fiscal Year 2024-25
 - a. Review and Adoption of Preliminary O&M Budget (Action)
 - b. Set Public Hearing (Action)

- 5 Authorize Providing Notice Pursuant to Proposition 218 for Rate Increases and Set Public Hearing for June 19, 2024 for Board to Consider Rate Increases for Water Rates, Pump Surcharge Fees, and Water Availability Charge and Consider Any Protests Submitted (Action)

OLD BUSINESS:

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

CLOSED SESSION

- 1 Conference with Real Property Negotiations (§ 54956.8)
Property: Supplemental Water
Agency Negotiation: Chris Muehlbacher
Negotiating Parties: David Coxey
Under Negotiation: Sale of water for 2024/2025 Water Year Action

GENERAL BUSINESS:

- 1 Correspondance Information
- 2 Director’s Report Information
- 3 Manager's Report Information
- 4 Committee Reports Information
Finance Committee – April 10th
- 5 Announcements
- 6 Adjournment

Next Scheduled Board Meeting
May 15, 2024 @ 7:00 P.M.

“This is an equal opportunity provider.”

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

Manager's Report

4/12/2024

Administration

1. Joint Use Agreement Draft provided to Cal Fire for reievw.
2. JPIA Risk Transfer Grant Awarded \$10k for a walk-behind pavement saw cutter.
3. Audit Presented at April's meeting.
4. Shop Building Permit Staff reviewing the draft plan for the path of travel.

Committee Meetings

R&P Committee

Future Meeting: TBD
Capital Improvement Program Review and Prioritaztion
Options for AC Pipe
Table III - non-growth items

Personnel Committee

Future Meeting: Apr-May
Employee Request for 9/80work schedule

Ordinance Committee

Future Meeting: TBD

Finance Committee

Future Meeting: TBD
Carr Fire Funds reallocation
Capital Budget

Public Info. Committee

Future Meeting: TBD

Operations

1. Leaks

	Current	FYTD
<u>Mainline Leaks - Repaired</u>	0	1
<u>Service Leaks - Repaired</u>	0	1
<u>Service Lines - Replaced</u>	0	4
<u>Service Lines - Planned</u>		

2. New Meters - Installed

This past month:	0	Fiscal Year TOTAL:	1
sold to:		Annual Projection:	4
		WAC Total	0

3. Misc Activities

AV Program This past month 5 Total Done 28 of 90

Flushing Conducting dead-end flushing.

Customer Service Line ID Operators are tasked with inventory of customer material by October 2024
This past month 26 Total Done 336 of 575

Tank Maintenance Program C2 Tank - completed

Lead & Copper Testing Scheduled for summer 2024. Testing is late. Coordination issues with SWRCB during their staff change.
Will be providing information in the Consumer Confidence Report regarding the delayed testing.

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

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

PRELIMINARY BUSINESS:

1. Call to Order: Vice President Hopson called the meeting to order at 7:00 pm.
2. Public Comment Period: Vice President Hopson opened the public comment period. No comments were received. The public comment period was closed.
3. Approval of the February 21, 2024 minutes: Director Whitehead moved to approve the minutes. Director Oliver seconded. The vote was unanimous. Motion carried.
4. Authorize Payment of Bills for Current Expenses: Director Woodstrom moved to pay the bills. Director Oliver seconded. Mr. Muehlbacher stated that the non-routine payments included the progress payment to Horton, McNulty and Saetern for the pending audit. The vote was unanimous. Motion carried.
5. Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenue year to date was \$840,035 versus expenses of \$868,326. He mentioned that the State Water Resource Control Board fees were higher than budget due to the District not qualifying for the disadvantage community rate.

Mr. Muehlbacher stated that the Capital revenue was \$197,653 versus expenses of \$236,471. He stated that 58515 is the new capital improvement account number for the shop building improvements.

Reserve Fund Status Sheet: The total reserve is \$1,219,860. He stated that the capital improvement reserve increased due to taxes.

NEW BUSINESS

Vice President Hopson moved Item 5 to the beginning of the meeting.

- 5 Centerville Education Foundation (CEF) Update from Lori Mathiesen: Mrs. Lori Mathiesen stated that it has been nice representing the District on the Centerville Education Foundation (CEF) Committee and thanked the District for their support with the newsletter. She stated that there are currently three to four people on the committee; however, they would welcome new volunteers. She asked if something could be placed in the newsletter asking for volunteers.

Mrs. Mathiesen stated that the fundraising dinner was a success and that they raised over \$25,000. The CEF recently helped Grant School with some IT security issues and purchased the junior high class a Promethean Board. They are interactive boards for the classroom. She stated that the CEF also awards scholarships at the end of the school year.

She encouraged the Board members to attend next year's fundraiser which will be held on February 8th. She also reminded everyone that their meetings are the first Wednesday of the month at 6 pm in the library at Grant School.

- 1 Consider Authorizing an Application for a Bureau of Reclamation WaterSMART Energy Efficiency Grant Application for an AMI Meter Reading System: Mr. Muehlbacher stated that Reclamation is accepting applications for the Water & Energy Grant. The deadline to submit the application is October 30, 2024. The grant provides a 50/50 cost share funding for projects that conserve and use water more efficiently.

He stated that AMI technology is estimated to conserve approximately 31 acre-feet by early leak detection.

He mentioned that the Resource and Planning Committee concurs with his recommendation to submit an application for the grant, then use the FEMA money once released to cover the remaining balance for the AMI Meter Reading System.

Director Whitehead stated that if the District was awarded the grant, they would not have to use the money if we chose not to purchase the AMI system. Director Woodstrom stated that he would not apply for something that he did not fully intend to use. He stated that he would rather have a good understanding of the capital needs of the district prior to looking into an AMI system. Director Oliver agreed with Director Woodstrom. He asked if there was something else the District could use the grant money for. Mr. Muehlbacher stated that it was for conservation only.

Director Whitehead moved to apply for the grant. Vice President Hopson seconded. The vote was split. Motion denied.

- 2 Setting a Public Hearing to Consider Adoption of Resolution No. 2024-01 Amending the Plant Capacity Charge: Mr. Muehlbacher stated that this is an action item to set the public hearing for the increased capacity charge based on Table III. He mentioned that Brent Bryer is optimistic that Westridge will be moving along soon.

Director Whitehead moved to set the public hearing for April 17, 2024. Director Woodstrom seconded. The vote was unanimous. Motion carried.

- 3 Consider a COLA to be included in the O&M Budget for FY 2023-24 for Budgeting Purposes: Mr. Muehlbacher stated that consistent with the COLA Policy, the Finance Committee has approved the calculations for the COLA and it is their recommendation that the Board approve the COLA for budgeting purposes. The 2024 COLA is 4.22%.

Director Woodstrom moved to include a COLA of 4.22% for budgeting purposes. Director Whitehead seconded. The vote was unanimous. Motion carried.

4. Consider Authorizing a Bond Call Payment for the Texas Springs Assessment District 2001-1: Mr. Muehlbacher stated that the Finance Committee has reviewed the recommended bond call from NBS. The Texas Springs Water Project has a surplus of approximately \$20,000 and the suggested bond call is \$19k.

Director Woodstrom moved to approve the bond call payment for the Texas Springs Assessment in the amount of \$19,000. Director Oliver seconded. The vote was unanimous. Motion carried.

OLD BUSINESS:

1. Muletown Pump Station Generator Project Update: Mr. Muehlbacher stated that Mead and Hunt continues to make progress with the preliminary design. He stated that the 70% design submittal is expected later this week.
2. Carr Fire Recovery Project Update: Mr. Muehlbacher stated that there is one project that is still under review by CalOES. Once that is complete, it will go to FEMA for their review.

CLOSED SESSION

1. Conference with Real Property Negotiations (§ 54956.8): Sale of water for 2024/2025 Water Year: Vice President Hopson stated that the Board went into closed session at 8:02 pm and returned at 8:24 pm. There was no reportable action taken.

GENERAL BUSINESS

1. Correspondence: None.
2. Director's Report: None
3. Manager's Report: Mr. Muehlbacher stated that the District was awarded the JPIA Risk Transfer Grant for \$10,000. Field staff will use the money to purchase a walk behind concrete saw.

The state controllers report was finalized today. The MD&A should be done soon, they are anticipating having the report ready by the April meeting. He is planning on scheduling a finance meeting soon.

Field staff has been making progress with the lead and copper mandated report of the customers' service lines.

He stated that the District did not perform lead and copper testing in 2023, so it will take place this summer. He explained that ten homes are chosen to test their water. The testing update will be noted in the Consumer Confidence Report.

4. Committee Reports: Director Whitehead stated that the Resource and Planning Committee met to discuss the AMI system and the possible grant.

Director Woodstrom stated that the Finance Committee also met to begin the budgeting process, as well as review Texas Springs Assessment.

5. Announcements: The next regular Board Meeting will be held April 17, 2024.
6. Adjournment: Meeting adjourned at 8:24 pm.

CENTERVILLE COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE MEETING NOTES

Committee Present: Director Woodstrom and Director Oliver
Absent: None
Others Present: Dan Peters and Chris Muehlbacher

FINANCE COMMITTEE AGENDA

- 1 Open Session – No comments were received.
- 2 Review and Discussion of the Vac Trailer Rolling Stock Asset
Dan Peters discussed the benefits and need for the vac trailer with the Committee. It is the Committee's recommendation that the Board consider the purchase of a vac trailer.
- 3 Review and Discussion of the Preliminary O&M Budget for FY 2024-25
The Committee reviewed and discussed the Preliminary OM Budget with staff and provided direction for the rate adjustments. The Committee concurs with the recommendation for Board adoption.
- 4 Adjournment

Centerville Community Services District Profit & Loss Budget Performance March 2024

	Mar 24	Budget	% of Budget	Jul '23 - Mar 24	YTD Budget	% of Budget
Ordinary Income/Expense						
Income						
41000 · WATER SALES						
41100 · Base Rate	45,239.85	45,100.00	100.31%	407,208.90	405,900.00	100.32%
41200 · Consumption Rate	19,203.79	21,600.00	88.91%	424,471.32	434,700.00	97.65%
41210 · Late Fees	1,032.17	300.00	344.06%	12,135.26	6,300.00	192.62%
41300 · Water Sales-Temp Const	0.00	0.00	0.0%	351.19	400.00	87.8%
41400 · Pump Zone A (Base Rate)	1,137.75	1,100.00	103.43%	10,147.25	9,900.00	102.5%
41450 · Pump Zone A (Power Comp)	565.59	1,000.00	56.56%	13,881.43	12,900.00	107.61%
41500 · Pump Zone A-1 (Base Rate)	418.50	400.00	104.63%	3,658.00	3,600.00	101.61%
41550 · Pump Zone A-1(Power Comp)	252.89	200.00	126.45%	4,286.80	3,900.00	109.92%
Total 41000 · WATER SALES	67,850.54	69,700.00	97.35%	876,140.15	877,600.00	99.83%
41600 · RESERVE FUNDS						
41605 · Consumption Surcharge	691.52	800.00	86.44%	15,507.92	15,800.00	98.15%
41700 · Water Treatment Plant Fee	1,394.91	1,600.00	87.18%	30,862.99	31,600.00	97.67%
41800 · Rate Stabilization Fee	2,089.91	2,400.00	87.08%	46,243.75	47,400.00	97.56%
56250 · Transfer Reserve Funds	-4,176.34	-4,800.00	87.01%	-92,614.66	-94,800.00	97.7%
Total 41600 · RESERVE FUNDS	0.00	0.00	0.0%	0.00	0.00	0.0%
42000 · SERVICE INSTALLATION - METERS						
42100 · Connection Charges	0.00	0.00	0.0%	545.00	600.00	90.83%
Total 42000 · SERVICE INSTALLATION - METERS	0.00	0.00	0.0%	545.00	600.00	90.83%
43000 · INTEREST						
43001 · LAIF	0.00	0.00	0.0%	28,830.84	18,800.00	153.36%
43002 · Other Interest	0.00	5.00	0.0%	8.67	45.00	19.27%
Total 43000 · INTEREST	0.00	5.00	0.0%	28,839.51	18,845.00	153.04%
44100 · General Property Tax-422						
44840 · Cent. Admin Fee TSWAD 2001-1	2,500.00	2,500.00	100.0%	2,500.00	2,500.00	100.0%
Total 44100 · General Property Tax-422	2,500.00	2,500.00	100.0%	2,500.00	2,500.00	100.0%

Centerville Community Services District Profit & Loss Budget Performance

March 2024

	Mar 24	Budget	% of Budget	Jul '23 - Mar 24	YTD Budget	% of Budget
45000 · OTHER OPER. REVENUE						
45400 · Misc. Revenue	1.28	0.00	100.0%	102.76	100.00	102.76%
45850 · Backflow Prevention Testing	242.25	325.00	74.54%	2,451.50	2,925.00	83.81%
45955 · Will Serve - Admin	0.00	0.00	0.0%	50.00	0.00	100.0%
Total 45000 · OTHER OPER. REVENUE	243.53	325.00	74.93%	2,604.26	3,025.00	86.09%
Total Income	70,594.07	72,530.00	97.33%	910,628.92	902,570.00	100.89%
Gross Profit	70,594.07	72,530.00	97.33%	910,628.92	902,570.00	100.89%
Expense						
51000 · WATER COSTS						
51100 · Raw Water Charge	4,784.58	1,700.00	281.45%	11,694.83	10,700.00	109.3%
51300 · Oper. & Maint. - Clear Creek	0.00	6,800.00	0.0%	90,924.67	79,200.00	114.8%
51305 · Administration - Clear Creek	0.00	1,600.00	0.0%	26,381.91	32,900.00	80.19%
51310 · O & M Adjustment - Clear Creek	0.00	0.00	0.0%	1,204.56	10,000.00	12.05%
51315 · Restoration Fee	4,938.10	1,200.00	411.51%	10,169.79	7,700.00	132.08%
51316 · Bureau Trinity PUD Charges	0.00	10.00	0.0%	17.83	50.00	35.66%
51317 · Water Right Fees	0.00	0.00	0.0%	3,949.33	4,000.00	98.73%
51325 · WINN Act Lawsuit	0.00	0.00	0.0%	158.62	400.00	39.66%
Total 51000 · WATER COSTS	9,722.68	11,310.00	85.97%	144,501.54	144,950.00	99.69%
52000 · TRANSMISSION & DISTRIB.						
52100 · General Repair & Maint.	340.51	6,000.00	5.68%	30,221.06	54,000.00	55.97%
52130 · Zone A - Repair and Maintenance	0.00	0.00	0.0%	1,113.27	1,200.00	92.77%
52140 · Zone A1 - Repair and Maintenance	0.00	0.00	0.0%	1,196.93	1,200.00	99.74%
52200 · Operating Supplies & Expense	3,995.75	1,800.00	221.99%	18,263.44	16,600.00	110.02%
52400 · Utilities - General Plant	860.48	90.00	956.09%	1,787.07	810.00	220.63%
52425 · Elect., Muletown Pump Station	157.33	500.00	31.47%	1,864.66	4,500.00	41.44%
52450 · Elect., Towerview Pump Station	171.00	200.00	85.5%	1,522.03	1,800.00	84.56%
52500 · Utilities Pump Zone A	1,819.15	1,100.00	165.38%	25,080.11	18,900.00	132.7%
52600 · Utilities Pump Zone A-1	441.80	300.00	147.27%	5,574.75	4,300.00	129.65%
52700 · Diggins Generator Propane	0.00	0.00	0.0%	138.12	100.00	138.12%
52850 · Backflow Prevention Testing	0.00	0.00	0.0%	3,600.00	3,900.00	92.31%
Total 52000 · TRANSMISSION & DISTRIB.	7,786.02	9,990.00	77.94%	90,361.44	107,310.00	84.21%

Centerville Community Services District Profit & Loss Budget Performance March 2024

	Mar 24	Budget	% of Budget	Jul '23 - Mar 24	YTD Budget	% of Budget
53000 · EQUIPMENT						
53100 · Equipment Repairs & Maint.	0.00	700.00	0.0%	2,854.75	6,900.00	41.37%
53200 · Gasoline	552.92	900.00	61.44%	5,556.88	8,100.00	68.6%
Total 53000 · EQUIPMENT	552.92	1,600.00	34.56%	8,411.63	15,000.00	56.08%
54000 · ADMINISTRATIVE						
54100 · Liability Insurance - District	0.00	0.00	0.0%	37,320.66	25,000.00	149.28%
54150 · Utilities-District Office	577.36	700.00	82.48%	7,201.06	6,600.00	109.11%
54200 · Telephone - District Office	35.00	900.00	3.89%	5,184.60	8,100.00	64.01%
54250 · SWRCB Fees	0.00	0.00	0.0%	12,416.59	4,000.00	310.42%
54300 · Travel & Training	-950.00	1,000.00	-95.0%	1,956.91	4,600.00	42.54%
54325 · Employee Recognition	0.00	0.00	0.0%	1,472.49	1,400.00	105.18%
54375 · LAFCO	0.00			3,727.94	3,400.00	109.65%
54400 · Miscellaneous	0.00	100.00	0.0%	6.58	200.00	3.29%
54500 · Engineering - District Engineer	0.00	400.00	0.0%	5,024.75	3,600.00	139.58%
54550 · Legal-Dist. Attorney	0.00	1,200.00	0.0%	7,297.80	11,400.00	64.02%
54600 · Accounting-Audit & Consult	12,635.00	17,000.00	74.32%	15,410.00	20,000.00	77.05%
54625 · Meals	0.00	50.00	0.0%	585.88	450.00	130.2%
54630 · Construction Meals	52.76	50.00	105.52%	647.41	450.00	143.87%
54650 · Office Supplies	435.09	700.00	62.16%	8,122.53	6,300.00	128.93%
54675 · Bank Charges	0.00	10.00	0.0%	0.00	20.00	0.0%
54680 · Merchant Fees	16.00	50.00	32.0%	775.59	850.00	91.25%
54700 · Postage	1,000.00	900.00	111.11%	6,434.45	7,300.00	88.14%
54750 · Office Equipment (Small)	1,267.04	1,600.00	79.19%	19,131.36	14,400.00	132.86%
54800 · Office Building - R&M	411.27	400.00	102.82%	6,079.77	3,600.00	168.88%
54850 · Directors Compensation	300.00	400.00	75.0%	3,100.00	4,300.00	72.09%
54900 · Subscription & Licenses	2,500.21	1,000.00	250.02%	31,534.42	28,000.00	112.62%
Total 54000 · ADMINISTRATIVE	18,279.73	26,460.00	69.08%	173,430.79	153,970.00	112.64%

Centerville Community Services District Profit & Loss Budget Performance March 2024

	Mar 24	Budget	% of Budget	Jul '23 - Mar 24	YTD Budget	% of Budget
55000 · WAGES & BENEFITS						
55100 · Salaries	32,734.41	32,600.00	100.41%	311,717.49	309,800.00	100.62%
55110 · Salaries - Standby	425.00	600.00	70.83%	4,035.40	5,400.00	74.73%
55120 · Overtime	206.78	600.00	34.46%	3,621.33	5,400.00	67.06%
55200 · Salaries - Part Time Employees	1,466.64	1,500.00	97.78%	14,583.61	13,500.00	108.03%
55300 · Pension - Retirement	2,658.74	2,800.00	94.96%	71,527.78	73,400.00	97.45%
55400 · Insurance - Emp. Health&Dental	9,547.47	9,100.00	104.92%	82,392.78	74,700.00	110.3%
55500 · Workman's Comp. Insurance	0.00	0.00	0.0%	13,979.90	13,200.00	105.91%
55600 · F.I.C.A.	2,125.26	2,000.00	106.26%	20,431.67	20,200.00	101.15%
55700 · Medicare Tax	497.04	500.00	99.41%	4,778.38	4,700.00	101.67%
Total 55000 · WAGES & BENEFITS	49,661.34	49,700.00	99.92%	527,068.34	520,300.00	101.3%
Total Expense	86,002.69	99,060.00	86.82%	943,773.74	941,530.00	100.24%
Net Ordinary Income	-15,408.62	-26,530.00	58.08%	-33,144.82	-38,960.00	85.07%
Net Income	-15,408.62	-26,530.00	58.08%	-33,144.82	-38,960.00	85.07%

Centerville Community Services District Budget vs. Actual - O&M Budget July 2023 through March 2024

	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
41000 · WATER SALES				
41100 · Base Rate	407,208.90	405,900.00	1,308.90	100.32%
41200 · Consumption Rate	424,471.32	434,700.00	-10,228.68	97.65%
41210 · Late Fees	12,135.26	6,300.00	5,835.26	192.62%
41300 · Water Sales-Temp Const	351.19	400.00	-48.81	87.8%
41400 · Pump Zone A (Base Rate)	10,147.25	9,900.00	247.25	102.5%
41450 · Pump Zone A (Power Comp)	13,881.43	12,900.00	981.43	107.61%
41500 · Pump Zone A-1 (Base Rate)	3,658.00	3,600.00	58.00	101.61%
41550 · Pump Zone A-1(Power Comp)	4,286.80	3,900.00	386.80	109.92%
Total 41000 · WATER SALES	876,140.15	877,600.00	-1,459.85	99.83%
41600 · RESERVE FUNDS				
41605 · Consumption Surcharge	15,507.92	15,800.00	-292.08	98.15%
41700 · Water Treatment Plant Fee	30,862.99	31,600.00	-737.01	97.67%
41800 · Rate Stabilization Fee	46,243.75	47,400.00	-1,156.25	97.56%
56250 · Transfer Reserve Funds	-92,614.66	-94,800.00	2,185.34	97.7%
Total 41600 · RESERVE FUNDS	0.00	0.00	0.00	0.0%
42000 · SERVICE INSTALLATION - METERS				
42100 · Connection Charges	545.00	600.00	-55.00	90.83%
Total 42000 · SERVICE INSTALLATION - METERS	545.00	600.00	-55.00	90.83%
43000 · INTEREST				
43001 · LAIF	28,830.84	18,800.00	10,030.84	153.36%
43002 · Other Interest	8.67	45.00	-36.33	19.27%
Total 43000 · INTEREST	28,839.51	18,845.00	9,994.51	153.04%
44100 · General Property Tax-422				
44840 · Cent. Admin Fee TSWAD 2001-1	2,500.00	2,500.00	0.00	100.0%
Total 44100 · General Property Tax-422	2,500.00	2,500.00	0.00	100.0%

Centerville Community Services District Budget vs. Actual - O&M Budget July 2023 through March 2024

	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
45000 · OTHER OPER. REVENUE				
45400 · Misc. Revenue	102.76	100.00	2.76	102.76%
45850 · Backflow Prevention Testing	2,451.50	2,925.00	-473.50	83.81%
45955 · Will Serve - Admin	50.00	0.00	50.00	100.0%
Total 45000 · OTHER OPER. REVENUE	<u>2,604.26</u>	<u>3,025.00</u>	<u>-420.74</u>	<u>86.09%</u>
Total Income	910,628.92	902,570.00	8,058.92	100.89%
Gross Profit	910,628.92	902,570.00	8,058.92	100.89%
Expense				
51000 · WATER COSTS				
51100 · Raw Water Charge	11,694.83	10,700.00	994.83	109.3%
51300 · Oper. & Maint. - Clear Creek	90,924.67	79,200.00	11,724.67	114.8%
51305 · Administration - Clear Creek	26,381.91	32,900.00	-6,518.09	80.19%
51310 · O & M Adjustment - Clear Creek	1,204.56	10,000.00	-8,795.44	12.05%
51315 · Restoration Fee	10,169.79	7,700.00	2,469.79	132.08%
51316 · Bureau Trinity PUD Charges	17.83	50.00	-32.17	35.66%
51317 · Water Right Fees	3,949.33	4,000.00	-50.67	98.73%
51325 · WINN Act Lawsuit	158.62	400.00	-241.38	39.66%
Total 51000 · WATER COSTS	<u>144,501.54</u>	<u>144,950.00</u>	<u>-448.46</u>	<u>99.69%</u>
52000 · TRANSMISSION & DISTRIB.				
52100 · General Repair & Maint.	30,221.06	54,000.00	-23,778.94	55.97%
52130 · Zone A - Repair and Maintenance	1,113.27	1,200.00	-86.73	92.77%
52140 · Zone A1 - Repair and Maintenance	1,196.93	1,200.00	-3.07	99.74%
52200 · Operating Supplies & Expense	18,263.44	16,600.00	1,663.44	110.02%
52400 · Utilities - General Plant	1,787.07	810.00	977.07	220.63%
52425 · Elect., Muletown Pump Station	1,864.66	4,500.00	-2,635.34	41.44%
52450 · Elect., Towerview Pump Station	1,522.03	1,800.00	-277.97	84.56%
52500 · Utilities Pump Zone A	25,080.11	18,900.00	6,180.11	132.7%
52600 · Utilities Pump Zone A-1	5,574.75	4,300.00	1,274.75	129.65%
52700 · Diggins Generator Propane	138.12	100.00	38.12	138.12%
52850 · Backflow Prevention Testing	3,600.00	3,900.00	-300.00	92.31%
Total 52000 · TRANSMISSION & DISTRIB.	<u>90,361.44</u>	<u>107,310.00</u>	<u>-16,948.56</u>	<u>84.21%</u>

Centerville Community Services District Budget vs. Actual - O&M Budget July 2023 through March 2024

	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
53000 · EQUIPMENT				
53100 · Equipment Repairs & Maint.	2,854.75	6,900.00	-4,045.25	41.37%
53200 · Gasoline	5,556.88	8,100.00	-2,543.12	68.6%
Total 53000 · EQUIPMENT	8,411.63	15,000.00	-6,588.37	56.08%
54000 · ADMINISTRATIVE				
54100 · Liability Insurance - District	37,320.66	25,000.00	12,320.66	149.28%
54150 · Utilities-District Office	7,201.06	6,600.00	601.06	109.11%
54200 · Telephone - District Office	5,184.60	8,100.00	-2,915.40	64.01%
54250 · SWRCB Fees	12,416.59	4,000.00	8,416.59	310.42%
54300 · Travel & Training	1,956.91	4,600.00	-2,643.09	42.54%
54325 · Employee Recognition	1,472.49	1,400.00	72.49	105.18%
54375 · LAFCO	3,727.94	3,400.00	327.94	109.65%
54400 · Miscellaneous	6.58	200.00	-193.42	3.29%
54500 · Engineering - District Engineer	5,024.75	3,600.00	1,424.75	139.58%
54550 · Legal-Dist. Attorney	7,297.80	11,400.00	-4,102.20	64.02%
54600 · Accounting-Audit & Consult	15,410.00	20,000.00	-4,590.00	77.05%
54625 · Meals	585.88	450.00	135.88	130.2%
54630 · Construction Meals	647.41	450.00	197.41	143.87%
54650 · Office Supplies	8,122.53	6,300.00	1,822.53	128.93%
54675 · Bank Charges	0.00	20.00	-20.00	0.0%
54680 · Merchant Fees	775.59	850.00	-74.41	91.25%
54700 · Postage	6,434.45	7,300.00	-865.55	88.14%
54750 · Office Equipment (Small)	19,131.36	14,400.00	4,731.36	132.86%
54800 · Office Building - R&M	6,079.77	3,600.00	2,479.77	168.88%
54850 · Directors Compensation	3,100.00	4,300.00	-1,200.00	72.09%
54900 · Subscription & Licenses	31,534.42	28,000.00	3,534.42	112.62%
Total 54000 · ADMINISTRATIVE	173,430.79	153,970.00	19,460.79	112.64%

Centerville Community Services District Budget vs. Actual - O&M Budget July 2023 through March 2024

	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
55000 · WAGES & BENEFITS				
55100 · Salaries	311,717.49	309,800.00	1,917.49	100.62%
55110 · Salaries - Standby	4,035.40	5,400.00	-1,364.60	74.73%
55120 · Overtime	3,621.33	5,400.00	-1,778.67	67.06%
55200 · Salaries - Part Time Employees	14,583.61	13,500.00	1,083.61	108.03%
55300 · Pension - Retirement	71,527.78	73,400.00	-1,872.22	97.45%
55400 · Insurance - Emp. Health&Dental	82,392.78	74,700.00	7,692.78	110.3%
55500 · Workman's Comp. Insurance	13,979.90	13,200.00	779.90	105.91%
55600 · F.I.C.A.	20,431.67	20,200.00	231.67	101.15%
55700 · Medicare Tax	4,778.38	4,700.00	78.38	101.67%
Total 55000 · WAGES & BENEFITS	527,068.34	520,300.00	6,768.34	101.3%
Total Expense	943,773.74	941,530.00	2,243.74	100.24%
Net Ordinary Income	-33,144.82	-38,960.00	5,815.18	85.07%
Net Income	-33,144.82	-38,960.00	5,815.18	85.07%

Centerville Community Services District Budget vs. Actual - O&M Budget March 2024

Ordinary Income/Expense	Mar 24	Budget	\$ Over Budget	% of Budget
Income				
41000 · WATER SALES				
41100 · Base Rate	45,239.85	45,100.00	139.85	100.31%
41200 · Consumption Rate	19,203.79	21,600.00	-2,396.21	88.91%
41210 · Late Fees	1,032.17	300.00	732.17	344.06%
41400 · Pump Zone A (Base Rate)	1,137.75	1,100.00	37.75	103.43%
41450 · Pump Zone A (Power Comp)	565.59	1,000.00	-434.41	56.56%
41500 · Pump Zone A-1 (Base Rate)	418.50	400.00	18.50	104.63%
41550 · Pump Zone A-1(Power Comp)	252.89	200.00	52.89	126.45%
Total 41000 · WATER SALES	67,850.54	69,700.00	-1,849.46	97.35%
41600 · RESERVE FUNDS				
41605 · Consumption Surcharge	691.52	800.00	-108.48	86.44%
41700 · Water Treatment Plant Fee	1,394.91	1,600.00	-205.09	87.18%
41800 · Rate Stabilization Fee	2,089.91	2,400.00	-310.09	87.08%
56250 · Transfer Reserve Funds	-4,176.34	-4,800.00	623.66	87.01%
Total 41600 · RESERVE FUNDS	0.00	0.00	0.00	0.0%
43000 · INTEREST				
43002 · Other Interest	0.00	5.00	-5.00	0.0%
Total 43000 · INTEREST	0.00	5.00	-5.00	0.0%
44100 · General Property Tax-422				
44840 · Cent. Admin Fee TSWAD 2001-1	2,500.00	2,500.00	0.00	100.0%
Total 44100 · General Property Tax-422	2,500.00	2,500.00	0.00	100.0%
45000 · OTHER OPER. REVENUE				
45400 · Misc. Revenue	1.28	0.00	1.28	100.0%
45850 · Backflow Prevention Testing	242.25	325.00	-82.75	74.54%
Total 45000 · OTHER OPER. REVENUE	243.53	325.00	-81.47	74.93%
Total Income	70,594.07	72,530.00	-1,935.93	97.33%
Gross Profit	70,594.07	72,530.00	-1,935.93	97.33%

Centerville Community Services District Budget vs. Actual - O&M Budget March 2024

Expense	Mar 24	Budget	\$ Over Budget	% of Budget
51000 · WATER COSTS				
51100 · Raw Water Charge	4,784.58	1,700.00	3,084.58	281.45%
51300 · Oper. & Maint. - Clear Creek	0.00	6,800.00	-6,800.00	0.0%
51305 · Administration - Clear Creek	0.00	1,600.00	-1,600.00	0.0%
51315 · Restoration Fee	4,938.10	1,200.00	3,738.10	411.51%
51316 · Bureau Trinity PUD Charges	0.00	10.00	-10.00	0.0%
Total 51000 · WATER COSTS	9,722.68	11,310.00	-1,587.32	85.97%
52000 · TRANSMISSION & DISTRIB.				
52100 · General Repair & Maint.	340.51	6,000.00	-5,659.49	5.68%
52200 · Operating Supplies & Expense	3,995.75	1,800.00	2,195.75	221.99%
52400 · Utilities - General Plant	860.48	90.00	770.48	956.09%
52425 · Elect., Muletown Pump Station	157.33	500.00	-342.67	31.47%
52450 · Elect., Towerview Pump Station	171.00	200.00	-29.00	85.5%
52500 · Utilities Pump Zone A	1,819.15	1,100.00	719.15	165.38%
52600 · Utilities Pump Zone A-1	441.80	300.00	141.80	147.27%
Total 52000 · TRANSMISSION & DISTRIB.	7,786.02	9,990.00	-2,203.98	77.94%
53000 · EQUIPMENT				
53100 · Equipment Repairs & Maint.	0.00	700.00	-700.00	0.0%
53200 · Gasoline	552.92	900.00	-347.08	61.44%
Total 53000 · EQUIPMENT	552.92	1,600.00	-1,047.08	34.56%
54000 · ADMINISTRATIVE				
54150 · Utilities-District Office	577.36	700.00	-122.64	82.48%
54200 · Telephone - District Office	35.00	900.00	-865.00	3.89%
54300 · Travel & Training	-950.00	1,000.00	-1,950.00	-95.0%
54400 · Miscellaneous	0.00	100.00	-100.00	0.0%
54500 · Engineering - District Engineer	0.00	400.00	-400.00	0.0%
54550 · Legal-Dist. Attorney	0.00	1,200.00	-1,200.00	0.0%
54600 · Accounting-Audit & Consult	12,635.00	17,000.00	-4,365.00	74.32%
54625 · Meals	0.00	50.00	-50.00	0.0%
54630 · Construction Meals	52.76	50.00	2.76	105.52%

Centerville Community Services District Budget vs. Actual - O&M Budget March 2024

	Mar 24	Budget	\$ Over Budget	% of Budget
54650 · Office Supplies	435.09	700.00	-264.91	62.16%
54675 · Bank Charges	0.00	10.00	-10.00	0.0%
54680 · Merchant Fees	16.00	50.00	-34.00	32.0%
54700 · Postage	1,000.00	900.00	100.00	111.11%
54750 · Office Equipment (Small)	1,267.04	1,600.00	-332.96	79.19%
54800 · Office Building - R&M	411.27	400.00	11.27	102.82%
54850 · Directors Compensation	300.00	400.00	-100.00	75.0%
54900 · Subscription & Licenses	2,500.21	1,000.00	1,500.21	250.02%
Total 54000 · ADMINISTRATIVE	18,279.73	26,460.00	-8,180.27	69.08%
55000 · WAGES & BENEFITS				
55100 · Salaries	32,734.41	32,600.00	134.41	100.41%
55110 · Salaries - Standby	425.00	600.00	-175.00	70.83%
55120 · Overtime	206.78	600.00	-393.22	34.46%
55200 · Salaries - Part Time Employees	1,466.64	1,500.00	-33.36	97.78%
55300 · Pension - Retirement	2,658.74	2,800.00	-141.26	94.96%
55400 · Insurance - Emp. Health&Dental	9,547.47	9,100.00	447.47	104.92%
55600 · F.I.C.A.	2,125.26	2,000.00	125.26	106.26%
55700 · Medicare Tax	497.04	500.00	-2.96	99.41%
Total 55000 · WAGES & BENEFITS	49,661.34	49,700.00	-38.66	99.92%
Total Expense	86,002.69	99,060.00	-13,057.31	86.82%
Net Ordinary Income	-15,408.62	-26,530.00	11,121.38	58.08%
Net Income	-15,408.62	-26,530.00	11,121.38	58.08%

Centerville Community Services District
Profit & Loss Budget vs. Actual - The Capital Budget
 July 2023 through March 2024

4:53 PM
 04/11/24
 Accrual Basis

	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
43000 · INTEREST	176.04	100.00	76.04	176.0%
43003 · Shasta Co 422 Interest				
Total 43000 · INTEREST	176.04	100.00	76.04	176.0%
44100 · General Property Tax-422				
44125 · Current Secured Taxes-0&M	126,318.99	127,000.00	-681.01	99.5%
44127 · Current Unitary Taxes	4,736.31	4,750.00	-13.69	99.7%
44130 · Curr Sec Adv Teeter	5,267.95	5,300.00	-32.05	99.4%
44135 · Supp Taxes Current	2,238.97	2,300.00	-61.03	97.3%
44140 · Curr Unsecured Taxes	10,792.04	11,000.00	-207.96	98.1%
44145 · Supp Taxes Prior	10.04	10.00	0.04	100.4%
44150 · Prior Year Unsecured Taxes	194.01	200.00	-5.99	97.0%
44155 · Homeowner's Exemption - 422	1,263.90	900.00	363.90	140.4%
Total 44100 · General Property Tax-422	150,822.21	151,460.00	-637.79	99.6%
46000 · CAPITAL FUNDS				
46100 · Capacity Charge	26,550.75	26,832.00	-281.25	99.0%
Total 46000 · CAPITAL FUNDS	26,550.75	26,832.00	-281.25	99.0%
49000 · TAXES & ASSESSMENTS				
49350 · Sp./Asst Texas Springs 2001-1	20,649.50	20,700.00	-50.50	99.8%
Total 49000 · TAXES & ASSESSMENTS	20,649.50	20,700.00	-50.50	99.8%
49500 · OTHER CAPITAL REVENUE				
49505 · Other Interest	2.79	5.00	-2.21	55.8%
49550 · New Water Purchase Fee	600.00	600.00	0.00	100.0%
Total 49500 · OTHER CAPITAL REVENUE	602.79	605.00	-2.21	99.6%
Total Income	198,801.29	199,697.00	-895.71	99.6%
Gross Profit	198,801.29	199,697.00	-895.71	99.6%
Expense				
51000 · WATER COSTS				
51255 · Clear Creek SWRCB Contract	4,422.27	4,500.00	-77.73	98.3%
Total 51000 · WATER COSTS	4,422.27	4,500.00	-77.73	98.3%
56000 · GENERAL PLANT IMPROVEMENTS				
56910 · Server Migration	24,229.19	24,000.00	229.19	101.0%
Total 56000 · GENERAL PLANT IMPROVEMENTS	24,229.19	24,000.00	229.19	101.0%

Centerville Community Services District
Profit & Loss Budget vs. Actual - The Capital Budget
 July 2023 through March 2024

	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
57000 · DISTRIBUTION SYSTEM IMPROVE.				
57090 · Tank Coating Program	135,822.86	140,000.00	-4,177.14	97.0%
Total 57000 · DISTRIBUTION SYSTEM IMPROVE.	135,822.86	140,000.00	-4,177.14	97.0%
57400 · PRINCIPAL EXPENSE				
57406 · Sp./Asst. Txs Sprg 2001-1 Prin.	9,600.00	9,600.00	0.00	100.0%
Total 57400 · PRINCIPAL EXPENSE	9,600.00	9,600.00	0.00	100.0%
57500 · INTEREST EXPENSE				
57506 · Sp./Asst. Txs Sprg 2001-1 Int.	12,253.50	12,500.00	-246.50	98.0%
Total 57500 · INTEREST EXPENSE	12,253.50	12,500.00	-246.50	98.0%
57800 · BOND ADMIN. FEE				
57806 · NBS Admin. Fee TSWAD 2002-1	3,608.52	3,900.00	-291.48	92.5%
57840 · Cent. Admin Fee TSWAD 2001-1	2,500.00	2,500.00	0.00	100.0%
Total 57800 · BOND ADMIN. FEE	6,108.52	6,400.00	-291.48	95.4%
58000 · OTHER CAPITAL EXPENSES				
58070 · Muletown Pump - Generator	10,559.65	30,000.00	-19,440.35	35.2%
58080 · Telemetry Replacement Program	0.00	51,600.00	-51,600.00	0.0%
58515 · Shop Bldg Dev Improvements	20,968.81			
Total 58000 · OTHER CAPITAL EXPENSES	31,528.46	81,600.00	-50,071.54	38.6%
Total Expense	223,964.80	278,600.00	-54,635.20	80.4%
Net Ordinary Income	-25,163.51	-78,903.00	53,739.49	31.9%
Net Income	-25,163.51	-78,903.00	53,739.49	31.9%

CENTERVILLE COMMUNITY SERVICES DISTRICT RESERVE FUND STATUS

March 31, 2024

DESCRIPTION	Balance as of 7-1-2022	Balance as of 7-1-2023	Balance as of Last Month	Current Balance	Projected Balance As of 7-1-2024	Goal Range
DESIGNATED RESERVES:						
Operation & Maintenance	\$139,167.32	\$204,925.15	\$357,933.18	\$304,453.55	\$301,000.00	\$480k - \$720k (3)
Water Treatment Plant	\$106,997.81	\$142,309.81	\$181,023.95	\$182,418.86	\$186,000.00	\$170k - \$250k (4)
Carr Fire Funds	\$141,541.24	\$144,040.80	\$147,926.38	\$147,926.38	\$0.00	
Pump Sta. Rep. & Rep. (Zones A & A1)	\$16,359.22	\$17,909.81	\$18,392.93	\$18,392.93	\$24,000.00	
Capital Improvement Reserve	\$523,116.69	\$434,276.16	\$353,627.12	\$404,943.09	\$403,000.00	
Subtotal	\$927,182.28	\$943,461.73	\$1,058,903.56	\$1,058,134.81	\$914,000.00	
OBLIGATED RESERVES:						
Capacity Charge	\$80,645.81	\$86,704.43	\$115,093.44	\$115,862.19	\$178,000.00	
Subtotal	\$80,645.81	\$86,704.43	\$115,093.44	\$115,862.19	\$178,000.00	
RESTRICTED RESERVES;						
						Maturity Date
1 1995-1 Redemption Fund	\$53,826.31	\$52,605.70	\$0.00	\$0.00	\$0.00	
2 Texas Springs Assessment	\$39,339.93	\$43,451.90	\$45,863.31	\$37,344.89	\$33,000.00	
Subtotal	\$39,339.93	\$96,057.60	\$45,863.31	\$37,344.89	\$33,000.00	
Total Reserve Balance	\$1,047,168.02	\$1,126,223.76	\$1,219,860.31	\$1,211,341.89	\$1,125,000.00	
1 DWR / 1995-1	This Assessment District was formed for improvements to the water distribution and treatment system; which includes the Zone C Pump Station and Tank, matures in 2021.					
2 Texas Springs Assessment	This Assessment District was formed for the water distribution system within the Texas Springs area, matures in 2041.					
3 O&M Goal Range	Goal Range is projected to achieve the Reserve Policy range within 2.7 - 6.4 years using the Rate Stabilization Fee.					
4 WTP Goal Range	Goal Range is projected to achieve the Reserve Policy range within 1.5 - 3 years using the Water Treatment Plant Fee.					



MEMORANDUM

Date: April 11, 2024
To: Board of Directors
From: Chris Muehlbacher
Subject: **New Business Item 1 – Approval of Financial Statements for Fiscal Year Ending June 30, 2023**

Recommendation

Action – It is recommended that the Board approve the Financial Statements for Fiscal Year ending June 30, 2023, following the presentation by Kalah Horton and the resulting discussion of the Directors.

Item Explanation

Horton, McNulty and Saetern, LLP has completed their Financial Statement which includes the Management's Discussion and Analysis as completed by staff. Ms. Kalah Horton will be presenting the Financial Statement.

This year ended with a 0.41% increase in Net Position of \$26,557. At present, the District has elected to not fund depreciation. The Financial Statements provide an overview of the District's overall financial position.

Attachment

- Financial Statement for Fiscal Year Ending June 30, 2023

Centerville Community Services District
Redding, California

FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION WITH INDEPENDENT AUDITORS' REPORTS

June 30, 2023

Centerville Community Services District

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June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Centerville Community Services District
Redding, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Centerville Community Services District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the California State Controller's Office and the state regulations governing special districts.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the California State Controller's *Minimum Audit Requirements for California Special Districts*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the California State Controller's Office and state regulations governing special districts; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, the California State Controller's *Minimum Audit Requirements for California Special Districts*, and the standard applicable to financial audits in *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the California State Controller's *Minimum Audit Requirements for California Special Districts*, and the standards applicable to financial audits contained in *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

INDEPENDENT AUDITORS' REPORT

(Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of General and Administrative Expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of General and Administrative Expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DATE

Chico, California

FINANCIAL SECTION

Required Supplementary Information

Centerville Community Services District

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Centerville Community Services District (the District), we offer the readers of the District's Financial Statements the following comments and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. This presentation is designed to: (a) provide an overview of the District's financial activity, (b) assist the reader in focusing on significant financial issues, (c) identify major changes in the District's financial position, and (d) identify material variations from the approved financial budgetary plan.

We encourage the readers to consider the information presented here in conjunction with the Financial Statements, which begin on page 17 of this reporting packet.

FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and brief description of the District's Financial Statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District's Financial Statements include five components:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Other Information

The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as Net Position. Net Position may be displayed in three categories:

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The Statement of Net Position provides the basis of computing rate of return, evaluating the capital structure of the District, and assessing its liquidity and financial flexibility.

The Statement of Revenues, Expenses, and Changes in Net Position presents information which shows how the District's Net Position changed during the year. The Financial Statements, except for the Statement of Cash Flows, are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The Statement of Revenues, Expenses, and Changes in Net Position measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

Centerville Community Services District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Noncapital financing
- Capital and related financing
- Investing

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

In addition to the financial statements and accompanying notes, the Basic Financial Statements also present certain required supplementary information, which follows the notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

The District's Net Position was \$6,580,712 at the close of fiscal year 2022-23. This was an increase of \$26,557 (or 0.41%) from the prior year. Of this amount, \$5,469,477 was the net investment in capital assets, \$72,369 was restricted for debt service and contractual obligations, while \$1,038,866 was unrestricted.

Operating revenues were \$1,325,969 as compared to last year's \$1,414,745 (a decrease of 6.28%). Net nonoperating revenues were \$269,842 as compared to last year's at \$74,808 (an increase of 260.71%).

USING THIS ANNUAL REPORT

The annual report consists of the following series of financial information: (1) Management's Discussion and Analysis; (2) Independent Auditors' Report; (3) Statement of Net Position; (4) Statement of Revenues, Expenses, and Changes in Net Position; (5) Statement of Cash Flows; and (6) Notes to Financial Statements.

The financial statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or disbursed. Thus, revenues and expenses are reported in these statements for some items that will impact cash flows in future fiscal periods (i.e., uncollected receivables and earned, but unused, vacation leave).

The Statement of Net Position presents information on all of the District's assets and liabilities with the difference between the two reported as Net Position. Over time, the changes in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Whereas the Statement of Revenues, Expenses, and Changes in Net Position describes the net income or deficit of the District for the fiscal year, the Statement of Cash Flows describes the overall change in the cash position of the District for the same period of time.

Notes to Financial Statements provide additional information, which is essential to the full understanding of the data provided in the audited financial statements.

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

CONDENSED FINANCIAL INFORMATION

The difference between assets and liabilities is one way to measure the District's financial health. As mentioned earlier, increases and decreases in net position may be an indicator of whether the District's financial condition is improving or deteriorating.

The District's net position increased from last year's \$6,554,155 to this year's \$6,580,712; an increase of \$26,557 (or 0.41%). In contrast, last year's net position showed an increase of \$89,950 (or 1.39%) when compared to 2021.

Table 1 displays a summary break down of the District's net position for the last two fiscal years.

Table 1
Net Position

June 30	2023	2022	Percentage Change 2022-23
ASSETS			
Current and other assets	\$ 2,115,218	\$ 2,159,841	-2.07%
Capital assets	5,746,577	5,474,272	4.97%
TOTAL ASSETS	7,861,795	7,634,113	2.98%
DEFERRED OUTFLOWS OF RESOURCES	235,585	107,716	118.71%
Total Assets and Deferred Outflows of Resources	8,097,380	7,741,829	4.59%
LIABILITIES			
Current liabilities	443,981	420,264	5.64%
Long-term accounts payable	181,944	-	N/A
Compensated absences payable	12,385	19,543	-36.63%
Net pension liability	584,614	284,576	105.43%
Long-term debt outstanding	267,500	286,200	-6.53%
TOTAL LIABILITIES	1,490,424	1,010,583	47.48%
DEFERRED INFLOWS OF RESOURCES	26,244	177,091	-85.18%
Total Liabilities and Deferred Inflows of Resources	1,516,668	1,187,674	27.70%
Total Net Position	\$ 6,580,712	\$ 6,554,155	0.41%
NET POSITION			
Net investment in capital assets	\$ 5,469,477	\$ 5,188,072	5.42%
Restricted:			
Debt service	43,451	123,166	-64.72%
Contractual obligations	28,918	28,197	2.56%
Unrestricted	1,038,866	1,214,720	-14.48%
TOTAL NET POSITION	\$ 6,580,712	\$ 6,554,155	0.41%

Centerville Community Services District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Total Net Position increased by \$26,557. The most significant contributors to the increase in total Net Position were an overall improvement to the operating loss (which includes depreciation) and a significant increase in net nonoperating revenue.

Table 2 provides a summary of the District's changes in net position for the last two fiscal years.

Table 2
Changes in Net Position

June 30	2023	2022	Percentage Change 2022-23
Operating revenues	\$ 1,325,969	\$ 1,414,745	-6.28%
Operating and maintenance expenses	1,579,254	1,523,014	3.69%
Operating Income (Loss)	(253,285)	(108,269)	-133.94%
Net nonoperating revenue (expenses)	269,842	74,808	260.71%
Capital contributions	10,000	123,411	-91.90%
Change in Net Position	\$ 26,557	\$ 89,950	-70.48%

Total Operating Revenues decreased by \$88,776 (or 6.28%) as compared to the previous year. Notable contributors include:

- a) Consumption rate decreased approximately \$110,000, which was offset by increases in fees in the current year such as a Drought Surcharge of approximately \$92,500 increase and the Rate Stabilization Fee of approximately \$7,000 increase.
- b) There was also an increase in the base rate of approximately \$47,000.

Total Operating and Maintenance Expenses increased by \$56,240 (or 3.69%) as compared to the previous year. Notable contributors include:

- a) Increase in water purchases of approximately \$90,000

Capital contributions decreased due to no major contributions in the current-year. The 2023 contribution relates to the generator.

Total net non-operating revenues increased by \$195,034 (or 260.71%), primarily due to fluctuations in special assessments.

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

BUDGETARY HIGHLIGHTS

The District's 2022-23 Operation and Maintenance (O&M) and Capital Budgets were discussed and approved at the Board of Director's Regular Meeting on June 8, 2022. Included in the O&M Budget was the continued implementation of the Wage Step Increase program for non-exempt employees as well as a Cost of Living Adjustment (COLA) of 4.93%.

Table 3 displays the difference between the actual and budgeted revenues and expenses.

Table 3
Actual Compared to Budget

	2022-23 Actual	2022-23 Budget	Positive (Negative) Variance
Operating Revenues			
Charges for services	\$ 1,315,134	\$ 1,334,500	\$ (19,366)
Installations and extensions	6,733	91,900	(85,167)
Miscellaneous	4,102	4,400	(298)
Total Operating Revenues	1,325,969	1,430,800	(104,831)
Operating and Maintenance Expenses			
Water purchases	94,907	29,000	(65,907)
Pumping electric charge	34,473	38,000	3,527
Transmission and distribution	131,070	125,100	(5,970)
General and administrative	863,673	996,459	132,786
Clear Creek treatment and transmission	202,741	159,000	(43,741)
Total Operating and Maintenance Expenses	1,326,864	1,347,559	20,695
Operating Income Before Depreciation and Amortization	(895)	83,241	(84,136)
Depreciation and amortization	252,390	-	(252,390)
Operating Income (Loss)	(253,285)	83,241	(336,526)
Net Nonoperating Revenue			
Interest and fiscal fee revenue	24,755	25,180	(425)
Property tax revenue	272,144	245,000	27,144
Interest and fiscal charge expense	(27,057)	19,600	(46,657)
Total Net Nonoperating Revenue	269,842	289,780	(19,938)
Capital Contributions	10,000	-	10,000
Change in Net Position	\$ 26,557	\$ 373,021	\$ (346,464)

Centerville Community Services District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Explanations of major variances between budget and actual are as follows:

- a) Lower than budgeted water sales.
- b) Higher transmission and distribution expenses related to an increased number of service line replacements, as well as emergency repairs on the Irish Creek and the Texas Springs/Honey Bee water mains.
- c) Higher than budgeted Clear Creek treatment expenses due to their water use being lower than projected.

In accounting, depreciation is a term used as an estimate or allowance made for the loss in value resulting from the deterioration, usage, or age of such facilities as pipelines, pump stations, buildings, etc. At this time, the District has not created a funding mechanism for this particular item.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of June 30, 2023, totaled \$5,746,577 following an adjustment for depreciation. This investment in capital assets includes the distribution pipeline system, storage reservoirs, pumping facilities, land, buildings, vehicles, and machinery and equipment.

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Changes in capital assets are shown in Table 4 below.

Table 4

Changes in Capital Assets

Year ended June 30, 2023	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciated Capital Assets				
Land	\$ 38,759	\$ -	\$ -	\$ 38,759
Construction in progress	210,134	118,029	264,634	63,529
Total Nondepreciated Capital Assets	248,893	118,029	264,634	102,288
Depreciated Capital Assets				
Utility plant	7,957,977	515,249	-	8,473,226
Replacement meters	203,173	-	-	203,173
Office buildings	230,966	113,687	-	344,653
Equipment storage buildings	290,129	-	-	290,129
Office equipment	35,322	-	-	35,322
Automotive	188,652	-	-	188,652
1995 water project	1,153,838	-	-	1,153,838
Machinery and equipment	182,547	19,178	-	201,725
Radio telemetry system	125,083	17,882	26,816	116,149
TS/Honeybee project	633,176	-	-	633,176
TS Pipeline oversize	7,169	-	-	7,169
Foxwood annexation	4,854	-	-	4,854
GIS development	57,701	-	-	57,701
Telemetry Clear Creek tank	5,666	-	-	5,666
Total Depreciated Capital Assets	11,076,253	665,996	26,816	11,715,433
Totals at Historical Cost	11,325,146	784,025	291,450	11,817,721
Less: Accumulated depreciation				
Utility plant	3,913,713	154,764	-	4,068,477
Other capital assets	1,937,161	92,322	26,816	2,002,667
Total Accumulated Depreciation	5,850,874	247,086	26,816	6,071,144
Total Depreciated Capital Assets - Net	5,225,379	418,910	-	5,644,289
CAPITAL ASSETS - NET	\$ 5,474,272	\$ 536,939	\$ 264,634	\$ 5,746,577

Centerville Community Services District
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (Continued)

Long-Term Debt Administration

Table 5 shows the changes in long-term debt for the year. At year end, the District had \$277,100 in debt outstanding. The District's total long-term debt decreased by \$9,100 during the year ended June 30, 2023, due to regularly scheduled and additional debt service payments.

Table 5
Changes in Long-Term Debt

June 30, 2023	USDA Rural Development - Texas Springs Project	
Original date		2001
Maturity date		2041
Interest rate		4.5%
Original Amount Borrowed	\$	456,480
Balance - Beginning of Year	\$	286,200
Balance - End of Year	\$	277,100

Capacity Reserve

The Water Master Plan sets forth a Capital Improvement Plan (CIP) identifying improvements necessary to ensure the continued availability of physical facilities for the District's water distribution system which defines the necessary Capacity Charge for new meter sales. This amount will be charged for each new service connection at the time of meter installation.

There are currently no anticipated public improvements to be paid from the Capacity Reserve. There are currently no interfund transfers or loans from the Capacity Reserve.

Table 6 below displays the changes in the Capacity Reserve for the year.

Table 6
Transfer From Capacity Charges

June 30, 2023		
Cash Balance - Beginning of Year	\$	80,646
Add		
Capacity fees received		4,612
Interest income		1,447
Deduct		
Transfers to unrestricted cash for capital improvements*		-
Cash Balance - End of Year	\$	86,705

*No expenditures during 2022-23.

Centerville Community Services District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District will continue to review its policy of increasing capacity charges annually to address those capital projects outlined in the Water Master Plan.

Water rates are reviewed annually and are not changed automatically. In determining any rate adjustments, a balanced budget of estimated revenues, expenses, and reserve funding are reviewed.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or a request for additional financial information should be directed to the District Manager, Centerville Community Services District, 8930 Placer Road, Redding, CA 96001, or by calling (530) 246-0680.

Basic Financial Statements

Centerville Community Services District
STATEMENT OF NET POSITION

June 30, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$	1,129,745
Cash and cash equivalents - restricted		50,772
Receivables:		
Special assessment taxes - current		11,816
Customer accounts		151,624
Accrued interest - LAIF		8,127
Inventories		76,589
Prepaid costs		15,961

Total Current Assets 1,444,634

Noncurrent Assets

Cash and cash equivalents - restricted		21,597
Water rights		384,386
Special assessment taxes receivable - noncurrent		253,632
Master water plan - net		10,969
Nondepreciated capital assets		102,288
Depreciated capital assets - net		5,644,289

Total Noncurrent Assets 6,417,161

TOTAL ASSETS 7,861,795

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources from pension	\$	235,585
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The accompanying notes are an integral part of these financial statements.

Centerville Community Services District

STATEMENT OF NET POSITION

(Continued)

June 30, 2023

LIABILITIES

Current Liabilities

Accounts payable	\$	250,455
Advances from grantors		141,538
Payable from restricted assets:		
Accrued interest payable		6,864
Current portion of long-term debt		9,600
Customer deposits		35,524

Total Current Liabilities		443,981
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Long-term Liabilities

Long-term accounts payable		181,944
Compensated absences payable		12,385
Long-term debt, net of current maturities		267,500
Net pension liability		584,614

Total Long-term Liabilities		1,046,443
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TOTAL LIABILITIES		1,490,424
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources from pension		26,244
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NET POSITION

Net investment in capital assets		5,469,477
Restricted:		
Debt service		43,451
Contractual obligations		28,918
Unrestricted		1,038,866

TOTAL NET POSITION	\$	6,580,712
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The accompanying notes are an integral part of these financial statements.

Centerville Community Services District
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2023

Operating Revenues	
Charges for services	\$ 1,315,134
Installations and extensions	6,733
Miscellaneous	4,102
Total Operating Revenues	1,325,969
Operating and Maintenance Expenses	
Water purchases	94,907
Pumping electric charge	34,473
Transmission and distribution	131,070
General and administrative	863,673
Clear Creek treatment and transmission	202,741
Total Operating and Maintenance Expenses	1,326,864
Operating Loss Before Depreciation and Amortization	(895)
Depreciation and amortization	252,390
Operating Loss	(253,285)
Nonoperating Revenues (Expenses)	
Interest and fiscal fee revenue	24,755
Property tax revenue	272,144
Interest and fiscal charge expense	(27,057)
Total Nonoperating Revenues (Expenses)	269,842
Operating Income Before Contributions	16,557
Capital contributions	10,000
Change in Net Position	26,557
Net Position - Beginning of Year	6,554,155
Net Position - End of Year	\$ 6,580,712

The accompanying notes are an integral part of these financial statements.

Centerville Community Services District

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and noncapital grantors	\$ 1,326,549
Cash payments to suppliers for goods and services	(690,229)
Cash payments to/on behalf of employees	(645,996)
Cash payments to Board of Directors	(4,800)
NET CASH USED IN OPERATING ACTIVITIES	(14,476)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
General property taxes received	246,437
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(308,132)
Principal paid on long-term debt	(9,100)
Interest and fiscal charges paid	(27,193)
Special assessment taxes received	37,523
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(306,902)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and fiscal fees received	18,587
Net Change in Cash and Cash Equivalents	(56,354)
Cash and Cash Equivalents - Beginning of Year	1,258,468
Cash and Cash Equivalents - End of Year	\$ 1,202,114
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES	
Cost of capital assets acquired	\$ 519,391
Change in accounts payable related to capital assets	(211,260)
Cash Used for Acquisition of Capital Assets	\$ 308,131
COMPONENTS OF CASH AND CASH EQUIVALENTS	
Current assets	\$ 1,129,745
Current assets - restricted	50,772
Noncurrent assets - restricted	21,597
Total Cash and Cash Equivalents	\$ 1,202,114

The accompanying notes are an integral part of these financial statements.

Centerville Community Services District
STATEMENT OF CASH FLOWS
(Continued)

Year Ended June 30, 2023

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES**

Operating loss	\$	(253,285)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization		252,390
Net amortization of deferred outflows (inflows) of resources from pension		40,064
Changes in:		
Customer accounts		(2,190)
Inventories		(18,896)
Prepaid costs		(1,597)
Deferred outflows of resources from pension		(130,484)
Accounts payable		(7,832)
Customer deposits		2,770
Compensated absences payable		(7,158)
Net pension liability		300,038
Deferred inflows of resources from pension		(188,296)
NET CASH USED IN OPERATING ACTIVITIES	\$	(14,476)

The accompanying notes are an integral part of these financial statements.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity Centerville Community Services District (the District) was formed in 1959 for the purpose of providing a domestic water supply to approximately 6,000 acres of unincorporated territory, immediately west of the City of Redding within the state of California. Special districts, such as the District, are formed to provide a limited range of public functions rather than provide a full range of government services. Community services districts are governed by the Community Services District Law starting at section 61000 of the *California Government Code*.

The initial water system improvements were financed through the Davis-Grunsky Act loan from the State Department of Water Resources. Additional water mains, storage, and booster pumping facilities were constructed by the District in 1982 and 1983, utilizing a combination of a Farm Home Administration grant and loan funding. Through the years, the water distribution system has been expanded due to the formation of assessment districts as well as to private development, particularly the Olney Park, Ranchland, Montgomery Ranch, Monte De Las Flores, Westside Estates, and Placer Pines subdivisions. The District currently serves approximately 1,250 water connections with a service boundary of approximately 11,000 acres and is governed by a five-member Board of Directors.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following summary of the more significant accounting policies of the District is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

Implementation of New Accounting Standard The District adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), as of July 1, 2022. This statement improves accounting and financial reporting for SBITAs by governments. This statement requires recognition of certain subscription assets and liabilities for subscriptions that previously were classified as operating expenses. It establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. Under this statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset, thereby enhancing the relevance and consistency of information about governments' subscriptions. This Statement has been applied as of the beginning of the period of implementation. Upon analysis of the District's existing subscriptions, it was determined that the resulting balances would be immaterial. As a result, the District has not recognized any initial right-to-use subscription assets or subscription liabilities during the current period.

Measurement Focus and Basis of Accounting The District's activities are accounted for as an enterprise fund (a business-type activity) and the accounting records are maintained on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Cash and Cash Equivalents The District considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash and cash equivalents.

The District is generally authorized, under state statute and local resolutions, to invest in demand deposits with financial institutions, savings accounts, certificates of deposit, U.S. Treasury securities, federal agency securities, state of California notes or bonds, notes or bonds of agencies within the state of California, obligations guaranteed by the Small Business Administration, bankers' acceptances, commercial paper, and the Local Agency Investment Fund (LAIF) of the State of California.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The District maintains some of its cash in the Shasta County Treasury (the County) as part of the common investment pool. The County is restricted by *California Government Code*, Section 53635 pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The fair value of the District's investment in the pool is based on the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The pool has deposits and investments with a weighted-average maturity of more than one year. As of June 30, 2023, the fair value of the County pool was 96.74% of the carrying value and is deemed to not represent a material difference. Information regarding the amount of dollars invested in derivatives with the County was not available. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by *California Government Code*, Section 27130. The District is considered to be an involuntary participant in the external investment pool.

The District also participates in LAIF, an investment pool managed by the state of California. As of June 30, 2023, the LAIF pool includes structured notes and asset-backed securities which total 1.46% of the total portfolio. These structured notes and asset-backed securities are subject to market risk as to change in interest rates. As of June 30, 2023, the fair value of LAIF is 98.48% of the carrying value and is deemed to not represent a material difference. There are no LAIF funds invested in derivatives as of June 30, 2023. LAIF has oversight by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the State Treasurer or his designated representative. The District is considered to be a voluntary participant in the LAIF investment pool. LAIF has a weighted-average maturity of less than one year.

Customer Accounts Receivable Amounts due from private individuals, organizations, or other governments which pertain to charges for services rendered by the District are reported as customer accounts receivable. Receivables are reviewed periodically to establish or update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the age of various accounts. Management expects to collect on all accounts receivable accrued as of June 30, 2023.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Inventories The District's inventories consist of materials and supplies held for consumption and are valued at the lower of cost or market. Cost is determined by using the first-in, first-out method.

Prepaid Costs Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid costs.

Restricted Assets The use of certain assets of the District are restricted by specific provisions of bond resolutions and agreements with various parties. Assets so designated are identified as restricted assets on the statement of net position. When both restricted and unrestricted resources are available for use, the District's policy is to use unrestricted resources first, then restricted resources as they are needed. Restricted assets are classified as noncurrent if they are for acquisition or construction of capital assets, for liquidation of long-term debt, or are for other than current operations.

Capital Assets Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated fair value on the date of donation. The District capitalizes assets with a useful life of more than one year and a cost basis greater than \$5,000. Costs of maintenance and repairs that do not add to the value of assets or extend their useful lives are not capitalized.

All capital assets except land and construction in progress are depreciated using the straight-line method over the following estimated useful lives:

Transmission and distribution plant	50 years
Buildings	40-50 years
Building improvements	15-50 years
Office equipment	5-10 years
Other equipment	5-10 years
Master water plan	5 years
Vehicles	5-10 years

Compensated Absences It is the policy of the District to permit employees to accumulate earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned.

Deferred Outflows/Inflows of Resources In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), which will only be recognized as an outflow of resources (expense/expenditures) in the future. District contributions subsequent to the measurement date related to pension plans, are reported as deferred outflows of resources in the government-wide statement of net position. District contributions subsequent to the measurement date will be amortized during the next fiscal year.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and would only be recognized as an inflow of resources (revenue) at that time.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Changes in proportion and differences between the District's contributions and proportionate share of pension contributions, the District's proportionate share of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the differences between the District's expected and actual experience, are reported as deferred inflows of resources or deferred outflows of resources in the statement of net position. These amounts are amortized over the estimated service lives of the pension plan participants.

Net Pension Liability In general, the District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the District's prior fiscal year end. Changes in the net pension liability are recorded in the period incurred as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions and pension expense, information about the fiduciary net position of the District's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Advances from Grantors Cash received for special projects and programs is recognized as revenue to the extent qualified expenses have been incurred. Advances from grantors are recorded to the extent that cash received on specific projects and programs exceed qualified expenses.

Net Position Net position represents the difference between assets and liabilities. The District's net position is classified as follows:

Net Investment in Capital Assets: Net investment in capital assets represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position: Restricted net position represents resources which are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

Unrestricted Net Position: Unrestricted net position represents resources available for transactions relating to the general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Operating and Non-Operating Revenues and Expenses The District's financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses are those that result from providing services associated with the principal activities of the District. Primary examples of operating revenues are charges for water services and installation and extensions. Operating expenses include the cost of sales and services, administrative costs, and depreciation and amortization costs. Non-operating revenues and expenses are all those that do not meet the criteria described previously and include interest, tax revenues, and debt service expenses.

Property Tax Revenues The County of Shasta assesses, bills, and collects ad valorem property taxes for the District. Ad valorem property taxes levied in July 2022 are for the purpose of financing the budget of the 2023 fiscal year. Property tax revenue recognized for the 2023 fiscal year was levied in July 2022.

Key dates in the property tax cycle are as follows:

Fiscal year ended June 30, 2023	Revenues
Property taxes levied	July 1, 2022
Property taxes payable	November 1, 2022 and February 1, 2023
Property taxes delinquent	December 10, 2022 and April 10, 2023
Lien date	March 1, 2023

Special Assessments Section 37203 of the *California Water Code*, upon a vote of the affected property owners, allows a California Water District to compel the county in which it is located to levy and collect ad valorem assessments on all lands located within the District, sufficient to raise monies to provide for the operations and debt service of the District.

Capital Contributions Transmission and distribution system assets contributed to the District by installers are capitalized at the installers' costs, which approximate fair value at the time of the District's acquisition. The funds are recorded as capital contributions on the statement of revenues, expenses, and changes in net position. Grants that fund capital assets are also recorded as capital contributions.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

2. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents:

June 30, 2023	Maturities	Fair Value
Petty cash/cash awaiting deposit		\$ 100
Deposits (1)		159,351
Subtotal		159,451
Investments That Are Not Securities (2)		
County treasurer's investment pool	22.4 months average	12,497
Local Agency Investment Fund (LAIF)	8.5 months average	1,030,166
Subtotal		1,042,663
Total Cash and Cash Equivalents		\$ 1,202,114

(1) **Deposits** The carrying amount of deposits includes checking accounts, savings accounts, nonnegotiable certificates of deposit, and money market accounts at financial institutions, if any.

(2) **Investments That Are Not Securities** A "security" is a transferable financial instrument that evidences ownership or creditorship, whether in physical or book-entry form. Investments that are not securities do not have custodial credit risk because they do not involve a transferable financial instrument. Thus, they are not categorized into custodial credit risk categories.

The above amounts include both unrestricted and restricted cash, which are further classified in the statement of net position and statement of cash flows.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as LAIF.

The *California Government Code* requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral for bank deposits in excess of deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The District has confirmed with its financial institutions that they are in compliance with these codes. Management does not believe the District is exposed to any significant custodial credit risk with respect to its deposits and investments.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2023:

- County treasurer's investment pool of \$12,497 and LAIF of \$1,030,166 are valued using quoted prices for similar instruments in active markets and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

Credit Risk - Investments

The District has a formal investment policy on managing credit risk; the District's policy and the *California Government Code* authorize the District to invest in obligations, participations, or other investments of the U.S. Government or its agencies, state and municipal bonds, commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Standard & Poor's Corporation or Moody's Investment Service, Inc., bankers' acceptances, repurchase agreements, and the State Treasurer's Investment Pool (LAIF). The District's investment in the County investment pool and LAIF are unrated.

Concentration of Credit Risk

California Government Code, Section 53635, places the following concentration limits on the County investment pool:

- No more than 40% may be invested in eligible commercial paper and no more than 10% may be invested in the outstanding commercial paper of any single issuer.

California Government Code, Section 53601, places the following concentration limits on the District's investments:

- No more than 10% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises and where otherwise noted; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 40% may be invested in bankers' acceptances and no more than 30% may be invested in bankers' acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% may be invested in reverse repurchase agreements; no more than 30% may be invested in medium-term notes; no more than 20% may be invested in mortgage passthrough and related securities; and no more than 30% may be invested in certain unsecured, unsubordinated obligations.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The District's policy limits the amount that may be invested in any one permissible investment type.

3. INVENTORIES

Inventories of \$76,589 as of June 30, 2023 consisted of pipes and other supplies.

4. WATER RIGHTS

In August 2000, the District entered into a Water Exchange Contract with the United States Bureau of Reclamation (BOR) whereby the District obtained 900 acre-feet of federal Central Valley Project (CVP) water in exchange for the District's pre-1914 water rights on Clear Creek. In April 2001, the U.S. Bureau of Reclamation and the Shasta County Water Agency assigned all rights, title, and interest to an additional 2,900 acre-feet of the CVP water to the District. Therefore, the District's current total water entitlement under contract is 3,800 acre-feet per year. These water rights are reflected in the statement of net position in the amount of \$384,386.

5. SPECIAL ASSESSMENT TAXES RECEIVABLE

The District has a special assessment district, AD 2001-1. A special assessment district is a geographical area consisting of real estate parcels that a government can charge and assess taxes against to finance certain public projects. The District's special assessment taxes receivable consisted of the following:

June 30, 2023

Special Assessment Taxes Receivable

AD 2001-1	\$	265,448
Current portion		(11,816)

Special Assessment Taxes Receivable - Noncurrent Portion	\$	253,632
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AD 2001-1 was formed and financed with limited obligation improvement bonds under the *California Improvement Bond Act of 1915*. The special assessment district was formed to improve the water distribution system within the special assessment district and benefits 31 parcels.

The property owners within the special assessment district are responsible for paying an annual special assessment tax to repay the bonded debt. The annual assessment appears on the County property tax bill and is collected with it. Property owners have the option to prepay, in part or in full, the assessment for their property tax bill to relieve the burden of annual payments.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The annual assessment amount for each unpaid parcel within the special assessment district is based on a repayment schedule which shows the amount to be collected each year to pay off the parcel's share of the bonded debt. To determine the net assessment amounts from each parcel, the following steps are taken:

- The parcel's principal and interest payment is taken from its original repayment schedule.
- If applicable, a pro-rata share of interest earned is deducted from the assessment.
- In accordance with Section 8682 and 8682.1 of the *California Streets and Highways Code*, the parcel's share of consulting expenses, fiscal agent expenses, agency staff expenses, and other costs of managing the special assessment district are added to the assessment.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. CAPITAL ASSETS

Changes in capital assets consisted of the following:

Year Ended June 30, 2023	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciated Capital Assets				
Land	\$ 38,759	\$ -	\$ -	\$ 38,759
Construction in progress:				
West Ridge Estates	15,894	-	-	15,894
Storage building	6,228	-	-	6,228
Silver King main line	30,197	-	-	30,197
Muletown generator	8,859	248	-	9,107
Water tank recoating	123,412	-	123,412	-
AC pipe	-	2,103	-	2,103
Conference room remodel	13,250	100,437	113,687	-
Diggins standby generator	3,936	15,241	19,177	-
Mag meter 16"	8,358	-	8,358	-
Total Nondepreciated Capital Assets	248,893	118,029	264,634	102,288
Depreciated Capital Assets				
Utility plant	7,957,977	515,249	-	8,473,226
Replacement meters	203,173	-	-	203,173
Office buildings	230,966	113,687	-	344,653
Equipment storage buildings	290,129	-	-	290,129
Office equipment	35,322	-	-	35,322
Automotive	188,652	-	-	188,652
1995 water project	1,153,838	-	-	1,153,838
Machinery and equipment	182,547	19,177	-	201,724
Radio telemetry system	125,083	17,883	26,816	116,150
TS/Honeybee project	633,176	-	-	633,176
TS Pipeline oversize	7,169	-	-	7,169
Foxwood annexation	4,854	-	-	4,854
GIS development	57,701	-	-	57,701
Telemetry Clear Creek tank	5,666	-	-	5,666
Total Depreciated Capital Assets	11,076,253	665,996	26,816	11,715,433
Totals at Historical Cost	11,325,146	784,025	291,450	11,817,721
Less: Accumulated depreciation				
Utility plant	3,913,713	154,764	-	4,068,477
Other capital assets	1,937,161	92,322	26,816	2,002,667
Total Accumulated Depreciation	5,850,874	247,086	26,816	6,071,144
Total Depreciated Capital Assets - Net	5,225,379	418,910	-	5,644,289
CAPITAL ASSETS - NET	\$ 5,474,272	\$ 536,939	\$ 264,634	\$ 5,746,577

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

7. NET PENSION LIABILITY

Qualified employees are covered under a cost-sharing multiple-employer defined benefit pension plan maintained by the California Public Employees' Retirement System (CalPERS).

Summary

Net pension liability, deferred outflows or resources, deferred inflows of resources, and pension expense are reported as follows:

June 30, 2023	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS Public Agency Pool	\$ 584,614	\$ 235,585	\$ 26,244	\$ 93,623

Net pension liability, deferred outflows of resources, and deferred inflows of resources are reported in the accompanying statement of net position; pension expense is reported in the accompanying statement of revenues, expenses, and changes in net position.

Plan Description All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Annual Comprehensive Financial Report (ACFR), which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the District. The District's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Misc.). The District does not have any rate plans in the safety risk pool.

Benefits Provided The plan provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The benefits are based on members' years of service, age, final compensation, and benefit formula. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The Plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRSA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRSA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

Employer rate plan	Miscellaneous	PEPRSA Miscellaneous
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% at 60	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.93%	6.75%
Required employer contribution rates	8.63%	7.47%

Contributions Section 20814(c) of the *California Public Employees' Retirement Law* requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's agreement with employees is to split contributions 50/50. The District's contributions to the risk pools in the Plan for the year ended June 30, 2023, were \$72,303, and equaled 100% of the required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2023, the District reported a net pension liability of \$584,614 for its proportionate share of the Miscellaneous Risk Pool net pension liability. The District's net pension liability is measured as the proportionate share of the risk pool's net pension liability. GASB Statement No. 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The District's proportionate share of the net pension liability as of June 30, 2021, the valuation date, was calculated as follows:

In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2021. Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The District's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the District's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The District's proportionate share of the net pension liability as of June 30, 2022, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2022, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2022, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2022, was calculated by applying the District's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2022, to obtain the total pension liability and fiduciary net position as of June 30, 2022. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The District's proportionate share percentage of the net pension liability for the risk pool as of June 30, 2021, and June 30, 2022, was as follows:

	Miscellaneous Risk Pool
Proportion at measurement date - June 30, 2021	0.014987%
Proportion at measurement date - June 30, 2022	0.012494%
Change - increase (decrease)	-0.002493%

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$93,623. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,638	\$ 6,419
Net difference between projected and actual earnings on pension plan investments	80,255	-
Change in assumptions	48,907	-
Changes in proportion and differences between District contributions and proportionate share of contributions	24,482	19,825
District contributions subsequent to the measurement date	72,303	-
Total	\$ 235,585	\$ 26,244

The \$72,303 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30

2024	\$ 37,538
2025	32,206
2026	17,180
2027	50,114
Total	\$ 137,038

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Actuarial Assumptions The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service (1)
Investment rate of return	6.80% (2)
Mortality rate table	Derived using CalPERS' Membership Data for all Funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses; includes inflation

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. The mortality table used was developed based on CalPERS' specific data. The table includes generational mortality improvements using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Rate of Return (1, 2)
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on 2021-22 Asset Liability Management study.

Discount Rate The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2022 based on June 30, 2021 Valuations*, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 6.80% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 10 basis points. An investment return excluding administrative expenses would have been 6.90%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as the District's proportionate share of the net pension liability if it was calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

June 30, 2023	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 882,862	\$ 584,614	\$ 339,229

Pension Plan Fiduciary Net Position Detailed information about the pension plan's fiduciary net position is available in CalPERS' separately issued ACFR.

8. LONG-TERM DEBT

Changes in Long-Term Debt

A summary of the changes in long-term debt (current and noncurrent portions) of the District is as follows:

Year Ended June 30, 2023	Beginning Balance	Additions	Deductions	Ending Balance
Long-Term Debt				
USDA Rural Development	286,200	-	9,100	277,100
Current portion				(9,600)
Noncurrent Portion				\$ 267,500

Principal and Interest Requirements to Maturity

USDA Rural Development This limited obligation improvement bond was issued under the *California Improvement Bond Act of 1915* and is related to the AD 2001-1 special assessment district as discussed in the special assessment taxes receivable note in these financial statements. The bond was issued to finance improvements to the distribution system within the special assessment district. The total bond issue of \$456,480 is to be repaid from the assessments to individual property owners within the special assessment district. The bond originated in 2001, matures in 2042, and accrues interest annually at a rate of 4.5%. The bond requires an annual principal payment in September and semi-annual interest payments in March and September of each year.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The remaining annual debt service payments are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 9,600	\$ 12,254	\$ 21,854
2025	9,900	11,815	21,715
2026	10,500	11,356	21,856
2027	10,900	10,874	21,774
2028	11,300	10,375	21,675
2029-2033	64,900	43,549	108,449
2034-2038	81,100	27,200	108,300
2039-2043	78,900	7,300	86,200
Total	277,100	\$ 134,723	\$ 411,823
Current portion	(9,600)		
Noncurrent Portion	\$ 267,500		

The amount of interest incurred during the year was \$12,538, all of which was charged to expenses.

9. COMMITMENTS AND CONTINGENCIES

Dedicated-Capacity Contract

On October 20, 1994, Clear Creek Community Services District (Clear Creek) and the District entered into a dedicated-capacity contract. Clear Creek treats and conveys water to the District. In accordance with this contract, Clear Creek agrees to sell and the District agrees to purchase dedicated-capacity in the Plant, such that the District shall be entitled to the availability of 25% of the treatment capacity of the Plant. Additionally, the District is obligated to pay operational costs; treatment, transmission and conduit costs; and administrative and general costs based on the District's percentage use of the total quantity of water treated by the Plant. In accordance with the dedicated-capacity contract, the District may be obligated to pay its portion of unanticipated costs that may arise during the term of the contract that cause a material change in operations.

WIIN Act

On September 15, 2020, the District's Board of Directors authorized a contract amendment, authorized by the WIIN Act. The WIIN Act is comprehensive legislation relating to water infrastructure. Section 4011 of Subtitle J outlines the authority and direction for the Secretary of the Interior to negotiate contracts for repayment terms, which may include prepayments, lump sum, or accelerated payments, on existing water service contracts. The contract amendment results in a perpetual repayment contract providing for Project Water Service and Facilities Repayment with the BOR. While the amendment guarantees a perpetual contract, it does not guarantee a water allocation. Under the amendment, the District remitted accelerated repayment on facilities during fiscal year 2020-21, in the amount of \$41,388.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

A coalition of California environmental groups is challenging the validity of the perpetual contracts of nearly one hundred water purveyors throughout California, including the District. The outcome is uncertain and could result in the District's perpetual water contract becoming subject to renewal by the BOR.

Multi-year Contract Commitment

On July 29, 2021, the District entered into an agreement for tank restoration and maintenance. The agreement is for ten years, beginning September 1, 2021, and ending August 31, 2031, and calls for annual costs of approximately \$156,000, to be paid in quarterly installments. Due to timing of the completion of the work against the payment schedule, prepaid or accounts payable balances can result. As of June 30, 2023, the District's current and long-term accounts payable includes a balance of \$156,083 and \$181,944, respectively, related to this agreement.

10. RISK MANAGEMENT AND INSURANCE COVERAGE

The District has obtained general liability, auto liability, public officials' liability, workers' compensation, property coverage, and fidelity coverage through the Association of California Water Agencies - Joint Powers Insurance Authority (JPIA), a joint powers authority of the California public water agencies.

June 30, 2023	JPIA Pooled Amount	Commercial Insurance Additional Coverage
General, auto, and public officials' liability	\$ 5,000,000	\$ 55,000,000
Cyber	\$ -	\$ 5,000,000 *
Workers' compensation	\$ 2,000,000	\$ 2,000,000
Property coverage	\$ 10,000,000	\$ 500,000,000
Fidelity	\$ 100,000	\$ -

*\$2,000,000/member, \$5,000,000 aggregate

Each member's share of pooled insurance costs depends on the losses of all members. In addition, the cost to a member district will also depend on the loss experience of that district. Districts with a consistent record of costly claims will pay more than districts with a consistent record of less serious claims activity. Settled claims resulting from the risks identified above have not exceeded insurance coverage in the past three years. No significant reductions in insurance coverage from the prior year have been made.

A representative of each member district, appointed by the board of directors of that district, serves on the board of directors of the JPIA. The board of directors is responsible for deciding the risks the JPIA will underwrite, monitoring the costs of claims, and arranging financial programs. Each member of the board of directors has an equal vote in matters concerning the JPIA.

The District's share of year-end assets, liabilities, and fund equity is not calculated by the JPIA. Separately issued financial statements can be requested from the JPIA.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

11. RESTRICTED AND DESIGNATED NET POSITION

Restricted net position consisted of the following:

June 30, 2023

RESTRICTED FOR DEBT SERVICE	
Texas Springs assessment	\$ 43,451
RESTRICTED FOR CONTRACTUAL OBLIGATIONS	
Texas Springs reimbursement agreement	3,937
Customer rental deposits	24,981
TOTAL RESTRICTED FOR CONTRACTUAL OBLIGATIONS	28,918
Total Restricted Net Position	\$ 72,369

Net position is designated to indicate management does not consider it to be available for general operations. Designated net position is part of unrestricted net position since the constraints on resources are internal, which management can remove or modify.

Designated net position consisted of the following:

June 30, 2023

Operating	
General operation and maintenance	\$ 204,925
Pump station repair and replacement	17,910
Water treatment plant	142,310
Subtotal	365,145
Capital	
General facility improvement	434,276
Plant capacity	86,705
Subtotal	520,981
Total Designated Net Position	\$ 886,126

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Pump Station Repair and Replacement

These funds have been designated by the Board of Directors for the repair and replacement of the pumping equipment in the District's three pump stations.

Water Treatment Plan Funds

These funds have been designated by the Board of Directors toward maintenance projects related to the water treatment plant.

General Facility Improvement

These funds have been combined with the Cash Flow Stabilization funds and designated by the Board of Directors for the purchase and/or construction of those items described in the District's ten-year General Facilities Improvement Plan and for improvements to the District's operation facilities which are not listed in the District's Master Plan.

Plant Capacity

These funds have been designated by the Board of Directors to fund those major capital improvements described in the District's Master Water Plan that will be necessary as the District grows to reach its planned ultimate development.

12. FUTURE GASB IMPLEMENTATION

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2023, will have on the District's financial statements, if any.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement outlines a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2024, will have on the District's financial statements, if any.

Required Supplementary Information

Centerville Community Services District

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Years Ended June 30	2023	2022	2021	2020
District's proportion of the net pension liability (asset)	0.012494%	0.014987%	0.011690%	0.011293%
District's proportionate share of the net pension liability (asset)	\$ 584,614	\$ 284,576	\$ 493,079	\$ 452,218
District's covered-employee payroll	\$ 369,131	\$ 349,030	\$ 330,436	\$ 328,046
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	158.38%	81.53%	149.22%	137.85%
Plan fiduciary net position as a percentage of the total pension liability	73.28%	86.07%	74.94%	75.87%

Years Ended June 30	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.010864%	0.014470%	0.010048%	0.009011%	0.011412%
District's proportionate share of the net pension liability (asset)	\$ 409,436	\$ 411,817	\$ 349,050	\$ 247,209	\$ 279,636
District's covered-employee payroll	\$ 301,251	\$ 268,415	\$ 267,958	\$ 270,585	\$ 249,112
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	135.91%	153.43%	130.26%	91.36%	112.25%
Plan fiduciary net position as a percentage of the total pension liability	77.32%	76.82%	78.73%	78.40%	83.15%

See the accompanying notes to the required supplementary information.

Centerville Community Services District
SCHEDULE OF DISTRICT'S CONTRIBUTIONS –
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Years Ended June 30		2023		2022		2021		2020
Actuarially determined contribution	\$	72,303	\$	65,578	\$	60,242	\$	52,071
Contributions in relation to the actuarially determined contribution		(72,303)		(65,578)		(60,242)		(52,071)
Contribution Deficiency (Excess)	\$	-	\$	-	\$	-	\$	-
Covered-employee payroll	\$	369,131	\$	349,030	\$	330,436	\$	328,046
Contributions as a percentage of covered-employee payroll		19.59%		18.79%		18.23%		15.87%

Years Ended June 30		2019		2018		2017		2016		2015
Actuarially determined contribution	\$	44,003	\$	33,577	\$	29,802	\$	26,287	\$	16,957
Contributions in relation to the actuarially determined contribution		(44,003)		(33,577)		(29,802)		(26,287)		(16,957)
Contribution Deficiency (Excess)	\$	-	\$	-	\$	-	\$	-	\$	-
Covered-employee payroll	\$	301,251	\$	268,415	\$	267,958	\$	270,585	\$	249,112
Contributions as a percentage of covered-employee payroll		14.61%		12.51%		11.12%		9.71%		6.81%

See the accompanying notes to the required supplementary information.

1. CHANGES OF BENEFIT TERMS

There were no significant changes of benefit terms during the measurement period ended June 30, 2022.

2. CHANGES OF ASSUMPTIONS

On November 17, 2021, the CalPERS board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumptions. The discount rate and investment rate of return decreased from 7.15% to 6.90%. The inflation rate decrease from 2.50% to 2.30%. These new assumptions are incorporated into the June 30, 2021, valuation. In addition, the CalPERS board adopted new asset portfolios as part of its Asset Liability Management process.

OTHER SUPPLEMENTARY INFORMATION SECTION

Centerville Community Services District
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

Year Ended June 30, 2023

Auditing and accounting fees	\$	18,687
Department of Health Services fee		794
Directors' compensation		4,800
Dues and subscriptions		31,426
Employee insurance		102,179
Engineering		5,854
LAFCO		3,181
Legal fees		28,215
Liability insurance		26,274
Miscellaneous		7,914
Office supplies		8,441
Office repairs and maintenance		5,689
Payroll taxes		31,532
Postage		9,513
Rent		22,566
Retirement		92,847
Salary expense		416,413
Telephone		13,908
Travel		4,926
Utilities		11,325
Workers' compensation		17,189
Total General and Administrative Expenses	\$	863,673

OTHER REPORT SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Centerville Community Services District
Redding, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Centerville Community Services District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated DATE.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DATE

Chico, California

FINDINGS AND RECOMMENDATIONS SECTION

None.

Centerville Community Services District
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2023

None.



MEMORANDUM

DATE: April 12, 2024
TO: Board of Directors
FROM: Chris Muehlbacher
SUBJECT: New Business 2 – Consider Purchase of a Vac Trailer Rolling Stock Asset

Recommendation

Action – The Finance Committee concurs with the recommendation that the Board authorize the purchase of a vac trailer from Vacmasters.

Item Explanation

The Resource and Planning Committee is supportive of the purchase of a vac trailer. The Finance Committee has reviewed the funding and agrees with the recommendation to purchase a vac trailer.

Since 2018, the District has rented a vac trailer multiple times at an expense of \$36k. During the last 12-months, the District has paid over \$2,500 to rent a vac trailer for use in replacing service lines. In the last 12 years, operators have replaced more than 80 service lines. The benefit of having a vac trailer will save money relative to renting it and will also save operator time since the asset will be immediately available rather than having to drive to retrieve and return it. In addition, there have been multiple rentals where the equipment had problems causing significant delays in the work. Rental fees continue to rise with the current being approximately \$800 for the day. Considering that there remains a considerable amount of copper service lines as well as older AC pipe in the system, it is anticipated that the vac trailer will better prepare the operators in responding to the system needs.

Below is a summary of the three quotes received:

Vendor	Amount
Vermeer	\$109,177.12
Ditch Witch West	\$132,101.10
Vacmasters	\$72,631.00

It is recommended to award the purchase to Vacmasters for \$72,631 (plus \$1,100 - 10% for taxes and license).

Attachment(s)

- Vacmasters bid



VACMASTERS A DIVISION OF BARONE, INC.

CONFIRMING SALES ORDER

BILL TO: CENTERVILLE COMMUNITY SERVICE DISTRICT 8930 PLACER ROAD REDDING, CA 96001 ATTN: ELLISON DEMSHER/ DANIEL PETERS		SALES ORDER # 16416-01-D P.O. # DATE: SEPTEMBER 19, 2022 (REV.4/11/2024)	
SHIP TO: SAME		<u>SPECIAL INSTRUCTIONS:</u>	
DELIVERY DATE: 3-4 WEEKS ARO SHIP VIA: TRUCK TAXABLE: TAX EXEMPT OUT OF STATE SALESMAN: CHARLES BELL (619) 246-7357		<u>PAYMENT TERMS:</u> QUOTE VALID FOR 30 DAYS VALID PURCHASE ORDER BALANCE DUE PRIOR TO DELIVERY	
QUANTITY	SYSTEM DESCRIPTION	AMOUNT	
(1)	SPOILVAC MODEL # SPV 500 DT4/W 500 GALLON SPOILS TANK TRAILER MOUNTED (SEE BELOW) 49 HP KUBOTA 3 CYLINDER TIER 4 DIESEL ENGINE 4" VACUUM SYSTEM W/860 CFM BLOWER HIGH PRESSURE WATER SYSTEM 3000 PSI @ 4 GPM 200 GALLON TANK 50' HOSE REEL AND WATER WAND	\$	57,658.00
(1)	OPTIONS VACUUM HOSE RACK		
(1)	WINTERIZING KIT		
(1)	ENCLOSED POWERHEAD		
(1)	ROTATING WATER NOZZLE		
(1)	EQUIPMENT TRAILER 16,200 GVWR TANDEM AXLE ELECTRIC BRAKES PINTLE HITCH	\$	11,400.00
CUSTOMER CONFIRMATION		SUBTOTAL	\$ 69,058.00
APPROVED SIGNATURE:			
COMPANY: CCSD		FREIGHT	\$ 3,573.00
DATE:		TOTAL	\$ 72,631.00



MEMORANDUM

Date: April 11, 2024

To: Board of Directors

From: Chris Muehlbacher

Subject: **New Business 3 – Public Hearing to Consider Adoption of Resolution No. 2024-01 Amending the Plant Capacity Charge**

Recommendation

Action – the Resource and Planning Committee concurs with staff’s recommendation that the Board adopt the Plant Capacity Charge Amendments effective May 1, 2024. Below is a summary of this action item:

1. Announce the item.
2. Receive the staff report.
3. Open the Public Hearing and accept public comments.
4. Close Public Hearing.
5. Board discussion followed by a call for motion.

Item Explanation

The District’s Water Master Plan (WMP) sets forth a Capital Improvement Plan (CIP) identifying improvements necessary to ensure the continued availability of physical facilities for the District’s water distribution system which defines the necessary Capacity Charge for new meter sales. This charge will be assessed for each new service connection at the time of meter installation. As included in the WMP, Table III defines the projected capital improvement schedule necessary to provide the required capacity to accommodate future growth

Based upon PACE Engineering’s analysis, the Capacity Charge would be adjusted as follows:

Capacity Charge + Incremental Fee – Current (3/4-inch):	\$19,632
Capacity Charge + Incremental Fee – Adjusted (3/4-inch):	\$20,864
Capacity Charge + Incremental Fee – Current (1-inch):	\$32,690
Capacity Charge + Incremental Fee – Adjusted (1-inch):	\$34,760
Capacity Charge + Incremental Fee – Current (1-1/2-inch):	\$65,380
Capacity Charge + Incremental Fee – Adjusted (1-1/2-inch):	\$69,520

The Capacity Charge is not subject to Proposition 218. Local governments impose fees for a variety of types of facilities and services. Not all are subject to Proposition 218. A “fee or charge” is subject to

Article XIII D only if it is “a levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership.” For example, a capacity charge imposed on persons who apply for a new water connection is not a “fee or charge” within the meaning of section 2, subdivision (e) because it is triggered by voluntary action of property owner to undertake development that triggers a need for a new connection. (*Richmond v. Shasta Community Services District* (2004) 32 Cal.4th 409, 424.)

Pursuant to Government Code 6062a, the notice was published twice in a local newspaper at least 10 days prior to the public hearing with each public notice being at least 5 days apart.

Attachment

- Resolution 2024-01
- Table III

RESOLUTION NO. 2024-01

A RESOLUTION OF THE CENTERVILLE COMMUNITY SERVICES DISTRICT AMENDING THE DISTRICT'S FEE SCHEDULE ADOPTED BY RESOLUTION 2023-02

WHEREAS, the Board of Directors of the Centerville Community Services District seeks to amend the District's Fee Schedule for services rendered by the District adopted by Resolution 2023-02 on March 15, 2023; and

WHEREAS, the Capacity Charges are being amended as shown in Exhibit A; and

WHEREAS, the Capacity Charge for a ¾-inch service is adjusted to \$20,864 per meter, replacing the previous amount of \$19,632; and

WHEREAS, the Capacity Charge for a 1-inch service is adjusted to \$34,760 per meter, replacing the previous amount of \$32,690; and

WHEREAS, the Capacity Charge for a 1-1/2-inch service is adjusted to \$69,520 per meter, replacing the previous amount of \$65,380; and

WHEREAS, the Board of Directors hereby finds and declares that adoption of this amended fee schedule is exempt from the provisions of the California Environmental Quality Act pursuant to Section 21080(b)(8) of the Public Resources Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Centerville Community Services District that the fees set forth below be, and the same are, hereby established as follows:

Section 1. The fees set forth in the amended fee schedule attached hereto as "Exhibit A" are hereby adopted and become effective on May 1, 2024.

Section 2. The fees set forth in Exhibit A shall supersede any previously established fees to the extent permitted under California law.

Section 3. The Board of Directors hereby declares that should any one or more fees established through this Resolution, or any portion of this Resolution be declared for any reason to be invalid, it is the intent of the Board of Directors that all other fees and portions of this Resolution independent of the elimination here from of any such fee or such portion as may be declared invalid.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Centerville Community Services District, Redding, Shasta County, California, duly held on April 17, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Walt Richison, Board President

Tina Teuscher, Board Secretary

EXHIBIT A
CENTERVILLE COMMUNITY SERVICES FEE SCHEDULE

Schedule of Rates, Charges and Fees

WATER SERVICE

A. Base Rate – Monthly	
a. 5/8-inch	\$34.00
b. ¾-inch	\$34.25
c. 1-inch	\$34.50
d. 1-1/2-inch	\$54.50
e. 2-inch	\$95.00
B. Consumption Rate – Monthly	\$1.133
C. Zone A Pump Surcharge – Monthly	
a. Base Rate Surcharge	\$9.25
b. Consumption Rate Surcharge	\$0.282
D. Zone A1 Pump Surcharge – Monthly	
a. Base Rate Surcharge	\$15.50
b. Consumption Rate Surcharge	\$0.557
E. Rate Stabilization Fee - Monthly	\$0.12
F. Water Treatment Plant Fee – Monthly	\$0.08
G. Drought Surcharge – Monthly	\$0.59
a. August-September 2022 (4,000 +)	
b. October-April 2023 (1,300 +)	
c. May-June 2023 (3,300 +)	
H. Water Availability Charge (WAC) – Monthly	\$34.50
I. Backflow Prevention Charge – Monthly	
a. Up to 2-inch devices	\$4.75
b. Greater than 2-inch devices	\$5.75
J. Deposits	
a. Credit	\$200.00
b. Rental	\$100.00
K. Temporary Service - Hydrant Meter	
a. Temporary Service Connection Fee	\$50.00
b. Hydrant Meter (Security Deposit)	\$500.00

L. Reconnection Fee:	\$700.00
M. Miscellaneous Fees	
a. Delinquency Charge	10%
b. Turn-Off Fee	N/C
c. Turn-On Fee	\$50.00
d. Turn-On Fee (Below 200% of Poverty Line)	\$50.00
e. Turn-On Fee Non-Operations Hours	\$150.00
f. Turn-On Fees Non-Op (Below 200% Poverty Line)	\$150.00
g. 24-Hour Shut-Off Notice On-Site Posting	\$15.00
h. Return Check Charge	\$15.00
i. Meter Testing Fee	\$50.00
j. Inspection Fee (per Lineal Foot)	\$0.30
N. Fines per Prohibited Acts (Section 3.1400)	
a. First Violation – up to	\$250.00
b. Second Violation – up to	\$500.00
c. Third Violation and Subsequent Violations – up to	\$1,000.00
d. Fire Hydrant Tampering – up to	\$1,000.00
O. Capacity Charge	
a. ¾” Service	\$20,864.00
b. 1” Service	\$34,760.00
c. 1-1/2” Service	\$69,520.00
P. New Water Purchase Fee	\$600.00

DEVELOPMENT-RELATED FEES & CHARGES

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

MISCELLANEOUS

A. Public Records Request Fees

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

TABLE III - SCENARIO 2 - POSTPONING WESTRIDGE DEVELOPMENT FOR EIGHT (8) YEARS
WATER SYSTEM IMPROVEMENT PROGRAM SCHEDULE
PRELIMINARY CASH FLOW PROJECTION
February 5, 2024

Fiscal Year End	Project Costs (June 2018 Dollars)	Percentage Assigned to Growth	Amount Assigned to Growth	Description of General Major Improvements	Year "n"	ENR CCI (February)	ENR CCI Inflation	Inflation Factor After FY23-24 1.030
2015					1			
2016					2	10,559		
2017					3	10,889	3.1%	1.000
2018	\$41,642	0%	\$0	Soft Costs for Proposed Placer/Silver King Project	4	11,206	2.9%	1.029
2019	\$585,898	0%	\$0	Install 1,417' of 24" replacement main in Placer Road (Winsome Way to Towerview Circle (ID Pt. 15))	5	11,396	1.7%	1.047
2020					6	11,699	2.7%	1.074
2021					7	12,684	8.4%	1.165
2022					8	13,175	3.9%	1.210
2023					9	13,515	2.6%	1.241
2024					10			1.278
2025					11			1.317
2026					12			1.356
2027					13			1.397
2028					14			1.439
2029					15			1.482
2030					16			1.526
2031					17			1.572
2032					18			1.619
2033	\$1,155,000	57%	\$658,350	Install 5,500' of 12" replacement main in Placer Road (3,900' Towerview Circle to Power Line Road) and (1,600' in Richison Ranch Road, north of Placer Road)	19			1.668
2034					20			1.718
2035					21			1.770
2036					22			1.823
2037					23			1.877
2038					24			1.934
2039	\$2,650,000	57%	\$1,510,500	Install 6,723' of 24" replacement water main in Placer road (Montgomery Ranch to Swasey Drive)	25			1.992
2040	\$2,200,000	57%	\$1,254,000	Install 5,500' of 24" replacement main in Placer Road (Vista Knolls to Secluded Valley and Swasey to Plataeu Circle)	26			2.051
2041	\$1,400,000	75%	\$1,050,000	Install 4,000' of 20" parallel main in Purple Elm Drive (Placer Road to New Zone B Tank, ID Pt. 15 to 22)	27			2.113
2042	\$2,800,000	75%	\$2,100,000	New 1.5-MG Zone B Tank, ID Pt. 22 (Additional 1.0-MG Tank req'd in future)	28			2.176
2043	\$200,000	50%	\$100,000	Misc. WTP Improvements/Maintenance (Cost shown is 25% of project cost)	29			2.242
2044	\$800,000	100%	\$800,000	New Clear Well Reservoir, Filter No. 7 and WTP Capacity Study (Cost shown is 25% of project cost)	30			2.309
2045								
TOTAL:	\$11,832,540		\$7,472,850	(June 2018 Dollars)				

PRELIMINARY CASH FLOW ANALYSIS
(BASED ON INFLATION AT 3% PER YEAR)

1. Construction costs and plant capacity fees are assumed to increase at 3% per year beyond the current year. The current year inflation is based on the Engineering News Record (ENR) Construction Cost Index (CCI).
2. Cash flow for project improvements only. No developer reimbursement for oversizing, etc.
3. Cash flow revenue does not include any allowance for future annexation fees.

Fiscal Year End	Inflated Project Cost	Percentage Assigned to Growth	Amount Assigned to Growth	No. of HE's at End of Fiscal Year	Estimated No. of 3/4" Equivalent Connections	Estimated Westridge Equivalent Connections	Total No. of 3/4" Equivalent Connections	Annual Incremental Fee Increase	Plant Capacity Fee for 3/4" Service	Estimated Total Capacity Fee Revenue	Capacity Reserves Fund Balance (End of Fiscal Year)	Estimated Annual Fee Increase [%]	
2015	\$0		\$0	1337			0	\$0	\$12,055	\$0	\$312,185	0.0%	
2016	\$0		\$0	1337	7		7	\$1,400	\$12,055	\$97,000	\$312,437	14.6%	
2017	\$0		\$0	1344				\$890	\$13,820	\$30,249	\$409,437		
2018	\$41,642	0%	\$0	1346	2		2	\$0	\$15,125	\$105,875	\$398,044	9.4%	
2019	\$585,898	0%	\$0	1353	7		7	\$850	\$16,429	\$32,858	\$184,707	Updated for Actual	
2020	\$0		\$0	1355	2		2	\$500	\$17,422	\$69,686	(\$40,410)	Updated for Actual	
2021	\$0		\$0	1359	4		4	\$0	\$17,422	\$69,686	\$28,324	Updated for Actual	
2022	\$0		\$0	1363	4		4	\$505	\$18,450	\$55,349	\$98,012	Updated for Actual	
2023	\$0		\$0	1366	3		3	\$627	\$19,630	\$9,815	\$45,802	Updated for Actual	
2024	\$0		\$0	1366.5	0.5		0.5	\$646	\$20,864	\$83,458	\$86,704	Updated for Actual	
2025	\$0		\$0	1370.5	4		4	\$665	\$22,155	\$88,621	\$170,162	6.3%	
2026	\$0		\$0	1374.5	4		4	\$685	\$23,505	\$94,020	\$258,783	6.2%	
2027	\$0		\$0	1378.5	4		4	\$705	\$24,915	\$99,662	\$352,802	6.1%	
2028	\$0		\$0	1382.5	4		4	\$727	\$26,390	\$105,558	\$452,464	6.0%	
2029	\$0		\$0	1386.5	4		4	\$748	\$27,930	\$111,719	\$558,023	5.9%	
2030	\$0		\$0	1390.5	4		4	\$771	\$29,538	\$118,154	\$689,741	5.8%	
2031	\$0		\$0	1394.5	4		4	\$794	\$31,219	\$124,874	\$787,895	5.7%	
2032	\$0		\$0	1398.5	4		4	\$818	\$32,973	\$923,242	\$912,769	5.6%	
2033	\$1,870,446	57%	\$1,066,154	1426.5	4	24	28	\$842	\$34,804	\$1,044,134	\$1,813,992	5.6%	
2034	\$0		\$0	1456.5	4	26	30	\$868	\$36,716	\$1,101,487	\$2,915,479	5.5%	
2035	\$0		\$0	1486.5	4	26	30	\$894	\$38,711	\$1,161,341	\$4,076,820	5.4%	
2036	\$0		\$0	1516.5	4	25	29	\$920	\$40,793	\$1,183,002	\$5,259,821	5.4%	
2037	\$0		\$0	1545.5	4	25	29	\$948	\$42,965	\$1,245,986	\$6,505,807	5.3%	
2038	\$5,124,273	57%	\$2,920,856	1574.5	4	27	31	\$977	\$45,230	\$1,402,145	\$4,987,116	5.3%	
2039	\$4,381,737	57%	\$2,497,590	1605.5	4	26	30	\$1,006	\$47,593	\$1,427,796	\$3,917,322	5.2%	
2040	\$2,872,030	75%	\$2,154,022	1665.5	4	26	30	\$1,036	\$50,057	\$1,501,710	\$3,265,010	5.2%	
2041	\$5,916,381	75%	\$4,437,286	1695.5	4	26	30	\$1,067	\$52,626	\$1,576,773	\$4,06,497	5.1%	
2042	\$435,277	50%	\$217,638	1716.5	4	17	21	\$1,099	\$55,304	\$1,161,376	\$1,350,234	5.1%	
2043	\$1,793,340	100%	\$1,793,340	1720.5	4	4	4	\$1,132	\$58,095	\$232,379	(\$210,726)	5.0%	
2044	\$0		\$0	1724.5	4	4	4	\$1,166	\$61,004	\$244,014	\$33,288	5.0%	
2045													
TOTAL:	\$23,021,023		\$15,086,866	113.5	274	387.5	\$15,503,970						
			65.5%										

Notes:

- There were 206 active "Will-Serve" letters at completion of the 2015 WMP. Since then, nine have expired, representing 61 lots. Therefore, the "Estimated No. of 3/4" Equivalent Connections" has been reduced to 145.
- Based on anticipated timing of Westridge Development per Developer's phased projections, and as summarized in the October 5, 2017 PACE Technical Memo No. 2, and expected to begin developing in 2033.
- Capacity Fees are adjusted in March prior to the noted Fiscal Year and go into effect at the beginning of the referenced fiscal year. For example, the Capacity Fee for FY ending 2023 is considered in March 2022 and goes into effect July 1, 2022.



COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: April 11, 2024

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: New Business 4 – Review and Adoption of the Preliminary O&M Budget for Fiscal Year 2024-25

Recommendation

Action – The Finance Committee concurs with the recommendation that the Board: Review and Adopt the Preliminary O&M Budget.

Item Explanation

Attached is the preliminary O&M Budget for Fiscal Year 2024-25.

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

1. Rate Adjustments for all customers:

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

2. Zone A – affecting approximately 130 customers.

Rate Adjustment Options		
Description	Proposed Rate Adjustment	Projected Revenue
Base Rate Surcharge	\$2.50	\$4,000
Consumption Rate Surcharge	\$0.03	\$2,100
	Total	\$6,100

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

1. **Consumption (41200)** is projected to increase modestly following the previous drought conditions. In 2022, the District recorded its lowest water sales of 1,122 AF. In 2023, this recovered by 5%. The proposed budget assumes a general transition based upon current trends along with a gradual increase occurring Water Year 2025. Total water purchased for the current fiscal year is projected to be 1,238 AF through June and is estimated to be 1,481 AF for the preliminary budget.
2. **LAIF Interest (43001)** is projected as a slight decline from the current interest earned.
3. **O&M Clear Creek (51300)** is nearly \$37k higher than the budget for this current year. This is a direct result of Clear Creek overestimating their use by 28%. For the next fiscal year, Clear Creek has reduced their projected use by 22%. The budget for the next fiscal year is \$157k.
4. **Repair & Maintenance (52100)** assumes a drop in expense with the potential of purchase of a vac trailer.
5. **Liability Insurance (54100)** the budget reflects the higher projected JPIA expense based upon greater losses systemwide.
6. **SWRCB Fees (54250)** reflect the loss of disadvantaged status. A net increase of approximately \$9k.
7. **Salaries (55100)** have been budgeted to include a 4.22% COLA for all exempt and non-exempt as well as eligible step increases for non-exempt.
8. **Pension – Retirement (55300)** budget includes the unfunded liability payment of \$48,575 for the Classic & \$496 for the PEPRA. It also includes an additional discretionary payment of \$6,681 for the Classic & \$979 for the PEPRA. Unlike the current fiscal year, the discretionary payment schedule increased from a 10-year repayment plan to a 20-year plan based upon current investment returns and the unfunded liability.
9. **Worker’s Comp Insurance (55500)** because of increased claims this is projected to increase by \$10k for the short-term.

Attachment(s)

- Preliminary O&M Budget

Preliminary O&M budget - April 11, 2024

FY 2023-24

FY 2024-25

Income

	Budget	Actual thru Feb.	Projected Thru June	Projected thru June vs. Budget (\$)	Projected thru June vs. Budget (%)	PROPOSED Budget	PROPOSED vs PRIOR Projected
41000 · WATER SALES							
41100 · Base Rate	541,000	361,969	543,000	2,000	100.4%	573,000	30,000
41200 · Consumption Rate	610,000	405,218	592,000	(18,000)	97.0%	695,000	103,000
41210 · Late Fees	8,700	1,103	16,000	7,300	183.9%	10,000	(6,000)
41300 · Water Sales-Temp Const	500	401	500	-	100.0%	500	0
41400 · Pump Zone A (Base Rate)	13,400	9,009	13,500	100	100.7%	17,500	4,000
41450 · Pump Zone A (Power Comp)	16,400	13,315	18,000	1,600	109.8%	20,900	2,900
41500 · Pump Zone A-1 (Base Rate)	4,600	3,239	4,800	200	104.3%	4,800	0
41550 · Pump Zone A-1(Power Comp)	5,500	4,033	6,100	600	110.9%	6,500	400
41900 · Drought Surcharge	0	-	0	-		0	0
Total 41000 · WATER SALES	1,200,100	798,287	1,193,900	(6,200)	99.5%	1,328,200	134,300
41600 · RESERVE FUNDS							
41605 · Consumption Surcharge	22,000	14,816	21,000	(1,000)	95.5%	24,000	3,000
41700 · Water Treatment Plant Fee	44,000	29,468	43,000	(1,000)	97.7%	48,000	5,000
41800 · Rate Stabilization Fee	66,000	44,143	64,000	(2,000)	97.0%	72,000	8,000
56250 · Transer Reserve Funds	(132,000)	(88,427)	(128,000)	4,000	97.0%	(144,000)	(16,000)
42000 · SERVICE INSTALLATION - METERS							
42100 · Connection Charges	400	545	600	200	150.0%	400	(200)
Total 42000 · SERVICE INSTALLATION	400	545	600	200	150.0%	400	(200)
43000 · INTEREST							
43001 · LAIF	25,000	28,830	39,000	14,000	156.0%	30,000	(9,000)
43002 · Other Interest	65	9	15	(50)	23.1%	50	35
43003 · Shasta Co 422 Interest	65	100	150	85	230.8%	150	0
Total 43000 · INTEREST	25,130	28,939	39,165	14,035	155.8%	30,200	(8,965)
44100 · GENERAL PROPERTY TAX							
44840 · Cent. Admin Fee TSWAD 01-1	2,500	0	2,500	-	100.0%	2,500	0
Total 44100 · General Property Tax-422	2,500	-	2,500	-	100.0%	2,500	0

Preliminary O&M Budget - April 11, 2024

FY 2023-24

FY 2024-25

Budget	Actual thru Feb.	Projected Thru June	Projected thru June vs. Budget (\$)	Projected thru June vs. Budget (%)	PROPOSED Budget	PROPOSED vs PRIOR Projected
45000 · OTHER OPER. REVENUE						
45100 · Inspection Fees	0		0		0	0
45300 · Returned Check Charge	0		0		0	0
45400 · Misc. Revenue	500	101	200	40.0%	500	300
45850 · Backflow Prevention Testing	3,900	2,209	3,900	100.0%	3,900	0
45900 · Will Serve - Engineering	0	50	50	0.0%	0	(50)
45950 · Will Serve - Legal	0	0	0	0.0%	0	0
45955 · Will Serve - Admin	0	0	0	0.0%	0	0
49715 · Water Sales	0	0	0	0.0%	0	0
Total 45000 · OTHER OPER. REVENUE	4,400	2,360	4,150	94.3%	4,400	250
TOTAL INCOME	1,232,530	830,131	1,240,315	100.6%	1,365,700	125,385

Expense

51000 · WATER COSTS						
51100 · Raw Water Charge	17,000	6,910	17,200	200	23,000	5,800
51300 · Oper. & Maint. - Clear Creek	103,000	90,924	140,000	37,000	157,000	17,000
51305 · Administration - Clear Creek	46,000	26,381	38,000	(8,000)	50,000	12,000
51310 · O & M Adjustment - Clear Creek	10,000	1,204	1,204	(8,796)	5,000	3,796
51315 · Restoration Fee	12,000	5,231	14,000	2,000	21,000	7,000
51316 · Trinity PUD Bureau Charges	80	17	17	(63)	0	(17)
51317 · SWRCB - Water Rights Fee	4,000	3,949	3,949	(51)	4,100	151
51319 · McConnell Water Transfer	0	0	0	0	0	0
City of Redding Water Transfer	0	0	0	0	0	0
51325 · WINN Act Lawsuit	5,000	158	1,000	(4,000)	3,000	2,000
Total 51000 · WATER COSTS	197,080	134,774	215,370.00	18,290	263,100	47,730
52000 · TRANSMISSION & DISTRIB.						
52100 · Rep. & Maint.	72,000	29,880	40,000	(32,000)	40,000	0
52130 Zone A PS Repairs & Maint.	1,600	1,113	1,113	(487)	1,600	487
5214 · A1 PS Repairs & Maint.	1,600	1,196	1,196	(404)	1,600	404

Preliminary O&M Budget - April 11, 2024

FY 2023-24

FY 2024-25

	Budget	Actual thru Feb.	Projected Thru June	Projected thru June vs. Budget (\$)	Projected thru June vs. Budget (%)	PROPOSED Budget	PROPOSED vs PRIOR Projected
52200 · Operating Supplies & Expense	22,000	14,177	21,000	(1,000)	95.5%	21,000	0
52300 · Lease Payment - BLM Tank Site	0	0	0	0		0	0
52400 · Utilities - General Plant	1,100	834	1,400	300	127.3%	1,600	200
52425 - Elect., Muletown Pump Station	6,000	1,707	3,000	(3,000)	50.0%	4,000	1,000
52450 - Elect., Towerview Pump Station	2,500	1,351	2,200	(300)	88.0%	2,500	300
52500 · Utilities - Pump Zone A	24,000	23,260	30,000	6,000	125.0%	32,700	2,700
52600 · Utilities - Pump Zone A-1	5,500	5,067	5,800	300	105.5%	6,800	1,000
52700 - Diggins Generator Propane	100	138	300			300	0
52850 · Backflow Prevention Testing	3,900	3,600	3,900	0	100.0%	3,900	0
	140,300	82,323	109,909	-30,591	78.3%	116,000	6,091
53000 · EQUIPMENT							
53100 · Equipment Repairs & Maint.	9,000	2,854	4,500	(4,500)	50.0%	8,000	3,500
53200 · Gasoline	11,000	5,003	7,500	(3,500)	68.2%	8,500	1,000
Total 53000 · EQUIPMENT	20,000	7,857	12,000	(8,000)	60.0%	16,500	4,500
54000 · ADMINISTRATIVE							
54100 · Liability Insurance - District	25,000	37,320	37,320	12,320	149.3%	35,000	(2,320)
54150 · Utilities-District Office	9,000	6,688	10,000	1,000	111.1%	11,000	1,000
54200 · Telephone - District Office	11,000	4,862	7,300	(3,700)	66.4%	8,000	700
54250 · SWRCB Fees	4,000	12,416	12,416	8,416	310.4%	13,000	584
54300 · Travel & Training	6,000	1,878	4,000	(2,000)	66.7%	6,000	2,000
54325 · Employee Recognition	1,400	1,472	1,472	72	105.1%	1,600	128
54350 · Elections	0	0	0	0	0.0%	2,450	2,450
54375 · LAFCO	3,400	3,727	3,727	327	109.6%	4,000	273
54400 · Miscellaneous	500	6	100	(400)	20.0%	500	400
54500 · Engineering - District Engineer	5,000	5,024	8,000	3,000	160.0%	8,000	0
54550 · Legal-Dist. Attorney	15,000	7,297	12,000	(3,000)	80.0%	10,000	(2,000)
54600 · Accounting-Audit & Consult	20,000	2,775	20,000	0	100.0%	21,000	1,000
54625 - Meals	500	585	700	200	140.0%	800	100
54630 - Construction Meals	500	594	700	200	140.0%	800	100
54650 · Office Supplies	8,500	7,687	10,000	1,500	117.6%	9,000	(1,000)
54675 · Bank Charges	50	0	50	0	100.0%	50	0
54680 · Merchant Fees	1,000	759	1,100	100	110.0%	1,200	100

Preliminary O&M Budget - April 11, 2024

FY 2023-24

FY 2024-25

	Budget	Actual thru Feb.	Projected Thru June	Projected thru June vs. Budget (\$)	Projected thru June vs. Budget (%)	PROPOSED Budget	PROPOSED vs PRIOR Projected
54700 · Postage	10,000	5,434	10,000	0	100.0%	10,000	0
54750 · Office Equipment (Small)	19,000	17,864	23,000	4,000	121.1%	22,000	(1,000)
54800 · Office Building - R&M	5,000	5,596	8,400	3,400	168.0%	5,000	(3,400)
54850 · Directors Compensation	5,500	2,900	5,000	(500)	90.9%	5,500	500
54900 · Subscription & Licenses	29,000	29,196	32,000	3,000	110.3%	33,000	1,000
Total 54000 · ADMINISTRATIVE	179,350	154,080	207,285	27,935	115.6%	207,900	615
55000 · WAGES & BENEFITS							
55100 · Salaries	424,000	278,983	426,300	2,300	100.5%	448,000	21,700
55110 · Salaries - Standby	7,000	3,610	6,000	(1,000)	85.7%	6,000	0
55120 - Overtime	7,000	3,415	6,000	(1,000)	85.7%	6,000	0
55200 · Salaries - Part Time Employees	18,000	13,117	19,000	1,000	105.6%	20,000	1,000
55210 · Salaries - Temporary Employees	0	0	0	0		0	0
55300 · Pension - Retirement	80,600	68,869	80,800	200	100.2%	93,700	12,900
55400 · Insurance - Emp. Health&Dental	102,000	72,845	113,000	11,000	110.8%	118,000	5,000
55500 · Workman's Comp. Insurance	18,400	13,979	20,500	2,100	111.4%	29,000	8,500
55600 · F.I.C.A.	26,300	18,306	27,900	1,600	106.1%	28,000	100
55700 · Medicare Tax	6,100	4,281	6,500	400	106.6%	6,500	0
Total 55000 · WAGES & BENEFITS	689,400	477,405	706,000	16,600	102.4%	755,200	49,200
Sub-Total Expense	1,226,130	856,439	1,250,564	24,234	102.0%	1,358,700	108,136
Other Expenses							
57110 - Transfer to Pump Station Res.	6,400		4,300	(2,100)		7,000	2,700
Reserves							
Drought Surcharge			61,080				
Total 57102 - OTHER OPER EXPENSES	6,400	0	65,380	(2,100)		7,000	2,700
TOTAL - Expenses/Transfers	1,232,530	856,439	1,315,944			1,365,700.00	

NET INCOME / (LOSS)

0.00

(26,309)

0



MEMORANDUM

DATE: April 11, 2024

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: New Business 5 – Authorize Providing Notice Pursuant to Proposition 218 for Rate Increases and Set Public Hearing for June 19, 2024 for Board to Consider Rate Increases for Water Rates, Pump Surcharge Fees, and Water Availability Charge and Consider Any Protests Submitted

Recommendation

Action – that the Board of Directors:

1. Authorize the Prop 218 notice; and
2. Set a public hearing considering the rate adjustments for June 19th.

Item Explanation

Attached is the Prop 218 notice providing required information related to the proposed rate adjustments. The preliminary O&M Budget requires the following changes:

All customers

1. Base Rate is increased by \$2.00 for all meters.
2. Consumption Rate is increased by 5-cents to be \$1.183 per hcf.

Zone A (approximately 130 customers)

1. Base Rate Surcharge is increased by \$2.50.
2. Consumption Rate Surcharge is increased by 3-cents per hcf.

Attachment(s)

- Prop 218 notice



COMMUNITY SERVICES DISTRICT

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

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

At the April 17, 2024 Regular Board meeting, the Directors reviewed and adopted a preliminary Operations & Maintenance ("O&M") Budget based upon the completed cost-of-service analysis.

The Board of Directors set a public hearing for **June 19, 2024, at 7:00 pm** ("Regular Board Meeting"). The Regular Board Meeting will be held at the District Office located at 8930 Placer Road, Redding, CA. Please refer to the posted agenda for the most current meeting information. At the public hearing, the proposed rate increases will be presented and the public will be given an opportunity to comment. **If adopted, the proposed changes will become effective July 1, 2024.**

The following is a summary of the recommended adjustments:

- A rate adjustment is proposed to the current **Base and Consumption Rates** - affecting all customers.
- A rate adjustment is proposed to the **Water Availability Charge (WAC)** - affecting 16 customers.
- Adjustments are proposed to the **Base Rate Surcharge and the Consumption Rate Surcharge for Pump Zone A** - affecting approximately 130 customers.

Basis of Proposed Rates

In providing adequate water service and supply to its customers, the District must receive sufficient total revenue to ensure proper operation and maintenance ("O&M"), development and sustainability of the water system, and the preservation of the District's financial integrity. The District utilizes a cash-needs approach for the basis of rate-making. The basic revenue requirement components of the cash-needs approach include: O&M expense, taxes or transfer payments, debt-service payments, contributions to specific reserves, and the cost of capital expenditures that are not debt financed or contributed (i.e., capital improvements funded directly from rate revenues).

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

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

Specific to **Pressure Zone A**, rate adjustments are linked to increased energy cost, routine repairs and maintenance, as well as the need to adequately fund the reserve. This pump zone is completely reliant upon pumping for its water supply which requires power. During the times of PG&E power outages and its related Power Safety Power Shutoff events, it is necessary to use an emergency generator to power this pump station.

Proposed Base Rate & Consumption Rate Increases

The Board of Directors adopted a preliminary O&M Budget at the Regular meeting on April 17, 2024. Due to increased expenses associated with the cost related to water and the ongoing operation and maintenance of the District's distribution system as well as the increased Treatment Plant costs, the Board proposed adjusting the Base Rates and Consumption Rates for Residential, Commercial, Industrial and Institutional customers. Please note the Base Rate does not include any water consumption.

The proposed increases are depicted in the tables below:

Base Rate Structure

<u>Meter Size</u>	<u>Current Monthly Rate</u>	<u>Proposed Monthly Rate</u>
5/8"	\$34.00	\$36.00
3/4"	\$34.25	\$36.25
1"	\$34.50	\$36.50
1.5"	\$54.50	\$56.50
2"	\$95.00	\$97.00

Consumption Rates

	<u>Current Rate</u> <u>Per 100 Cubic-feet (hcf)</u>	<u>Proposed Rate</u> <u>Per 100 Cubic-feet (hcf)</u>
Residential	1.133	1.183
Commercial/Industrial/Institutional	1.133	1.183

Proposed Water Availability Charge (WAC)

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

<u>Current Rate</u>	<u>Proposed Rate</u>
\$34.50	\$36.50

Proposed Residential Rate Increase User Comparison

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

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

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

Base Rate:	\$34.25	Base Rate:	\$36.25
0 – 3,500 cf x \$ 1.133 =	\$39.66	0 – 3,500 cf x \$ 1.183 =	\$41.41
RSF (35 x \$.12) =	\$4.20	RSF (35 x \$.12) =	\$4.20
WTP (35 x \$.08) =	\$2.80	WTP (35 x \$.08) =	\$2.80
Total	\$80.91	Total	\$84.66

Difference = \$ 3.75

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

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

Base Rate:	\$34.25	Base Rate:	\$36.25
0 – 12,500 cf x \$ 1.133 =	\$141.63	0 – 12,500 cf x \$ 1.183 =	\$147.88
RSF (125 x \$.12) =	\$15.00	RSF (125 x \$.12) =	\$15.00
WTP (125 x \$.08) =	\$10.00	WTP (125 x \$.08) =	\$10.00
Total	\$200.88	Total	\$209.13

Difference = \$8.25

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

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

Base Rate:	\$34.25	Base Rate:	\$36.25
0 – 40,000 cf x \$ 1.133 =	\$453.20	0 – 40,000 cf x \$ 1.183 =	\$473.20
RSF (400 x \$.12) =	\$48.00	RSF (400 x \$.12) =	\$48.00
WTP (400 x \$.08) =	\$32.00	WTP (400 x \$.08) =	\$32.00
Total	\$567.45	Total	\$589.45

Difference = \$22.00

Proposed Zone A Pump Surcharge Fee Increases

Below are the proposed Base Rate Surcharge and the Consumption Rate Surcharge rate increases for the Zone A Pump Zone which includes examples of how this will impact the monthly billing. Zone A has approximately 130 customers.

<u>Zone A</u>		
<u>Surcharge Rates</u>		
	<u>Current</u>	<u>Proposed</u>
Base Rate Surcharge:	\$ 9.25	\$ 11.75
Consumption Surcharge per 100-cf:	\$ 0.282	\$ 0.312

The following example depicts how this proposed rate increase would impact a Zone A customers' typical August bill depending on their water usage:

	<u>Low-Volume Use</u> <u>Up to 3,500</u> <u>Cubic-Feet</u> <u>26% of Customers</u>		<u>Mid-Volume Use</u> <u>Up to 7,500</u> <u>Cubic-Feet</u> <u>22% of Customers</u>		<u>High-Volume Use</u> <u>Up to 12,500</u> <u>Cubic-Feet</u> <u>26% of Customers</u>	
	Current	Proposed	Current	Proposed	Current	Proposed
Base Rate (3/4-inch):	\$34.25	\$36.25	\$34.25	\$36.25	\$34.25	\$36.25
Consumption Rate per 100 cf:	\$1.133	\$1.183	\$1.133	\$1.183	\$1.133	\$1.183
Base Rate Surcharge:	\$9.25	\$11.75	\$9.25	\$11.75	\$9.25	\$11.75
Consumption Surcharge per 100 cf:	\$0.282	\$0.312	\$0.282	\$0.312	\$0.282	\$0.312
Base Rate (3/4-inch):	\$34.25	\$36.25	\$34.25	\$36.25	\$34.25	\$36.25
Consumption Rate per 100 cf:	\$39.66	\$41.41	\$84.98	\$88.73	\$141.63	\$147.88
Base Rate Surcharge	\$9.25	\$11.75	\$9.25	\$11.75	\$9.25	\$11.75
Consumption Surcharge per 100 cf:	\$9.87	\$10.92	\$21.15	\$23.40	\$35.25	\$39.00
RSF (100 cf):	\$4.20	\$4.20	\$9.00	\$9.00	\$15.00	\$15.00
WTP Fee (100 cf):	\$2.80	\$2.80	\$6.00	\$6.00	\$10.00	\$10.00
Total	\$100.03	\$107.33	\$164.63	\$175.13	\$245.38	\$259.88
Difference		\$ 7.30		\$10.50		\$14.50

Proposed Rate Increase Protest Procedure

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

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



MEMORANDUM

Date: April 12, 2024
To: Board of Directors
From: Chris Muehlbacher
Subject: **Old Business 1 – Muletown Pump Station Generator Project Update**

Recommendation

Information – This provides updated information related to the project.

Discussion

Mead & Hunt continues to make progress with the preliminary design. The 70% design submittal was reviewed by staff and the design engineers. The 90% design submittal is expected late May.

Attachment(s) – None



MEMORANDUM

Date: April 12, 2024
To: Board of Directors
From: Chris Muehlbacher
Subject: **Old Business 2 – Carr Fire Recovery Project Update**

Recommendation

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

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

Discussion

Recently, it has been confirmed that CalOES continues to review a single project included in the Carr Fire grant. A new representative has been assigned to finalize the remaining project. Once this is completed by CalOES the file will then be turned over to FEMA for its final review and project close-out. Once this is done, the District will then receive a final accounting of the cost share.

Fiscal Impact

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

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

Attachment(s) – None