



Paradise Irrigation District

6332 Clark Rd, Paradise, CA 95969 · 530-877-4971 · Fax: 530-876-0483 · www.pidwater.com

AGENDA

FINANCE COMMITTEE MEETING THURSDAY, JUNE 8, 2023 – 8:00 AM

PID BOARD MEETING ROOM 6332 CLARK ROAD, PARADISE, CA 95969

Committee Members: Board of Directors – Bob Matthews & Chris Rehmann
PID Staff – Brett Goodlin, Finance & Accounting Manager,
Tom Lando, District Manager and Mickey Rich, Assistant District Manager
Public Members – Gary Ledbetter and Steve Oehler

- ❖ *The Board of Directors is committed to making its meetings accessible to all citizens. Any persons requiring a special accommodation to participate, is requested to contact the District Secretary at 530-877-4971, extension 2039 at least 72 hours in advance of the meeting.*
- ❖ *To participate in the meeting remotely:
Via Zoom Meeting: <https://us02web.zoom.us/j/88192841237>
Telephone: +1 669 900 6833 US (San Jose)
Meeting ID: 881 9284 1237
To improve participation during the meeting, we will be accepting public comments from Zoom Meeting participants during the meeting. The Board cannot take action on any matter not on the agenda. Public comments specific to an agenda item will be read directly after the agenda item and before the Board votes on an item.*

1. Opening

2. Public Participation

This is the time for members of the audience to present items not on the agenda. No action can be taken on these items, but they may be placed on future agendas for consideration. Comments should be limited to a maximum of three minutes duration. If more time is needed, communication may be submitted in writing to committee members, or placed on the agenda for a future committee meeting.

3. Finance Update for period ending May 31, 2023: (Brett Goodlin, Finance & Accounting Manager).

4. Proposed Budget - Fiscal Year 2023-2024 (Brett Goodlin, Finance & Accounting Manager)

5. PID Rental Property Update / Discussion (Brett Goodlin, Finance & Accounting Manager): 6360 Clark Road and 6350 Clark Road, Paradise, California.

6. Staff Updates: Update from staff on finance-related projects, budgeting software, policy changes.

7. Adjournment – Next scheduled meeting: July 6, 2023, 8:00 AM



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June 1, 2023

Paradise Irrigation District
Board of Directors

The Paradise Irrigation District management and staff are pleased to present the Paradise Irrigation District's 2023/24 Budget. The basic purpose of the budgetary process is to present the District's expenditure plan and to identify the resources and revenues available to fund it. The Budget is intended to support the priorities and policies of the Board of Directors as reflected in the District's Mission Statement and its Strategic Business Plan.

History

The Paradise Irrigation District (PID) is located in the Town of Paradise, a Northern California foothill community. PID was originally formed in 1916 under the laws of the California Irrigation Code for the purpose of providing agricultural water to approximately 1,000 ridge residents.

The PID treatment plant draws water from Magalia Reservoir and Paradise Lake, which hold a total of 12,293 acre-feet of water. The water treatment plant was constructed in 1995 and provides an average flow of 7.5 million gallons per day. Runoff is collected over 11.2 square miles of watershed located north and east of Magalia Reservoir. This watershed remains heavily forested after the Camp Fire and sparsely populated, which contributes to the high-quality water we serve. The District has a ground water source at the D Tank reservoir site. This well produces up to 450 gallons per minute and is used as a drought management and emergency source of water.

In November of 2018, the Camp Fire, the most destructive wildfire in California State history, swept through the Town of Paradise, which destroyed approximately 90% of the Town's residences and businesses within the PID service area. During the Camp Fire, a significant number of service laterals and service meters burned and melted, causing the distribution system to depressurize. The depressurization caused contaminants, especially volatile organic compounds (VOC's), to be sucked into the service lines. Following the Camp Fire, the distribution system was repressurized, leaks were repaired, and initial water quality testing began. The initial water quality testing discovered VOC contamination in multiple samples. Immediately, a "do not drink" water advisory was initiated by PID. A Water System Recovery Plan was developed and executed. The Water System Recovery Plan involved extensive testing of all service laterals serving standing structures and testing/repair of service laterals to burned lots to return potable water to all PID customers.

As a result of the damage caused by the Camp Fire, PID has incurred significant losses in revenue and a substantial portion of its customer base. PID had grown to serve approximately 10,500 municipal and residential/commercial customers before the Camp Fire. As of the beginning of the prior fiscal year, approximately 8,900 connections were . PID has made significant progress through

the Water System Recovery Plan and has tested and/or replaced all the service and main lines serving customers whose structure remained standing after the 2018 Camp Fire, which has enabled PID to return these customers to potable service. The District continues to test, repair, and replace main lines and service lines to the remainder of the District's customer base in order to support the recovery of the Town of Paradise. The District has focused recovery efforts towards supporting the rebuild by testing and/or replacing all service lines for new construction. As of the beginning of the fiscal year, the District has returned a total of approximately (did you update these or need updated numbers?) 4,595 customers to potable service. Approximately 4,335 customers have active service and 4,570 customers are on the ready-to-serve rate.

Those customers that are active and using water are currently being charged the standard active rate. Customers that are not actively using water that are remaining with PID are currently being charged a reduced service charge set at the ready-to-serve rate. These customers will continue to be charged the reduced ready-to-serve rate until service is requested. Additionally, some customers have not been charged consumption fees since the fire due to the damage and contamination to the District's distribution system. PID is actively working to replace customer meters. Billing for water consumption at a customer's property resumes once the meter installation is complete.

In May of 2022, PID reached a settlement for a portion of its claim against the Fire Victims Trust for \$189,485,000.00 subject to the Trust's payment percentage applicable to all fire victims which may be adjusted up from time to time. The District has received 60% of the settlement to date.

District Structure and Leadership

The Paradise Irrigation District is an independent special district that operates under the authority of Division 11 of the California Water Code. The District was formed by an election in 1916 and is governed by a five-member Board of Directors, elected at-large from within the District's service area. Each Director must reside in the division they represent.

The District is an enterprise special district recognized as a local government of the State of California. The primary source of revenue is generated through the sales of drinking water and connection service fees for town residents. Although the District operates as a not-for-profit governmental organization, revenues collected in excess of expenditures for operational purposes are used to invest in capital projects within the District that are supported by the Mission Statement. The Board of Directors, works through the District Manager, similar to a CEO of a corporation, to ensure the District is operated in a businesslike manner.

A major difference between how the District operates as opposed to privately owned water companies, such as Del Oro Water Company and California Water Service Company, is that the Directors are elected from within the community and decisions on rate structures and capital improvement projects are made at the local level. Rates are adjusted by the Board of Directors under the process established by Prop 218. Private Water Companies are regulated by the Public Utility Commission and receive rate approvals for operational and capital expenditures from this state-operated entity.

The District Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District currently employs 41 full-time employee positions organized in departments led by supervisors and managers who are responsible for their budgets and expenses. The District's Board of Directors meet on the third Wednesday of each month at 5:30 p.m. Meetings are publicly noticed and citizens are encouraged to attend.

Government

<u>Director</u>	<u>Division</u>	<u>Title</u>	<u>Term Expires</u>
Chris Rehmann	1	Director	December 2024
Elliott Prest	2	Director	December 2026
Shelby Boston	3	President	December 2026
Marc Sulik	4	Director	December 2026
Robert Matthews	5	Vice President	December 2024

Directors Responsibilities

The Board establishes policy on the District's mission, goals, and operations. The Board delegates authority to the District Manager to handle day-to-day operations. The Board sets water rates and charges and establishes an annual budget; makes contracts and employs labor as necessary to carry out the purposes of the District. The Board also has the authority to adopt policies that have the force of law within the District.

The Board reviews staff recommendations and decides which policies should be implemented in light of the District's mission and goals. The Board also monitors the implementation of its policies.

Mission Statement

Paradise Irrigation District is dedicated to the business of producing and delivering a safe, dependable supply of quality water in an efficient, cost effective manner with service that meets or exceeds the expectations of our community.

District Services

The District currently provides water service to approximately 8,900 customer connections within its service area, which is located in the foothills of California's Sierra Nevada Mountains in Butte County. The District encompasses the Town of Paradise, California and some unincorporated areas of Butte County, California.

Budget Control

The budget for the District is kept on an accrual accounting basis. Revenues are recognized when earned and expenses are recognized when incurred.

The District is operated as a single enterprise fund, which is an accounting entity with a self-balancing set of accounts established to record the financial position and results that pertain to a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to reserves while meeting operating expenses with current revenues. Enterprise funds account for operations that provide services on a continuous basis and, in the case of the PID, are almost entirely financed by revenues derived from user charges.

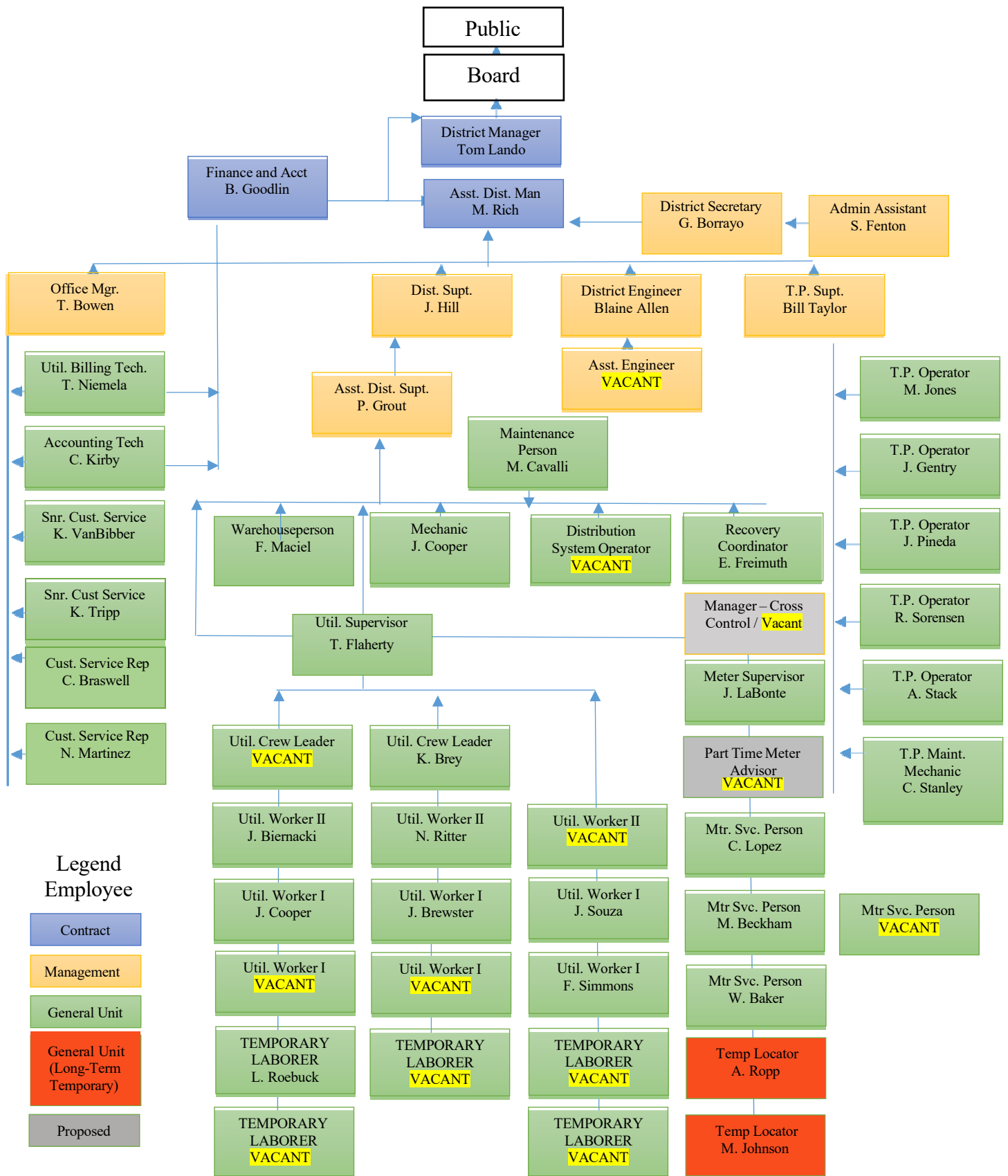
Budget Process

The Board of Directors annually adopts an operating and capital budget each fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. Each year the District adopts a budget allowing it to continue to operate in the most efficient manner.

The District's budget process was developed with a series of goals and objectives in mind. These goals and objectives are developed from the Strategic Business Plan adopted by the Board of Directors. Throughout the year, the Board of Directors provides priorities and guidelines to the District Manager, the Finance and Accounting Manager, and other appropriate Staff. These priorities and other future issues and concerns are then discussed with department Supervisors and Managers during regular staff meetings. Once goals and objectives for the upcoming year are identified, consistent with those communicated by the Board of Directors, the District Manager and his staff then begin development of the District's budget. The Budget is developed to summarize the revenue and expenses at the beginning and continue to get more detailed as the Budget continues.

An increase in the Operating and Capital budget may result in rate increases. To minimize the impact on District's rates, expense requirements are scrutinized to achieve operating efficiencies that maintain or improve customer service at the same time.

This budget is intended to be used for feasibility and planning purposes only. Approval of this budget by the Board of Directors does not commit the District to a particular course of action, does not constitute approval of any "project" under the California Environmental Quality Act (CEQA), and does not foreclose consideration or possible adoption of alternatives to any project, including the no project alternative. The District will comply with CEQA and other applicable laws, to the extent required, prior to approval or implementation of any project described herein.



Paradise Irrigation District
FY 2023/24 Budget
Current Rates

Residential									
Each HCF (748 Gallons) 4/8/16 = \$1.53; 1/1/2017 = \$1.62; 1/1/18 = \$1.61									
	4/8/2016	1/1/2017	1/1/2018	1/1/2019					
Service Charge	\$17.06	\$19.00	\$20.00	\$20.00					
Debt Surcharge	8.88	9.16	14.00	\$17.79					
Reserve Surcharge	4.77	5.18	5.18	\$5.18					
Total Service Charge	\$30.71	\$33.34	\$39.18	\$42.97					
Business									
Each HCF (748 Gallons) 4/8/16 = \$1.53; 1/1/2017 = \$1.62; 1/1/18 = \$1.61									
5/8" & 3/4 Inch Meter	4/8/2016	1/1/2017	1/1/2018	1/1/2019	2 Inch Meter	4/8/2016	1/1/2017	1/1/2018	1/1/2019
Service Charge	\$17.06	\$19.00	\$20.00	\$20.00	Service Charge	\$90.93	\$101.27	\$106.60	\$106.60
Debt Surcharge	8.88	\$9.16	\$14.00	\$17.79	Debt Surcharge	47.33	\$48.82	\$74.62	\$94.82
Reserve Surcharge	4.77	\$5.18	\$5.18	\$5.18	Reserve Surcharge	25.42	\$27.61	\$27.61	\$27.61
Total Service Charge	\$30.71	\$33.34	\$39.18	\$42.97	Total Service Charge	\$163.68	\$177.70	\$208.83	\$229.03
1 Inch Meter	4/8/2016	1/1/2017	1/1/2018	1/1/2019	3 Inch Meter	4/8/2016	1/1/2017	1/1/2018	1/1/2019
Service Charge	\$28.49	\$31.73	\$33.40	\$33.40	Service Charge	\$170.60	\$190.00	\$200.00	\$200.00
Debt Surcharge	14.83	\$15.30	\$23.38	\$29.71	Debt Surcharge	88.80	\$91.60	\$140.00	\$177.90
Reserve Surcharge	7.97	\$8.65	\$8.65	\$8.65	Reserve Surcharge	47.70	\$51.80	\$51.80	\$51.80
Total Service Charge	\$51.29	\$55.68	\$65.43	\$71.76	Total Service Charge	\$307.10	\$333.40	\$391.80	\$429.70
1-1/2 Inch Meter	4/8/2016	1/1/2017	1/1/2018	1/1/2019	4 Inch Meter	4/8/2016	1/1/2017	1/1/2018	1/1/2019
Service Charge	\$56.81	\$63.27	\$66.60	\$66.60	Service Charge	\$284.39	\$316.73	\$333.40	\$333.40
Debt Surcharge	29.57	\$30.50	\$46.62	\$59.24	Debt Surcharge	148.03	\$152.70	\$233.38	\$296.56
Reserve Surcharge	15.88	\$17.25	\$17.25	\$17.25	Reserve Surcharge	79.52	\$86.35	\$86.35	\$86.35
Total Service Charge	\$102.26	\$111.02	\$130.47	\$143.09	Total Service Charge	\$511.94	\$555.78	\$653.13	\$716.31
Irrigation, Recreation District and School District Rates									
Each HCF (748 Gallons) \$0.35									
5/8" & 3/4 Inch Meter	4/8/2016	1/1/2017	1/1/2018	1/1/2019	2 Inch Meter	4/8/2016	1/1/2017	1/1/2018	1/1/2019
Service Charge	\$17.06	\$19.00	\$20.00	\$20.00	Service Charge	\$90.93	\$101.27	\$106.60	\$106.60
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Reserve Surcharge	7.97	\$8.65	\$8.65	\$8.65	Reserve Surcharge	47.70	\$51.80	\$51.80	\$51.80
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Reserve Surcharge	15.88	\$17.25	\$17.25	\$17.25	Reserve Surcharge	79.52	\$86.35	\$86.35	\$86.35
Total Service Charge	\$102.26	\$111.02	\$130.47	\$143.09	Total Service Charge	\$511.94	\$555.78	\$653.13	\$716.31
Fire Service Connection Charges									
Each HCF (748 Gallons) 4/8/16 = \$1.53; 1/1/2017 = \$1.62; 1/1/18 = \$1.61									
	4/8/2016	1/1/2017	1/1/2018	1/1/2019		4/8/2016	1/1/2017	1/1/2018	1/1/2019
Residential	\$6.75	\$6.75	\$6.75	\$6.75	6"	\$40.48	\$40.48	\$40.48	\$40.48
2"	\$13.49	\$13.49	\$13.49	\$13.49	8"	\$53.99	\$53.99	\$53.99	\$53.99
4"	\$26.99	\$26.99	\$26.99	\$26.99					

Paradise Irrigation District
FY 2020/21 Budget
Operating Budget Information

Operating Budget

This section of the budget describes the individual department operating expenses from the context of the programs and services that each deliver. Programs and services are developed and adjusted annually to continue the advancement of the District's Strategic Plan. Short-term initiatives identified by the departments are included in the operating program budgets.

The District's operating budget funds day-to-day programs and functions and includes five main cost centers: Source of Supply, Water Treatment, Transmission & Distribution, Customer Service, and Administration. Major expense items in the operating program budget include salaries and benefits, materials and supplies, outside services, utilities, and insurance.

The majority of the District's operating expenses are salaries and benefits. Salaries and Benefits are 56% of the Districts operating budget (Down from 61% in 2022/23). As of the beginning of the fiscal year, the District employs 41 full-time employees. The District offers a quality benefit package to all full-time employees. The benefit package includes a defined contribution retirement plan, medical, dental and vision insurance for the employee and their family, life insurance, and long-term disability insurance. The District's retirement plan is defined contribution plan. The District contributes 9% of the employee's salary into their retirement plan every pay period. The District will also match up to 3% of the employee's voluntary retirement plan contribution. The projected operating cost for employees' salaries and benefits are based on the Memorandums of Understanding (MOU's) approved by the Board in 2022 and 2023.

The Districts retirement plan is different than most California State government retirement plans. Those other State Government plans are called a defined benefit plan. Those plans give the employee a guaranteed annual payment after retirement based on years of service and salary. Those plans create an unknown liability for the government agency based on prior year returns from the account and based on the actuarial calculation.

Supplies and materials make up 21% of the operating budget. The main supplies and materials are water treatment chemicals and materials for transmission/distribution repairs.

Outside services make up 11% of the operating budget. The main outside services are legal services, annual auditing services, and equipment repairs.

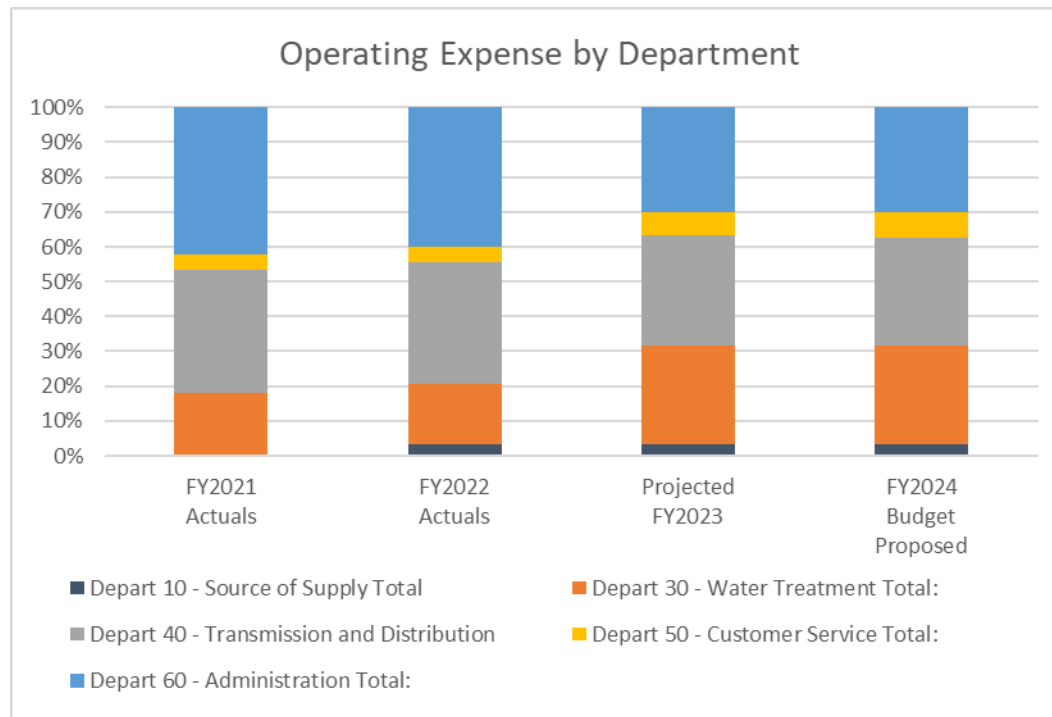
Utilities make up 4% of the operating budget, insurance makes up 2% of the operating budget.

Miscellaneous expenses and charges make up the remaining 6% of the operating budget.

The following charts provide a summary of budgeted operating revenues and expenses by department and by category.

Paradise Irrigation District FY 2022/23 Budget

	FY2021 Actuals	FY2022 Actuals	Projected FY2023	FY2023 Budget	FY2024 Budget Proposed
Total Operating Income:	3,804,279	4,664,521	4,726,576	4,741,720	5,376,232
Total Investing Income:	(31,781)	7,690	1,711,601	1,515,000	2,600,000
Total Revenue:	3,772,498	4,672,211	6,438,177	6,256,720	7,976,232
Depart 10 - Source of Supply Total	17,969	251,189	224,000	0	250,000
Depart 30 - Water Treatment Total:	1,238,662	1,318,893	1,999,072	1,850,250	2,188,000
Depart 40 – Trans & Dist	2,496,577	2,692,238	2,238,608	2,586,200	2,395,000
Depart 50 - Customer Service Total:	311,476	330,712	479,010	445,250	578,000
Depart 60 - Administration Total:	2,972,166	3,066,015	2,123,626	2,617,330	2,331,000
Total Operating Expense	(7,000,912)	(7,659,047)	(7,064,316)	(7,499,030)	(7,742,000)
Total Operating Surplus (Deficit)	(3,228,414)	(2,986,836)	(626,140)	(1,242,310)	234,232



Paradise Irrigation District
FY 2022/23 Budget

	FY2021 Actuals	FY2022 Actuals	Projected FY2023	FY2023 Budget	FY2024 Budget Proposed
Depart: 00 - Revenue					
400 - Taxes - PID Share	317,000	288,006	332,582	330,000	330,000
401 - Water - Service	3,034,810	3,758,352	3,850,464	3,598,089	4,135,232
402 - Water - Consumption	(44)	0	129,681	175,000	460,000
403 - Water - Fees & Adjustments	(2,408)	30,005	140,573	340,335	160,000
405 - Outside Water Sales	126,556	214,169	209,756	250,000	225,000
410 - Meter Revenue	242,181	96,202	28,700	8,296	26,000
415 - Capacity Fees	(6,000)	186,778		0	0
466 - Custom Work	92,184	91,009	34,820	40,000	40,000
Total Operating Income	3,804,279	4,664,521	4,726,576	4,741,720	5,376,232
460 - Interest Income	(52,878)	(14,962)	1,695,874	1,500,000	2,600,000
465 - Rental Income	21,416	22,652	15,727	15,000	0
475 - Investment Gain/Loss	(319)	0		0	
Total Investing Income	(31,781)	7,690	1,711,601	1,515,000	2,600,000

Paradise Irrigation District
FY 2022/23 Budget

Primary Title	Salaries	Overtime	Retirement	Insurance Benefits	Employment Taxes	Total Pay
Assistant District Manager	115,003	-	13,800	10,407	10,072	149,282
District Manager	161,990	-	-	-	14,187	176,177
Finance and Accounting Manager	109,990	-	13,199	19,302	9,633	152,123
Contract Total	386,983	-	26,999	29,709	33,891	477,582

District Secretary	96,564	7,074	11,588	8,790	8,457	132,473
Office and Customer Service Manager	74,069		8,888	21,222	6,487	110,666
Assistant District Secretary	54,815	1,072	6,578	14,070	4,801	81,335
District Engineer	100,547		12,066	21,222	8,806	142,640
Manager - Cross Control	-		-	-	-	-
Assistant Engineer	86,412		10,369	19,302	7,569	123,652
District Superintendent	102,752	7,062	12,330	21,222	9,033	152,398
Assistant Superintendent	103,002	5,723	12,360	14,070	9,054	144,209
Water Treatment Plant Superintendent	133,682	12,256	16,042	19,302	11,751	193,033
Management Total	751,843	33,187	90,221	139,198	65,957	1,080,406

Utility Billing Technician	53,411	496	6,409	-	4,678	64,993
Senior Customer Service Representative	39,351	361	4,722	-	3,446	47,880
Senior Customer Service Representative	39,351	361	4,722	28,632	3,460	76,525
Customer Service Representative	36,075	361	4,329	-	3,159	43,924
Customer Service Representative	34,691	347	4,163	-	3,038	42,239
Accounting Technician	45,845	445	5,501	-	4,015	55,806
Maintenance Person	65,853		7,902	-	5,789	79,544
Distribution System Operator	74,676		8,961	28,632	6,551	118,820
Mechanic	57,907	3,264	6,949	1,839	5,090	75,049
Meter Serviceperson	52,333	918	6,280	-	4,584	64,115
Meter Serviceperson	50,918	918	6,110	-	4,460	62,406
Meter Serviceperson	47,029	918	5,643	-	4,119	57,709
Meter Serviceperson	62,820	4,412	7,538	28,632	5,513	108,915
Meter Advisor	62,820	4,412	7,538	28,632	5,513	108,915
Meter Supervisor	77,106	-	9,253	-	6,754	93,113
Recovery Coordinator	49,589	527	5,951	-	4,359	60,426
Temporary Laborer	43,306	3,047	5,197	-	3,807	55,356
Temporary Laborer	47,004		5,640	28,632	4,129	85,405
Temporary Laborer	47,004		5,640	28,632	4,129	85,405
Temporary Laborer	47,004		5,640	28,632	4,129	85,405
Temporary Laborer	47,004		5,640	28,632	4,129	85,405
Utility Crew Leader	54,766	4,224	6,572	-	4,814	70,376
Utility Crew Leader	54,766	3,855	6,572	-	4,814	70,007
Utility Locator	41,600	3,294	4,992	10,949	3,657	64,492
Utility Locator	48,693	3,294	5,843	-	4,280	62,110
Utility Supervisor	69,909	4,736	8,389	-	6,145	89,179
Utility Worker I	43,014	3,168	5,162	-	3,781	55,125
Utility Worker I	57,780	3,047	6,934	28,632	5,072	101,464
Utility Worker I	43,306	2,927	5,197	-	3,807	55,236
Utility Worker I	57,780	2,927	6,934	28,632	5,072	101,344
Utility Worker I	43,306	2,927	5,197	10,949	3,807	66,185
Utility Worker I	43,306	2,927	5,197	1,839	3,807	57,076
Utility Worker II	46,987		5,638	10,949	4,130	67,704
Utility Worker II	48,859		5,863	-	4,295	59,017
Utility Worker II	60,324		7,239	28,632	5,295	101,490
Warehouse Person	70,803	659	8,496	-	6,224	86,182
Water Treatment Plant Maintenance Mechanic	1,414	4,429	170	-	124	6,137
Water Treatment Plant Operator	94,390	5,278	11,327	-	8,297	119,292
Water Treatment Plant Operator	103,709	8,858	12,445	28,632	9,117	162,760
Water Treatment Plant Operator	73,299	6,390	8,796	-	6,443	94,928
Water Treatment Plant Operator	72,925	5,822	8,751	-	6,411	93,909
Water Treatment Plant Operator	56,222	-	6,747	-	4,942	67,911
General Total	2,268,255	89,544	272,189	380,107	199,190	3,209,285

Fully Staffed	\$ 3,407,081	\$ 122,731	\$ 389,409	\$ 549,014	\$ 299,037	\$ 4,767,273
Vacant	\$ 744,745	\$ 19,382	\$ 89,367	\$ 334,251	\$ 65,376	\$ 1,253,122

Paradise Irrigation District
FY 2022/23 Budget
Revenue Overview

The District has two forms of Cash Balances. Restricted Cash is cash that must be used for a specific purpose and the Board must use the cash for that specific purpose. Non-Restricted Cash is cash that the Board can designate for specific purposes.

The District adopted a reserving policy that defines cash is to be reserved. The information below provides a summary of the reserves calculation per the adopted policy, actual cash reserves as budgeted for FY 2022/23.

Reserve	Target Formula	
	Min	Max
Restricted		
Sick/Annual Leave Fund	As required by contract or law	
Facility Capacity Fund	As required by contract or law	
Bond Reserve Fund	As required by contract or law	
Debt Proceeds Construction Fund	As required by contract or law	
PFD Reserve Fund	As required by contract or law	

			Target Formula	
Priority	Reserve	Base Calculation	Min	Max
Non-Restricted				
1	Operating Fund	Operating Budget, including debt service & pipeline	17%	100%
2	Water Rate Stabilization Fund	Budget Water Revenue	10%	20%
3	Emergency Fund	Operating Budget, including debt service & pipeline	25%	25%
4	Drought Management Fund	Budgeted Consumption Revenue	25%	50%
5	Equipment Replacement Fund	Accumulated Equipment Depreciation	Current	100%
6	Long Term Capital Fund	10 Year Capital Plan	10%	100%

Budget 2022/23

Restricted			
Reserve	Min	Max	
Sick/Annual Leave Fund	\$ 425,818	\$ 425,818	
Facility Capacity Fund	\$ -	\$ -	
Bond Reserve Fund	\$ -	\$ -	
Debt Proceeds Construction Fund	\$ -	\$ -	
PFD Reserve Fund	\$ 663,911	\$ 663,911	
TOTAL	\$ 1,089,729	\$ 1,089,729	

Budget 2022/23

Non-Restricted				
Priority	Reserve	Base Calculation	Min	Current
1	Operating Fund	Operating Budget, including debt service & pipeline	\$ 1,331,020	\$ -
2	Water Rate Stabilization Fund	Budget Water Revenue	\$ 441,439	\$ -
3	Emergency Fund	Operating Budget, including debt service & pipeline	\$ 1,957,383	\$ -
4	Drought Management Fund	Budgeted Consumption Revenue	\$ -	\$ -
5	Equipment Replacement Fund	Accumulated Equipment Depreciation	\$ 200,000	\$ -
6	Long Term Capital Fund	10 Year Capital Plan	\$ 1,580,700	\$ -
TOTAL			\$ 5,510,542	\$ -
TOTAL CASH RESERVES			\$ 6,600,271	\$ 1,089,729

Paradise Irrigation District
FY 2022/23 Budget
Capital Projects Summary

Capital Projects Program

These expenditures represent cash spent on the District's capital projects. The majority of these projects are related to recovery and repair of the damages to the Districts capital assets and infrastructure caused by the 2018 Camp Fire. The primary funding source for the majority of these projects includes FEMA/CalOES grants, insurance proceeds, and a local cost share incurred by the District. The District's local share may include work performed by District crews and/or capital outlays. The capital outlays are primarily financed through water rates and capacity fees. The District collects capacity fees from new developments to help cover the cost of expanding water system capacity to serve new development. As such, capacity fees are used to finance expansions to the water system capacity only. The District uses cash available in the long-term capital, drought management, and replacement reserves, collected from rates over a period of time, to replace or otherwise upgrade the identified capital facilities.

The categories of capital projects are:

- Major Capital Projects: The acquisition of land, facilities, works, improvements and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting and delivering additional quantities of water. This also includes significant repairs and replacement of District assets and infrastructure damaged by the 2018 Camp Fire. Major capital projects are typically included in the Districts Long-Term Capital Program.
- Minor Capital Projects: Minor capital projects include the acquisition of land, facilities, works and improvements; and enhancements or enlargements to existing capacity and facilities. Minor capital projects take less time to develop are not generally included in the Districts Long-Term Capital Program. The purchase of fixed asset equipment with a cost of \$5,000 or more. Minor changes or additions to existing District-owned grounds or buildings and the electrical, lighting, pumping, air conditioning or heating systems contained therein, which correct unsafe or unhealthful working conditions, increase operating efficiency, promote improved service to the public, and provide for the installation of equipment and security devices.

This Capital budget reflects current activities and needs identified by staff. Planning, design, or construction of capital facilities other than those contained in the budget may occur during the fiscal year subject to Board Approval. All attempts were made to accurately estimate expenditures for the fiscal year, however, budget amounts may increase or decrease as projects develop or needs justify throughout the year on the capital projects.

The following charts provide a summary of future major and minor capital projects and equipment purchases, including estimated costs. Numbers in parenthesis next to project titles represent FEMA project numbers.

Paradise Irrigation District
FY 2022/23 Budget
Capital Projects and Equipment Purchase Summary

Major Capital Projects included in the summary above are as follows:

- **Service Lateral Replacement Project**
 - Estimated Cost: \$45,854,811
 - Funding Source: FEMA 428 Fixed Cost Program, PID Local Share
 - Project Description: This project is designed to replace 4,070 damaged service laterals within the District's distribution system. The number of damaged service laterals is estimated based on initial testing performed on a random sample of service laterals serving burned parcels throughout the District's distribution system. This project includes the cost of testing the service lateral for contamination, service lateral replacement, and project/construction management. The project is designed to replace 4,070 service laterals within a 7 year time-frame to begin during FY2021/22.
- **Service Lateral Replacement Project – Completed prior to FEMA 428 Fixed Cost Program**
 - Estimated Cost: \$3,306,882
 - Funding Source: FEMA/CalOES Standard Public Assistance, PID Local Share
 - Project Description: This project is designed to replace approximately 492 service laterals expected to be completed outside of the FEMA 428 Fixed Cost Project. These service laterals are expected to be completed by Sutton Enterprises through the construction contract with PID. The cost of the project reflects the remainder of the Sutton Enterprises contract outstanding as of the beginning of FY2020/21. The full extent of these costs are expected to be incurred during FY2020/21.
- **Backflow Preventers**
 - Estimated Cost Long-Term: \$3,924,269
 - Funding Source: FEMA 428 Fixed Cost Program, PID Local Share
 - Project Description: This project is designed to install backflow preventers on all service lateral connections within the District's distribution system. The backflow preventers are part of the hazard mitigation plan for service lateral connections to prevent future contamination of the distribution system in the event of a fire or other emergency. The estimated cost for FY202/21 is based on an estimated 492 backflow devices to be installed during the year, which is estimated based on the number of interim backflow devices installed during FY2019/20. The long-term cost is based on the District's FEMA 428 project request, which includes the materials and installation cost, as well as the cost for project/construction management. The number of backflow devices to be installed is tied directly to the number of service lines to be replaced in the Service Lateral Replacement Project.

Paradise Irrigation District
FY 2022/23 Budget
Capital Projects and Equipment Purchase Summary

- **Water Meters, Housing Boxes, and AMI System**

- Estimated Replacement Cost: \$5,792,542
- Estimated Hazard Mitigation Cost: \$658,257
- Funding Source: Insurance, FEMA 428 Fixed Cost Program, PID Local Share
- Project Description: This project is designed to replace 4,562 damaged meters within the District's distribution system. The number of meters to be replaced is tied directly to the number of service lines to be replaced in the Service Lateral Replacement Project. The project includes the cost of hazard mitigation measures to prevent against future fire related damages, including changing the meters from plastic to brass and changing the housing boxes from plastic to concrete. The project also includes the cost of replacing the Automated Metering Infrastructure (AMI), testing of meters, and project/construction management. As of the beginning of FY2020/21, the project is planned to begin at the beginning of 2021. The goal is to install meters for all potable services by the end of FY2020/21, which is currently estimated at 2,000 meters. The remainder of the meters are expected to be installed over a 6 year time frame to support the rebuild process. The District is also actively working with insurance to secure funding for additional meter replacements, however, insurance claims have not been finalized at this time.

- **Main Line Replacement**

- Estimated Cost: \$29,543,360
- Funding Source: FEMA 428 Fixed Cost Program, PID Local Share
- Project Description: This project is designed to replace and repair the water distribution main pipelines and related appurtenances that were damaged and/or contaminated as a result of the 2018 Camp Fire. This includes replacement and/or repairs of 79,466 LF of water main pipe based on initial sampling results and damage assessments performed to date. The project also includes repair of additional leaks resulting from the 2018 Camp Fire, requiring replacement of an estimated 25,570 joint gaskets. The project also includes costs relating to project/construction management. Mainline repair is expected to continue beginning FY2020/21 and is expected to be completed over a 7 year time frame.

Paradise Irrigation District
FY 2022/23 Budget
Capital Projects and Equipment Purchase Summary

- **B Reservoir Replacement**

- Replacement with Dual 1.5M Steel Tanks Cost: \$9,330,000
- Funding Source: Insurance, ASADRA
- Project Description: Prior to the 2018 Camp Fire, the District's distribution system contained a 3.0 million gallon earthen, polymer lined/covered reservoir known as B Reservoir. This Reservoir was severely burned during the 2018 Camp Fire, which rendered the reservoir unusable. This project is designed to utilize hazard mitigation funding through the FEMA Public Assistance process to replace the earthen polymer reservoir with two steel tanks with a capacity of 1.5 million gallons each. The replacement of the earthen polymer reservoir with two steel tanks is intended to add resiliency against fire damage, provide redundancy in the potential event of future damage, and allows for more efficient maintenance and operation. The District is actively working to secure funding for this project, which is currently estimated to begin towards the end of FY2020/21 and is estimated to be completed over a 2 year time frame. Due to the 2 year estimated timeline of construction, the project also includes the cost of temporary facilities to serve as an interim reservoir during construction.

- **Water Works Recovery Project Support**

- Estimated Cost: \$850,000
- Funding Source: FEMA/CalOES Standard Public Assistance, PID Local Share
- Project Description: Water Works Engineers continues to provide engineering services relating to recovery program management, recovery planning, and implementation of the recovery plan. The estimated cost is based on the remaining portion of the not-to-exceed amount of the contract with Water Works Engineers and is expected to be incurred entirely during FY2020/21.

- **Public Assistance and Disaster Recovery Management Consulting Support**

- Estimated Cost: \$502,180
- Funding Source: FEMA Category Z Management Costs (5% of Obligated Funds)
- Project Description: This project relates to consulting services for FEMA Public Assistance and Disaster Recovery Management Services.

- **PG&E Locating Services**

- Estimated Cost: \$200,000
- Funding Source: PG&E
- This project relates to locating services performed by TEMPORARY EMPLOYEES to support PG&E projects within the District's jurisdiction. At the September 2019 special meeting, the Board of Directors approved the District Manager to execute an agreement with Utilquest for underground locator services and with PG&E to fund the Utilquest contract. The District is invoiced for these services and funding is provided by PG&E on a reimbursement basis.

Paradise Irrigation District
FY 2022/23 Budget
Capital Projects and Equipment Purchase Summary

- **Water Treatment Plant Repairs and Improvements**

- Estimated Cost: \$9,500,000
- The timing and funding sources for these projects are to be determined but are expected to be required within the 7-8 year timeframe projected in the major capital project plan.

Recovery Project Summary - Updated June 2022						
Project Description	Damage Category	Gross Property Damage SubTotal	Status	Original Estimated Gr	FEMA / CalOES	Insurance
Hazardous Tree Removal	Infrastructure		complete	\$ 10,210.00	\$ 9,955.00	
Emergency Protective Services	Infrastructure		complete	\$ 3,825,629.00	\$ 3,218,247.00	\$ 1,456,045.00
Smoke Damage Repair to PID District Offices	Building		complete	\$ 225,393.00		\$ 225,393.00
Smoke Damage Repair to PID Water Treatment Plant	Building		planning	\$ 67,932.00		\$ 67,932.00
Repair Damage to PID Roads	Infrastructure		planning	\$ 773,771.00		
Repair Damage to Henson Road Culvert	Infrastructure		planning	\$ 134,528.00	\$ 2,516.00	
Repair Magalia Dam	Infrastructure		planning	\$ 35,631.00		
Repair Reservoir B	Infrastructure		planning	\$ 3,030,000.00		\$ 1,208,733.00
Replace Meter and Housing Boxes & AMI	Infrastructure		in process	\$ 8,323,994.00		\$ 4,000,000.00
Replacing Service Laterals	Infrastructure		in process	\$ 79,985,603.00		
SUB ITEM - Project 1 Sutton - 492 Service Lateral Replacements		\$ 4,587,432.00	in process		\$ 4,425,870.00	
SUB ITEM - Project 2 RCI - 4070 Service Lateral Replacements		\$ 45,854,811.00	in process			
SUB ITEM - 79K+ linear feet Main Pipeline Repair / Replacement		\$ 29,543,360.00	planning			
Perimeter fencing around PID Facilities at Paradise Lake	Infrastructure		planning	\$ 578,655.00	\$ 93,750.00	
4935 Service Lateral Replacements - Code Upgrades	Infrastructure		in process	\$ 44,415,000.00	\$ 802,372.00	
Repair Exterior of Water Treatment Plant	Building		planning	\$ 50,000.00		
Additional Monitoring for Fluctuations in Water Quality and Levels	Infrastructure		in process	\$ 30,000.00		
Inspections to Paradise Dam Post-Fire	Infrastructure		complete	\$ 26,723.00	\$ 33,404.00	
Inspections to Water Tank A Post-Fire	Infrastructure		complete	\$ 7,015.00		\$ 7,015.00
Damage along conveyance pipe at Magalia Reservoir	Infrastructure		planning	\$ 25,000.00		
Additional Contingencies for FEMA Projects	Infrastructure			\$ 422,000.00		
Grant Management Costs 5%						
Backhoes/heavy construction equipment damaged and/or destroyed			complete		\$ 33,695.00	\$ 413,500.00
Totals				\$ 141,967,084.00	\$ 8,996,090.00	\$ 7,378,618.00

Paradise Irrigation District
FY 2022/23 Budget
Debt Service

California Infrastructure and Economic Development Bank

	<u>Original</u>	<u>2019 Refinance</u>
Note number:	CIEDB 07-077	
Debt Service Title:	IBANK	
Capital Projects:	Magalia Bypass	
Initial Year:	2007	
Final Year:	September 1, 2027	September 1, 2032
Original Borrowing Amount:	\$2,000,000	
Length of Loan:	20 years	25 years
Interest Rate:	2.77%	1.00 %
Annual Payment:	Various	Various
Current Balance:	\$1,233,202	\$1,053,395
FY 2019/20 Payment	\$133,271	\$0

Date	Balance	Interest	Principal	Principal & Interest Payment	Annual Fee	Total Payment
9/1/2009	1,923,811	26,645	78,300	104,944	5,771	110,716
2/1/2010	1,845,511	25,560	-	25,560	-	25,560
9/1/2010	1,845,511	25,560	80,468	106,029	5,537	111,565
2/1/2011	1,765,043	24,446	-	24,446	-	24,446
9/1/2011	1,765,043	24,446	82,697	107,143	5,295	112,438
2/1/2012	1,682,346	23,300	-	23,300	-	23,300
9/1/2012	1,682,346	23,300	84,988	108,289	5,047	113,336
2/1/2013	1,597,358	22,123	-	22,123	-	22,123
9/1/2013	1,597,358	22,123	87,342	109,466	4,792	114,258
2/1/2014	1,510,015	20,914	-	20,914	-	20,914
9/1/2014	1,510,015	20,914	89,762	110,675	4,530	115,205
2/1/2015	1,420,254	19,671	-	19,671	-	19,671
9/1/2015	1,420,254	19,671	92,248	111,919	4,261	116,179
2/1/2016	1,328,006	18,393	-	18,393	-	18,393
9/1/2016	1,328,006	18,393	94,803	113,196	3,984	117,180
2/1/2017	1,233,202	17,080	-	17,080	-	17,080
9/1/2017	1,233,202	17,080	97,429	114,509	3,700	118,209
2/1/2018	1,135,773	15,730	-	15,730	-	15,730
9/1/2018	1,135,773	15,730	100,128	115,859	3,407	119,266
2/1/2019	1,035,645	14,344	-	14,344	-	14,344
9/1/2019	1,053,395	-	-	-	-	-
2/1/2020	1,053,395	-	-	-	-	-
9/1/2020	1,053,395	-	-	-	-	-
2/1/2021	1,053,395	-	-	-	-	-
9/1/2021	1,053,395	-	-	-	-	-
2/1/2022	1,053,395	-	-	-	-	-
9/1/2022	1,053,395	-	-	-	-	-
2/1/2023	1,053,395	-	-	-	-	-
9/1/2023	1,053,395	-	-	-	-	-
2/1/2024	1,053,395	-	-	-	-	-
9/1/2024	1,053,095	-	91,044	91,044	-	91,044
2/1/2025	962,051	4,810	-	4,810	-	4,810
9/1/2025	962,051	4,810	91,955	96,765	2,886	99,651
2/1/2026	870,096	4,350	-	4,350	-	4,350
9/1/2026	870,096	4,350	92,874	97,225	2,610	99,835
2/1/2027	777,222	3,886	-	3,886	-	3,886
9/1/2027	777,222	3,886	93,803	97,689	2,332	100,021
2/1/2028	683,419	3,417	-	3,417	-	3,417
9/1/2028	683,419	3,417	94,741	98,158	2,050	100,208
2/1/2029	588,677	2,943	-	2,943	-	2,943
9/1/2029	588,677	2,943	95,689	98,632	1,766	100,398
2/1/2030	492,989	2,465	-	2,465	-	2,465
9/1/2030	492,989	2,465	96,645	99,110	1,479	100,589
2/1/2031	396,344	1,982	-	1,982	-	1,982
9/1/2031	396,344	1,982	97,612	99,594	1,189	100,783
2/1/2032	298,732	1,494	-	1,494	-	1,494
9/1/2032	298,732	1,494	98,588	100,082	896	100,978
2/1/2033	200,144	1,001	-	1,001	-	1,001
9/1/2033	200,144	1,001	99,574	100,575	600	101,175
2/1/2034	100,570	503	-	503	-	503
9/1/2034	100,570	503	100,570	101,072	302	101,374

Paradise Irrigation District
FY 2022/23 Budget
Debt Service

2016 Private Placement Loan

Note number:
Debt Service Title: Private Placement Loan (Refi)
Capital Projects: Billie Pipeline Project
SCADA
Corporation Yard
Initial Year: 2016
Final Year: Nov 1, 2028
Original Borrowing Amount: \$2,640,000
Length of Loan: 13 years
Interest Rate: 2.42%
Annual Payment: \$244,325
Current Balance: \$2,345,000
FY 2019/20 Payment \$246,001.50

Date	Balance	Interest	Principal	Principal & Interest Payment
8/31/2016	2,640,000			
11/1/2016	2,640,000	10,825	111,000	121,825.47
5/1/2017	2,529,000	30,601	91,000	121,600.90
11/1/2017	2,438,000	29,500	93,000	122,499.80
5/1/2018	2,345,000	28,375	94,000	122,374.50
11/1/2018	2,251,000	27,237	95,000	122,237.10
5/1/2019	2,156,000	26,088	-	26,087.60
11/1/2019	2,156,000	26,088	97,000	123,087.60
5/1/2020	2,059,000	24,914	98,000	122,913.90
11/1/2020	1,961,000	23,728	99,000	122,728.10
5/1/2021	1,862,000	22,530	101,000	123,530.20
11/1/2021	1,761,000	21,308	102,000	123,308.10
5/1/2022	1,659,000	20,074	103,000	123,073.90
11/1/2022	1,556,000	18,828	104,000	122,827.60
5/1/2023	1,452,000	17,569	106,000	123,569.20
11/1/2023	1,346,000	16,287	107,000	123,286.60
5/1/2024	1,239,000	14,992	108,000	122,991.90
11/1/2024	1,131,000	13,685	109,000	122,685.10
5/1/2025	1,022,000	12,366	111,000	123,366.20
11/1/2025	911,000	11,023	112,000	123,023.10
5/1/2026	799,000	9,668	114,000	123,667.90
11/1/2026	685,000	8,289	115,000	123,288.50
5/1/2027	570,000	6,897	116,000	122,897.00
11/1/2027	454,000	5,493	118,000	123,493.40
5/1/2028	336,000	4,066	119,000	123,065.60
11/1/2028	217,000	2,626	217,000	219,625.70

Paradise Irrigation District
FY 2022/23 Budget
Debt Service

2017 Private Placement Loan

Note number:
Debt Service Title: 2018 Private Placement (Refi)
Capital Projects: Meter Replacement Project
Initial Year: 2017
Final Year: Oct 1, 2024
Original Borrowing Amount: \$3,361,900
Length of Loan: 7 years
Interest Rate: 2.28%
Annual Payment: Various
Current Balance: \$3,308,000
FY 2019/20 Payment \$595,721

Date	Balance	Interest	Principal	Principal & Interest Payment
12/21/2017	3,361,900			
4/1/2018	3,361,900	21,292	53,900	75,192.03
10/1/2018	3,308,000	37,711	258,100	295,811.20
4/1/2019	3,049,900	34,769	-	34,768.86
10/1/2019	3,049,900	34,769	264,600	299,368.86
4/1/2020	2,785,300	31,752	264,600	296,352.42
10/1/2020	2,520,700	28,736	270,600	299,335.98
4/1/2021	2,250,100	25,651	270,600	296,251.14
10/1/2021	1,979,500	22,566	276,000	298,566.30
4/1/2022	1,703,500	19,420	534,200	553,619.90
10/1/2022	1,169,300	13,330	280,700	294,030.02
4/1/2023	888,600	10,130	280,600	290,730.04
10/1/2023	608,000	6,931	287,000	293,931.20
4/1/2024	321,000	3,659	287,000	290,659.40
10/1/2024	34,000	388	34,000	34,387.60