

Clear Creek Community Services District

Final Budget

July 2024 Through June 2025

Clear Creek Community Services District



Fiscal Year
2024-2025

Budget

CLEAR CREEK CSD 2024-2025 BUDGET

Introduction

The District Board of Directors presents this budget and narrative for the community and District Customers.

The District's mission is a commitment to our customers for a dependable delivery of high-quality water, while maintaining superior customer service at an affordable price. We pride ourselves on fiscal responsibility and good stewardship of the water supply as active members of the greater Happy Valley community.

This document is laid out to give a brief overview of the District and its history, the assets, revenue, and expenses to operate for this fiscal year.

The Clear Creek Community Services District is a special district in California that provides one service to the community – water. The District is run by a five-member board of Directors, elected or selected from within the District.

The Board of Directors for the adoption of this budget:

Chair: **Terry Lincoln** Vice-Chair: **Scott McVay**

Directors: **Pam Beaver, Beverly Fickes, Logan Johnston**

The General Manager Paul Kelley is tasked to develop the Budget with the input of the board and community. This Budget was started in May, reviewed by the Finance Committee, and then by the Board and community at a special meeting of the board June 5th 2024 and then the final budget was approved by the board at the June 19th 2024 meeting.

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History and Background

The Clear Creek CSD was formed in 1963 to provide water for domestic use, irrigation, sanitation, industrial use, individual use, fire protection, and recreation. The District boundaries include approximately 21,800 acres. Prior to 1963, there was long history water for agricultural and some domestic uses in Happy Valley and the District was formed to have a community run district for agreements for water at to expand the uses of water delivery.

The District entered into a water service contract with the United States Bureau of Reclamation in 1963 providing an annual allocation of 15,300 acre-feet of water per year. Over the years there have been multiple contracts with lengths from interim to a 25-year term. In 2020 the District signed a conversion contract that used the Water Infrastructure Improvements for the Nation Act (WIIN) monies to fund the Districts long term infrastructure obligation, and when the District pays off the WIIN act the contract converts the term contract to a perpetual contract for the 15,300 acre-feet allocation. The District paid off this obligation in FY 2024.

In 2001, the District took ownership from the USBR of all the facilities currently within the District. The title of the Distribution system and other facilities, except the Muletown conduit, went directly to District ownership.

For Ground Water management the District participates with the Enterprise Anderson Groundwater Sustainability Agency, the state designated agency for state reports, monitoring and other state regulated ground water activities. The District participation is important since the District has three wells within the District and within the Anderson Ground water basin. These wells are critical to the District in response to droughts, and when there are major leaks or maintenance related to the Muletown conduit.

The Clear Creek CSD owns and operates the treatment plant at the base of Whiskeytown dam and sends water from that facility into the Muletown conduit. When it reaches the Clear Creek CSD – it enters at the North Booster station where a four-million-gallon tank also resides. The Centerville CSD also receives water through the same conduit and has its own water service contract with the Bureau. The District has a contract with Centerville CSD for them to pay for their portion of the treatment operations, maintenance, and administrative costs.

Facilities

Treatment:

The Treatment facility is at the base of the Whiskeytown dam and was originally constructed in the 1970's. Then, in response to new Surface Water treatment rules and regulations, the District upgraded the plant in 1995/96 to comply with those updated regulations. The Treatment facility is a T5 facility – and the District employes a Chief Plant Operator who has certification at the T5 level. This facility operates 24 hours a day and 7 days a week, and it's connected to electronic monitoring in real time. The facility has backwash ponds, piping of raw water, chlorination facilities, filters, and treated water pipes to the holding tank at the start of the Muletown conduit.

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Distribution:

The Muletown Conduit from the Whiskeytown Dam to the start of the District is both 45” and 42” steel conduit. This conduit is eight and a half miles long and primarily follows the Muletown road. The District has a closed piping system, and gravity fed and uses no pumps for pressurization except after the two booster pump stations.

Within the District boundaries there are approximately 100+ miles of pipeline in the ground. The pipe sizes range from 2” to 42”. The type of pipe varies – between transite pipe (AC), ductile iron, steel, and PVC. The transite pipe in particular have reached their effective life, and subject to many challenging ruptures, breaks or leaks. The Distribution system needs a thorough assessment and rehabilitation.

The District has a North Booster station, that is the starting point of the District where the Muletown conduit enters the system. At this location there is one four-million-gallon tank, a second smaller tank of 250 thousand gallons, pressure pumps, a pump house, and telemetry assets at this location. The District has a South Booster station with a one-million-gallon tank, a 350-thousand-gallon tank, pump house with pumps and telemetry assets. The South Booster station is primarily to receive well water from the southern well field and pump into the distribution system from the lower area of the Districts distribution system.

The District developed a well field that is primarily used during water shortages or if the Muletown conduit has challenges. The well field has three wells with a 1500 gpm capacity.

The District has five water storage tanks. The four tanks at the Booster stations plus the one-million-gallon tank near the treatment plant provides a total capacity of 5.6 million gallons of water.

Financial: The District operates based on an annual budget.

The District has these sources of revenue (Described more in each year):

1. Customer accounts
2. Revenue from Water services
3. General Taxes
4. Interest
5. Grants

The District has these primary expenses (Described more in each year):

1. Source of Supply
2. Water Treatment
3. Conduit
4. Distribution System
5. Wells and So. Booster pumps
6. Administration
7. Customer Service / Accounts
8. Regulatory and Debt Service

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Reserve Accounts:

There are reserve accounts that get funded from customer charges – as designated reserves:

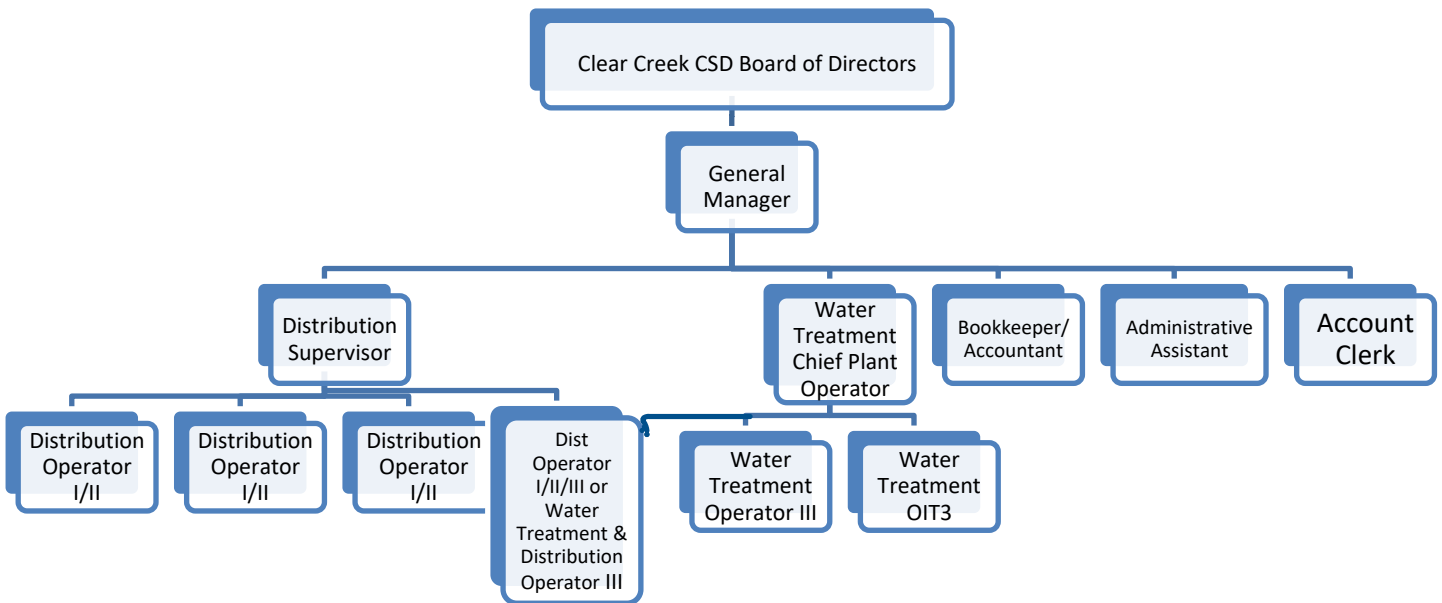
- 1. Filter Plant Repayment
- 2. Recycle Backwash Water
- 3. State Loan Repayment
- 4. WIIN act Repayment

There are reserve accounts that get funded by customer charges (Base Rate and Usage) that are used to fund infrastructure modernization and operating and maintenance.

- 1. Operating Reserve
- 2. Capital Improvement, Expansion and Modernization
- 3. USBR Emergency Reserve – Required by USBR Contract for Conduit emergencies
- 4. Emergency Fund Reserve
- 5. Fund Balance Discretionary Reserve
- 6. Other Reserves

Staffing:

The District has an approved Memorandum of Understanding that covers the Staff of the District managed by the General Manager. The District Board of Directors has an approved Employment Agreement with the General Manager. The current organizational chart is below:



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2024-2025 Budget Categories

Revenue

11000 - Customer Accounts Revenue:

This revenue area is generated by the Base Rate/Account Charge for each customer, Water sales – Domestic and Agricultural water, penalties, and reconnection fees. This budget uses 95% collection rate since moving an employee to full time in FY 24 the District has moved beyond the use of 85% collection rate. The District goal: 98% collection rate over time.

- 11005 – Base Rate Calculation** - 2656 accounts/Base Rates at \$58.20 –
(at 95% collection rate. FYI + 43 accounts \$10.81)
- 11010 – Water Sales (Domestic)** - 1500 AF of M&I at \$.56/HCF (95% collection rate)
- 11020 – Agricultural Water Sales** – 700 AF of Irrigation at \$.54/HCF (95% Col Rate)
- 11050 – Penalty and Reconnection Fee** – No drought penalties, or potential late fees

11000 - Customer Accounts Revenue Total: \$2,265,000

12000 - Water Service Revenue:

This revenue area is mainly generated from Centerville administrative and O&M charges to Centerville for the treatment plant to provide water to their district. This area also includes Backflow revenue on some customer accounts, Interest/Investment revenue, and Convenience fee.

- 12075 – Centerville Admin O&M** – Monthly Charge for Treatment services costs.
- 12087 – Backflow Maintenance Charge** – For annual check, offset to cost of service.

12000 - Water Service Revenue Total: \$210,000

13000 - Designated Revenue:

This area is not included in Operating Revenue. In the 2024-25 budget the District will identify these designated revenues to be “expensed” or moved into their reserve accounts. And reported quarterly on the Balance sheet. This shows up on the quarterly Balance sheet. All the designated accounts that make up the \$10.81 – These amounts are on the 2700 accounts charged the fee and at a 95% collection. (Rates per month identified)

- 13005 - Filter Plant Repayment Charge** (\$7.55/Mo)
- 13010 - Recycle Backwash Water Charge** (\$.38/Mo)
- 13015 - State Loan Repayment Charge** (\$1.00/Mo)
- 13025 - WIIN Act Repayment Charge** (\$1.88/Mo)

13000 - Designated Revenue Total: \$330,000

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14000 - Use of Reserves – (New in FY24 District item)

The District has not budgeted in the past for use of carryover funds, reserves or other discretionary reserve uses. For Budgeting and operational purposes, there should be a “fund balance” that tracks the end balance of a budget and rolls it into the next year’s budget. This will also be used to track the usage of reserves for the WIIN Act repayment to the Operating fund.

14010 - WIIN Act Reserves to Operating: (\$55,000)

The District has paid their WIIN Act payments by borrowing against Operating revenue. The WIIN Act charge on monthly customer bills is to pay for the cost of the WIIN Act payments. Borrowing from the Operating revenue fund to pay off the WIIN Act obligation, obligates the WIIN Act customer fee (identified before) to stay in effect for the period of time to pay off the loan from the Operating fund – (approximately 13 years at \$50,000 per year) at the Boards discretion in the future.

Background and complete description of the WIIN Act obligation: For reference the WIIN Act obligation started at \$859,452. The contract with the Bureau for 15,300 AF/Year requires repayment of the capital costs over the life of the contract ending in 2030. This WIIN Act payment converts the contract to a perpetual contract, without an end. See the FY 2024 Booklet for more background on particulars of funds related below. In FY 2024 (October of 2023) the District made its last payment to the Bureau to finalize its WIIN act obligation prior to the December 2023 deadline and received a letter of acknowledgement of completion of its WIIN act obligation from the Bureau. This is a big accomplishment and now the WIIN act fee will repay the Operating fund over the coming years.

Original WIIN Act Contract amount: \$859,452 - \$207,952 (Credit) = \$651,500 to be paid by 2024.

When the (\$1.88) fee was instituted September of 2021 after the rate rationale was approved using the Prop 218 process, it took time for the fee to be deposited into a separate account. Based on the review of bank accounts and the old customer billing software, there was \$27,496.78 absorbed into the operating account that would reduce the customer repayment obligation. That’s \$651,500 - \$27,497 = \$624,003. In FY 24, the District Operating Fund received \$50K from WIIN Act reserves. It’s suggested to use \$55K in FY 25 and for the next 10 years to return to the Operating fund the total paid - \$624,003.

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14020 - Penalties Reserve to Operating:

In 2023-24 year, the District purchased water from the McConnel foundation and used penalties in reserve to defray some of the cost of that water purchase.

14090 - Discretionary Fund Balance Reserve: (\$0.00)

The District should track use of previous year's fund balance, or use of other reserves in a fiscal year's budget. This line item is for that purpose and not proposed to identify any use at this point.

14000 - Use of Reserves Total: \$55,000

15000 - Revenue - Taxes & Assessments

The District receives property tax share from the County of Shasta twice a year. The current amount as revenue in the Budget is a projection based on last year's property tax.

15000 - Taxes Revenue Total: \$420,000

Total Revenue: \$3,282,000

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Expenses:

29000 - Supply Cost:

This Expense section contains the cost of the water supply to the District for this year. Primarily made up of purchase costs from the Bureau. It can include water purchased from outside sources like the McConnell foundation or other sources.

29005 - USBR Water Purchase: Bureau Schedule water cost for M&I and Ag Water.

(For this year: 1500 AF of mix of M&I @ \$52.72/AF (USBR) = \$79,080)

(and 700AF of AG/IRR @ \$43.80 (per AF Bureau) = \$30,660)

29015 - McConnell Water Purchase: No water purchases this year.

29100 - WIIN Act Payments – None - WIIN Act paid off from in October 2024.

29000 - Supply Cost Total: \$110,000

30000 - Water Treatment Plant

The Treatment Division is managed by the Chief Plant Operator who oversees and manages the Treatment Plant and Treatment Division employees as well as the expenses spelled out in this section. New for FY24, is that the Wages/Salary/On-Call/OT is grouped in the Salary Expenses section for Treatment (60300). The treatment plant will be processing more water than in the past few years of drought, and the current maintenance, long term maintenance, and upgrades will need to be considered now and in future years.

30100 - Utilities: All utilities to run the treatment plant and PG&E had a 37% rate increase. The scheduled amount of water is less than in the previous year.

20135 - Office Supplies / postage: An expense not previously tracked to this Div.

30140 - WTP Computer & Software: ongoing support of SCADA machine and Lic.

30150 – Safety Equip & Training: For OSHA Compliance and more.

30200 - WTP Repair & Maintenance – List of items from CPO – and more water impacts non-drought year, and deferred maintenance items. (\$38/AF)

30400 - Water Analysis – Similar to last year but increases in coming year.

30405 - Chemicals – more stable supply and cost projection with and increase in supply costs and mix of chemicals used. The cost at (\$26/AF).

30500 - Vehicle Maintenance and Fuel: Based on previous year’s actuals.

30600 – Equipment / Facility / Capital Improvement:

Expenses for treatment division to track for supporting the grant funded Backwash ponds project. The Treatment plant also has the November 22, 2022 – State Water Board survey of the Treatment plant and suggested projects. This Engineering Assessment estimate \$20K, The recent tank inspection of the tank on the Conduit identified needs that are to be assessed – Assessment estimate: \$13K – This is engineering review and estimates for future Capital Projects.

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This is also to pay for the engineering review of Train 6, other impacted Filter Trains and other major repair. Also - Every 5 years, Shasta County does a "Watershed Sanitary Survey" last completed with all other agencies contributing in 2021, the District portion is calculated at approximately \$10K.

30000 - Total Expense Treatment Plant Division: \$282,150

30700 - Transmission & Conduit

This section is for separate tracking of Muletown Conduit work, repairs and maintenance primarily, the wages / salary expenses will be tracked in the payroll expenses at the end of the report. This will continue to be a separate section since the Muletown Conduit is owned by the Bureau, but maintenance responsibilities are the Districts.

30700 - Total Expense Transmission & Conduit: \$4,000

40000 - Distribution & Transmission

The Distribution and Transmission Division is managed by the Distribution Supervisor managing the division employees and dealing with the maintenance and repairs for the District's 100 miles of pipe, meter reading, pipe breaks, leak repair, wells and booster station operations, equipment maintenance and other general district maintenance duties. The previous year had several leaks, and this budget provides more expense tracking in more categories.

40200 & 300 - Utilities and Safety equipment & training: For expenses tracking purposes, previous budgets did not have Distribution Utilities – like the North Booster Station.

The district supplies muck boots, waders, and other safety equipment for operators and all old items that need to be upgraded and tracked.

40400 - Repair & Maintenance: Current O&M for the Distribution system had more items expensed to it, and this section is adding a few of the items for tracking purposes.

40405 - Backflow Testing: cost of work with revenue offset.

40410 - USA – Utility Service Alignment – Need to separate for tracking. The increased cost of utility projects (PGE, Cable, Fiber, Contractors) calling 811 for locate services has impacted the District and its operators. This cost has been running over projections based on increased utility activity in the District.

40415 – Meter Register/Transponder Replacement – For meter transponders and updating for better meter reading, previous year (2023) the District purchased transponders to start the process for replacement and upgrading of all applicable meters. The District also received a County ARPA grant, to help replace all and install all meters with registers and transponders to increase meter reading efficiency and reduce the time taken. For the 2024-

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2025 years, the grant covered costs, this budget item is to cover the registers/transponders not grant funded – or the District’s match.

40420 - Tank Inspection – Annual inspections.

40430 - Inventory – New / Updated category for materials for repairs – often a leak/repair needs a part or material to be purchased or taken from District inventory. This to help track inventory of key materials replaced for next time and is now separate from O&M. The previous year included significant tool replacement.

40440 - Water Quality Analysis - Dist. – Regular water quality testing as well as the testing needed after repairs.

40480 - Repair & O&M – For leak repair, equipment rental, materials, and more expense tracking. The lease of vac-trailers, materials for leak repair and the cost of outside contractors to support the repairs, road patching and more.

40490 - Equipment / Facility / Capital Projects: Expense line to track cost for distribution rehab projects and grant projects like the South Booster & Wells grant that reimbursed the cost of the project. This is also funds for other projects like the Taffy lane improvement. The District needs to invest in equipment, eventually in vehicles, and other equipment. This Budget item had contemplated the purchase of a Vac-Trailer – valued between \$80-100K. The Finance committee recommends holding off on this and focus on Treatment plant. But this need is still current and all other Cities and Districts going with Vac-Trailers for repairs and maintenance. Also to be considered – equipment review and needs – keep or sell the dump truck, investing in other equipment, vehicle replacement program, excavators etc.

40500 - Vehicle Maintenance / Fuel: Fuel prices steady, aging vehicles need maintenance. Fleet review and updates to be needed.

40000 - Total Expense Distribution Division: \$300,500

41000 - Wells & Booster Station

This section is to track the expenses and maintenance costs for the South Booster station and the Districts three Wells in the Southern portion of the District. In drought years these wells are relied upon for district supply, and can be used when the Muletown Conduit or Treatment Plant is in repair of there is an Emergency.

41100 - Utilities: PG&E Standby, Usage for Testing, and emergency needs. The District has worked hard to get the standby fees down, and since there is not a projected drought in FY 25, the utilities cost will be lower.

41200 - Water Analysis – Low usage this year.

41300 - Repairs and Maintenance – Tracking for Maintenance and Repairs.

41305 - Chemicals: tracking line for this item.

41000 - Total Expense Wells & Booster Station: \$30,500

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50000 - Administration General

This Division is for most of the rest of the operations of the District. This budget has some changes from the past – pre FY24. This section now includes the Regulatory section and the Customer Accounts and Billing section. This division will also include the Employee benefits that identifies the District costs of these expenses. The employee’s contribution to these expenses is through payroll deductions. This Division includes the wages for the General Manager – now part of Payroll expenses. The other three positions in the office are in the Customer Accounts & Billing section and separately identified in the Payroll Expenses section. The District has started to invest in upgrading its computers (IT) in FY23, and in FY 24 more desktops and the Customer Billing software upgrade. This budget looks to continuing to update more IT.

50100 - Utilities: Previous budget didn’t track administrative office utilities expenses, this has gone up slightly from previous year.

50200 - Office supplies: Tracking at this expense to actuals for supplies including Janitorial supplies, and staff recommends looking for janitorial services.

50300 - Organizational Dues:

Currently members of:

- Association of California Water Agencies – ACWA that gives District access to all this association information, advocacy and JPIA (Joint Powers Insurance Agency)
- AWWA – American Water Works Association – training and other resources.
- CVPWA – Central Valley Project Water Association

Suggest consideration:

California Rural Water Association – can help with Operator training. Possibly the Special Districts Association (CSDA) – for their finance arm (CLASS) for better return on savings.

50315 - Postage: To track Admin postage needs, outside of customer billing. Mostly the mailing of payments for A/P.

50320 - Meals and Reimbursements – Tracking for travel meals and staff when leaks or other projects trigger need to provide meals.

50325 – Registration / Mileage/Travel: For General Manager and Board member registration and attendance at US Bureau Conference, ACWA/JPIA Conference, and travel expenses.

50330 – Bank Service Fee/Finance Charge: Customer accts and Bank fees

50400 - Insurance: Cyber, Liability, Auto and other JPIA related expenses.

Cyber – Projected to stay similar cost

Auto – Significant unanticipated increase in FY 24, Projected for FY 25.

50500 - Professional Services – For expense tracking, this budget is creating a section for all the needs in this area:

50505 - Audit Services Cost – Based on contracted cost from Auditor.

50510 - Director Fees – Based on the current policy.

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- 50512 - Director Elections** – This year’s budget will need to have an amount for consolidated Nov. of 2024 election if any.
- 50515 - Server & Computer Maintenance:** “Information Technology”
Municipal Software – The District upgraded from CUBIC and is now using CUSI (UMS) for it’s customer billing software at this Subscription rate that is less than previous Billing Software
Customer Software Upgrade: Done in FY 24
Software subscriptions/ IT Support: For updated technology (MS 360, QuickBooks, other) license subscriptions, security on desktops.
Computer Maintenance: Replace / update a two more desktops, cabling and setting aside resources to eventually replace server. The phone system is also in need of update/replacement. For future consideration – phone system has been outdated for over 10 years, the servers useful life is nearing end – all need to be considered now and into the future for funding.
- 50520 - Legal** – Similar to FY 24
- 50525 - Engineering** – A new category for the District to track expenses. The District has PACE as its District Engineer and needs to track expenses for this general item, not engineering specific to grant projects or a division (Treatment/Distribution). The District also needs to engage engineering services to update it’s 2007 Water Plan and PACE has suggested that an updated Plan and Capital Improvement plan be included to help with future rate studies and grant applications. The assessment cost is approximately \$100K.
- 50530 - Equipment Leases** – The Folding machine lease expired April 2024 and has been returned. This budget item is primarily for Printer/Scanner/Copier.
- 50535 - Building and Grounds** – Includes security, exterminator services, garbage pickup, and maintenance. Also increased to keep pace of FY 24 actuals. This could include one HVAC replacement of the oldest unit on top of the building (\$9k) – the finance committee suggest defer replacement for a few years and do maintenance. Includes other grounds updates – like a potential slurry/chip seal of Administration office paved driveway if proposals are within a reasonable amount. Eventually the District’s buildings will need more major maintenance – painting, roofs etc.
- 50540 - OPEB Valuation and Actuarial** – The bi-annual actuarial for District OPEB Trust. The previous year’s costs also included scenarios for the MOU required review of potential changes to the Retiree medical program. This cost back to regular annual.
- 50500 - Special and Professional** – For services to support Admin Assistant and Bookkeeper – Employee Handbook, and other HR / Payroll compliance and services. Also, for consulting services as needed during the year. The District bookkeeper recommends a

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contract CPA for assistance with audits and other accounting needs (\$10K), The district may have other needs like contracts with temporary agencies for services.

Total Professional Services: \$184,000

50700 - Regulatory: (Section is broken out – Within Administration)

50710 - SWRCB – Water Fee: Small Communities water utility fee by the State – reduced in FY24 based on District appeal.

50711 - SWRCB – CDTFA - Water Rights: Tracking of this fee.

50715 - Risk Management Plan: Fee for review and compliance of the Districts activities.

50720 - Groundwater Sustainability Act: GSA Costs if no GSA grant – the EAGSA did receive a grant, and costs are to be paid for by the State. Keeping some amount in the budget in case of costs that take longer for the EAGSA to get reimbursed.

50725 - LAFCO Expense: Cost from LAFCO for Special District

50800 - Safety Equipment & Materials: Small items for reg. compliance

50900 - Testing and License Fees: For employee certifications

Total Regulatory expense: \$47,000

51400 - Employee Benefits – (Section in Administration – To quantify and track the expense of these items to the District. The Employee portion of these expenses through withholding.)

50410 - Workers Compensation: JPIA – Workers Compensation Expense

51405 - Guardian – Vision, Dental, Life: District Covers Dental and life portion, employees pay the Vision component through payroll deduction.

51415 - UNUM – Districts Disability Insurance: All District expense.

51435 - CalPERS – Health Expense: District Cost based on current and Future costs. 2nd half of fiscal year could have a higher cost from CalPERS Health. (January 1st 2025)

51440 - CalPERS – Retirement Contribution. CalPERS has updated the District Contribution as of July 1 2023 to 7.68% for PEPRA and one employee on Classic (14%). Not previously budgeted was the Unfunded actuarial pension liability for FY24 it was approximately 120K.

51442 – CalPERS – District Actuarial Liability. CalPERS informs the District annually of the catch up amounts due after the Pension amounts are run through the actuarial – not previously tracked by the District. This is a guesstimate in May 2024, waiting for CalPERS notice of actual.

51445 - Medicare – District Cost/Contribution: (1.45%)

51650 - Uniform & Service Expense – Operator pants cleaning, shirts, hats

51500 - Boot Allowance – as per MOU

Employee Benefits Total: \$465,700

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51600 - Retiree Benefits – (To track District cost of Retiree benefits – The unfunded Liability calculated by actuarial is for a yearly accounting of long-term liability, not a current year operating expense for budget). In January 2024, the District changed its Retiree Medical benefit the Minimum Employer Contribution (MEC), and returned the Employee’s OPEB contribution. The District committed to keep the current retirees (8) as of 2024 whole. Previously the cost was paid directly to CalPERS Health, now the Retiree payment to CalPERS Health is the MEC (\$157 in 2024), and the balance paid to each retiree through an HRA.

51605 - Retiree health benefit – Direct: The District covers the retiree health to the HRA – not the larger amount.

51610 - The CalPERS Health Ins – Retiree: expense is a yearly expense to the District for the Retirees currently covered by Retiree Health benefits. And paid directly to CalPERS Health insurance – the MEC

Retiree Benefits total: \$105,000

51700 - Property Taxes – The District pays special district expenses, like mosquito abatement district.

51900 - License and Permits: Air permit, CUPA etc.

52000 - Interest expense: For payments on loans – like Dump Truck.

53000 - Customer Accounts – (Section now within Administration for tracking the expenses for Customer accounts, billings and staff) In mid 2023, after reviewing proposals, the District contracted with a Harvest Printing located in the City of Anderson to print, fold, stuff and mail the customer billing. In the first quarter of 2024, the folding machine and postage meter lease expired and were picked up by the originating company. The postage and paper/envelopes etc are similar to previous, but the folding/stuffing etc is no longer an aggravation and cost. After removing the lease, and the lease impact on the printer from printing all the bills and newsletters the District saved over 20 cents a piece.

53020 - Postage: For Customer billing – Charged through Mail house

53025 - Billing Supplies & Materials: Printing, Paper, envelopes etc. Charged through Mail house.

53016 - Meter License: This is for the Software integration between reading meters and loading into customer accounts. That generates the Billing each month.

Customer Accounts Total: \$41,500

50000 - Administration/General Total: \$1,031,800

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60000 - Payroll Expense

This section includes the Salary/wages/on-call/overtime expenses for each of the divisions. In the past, the District had these expenses within each division. This budget now has a Payroll expense section and broken out by divisions and sections for ongoing tracking of the expenses attributed to each area. The District has seen a need based on employee turnover and operational needs to create an Operator in Training in the Treatment Division – moving a previous ½ time position to full in Treatment. Also creates a need for the Distribution Division to convert a previous ½ position to full time. The District approved an MOU in early 2023 then updated in January 2024, and per MOU section 9.7 the job classifications covered by the MOU will receive an annual COLA. The COLA is a range of 2%-4% and based on the yearly CPI-W through May. This budget estimates the expenses based on a 3.2% COLA as of July 1, 2024.

60100 - Payroll Expense - Admin/GM: Based on Employment Agreement

60200 - Payroll Expense - Distribution Division: Based on classifications at highest step. The On-Call is estimated closely on current rates, and Overtime is estimated on past hours per pay period.

60300 - Payroll Expense – Water Treatment: Based on classifications at highest step. The On-Call is estimated closely on current rates, and Overtime is estimated on past hours per pay period.

60400 - Payroll Expense – Customer Accounts: For office staff, a full time Account Clerk, Bookkeeper/Accounting, Administrative Assistant.

60500 - Payroll Expense – Conduit: For separate tracking.

60600 - Payroll Expense – Well Field: For tracking of Expenses in this section.

60000 - Total Payroll Expense – Salary & Wages: \$977,000

70000 - Designated to Reserve (For Budget - reported Quarterly)

This is a new expense (in FY 2024) section for the District to expense revenue to reserves. The first section is to clearly expense to reserves of the “Designated Revenue” from the revenue section. The charges on Customer’s bills (see designated revenue section for specific charges) that are to go to specific reserves for specific expenses/projects. This is primarily a budget-making tool to remove from the operating budget these funds so they are not used for expenses, but put into the reserve accounts corresponding with their customer fee. During FY 24 it was found best to show this through quarterly Balance Sheet reports to the board during quarterly budget to actual review. This section is in the budget to balance the budget out from the Designated revenue that can’t be used for operational costs/expenses. This helps track and show the reserve amounts and growth for these designated reserves. At the quarterly budget to actuals report, the staff will provide a balance sheet that will show these designated revenues and their account balances.

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The second portion of this section is to show and track the deposit to Reserves for other “non-designated” reserves. As per the approved rate schedule (August 2021), that calls for the District to put 4.1% of Usage rate to reserves (Operating Reserve) and 1.8% of Base rate to reserves (Capital Improvement & Modernization Reserve). The District also needs to build an emergency reserve identified in this section. The USBR Emergency reserve is identified as part of the contract with the Bureau for Muletown Conduit repairs. The District currently has a Certificate of Deposit that has the Bureau contracted amount in reserve. Therefore, there is not any need to set aside money in this budget for this item.

When a District like Clear Creek creates a budget, there should be some amount of revenue in excess of expenses – when a year ends, this amount is to be put into a fund balance that can (or not) be used for the next year’s budget. This new “Discretionary Fund Balance” has an amount of resources that could be used at the midyear budget review and adjustments or put into other reserves at year end.

- 72205 - Filter Plant Reserves:** Same as Budgeted Revenue
- 72210 - Recycle Backwash Water Reserve:** Same as Budgeted Revenue
- 72215 - State Loan Repayment Reserve:** Same as Budgeted Revenue
- 72218 - WIIN Act Repayment Reserve:** Same as Budgeted
- 72225 - Penalties Reserve:** To put Penalties into a reserve for future use.
- Total (Same as Designated Revenue):** \$330,000

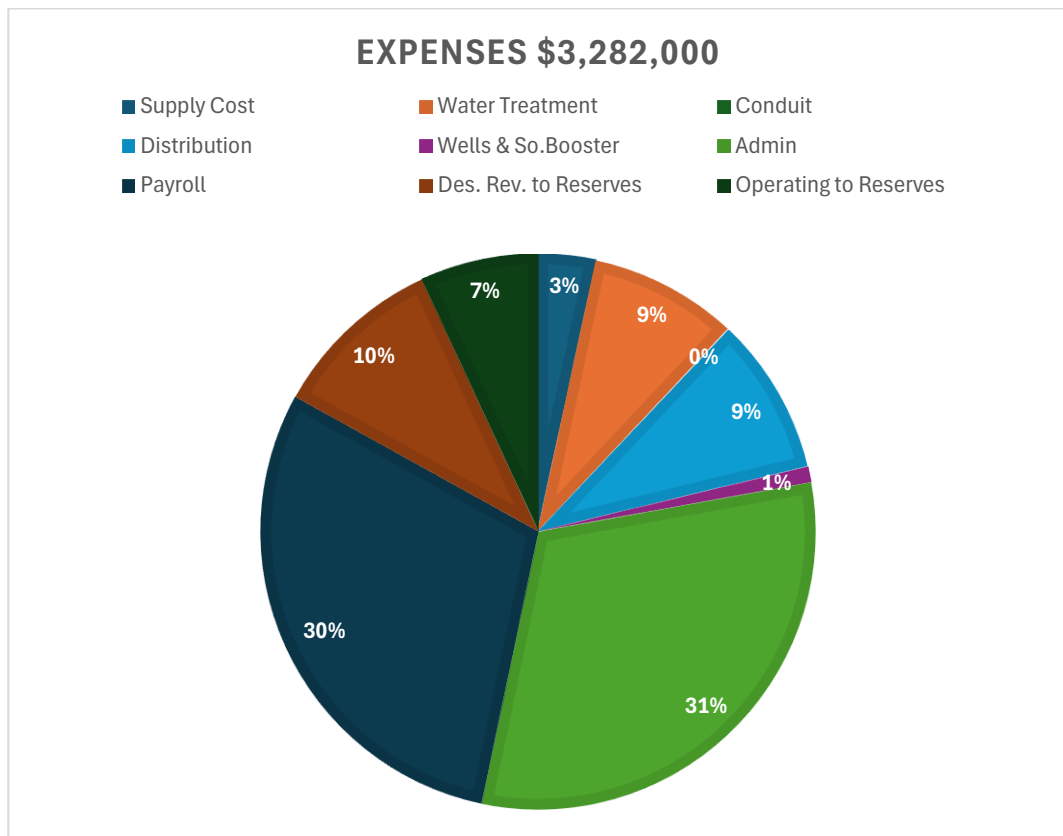
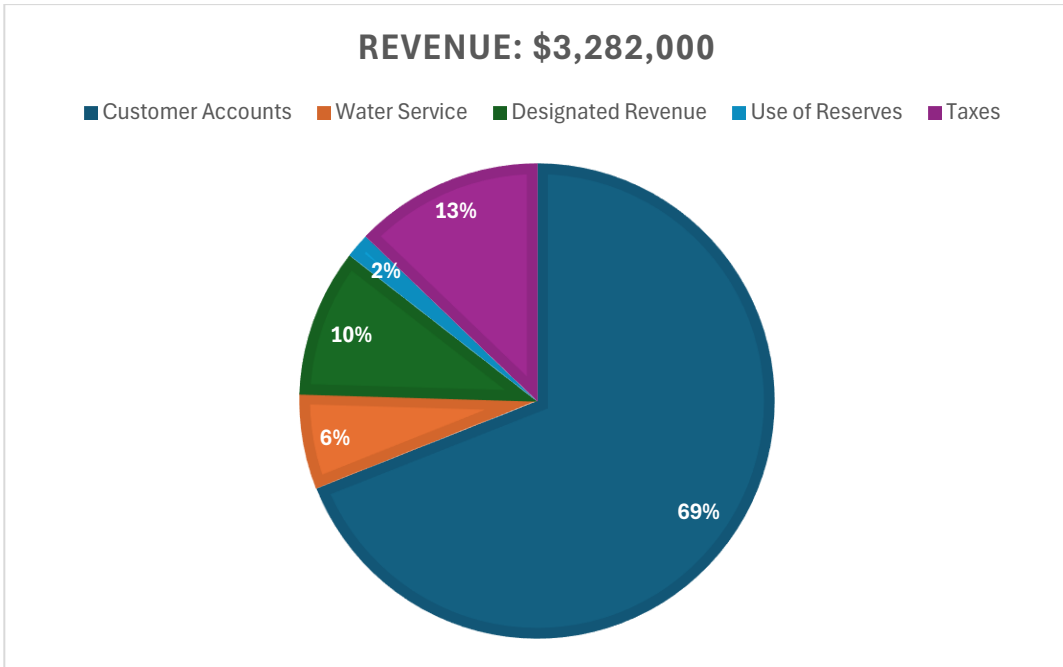
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- 75100 - Operating Reserve (4.1% Usage):** Water Sales Revenue * 4.1%
 - 75200 - Capital Improvement & Modernization Reserve (1.8% Base Rate):**
 - 75300 - Emergency Fund Reserve:** As stated, start building a reserve here.
 - 75400 - USBR Emergency Reserve:** Here if needed. (currently Covered by A CD held but the District for this amount.
 - 75900 - Discretionary Fund Balance Reserve:** For this budget revenue in excess of expenses and for current year. To be used primarily when identified expenditures are needed for equipment, major repairs, capital or other expenditures that need a mid-year adjustment. At the end of year could be to roll into next year or general reserves.

The Finance committee and staff recommends starting the year with this number in reserve – since the focus is on getting engineering review of the Treatment plant needs and updated water Plan, this line item will be used in mid-year adjustments to fund improvements or other needs as identified.

70000 – Expense Designated to Reserves Total: \$556,050

Total Expenses: \$3,280,000

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Non-Operating Budget Items

Grants

Grants

- “Emergency Electrical/SCADA repairs” for the Wells –
 - The District received a grant of \$477,000 for emergency electrical work and SCADA upgrades for the South Booster and Wells portion of the Districts operations.
 - The 2022 drought heightened the need for the District to utilize this well field and the lack of up-to-date SCADA and Electrical work made it challenging for the wells to operate efficiently and at full capacity.
 - The District in February of 2023 authorized signing funding agreement D2118158, and approved PACE engineering to provide engineering and construction management services.
 - The project was completed by January/February 2024.
 - In June of 2024, the final reimbursement came through and this project is closed out.
- The Backwash Ponds project – Combo of State and FEMA through CalOES. (Approximately \$5 Mil)
 - The Backwash ponds have been slated to be redone and concrete lined for a number of years.
 - The State provided the funding for the Design of the pond project in late summer of 2023. In the Fall of 2023, the project was put out to bid.
 - The lowest responsible bidder was Alan Gill construction, and they were awarded the project.
 - Contractor plans to start June/July 2024
 - The District is pursuing Bridge / Construction loan financing to keep the project moving and get all paid timely. The District authorized the loan application to RCAC.
 - The FEMA money, through CalOES is still in holding pattern. The longer they take to finalize funding the more this project will cost. CalOES communicated that they would not fund “concrete” lining of the ponds, since it was an improvement to the current or “at fire” condition. They are still scheduled to sign off on the environmental.
 - The District is proceeding with concrete lining of the ponds, using other funds (State funds), and CalOES is still analyzing their funding agreement.
 - The District with PACE Engineering has submitted an updated funding agreement budget to consider the increased cost of Construction and other elements.
- Distribution improvement grant
 - The District applied to the State for funding to do an assessment of the District’s distribution system for eventual use for further grant applications for replacement of pipelines as identified in the investigation.

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- The State communicated in March of 2023 that their department was reviewing the application and funding agreement.
- In Mid 2023, the State called and informed that District that based on State Budgetary issues, they would not fund the project this year, and would review in 2024
- Shasta County ARPA Grant for Water Districts–
 - The Shasta County Supervisors allocated ARPA funds for water districts, the Clear Creek District applied for funds to update more meters in the District.
 - The County funded the grant in 2024, the District has ordered the meter registers and transponders (approximately 1700) for the sizes needed.
 - The County has reimbursed the District for Transponders and Registers received to date.
- The General Manager applied for an EPA grant “Wildfire Resiliency Assessment”
 - This is to get engineering assessment of the Districts fire resiliency capabilities – the hydrants, fire flows, and storage.
 - The EPA is still in the Consideration phase and has yet to fund grant requests for this category.

Items for the Future:

The District in this fiscal year will be looking for more Grant monies to continue the process of upgrading and updating the infrastructure.

The District needs to update its 2007 Water Plan. One of the elements of that update would be to provide The District with a more comprehensive Capital Improvement Plan (CIP). The general layout of a CIP for the District would be along Division lines. The assets in each will need to be considered and have some engineering estimates made for eventual inclusion in a CIP. Once a CIP is created, the Board and manager can start the process of funding the plan through specific funding or a combination of grants, loans, rates and reserves.

The CIP would have some general categories along these lines:

Distribution Division:

Assets: Pipelines, Meters, Wells, Boosters, Tanks

Treatment Division:

Assets: Plant building, Filter trains, Ponds, Tank, Meters

Comment: The annual State Water Board “Survey Inspection” – has identified items that should be studied, estimated and included in a CIP – now in this budget to have an engineering estimate.

Administration Division:

Assets: Buildings, Office, Yard, Garage, Shed

Other Assets for Management: Vehicles, Equipment, Inventory

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This updated budgeting process with more expense tracking provides an opportunity for the District to look at other items that need attention. For example – updating Internet service, phone systems, Information Technology and Customer billing data base software are some of the items that have not been considered for years and by beginning the process in 2023 through this fiscal year, it will benefit the District and its customers for years to come. The FY 2024 upgrade of the Customer Billing Software was a major improvement. The 30 year old phone system needs review and update. The Facilities will need consideration for paint, roofs and more.

The essential assets of the District are its employees. During most of the 2023 calendar year, the District was fully staffed for the first time in years. When the District approved the Memorandum of Understanding with the employee union in February of 2023, it was a strong step forward for the District for staff expectations, and a clearer quantification of staff expense for budgeting purposes. The District completed one of major tasks in the 2023 MOU - other post-employment benefits (retiree health) program. The Solution was finalized in the 2024 MOU – February 2, 2024. There is still a need for an employee handbook that refers to the MOU and enhances it where needed. By May 2024, the District had lost 5 employees, 4 in the Distribution Division. The District successfully recruited for entry level Distribution Operators, and is recruiting for a Distribution Supervisor and eventually for a experienced Distribution operator. The District also successfully recruited for an Administrative Assistant.

For this fiscal year, there are many items on the Districts list and the administrative burden of regulatory reporting appears to be increasing – while working to get the daily operations completed. The District, thanks to a community volunteer, was able to update many of its outdated policies and procedures. There are some that still need to be updated – including many of the operations safety procedures and construction standards. The District will look to operate efficiently and effectively with the staff and facilitate many of the projects and programs for improvement in the future.

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	Final Budget	Final Budget
	Jul '24 - Jun 25	Jul '23 - Jun 24
Ordinary Revenue/Expense		
Income		
11000 - Revenue - Customer Accts		
11005 - Base Rate Charge	1,760,000.00	1,589,000.00
11010 - Domestic Water Sales	350,000.00	408,000.00
11020 - Agricultural Water Sales	155,000.00	200,000.00
11050 - Penalty-Exceeded WA Allocation	0.00	0.00
11055 - Reconnection Fee	0.00	0.00
Total 11000 - Revenue - Customer Accts	2,265,000.00	2,197,000.00
12000 - Revenue - Water Service		
12070 - Turn On Fees	4,000.00	2,000.00
12075 - Centerville Admin O&M	200,000.00	200,000.00
12085 - Interest / Investment Income	750.00	750.00
12087 - Backflow Maintenance Charge	6,500.00	3,500.00
12095 - Convenience Fees	750.00	750.00
12100 - Misc. Revenue	0.00	0.00
Total 12000 - Revenue - Water Service	212,000.00	207,000.00
13000 - Designated Revenue -Non Op		
13005 - Filter Plant Repayment Charge	230,000.00	220,000.00
13010 - Recycle Backwash Water Charge	12,000.00	11,000.00
13015 - State Loan Repayment Charge	30,000.00	29,000.00
13025 - WIIN Act Repayment Charge	58,000.00	55,000.00
Total 13000 - Designated Revenue -Non Op	330,000.00	315,000.00
14000 - Use of Reserves		
14010 - WIIN Act Reserves To Operating	55,000.00	50,000.00
14020 - Penalties Reserve to Operating	0.00	100,000.00
14090 - Discretionary Fund Balance Reserve	0.00	0.00
Total 14000 - Use of Reserves	55,000.00	150,000.00
15000 - Revenue - Taxes & Assessments		
15005 - Taxes-General Property	420,000.00	390,000.00
Total 15000 - Revenue - Taxes & Assessments	420,000.00	390,000.00
Total Income	3,282,000.00	3,259,000.00
Gross Revenue	3,282,000.00	3,259,000.00

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Expense

29000 - Supply Cost

29005 - Water Purchase

29010 - USBR Water Purchased 110,000.00 128,000.00

29015 - McConnell Water Purchased 0.00 125,000.00

Total 29005 - Water Purchase 110,000.00 253,000.00

29100 - WIIN Act Repayment Exp 0.00 200,000.00

Total 29000 - Supply Cost 110,000.00 453,000.00

30000 - Water Treatment Plant

30100 - Utilities 63,000.00 75,000.00

30135 - Office Supplies WTP 500.00 400.00

30140 - WTP Computer & Software 5,000.00 5,000.00

30145 - Postage 150.00 100.00

30150 - Safety Equipment & Training 7,000.00 7,200.00

30200 - WTP Repair & Maintenance O&M 95,000.00 80,000.00

30400 - Water Analysis 10,000.00 17,500.00

30405 - Chemicals WTP 50,000.00 70,000.00

30500 - Vehicle Maintenance & Expense 6,500.00 8,500.00

30600 - Equipment / Capital / Facility Improvements 45,000.00 15,000.00

30000 - Water Treatment Plant - Other 0.00 0.00

Total 30000 - Water Treatment Plant 282,150.00 278,700.00

30700 - Transmission & Conduit

30705 - Repair and Maintenance - O&M 4,000.00 3,000.00

Total 30700 - Transmission & Conduit 4,000.00 3,000.00

40000 - Distribution

40200 - Utilities 6,500.00 8,000.00

40300 - Safety Equipment & Training 7,500.00 6,000.00

40400 - Repair & Maintenance (O&M)

40405 - Backflow Device Testing 6,500.00 8,000.00

40410 - USA Underground 10,000.00 5,000.00

40415 - Meter Register/Transponder Replacement 25,000.00 25,000.00

40420 - Tank Inspection 10,000.00 10,000.00

40430 - Inventory / Tools 20,000.00 20,000.00

40440 - Water Quality Analysis - Dist 10,000.00

40480 - Repair & Maintenance (O&M) - Other 150,000.00 110,000.00

Total 40400 - Repair & Maintenance (O&M) 231,500.00 178,000.00

40490 - Equipment / Facility / Capital Improvements 15,000.00 15,000.00

40500 - Vehicle Maintenance & Fuel Expense 40,000.00 40,000.00

Total 40000 - Distribution 300,500.00 247,000.00

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41000 - Wells & Booster Station		
41100 - Utilities	27,000.00	50,000.00
41200 - Water Analysis	1,000.00	1,000.00
41300 - Repair & Maintenance (O&M)	2,000.00	5,000.00
41305 - Chemicals	500.00	1,500.00
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Total 41000 - Wells & Booster Station	30,500.00	57,500.00
50000 - Administration/ General		
50100 - Utilities	30,000.00	25,000.00
50200 - Office Supplies	7,000.00	9,000.00
50300 - Organizational Dues	20,000.00	18,000.00
50310 - Advertising & Public Notices	1,000.00	2,000.00
50315 - Postage	3,500.00	2,000.00
50320 - Meal and Reimbursements	3,500.00	2,000.00
50325 - Registration /Mileage/ Travel Reimbursement	8,500.00	8,500.00
50330 - Bank Service Fee/Finance Charge	10,000.00	10,000.00
50400 - Insurance		
50405 - JPIA - Cyber	3,000.00	3,000.00
50415 - Property & Liability Insurance	16,000.00	16,000.00
50420 - Insurance - Auto	65,000.00	36,000.00
	<hr/>	<hr/>
Total 50400 - Insurance	84,000.00	55,000.00
50500 - Special & Professional Services		
50505 - Audit Services	17,000.00	16,000.00
50510 - Director Fees	6,000.00	10,000.00
50512 - Director Elections (Even Year November)	8,000.00	0.00
50515 - Server & Computer Maintenance		
50516 - Municipal Software	5,000.00	10,000.00
505xx - Customer Software Upgrade	0.00	35,000.00
50517 - Software Subscriptions / IT Support	15,000.00	15,000.00
50515 - Server & Computer Upgrades & Maintenance	25,000.00	10,000.00
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Total 50515 - Server & Computer Maintenance	45,000.00	70,000.00
50520 - Legal	10,000.00	20,000.00
50525 - Engineering	40,000.00	10,000.00
50530 - Equipment Maintenance & Lease	6,000.00	18,000.00
50535 - Building & Ground Maint.-Office	17,000.00	12,000.00
50540 - OPEB Valuation & Actuarial	5,000.00	8,000.00
50500 - Special & Professional Services - Other	30,000.00	15,000.00
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Total 50500 - Special & Professional Services	184,000.00	179,000.00

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50700 · Regulatory		
50705 · Water Fee		
50710 · SWRCB - Water Fee	10,000.00	18,000.00
50711 · SWRCB - CDTFA - Water Rights	21,500.00	21,000.00
50715 · Risk Management Plan	7,000.00	7,000.00
50720 · Groundwater Sustainability Act	0.00	10,000.00
50905 · LAFCO Expense	6,500.00	5,000.00
50705 · Water Fee - Other	0.00	0.00
Total 50705 · Water Fee	45,000.00	61,000.00
50800 · Safety Equipment & Materials	1,000.00	1,000.00
50900 · Testing & License Fees	1,000.00	1,000.00
Total 50700 · Regulatory	47,000.00	63,000.00
51400 · Employee Benefits		
50410 · JPIA - Workers Comp	22,000.00	22,000.00
51405 · Guardian - Vision, Dental, Life	18,000.00	18,000.00
51415 · UNUM-Disability, Life, Accident	18,000.00	18,000.00
51435 · CalPERS Health Insurance Exp	210,000.00	180,000.00
51440 · CalPERS Retirement Contribution - Dist	80,000.00	80,000.00
51442 · CalPERS District actuarial liability	100,000.00	
51445 · Medicare - District Cost	12,000.00	12,000.00
51450 · Boot Allowance	700.00	700.00
51455 · Uniform and Service	5,000.00	5,000.00
51400 · Employee Benefits - Other	0.00	0.00
Total 51400 · Employee Benefits	465,700.00	335,700.00
51600 · Retiree Benefits		
51605 · Retiree Health Benefit - Direct	90,000.00	5,000.00
51610 · CalPERS Health Ins- Retiree	15,000.00	95,000.00
51600 · Retiree Benefits - Other	0.00	0.00
Total 51600 · Retiree Benefits	105,000.00	100,000.00
51700 · Property Taxes	400.00	400.00
51800 · General Tax Expense	200.00	200.00
51900 · License and Permits	5,000.00	5,000.00
52000 · Interest Expense		
52005 · RCAC Loan Interest (dump truck)	4,500.00	4,500.00
52000 · Interest Expense - Other	1,000.00	5,000.00
Total 52000 · Interest Expense	5,500.00	9,500.00
53000 · Customer Accounts & Billing		
53015 · Supplies		
53020- Postage	14,000.00	14,000.00
53025 · Billing Supplies & Materials	17,000.00	13,000.00

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53015 - Supplies - Other	500.00	1,000.00
Total 53015 - Supplies	31,500.00	28,000.00
53016 - Meter Reading/ License	4,000.00	4,000.00
53030 - Chargebacks, NSF, Acct Refunds	6,000.00	10,000.00
Total 53000 - Customer Accounts & Billing	41,500.00	42,000.00
55000 - Miscellaneous	0.00	0.00
Total 50000 - Administration/ General	1,021,800.00	866,300.00
60000 - Payroll Expense -Salary & Wages		
60100 - Payroll Exp - Administration/GM	153,000.00	150,000.00
60200 - Payroll Exp - Distribution	365,000.00	355,000.00
60300 - Payroll Exp - Water Treatment	250,000.00	250,000.00
60400 - Payroll Exp - Conduit Labor	4,000.00	4,000.00
60500 - Payroll Exp - Customer Accts	185,000.00	185,000.00
60600 - Payroll Exp-Well Field Stations	20,000.00	20,000.00
60000 - Payroll Expense -Salary & Wages - Other	0.00	0.00
Total 60000 - Payroll Expense -Salary & Wages	977,000.00	964,000.00
70000 - Designated to Reserves - (For Budget Balancing - Reported Quarterly on Balance sheet)		
72205 - Filter Plant Repayment Reserve	230,000.00	220,000.00
72210 - Recycle Backwash Water Reserve	12,000.00	11,000.00
72215 - State Loan Repayment Reserve	30,000.00	29,000.00
72218 - Penalties Reserve - For tracking		
72225 - WIIN Act Repayment Reserve	58,000.00	55,000.00
	330,000.00	315,000.00
75100 - Operating Reserve (4.1% Usage)	20,705.00	24,900.00
75200 - Capital Imp. & Modernization Res. (1.8% Base Rate)	31,680.00	28,602.00
75300 - Emergency Fund Reserve	10,000.00	10,000.00
75400 - USBR Emergency Reserve	0.00	0.00
75900 - Discretionary Fund Balance Reserve	163,665.00	10,998.00
	226,050.00	74,500.00
Total 70000 - Designated To Reserves -Non Op	556,050.00	389,500.00
Total Expense	3,282,000.00	3,259,000.00
Net Ordinary Revenue	0.00	0.00