

### **Gold Mountain CSD 2022-2023 Budget Notes:**

The attached budget includes the following pdfs, printouts of Excel tabs in the 2022-2023 budget workbook:

- Operating Budget
- Fire Operating Budget
- Reserves and Capitol
- Reserve History
- Cash Balances by Fund

This update reflects extensive discussions with both Joleen Cline and Catherine Hansford. The Operating Budget retains two options, the first based on our current rates, and the second reflecting adoption of new rates at the 15 June meeting. I prepared the remaining budget sections assuming we would adopt new rates. Should the Board decide not to adopt new rates, in my estimation we have the funds to continue operations for another year, but without the ability to pay for needed system upgrades, major repairs, or Capital Improvement Projects.

This version of the draft Operating budget with new rates reflects slightly lower projected revenues over the version briefed at the 5 May Board of Directors meeting. The reductions are due to our now available actual billing list using the new rates, whereas the earlier version used projected income directly from the rate study. The small changes are due to changes in the numbers of billable units using real data versus the projections Catherine started with back in 2021, as well as updated water use projections based on our actual 2021/22 water data. The budget impact is primarily lower contributions to both Operational and Capital reserves, with little to no impact to either the operational budget or planned 2022/23 capital projects. The new budget includes a 7.5% cost of living increase for our field team. I have provided a separate description and justification for the increase. With the exception of the COL increase, the Operating Budgets depicting the old and new rates are relatively similar. The transition from inhouse bookkeeping to outsourced service has provided some cost savings which would reduce pressure on the existing rate budget should we not adopt new rates. However that budget would remain very tight and given unforeseen operational requirements, would likely result in a negative operating account by year's end.

With adoption of the new rates, and where appropriate, I have increased a few lines on the Operating budget reflecting known upcoming needed maintenance and planning requirements. The primary difference in the budgets is the ability to contribute dollars to the Capital fund, not only this year but in future years, to complete needed Capital Improvement Projects, and to undertake major refurbishment of aging infrastructure.

On the Fire Operating budget, the Board is aware that the District has been notified that we are participating in the PG&E Settlement from the Dixie fire. There are a number of differing versions on the how and why of this settlement, but I personally talked to the lawyer managing the settlement who assured me it was real and said all Plumas County Special Districts were participating in the award, our share would be in the range of \$45k, distributed in three

payments. Bill Robinson was notified of the settlement directly by the Plumas County DA's office which subsequently notified him that our first payment of \$15k was ready for pickup (which Bill did). Last week, Bill received a call from the DA's office to ensure that we were aware that the funds were limited to use for equipment and training and that the funds will be audited. I have shown the remaining expected \$30k on the Fire Operating budget as Miscellaneous Income and have updated the Capital section of the Fire Budget with \$30 against QAV upgrades. As we go forward we will ensure that we clearly and properly account for settlement dollars.

# Gold Mountain CSD

## Water & Sewer Operating Budget 2022 / 2023 - Projections

			2022/23 Draft Budgets	
			CURRENT RATES	NEW RATES
			Jul '22 - Jun 23	Jul '22 - Jun 23
<b>6000 · OPERATIONS INCOME</b>				
<b>6100 · Water &amp; Sewer Service Fees</b>				
	6100-1 · Water & Sewer - Connected		176,000.00	173,783.00
	6100-2 · Water & Sewer - Standby		227,000.00	342,517.00
	6100-3 · W&S- Commercial-Connected		51,000.00	51,562.00
	6100-4 · W&S- Commerical Standby		1,416.00	1,057.00
	6100-5 · W&S- Residential Usage Charges		10,000.00	34,288.00
	6100-6 · W&S- Commercial Usage Charges		4,500.00	17,407.00
	6100 · W&S Service Fees - Total		469,916.00	620,614.00
6201 · Interest & Late Charges			3,500.00	3,500.00
6202 · Admin Fee - Fire			21,284.00	16,500.00
6203 · Fire Labor Reimbursement			15,120.00	21,788.00
6204 · Grant Fund Reimbursement				
6205 · Misc Services Charges			3,000.00	3,000.00
6207 · Miscellaneous Income			3,000.00	3,000.00
<b>Total 6000 · INCOME Total</b>			<b>515,820.00</b>	<b>668,402.00</b>

<b>Quarterly Incomes</b>	128,955.00	167,100.50
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<b>7000 · OPERATING EXPENSES</b>				
<b>7100 - OPERATIONS</b>				
<b>7110 - PERSONNEL</b>				
	7111 · Salaries			
	7111-1 · General Manager/Treasurer		20,800.00	44,720.00
	7111-2 · Office Administrator		21,840.00	23,920.00
	7111-3 · Asst. General Mgr/ Lead OPT		66,680.04	77,625.60
	7111-4 · Operator 1A (KA)		37,120.00	44,720.00
	7111-5 · Operator 1B (WC)		36,154.88	43,555.20
	7111-6 · Fire Coordinator		13,438.88	15,841.80
	7111-7 · On-Call		12,000.00	13,901.80
	7111-8 · GPS Mapping Intern		0.00	4,760.00
	7111 · Salaries Total		208,033.80	269,044.40
	7112 · Compensation - Other			
	7112-1 · Payroll Expenses Dir Dep Fee		150.00	150.00
	7112-2 · Overtime Contingency (10%)		13,995.49	16,590.08
	7112-3 · Payroll Taxes		18,351.70	24,456.82
	7112-4 · Workers Compensation Insur.		8,321.35	6,519.10
	7112-5 · Performance Incentives		4,000.00	6,000.00
	7112-6 · Flexible Compensation		34,751.90	36,048.06
	7112-7 · Employee Insurance		8,650.00	8,528.00
	7112-8 · Training		3,000.00	5,000.00

		7112-9 · Travel and Accomidations	1,000.00	2,500.00
		7112 · Compensation-Other Total	92,220.45	105,792.06
<b>7110 · PERSONNEL Total</b>			<b>300,254.25</b>	<b>374,836.46</b>

#### 7120 · SERVICES and SUPPLIES

		7120-1 · Water Licenses/Fees	1,500.00	1,500.00
		7120-2 · Sewer Licenses/Fees	6,800.00	6,800.00
		7120-3 · Insurance	18,000.00	18,000.00
		7120-4 · Rent	11,980.00	11,980.00
		7120-5 · Utilities	2,000.00	2,000.00
		7120-6 · Communications	7,650.00	7,650.00
		7120-7 · Miscellaneous	3,000.00	3,000.00
		7120-8 · Publications	250.00	250.00
		7120-9 · Memberships	2,700.00	2,700.00
		7120-10 · Bank charges	250.00	250.00
		7120-11 · Office Furniture & Equipment	150.00	1,500.00
		7120-12 · Office Expense & Supplies	3,000.00	4,000.00
		7120-14 · Maintenance Building Expense	500.00	1,500.00
		7120-15 · HOA Fees	5,840.00	5,840.00
			63,620.00	66,970.00
		7120-16 Professional Services		
		7120-16.1 · Accounting	27,000.00	37,320.00
		7120-16.2 · Legal	4,000.00	9,000.00
		7120-16.3 · Audit	7,200.00	7,200.00
		7120-16.4 · Rate Study	1,500.00	3,000.00
		7120-16.5 · IT Services	1,800.00	2,500.00
		7120-16.6 · Professional Services Other	1,800.00	1,800.00
		7120-16.7 · Equipment Rental	0.00	500.00
		7120-16 · Professional Services Total	43,300.00	61,320.00
<b>7120 · SERVICES and SUPPLIES Total</b>			<b>106,920.00</b>	<b>128,290.00</b>

#### 7130 · WATER OPERATIONS AND MAINTENANCE

<b>7131 · WATER PRODUCTION</b>				
		7131-1 · Wells	400.00	800.00
		7131-2 · Electric	12,000.00	12,000.00
		7131-3 · Testing	3,500.00	3,500.00
		7131 WATER PRODUCTION - Total	15,900.00	16,300.00
<b>7132 · WATER DISTRIBUTION</b>				
		7132-1 · Distribution - Pipes	1,500.00	2,500.00
		7132-2 · Booster Stations	1,400.00	2,400.00
		7132-3 · Electric	11,000.00	11,000.00
		7132-4 · Meter Maintenance	1,200.00	1,200.00
		7132-5 · Storage Tanks	1,000.00	1,500.00
		7132 · WATER DISTRIBUTION Total	16,100.00	18,600.00
<b>7133 · Water Contingency</b>			1,455.00	2,000.00
<b>7130 · WATER O&amp;M - Total</b>			<b>33,455.00</b>	<b>36,900.00</b>

#### 7140 · SEWER OPERATIONS and MAINTENANCE

	7140-1 · Transmission -PIPES	1,400.00	3,000.00
	7140-2 · Disposal/Treatment	6,000.00	6,000.00
	7140-3 · Testing - sewer	7,000.00	7,000.00
	7140-4 · Septic tank maintenance	1,500.00	1,500.00
	7140-5 · Septic Pumping	24,000.00	24,000.00
	7140-6 · Leachfield Electric	1,500.00	1,500.00
	7140-7 · Sewer Contingency	2,000.00	2,000.00
<b>7140 · SEWER SYSTEM Total</b>		<b>43,400.00</b>	<b>45,000.00</b>
<b>7150 · GENERAL MAINTENANCE</b>			
	7150-1 · Maintenance-Structure & Grounds	1,000.00	3,500.00
	7150-2 · Equipment & Tools	1,400.00	1,400.00
	7150-3 · Auto Fuel & Maintenance	7,500.00	7,500.00
	7150-4 · Maintenance Supplies	500.00	1,000.00
	7150-5 · Maintenance Contingency	800.00	1,000.00
<b>7150 · GENERAL MAINTENANCE - Total</b>		<b>11,200.00</b>	<b>14,400.00</b>
<b>7160 · ENGINEERING STUDIES</b>			
	7160-1 · General Engineering	1,500.00	5,000.00
	7160-2 · System Mapping	1,000.00	2,500.00
	7160-3 · Master Plan Update	0.00	8,000.00
	7160-4 · Leachfield Studies	3,500.00	3,500.00
	7160-5 · Groundwater Management	500.00	2,000.00
	7160-6 · Engineering Contingency	1,000.00	2,000.00
<b>7160 · ENGINEERING STUDIES Total</b>		<b>7,500.00</b>	<b>23,000.00</b>
<b>7100 · Operating Expenses Total</b>		<b>502,729.25</b>	<b>622,426.46</b>
<b>Quaterly Expenses</b>		<b>125,682.31</b>	<b>155,606.62</b>
<b>7200 · Debt Service</b>			<b>8,000.00</b>
<b>7300 · Transfer to Operational Reserves</b>		<b>12,000.00</b>	<b>12,000.00</b>
<b>7400 · Transfer to Capital Fund</b>			<b>25,000.00</b>
<b>7000 · OPERATIONAL FUND TOTAL</b>		<b>514,729.25</b>	<b>667,426.46</b>
<b>Income Over Expenses</b>		<b>1,090.75</b>	<b>975.54</b>

# Gold Mountain CSD

## Fire Operating Budget 2022 / 2023 - Projections

**2022/23 Draft**

**Jul '22 - Jun '23**

### 4000 · OPERATIONS INCOME

4010 · Fire Protection Revenue (Fire Tax)	112,285.68
4020 · Interest & Late Charges	2,500.00
4030 · Miscellaneous Fire Income	30,000.00
4040 · Transfers from Reserves	0.00
<b>Total 4000 · INCOME Total</b>	<b>144,785.68</b>

**Quarterly Incomes**

**36,196.42**

### 5000 · OPERATING EXPENSES

<b>5100 - Fire Personnel</b>	
5110 - Fire Salaries	
5111 · Fire Coordinator	15,841.80
5112 · Operator 1A	1,720.00
5113 · Operator 1B	16.75
5110 - Personnel Salaries - Total	17,578.55
5120 · Payroll Taxes	2,197.32
5130 · Workers Compensation Insurance	703.14
5140 · Flexible Compensation	916.00
5150 · Employee Insurance	200.00
<b>5100 - Personnel Costs - Total</b>	<b>21,595.01</b>
<b>5200 - Operations</b>	
5210 - Admin Fee - W&S	16,500.00
5220 - Fire Protection Contract	39,500.00
5230 - FireWise Support	2,500.00
5240 - Fireflow Maintenance	1,500.00
5250 - Tactical Emergency Response Plan	500.00
5260 - Training	1,500.00
5270 - Volunteer Fire Fighter Support	500.00
<b>5200 - Operations - Total</b>	<b>62,500.00</b>
5300 - Quick Attack Vehicle	
5310 - Fuel and Maintenance	1,500.00
5320 - Repairs	1,500.00
5330 - Equipment and supplies	500.00
<b>5300 - Quick Attack Vehicle - Total</b>	<b>3,500.00</b>
5400 - Special Projects	
5410 - Hazardous Fuel Treatment	14,000.00
5420 - Hazardous Fuel Management	4,000.00
<b>5400 - Special Projects - Total</b>	<b>18,000.00</b>
<b>5000 - Operations - Total</b>	<b>105,595.01</b>

**Quarterly Expenses**

**26,398.75**

<b>6000 - Capital Programs</b>	
<b>6010 - Quick Attack Vehicle Upgrades/Training</b>	30,000.00
<b>6020 - Fireflow Ugrades</b>	5,000.00
<b>6030 - Fire Break Maintence Reserve</b>	2,000.00
<b>6040 - Annexation Reserve</b>	2,000.00
<b>6000 - Capital Programs - Total</b>	<b>39,000.00</b>
<b>Total Fire Expense</b>	<b>144,595.01</b>
<b>Net Income (Transfer to Fire Reserves)</b>	<b>190.67</b>

Cash Balances

Plumas Bank	\$	73,657
Fidelity Fire Reserves	\$	153,839
Transfer from Capital	\$	191
	\$	<u>227,687</u>

**GMCSO WATER AND SEWER RESERVE HISTORY**

<b>As of 12/31/2019</b>		<b>Accrued Since 2006</b>
Total Reserves (single W&S account)	\$ 675,103.00	<b>Note 1:</b>
Contributions	\$ 649,804.34	
Earned Interest	\$ 25,298.66	<b>Note 2:</b>
Effective Interest Rate	3.89%	

<b>Reserve Sources to Date</b>	<b>Balance</b>	<b>Interest</b>	<b>Total</b>	<b>Note 3:</b>
System Devel. Charges (Capacity fees)	\$ 267,496.30	\$ 10,414.36	\$ 277,910.66	41%
Consumption Charges	\$ 70,104.59	\$ 2,729.36	\$ 72,833.95	11%
Operational Reserve Contributions	\$ 312,203.45	\$ 12,154.94	\$ 324,358.39	48%
Total Reserves	\$ 649,804.34	\$ 25,298.66	\$ 675,103.00	100%

<b>Reserve Depletion to Date</b>	<b>Balance</b>	
<b>12/31/2019</b>	\$ 675,103.00	Total Reserves <b>Note 4:</b>
	\$ (188,294.00)	Transfer to capital checking for well development
	\$ (40,000.00)	Transfer to operational checking for lot 348 purchase
	\$ (30,000.00)	Transfer to operational checking for system repairs
<b>7/31/2021</b>	\$ 416,809.00	

<b>Current Reserve Status and Breakout of Funds</b>		
<b>As of 7/31/2021</b>	<b>Balances</b>	<b>Note 5:</b>
<b>Capital Restricted Reserves</b>		
SDC (Capacity) Charges to date	\$ 171,582.21	41%
Consumption Charges to date	\$ 44,967.73	11%
	\$ 216,549.94	
<b>Operational Reserves</b>		
Operational Reserve Contributions	\$ 200,259.06	48%
<b>Total Reserves</b>	\$ 416,809.00	100%

<b>Transition of Reserves to New Reserve Fund Breakout</b>		
<b>As of 5/31/2022</b>	<b>Balances</b>	<b>Note 6</b>
<b>Capital Reserves</b>		
Capital Reserves	\$ 171,710.95	
<b>Operational Reserves</b>		
Consumption Charges to date	\$ 44,967.73	
Operational Reserve Fund	\$ 200,259.06	
Transfer to Operational Checking	\$ (65,000.00)	Cover rate study & EOY costs
Total Operational Reserve	\$ 180,226.79	
<b>Projected 7/1/2022</b>	<b>Balances</b>	
<b>Capital Reserves</b>		
Capacity Fund	\$ 89,616.66	<b>Note 7</b>
Designated Fund	\$ 82,094.29	<b>Note 8</b>
	\$ 171,710.95	
<b>Operational Reserves</b>		
Consumption Charges to date	\$ 44,967.73	
Operational Reserve Fund	\$ 135,259.06	
Total Operational Reserve	\$ 180,226.79	



## **RESERVE NOTES:**

**Note 1:** Reserve balance on 12/31/2019. Prior to 2020, the District maintained one combined reserve account.

**Note 2:** As of 12/31/2019, we knew the fund balance including contribution levels and accrued interest, primarily operational surplus contributions from 2011.

**Note 3:** Financial records provided breakout of accrued reserves by source since 2011.

**Note 4:** Reserve disbursements between 12/31/19 and 7/31/21; \$258,294 for various projects, primarily well development.

**Note 5:** During the 2020/2021 audit debrief, the auditor instructed us to separate reserves into Capital Restricted Reserves, and Operational Reserves to prevent commingling of dollars. The auditor explained that restricted reserves consists of those funds contributed from System Development charges and Consumption charges.

**Note 6:** During the recent rate study, we found that Consumption Charges should actually be assigned to operational income, we have therefore moved consumption charges from Capital Reserves to Operational Reserves. Reimbursed Operational Checking for Rate Study and EOY costs.

**Note 7:** Setting up two funds within Capital Reserves as a baseline going forward. Capacity fund = (Original Capacity Fund) - (Well Development) Capacity fund used to build cash for major capacity projects such as the Water Reclamation Plan and High Elevation Water Tank/BS 8.

**Note 8:** Designated Reserve Fund = Balance of current Capital Reserves. Budget will include quarterly contributions to the Designated Reserve Fund

# Gold Mountain CSD

## Operational Reserves 2022/23

	Budget	Performance
<b>8000 · Operational Reserves</b>		
8001 · Beginning Balance	\$ 180,226.79	\$ -
8002 · Transfers from Operations	\$ 12,000.00	\$ -
8003 · Emerging Operational Requirements	\$ -	\$ -
8004 · Transfers to Capital Fund	\$ -	\$ -
<b>8000 · Operational Reserves - Projected Ending Balance</b>	<b>\$ 192,226.79</b>	<b>\$ -</b>
<b>Goal: Two Quarters Operating Expenses</b>	<b>\$ 311,213.23</b>	

	Budget	Performance
<b>9000 · Capital Fund</b>		
<b>9100 · Capital Reserves (Fidelity)</b>		
<b>9110 · Capacity Fund</b>		
9110-1 · Beginning Balance	\$ 89,616.66	
9110-2 · Interest Income	\$896.17	
9110-3 · Capacity Fees	\$28,468.00	
9110-4 · Tansfer to Capital Checking	\$0.00	
9110-5 · Project Capacity Fund Ending Balance	\$118,980.83	
<b>9120 · Capital Designated Fund</b>		
9120-1 · Beginning Balance	\$82,094.29	
9120-2 · Interst Income	\$820.94	
9120-3 · Transfer from Operating Fund	\$0.00	
9120-4 · Tansfer to Capital Checking	\$0.00	
9120-5 · Project Designated Fund Ending Balance	\$82,915.23	
<b>9100 · Capital Reserves - Projected Ending Balance</b>	<b>\$201,896.06</b>	
<b>9200 · Capital Checking (Plumas Bank)</b>		
<b>9210 · Income</b>		
9210-1 Beginning Balance	\$78,409.00	
9210-2 · Transfer from Operating Fund	\$25,000.00	
9210-3 · Transfer from Capacity Fund	\$0.00	
9210-4 · Transfer from Capital Designated Fund	\$0.00	
<b>9210-4 · Capital Checking Fund - Projected Total</b>	<b>\$103,409.00</b>	
<b>9220 - Expenses</b>		
<b>9220-1 · Water Capital Projects</b>		
9220-1.1 Booster Station Upgrades (BS1)	\$15,000.00	
9220-1.2 Storage Tank Maintenance	\$12,000.00	
9220-1.3 Meter Upgrades	\$0.00	
9220-1.4 System Upgrades	\$5,000.00	
9220-1.5 SCADA -Water	\$5,000.00	
9220-1.6 Well 29 Improvements	\$0.00	
9220-1.7 Well 36 Connection	\$0.00	
9220-1.8 High Elevation Water Tank	\$0.00	
9220-1.9 Booster Station 8	\$5,000.00	
9220-1.10 Distribution/Pipess	\$5,000.00	
9220-1.11 New Office Building	\$0.00	
<b>9220-1 · Water Capital Projects - Total</b>	<b>\$47,000.00</b>	
<b>9220-2 · Sewer Capital Projects</b>		

Identified Capital Requirements
\$42,500.00
\$27,000.00
\$23,000.00
\$25,000.00
\$81,000.00
\$135,000.00
\$84,000.00
\$802,000.00
\$120,000.00
\$50,000.00
\$156,000.00
\$1,545,500.00

		9220-2.1	Leachfield Expansion Phase 1/2	\$50,000.00		\$40,000.00
		9220-2.2	Septic Pumping Trailer	\$0.00		\$52,000.00
		9220-2.3	SCADA	\$5,000.00		\$100,000.00
		9220-2.4	Transmission Pipes	\$0.00		\$5,000.00
		9220-2.5	Water Reclamation Plant	\$0.00		\$650,000.00
		9220-2.6	New Office Building	\$0.00		\$156,000.00
		<b>9042-2 · Sewer Capital Projects-Total</b>		\$55,000.00		\$1,003,000.00
		<b>9220 · Capital Projects-Total</b>		\$102,000.00		\$2,548,500.00
		<b>9200 · Capital Checking - Projected Ending Balance</b>		\$1,409.00		

# Gold Mountain CSD

## Cash Balances by Fund 2022/23

### Operational Checking (Plumas Bank)

6000 · Beginning Balance	\$ 10,000.00
6100 · Operating Revenue	\$ 668,402.00
7100 · Operations Expenses	\$ (622,426.46)
7200 · Debt Service	\$ (8,000.00)
7300 · Transfer to Operational Reserves	\$ (12,000.00)
7400 · Transfer to Capital Fund	\$ (25,000.00)
7000 · Ending Balance	<u>\$ 10,975.54</u>

### Operating Reserves (Fidelity Operating Reserves)

8001 · Beginning Balance	\$ 180,226.79
8002 · Transfers from Operations	\$ 12,000.00
8003 · Emerging Operational Requirements	\$ -
8004 · Transfers to Capital Fund	\$ -
8000 · Projected Ending Balance	<u>\$ 192,226.79</u>

### Capital Fund

#### 9100 Capital Reserves

##### 9110 · Capacity Fund (Fidelity Capital Reserve)

9110-1 · Beginning Balance	\$ 89,616.66
9110-2 · Interest Income	\$ 896.17
9110-3 · Capacity Fees	\$ 28,468.00
9110-4 · Transfer to Capital Checking	\$0.00
9110-5 · Project Capacity Fund Ending Balance	<u>\$ 118,980.83</u>

##### 9120 · Capital Designated Fund (Fidelity)

9120-1 · Beginning Balance	\$82,094.29
9120-2 · Interest Income	\$820.94
9120-3 · Transfer from Operating Fund	\$0.00
9120-4 · Transfer to Capital Checking	\$0.00
9120-5 · Project Designated Fund Ending Balance	<u>\$82,915.23</u>

9100 · Capital Reserves (Fidelity) - Projected Ending Balance	<u>\$ 201,896.06</u>
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##### 9200 · Capital Checking (Plumas Bank)

#### 9210 Income

9210-1 Beginning Balance	\$78,409.00
9210-2 · Transfer from Operating Fund	\$25,000.00
9210-3 · Transfer from Capacity Fund	\$0.00
9210-4 · Transfer from Capital Designated Fund	\$0.00
9210 · Capital Checking - Projected Total Income	<u>\$103,409.00</u>

#### 9220 Expenses

9220-1 · Water Capital Projects	\$48,500.00
9220-2 · Sewer Capital Projects	\$10,000.00
9220 · Capital Checking - Projected Total Expenses	<u>\$58,500.00</u>

9200 · Capital Checking (Plumas Bank) - Projected Ending Balance	\$44,909.00
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<b>Total Enterprise Funds Begining</b>	<b>\$ 440,346.74</b>
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<b>Total Enterprise Funds Ending</b>	<b>\$ 450,007.39</b>
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