Manager's Report

6/13/2025

Administration

1	Joint Use Agreement	Final draft provided to new Battalion Chief Dusty Gyves. Being reviewed by County attorney.
2	CC-CSD WTP Agreement	Next Ad Hoc Meeting in July TBD
3	Salary Survey	Conducting survey for employees
4	Training	Tina attended CPR and first aid

Committee Meetings

R&P Committee	Future Meeting: TBD
Personnel Committee	Future Meeting: June/July Indoor Heat & Illness Policy Salary Survey & Director Fees Manager Review
Ordinance Committee	Future Meeting: TBD
Finance Committee	Future Meeting: TBD
Public Info. Committee	Future Meeting: TBD
Ad Hoc - WTP Contract	April 10th - first meeting. Next meeting TBD in July

- over -

Operations

1. Leaks

	Current	FYTD
Mainline Leaks - Repaired	0	2
Service Leaks - Repaired	0	4
Service Lines - Replaced	1	19

1 - Knobhill

Service Lines - Planned

2 New Meters - Installed

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

3. Misc Activities

AV Program	This past month	18	Total Done	54 of 90
Dead End Flushing		0		64 of 100

Tank Maintenance Program — Planning C1 in spring 2026

JPIA Infrared Imaging — On-hold - Coordinating with JPIA for a free IR imaging of all sites.

Meter Reading — Handheld Unit 2 has been repaired
Replacement auto-gun has been ordered $2,200

Site Mainenance — Overflow drainage cleared from brush at tank sites
Pilot valve repair at Texas Springs PRV
Wagner Electric installed plug, fan in Ops office, and outdoor light

Operator Training — JPIA Heat Illness
Well Outreach
RCAC - Revised Total Coliform Rule
RCAC - Mapping Small Water Systems

CENTERVILLE
COMMUNITY SERVICES DISTRICT

Regular Board Meeting of the Board of Directors
Wednesday, June 18, 2025 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 to public comments. By law, the Board of Directors cannot discuss or make decisions on matters that are not on the agenda. The Board will customarily refer these matters to the District Manager's Office. Each speaker is allocated (5) minutes to speak for a maximum of 20 minutes on each subject. Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the District. After receiving recognition from the Board President, please state your name and comments.	
3	Approval of the minutes of: May 21, 2025, Regular Board Meeting	Action
4	Authorize Payment of Bills for Current Expenses	Action
5	Status of the Budget Report	Information
NEW BUSINESS:		
1	Public Hearing for the Board to Consider Rate Increases for Water Rates, Pump Surcharge Fees, and Water Availability Charge as included in Resolution 2025-03 and Consider Any Protests Submitted	Action
2	Consider Adopting Resolution 2025-05 – Establishing a Cross Connection Control and Backflow Program	Action
3	Consider Adopting Resolution 2025-02 – Establishing the Tax Appropriation Limitation for Fiscal Year 2025-26	Action
4	Consider Adopting a Capital Budget as included in Resolution 2025-04	Action
5	Discussion regarding the Volunteer Fire Department Station 52	Discussion

OLD BUSINESS:

1	Muletown Pump Station Generator Project Update	Information
2	Carr Fire Recovery Project Update	Information
3	PLC, Radio and Antenna Replacement Project Update	Information

GENERAL BUSINESS:

1	Correspondence	Information
2	Director's Report	Information
3	Manager's Report	Information
4	Committee Reports	Information
	Resource & Planning – June 3rd	
	Ordinance – June 3rd	
	Finance – June 9th	
5	Announcements	
6	Adjournment	

Next Scheduled Board Meeting
July 16, 2025 @ 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.

May 21, 2025

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

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

PRELIMINARY BUSINESS:

1. Call to Order: President Hopson called the meeting to order at 7:00 pm.

2. Public Comment Period: President Hopson opened the public comment period. No comments were received. The public comment period was closed.

3. Approval of April 16 2025, minutes: Director Woodstrom moved to approve the minutes. Vice President Oliver seconded. The vote was unanimous. Motion carried.

4. Authorize Payment of Bills for Current Expenses: Vice President Oliver moved to pay the bills. Director Woodstrom seconded. Mr. Muehlbacher stated that the payment to the Bureau of Land Management is a fee for the Texas Spring's right of way. The State Controller payment is unclaimed property being sent to the state. The Texas Springs payment is pass through taxes. The vote was unanimous. Motion carried.

5. Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenue thru April was $1,171,611 versus expenses of $1,154,107. He mentioned that consumption is trending slightly higher than what was budgeted. Regarding expenses, Clear Creek is trending below budget and line item 52500 – Utilities Plant Zone A is trending higher than what was budgeted.

   The Capital revenue was $170,044 versus expenses of $184,263. He mentioned that expenses reflect a PACE Engineering payment made on the tank coating project.

   Reserve Fund Status Sheet: The total reserve is $1,319,343. Mr. Muehlbacher stated that the notable change was the LAIF Interest which was divided among each of the reserves.

NEW BUSINESS

1 Review Fire Flow Analysis Update: Mr. Muehlbacher stated that PACE Engineering completed the fire flow analysis which provided confirmation of the impacts resulting from the construction of the Middletown Park PRV and the discovery of the bottleneck in Olney Park near Simmons Road.

   Mr. Reuter stated that for years the District had a check valve between Zone A and A1. This valve only allowed water to travel from the lower zone to the upper zone. In 2021 the District replaced the check valve with a pressure reducing valve which allowed water to flow in both directions. This improved fire flow in these areas as well as Zone B.

He also mentioned that another item that prompted the analysis was the bottleneck in the AC pipe in Olney Park. This bottleneck was not known until it was uncovered so the 2015 Master Water Plan did not include this.

Mr. Reuter stated that fire flow inefficiency went away in Campo Calle with the installation of the PRV. However, the remaining areas in need of improvement, the only way to fix them is to change out the pipe size.

Mr. Reuter also stated that when they met with the Fire Marshall he confirmed the fire flow requirement is 500 gpm.

The analysis updated the project costs associated with fixing the remaining fire flow issues to May 2025 costs. The total Fire Flow Project costs decreased from $7.88M to $7.49M. Mr. Muehlbacher stated that it appears that there are no grants at this time that the District would qualify for.

2 Review Tank Improvement Program – Zone A1 Tank Completion Report: Mr. Muehlbacher stated that Zone A1 was a success. The Zone A1 tank was taken out of service early April and returned to service May 1st. This is our fourth year of a 10-year Tank Coating Program with Superior Tank Solutions. Next year will be the Zone C Tank.

OLD BUSINESS:

1 Muletown Pump Station Generator Project Update: Mr. Muehlbacher is still waiting for the project budget amendment. He is in the process of submitting a time extension.

2 Carr Fire Recovery Project Update: Mr. Muehlbacher mentioned that he had to verify a few expenses to FEMA.

3 PLC, Radio and Antenna Replacement Project Update: We are currently waiting for the delivery of the radios. Once everything is onsite, Wagner Electric and PACE Engineering will begin the project.

GENERAL BUSINESS:

1 Correspondence: None.

2 Director's Report: None.

3 Manager's Report: Mr. Muehlbacher stated that the WTP Ad Hoc Committee will meet again in July.

Field operators repaired two service lines, one on Kanaka and one on Melinda. He stated that the AV program will be completed by Fall.

Mike Burgess of the SWRCB approved the Cross Connection Control plan. Mr. Muehlbacher will bring it to the Ordinance Committee for review.

4 Committee Reports: None.

5 Announcements: The next Board Meeting will be June 18, 2025.

6 Adjournment: The meeting adjourned at 7:38 pm.

CENTERVILLE COMMUNITY SERVICES DISTRICT
COMMITTEE MEETING NOTES

Committee Present: Vice President Oliver and Director Richison
Absent: None
Others Present: James Leviness and Chris Muehlbacher

ORDINANCE COMMITTEE AGENDA

1 Open Session
No public comments.

2 Review of the Cross-Connection Control and Backflow Plan
The Committee reviewed and discussed the subject with Operator James Leviness and Chris Muehlbacher. The Committee concurred that the plan would be presented for Board adoption at the June meeting.

3 Adjournment

CENTERVILLE COMMUNITY SERVICES DISTRICT
RESOURCE & PLANNING COMMITTEE MEETING NOTES

Committee Present: Director Whitehead and President Hopson
Absent: None
Others Present: Dan Peters, and Chris Muehlbacher

RESOURCE & PLANNING COMMITTEE AGENDA

1 Open Session
No public comment was received.

2 Review of the Capital Improvement Program for Fiscal Year 2025-26
The Committee discussed the various projects of the CIP. The proposed budget includes the tank coating program, the Clear Creek WTP Recycled Water Project payment, Tank A Access Road, Asphalt Pavement Crack & Seal Projects, the Muletown Generator project, and the continuation of the Telemetry & PLC Replacement project. The Committee concurs with the recommendation that the capital budget be advanced to the Finance Committee.

3 Discussion regarding the Volunteer Fire Department Station 52
The Committee discussed the subject and Cal Fire's intent to utilize this location for storage. It was agreed to further discuss this at the Board meeting.

4 Adjournment

CENTERVILLE COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE MEETING NOTES

Committee Present: Director Woodstrom and Vice President Oliver
Absent: None
Others Present: Chris Muehlbacher

FINANCE COMMITTEE AGENDA

1 Open Session – No comments were received.

2 Review and Discussion of the Capital Budget for FY 2025-26
The Committee reviewed the Capital Budget and made recommendations that the pavement projects be delayed due to cash flow issues and concern for the impacts of front-loading the costs for the Muletown Generator project while waiting for reimbursement from FEMA and REU. The Committee then concurred with the recommendation for adoption by the Board.

3 Review and Discussion of the Reserve Policy and Reserve Goals
The Committee discussed the subject and directed the Manager to make recommended changes to the Policy for Committee consideration. Changes to include removal of the Berkadia and AD 95-1 reserve information. The Committee further recommends reviewing the reporting requirements of the policy. Also, recommended the need to revisit the funding goals for the water treatment plant.

4 Review and Discussion of the Investment Policy
The Committee reviewed the policy and made no recommendations for change.

5 Review and Discussion of the Collection of Delinquent Bills
The Committee reviewed the subject and provided directions for staff to further explore the process of converting delinquent accounts onto the tax roll.

6 Adjournment

Centerville Community Services District
Profit & Loss Budget Performance
May 2025

	May 25	Budget	% of Budget	Jul '24 - May 25	YTD Budget	% of Budget
Ordinary Income/Expense						
Income						
41000 · WATER SALES						
41100 · Base Rate	47,896.00	48,000.00	99.78%	527,014.50	525,000.00	100.38%
41200 · Consumption Rate	65,523.45	61,000.00	107.42%	642,579.55	615,200.00	104.45%
41210 · Late Fees	1,249.10	900.00	138.79%	15,750.71	8,900.00	176.97%
41220 · Miscellaneous Charges	0.00			655.00	0.00	100.0%
41300 · Water Sales-Temp Const	0.00	0.00	0.0%	470.57	500.00	94.11%
41400 · Pump Zone A (Base Rate)	1,386.50	1,500.00	92.43%	15,521.75	16,000.00	97.01%
41450 · Pump Zone A (Power Comp)	2,265.13	1,700.00	133.24%	21,485.69	18,300.00	117.41%
41500 · Pump Zone A-1 (Base Rate)	403.00	400.00	100.75%	4,510.50	4,400.00	102.51%
41550 · Pump Zone A-1(Power Comp)	596.54	600.00	99.42%	6,847.84	5,800.00	118.07%
Total 41000 · WATER SALES	119,319.72	114,100.00	104.58%	1,234,836.11	1,194,100.00	103.41%
41600 · RESERVE FUNDS						
41605 · Consumption Surcharge	2,299.40	2,100.00	109.5%	22,641.40	21,300.00	106.3%
41700 · Water Treatment Plant Fee	4,598.50	4,200.00	109.49%	44,939.22	42,600.00	105.49%
41800 · Rate Stabilization Fee	6,891.44	6,300.00	109.39%	67,358.18	63,900.00	105.41%
56250 · Transfer Reserve Funds	-13,789.34	-12,600.00	109.44%	-134,887.00	-127,800.00	105.55%
Total 41600 · RESERVE FUNDS	0.00	0.00	0.0%	51.80	0.00	100.0%
43000 · INTEREST						
43001 · LAIF	0.00	0.00	0.0%	53,024.01	30,000.00	176.75%
43002 · Other Interest	1.27	0.00	100.0%	18.05	0.00	100.0%
Total 43000 · INTEREST	1.27	0.00	100.0%	53,042.06	30,000.00	176.81%
45000 · OTHER OPER. REVENUE						
45300 · Returned Check Chg.	0.00	0.00	0.0%	-45.00	0.00	100.0%
45400 · Misc. Revenue	0.00	0.00	0.0%	312.80	0.00	100.0%
45850 · Backflow Prevention Testing	242.25	250.00	96.9%	3,026.50	2,750.00	110.06%
Total 45000 · OTHER OPER. REVENUE	242.25	250.00	96.9%	3,294.30	2,750.00	119.79%
Total Income	119,563.24	114,350.00	104.56%	1,291,224.27	1,226,850.00	105.25%
Gross Profit	119,563.24	114,350.00	104.56%	1,291,224.27	1,226,850.00	105.25%

Centerville Community Services District
Profit & Loss Budget Performance
May 2025

	May 25	Budget	% of Budget	Jul '24 - May 25	YTD Budget	% of Budget
Expense						
51000 · WATER COSTS						
51100 · Raw Water Charge	6,854.81	4,000.00	171.37%	27,392.64	17,800.00	153.89%
51300 · Oper.& Maint. - Clear Creek	0.00	13,300.00	0.0%	116,797.96	143,800.00	81.22%
51305 · Administration - Clear Creek	0.00	4,300.00	0.0%	36,898.98	44,300.00	83.29%
51315 · Restoration Fee	6,694.17	3,400.00	196.89%	27,126.33	16,500.00	164.4%
51317 · Water Right Fees	0.00	0.00	0.0%	4,348.23	0.00	100.0%
51325 · WINN Act Lawsuit	0.00	250.00	0.0%	184.14	2,750.00	6.7%
Total 51000 · WATER COSTS	13,548.98	25,250.00	53.66%	212,748.28	225,150.00	94.49%
52000 · TRANSMISSION & DISTRIB.						
52100 · General Repair & Maint.	510.62	3,000.00	17.02%	59,814.29	37,000.00	161.66%
52130 · Zone A - Repair and Maintenance	0.00	0.00	0.0%	1,688.47	1,200.00	140.71%
52140 · Zone A1 - Repair and Maintenanc	0.00	0.00	0.0%	2,399.17	1,200.00	199.93%
52200 · Operating Supplies & Expense	4,085.22	1,700.00	240.31%	23,787.89	19,300.00	123.25%
52300 · Lease - BLM Right of Ways	0.00	0.00	0.0%	1,829.40	0.00	100.0%
52400 · Utilities - General Plant	161.38	150.00	107.59%	1,454.55	1,450.00	100.31%
52425 · Elect., Muletown Pump Station	185.46	400.00	46.37%	1,974.14	3,600.00	54.84%
52450 · Elect., Towerview Pump Station	148.76	200.00	74.38%	2,954.17	2,200.00	134.28%
52500 · Utilities Pump Zone A	3,819.59	2,200.00	173.62%	34,817.73	29,300.00	118.83%
52600 · Utilities Pump Zone A-1	884.77	700.00	126.4%	8,124.22	6,000.00	135.4%
52850 · Backflow Prevention Testing	0.00	0.00	0.0%	3,600.00	3,900.00	92.31%
52950 · Treatment Plant Pond's Project	0.00			7,468.06		
Total 52000 · TRANSMISSION & DISTRIB.	9,795.80	8,350.00	117.32%	149,912.09	105,150.00	142.57%
53000 · EQUIPMENT						
53100 · Equipment Repairs & Maint.	642.76	600.00	107.13%	5,460.90	7,400.00	73.8%
53200 · Gasoline	623.23	700.00	89.03%	6,760.13	7,800.00	86.67%
Total 53000 · EQUIPMENT	1,265.99	1,300.00	97.38%	12,221.03	15,200.00	80.4%

Centerville Community Services District
Profit & Loss Budget Performance
May 2025

	May 25	Budget	% of Budget	Jul '24 - May 25	YTD Budget	% of Budget
54000 · ADMINISTRATIVE						
54100 · Liability Insurance - District	0.00	0.00	0.0%	37,539.51	31,000.00	121.1%
54150 · Utilities-District Office	738.43	900.00	82.05%	9,500.50	10,100.00	94.06%
54200 · Telephone - District Office	1,127.83	600.00	187.97%	10,044.45	7,400.00	135.74%
54250 · SWRCB Fees	0.00	0.00	0.0%	13,915.58	9,000.00	154.62%
54300 · Travel & Training	190.88	1,000.00	19.09%	3,567.77	4,600.00	77.56%
54325 · Employee Recognition	0.00	0.00	0.0%	1,492.38	1,600.00	93.27%
54375 · LAFCO	0.00	0.00	0.0%	3,081.47	4,000.00	77.04%
54400 · Miscellaneous	0.00	0.00	0.0%	0.02	0.00	100.0%
54455 · Watershed Sanitary Survey	0.00			6,944.70		
54500 · Engineering - District Engineer	4,884.50	600.00	814.08%	16,620.92	7,400.00	224.61%
54550 · Legal-Dist. Attorney	0.00	800.00	0.0%	7,077.10	9,200.00	76.93%
54600 · Accounting-Audit & Consult	650.00	700.00	92.86%	19,545.00	21,700.00	90.07%
54625 · Meals	0.00	50.00	0.0%	484.70	750.00	64.63%
54630 · Construction Meals	0.00	50.00	0.0%	314.28	750.00	41.9%
54650 · Office Supplies	146.07	700.00	20.87%	8,160.17	8,300.00	98.32%
54680 · Merchant Fees	82.45	100.00	82.45%	993.05	1,100.00	90.28%
54700 · Postage	0.00	900.00	0.0%	9,762.52	9,100.00	107.28%
54750 · Office Equipment (Small)	2,844.92	1,800.00	158.05%	19,411.95	20,200.00	96.1%
54800 · Office Building - R&M	335.21	500.00	67.04%	7,739.84	4,500.00	172.0%
54850 · Directors Compensation	200.00	400.00	50.0%	3,450.00	5,100.00	67.65%
54900 · Subscription & Licenses	1,231.93	1,100.00	111.99%	32,420.49	34,100.00	95.08%
Total 54000 · ADMINISTRATIVE	12,432.22	10,200.00	121.89%	212,066.40	189,900.00	111.67%

Centerville Community Services District
Profit & Loss Budget Performance
May 2025

	May 25	Budget	% of Budget	Jul '24 - May 25	YTD Budget	% of Budget
55000 · WAGES & BENEFITS						
55100 · Salaries	51,209.74	51,600.00	99.24%	402,800.65	413,600.00	97.39%
55110 · Salaries - Standby	600.00	500.00	120.0%	5,075.00	5,500.00	92.27%
55120 · Overtime	750.88	500.00	150.18%	9,151.79	5,500.00	166.4%
55200 · Salaries - Part Time Employees	2,632.52	1,600.00	164.53%	17,674.59	18,400.00	96.06%
55300 · Pension - Retirement	4,177.65	3,200.00	130.55%	88,879.74	90,500.00	98.21%
55400 · Insurance - Emp. Health&Dental	9,525.42	10,100.00	94.31%	107,004.55	107,900.00	99.17%
55500 · Workman's Comp. Insurance	0.00	0.00	0.0%	14,474.52	21,750.00	66.55%
55600 · F.I.C.A.	3,377.18	2,500.00	135.09%	26,576.17	25,700.00	103.41%
55700 · Medicare Tax	789.82	700.00	112.83%	6,215.38	6,000.00	103.59%
Total 55000 · WAGES & BENEFITS	73,063.21	70,700.00	103.34%	677,852.39	694,850.00	97.55%
Total Expense	110,106.20	115,800.00	95.08%	1,264,800.19	1,230,250.00	102.81%
Net Ordinary Income	9,457.04	-1,450.00	-652.21%	26,424.08	-3,400.00	-777.18%
Net Income	**9,457.04**	**-1,450.00**	**-652.21%**	**26,424.08**	**-3,400.00**	**-777.18%**

Centerville Community Services District
Capital Profit & Loss Budget Performance
May 2025

	May 25	Budget	Jul '24 - May 25	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
43000 · INTEREST					
43003 · Shasta Co 422 Interest	204.42	0.00	361.84	120.00	120.00
Total 43000 · INTEREST	204.42	0.00	361.84	120.00	120.00
44100 · General Property Tax-422					
44125 · Current Secured Taxes-0&M	93,725.26	86,000.00	221,254.37	214,000.00	214,000.00
44127 · Current Unitary Taxes	5,044.03	3,700.00	10,370.63	9,100.00	9,100.00
44135 · Supp Taxes Current	1,261.43	500.00	2,563.96	1,850.00	1,850.00
44140 · Curr Unsecured Taxes	164.78	500.00	11,811.81	10,000.00	10,000.00
44145 · Supp Taxes Prior	8.51	10.00	20.83	50.00	50.00
44150 · Prior Year Unsecured Taxes	0.00	0.00	126.30	100.00	100.00
44155 · Homeowner's Exemption - 422	866.25	1,000.00	2,103.75	2,500.00	2,500.00
Total 44100 · General Property Tax-422	101,070.26	91,710.00	248,251.65	237,600.00	237,600.00
46000 · CAPITAL FUNDS					
46100 · Capacity Charge	0.00	20,864.00	4,612.50	67,206.00	85,756.00
Total 46000 · CAPITAL FUNDS	0.00	20,864.00	4,612.50	67,206.00	85,756.00
49000 · TAXES & ASSESSMENTS					
49350 · Sp./Asst Texas Springs 2001-1	10,648.32	10,870.00	28,738.73	29,000.00	29,000.00
Total 49000 · TAXES & ASSESSMENTS	10,648.32	10,870.00	28,738.73	29,000.00	29,000.00
49500 · OTHER CAPITAL REVENUE					
49505 · Other Interest	0.31	0.00	2.75	0.00	0.00
Total 49500 · OTHER CAPITAL REVENUE	0.31	0.00	2.75	0.00	0.00
Total Income	111,923.31	123,444.00	281,967.47	333,926.00	352,476.00
Gross Profit	111,923.31	123,444.00	281,967.47	333,926.00	352,476.00
Expense					
57000 · DISTRIBUTION SYSTEM IMPROVE.					
57090 · Tank Coating Program	41,504.49	40,000.00	196,406.60	194,000.00	194,000.00
Total 57000 · DISTRIBUTION SYSTEM IMPROVE.	41,504.49	40,000.00	196,406.60	194,000.00	194,000.00
57400 · PRINCIPAL EXPENSE					
57406 · Sp./Asst. Txs Sprg 2001-1 Prin.	0.00	0.00	9,900.00	9,900.00	9,900.00
Total 57400 · PRINCIPAL EXPENSE	0.00	0.00	9,900.00	9,900.00	9,900.00
57500 · INTEREST EXPENSE					
57506 · Sp./Asst. Txs Sprg 2001-1 Int.	0.00	0.00	11,031.28	11,100.00	11,100.00

Centerville Community Services District
Capital Profit & Loss Budget Performance
May 2025

	May 25	Budget	Jul '24 - May 25	YTD Budget	Annual Budget
Total 57500 · INTEREST EXPENSE	0.00	0.00	11,031.28	11,100.00	11,100.00
57800 · BOND ADMIN. FEE					
57806 · NBS Admin. Fee TSWAD 2002-1	0.00	0.00	3,738.39	3,800.00	5,000.00
Total 57800 · BOND ADMIN. FEE	0.00	0.00	3,738.39	3,800.00	5,000.00
58000 · OTHER CAPITAL EXPENSES					
58070 · Muletown Pump - Generator	0.00	0.00	-35,373.82	15,100.00	30,000.00
58080 · Telemetry Replacement Program	33,339.50	30,000.00	50,946.75	114,700.00	133,000.00
58515 · Shop Bldg Dev Improvements	0.00	0.00	22,458.54	25,000.00	25,000.00
Total 58000 · OTHER CAPITAL EXPENSES	33,339.50	30,000.00	38,031.47	154,800.00	188,000.00
Total Expense	74,843.99	70,000.00	259,107.74	373,600.00	408,000.00
Net Ordinary Income	37,079.32	53,444.00	22,859.73	-39,674.00	-55,524.00
Net Income	**37,079.32**	**53,444.00**	**22,859.73**	**-39,674.00**	**-55,524.00**

CENTERVILLE COMMUNITY SERVICES DISTRICT
RESERVE FUND STATUS

May 31, 2025

DESCRIPTION		Balance as of 7-1-2024	Balance as of Last Month	Current Balance	Projected Balance As of 7-1-2025	Goal Range
DESIGNATED RESERVES:						
Operation & Maintenance		$202,305.90	$445,597.51	$456,873.09	$335,000.00	$546k - $819k (2)
Water Treatment Plant		$195,972.20	$238,698.85	$243,297.35	$255,000.00	$170k - $250k (3)
Carr Fire Funds		$149,460.79	$156,297.70	$156,297.70	$152,000.00	
Pump Sta. Rep. & Maint. (Zones A & A1)		$18,583.72	$15,241.31	$15,241.31	$22,000.00	
Capital Improvement Reserve		$395,481.74	$299,801.00	$358,926.92	$346,000.00	
Subtotal		$961,804.35	$1,155,636.37	$1,230,636.37	$1,110,000.00	
OBLIGATED RESERVES:						
Capacity Charge		$119,370.25	$129,562.24	$129,562.24	$209,000.00	
Subtotal		$119,370.25	$129,562.24	$129,562.24	$209,000.00	
RESTRICTED RESERVES;	**Maturity Date**					
Texas Springs Assessment	6/30/2041	$25,629.19	$34,144.92	$44,793.55	$33,000.00	
Subtotal		$25,629.19	$34,144.92	$44,793.55	$33,000.00	
Total Reserve Balance		$1,106,803.79	$1,319,343.53	$1,404,992.16	$1,352,000.00	

1 O&M Goal Range — Goal Range is projected to achieve the Reserve Policy range within 4 - 8 years using the Rate Stabilization Fee.

2 WTP Goal Range — Goal Range is projected to achieve the Reserve Policy range within 1.5 - 3 years using the Water Treatment Plant Fee.

CENTERVILLE
COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: June 13, 2025

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: **New Business 1 – Public Hearing for the Board to Consider Rate Increases for Water Rates, Pump Surcharge Fees, and Water Availability Charge as included in Resolution 2025-03 and Consider Any Protests Submitted**

Recommendation

ACTION – That the Board conduct the following:

1. Accept the staff report.
2. Open the Public Hearing and consider any written protests.
3. Close the Public Hearing.
4. Discussion to consider adoption of Resolution 2025-03 approving the rate adjustments.
5. Roll-Call Vote.

Item Explanation

The preliminary O&M Budget for Fiscal Year (FY) 2025-26 was approved at the April 16th Board meeting. The Board also authorized providing Proposition 218 notice and set the Public Hearing for June 18th. As required by California Constitution Article XIII D, Section 6 – Property Related Fees and Charges paragraph (1) the notice shall include: "The parcels upon which a fee or charge is proposed shall be identified. The amount of the fee or charge proposed to be imposed upon each parcel shall be calculated. The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge."

Following a public hearing, the Board will consider the following rate adjustments:

All customers

1. **Base Rate & WAC**: $0.50 increase to all meters – projected income of $8,000.

Zone A (approximately 130 customers)

1. **Base Rate Surcharge**: $2.00 increase ($13.75) – projected income of $3,200.

Zone A1 (approximately 28 customers)

2. **Base Rate Surcharge**: $2.00 increase ($17.50) – projected income of $800.

Letters of Protest

As of this date, the District received no letters of protest.

Fiscal Impact

The preliminary budget includes the proposed rate adjustments to support the O&M budget and the goals of the District's Reserve Policy. If not approved, the preliminary O&M budget would include a projected deficit which would impact the O&M and the Pump Station reserves absent changes to the final O&M budget subject to Board approval.

Water Rate Comparison

Attached is a Water Rate Comparison table showing the relative cost of consuming 3,500 cubic-feet of water using a ¾-inch meter. In summary, Centerville remains toward the bottom third based upon cost in comparison to neighboring agencies.

Background

Attached is the O&M Budget Report for FY 2025-26 which provides greater detail for the proposed rate adjustments. Once approved, the proposed rate adjustments will provide approximately $8k in O&M revenue as well as fund the Zone A and A1 pump zone reserves. Notable factors included in the O&M Budget are:

1. **Consumption (41200)** is assumed to continue trending toward pre-drought usage. This next fiscal year is projected to be 3% higher than the current year as a conservative estimate towards restored consumption.

2. **LAIF Interest (43001)** is projected to remain stable.

3. **Water Sales (49706)** reflect the $60,300 sales to Bella Vista WD. This provides adequate funds for Centerville to purchase equivalent M&I contract water while also funding an additional $11,700 to the O&M Reserve.

4. **O&M Clear Creek (51300)** is projected to be about $16k higher than the current budget. This is based upon each District's estimated proportional use of the water treatment plant.

5. **Repair & Maintenance (52100)** is projected to remain stable, reflecting an increased number of service line replacements and minor mainline leak repairs. This budget assumes a continued higher trend reflecting an aging infrastructure.

6. **Liability Insurance (54100)** the budget reflects the higher projected JPIA expense.

7. **SWRCB Fees (54250)** reflect a modest increase.

8. **Salaries (55100)** have been budgeted to include a 2.6% COLA for all exempt and non-exempt as well as eligible step increases for non-exempt employees.

9. **Pension – Retirement (55300)** budget includes the unfunded liability payment of $55,200 for the Classic & $1,099 for the PEPRA. It also includes an additional discretionary payment of $12,509 for the Classic & $2,507 for the PEPRA. Unlike the current fiscal year, the discretional payment schedule improved from a 20-year repayment plan to that of 15-years based upon current investment returns and the unfunded liability.

10. **Worker's Comp Insurance (55500)** because of increased claims this is projected to increase in the near term.

Attachment(s)

- Prop 218 Notice
- O&M Budget Report for FY 2025-26
- Water Rate Comparison
- Resolution 2025-03

CENTERVILLE
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 of the proposed rate increases if so desired. Please call the office at (530) 246-0680 should you have any questions.

At the April 16, 2025, 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 18, 2025, 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, 2025.

The following is a summary of the recommended adjustments:

- A rate adjustment is proposed to the current **Base 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** for **Pump Zone A and Pump Zone A1** - affecting approximately 154 customers.

Basis of Proposed Rates

In providing an adequate water supply and service to its customers, the District requires a total revenue adequate enough to ensure the proper operation and maintenance ("O&M") of the distribution system, which includes the development and sustainability of the water system as well as preserving the District's financial stability. The District utilizes a cash-needs approach as the basis of rate-making. The basic revenue requirement components of the cash-needs approach are O&M expenses, taxes or transfer payments, debt-service payments, contributions to specific reserves, and the cost of capital expenditures that are not debt financed or contributed (i.e., capital improvements funded directly from rate revenues).

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

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

Proposed Base Rate Increases

The Board of Directors adopted a preliminary O&M Budget at the Regular meeting on April 16, 2025. An increase in the rates is necessary to cover the costs associated with operating and maintaining the aging water system. Specifically, the inflationary cost increases to energy, fuel, and higher water treatment expenses have contributed significantly to the need for rate adjustments. Also contributing are employee-related costs, as well as increased regulatory fees and liability insurance. As a result, rate adjustments are proposed to the Base 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

Meter Size	Current Monthly Rate	Proposed Monthly Rate
5/8"	$36.00	$36.50
3/4"	$36.25	$36.75
1"	$36.50	$37.00
1.5"	$56.50	$57.00
2"	$97.00	$97.50

Proposed Water Availability Charge (WAC)

The District 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.

Current Rate	Proposed Rate
$36.50	$37.00

Proposed Rate Increase Protest Procedure

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

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

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

Current		Proposed	
Base Rate (¾ Inch):	$36.25	Base Rate (¾ Inch):	$36.75
Consumption Rate per 100 cf:	$ 1.183	Consumption Rate per 100 cf:	$ 1.183
Base Rate:	$36.25	Base Rate:	$36.75
0 – 3,500 cf x $ 1.183 =	$41.41	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	$84.66	Total	$85.16

Difference = $ .50

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

Current		Proposed	
Base Rate (¾ Inch):	$36.25	Base Rate (¾ Inch):	$36.75
Consumption Rate per 100 cf:	$1.183	Consumption Rate per 100 cf:	$1.183
Base Rate:	$36.25	Base Rate:	$36.75
0 – 12,500 cf x $ 1.183 =	$147.88	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	$209.13	Total	$209.63

Difference = $ .50

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

Current		Proposed	
Base Rate (¾ Inch):	$36.25	Base Rate (¾ Inch):	$36.75
Consumption Rate per 100 cf:	$1.183	Consumption Rate per 100 cf:	$1.183
Base Rate:	$36.25	Base Rate:	$36.75
0 – 40,000 cf x $ 1.183 =	$473.20	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	$589.45	Total	$589.95

Difference = $ .50

Proposed Zone A and A1 Pump Surcharge Fee Increases

Zone A is comprised of approximately 125 customers and Zone A1 is comprised of 28 customers. Both zones are generally located in the Middletown Park and Secluded Valley areas. These pressure zones rely completely upon electrical pumps for their water supply. As a result of higher energy expenses and the need to adequately fund the reserve, adjustments to both Base Rate Surcharges are proposed. Below is a summary of the adjustments:

Zone A & A1 Surcharges

Surcharge Rates

	Current	Proposed
Zone A Base Rate Surcharge:	$ 11.75	$ 13.75
Zone A1 Base Rate Surcharge :	$ 15.50	$17.50

The following example depicts how these proposed rate increases would impact a Zone A and A1 customers' typical August bill depending on their water usage:

Zone A - Usage of 7,500 cubic-feet

Current		Proposed	
Base Rate (¾ Inch):	$36.25	Base Rate (¾ Inch):	$36.75
Consumption Rate per 100 cf:	$ 1.183	Consumption Rate per 100 cf:	$ 1.183
Zone A Base Surcharge:	$11.75	Zone A Base Surcharge:	$13.75
Zone A Consumption Surcharge:	$ .312	Zone A Consumption Surcharge:	$ .312
Base Rate:	$36.25	Base Rate:	$36.75
0 – 7,500 cf x $ 1.183 =	$88.73	0 – 7,500 cf x $ 1.183 =	$88.73
Zone A Base Surcharge:	$11.75	Zone A Base Surcharge:	$13.75
Zone A Consumption Surcharge:	$23.40	Zone A Consumption Surcharge:	$23.40
RSF (75 x $ .12) =	$9.00	RSF (75 x $ .12) =	$9.00
WTP (75 x $ .08) =	$6.00	WTP (75 x $ .08) =	$6.00
Total	$175.13	Total	$177.63

Difference = $ 2.50

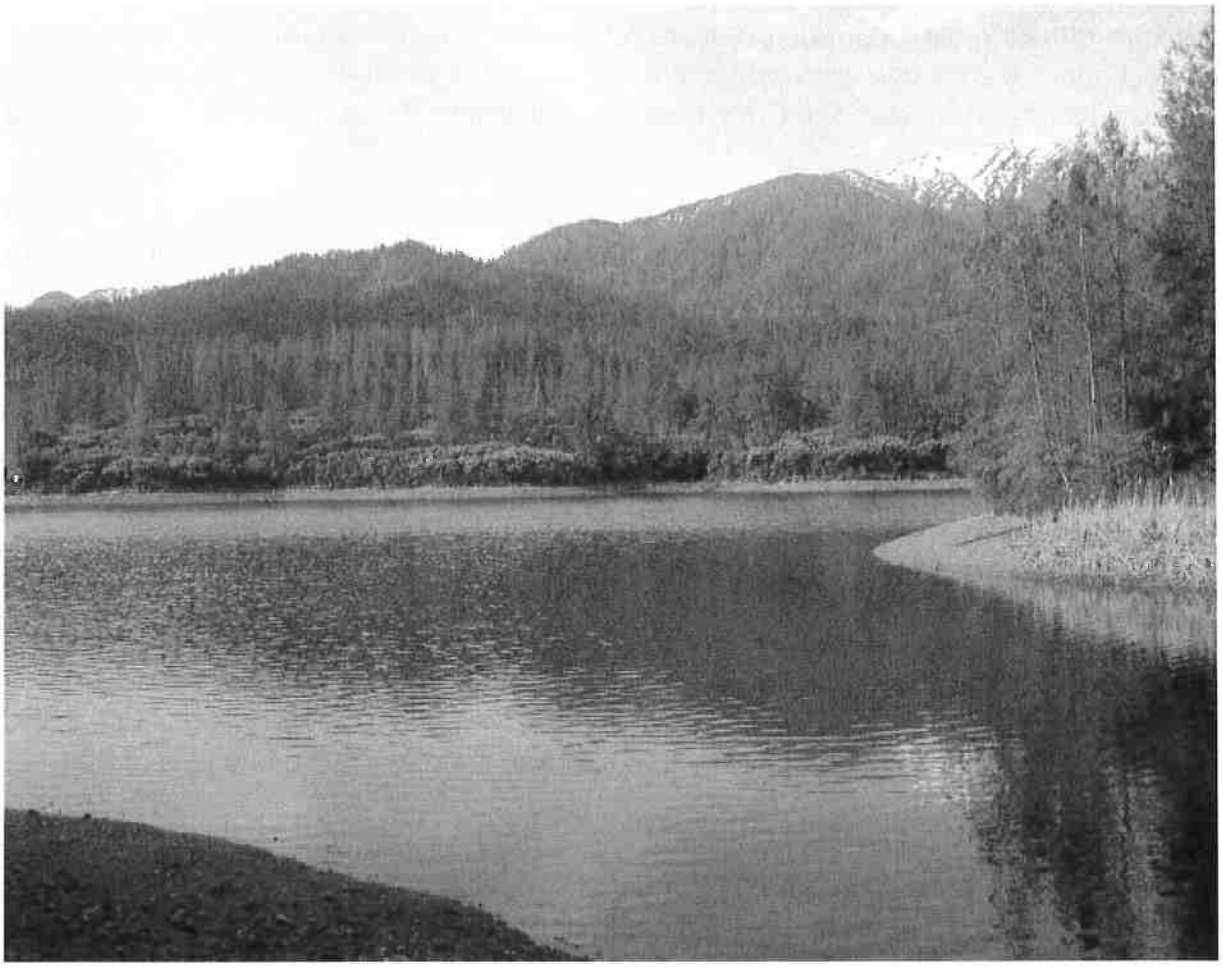
Zone A1 - Usage of 7,500 cubic-feet

Current		Proposed	
Base Rate (¾ Inch):	$36.25	Base Rate (¾ Inch):	$36.75
Consumption Rate per 100 cf:	$ 1.183	Consumption Rate per 100 cf:	$ 1.183
Zone A Base Surcharge:	$15.50	Zone A Base Surcharge:	$17.50
Zone A Consumption Surcharge:	$ .557	Zone A Consumption Surcharge:	$ .557
Base Rate:	$36.25	Base Rate:	$36.75
0 – 7,500 cf x $ 1.183 =	$88.73	0 – 7,500 cf x $ 1.183 =	$88.73
Zone A Base Surcharge:	$15.50	Zone A Base Surcharge:	$17.50
Zone A Consumption Surcharge:	$41.78	Zone A Consumption Surcharge:	$41.78
RSF (75 x $ .12) =	$9.00	RSF (75 x $ .12) =	$9.00
WTP (75 x $ .08) =	$6.00	WTP (75 x $ .08) =	$6.00
Total	$197.26	Total	$199.76

Difference = $ 2.50

CENTERVILLE COMMUNITY SERVICES DISTRICT

Operations & Maintenance Budget Report FY 2025-26



June 2025

1 – Operations & Maintenance Budget Summary for FY 25-26

Executive Summary

This report provides an overview of the Operations & Maintenance Budget for both the current fiscal year as well as the pending future budget. It provides a background analysis and identifies assumptions as well as current and projected budget and resulting revenue requirements for the pending year.

The Centerville Community Services District operates a water distribution system with approximately 1,300 customer connections, over 55 miles of pipes, six pressure zones, 377 fire hydrants, 725 valves, 93 air valves, 21 blow-offs, five booster pump stations, five pressure reducing stations, one pressure relief station, five reservoirs and three inter-tie connections. Centerville is a water contractor with the Bureau of Reclamation and receives its treated water from the Clear Creek Water Treatment Plant located near Whiskeytown Lake.

The goal of this report is to ensure that revenues cover the cost of service, meet reserve requirements, and provide for future capital improvement projects as included in the Capital Improvement Program.

Projected Water System Revenue Requirement Summary

The revenue requirement of the District's water distribution system is a cash-needs approach that includes Operating and Maintenance (O&M), property taxes or transfer payments, debt-service payments, contributions to specified reserves, and the cost of capital expenditures that are not debt financed or contributed (i.e., capital improvements funded directly from rate revenues).

Based upon the rates necessary to cover associated O&M costs for an aging water system that includes the inflationary cost increases to energy, fuel, higher water treatment expenses, employee-related costs as well as increased regulatory fees and liability insurance, it is necessary to adjust rates to address the projected gross loss of $8k.

Recommended Rate Changes Summary

Based upon the projected revenue requirements, the following rate adjustments are proposed for all customers:

Rate	Amount Adjusted	Percent Adjustment
Base Rate (3/4-inch)	$0.50	1.4%
Consumption Rate	$0.00	0%

Details specific to the Water Availability Customers and Zone A & A1 pump zones are provided in the annual summary.

2 – Budget Background and Scope

Background

The Centerville Community Services District provides potable water service to an approximate 4,100 population based upon Shasta County GIS parcel data and the most current US Census. Its customer base is predominately rural residential with a small number of commercial, industrial, and institutional customers. Nearly 10% of the customers are located within the City of Redding's boundaries serving residential, urban lots. Grant School is the single largest water use customer.

The District is an M&I water contractor with the Bureau of Reclamation having both a Repayment Contract and an Exchange Contract. The District's primary source of water is conveyed via the Muletown Conduit from Whiskeytown Lake.

The District has a dedicated capacity contract with the Clear Creek Community Services District for water treatment services.

Disadvantaged Unincorporated Community (DUC)

The Shasta County 2021 Median Household Income (MHI) was approximately $54,667. This is 68% of the California 2021 MHI of $80,440.

The District contains the Centerville Census Designated Place (CDP), however it is much smaller than the CSD. Determining the MHI for the District requires some projections, since income data only comes at the Census Block Group level. The surrounding block groups are large and extend beyond the District boundary. The average MHI for the block groups that intersect the District boundary is $81,501 (ACS 2019). This indicates that the District would not be considered a DUC.

Median Household Income Report

In 2020, the District requested that the Rural Community Assistance Corporation (RCAC) conduct an income survey. The survey identified a total of 1,240 parcels located within the District's boundary at that time. A total of 241 responded, which provided a 19.8% response rate. Accordingly, the District's MHI was reported as $94,000 which is not considered disadvantaged.

Cost-Based Water Utility Ratemaking

Establishing cost-based rates, fees and charges is an important component in a well-managed and operated water district. Cost-based rates provide it with sufficient funding which allows it to build, operate, maintain, and reinvest into the water system that provides a safe and reliable water supply for public health and safety. The methods and analyses used to establish the cost-based rates, fees and charges have a long history within the water utility industry. Establishing cost-based and equitable rates is a technically challenging process which requires knowledge and understanding of finance, accounting, budgeting, engineering, system design and operations, customer service, public

outreach, and communications as well as the legal requirements as they relate to setting rates, fees, and charges. When appropriately applied, these methodologies are generally considered to be fair and equitable because they result in cost-based rates that generate revenue from each class of customer in proportion to the cost to serve each class of customer. Water rates are fair and equitable when each customer pays the cost allocated to the class and consequently cross-class subsidies are avoided. This ratemaking process includes an evaluation of: Revenue Requirement Analysis; Cost-of-Service Analysis; and Rate-Design Analysis.

Revenue Requirements Analysis

The purpose of a revenue requirement analysis is to determine the adequacy and appropriate level of funding for the District. The revenue requirements are determined by the summation of operations, maintenance and capital costs that must be covered during the period for which the rates will be in place.

The development of the District's revenue requirements is the first analytical step of a comprehensive rate-setting process. The determination and establishment of revenue requirements is the basis for setting the overall level for rates, while also providing adequate and sustainable funding levels for operating and maintaining the water system and its related capital costs. In providing an adequate water supply and service to its customers, the District requires a total revenue sufficient to ensure the proper O&M of the distribution system, which includes the development and sustainability of the water system as well as preserving the District's financial stability. The District's total revenue requirements are primarily financed from revenues derived from providing water to its customers.

There are generally two approaches for revenue requirements: cash-needs, and utility-basis. The objective of the cash-needs approach is to provide sufficient revenues to recover total cash requirements for a given period. Generally, this approach is used by government-owned utilities (except for those that require use of the utility-basis approach). As it pertains to ratemaking, the cash-needs approach should not be confused with the cash-basis accounting method of revenue and expense recognition. From a ratemaking perspective, cash-needs refer to the total revenues required to meet its annual cash expenditure; whereas, in terms of accounting, cash-basis refers to the revenues being recognized as earned when cash is received and expenses are charged when cash is disbursed. The basic revenue requirement components of the cash-needs approach include O&M expenses, taxes or transfer payments, debt-service payments, contributions to specified reserves, and the cost of capital expenditures that are not debt financed or contributed (i.e., capital improvements funded directly from rate revenues). It is common practice for a utility to finance a portion of its capital improvement program from annual revenues sometimes referred to as pay-as-you-go (or PAYGO) capital funding. This includes normal annual replacements, extensions, and other improvements (such as meters, services, vehicles, smaller mains, and similar items that occur on a

regular basis each year). Depreciation is not included within the cash-needs revenue requirement.

In contrast, the utility-basis approach is typically mandated for investor-owned water utilities as well as for government-owned utilities requiring it. This approach for determining revenue requirements includes much of what is included in the cash-basis but also includes depreciation expense and a "fair" return on the rate base investment.

The District uses the cash-needs approach for determining its revenue requirements.

Length of Projection

Revenue projections can be made for any length of time depending upon the purpose of the projection. From a strategic financial planning or revenue-adequacy standpoint, projections beyond 10 years are generally quite speculative and have limited value. Accordingly, a projection period of approximately five years is generally considered adequate for near-term financial planning. This time frame provides a reasonable forecast of anticipated future revenue needs which then aids management, the Board of Directors and the public to foresee potential shortfalls and to better avoid surprises in the future.

For O&M budgetary purposes, the District currently projects a period of only one year. This provides the opportunity to better match the actual financial needs of the agency.

For capital purposes, the District reviews projected needs in a twenty-plus year timeframe with a primary focus upon the nearest five-year period since projections beyond that period are generally more speculative.

Test Year

Test Years are an important starting point in establishing revenue requirements. It may represent a specific 12-month period, or it may be an annualization of a rate-design period of more, or less, than a year period. Generally, there are three types of Test Year: historical, projected (future), or pro forma. Pro forma has the advantage of using a combination of historical and projected data to establish a Test Year.

For budgeting purposes, the District utilizes a pro forma approach which requires projections based upon historical data to develop a future test year to evaluate the adequacy of revenues using the proposed rates and charges.

Percentage of Fixed versus Variable Revenue

The District's Base Rate is the most significant contributor to the District's fixed income. The fixed portion of all income for the next fiscal year is approximately 38% of the total income. This is a slight decline from the 40% projected in the current fiscal year ending June 30, 2025. The fixed income alone covers approximately 59% of the fixed expenses. In this manner it aids in the fiscal stability of the District on an annual basis. In

times when consumption is lower the resulting consumption income becomes inadequate to address O&M expenses. While the District does maintain an O&M Reserve for many purposes, including cash flow stability, it is equally important to maintain reserve levels that are consistent with the Reserve Policy. This reserve is primarily funded by the Rate Stabilization Fee which is based upon consumption. Currently, the O&M Reserve is below the policy levels.

Below is a summary of the relative fixed versus variable incomes and expenses:

FY 2025-26	Fixed	Variable
Income	41%	59%
Expense	55%	45%

Regarding fixed income, there are various accepted approaches for use by agencies. American Water Works Association (AWWA) uses meter factors that are proportionally based upon their hydraulic capacity. Alternatively, the California Water Conservation Council developed a memorandum of understanding (MOU) in 2010 which established a goal for public agencies to collect 30% of their revenues from base rates with the remaining 70% being collected from consumption rates.

The District utilizes a hybrid of both industry approaches based upon historical use with a conservative trend towards increasing the fixed income to adequately insure fixed expenses.

The remaining variable incomes and expenses are commensurate with actual consumption in that higher consumption derives higher income which is then offset by the higher costs of water-related expenses.

Cost-of-Service Analysis / Rate Design Analysis

This Cost-of-Service Analysis (COSA) presents the results of the review and analysis of the District's current water rates. The review was conducted to determine if the current rate structures can provide sufficient revenues that result in a full recovery of the total costs of the water system. A review of the historical revenues and operating expenses is included in this analysis. Operating expenditure reviewed includes O&M cost, debt service, normal additions and replacement to the systems, administrative costs, reserve requirements, and capital replacement needs. The District strives to develop rate structures to be equitable such that, as nearly as practical, each customer pays their fair and proportionate share of the costs.

The District utilizes recommendations set forth in the AWWA Manual M1 – Principals of Water Rates, Fees, and Charges for determining its rate structures. The District's water rates are established using the "Cash-Needs" approach, as defined in the AWWA Manual M1. Like most public agencies throughout California, the District's water rates contain a

base (fixed) charge and a uniform consumption charge, based upon the amount of water consumed. The base rate is designed to collect most of the revenue needed to cover the fixed expenses. The base rate does not include any volume of water.

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

- Water rates should be easy to understand and implement.
- Water rates should promote efficient use of resources (i.e. conservation-minded).
- Water rates should be equitable and non-discriminating (i.e. cost-based).
- There should be continuity in the ratemaking philosophy over time.
- Water rates should consider all aspects of utility usage, including planning for the future.
- Water rates should provide month-to-month and year-to-year revenue stability.
- Water rates should recover adequate revenue to fund the following:
  - Day-to-day O&M expenses, including reserves intended to replace short-lived assets, such as pumps, instrumentation, controls, computers, etc.
  - Debt service obligations for long-term capital improvement loans, including required reserves by funding agencies.
  - Capital replacement project costs.

3 – Budget Review and Report

Review of the O&M Budget for FY 2024-25

In review of the O&M Budget as projected through June, FY 2024-25 is trending toward an overall projected surplus of $42k which will enhance the O&M Reserve.

During this fiscal year, the District continued to emerge from the drought conditions with consumption outpacing the budget by 6%. Recovery to pre-drought consumption was stronger than anticipated.

At present, the Clear Creek O&M Adjustment factor (51310) reflects no adjustments. Clear Creek is delinquent with financial audits for fiscal years ending 2022, 2023, 2024 and soon to be 2025. Clear Creek is actively working on FYE 2022 and projects that it will be current by the end of this next fiscal year. This annual review typically results in an adjustment to both the Administration and O&M factors which are included in the Dedicated Capacity contract. This remains a potential budget impact depending upon the significance of the adjustments.

Further contributors and impacts to the net deficit include:

1. **Consumption (41200)** is anticipated to finish the fiscal year approximately 6% higher than budgeted. This reflects a strong return to pre-drought conditions.

2. **LAIF Interest (43001)** is performing higher than budget.

3. **Clear Creek O&M (51300)** is $13k lower than the budget for this current year. This reflects improved consumption from Clear Creek relative to their schedule which lessened the overall expense based upon their increased use.

4. **Clear Creek O&M Adjustment (51310)** is $5k lower than budgeted since there are no adjustments anticipated this year. FYE 22, 23, 24 and soon to be 25 remain delinquent. Clear Creek anticipates completing all delinquent audits during this next fiscal year. It is important to note that the Clear Creek Treatment Plant has considerable deferred maintenance that will eventually need to be completed, which includes a very expensive rehab of the filters.

5. **Repair & Maintenance (52100)** is projected to be higher than budget as a direct result of increased service line replacements this current year. A total of 14 water services have been replaced as of April 2025. Contributing to this increased expense was the Muletown Turn-Out Wire Replacement Project which resulted from those lines failing at an expense of $8,900.

6. **Liability Insurance (54100)** is projected to be 7% higher than budget.

Proposed O&M Budget for FY 2025-26

The next fiscal year is projected as a gross loss of $8k absent proposed rate adjustments. To support the Preliminary O&M Budget, the following rate adjustments are proposed:

1. Rate Adjustments for all customers:

Rate Adjustment Options		
Description	Proposed Rate Adjustment	Projected Revenue
Base Rate	$0.50	$7,600
	Total	$7,600

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

In preparing the preliminary O&M Budget for FY 2025-26 both the income and expenses were thoroughly reviewed and analyzed by staff and the Finance Committee. Below is a discussion of the various budgetary assumptions:

1. **Consumption (41200)** generally increases at a slower rate following drought conditions, especially when overage fees are charged. In 2022, the District recorded its lowest water sales of 1,122 AF in recent history. During fiscal year ending June 2024, water sales increased by 5% which is a typical response following drought conditions. Fiscal year ending 2025 is projected to increase by an additional 7% which exceeded budget by $44k. The preliminary budget for 2025-26 assumes a lessening of continued recovery with a modest increase of 3% being assumed. In contrast to the La Nina forecast for this past fall and winter, the Shasta County area received significant precipitation which improved the water supply. As a result, a full M&I contract allocation was received for Water Year 2025 starting March 1st. NOAA is forecasting a move from the current La Nina to that of neutral this summer and into the fall where there is a 38% chance favoring La Nina in contrast to under 20% chance for an El Nino.

2. **LAIF Interest (43001)** is projected to have a slight decline from the current interest earned, assuming an easing of interest rates.

3. **Water Sales (49706)** reflect the $60,300 sales to Bella Vista WD. This provides adequate funds to purchase equivalent M&I contract water while also funding approximately $12k to the O&M Reserve.

4. **O&M Clear Creek (51300)** is projected to be $16k higher than the projected balance for fiscal year 2024-25. This is based upon the projected use of each district. The budget for the next fiscal year is $160k.

5. **Repair & Maintenance (52100)** is projected to remain stable, reflecting an increased number of service line replacements and minor mainline leak repairs. This budget assumes a continued higher trend reflecting an aging infrastructure.

6. **Liability Insurance (54100)** this preliminary budget reflects the higher projected JPIA expense which is based upon their greater systemwide losses impacting all rate payers.

7. **SWRCB Fees (54250)** reflect the annual expense based upon a non-disadvantaged status.

8. **Salaries (55100)** have been budgeted to include a 2.6% COLA for all exempt and non-exempt employees as well as eligible step increases for non-exempt staff.

9. **Pension – Retirement (55300)** this preliminary budget includes the unfunded liability payment of $55,200 for the Classic & $1,099 for the PEPRA. It also includes an additional discretionary payment of $2,507 for the Classic & $821 for the PEPRA. Both these are based upon an improved 15-year funding horizon from the previous 20-year funding horizon.

10. **Worker's Comp Insurance (55500)** has increased due to an increase in claims. This results in a projected increase of $7 to the preliminary budget for the short term.

Zone A & A1 Pressure Zones

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

Zone A has a current $2,200 deficit and has a projected $3,300 deficit for the next fiscal year. This zone is especially sensitive to the high PGE expense. While this zone yields adequate revenue to cover its annual expense, the challenge remains in producing adequate revenue to fund the projected reserve contribution of $3,700. Due to price elasticity, any increase to the customer's monthly expense can negatively impact the consumption. As such, a rate adjustment to the Base Rate Surcharge was proposed to ensure a reliable income.

Zone A		
Income	**FY 2024-25**	**FY 2025-26**
Base Surcharge	17,000	17,000
Consumption Surcharge	23,000	24,000
Total	**$40,000**	**$41,000**
Expense		
52500 – Utility Cost	36,800	38,900
52130 – Repairs & Maintenance	1,700	1,600
Extraordinary Expense – new pump / repair motor *	0 *	0 *
PSRR Reserve	3,700	3,700
Total	**$42,200**	**$44,300**
Net (loss) / gain *	**($2,200) ***	**($3,200) ***
*Not including any reserve-funded expenses		

Rate Adjustment: Unit Increase Options	**Projected Revenue per Unit Increase**	**Proposed Adjustment**	**Projected Revenue**
Zone A (approximately 130 customers)			
Base Surcharge: $0.25 increase	$400	**$2.00**	$3,200
Consumption Surcharge: $0.01 increase	$800	**$0.00**	$0
		TOTAL	**$3,200**
	Current	**Proposed Rate**	
Base Rate Surcharge	**$11.75**	**$13.75**	

Zone A1 has a $1,000 projected deficit. Like Zone A, the current rates address the ongoing O&M expense but fall short of fully funding the reserve. This next fiscal year is projected to have a $800 reserve funding deficit. Below is the proposed rate adjustment to remedy the reserve fund.

Zone A1		
Income	**FY 2024-25**	**FY 2025-26**
Base Surcharge	4,900	4,900
Consumption Surcharge	8,200	8,500
Total	**$13,100**	**$13,400**
Expense		
52600 – Utility Cost	9,400	9,900
52140 – Repairs & Maintenance	2,000	1,600
Extraordinary Expense –*	0 *	0 *
PSRR Reserve	2,700	2,700
Total	**$14,100**	**$14,100**
Net (loss) / gain *	**($1,000) ***	**($800) ***
*Not including any reserve funded expense		

Rate Adjustment: Unit Increase Options	**Projected Revenue per Unit Increase**	**Proposed Adjustment**	**Projected Revenue**
Zone A1 (approximately 28 customers)			
Base Surcharge: $0.25 increase	$100	**$2.00**	$800
Consumption Surcharge: $0.01 increase	$120	**$0.00**	$0
		TOTAL	**$800**
	Current	**Proposed Rate**	
Base Rate Surcharge	**$15.50**	**$17.50**	

Preliminary O&M Budget - April 11, 2025

	FY 2024-25		FY 2025-26
	Budget	Projected Thru June	PROPOSED Budget
Income			
41000 · WATER SALES			
41100 · Base Rate	573,000	573,200	581,000
41200 · Consumption Rate	695,000	738,900	757,000
41210 - Late Fees	10,000	18,000	18,000
41300 · Water Sales-Temp Const	500	500	500
41400 · Pump Zone A (Base Rate)	17,500	17,000	20,200
41450 · Pump Zone A (Power Comp)	20,900	23,000	24,000
41500 · Pump Zone A-1 (Base Rate)	4,800	4,800	5,600
41550 · Pump Zone A-1(Power Comp)	6,500	8,200	8,500
41900 - Drought Surcharge	0	0	0
Total 41000 · WATER SALES	1,328,200	1,383,600	1,414,800
41600 · RESERVE FUNDS			
41605 - Consumption Surcharge	24,000	25,800	26,500
41700 - Water Treatment Plant Fee	48,000	51,200	53,000
41800 - Rate Stabilization Fee	72,000	76,800	79,500
56250 - Transfer Reserve Funds	(144,000)	(153,800)	(159,000)
	-	-	-
42000 · SERVICE INSTALLATION - METERS			
42100 · Connection Charges	400	600	400
Total 42000 · SERVICE INSTALLATION	400	600	400
43000 · INTEREST			
43001 · LAIF	30,000	52,000	52,000
43002 · Other Interest	50	16	50
43003 · Shasta Co 422 Interest	150	200	200
Total 43000 · INTEREST	30,200	52,216	52,250
44100 · GENERAL PROPERTY TAX			
44840 - Cent. Admin Fee TSWAD 01-1	2,500	2,500	2,500
Total 44100 · General Property Tax-422	2,500	2,500	2,500
45000 · OTHER OPER. REVENUE			
45100 · Inspection Fees	0		0
45300 - Returned Check Charge	0		0
45400 · Misc. Revenue	500	400	500

45850 · Backflow Prevention Testing	3,900	3,300	3,600
45900 - Will Serve - Engineering	0	0	0
45950 - Will Serve - Legal	0	0	0
45955 - Will Serve - Admin	0	0	0
49706 - Water Sales BVWD	0	0	60,300
Total 45000 · OTHER OPER. REVENUE	4,400	3,700	64,400
TOTAL INCOME	1,365,700	1,442,616	1,534,350

Expense

51000 · WATER COSTS			
51100 · Raw Water Charge	23,000	36,000	44,000
51300 · Oper.& Maint. - Clear Creek	157,000	144,000	160,000
51305 · Administration - Clear Creek	50,000	47,000	53,000
51310 · O & M Adjustment - Clear Creek	5,000	0	20,000
51315 · Restoration Fee	21,000	35,000	43,000
51317 · SWRCB - Water Rights Fee	4,100	4,348	4,600
51319 · McConnell Water Transfer	0	0	
City of Redding Water Transfer	0	0	
51325 - WINN Act Lawsuit	3,000	1,000	2,000
Total 51000 · WATER COSTS	263,100	267,348.00	326,600
52000 · TRANSMISSION & DISTRIB.			
52100 · Rep. & Maint.	40,000	75,000	73,000
52130 Zone A PS Repairs & Maint.	1,600	1,688	1,600
52140 Zone A1 PS Repairs & Maint.	1,600	1,969	1,600
52200 · Operating Supplies & Expense	21,000	23,000	24,000
52300 · Lease Payment - BLM Tank Site	0	1,085	0
52400 · Utilities - General Plant	1,600	1,500	1,700
52425 - Elect., Muletown Pump Station	4,000	2,800	3,200
52450 - Elect., Towerview Pump Station	2,500	3,400	3,000
52500 · Utilities - Pump Zone A	32,700	36,000	39,000
52600 · Utilities - Pump Zone A-1	6,800	8,200	9,800
52700 - Diggins Generator Propane	300	0	0
52850 · Backflow Prevention Testing	3,900	3,600	3,600
	116,000	158,242	160,500
53000 · EQUIPMENT			
53100 · Equipment Repairs & Maint.	8,000	6,000	8,000
53200 · Gasoline	8,500	7,000	8,500
Total 53000 · EQUIPMENT	16,500	13,000	16,500

54000 · ADMINISTRATIVE			
54100 · Liability Insurance - District	35,000	37,540	40,000
54150 · Utilities-District Office	11,000	11,500	12,000
54200 · Telephone - District Office	8,000	8,500	9,000
54250 · SWRCB Fees	13,000	13,916	15,000
54300 · Travel & Training	6,000	3,000	6,000
54325 · Employee Recognition	1,600	1,600	1,700
54350 · Elections	2,450	0	0
54375 · LAFCO	4,000	3,081	4,000
54400 · Miscellaneous	500	500	500
54500 · Engineering - District Engineer	8,000	10,000	10,000
54550 · Legal-Dist. Attorney	10,000	10,000	10,000
54600 · Accounting-Audit & Consult	21,000	21,000	21,000
54625 - Meals	800	800	800
54630 - Construction Meals	800	314	0
54650 · Office Supplies	9,000	8,900	9,000
54675 · Bank Charges	50	50	50
54680 - Merchant Fees	1,200	1,200	1,200
54700 · Postage	10,000	10,000	10,000
54750 · Office Equipment (Small)	22,000	20,000	22,000
54800 · Office Building - R&M	5,000	9,900	9,000
54850 · Directors Compensation	5,500	4,500	5,500
54900 · Subscription & Licenses	33,000	37,000	39,000
Total 54000 · ADMINISTRATIVE	207,900	213,301	225,750
55000 · WAGES & BENEFITS			
55100 · Salaries	448,000	437,000	460,000
55110 · Salaries - Standby	6,000	5,500	6,000
55120 - Overtime	6,000	11,000	8,000
55200 · Salaries - Part Time Employees	20,000	20,000	21,000
55210 · Salaries - Temporary Employees	0	0	0
55300 · Pension - Retirement	93,700	93,000	108,000
55400 · Insurance - Emp. Health&Dental	118,000	120,000	120,000
55500 · Workman's Comp. Insurance	29,000	21,000	28,000
55600 · F.I.C.A.	28,000	29,000	29,000
55700 · Medicare Tax	6,500	6,800	7,000
Total 55000 · WAGES & BENEFITS	755,200	743,300	787,000
Sub-Total Expense	1,358,700	1,395,191	1,516,350

Other - Reserve Transfer From O&M			
57110 - Transfer to Pump Station Res.	7,000	5,143	6,300
Net Water Sale Proceeds to Reserve			11,700
Drought Surcharge			
Total 57102 - OTHER OPER EXPENSES	7,000	5,143	18,000
TOTAL - Expenses/Transfers	1,365,700	1,400,334	1,534,350.00
NET INCOME / (LOSS)	**0.00**	**42,282**	**0**

Water Rate Comparison

Agency	# of Customers	Base Rate 3/4"	Base Rate 1"	Included cf	Consumption Per hcf	Surcharges	Average Monthly Bill 3,500 cf with 3/4" Meter
City of Anderson		$21.73	$27.50	1000	$0.024		$22.33
City of Red Bluff (Tiered Consumption)		$15.04	$25.78		$0.790		$42.69
Burney Water District	1300	$21.50	$21.50		$0.830		$50.55
Bella Vista Water District (Bi-Monthly)	6400	$52.93	$52.93		$0.810	$14.00 (1)	$61.82
Centerville CSD (Including Rate Increase)	1280	$36.75	$37.00		$1.183	0.20 p/hcf (2)	$85.16
Cottonwood Water District	1200	$49.00	$49.00	800	$1.400		$86.80
Weaverville CSD	1650	$45.00	$65.75	900/1700	$1.645		$87.77
Rio Alto Water District (Bi-Monthly)	1420	$41.10	$56.01		$1.350		$88.35
Clear Creek CSD	2400	$69.01	$69.01		$0.560	$10.81 (3)	$99.42
City of Redding		$41.97	$66.44		$2.000		$111.97
Fall River Mills		$44.55	$114.05		$2.930		$147.10
Shasta CSD	950	$64.95	$64.95		$2.440		$150.35
Shasta Lake City		$46.95	$115.43		$3.030	.41 p/hcf (4)	$167.35
Average Bill							$92.44

Notes:

1 $14.00 Bimonthly Water Treatment Plant Improvement Loan Repayment

2 $ .08 WTP Surcharge and $ .12 Rate Stabilization Fee

3 $7.55 Filter Plant Repayment Fee; $ .38 Recycle Backwash Water Loan; $1.88 WIIN Act Repayment Reserves; $1.00 State Loan Repayment Reserves.

4 $ .17 McConnell Water Surcharge; $ .24 ACID Water Surcharge; $ .41 Combined Surcharge

RESOLUTION 2025-03

A RESOLUTION ADOPTING THE O&M BUDGET
FOR THE 2025-26 FISCAL YEAR

WHEREAS, the District's Finance Committee met to review and discuss the District's preliminary O&M Budget and make recommendation to the Board of Directors, and

WHEREAS, the Board of Directors adopted the preliminary O&M Budget on April 16, 2025, and adopted rate adjustments at a public hearing held on June 18, 2025, and

WHEREAS, the Finance Committee and District Manager recommended that the Board adopt the final O&M budget in the amount of $1,365,700 for fiscal year 2025-26.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Centerville Community Services District does hereby adopt the final O&M Budget in the amount of $1,365,700 for fiscal year 2025-26 as presented.

PASSED AND ADOPTED THIS 18th day of June 2025.

_____
Larry Hopson, President
Centerville Community Services District
Board of Directors

AYES:
NOES:
ABSTAINING:
ABSENT:

ATTEST:

_____
Tina Teuscher
Secretary to the Board

CENTERVILLE
COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: June 10, 2025

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: **New Business 2 – Consider Adopting 2025-05 Establishing a Cross-Connection Control & Backflow Program**

Recommendation

ACTION (Roll-Call Vote) – The Ordinance Committee concurs with the recommendation that the Board adopt Resolution 2025-05 Establishing a Cross-Connection Control & Backflow Program.

Overview

The California State Water Resources Control Board (SWRCB) has significantly updated its Cross-Connection Control Program with the adoption of the Cross-Connection Control Policy Handbook (CCCPH), which became effective on July 1, 2024. This handbook replaces and expands upon the previous Title 17 regulations, aiming to enhance drinking water safety by preventing contaminants from entering public water systems through backflow incidents. The most notable change is that an initial assessment be made for all users and that the program be under the purview of a person certified in both backflow testing and cross-control by the State.

At present, the District has drafted an updated program which has been reviewed and approved by both District Counsel and the SWRCB. As included in the program, the District will staff the required Cross-Connection Control Program Coordinator position with Operator II James Leviness. In accordance with the program, the District is evaluating the role of the certified person and will present its recommendation to the Personnel Committee to obtain concurrence for recommendation to the Board. Potential options include filling the position internally, utilizing a third party, or a hybrid of each.

Below is a summary of the key requirements and changes:

1. Comprehensive Cross-Connection Control Plan (CCCP):

- **Mandatory Submission:** All public water systems (PWS) are required to submit a comprehensive Cross-Connection Control Plan to the SWRCB by **July 1, 2025**. This plan must outline how the PWS will achieve and maintain compliance.
- **Replaces Title 17:** The CCCP expands upon the previous requirements of Title 17.

2. **Key Elements of the CCCP:** The plan must include, at a minimum:

   - A description of how compliance will be maintained.
   - A **hazard assessment process** to identify backflow risks at all service connections (including single-family residences).
   - Details on **backflow inspection and testing processes**.
   - A **record tracking system** for backflow prevention devices, including location, owner, type, manufacturer, size, installation date, serial number, and test results.
   - Designation of **site user supervisors** for potentially hazardous sites.
   - Descriptions of **corrective actions** to be taken when cross-connections are found or backflow prevention assemblies (BPAs) need repair/replacement (e.g., within 30 days for failed assemblies).
   - **Public outreach and education initiatives** to raise awareness among water customers about backflow risks and the program.
   - **Local entity coordination** with health departments, fire departments, building permit departments, and other water agencies.
   - Provisions for **backflow incident response, reporting, and notification**.

3. **Certification and Personnel:**

   - **Certified Testers and Specialists:** Beginning July 1, 2025, PWS must use backflow assembly testers and cross-connection control specialists who have received certification from organizations recognized by the State Water Board.
   - **Trained Personnel:** PWS must have at least one person trained in cross-connection control to carry out the program. For systems with 1,000 or more service connections, consultation with a cross-connection control specialist is required for plan development, and systems with 3,000 or more connections need a specialist as a permanent or contracted employee.

4. **Hazard Assessments:**

   - **Initial Assessments:** Each PWS must conduct an initial hazard assessment of all user premises within its service area. Non-community water systems have until July 1, 2026, for their initial assessments.
   - **Ongoing Assessments:** Hazard assessments must be performed periodically, when account holders change (excluding single-family residences), when new user premises are connected, when evidence of activity changes exists, or when backflow occurs.

5. **Backflow Prevention Devices:**

   - **Installation and Testing:** The CCCP Handbook outlines stringent certification standards for backflow assemblies and mandates that they are properly installed and tested annually to ensure effectiveness.
   - **Minimum Pressure:** Water systems must maintain a minimum pressure of 20 PSI. If pressure drops below 5 PSI, bacteriological sampling is required.

- **Fire Protection Systems:** PWS must ensure their distribution system is protected with no less than a double check valve backflow prevention assembly (DC) for user premises with fire protection systems. Existing fire protection services have ten years to comply with this requirement. It is important to note that the District's Construction Standards permit an option for water recirculation to a water closet.
- **Installation Heights:** Reduced Pressure Principle (RP) assemblies have specific installation height requirements (minimum 12 inches, maximum 36 inches above grade, unless approved alternative).
- **Auxiliary Water Supplies:** Auxiliary water supplies not interconnected with the PWS generally require RP protection, while interconnected ones require air gaps.

6. **Record Keeping:**

- **Detailed Documentation:** Water systems must maintain and make available comprehensive records that go beyond just backflow preventer test tracking, including details on assembly replacements, relocations, repairs, the most current cross-connection tests, and documentation of public outreach and education materials.

Attachment(s):

- Cross-Connection Control & Backflow Plan
- Resolution 2025-05

CENTERVILLE COMMUNITY SERVICES DISTRICT

CROSS-CONNECTION CONTROL AND BACKFLOW PLAN

June 2025

CROSS-CONNECTION CONTROL AND BACKFLOW PLAN

TABLE OF CONTENTS

1.0 GENERAL PROVISIONS

1.1 Purpose

The Cross-Connection Control Plan (the "Plan") for Centerville CSD (the "District) is designed to protect the public water system from contamination and pollution caused by backflow incidents. Our objective is to ensure that the potable water supply remains safe and secure by preventing any possible cross-connections that could lead to backflow into the water distribution system.

The Plan's primary objectives include:

- Safeguarding the District's potable water supply from actual or potential contamination caused by cross- connection and backflow.
- Identifying and eliminating existing unknown cross-connections through a comprehensive District-wide Hazard Assessment program.

1.2 Scope

The Plan consists of the following elements to ensure compliance with the State Water Resources Control Board's (SWRCB) Cross- Connection Control Policy Handbook (CCCPH) effective July 1, 2024:

- Designate a Cross-Connection Control Program Coordinator for implementing the Cross-Connection Control Program.
- Conduct Hazard Assessments to identify water user locations where cross-connections are likely to occur.
- Installation of backflow protection by the water user at the user's connection.
- Training and experience of personnel delegated to implement the cross-connection control program.
- Approved and Certified Backflow Prevention Assembly Tester and Cross-Connection Control Specialist.
- Approved test procedures for testing backflow prevention assemblies to ensure proper backflow protection.
- Maintenance of records, including assembly locations, test results, and repair of backflow prevention assemblies.
- Backflow Incident Response, Reporting and Notification.
- Public outreach and education and the CCCP.
- Operating rules and policies that provide the District legal authority to implement corrective actions in the event a water user fails to comply.

1.3 Requirement for Service

The District will not initiate, or continue to provide, water service to any customer who has an Auxiliary Water Supply unless the customer installs, maintains and secures inspection on an Approved Backflow Assembly in compliance with this Program.

1.4 Administration and Legal Authority

The Centerville CSD Cross-Connection Control Program is administered under the direction of the District Manager. This position has formal oversight of the Plan, recognized by the SWRCB. The day-to-day management of the program has been delegated to the Lead Worker/Distribution Supervisor. The District will work with the Shasta County, or City of Redding, Building Department and Fire Department, as applicable, to ensure that appropriate external assemblies are installed on all new construction projects and tenant improvements/remodels.

The authority for the Cross-Connection Control Program is with the Federal Safe Drinking Water Act Amendments of 1996, the California Health and Safety Code 116800, and the California Code of Regulations, Title 17 Sections 7583-7606 and Title 22.

2.0 GENERAL

This section provides general information related to the Plan.

2.1 Responsibilities

The District Manager shall be responsible for the protection of the public potable water supply from contamination or pollution due to the backflow or back-siphonage of contaminants or pollutants through the water service connection; the Cross-Connection Control Program Coordinator (CCCP Coordinator) shall be responsible for the District's adherence, where possible, to regulations relating to Cross-Connections, as contained in the CCCPH. The CCCP Coordinator is responsible for implementing all aspects of the cross-connection control program.

The District will retain a certified Cross-Connection Control Specialist to provide the necessary expertise and services.

The District will not be responsible for any loss or damage directly or indirectly resulting from or caused by any improper or negligent installation, operation, use, repair, or maintenance of, or interference with, any approved backflow prevention assembly required by this program, by any customer or any other person.

The District is not responsible for any losses or damage incurred by the Customer as a result from any upgrade to existing backflow prevention assemblies or installing approved backflow prevention assemblies.

The Customer will be responsible for all costs related to the installation of pumps or renovation of existing customer piping resulting from any decreases in line pressure attributed to upgrading existing backflow prevention assemblies or the installation of approved backflow prevention assemblies.

Records of backflow testing and hazard surveys are kept indefinitely with a minimum of 5 years, unless otherwise directed by SWRCB. Backflow testing and repair records are recorded by the backflow testing contractor and retained by the District.

2.2 Public Outreach

The goal for public outreach will be to educate customers of the importance of backflow prevention devices as included in the cross-connection control program. This includes important details of the Plan by promoting awareness of potential hazards and encouraging responsible practices. This information will be provided on the District's website and also included in the monthly newsletter.

2.3 Definitions

The following definitions describe terms and phrases pertinent to the Centerville CSD's Cross-Connection Control Program.

Approved Backflow Prevention Assemblies shall mean assemblies that have passed laboratory and field evaluation tests performed by a recognized testing organization (AWWA, USC Foundation for Cross-Connection Control and Hydraulic Research) that has demonstrated their competency to perform such tests to SWRCB. Refer to the District's Construction Standards, Section 100.00 Water System Materials for more information.

Approved Water Supply shall mean a water source that has been approved by the State Water Board for domestic use and designated as such in a domestic water supply permit issued pursuant to section 116525 of the CHSC.

Auxiliary Water Supply shall mean any water source that is either used or equipped to be used as a water supply and located on, or piped to, the premises of a water user. The term "equipped" means that appurtenances such as inactive wells, pumps, power supply, intakes, suction lines, pipelines, connection fittings, or storage tanks are in place and readily available for use.

AWWA is the acronym used for the American Water Works Association.

Backflow shall mean a flow condition caused by a differential in pressure that causes the flow of water or other liquid, gases, mixtures, or substances to flow back into the water distribution system of a potable supply from any source or sources other than an approved water supply source.

Backflow Prevention Assembly (BPA) shall mean a mechanical assembly designed and constructed to prevent backflow that can be maintained, inspected, field-tested and evaluated.

Back Siphonage refers to one cause of backflow, which is caused by negative or reduced pressure in the water distribution system.

Back Pressure is defined as a higher pressure than the water distribution system caused by a pump, elevated storage, fire suppression equipment, or any other means.

Certified Tester shall mean a person who has proven their competency in testing, repairing, and making test reports on approved backflow prevention assemblies to the satisfaction of the Lead Operator. Individuals are required to be licensed through the American Backflow Prevention Association or the California-Nevada Section of the American Water Works Association.

Contamination shall mean the degradation of potable water quality by any foreign substance that creates a hazard to public health or that may impair the usefulness or quality of the water.

Cross-Connection as used in the Plan, means any unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or a substance that is not or cannot be approved as safe, wholesome, and potable. Bypass arrangements, jumper connections, removable sections, swivel or changeover devices, or other devices through which backflow could occur shall be considered cross-connections.

Cross-Connection Control Program Coordinator shall mean a person who is responsible for the District's adherence, where possible, to regulations relating to Cross-Connections, as contained in the CCCPH. The CCCP Coordinator is responsible for implementing all aspects of the cross-connection control program.

Cross-Connection Control Specialist shall mean a person who has demonstrated competency in the field of cross-connection control and maintains a valid backflow assembly general testers certification and a Cross-Connection Survey Specialist certification as issued by the California-Nevada Section of the American Water Works Association or an organization with equivalent certification requirements.

Cross-Connection Control Policy Handbook (CCCPH) was formally adopted by the State Water Resources Control Board on December 19, 2023, with an effective date of July 1, 2024. CCCPH was developed for the protection of public health through the establishment of standards intended to ensure the water distribution system of a Public Water System (PWS) will not be subject to the backflow of liquids, gases, or other substances.

Critical Services shall mean water services that cannot be shut off, even for a few moments, at any time.

Customer shall mean the owner or operator of a business or residential property who is connected to the District's Domestic Water System.

Degree of Hazard is determined from an evaluation of conditions upon the customer's premises and is classified as either a pollution (non-health) or contamination (health) hazard.

DDW is defined as the California State Water Resources Control Board Division of Drinking Water. The DDW regulates public drinking water systems.

District refers to Centerville CSD.

Health Hazard shall mean an actual or potential threat of contamination of a physical or toxic nature to the Centerville CSD water system.

Lead Operator shall mean the Distribution Supervisor responsible for the distribution system.

Non-Domestic Irrigation shall mean the use of the public water system for any irrigation other than domestic irrigation or any irrigation system into which fertilizers, herbicides, pesticides are, or can be, injected.

Point of Connection shall mean the most downstream point of the water service where the District's responsibility and liability stop. It is also known as the point where the District can no longer control the potability of the water.

Pollution shall mean impairment of water quality to a degree that does not create a hazard to public health but does adversely and unreasonably affect the aesthetic qualities of such waters for domestic use.

Potable water shall mean any water that, according to DDW regulations, is safe for human consumption.

Premises shall mean all areas on a customer's property that are served or have the potential to be served by the District's water distribution system.

Public Water System shall mean a water distribution system that provides water piping to the public for human consumption with fifteen or more service connections or regularly serves at least twenty-five individuals daily at least 60 days out of the year.

Reclaimed Water shall mean wastewater that is treated and is suitable for uses other than potable use.

Service Connection shall mean pipeline, angle meter stop, meter box, meter, and gate valve used to extend water service from a District water distribution main to the premises.

SWRCB refers to the State of California State Water Resources Control Board.

USC Foundation shall reference the University of Southern California Foundation for Cross-Connection Control and Hydraulic Research.

Water User shall mean any person obtaining water from the Centerville CSD water distribution system and related appurtenances.

3.0 CROSS-CONNECTION CONTROL AND BACKFLOW PROGRAM IMPLEMENTATION

3.1 New Construction and Remodel/Renovation

All applications for new water service or modification to premises with existing water service(s) are processed through the Centerville CSD Office.

Based upon the information submitted on the application, the following District Cross- Connection Control Program requirements will be enforced on **all new construction and improvement / remodel construction requiring fire sprinklers.**

A. RESIDENTIAL
   a. Reduced Pressure Principle Assembly (RPPA) is required for the following conditions:
      i. On-site Well or Auxiliary Water Supply.
      ii. On-site Sewer Ejector Pump.
      iii. Residential on-site fire sprinkler system:
         1. None required if connected to the water closet and does not include a tank or pump and the fire sprinkler is served by the same service connection piping as the residential use/the user premises only has one service connection. See District Construction Standards for more information.
         2. RPP is required if chemical additives are introduced into the system.
         3. Doble Check Assembly is required on a closed system or if the sprinkler configuration cannot be confirmed.
   b. Double Check Assembly (DC) or Reduced Pressure Principle Assembly (RPPA) is required when a booster pump is on-site.

B. COMMERCIAL
   a. Reduced Pressure Principle Assembly (RPPA) is required for the following conditions:
      i. Commercial Water Service.
      ii. On-site Fire Sprinkler system.

Improvement / remodel construction applications that are either commercial in nature or propose to change on-site historical water uses will require an on-site hazard assessment performed by the District's Cross Connection Control Program personnel. If, after review, it is determined that a backflow prevention assembly is required, the District's Construction Standard for the installation of the required backflow prevention assembly and a list of District-approved certified backflow prevention assembly testers will be provided to the customer.

3.2 Hazard Assessment

Through the process of performing surveys to identify water user locations where cross-connections are likely to occur, if it is determined that an actual or potential cross-connection or backflow condition is present in an existing facility, the installation of an approved backflow prevention assembly as outlined in Section 3.1 of the Plan will be required. Initial hazard assessment surveys will begin after July 1, 2025 and be completed within 1 year. The District will conduct hazard assessment surveys such as resources, qualified personnel, and availability permits. Hazard assessments will be completed by an outside consultant that is certified as a Backflow Prevention Assembly Tester and Cross-Connection Control Specialist.

If an existing backflow prevention assembly already installed does not comply with the current installation requirements or meet the appropriate level of protection as required by the Plan, the Lead Operator will direct the enforcement of the backflow prevention assembly upgrade to an acceptable level of protection as outlined in section 3.1 of the Plan.

Initial notification of violation of this policy will come from an employee who represents the Plan in the form of a field meeting with the customer, at which time the customer shall be given a full explanation as to what changes/improvements must be made to the customer's water service connection. At this time, the customer will be offered documentation that outlines Federal and State laws that require the District to implement a Cross-Connection Control Program. A copy of the Plan will also be available at this time for review. A follow-up confirmation letter will be sent to the affected customer, informing them of their responsibility to correct, install, or upgrade an existing backflow prevention assembly to resolve an actual or potential backflow or cross-connection condition.

FAILURE, REFUSAL, OR INABILITY ON THE PART OF THE CUSTOMER TO INSTALL THE DEVICE OR DEVICES WITHIN A REASONABLE TIME PERIOD SHALL RESULT IN THE TERMINATION OF WATER SERVICE TO THE PREMISES UNTIL SUCH TIME THE DEVICE OR DEVICES IS/ARE PROPERLY INSTALLED AND TESTED.

3.3 Conditions Requiring a Backflow Prevention Assembly

An approved backflow prevention assembly shall be installed wherever the following conditions exist:

A. In the case of premises having an auxiliary water supply, the District's water distribution system shall be protected against backflow from the premises by installing a backflow prevention assembly.
B. In the case of premises on which any industrial fluids or any other objectionable substance is

handled in such a fashion as to create an actual or potential hazard to the District's water distribution system, the water distribution system shall be protected against backflow from the premises by installing a backflow prevention assembly. This shall include the handling of processed water and waters originating from the District water system that have been subjected to deterioration in quality.

C. In the case of premises having (1) internal cross-connections that cannot be permanently corrected and controlled, (2) intricate plumbing and piping arrangements, or (3) where entry to all portions of the premises is not readily accessible for inspection purposes, making it impractical or impossible to ascertain whether or not dangerous cross-connections exist, the District water distribution system shall be protected against backflow from the premises by installing a reduced pressure principle assembly (RPPA).

3.4 Type of Backflow Protection Required

The type of protection that shall be provided to prevent backflow into the District water distribution system shall be determined by Section 3.1 of the Plan. The type of backflow prevention assembly that may be required (listed in an increasing level of protection) includes:

- Pressure Vacuum Breaker (PVB)
- Double-Check Valve Assembly (DC)
- Reduced Pressure Principle Assembly (RPPA)
- Air-Gap Separation (AG)

Section 3.5 lists the minimum types of backflow protection required to protect the District's water distribution system at the customer's connection to premises with various degrees of hazard. Situations not covered in Section 3.5 shall be evaluated on a case-by-case basis. Appropriate backflow protection shall be determined by the Cross-Connection Control Specialist.

3.5 Degree and Minimum Type of Backflow Protection Required

A. Premises where the District's water distribution system is connected to a recycled water supply system. Type: AG

B. Premises where reclaimed water is used, and there is no interconnection with the District's water distribution system. Type: RPPA

C. Premises where there are wastewater pumping and/or treatment plants and no interconnection with the District's water distribution system. Type: RPPA

D. Premises where hazardous substances are handled in any manner in which the substances may enter the District's water distribution system. Type: RPPA

E. Premises where an irrigation system is directly supplied from the District's water distribution system and does not possess injection capabilities. Type: RPPA

F. Premises where an irrigation system is directly supplied from the District's water distribution system into which fertilizers, herbicides, or pesticides are or can be, injected. Type: RPPA

G. Roadway right-of-way irrigation system interconnected to a piping system connected to the District's water distribution system, and there is no potential for back pressure. Type: RPPA

H. Premises where the District's distribution system's water pressure is used to inject industrial chemicals. Type: RPPA

I. Premises where there is an unapproved auxiliary water supply that is interconnected with the District's water distribution system. Type: RPPA

J. Premises where there is an unapproved auxiliary water supply and no interconnections with the District's water distribution system. Type: RPPA

K. Premises where entry is restricted to the degree that inspections for cross-connections cannot be made with sufficient frequency or upon short notice to ensure that cross-connections do not exist. Type: RPPA

L. Premises where there is a repeated history of cross-connections being established or reestablished. Type: RPPA

3.6 Fire Protection Systems

Reduced Pressure Principle Assemblies shall be installed on all new fire protection systems and on all existing systems as per District Construction Standards.

A. None required for premises where the fire system is directly supplied from the Centerville CSD water system, if the fire system is looped, connected to a water closet and does not include a tank or pump. The fire system and domestic system must be served by a single service connection to the water distribution system.

B. Premises where the fire system is directly supplied from the District's water distribution system, and there is an unapproved auxiliary water supply on or to the premises (Not interconnected). Type: RPPA.

C. Premises where the fire system is supplied from the District's water distribution system and interconnected with an unapproved auxiliary water supply. An RPPA may be provided in lieu of an Air Gap, if approved by DDW, and the District. Type: AG.

D. Premises where the fire system is supplied from the District's water distribution system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used. Type: RPPA.

E. Premises where the fire system is supplied from the District's water distribution system and where recycled water is used in a separate piping system within the same building. Type: RPPA.

3.7 Inspection of Premises Where Cross Connections May Exist

The customer's premises shall be open for inspection at all reasonable times to authorized representatives of the District to determine whether cross-connections or other sanitary hazards exist. When such a condition is identified, the Cross-Connection Control Program Specialist under the direction of the Lead Operator may deny or immediately discontinue water service to the customer's premises by providing a physical breach in the water service line until the customer has corrected the condition(s) in conformance with CCCPH, and the Uniform Plumbing Code.

Each customer's premises requiring a backflow prevention assembly will be notified in accordance with Section 3.17, Basis for Termination. The customer will be informed of their responsibility to provide backflow protection, and the type of backflow prevention assembly required in accordance with CCCPH, the Centerville CSD Cross-Connection Control Program, the Centerville CSD Construction Standards, and the Uniform Plumbing Code.

3.8 Installation of Backflow Protection by the Water User at the User's Connection

Backflow prevention assemblies shall be Installed in accordance with the CCCPH and the District Construction Standards. These backflow prevention assemblies must be:

- AWWA C511 Compliant, and
- Approved by the Foundation for Cross-Connection Control and Hydraulic Research at the University of Southern California.

3.9 Air-Gap Separation (AG)

The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing fixture, or other device and the flood-level rim of said vessel. An approved air gap shall be at least double the diameter of the supply pipe, measured vertically above the top of the rim of the vessel, and in no case less than one inch.

3.10 Reduced Pressure Principle Assembly (RPPA)

An assembly of two independently operating approved check valves with an automatically operating differential relief valve between the two check valves, tightly closing shut-off valves on either side of the check valves, plus properly located test ports for the testing of the check and relief valves. The device shall operate to maintain the pressure in the zone between the two check valves at a pressure less than the pressure on the public water supply side of the device. At the cessation of normal flow, the pressure between the two check valves shall be less than the pressure on the public water supply side of the device. In case of leakage of either of the check valves, the differential relief valve shall operate to maintain the reduced pressure in the zone between the check valves by discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall open to the atmosphere.

In no case shall a cut, tee, or tap be made between the user's service connection at the water meter and the backflow prevention assembly.

3.11 Double-Check Valve Assembly (DC)

An assembly of two independently operating approved check valves with tightly closing shut-off valves on each side of the check valves, plus properly located test ports for the testing of each check valve. Double-check valve assemblies are used in low-hazard situations.

In no case shall a cut, tee, or tap be made between the user's service connection at the water meter and the backflow prevention assembly.

3.12 Pressure Vacuum Breaker (PVB)

In accordance with DDW California Department of Public Health-Public Water Supply Branch policy

statement of January 1989, the Department of Health Services DDW finds that a pressure vacuum breaker assembly can provide adequate user connection cross-connection control for median strip irrigation systems provided the system conforms to the following criteria:

A. Water is used for irrigation purposes only.

B. The PVB is installed at least twelve inches above the highest sprinkler head in the system, and adequate clearance is provided for testing and servicing the assembly.

C. The system has no means of inducing a back-pressure condition.

D. The system is supplied from only one service connection.

E. Injection of chemicals into the system is not practiced nor provided for.

F. The system is only supplied with domestic water.

3.13 Location of Backflow Prevention Assembly

The backflow prevention assembly shall be installed at the point of connection on each service line to a customer's water system, or as close as practical, but in all cases before the first branch line leading off the service line.

The District shall have the final authority to determine the location and the proper installation of a backflow assembly.

The point of connection is further defined as follows:

a. Back of curb for all City streets with planter strips.
b. Back of sidewalk for streets with sidewalk contiguous with curb and gutter.
c. Right-of-way line on unimproved streets.

3.14 Backflow Prevention Assembly Freeze Protection

The property owner is responsible for installing freeze protection. If the backflow prevention assembly cannot be inspected due to the presence of freeze protection material, the freeze protection may be removed. The District is not responsible for the reinstallation of freeze protection.

The relief port at the bottom of the reduced pressure principle assembly must not be covered by freeze protection. All test ports, along with the serial number and model number, must be easily accessible.

Freeze protection shall be maintained neatly and aesthetically pleasing. Torn or dislodged freeze protection may be removed by the District.

3.15 Critical Services

In cases where water service cannot be shut off, even for a few moments, at any time, the District will recommend that two services be established on the premises. In such a case, the same level of backflow protection will be required for each service. In cases where water system configuration facilitates only a single point of connection, two backflow prevention assemblies shall be installed in parallel. This shall apply only to the domestic water service and shall not apply to the fire protection system point of connection.

3.16 Water Service Termination

When the Lead Operator is notified of a water user that represents a clear and immediate hazard to the District water distribution system that cannot be immediately abated, the District will institute the procedure for discontinuing water service to the premises.

3.17 Basis for Termination

Conditions or water uses that create a basis for water termination shall include, but are not limited to, the following items:

A. Refusal to install a required backflow prevention assembly.

B. Refusal to allow access onto premises for inspection purposes.

C. Refusal to test a backflow prevention assembly.

D. Refusal to repair a faulty backflow prevention assembly.

E. Refusal to replace a faulty backflow prevention assembly.

F. Removing or bypassing a required backflow prevention assembly.

G. Direct or indirect connection between the District water system and sewer line.

H. Unprotected direct, or indirect, connection between the District's water distribution system and a system or equipment containing contaminants.

I. Unprotected direct, or indirect, connection between the District's water system, which presents an immediate health hazard to the District's water distribution system.

3.18 Water Service Termination and Restoration Procedure

The District will terminate service to a customer's premises after two written notices have been sent specifying the corrective action needed and the time in which it must be completed.

- The first letter is an information letter that outlines the requirements and a specific period to respond. If no response is received at that specified time, a second letter will be sent.
- The second letter contains much of the same information as the first letter, plus the added statement that the customer's water service will be terminated if no response is received after a specified period.

If the customer still has not responded, a door hanger is left at the corresponding service address and a final letter is sent, giving ten days' notice to comply before the water service is terminated. Customers can find information on the District's CCCP and CCCPH on the District's website.

Any notices prescribed or allowed by this article shall be deemed to have been given when personally delivered or placed in the United States mail, postage fully prepaid, addressed to the owner of the premises or, if different, to the water user as shown from the District's records.

NOTWITHSTANDING THE ABOVE, WHEN CONDITIONS CREATE AN IMMEDIATE DANGER TO THE DISTRICT'S WATER DISTRIBUTION SYSTEM, WATER SERVICE TO THE CUSTOMER'S PREMISES MAY BE IMMEDIATELY TERMINATED WITHOUT NOTICE. HOWEVER, WHERE PRACTICAL, THE CUSTOMER OR THEIR AGENT SHALL

BE GIVEN ORAL NOTICE OF DANGER AND THE WATER SERVICE SHUT OFF. THE CUSTOMER SHALL BE ENTITLED TO AN EMERGENCY MEETING WITH THE LEAD OPERATOR. WATER SERVICE SHALL BE PROMPTLY RESTORED FOLLOWING AN INSPECTION THAT REVEALS THAT COMPLIANCE WITH THIS CODE HAS BEEN ATTAINED.

3.19 Backflow Prevention Assembly Maintenance and Testing

As provided in the CCCPH, required backflow prevention devices are to be tested at least annually and immediately after installation, relocation, or repair by a person who has demonstrated their competency in such testing to the District. The customer is responsible for initial testing after installation and must provide the District with test results prior to the water service being turned on. All backflow protection assemblies shall be tested in accordance with the procedures outlined in USC Backflow Testers Manual. Testing, hazard assessment surveys and all other CCCPH records/results are maintained at the District Office. The Cross-Connection Control Program Specialist, under the direction of the Lead Operator, may require a more frequent schedule if it is determined to be necessary. No assembly shall be placed back in service unless it is functioning as required. A report form supplied by the District shall be completed and returned to the District each time an assembly is tested, relocated, or repaired. These assemblies shall be serviced, overhauled, or replaced whenever they are found to be defective.

The District must notify the State Water Board and local health agencies of any known or suspected incident of backflow within 24 hours of the determination. If required by the State Water Board, the District must issue a Tier 1 public notification pursuant to CCR, Title 22, Section 64463.1.

The District shall be responsible for administering the annual testing of backflow prevention devices within the District's water distribution system using a person who has demonstrated to be competent in the testing of these devices. Competency is demonstrated by the possession of a valid California-Nevada Section AWWA Backflow Prevention Assembly General Tester Certification, the American Backflow Prevention Association (ABPA), or an organization with the equivalent certification requirements.

3.20 Air-gap Separation Inspection Procedure

The installation of each air-gap separation shall be in accordance with the definition for the air gap in the CCCPH.

3.21 Double-Check Valve Assembly Testing Procedure

All double-check valve assemblies shall be inspected and tested in accordance with the procedures outlined in the University of Southern California, Manual of Cross-Connection Control, Tenth Edition.

3.22 Reduced Pressure Principle Assembly Testing Procedure

All Reduced Pressure Principle Assemblies shall be inspected and tested in accordance with the procedures outlined in the University of Southern California, Manual of Cross-Connection Control, Tenth Edition.

3.23 Pressure Vacuum Breaker Testing Procedure

All pressure vacuum breakers shall be inspected and tested in accordance with the procedures outlined in University of Southern California, Manual of Cross-Connection Control, Tenth Edition.

3.24 Contractor Backflow Testing Competency Requirements

Any contractor interested in testing backflow devices may request to be added to the list of certified testers from the District Cross Connection Control Coordinator. To be included on the list, competency in all phases of backflow prevention device testing and repair must be demonstrated through education and/or experience. Each tester shall be responsible for the competency and accuracy of all tests and reports.

Minimum Competency Requirements:

1. Testers must hold a valid general tester's certification from either the American Water Works Association California-Nevada Section, the American Backflow Prevention Association, or an organization with equivalent certification requirements.
2. Each tester must use the testing procedures outlined in the Manual of Cross- Connection Control, Tenth Edition, University of Southern California - Foundation for Cross-Connection Control and Hydraulic Research, Chapter 9
3. Each tester shall furnish evidence that they have the necessary tools and equipment to test backflow devices properly.
4. Each tester must be familiar with the Centerville CSD Cross Connection Control Program processes and procedures.

After notice and a hearing, a tester may be omitted from the annual list for improper testing, repairs and reporting or any action that indicates a lack of knowledge or support of the District's program. Such omissions are at the discretion of the Lead Operator.

3.25 Approved Backflow Prevention Assembly Test Gauges

District approved testers may only use test gage kits that have been approved by the University of Southern California, Manual of Cross-Connection Control, Tenth Edition. This list can be found at fccchr.usc.edu/fieldtestkitslist.html.

3.26 Backflow Prevention Assembly Test Gauge Calibration

Backflow assembly test gauges shall be calibrated at least once every year. Proof of test gauge calibration shall be provided with an initial request to be placed on the District's Approved Testers List. Existing approved testers shall submit proof of calibration with every three-year Backflow Prevention Tester renewal card.

3.27 Groundwater Wells - Domestic Auxiliary Supply

To comply with the Plan, one of the following alternatives for parcels with groundwater wells may be implemented:

A. Install, as a minimum level of protection, a Reduced Pressure Principle Assembly.
B. Abandon the well per Shasta County Health Department requirements.

4.0 FEES AND CHARGES

The administration of this program requires the collection of appropriate fees that can be assigned to the customer and services performed that are not considered appropriate charges under District Water Rates.

These fees are as follows.

Centerville CSD Cross-Connection Control Fee Schedule:

- Cross Connection and Backflow Testing Program: the customer will be billed monthly at the current rate for the Backflow Prevention Charge; and
- Cross Connection and Backflow Repair and Retest: the customer will be billed for any and all repair costs, plus the cost of retesting.
- Failure to pay the above bill(s) will result in service discontinuance consistent with Centerville CSD's Service Discontinuance Policy.

CENTERVILLE COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2025-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTERVILLE COMMUNITY SERVICES DISTRICT ESTABLISHING A CROSS-CONNECTION CONTROL PROGRAM

WHEREAS, The Centerville Community Services District ("District") provides water service to the residents of the Centerville community and maintains procedures for establishing water connections and protecting the safety of the water supply; and

WHEREAS, Cross-connections are actual or potential connections between a public water system and any source or distribution system containing liquid, gas, or other substances not from an approved water supply; and

WHEREAS, The purpose of a cross-connection control program is to prevent contaminants from entering the public water system's distribution system to protect customers from serious health risks; and

WHEREAS, On December 19, 2023, the State Water Resources Control Board adopted new cross-connection control standards through its Cross-Connection Control Policy Handbook, which became effective July 1, 2024, and the District needs to implement a Cross-Connection Control Program to ensure compliance with these new state standards; and

WHEREAS, the Board of Directors of the Centerville Community Services District deem it necessary to adopt the Cross-Connection Control and Backflow Program, attached hereto as Exhibit "A", for the purpose of protecting the District's potable water supply against actual or potential contamination through cross-connections or backflow and identifying unknown cross-connections.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Centerville Community Services District hereby establish a Cross Connection Control Program, as provided in Exhibit "A" to this Resolution.

PASSED AND ADOPTED by the Board of Directors of the Centerville Community Services District this 18th day of June, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Larry Hopson, Board Chair

ATTEST:

_____

Tina Teuscher, Board Secretary

CENTERVILLE
COMMUNITY SERVICES DISTRICT

MEMORANDUM

Date: June 13, 2025

To: Board of Directors

From: Chris Muehlbacher

Subject: **New Business 3: Consider Adopting Resolution 2025-02 – Establishing the Tax Appropriation Limitation for Fiscal Year 2025-26**

Recommendation

ACTION – That the Board of Directors consider adopting Resolution 2025-02 which approves the Tax Appropriation Limits as calculated by Executive Assistant Tina Teuscher.

Discussion

This is a standard housekeeping item that is completed towards the end of each fiscal year in relation to the next fiscal year. As to the law, it is typically referred to as the "Gann Limit" or the "Spirit of 13" (in reference to Prop 13) and set forth under Article XIIIB of the CA Constitution. It is also referenced as the State Appropriations Limit (SAL). In summary, the purpose of the limit is to keep inflation adjusted per person government spending under 1978- 1979 levels. From the 1978-1979 base rate, an agency could only increase the spending of tax proceeds based on population growth and cost of living factors.

Here is how it is defined by the League of Cities-

> The Gann limit is defined with respect to tax proceeds to a local government in the 1978–1979 fiscal year (Id., § 8, subd. (h)), before Proposition 13's significant cut in property tax proceeds. The limit is also adjusted annually for changes in population and inflation. (Id., § 1.) Should a local government receive proceeds of tax refunds in excess of its Gann limit, the excess must be returned to taxpayers unless voters temporarily authorize an override of the Gann limit. (Id., § 4 [voters may authorize override for up to four years].) Article XIII B is implemented by Government Code sections 7900 et seq.

In determining the value, the State Department of Finance provides an annual "percentage in population factor" for January 1st and a change in the cost of living, or price factor in the area of per Capita Personal Income. These two factors are then used to calculate the District's appropriations limit for the next fiscal year.

GANN Limit Summary:

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

Attachments:

- Resolution 2025-02

RESOLUTION 2025-02

A RESOLUTION ESTABLISHING A TAX
APPROPRIATION LIMITATION FOR THE 2025-2026 BUDGET

WHEREAS, it is a requirement of Article XIIIB of the California Constitution as amended by Proposition 111 effective July 1, 1990, that each local government establish its tax appropriation limitation each year by resolution of the Board of Directors at a regularly scheduled meeting or a noticed special meeting, and

WHEREAS, according to the prescribed formula, the Centerville Community Services District established the limitation to be $434,539 for the 2025-2026 fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Centerville Community Services District does hereby set forth a tax appropriation limitation of $434,539 for the 2025-2026 fiscal year.

PASSED AND ADOPTED this 18th day of June 2025.

Larry Hopson, President
Centerville Community Services District
Board of Directors

AYES:
NOES:
ABSTAINING:
ABSENT:

ATTEST:

Tina Teuscher
Secretary to the Board

Centerville Community Services District
Special District Revenue Limits
7/1/2025 - 6/30/2026

	Value for PY 2024-2025	Population Change Ratio	Per Capita Change Ratio	Calculation Factor for 2025-2026 FY	Value for CY 2025-2026
Centerville CSD	$408,493	0.9994	1.0644	1.063761	434,539

CENTERVILLE
COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: June 11, 2025

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: **New Business 4 – Consider Adopting a Capital Budget as included in Resolution 2025-04**

Recommendation

ACTION (Roll-Call Vote): The Finance Committee concurs with the recommendation for Board approval of Resolution 2025-04 adopting a capital budget.

Item Explanation

Attached is the Capital Budget for Fiscal Year 2025-26. The budget includes the following:

1. Property Taxes – are dedicated to the Capital Improvement Reserve.
2. Capacity Charges – assumes that four meters will be sold this next year. In comparison, the current fiscal year had no water meters sold.
3. WTP Recycled Water Project Payment – includes Centerville's annual payment of $4,400.
4. Muletown Generator – a maximum $52k contribution is included for Centerville's share of this project which is also funded by FEMA/REU.
5. Telemetry & PLC Replacement – the remaining $156k is provided. At this time all the ARPA funds have been requested (approximately $142k).
6. Texas Springs AD – this is funded by taxes received for this assessment district.

Attachment(s)

- Capital Budget

Capital Budget - 06-12-2025

FY 2025-26

	BUDGET
Income	
44100 · GENERAL PROPERTY TAX	
44125 - Current Secured Taxes	223,000
44127 - Current Unitary Taxes	10,000
44130 - Current Secured - Adv Teeter	4,000
44131 - Current Supp Teeter	500
44135 - Supp Taxes Current	2,000
44140 - Curr Unsecured Taxes	11,800
44145 - Supp Taxes Prior	50
44150 - Prior Year Unsecured Taxes	100
44155 - Homeowner's Exemption - 422	2,100
Total 44100 · GENERAL PROPERTY TAX	253,550
46000 · CAPITAL FUNDS	
46100 · Capacity Charges	88,588
Total 46000 · CAPITAL FUNDS	88,588
49000 · TAXES & ASSESSMENTS	
49350 · Sp./Asst. Texas Springs 2001-1	34,000
Total 49000 · TAXES & ASSESSMENTS	34,000
OTHER CAPITAL REVENUE	
49505 · Other Interest	50
49550 - New Water Purchase Fee	2,400
Total 49500 · OTHER CAPITAL REVENUE	2,450
TOTAL INCOME	378,588
Expense	
51000 WATER TREATMENT PLANT	
51255 - WTP Recycled Project Payment	4,400
Total 51000 Water Treatment Plant	4,400
56000 - GENERAL PLANT IMPROVEMENTS	
Total 56000 ·GENERAL PLANT IMP.	0
57000 - DISTRIBUTION SYSTEM IMPROVEMENTS	
57090 - Tank Coating Program	180,000
Total 57000 · DISTRIBUTION SYSTEM IMP.	180,000
57400 · PRINCIPAL EXPENSE	
57406 · Sp./Asst Txs Sprng 2001-1 Prin.	9,000
Total 57400 · PRINCIPAL EXPENSE	9,000
57500 · INTEREST EXPENSE	
57506 · Sp./Asst. Txs Sprng 2001-1 Int.	9,800
Total 57500 · INTEREST EXPENSE	9,800
57800 · BOND ADMIN. FEE	
57806 · NBS Admin. Fee TSWAD 2001-1	5,000
57840 - Cent. Admin. Fee TSWAD 01-1	2,500
Total 57800 · BOND ADMIN. FEE	7,500
58000 OTHER CAPITAL EXPENSES	
58070 - Muletown Generator	52,000
58080 - Telemetry & PLC Replacement	156,000
Total 58000 · OTHER CAPITAL EXPENSES	208,000
TOTAL EXPENSES	418,700
Net Difference (Income vs Expenses)	-40,112

Capital Budget - 06-12-2025

FY 2025-26

BUDGET

Outgoing Budget Transfers into Reserves

58105 - To O&M Reserve (1)	2,450
58110 - To Capital Imp. Reserve (2)	253,550
58504 - To Capacity Reserve (3)	88,588
58506 - Net to Texas Springs Fund (4)	7,700
Total 58000 · TOTAL OTHER CAPITAL EXP.	352,288
Sub-Total (Net Diff - Transfers to Res)	**-392,400**

Incoming Budget Transfers from Reserves

45501 - From O&M Reserve	
49501 - From Capital Imp. Reserve (5)	392,400
49504 - From Capacity Fee Res.	
Net Total Difference	**0**

Notes

(1) This transfers the New Water Purchase Fee.
(2) Transfers all Property Tax.
(3) Assumes 4 meters sold.
(4) Net remaining for Texas Springs AD.
(5) Capital Improvement Reserve Funds encumbered during FY.

CENTERVILLE
COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: June 12, 2025

TO: Board of Directors

FROM: Chris Muehlbacher

SUBJECT: **New Business 5 – Discussion regarding the Volunteer Fire Department Station 52**

Recommendation

DISCUSSION – It is desired to discuss this subject with the Board and obtain direction.

Overview

The intent of this agenda item is to have a discussion regarding this subject and obtain further direction.

In March, the District was informed of Volunteer Fire Chief John Luntey transitioning out of the position so that he can focus on personal matters. The District also learned that Station 52 would be primarily used as an equipment storage location.

Recently, Shasta LAFCO considered an update to the Municipal Services Review and Sphere of Influence Update for County Services Area #1 – Shasta County Fire Department. In review of this document, Station 52 was identified as having 4 volunteers in one part of the report and then only having 2 volunteers in another part. Nowhere in the report was it being identified as only a storage location. The report states that Station 52 was dispatched to 320 incidents in 2024 and responded to 92.

This subject was discussed at the May Resource & Planning Committee. In further discussing this subject, it is desired to obtain Board concurrence to invite County Supervisor Allen Long to an upcoming Board meeting to further discuss the status and coverage for Station 52.

Attachment(s) – None

CENTERVILLE
COMMUNITY SERVICES DISTRICT

MEMORANDUM

Date: June 11, 2025

To: Board of Directors

From: Chris Muehlbacher

Subject: **Old Business 1 – Muletown Pump Station Generator Project Update**

Recommendation

INFORMATION – This memo provides a project update.

Discussion

The change in scope of work and budget amendment have been finalized by CalOES and submitted to FEMA for consideration. No further update is available.

More recently, an 18-month time extension has also been requested.

Below is a summary of amended project costs:

Description	Amount
Revised Project Budget	$705,900
FEMA Funding	$529,425
REU Funding	$125,000
Centerville Funding	**$51,475**

Attachment(s) – None

CENTERVILLE
COMMUNITY SERVICES DISTRICT

MEMORANDUM

Date: June 11, 2025

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 remining $156k continues to be held in the District's LAIF account compounding interest.

Discussion

At present, FEMA is finalizing the close-out process. Of the seven projects total, FEMA has reconciled and closed out five of them. The remaining two projects needing to be reconciled and closed include Direct Administrative Charges (DAC) and Miscellaneous projects. The DAC will pay an additional $16k for the District's administrative costs. Once staff completes the DAC details for FEMA, it is anticipated that the remaining close out process will be completed within the near future.

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 $156k in reserve which was not used in completing the approved projects and continues to compound interest. It appears that an additional $16k will become available as part of the close-out process.

Attachment(s) – None

CENTERVILLE
COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: June 12, 2025

TO: Board of Directors

FROM: Chris Muehlbacher

Subject: **Old Business 3 – PLC, Radio, and Antenna Replacement Project Update**

Recommendation

INFORMATION – This item provides a project update.

Item Explanation

Wagner Electric received the radios and have delivered them to PACE Engineering for programming. PACE is writing the Functional Acceptance Testing (FAT) procedures. Once they are completed, PACE will proceed with programming the radios and conducting in-house testing. Once ready, the new radios and PLCs will be installed in the field for final testing. This will be a huge team effort from the operators, PACE Engineering, Wagner Electric and Computer Logistics, to minimize downtime of the system. Upon completion of the first new site, all other sites will no longer be able to communicate or operate automatically. Planning meetings will be scheduled once PACE is ready to coordinate field efforts. Computer Logistics will also be involved ensuring system resiliency and security.

Attachments – None