

SPALDING COMMUNITY SERVICES DISTRICT

FISCAL YEAR 2026-2027 BUDGET
Serving the Spalding Community Since 1985

Budget Message from the General Manager

To the Board of Directors and Residents of the Spalding Community Services District:

It is my privilege to present the Spalding Community Services District Fiscal Year 2026-2027 Budget. This budget represents more than a financial planning document; it represents an important step in the continued stabilization, organization, and long-term sustainability of our District.

Since assuming the role of General Manager, one of the first priorities has been understanding the District's financial position, infrastructure needs, operational requirements, and regulatory obligations. Like many small special districts throughout California, Spalding CSD has faced challenges associated with limited staffing, turnover, aging infrastructure, evolving regulatory requirements, and incomplete institutional records. As a result, a significant amount of time and effort has been devoted to identifying opportunities for improvement, rebuilding organizational systems, and creating a foundation that future Boards, employees, and residents can build upon.

During the past year, the District has made meaningful progress in several areas. Financial records and account structures have been reviewed to better understand how District funds are being managed. Greater transparency has been provided regarding District finances, bond obligations, sewer operations, and ongoing projects. The District has begun addressing deferred maintenance issues, including repairs to wastewater pond liners and evaluation of critical sewer infrastructure components. Partnerships have been established with experienced wastewater professionals to assist with compliance efforts, operator training, and long-term planning.

While much work remains ahead, the District is moving in a positive direction. The Fiscal Year 2026-2027 Budget focuses on improving financial reporting, completing outstanding audits, strengthening compliance with regulatory agencies, improving operational efficiency, developing long-term infrastructure planning, and establishing systems that will continue to benefit the District regardless of future personnel changes.

One of the most important objectives of this budget is improving clarity. Residents deserve to understand how District funds are collected, allocated, and spent. Throughout this document, efforts have been made to separate restricted bond funds from operational funds so that the District's financial position can be more accurately understood. While certain account balances may appear substantial, many of those funds are legally restricted and unavailable for general District operations. Separating these funds provides a clearer picture of the District's true operating condition and helps support informed decision-making moving forward.

This budget should be viewed as a living document. As additional information becomes available, audits are completed, records are refined, and operational systems continue to improve, future budgets will become increasingly detailed and accurate. The goal is not

perfection in a single year, but rather continuous improvement and responsible stewardship of public resources.

I am incredibly optimistic about the future of Spalding CSD. The dedication of our Board of Directors, staff, volunteers, consultants, and community members has created positive momentum that will continue to move the District forward. Together, we are building the systems, infrastructure, and financial foundation necessary to serve the Spalding community for years to come.

Respectfully Submitted,

Mike Garcia
General Manager
Spalding Community Services District

District Goals – Fiscal Year 2026-2027

The Fiscal Year 2026-2027 Budget has been developed to support the following organizational goals:

Financial Management

- Improve financial transparency and reporting.
- Complete outstanding audits and accounting reconciliation efforts.
- Improve budget development processes and long-term financial planning.
- Reduce unnecessary operating costs and improve efficiency where possible.
- Operate with a positive financial position whenever practical and financially responsible.

Sewer Operations & Compliance

- Continue development and implementation of the Sewer System Management Plan (SSMP).
- Improve compliance with Lahontan Regional Water Quality Control Board and State Water Resources Control Board requirements.
- Develop a structured preventative maintenance program for District sewer infrastructure.
- Support Grade 1 Wastewater Operator certification efforts for District personnel.
- Continue evaluation and repair of aging wastewater infrastructure.

Organizational Development

- Develop Standard Operating Procedures (SOPs) and organizational systems that reduce reliance on institutional knowledge.
- Improve records retention, document management, and operational continuity.
- Establish onboarding procedures and reference materials for future employees and Board members.

Community & Transparency

- Improve communication and transparency with residents and property owners.
- Encourage public participation in District meetings, committees, and community activities.
- Continue expanding access to public information through District records, website resources, and community outreach.

Long-Term Sustainability

- Develop a District-controlled Sewer Repair and Replacement Reserve Fund.
- Evaluate future infrastructure needs and capital improvement priorities.
- Build operational systems that remain effective regardless of personnel changes or Board turnover.

Future Vision for Spalding Community Services District

The vision for Spalding Community Services District is not simply to maintain operations, but to become a model for how a small special district can effectively serve its community through responsible leadership, transparency, fiscal efficiency, and long-term planning.

Over the next five years, the District intends to continue building upon the foundation established during Fiscal Year 2026-2027. Success will be measured not only by financial stability, but by the creation of systems and procedures that allow the District to operate effectively regardless of changes in personnel, Board membership, or leadership. The goal is to create an organization that is resilient, organized, and capable of adapting to future challenges.

The District envisions a future in which financial reporting is accurate, timely, and easily understood by residents. Audits are completed on schedule, budgets are developed through a structured process, and decision-making is supported by reliable information. Residents should have confidence that public funds are being managed responsibly and that District priorities are aligned with the needs of the community.

Operationally, the District seeks to maintain a wastewater system that is properly maintained, compliant with regulatory requirements, and supported by trained personnel. Infrastructure repairs and replacement projects will be approached proactively whenever possible, reducing the risk of costly emergency failures and protecting the long-term integrity of the sewer system.

The District also recognizes the importance of community involvement. Recreation programs, public meetings, volunteer opportunities, and community events play an important role in bringing residents together and strengthening community pride. The District intends to continue supporting these efforts while seeking new opportunities to increase participation and engagement.

Ultimately, the vision for Spalding CSD is to become known as an organization that is transparent, responsive, financially responsible, and well-managed. By focusing on continuous improvement, long-term planning, and careful management of public resources, the District can become an example of what a small community services district can achieve when it is committed to serving its residents and preparing for the future.

District Funding Overview

The Spalding Community Services District operates through several distinct funding categories, each serving a unique purpose within the organization. Understanding the differences between these funds is essential to understanding the District's overall financial condition.

The District's primary operational funds consist of the Sewer Fund, Fire Fund, and Recreation Fund. These funds support the day-to-day activities necessary to provide

services to residents and visitors within the Spalding community. Revenues are generated through user fees, assessments, service charges, permits, donations, community events, and other authorized sources. Expenses include payroll, utilities, maintenance, professional services, training, insurance, equipment, and operational costs associated with each department.

In addition to operational funds, the District administers several bond-related accounts associated with the construction and financing of the community wastewater system. These bond funds are restricted and must be used in accordance with the requirements of the bond program and associated agreements. Bond revenues are generally collected through property assessments and are transferred into designated bond accounts for repayment obligations, reserve requirements, and other authorized purposes.

One of the most common misconceptions regarding District finances is the assumption that all cash balances appearing on financial statements are available for general District use. This is not the case. A substantial portion of the funds reflected in District accounts are restricted bond funds that cannot be used for routine operations, payroll, general maintenance, or discretionary projects.

For this reason, the Fiscal Year 2026-2027 Budget presents bond-related activity separately from operational activity whenever practical. Separating these funds provides a more accurate representation of the District's financial condition and allows residents, staff, and Board members to better understand the resources available for District operations.

The District's long-term financial objective is to maintain stable operations, improve transparency, establish appropriate reserves, and ensure that available resources are directed toward maintaining essential services and protecting critical infrastructure.

Sewer Department Overview

The Sewer Department is responsible for the collection, transportation, treatment, monitoring, and management of wastewater generated within the Spalding Community Services District service area. The system currently serves approximately 832 Equivalent Dwelling Units (EDUs) through a network of gravity sewer mains, force mains, lift stations, and evaporation ponds.

The District's wastewater system is unique in that it primarily manages effluent discharged from individual septic tanks rather than raw wastewater directly from residences. Property owners remain responsible for maintaining their septic tanks, including periodic pumping of accumulated solids and routine cleaning of septic filters. Proper maintenance of these systems is essential to the long-term health and reliability of the District's wastewater infrastructure.

It is important for residents to understand that the District's sewer system is designed to transport and manage effluent, not solid waste. Removal of septic filters or failure to

properly maintain septic systems can introduce solids into the collection system, creating unnecessary wear, increasing maintenance costs, and potentially causing damage to pumps, pipelines, and treatment facilities. For this reason, the District strongly encourages regular septic maintenance and public education regarding proper system operation.

Fiscal Year 2026-2027 will focus heavily on infrastructure reliability, regulatory compliance, preventative maintenance, and operator development. The District has begun working closely with experienced wastewater professionals to improve operational practices, strengthen compliance efforts, and provide mentorship opportunities for District personnel pursuing Grade 1 Wastewater Operator certification.

Recent accomplishments include repairs to evaporation pond liners, continued evaluation of lift station infrastructure, implementation of additional maintenance and inspection procedures, development of the Sewer System Management Plan (SSMP), and ongoing efforts to address regulatory requirements identified by oversight agencies. The District has also begun evaluating long-term capital needs and identifying infrastructure priorities that will require attention in future years.

Moving forward, the Sewer Department's primary objectives are to maintain regulatory compliance, improve preventative maintenance practices, develop certified operational expertise within the District, and ensure that the wastewater system remains reliable for current and future residents of the Spalding community. Through careful planning and system development, the District will continue working to protect public health, safeguard environmental resources, and preserve critical infrastructure investments.

Sewer Bond Program Overview

The District's wastewater bond program was originally established to finance construction of the community sewer system. Rather than requiring property owners to fund the entire project upfront, the District secured financing that allowed the infrastructure to be constructed and repaid over time through assessments collected from benefited properties.

Bond revenues are generally collected through annual property tax assessments and are deposited into restricted bond accounts maintained for repayment of the debt and associated reserve requirements. These funds are not considered general operating revenue and may only be used in accordance with the bond documents and applicable requirements.

One common misconception is that bond account balances represent unrestricted District funds. In reality, these accounts exist primarily to ensure that debt obligations can be met and that required reserves remain available. The District's goal is to continue improving transparency regarding bond-related finances so residents have a clear understanding of how these funds are collected, managed, and utilized.

Recreation Department Overview

The Recreation Department exists to promote community involvement, maintain recreational facilities, and support activities that enhance quality of life within the Spalding community. Recreation programs and facilities provide opportunities for residents and visitors to gather, participate in community events, and take pride in the area they call home.

Current recreation efforts include marina operations, community events, fundraising activities, and facility maintenance. Recent accomplishments include marina cleanup efforts, increased volunteer participation, expanded community engagement, and continued evaluation of opportunities to improve public access and revenue collection systems.

Looking forward, the District intends to continue supporting events and activities that bring residents together while exploring additional opportunities to improve recreational amenities, increase participation, and develop sustainable revenue sources that support long-term recreation programs.

Spalding Volunteer Fire Department Overview

The Spalding Volunteer Fire Department provides fire protection, public safety support, and limited first responder services to the Spalding community through the dedication of trained volunteer personnel. The Department plays a critical role in protecting life, property, and community resources while serving a rural area with unique operational challenges.

As a volunteer organization, the Department relies entirely on community members who dedicate their time to training, equipment maintenance, fire prevention efforts, and emergency response. The Department provides basic first aid and initial emergency assistance until higher levels of medical care arrive when needed; however, it is not staffed or equipped to provide advanced paramedic services.

Because the Department operates with volunteer personnel, staffing availability can vary throughout the day. Safety standards require a minimum number of qualified responders before certain emergency operations can be conducted. For this reason, volunteer recruitment, training, and retention remain essential to maintaining the level of service the community expects and deserves.

The Department is supported through fire assessments, donations, fundraising activities, and community support. During Fiscal Year 2026-2027, the District will continue investing in training, equipment maintenance, operational readiness, and volunteer support to ensure the Department remains prepared to serve the community effectively.

District Departments

The Spalding Community Services District provides essential public services through three primary departments: the Sewer Department, the Spalding Volunteer Fire Department, and the Recreation Department. Each department serves a distinct role in supporting the health, safety, and quality of life of residents and visitors within the community.

The Sewer Department is responsible for the operation, maintenance, and regulatory compliance of the District's wastewater collection and treatment system. The Spalding Volunteer Fire Department provides emergency response, fire protection, training, and community preparedness services through a dedicated team of volunteers. The Recreation Department supports marina operations, recreational facilities, community events, and programs that encourage community engagement and pride.

In addition to these operational departments, the District administers the Sewer Bond Program, which is responsible for managing debt repayment obligations and maintaining compliance with bond-related financial requirements. Together, these programs form the foundation of the services provided by the District.

Board of Directors and Staff

The Spalding Community Services District is governed by a five-member Board of Directors elected or appointed to represent the interests of the community. The Board establishes policy, adopts budgets, approves major expenditures, and provides overall direction for District operations.

Board of Directors

- Kathy Claytor – Chair
- Ellen Stallings – Vice Chair
- Jerry Oliver – Director
- Scott Hagan – Director
- Vacant Seat

The Board is supported by District staff who are responsible for the daily operation and administration of District services.

District Staff

- Mike Garcia – General Manager
- Brad Mallory – Sewer Technician
- Kelly Handy – Office Manager
- Stacey Hamm – Office Assistant
- Robert King – Maintenance Services

The District also relies heavily on volunteers, professional consultants, regulatory partners, and community members who contribute their time, expertise, and support toward the continued success of the organization.

Service Area

The Spalding Community Services District provides services within approximately 360 acres located in the Spalding community near Eagle Lake in Lassen County, California. The District serves a permanent population of approximately 250 residents, with seasonal population increases reaching approximately 1,200 residents and visitors during peak recreation periods.

The community consists of a combination of full-time residences, seasonal homes, recreational properties, and public facilities. The District's service area reflects the unique challenges and opportunities associated with serving a small rural community that experiences significant seasonal fluctuations in population and demand for services.

The District's wastewater system currently serves approximately 832 Equivalent Dwelling Units (EDUs), although ongoing efforts are underway to improve records, verify service connections, and maintain accurate customer and parcel information.

Budget Summary

The Fiscal Year 2026-2027 Budget has been developed using historical financial information, current operational requirements, anticipated revenue sources, known obligations, and reasonable assumptions regarding future expenses. The budget is intended to provide a practical framework for managing District operations while continuing efforts to improve financial reporting, transparency, and long-term planning.

The summary schedules that follow provide a high-level overview of revenues, expenditures, and net operating position for each major District fund. Detailed supporting schedules and departmental budget worksheets are included later in this document.

When reviewing the financial information contained within this budget, it is important to recognize that bond-related revenues and expenditures are presented separately from operational activity whenever practical. This distinction provides a more accurate representation of the District's operating condition and helps prevent restricted bond funds from distorting operational financial results.

As additional information becomes available through audit completion, account reconciliation, and continued financial review, future budgets will continue to improve in both accuracy and detail.

Strategic Priorities – Fiscal Year 2026-2027

The District has identified several strategic priorities that will guide decision-making and resource allocation during Fiscal Year 2026-2027. These priorities are intended to improve operational performance, strengthen financial management, enhance transparency, and support long-term sustainability.

Financial Stability and Transparency

Continue improving financial reporting, complete outstanding audits, refine account structures, improve budgeting processes, and provide residents with a clearer understanding of District finances.

Sewer Compliance and Infrastructure

Continue implementation of the Sewer System Management Plan (SSMP), strengthen regulatory compliance efforts, develop preventative maintenance programs, evaluate infrastructure needs, and support operator certification and training.

Organizational Development

Develop Standard Operating Procedures (SOPs), improve records management, establish onboarding materials, and create systems that reduce the impact of future personnel turnover.

Community Engagement

Increase communication with residents, encourage participation in District committees and meetings, support community events, and continue building public confidence in District operations.

Long-Term Sustainability

Develop District-controlled repair and replacement reserves, improve operational efficiency, reduce unnecessary costs where possible, and establish a foundation for future Boards and staff to build upon.

The District recognizes that many of these priorities will require multiple years to fully achieve. Fiscal Year 2026-2027 represents an important step toward building the systems, processes, and infrastructure necessary to support the long-term success of the Spalding Community Services District.

Spalding CSD

Proposed Budget for FY 26/27

REVENUE		23/24	24/25	25/26	26/27
Account #	Department	Actual	Actual	Actual	Proposed Budget
2008100	Sewer	256,599.79	270,303.32	316,181.85	368,500.00
	Bond	856,040.16	610,937.74	607,533.99	550,000.00
2011200	Fire	39,624.71	35,403.49	18,860.76	66,000.00
2001300	Recreation	1,717.80	3,203.63	1,134.08	1,700.00
	District (Removing Bond)	297,942.30	308,910.44	336,176.69	436,200.00

EXPENSES		23/24	24/25	25/26	26/27
Account #	Department	Actual	Actual	Actual	Proposed Budget
2008100	Sewer	351,260.28	300,688.94	317,644.91	364,220.60
	Bond	531,783.65	596,605.30	617,901.21	550,000.00
2011200	Fire	62,507.47	34,027.28	32,755.38	65,200.00
2001300	Recreation	0.00	524.48	570.22	985.00
	District (Removing Bond)	413,767.75	335,240.70	350,970.51	430,405.60

NET INCOME		23/24	24/25	25/26	26/27
Account #	Department	Actual	Actual	Actual	Proposed Budget
2008100	Sewer	(94,660.49)	(30,385.62)	(1,463.06)	4,279.40
	Bond	324,256.51	14,332.44	(10,367.22)	0.00
2011200	Fire	(22,882.76)	1,376.21	(13,894.62)	800.00
2001300	Recreation	1,717.80	2,679.15	563.86	715.00
	District (Removing Bond)	(115,825.45)	(26,330.26)	(14,793.82)	5,794.40

The above summary tables provide a high-level overview of District revenues, expenditures, and net operating position for Fiscal Years 2023–2024 through 2026–2027. The revenue summary presents actual revenues for prior fiscal years and the proposed budget for Fiscal Year 2026–2027. Detailed explanations, assumptions, and supporting information for each department and revenue source are provided in the sections that follow. The purpose of this summary is to provide the Board and public with a concise, at-a-glance view of the District’s overall financial position.

The expenditure summary provides a corresponding overview of District expenses by department. While detailed line-item budgets are presented later in this document, these summary tables allow readers to quickly compare spending trends and understand how District resources are allocated among Sewer, Fire, Recreation, Bond, and Administrative functions. The District has developed the proposed budget using historical financial data, current operational needs, and known obligations for the upcoming fiscal year.

The net income summary reflects the difference between revenues and expenditures for each department, this is designed to quickly identify whether a department operated at a surplus or deficit during a given fiscal year. While these summaries provide a useful snapshot of overall financial performance, they should be reviewed in conjunction with the detailed budget sections and accompanying narrative explanations contained within this document.

Bond-related revenues and expenditures are presented separately from District operating revenues and expenses to improve transparency and provide a more accurate representation of the District’s financial condition. Bond funds are restricted and are intended to support bond repayment obligations and related reserve requirements. Because bond revenues are collected and expended for specific bond purposes, they are generally intended to operate as a net-neutral activity and do not represent discretionary operating funds available for general District operations. Separating bond activity from operational funds allows the Board, staff, and public to better understand the true financial position of the Sewer, Fire, and Recreation functions of the District.

Spalding CSD Fire Budget FY26/27

Data Pulled on 5/28/2026

REVENUE		23/24	24/25	25/26	26/27
		Fire	Fire	Fire	Fire
Account #	Category	Actual	Actual	Actual	Proposed Budget
2011200	2011200 Fire				
2011201	2011201 Fire Truck Rental	0.00	3,602.44	0.00	0.00
2011203	2011203 Misc Fire Income - Donation, Equ	20,559.05	20,582.00	6,978.00	8,000.00
2003000	Interest Income	0.00	0.00	0.00	0.00
40070	Miscellaneous Revenue	250.00	0.00	0.00	0.00
	Finance Charges	0.00	0.00	0.00	0.00
7603374	Redemption Fund	0.00	11,903.60	11,788.98	58,000.00
2003000	Interest Income	62.87	112.85	93.78	0.00
	Property Tax Sales	0.00	-797.40	0.00	0.00
	Uncategorized Income	18,752.79	0.00	0.00	0.00
2011200	Total for 2011200 Fire	39,624.71	35,403.49	18,860.76	66,000.00

EXPENSES		23/24	24/25	25/26	26/27
		Fire	Fire	Fire	Fire
Account #	Category	Actual	Actual	Actual	Proposed Budget
3001100	Clothing & Personal	140.87	14,683.38	1,623.66	1,500.00
3001203	FireNet Dispatching Service	0.00	5,107.28	-4,085.82	9,500.00
3001215	I Am Responding	0.00	0.00	1,043.65	1,050.00
3001200	Communications	4,764.35	0.00	0.00	0.00
3001503	Worker's Cp & Liab Insurance	12,657.25	0.00	17,538.00	15,000.00
3001505	Auto Insurance	3,168.00	3,477.00	0.00	3,700.00
3001507	Excess Insurance	0.00	0.00	3,702.00	0.00
3001700	Maintenance-Equip	645.40	403.90	3,032.58	5,000.00
3001701	Vehicle Maintenance	1,197.56	1,300.47	2,264.39	3,000.00
3001800	Maint-Bldgs & Improvements	2,683.23	439.18	2,043.02	3,000.00
3002000	Memberships	0.00	238.00	225.00	250.00
3002200	Office Expense	1,303.45	28.55	2.00	100.00
3002203	Bank Fee	301.15	5.12	10.04	100.00
3002300	Professional/Specialized	908.00	50.00	0.00	0.00
3002307	Legal	0.00	0.00	0.00	5,000.00
2002700	Small Tools/Instruments	670.31	0.00	1,409.27	1,500.00
3002800	Transportation/Travel	0.00	591.16	135.62	500.00
3002901	Conferences/Training	228.00	120.00	0.00	1,000.00
3003001	Ed Staubs-Propane	0.00	335.41	0.00	400.00
3003003	LMUD	151.32	180.15	325.63	300.00
600500	Workmans Comp	0.00	6,930.00	0.00	6,500.00
3006200	Equipment	8,729.39	0.00	0.00	0.00
3001300	Food	350.13	48.68	1,673.58	1,600.00
680100	Vehicles	10,523.78	0.00	0.00	0.00
680105	Fuel	3,153.28	89.00	5,514.76	6,200.00
700017	Liability Insur.	9,565.00	0.00	-3,702.00	0.00
	Bank Card Payments	1,367.00	0.00	0.00	0.00
Total Expenses for Fire		62,507.47	34,027.28	32,755.38	65,200.00

NET INCOME		23/24	24/25	25/26	26/27
		Fire	Fire	Fire	Fire
		Actual	Actual	Actual	Proposed Budget
Current Balance on 5/29/26					
\$88,685.98		-22,882.76	1,376.21	-13,894.62	800.00
Adjusted Balance After Transfer					
\$125,699.10					

Fire Department revenue is projected to increase during Fiscal Year 2026–2027 due primarily to the identification and correction of historical accounting and allocation issues related to fire assessment revenues. The District believes a portion of fire-related revenues may not have been consistently allocated to the Fire Fund in prior years, and efforts are underway to review and correct those allocations where appropriate. The District also anticipates approximately \$8,000 in community donations generated through fundraising activities such as pancake breakfasts and other community-supported events. Additionally, the District intends to review and evaluate the current fire assessment structure in coordination with Lassen County to improve consistency, transparency, and long-term sustainability of fire-related funding. While any resulting assessment adjustments may not be realized during this fiscal year, the review process is expected to support future financial stability for the Fire Department.

Fire Department expenses have been developed using historical expenditures, current operational needs, and available financial information. The District has budgeted conservatively for several categories while recognizing that future refinement may be necessary as accounting records and allocation methodologies continue to improve. The budget includes funding for volunteer training and professional development, including CPR, confined space, hazardous materials, and other applicable certification opportunities, at an estimated cost of approximately \$150 per volunteer annually. FireNet dispatch expenses have been budgeted at the full anticipated cost, although Lassen County has historically reimbursed a significant portion of these expenses. Legal expenses have also been included in the budget to reflect anticipated allocation of District-wide legal services among operational departments. The District will continue reviewing expenses throughout the fiscal year to identify efficiencies, improve cost allocation practices, and ensure available resources are directed toward maintaining reliable fire protection services.

Spalding CSD Sewer Budget FY26/27 (With Out Bond)

Data Pulled on 5/28/2026

REVENUE		23/24	24/25	25/26	26/27
Account #	Category	Sewer Actual	Sewer Actual	Sewer Actual	Sewer Proposed Budget
2008100	Sewer				
2010600	Sewer Operations/Maintenance	238,405.06	260,094.42	308,312.75	325,000.00
2060	Charges for Services	0.00	0.00	5,514.76	1,500.00
40070	Miscellaneous Revenue	1,765.00	9,897.67	0.45	0.00
	Admin Permit Fee	200.00	0.00	0.00	0.00
	Finance Charges	553.20	0.00	-0.50	0.00
2003000	Interest Income	204.40	273.66	219.39	0.00
	O/M SCSD	15,164.13	2,004.00	100.00	0.00
	Other Charge-Current Svcs	0.00	-35.00	300.00	0.00
	Permit Hookup Fee	200.00	200.00	0.00	0.00
	Rents & Concessions	0.00	0.00	200.00	0.00
	Sales	0.00	-2,131.43	35.00	0.00
	Willdan Fee Reimbursement for Bond	0.00	0.00	0.00	32,000.00
	Adming Fee Reimbursement for Bond	0.00	0.00	0.00	10,000.00
	Uncategorized Income	108.00	0.00	1,500.00	0.00
2008100	Total for 2008100 Sewer	256,599.79	270,303.32	316,181.85	368,500.00

EXPENSES		23/24	24/25	25/26	26/27
Account #	Category	Sewer Actual	Sewer Actual	Sewer Actual	Sewer Proposed Budget
3000100	Salaries & Wages	108,250.60	0.00	0.00	0.00
3001200	Communications	2,618.63	0.00	0.00	0.00
3001205	Frontier	3,732.54	8,195.92	7,805.24	2,400.00
3001207	Streamline	672.00	1,414.00	1,922.00	3,500.00
3001209	TeamViewer	0.00	1,354.80	0.00	1,400.00
3001211	Verizon	5,564.91	5,099.24	5,306.48	5,500.00
3001213	Zoom	0.00	95.94	95.94	100.00
3001400	Household (deleted)	127.20	0.00	0.00	0.00
3001503	Worker's Cp & Liab Insurance	1,049.75	0.00	21,209.00	22,000.00
3001505	Auto Insurance	4,007.67	1,098.00	1,208.00	1,400.00
3001507	Excess Insurance	0.00	1,381.00	1,518.00	1,600.00
3001700	Maintenance-Equip	2,149.29	929.00	4,935.48	3,500.00
3001701	Vehicle Maintenance	1,539.76	47.92	5,945.30	3,000.00
3001800	Maint-Bldgs & Improvements	13,576.83	26,656.73	16,410.08	18,000.00
3002000	Memberships	2,404.22	1,677.00	2,384.58	2,400.00
3002200	Office Expense	9,272.25	8,078.23	9,606.78	10,000.00
3002201	Postage	0.00	0.00	682.02	0.00
3002203	Bank Fee	778.76	4,695.26	1,781.40	1,500.00
3002300	Professional/Specialized	41,374.13	11,582.83	22,547.83	30,000.00
3002301	Accounting	11,328.00	41,709.66	17,392.75	20,000.00
3002305	IT	5,350.66	12,538.72	18,482.01	18,000.00
3002307	Legal	27,795.23	60,081.26	40,240.00	25,000.00
3002309	Other	9,626.66	51.34	20.00	0.00
	Engineering (deleted)	13,809.59	0.00	0.00	0.00
	Labs (deleted)	450.29	0.00	0.00	0.00
3002400	Publications/Legal Notice	706.18	0.00	0.00	500.00
3002500	Rents/Leases-Equipment	2,977.72	162.38	4,108.12	2,000.00
2002700	Small Tools/Instruments	0.00	337.94	746.42	500.00
3002800	Transportation/Travel	0.00	0.00	0.00	500.00
3002901	Conferences/Training	0.00	0.00	487.75	500.00
3003001	Ed Staubs-Propane	3,072.49	11,347.44	7,078.46	7,500.00
3003003	LMUD	8,377.96	8,659.07	6,561.68	6,750.00
3003005	Trash/Waste Service	620.17	568.70	418.95	500.00
600000	Payroll Expenses	0.00	0.00	105.37	0.00
600100	Wages	0.00	38,031.41	102,097.47	156,899.60
600400	Taxes	0.00	13,205.78	10,727.93	15,000.00
600500	Workmans Comp	0.00	13,653.00	0.00	0.00
3303.02	Salaries & Benefits Payable	18,340.84	0.00	0.00	0.00
3000212	DD Dees	50.00	0.00	0.00	0.00
3000213	IRS Payments Payroll	11,400.63	0.00	0.00	0.00
3000214	EDD Taxes Payroll	1,371.46	0.00	0.00	0.00
3000215	Guardian	426.12	0.00	0.00	0.00
3001300	Food	0.00	0.00	0.00	0.00
620300	Postage	1,253.30	1,138.80	1,566.00	1,600.00
680100	Vehicles	1,995.38	0.00	0.00	0.00

680105	Fuel	5,394.70	0.00	0.00	2,000.00
700016	Spec. Depart. Expense	0.00	671.00	671.00	671.00
700017	Liability Insur.	8,184.67	17,831.00	0.00	0.00
	Admin Expense	250.00	0.00	10.00	0.00
	Refund Check	0.00	0.00	989.16	0.00
	Reimbursement	0.00	0.00	2,000.00	0.00
	Reimbursements	0.00	0.00	265.00	0.00
	Bank Card Payments	8,141.95	0.00	0.00	0.00
6561	Journal Entry Expense	704.00	0.00	0.00	0.00
	Fraud Charges	-1,000.00	8,395.57	318.71	0.00
	Repair Replace	13,513.74	0.00	0.00	0.00
Total Expenses for Sewer		351,260.28	300,688.94	317,644.91	364,220.60

NET INCOME	23/24	24/25	25/26	26/27
	Sewer	Sewer	Sewer	Sewer
Balance on 5/29/26	Actual	Actual	Actual	Proposed Budget
\$600,196.86	-94,660.49	-30,385.62	-1,463.06	4,279.40
Adjusted Balance After Transfer To Bond and Fire				
\$52,026.56				

Sewer Fund revenue is projected to increase during Fiscal Year 2026–2027 due to a combination of 2.5% increase, improved collection efforts, anticipated compliance improvements, and several one-time reimbursement items. The District has begun actively addressing delinquent accounts and enforcing existing policies in an effort to improve payment compliance and reduce outstanding balances. Additional revenue is anticipated from sewer service charges, including filter cleaning services, although these estimates remain conservative and are based on current participation levels. The budget also includes anticipated reimbursement of certain bond-related administrative expenses that were historically paid from sewer operating funds but may be eligible for reimbursement from bond-related accounts.

Sewer Fund expenditures continue to be driven primarily by payroll, utilities, maintenance, compliance, and professional services necessary to operate and maintain the District’s wastewater system. The District has included funding for operator training, mentorship, certification assistance, accounting services, information technology support, legal obligations, and ongoing system maintenance. Several expense categories are currently being reviewed to improve account classification and budgeting accuracy. Where appropriate, projected expenses were developed using historical expenditures, adjusted monthly costs, and reasonable inflationary assumptions. The District will continue evaluating opportunities to reduce unnecessary expenses while maintaining regulatory compliance and reliable sewer operations.

A major objective of this budget is to clearly separate sewer operating funds from bond-related funds. Bond revenues collected through Lassen County are restricted and must be transferred into designated bond accounts in accordance with bond requirements. These funds are not available for general District operations and should not be considered operating revenue. The only bond-related funds generally available for direct District use are those specifically authorized through the Renew and Replace Account for eligible sewer repair and maintenance activities. Separating these funds provides a more accurate representation of the District’s actual operating position and improves financial transparency.

Historically, bond-related deposits held within the sewer accounts have made operational balances appear significantly stronger than they actually were. As part of the District’s ongoing financial cleanup efforts, transfers are being made to properly allocate bond and fire assessment revenues to their respective accounts. Once these transfers are completed, available sewer operating reserves will be substantially lower than the current account balances may suggest. While several one-time reimbursements and accounting corrections are expected to strengthen the Sewer Fund during Fiscal Year 2026–2027, those revenues are not anticipated to recur in future years. As a result, the District remains focused on improving operational efficiency, controlling expenses, increasing collection compliance, and building long-term financial sustainability for the wastewater system.

Spalding CSD Bond Budget FY26/27

Data Pulled on 5/28/2026

REVENUE		23/24	24/25	25/26	26/27
		Sewer	Sewer	Sewer	Sewer
Account #	Category	Actual	Actual	Actual	Proposed Budget
2008102	Bond Payoff	5,866.86	86,912.44	71,152.67	0.00
2008105	Bond Transfer	-28,200.00	0.00	0.00	0.00
7603374	Redemption Fund	878,373.30	524,025.30	536,381.32	550,000.00
Total for Bond		856,040.16	610,937.74	607,533.99	550,000.00

EXPENSES		23/24	24/25	25/26	26/27
		Sewer	Sewer	Sewer	Sewer
Account #	Category	Actual	Actual	Actual	Proposed Budget
3002303	Bond Assist	5,771.79	19,924.10	28,020.41	20,000.00
	Payments	512,498.12	489,768.76	589,880.80	446,462.50
	Repair Replace	13,513.74	86,912.44	???	83,537.50
Total Expenses for Bond		531,783.65	596,605.30	617,901.21	550,000.00

NET INCOME		23/24	24/25	25/26	26/27
		Sewer	Sewer	Sewer	Sewer
26/27 Payment Schedule Not Including Early Payoffs		Actual	Actual	Actual	Proposed Budget
9/2/26 \$323,168.75 and 3/2/27 \$123,293.75		324,256.51	14,332.44	-10,367.22	0.00

Account	Discription	Purpose	Balance
****8000	Spalding CSD Resmnt 2016-1 2017	Lead Account: Money transfers in and payments are made here.	\$265,423.81
****8001	Spalding CSD Resmnt 2016-1 Redemp	Need Additional Clarification from Lorraine Goodson (US Bank)	\$21,829.00
****8002	Spalding CSD Resmnt 2016-1 Prepaymt	Need Additional Clarification from Lorraine Goodson (US Bank)	\$16.34
****8003	Spalding CSD Resmnt 2016-1 Reserve	Reserve Account: Specific % required to have to ensure payment	\$475,033.88
****8004	Spalding CSD Resmnt 2016-1 2017 COI	Dormant: Not In Use	\$0.00
****8005	Spalding CSD Resmnt 2016-1 Ren Repla	Renew/Replace Account: Available for maintenance and repairs	\$110,536.43
****8006	Spalding CSD Resmnt 2016-1 2017	Dormant: Not In Use	\$0.00
Total Balance on 5/29/26			\$872,839.46
Bonds Outstanding			\$6,335,000.00

Bond Fund revenue is generated primarily through annual property tax assessments collected by Lassen County and allocated toward repayment of the District's wastewater system bond obligations. The District may also receive revenue from voluntary bond prepayments made by property owners who choose to satisfy their bond obligation early. Because bond prepayments occur at the discretion of individual property owners and are difficult to predict, no significant prepayment revenue has been assumed in the budget. The District anticipates a modest increase in assessment collections due to ongoing efforts to improve compliance and address delinquent accounts. All bond-related revenues are restricted and are used solely for bond-related purposes in accordance with bond requirements.

Bond Fund expenditures are largely predetermined by the bond repayment schedule and associated financial obligations. Annual debt service payments are based upon the established bond repayment schedule and may fluctuate slightly due to interest earnings and timing considerations. The budget also includes bond administration and support services necessary to manage bond-related reporting, compliance, and financial administration. Any remaining funds, after required obligations have been satisfied, may contribute toward authorized bond-related reserve and infrastructure replacement accounts as permitted under the bond structure.

The District maintains several bond-related accounts to support repayment obligations and long-term financial stability. Bond revenues are received and distributed among designated accounts used for debt service, reserves, prepayments, and authorized infrastructure replacement activities. The Reserve Account is maintained to help ensure adequate funding is available to satisfy bond obligations in the event assessment collections fall below expectations. The Renew and Replace Account provides a funding source for eligible sewer system maintenance and repair projects. The District continues to review account structure and reporting practices to improve transparency and ensure all bond-related funds are managed in accordance with applicable requirements and financial obligations.

Spalding CSD Recreation Budget FY26/27

Data Pulled on 5/28/2026

REVENUE		23/24	24/25	25/26	26/27
Account #	Category	Recreation Actual	Recreation Actual	Recreation Actual	Recreation Proposed Budget
2001300	Recreation				
2001301	Recreation Revenue	0.00	1,626.00	0.00	0.00
2001303	Annual Parking Permits	0.00	1,297.25	677.75	1,000.00
2001305	Day Use Fees	0.00	0.00	159.00	200.00
2001307	Special Events	0.00	89.00	244.00	500.00
2001309	Dock Permits & Slip Sales	0.00	0.00	0.00	0.00
40070	Miscellaneous Revenue	548.00	174.25	50.25	0.00
	Finance Charges	7.80	0.00	0.00	0.00
2003000	Interest Income	0.00	17.13	3.08	0.00
2011203	Misc Fire Income - Donation	1,084.00	0.00	0.00	0.00
2010600	Sewer Operations/Maintainenece	78.00	0.00	0.00	0.00
2001300	Total for Recreation	1,717.80	3,203.63	1,134.08	1,700.00

EXPENSES		23/24	24/25	25/26	26/27
Account #	Category	Recreation Actual	Recreation Actual	Recreation Actual	Recreation Proposed Budget
3001800	Maintenance Building/Improvements	0.00	305.65	300.00	500.00
3002200	Office Expenses	0.00	408.20	0.00	200.00
3003003	LMUD	0.00	-189.37	270.22	285.00
Total Expenses for Recreation		0.00	524.48	570.22	985.00

NET INCOME		23/24	24/25	25/26	26/27
		Recreation	Recreation	Recreation	Recreation
Current Balance on 5/29/26		Actual	Actual	Actual	Proposed Budget
\$4,381.66		1,717.80	2,679.15	563.86	715.00

Recreation revenue is projected to increase modestly during Fiscal Year 2026–2027 due to continued community engagement efforts, expanded access to payment options, and increased participation in District-sponsored activities. Annual parking permit revenue is expected to benefit from improved community outreach and promotional opportunities, while day-use revenue may increase through the implementation of QR code payment systems that improve accessibility and convenience for visitors. Additionally, the District anticipates increased community participation in events such as bingo, Cookies & Coffee gatherings, and other recreational activities, which may generate additional donations and recreational revenue throughout the year.

Recreation expenses are budgeted using historical expenditures and a conservative inflationary adjustment where appropriate. Maintenance and improvement funding is intended to support routine upkeep of marina facilities, including painting, cleaning, curb maintenance, security, and minor facility improvements. Office expenses include supplies necessary to administer marina operations and collect fees, such as envelopes, forms, and office materials. Utility costs are projected using prior-year expenditures with an estimated 5% increase to account for anticipated changes in power costs. The District will continue focusing on maintaining recreational facilities in a safe, clean, and welcoming condition while managing expenses responsibly.

Spalding CSD Employee Compensation, Board Info, & District Fees

Positions	Hourly	Weekly	Annually	Hourly/Salary	Weekly Hours
Sewer Department			Annual	Total	\$156,899.60
General Manager	\$30:00	\$1,050.00	\$54,600.00	Hourly	35
Administrative Assistant	\$0.00	\$0.00	\$0.00	Hourly	0
Office Manager	\$20.00	\$800.00	\$41,600.00	Hourly	32
Office Staff	\$16.90	\$338.00	\$17,576.00	Hourly	20
Wastewater System Operator	\$17.90	\$626.50	\$32,578.00	Hourly	35
General Maintenance	\$16.90	\$202.80	\$10,545.60	Hourly	12
Recreation Department			Annual	Total	\$0.00
Recreation Maintenance					
Fire Department			Annual	Total	\$0.00
Fire Department Admin					
Board Members		Position	Term Expires		
Kathy Claytor	Chair	12/5/2026			
Ellen Stallings	Vice Chair	12/5/2026			
Jerald Oliver	Member	12/5/2028			
Scott Hagen	Member	12/5/2028			
Vacant	Member	12/5/2026			
Sewer Fees for Service				Amount	Unit
Sewer Connection				1500.00	Per EDU
Sewer Operations and Maintenance Fee, Annual				529.52	Annually
Sewer Operations and Maintenance Fee, Quarterly				132.38	Quarterly
Wastewater Assistance				55.00	Per Hour
Recreation Fees				Amount	Unit
Parking permit for Boat Launch, Annual Non-Resident				75.00	Annually
Day use parking permit, 1 day				8.00	1 Day
Day use parking permit, 2 day				15.00	2 Day
Day use parking permit, 3 day				22.00	3 Day
Day use parking permit, 4 days				29.00	4 Day
Day use parking permit, 5 days				36.00	5 Day
Dock application				10.00	Each
Boat dock slip				25.00	Daily
Other - Miscellaneous Fees				Amount	Unit
Kiosk Advertising				30.00	Annually
Photo Copy per Page				0.25	Each Page
Fax per Page				0.25	Each Page
Chair Rental (requires \$100 refundable cleaning deposit)				4.00	Ea. Per Day
Table Rental (requires \$100 refundable cleaning deposit)				10.00	Ea. Per Day
hours requires the daily rental rate of \$300				35.00	Per Hour
Kitchen Rental, Daily Rate (8 hours) (Requires \$200 refundable cleaning deposit)				300.00	Daily
Needs over 4 hours requires the daily rental rate of \$300				35.00	Per Hour
Community Center Rental, Daily Rate (8 hours) (Requires \$200 refundable cleaning deposit)				300.00	Daily
Hydrant Water				0.10	Per Gallon
Fire Department Fire Apparatus Rental (See current Assistance by Hire agreement)					