



Budget

2025-2026

Adopted by the Board of Directors
of the Paradise Irrigation District
June 18, 2025



Paradise Irrigation District

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TO: Board of Directors
FROM: Kevin Phillips, District Manager
DATE: June 11, 2025
SUBJECT: Adoption of the FY 2025–26 Budget

Purpose

The purpose of this memorandum is to present the Fiscal Year 2025–26 Budget for approval. The budget outlines expected revenues and expenditures for PID's operations, capital projects, and financial reserves. It supports the District's mission to provide safe and reliable water service while maintaining financial sustainability and preparing for future capital needs.

Overview

The FY 2025–26 Budget reflects prudent financial management and prioritizes infrastructure investment, workforce support, and fiscal stability. It accounts for the ongoing recovery and improvement efforts while anticipating increased capital spending and grant funding.

Key Highlights

Revenues

- **Total Operating Revenues** are projected to increase by **12.35%**, from **\$5.83 million** in FY 2024–25 to **\$6.56 million** in FY 2025–26.
- **Non-Operating Revenues** are projected to reach **\$18.56 million**, a **34.82%** increase, primarily driven by anticipated state and federal grants totaling **\$15 million**.

Expenditures

- **Operating Expenditures** increase to **\$9.66 million**, with personnel costs accounting for **\$6.43 million**, a **35.65%** increase, reflecting staffing and wage adjustments across operations and administration.

- **Capital Outlay** is budgeted at **\$12.02 million**, a significant reduction from the prior year's \$26.5 million, aligning with project timelines and grant funding cycles.
- Major capital projects include:
 - **Pipeline Replacements**
 - **Water Treatment Plant Pump**
 - **Paradise Lake Spillway Repairs**
 - **Tank Recoating**
 - **GIS and Work Order System Implementation**

Cash Position

- **Beginning Cash Balance:** \$91.63 million
- **Ending Cash Balance:** Projected to grow to **\$96.73 million**
- Cash is allocated according to board-adopted reserve policies, with full funding of:
 - Operating, Emergency, and Rate Stabilization Funds
 - Equipment Replacement and Long-Term Capital Reserves

Financial Outlook

While the District anticipates a **net operating loss** of **\$3.1 million**, this is offset by strong non-operating revenues, including substantial grant funding. The financial strategy emphasizes sustainability while addressing capital infrastructure needs and operational resilience.

Recommendation

Staff recommends the Board of Directors approve the FY 2025–26 Budget as presented. This budget supports the District's operational goals, long-term planning, and financial commitments while investing in critical infrastructure for the community's benefit.

**PARADISE IRRIGATION DISTRICT
BUDGET
FISCAL YEAR 2025/2026**

	2025 Est.	2026 Budget
Beginning Cash	108,075,554.67	91,631,085.07
Operating Revenues		
Water service charges	17.23%	3,408,897.51
Water consumption charges	-1.29%	1,291,793.46
Outside water sales	42.23%	169,328.25
Meter revenues	0.00%	90,392.61
Fees and adjustments	0.00%	512,282.68
Recreation fees	0.00%	-
Tax revenues	1.00%	361,943.98
Developer charges	#DIV/0!	-
Other revenues	0.00%	75,000.00
Total Operating Revenues	12.35%	5,834,638.49
Operating Expenditures		
Personnel Costs		
Source of supply	0.00%	-
Treatment plant	18.45%	920,081.47
Transmission/distribution	41.88%	1,678,641.39
Customer service	16.37%	719,230.07
Administration	49.21%	1,418,950.49
Total Personnel Costs	35.65%	4,736,903.42
Non-personnel Costs		
Source of supply	20.41%	109,756.33
Treatment plant	54.05%	540,214.85
Transmission/distribution	21.50%	749,112.57
Customer service	20.28%	222,236.39
Administration	33.20%	817,630.83
Total Non-personnel Costs	32.47%	2,438,950.97
Total Operating Expense		7,175,854.39
Operating Income/(Loss)	131.23%	(1,341,215.90)
		(3,101,320.93)

**PARADISE IRRIGATION DISTRICT
BUDGET
FISCAL YEAR 2025/2026**

	2025 Est.	2026 Budget
Operating Income/(Loss)	(1,341,215.90)	(3,101,320.93)
Non-Operating Revenues		
Investment income	8.41%	3,142,291.57
Investment gain/(loss)	0.00%	500,597.59
Capacity and connection fees	327.19%	13,577.00
Rental income	0.00%	-
Contributions and donations	0.00%	-
State and federal grants	49.81%	10,012,996.41
Other funding sources	0.00%	-
Misc. non-operating revenues	0.00%	-
Non-Operating Revenues	34.82%	100,000.00
	100,000.00	100,000.00
	13,769,462.57	18,564,578.92
Non-Operating Expenses		
Interest expense - existing debt	-18.46%	(35,896.00)
Principal Payments - existing debt	2.20%	(314,955.00)
Capital Outlay	-54.70%	(26,521,865.27)
Non-Operating Expenses	-53.98%	(12,015,000.00)
	(26,872,716.27)	(12,366,142.00)
Change in Cash	-121.44%	(14,444,469.60)
		3,097,115.99
Ending Cash	93,631,085.07	96,728,201.06

**PARADISE IRRIGATION DISTRICT
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CAPITAL BUDGET

Project Name		Amount
Dump Site	Creating an on site dump site for the spoils generated by vacuum	200,000
Paving	Paving for pipeline construction, service line replacement, leak	500,000
Water Treatment Plant Pump	Raw Water Pump Station VFD Replacement	15,000
Fuel Tank Replacement	Replacement of corporation yard diesel fuel tank	150,000
Henson Road (FEMA)	Local share of culvert repair on Henson Rd	30,000
Magalia Dam Study (Water Board)	Local share Magalia Dam Design (HMGP)	1,000,000
GIS and Work Order Tracking	New GIS and Work Flow software	75,000
Pentz Road Water Line Move - Design	Design of move of water line due to TOP road widening and storm drain	200,000
Equipment	Transmission and Distribution equipment	250,000
Tank Recoating	Tank recoating and repainting (C, D&E)	5,200,000
Paradise Lake spillway repairs	Paradise Lake Spillway Maintenance and Repair	500,000
Tree Removal	Removing all trees surrounding tank sites & Pump Station #2	100,000
Road Repairs	Repairing PID owned roads	45,000
Pipeline replacement (1 miles per year)	Contractor replacement	2,500,000
Pipeline replacement (1 miles per year)	District pipeline replacement (Materials only)	750,000
42" inspection	Inspect pipeline from Water Treatment Plant to Skyway	500,000
Total Project Cost		12,015,000

**PARADISE IRRIGATION DISTRICT
BUDGET
FISCAL YEAR 2025/2026**

Priority	Reserve	Base Calculation	Target Formula	
			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%

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	

Cash Balance

96,728,201.06

Priority	Reserve	Base Calculation	Target Formula	
			Min	Current
Non-Restricted				
1	Operating Fund	Operating Budget, including debt service & pipeline	2,253,836.50	13,257,861.74
2	Water Rate Stabilization Fund	Budget Water Revenue	527,133.00	1,054,266.00
3	Emergency Fund	Operating Budget, including debt service & pipeline	3,314,465.43	3,314,465.43
4	Drought Management Fund	Budgeted Consumption Revenue	318,780.00	637,560.00
5	Equipment Replacement Fund	Accumulated Equipment Depreciation	1,500,000.00	23,691,309.06
6	Long Term Capital Fund	10 Year Capital Plan	5,450,000.00	54,076,913.25
TOTAL			13,364,214.93	96,032,375.48

Restricted

Sick/Annual Leave Fund		345,825.58	345,825.58
Facility Capacity Fund		-	
Bond Reserve Fund			
Debt Proceeds Construction Fund			
PFD Reserve Fund		350,000.00	350,000.00
TOTAL		695,825.58	695,825.58

Remaining Cash Available

0.00