

Please silence electronic devices while the meeting is in progress.

GOLDEN HILLS COMMUNITY SERVICES DISTRICT

FINANCE STANDING COMMITTEE

AGENDA

FOR THE MEETING OF THE FINANCE COMMITTEE ON

MAY 19, 2026

5:00 PM

21415 REEVES STREET

This meeting is held in accordance with the Brown Act. Individuals may address the Standing Committee on any matter listed on this Agenda. Members of the audience desiring to address the Standing Committee must approach the podium and request recognition from the Standing Committee Chairperson. Presentation by the audience is limited to three minutes per Agenda item.

Any person with a qualifying disability under the Americans with Disabilities Act of 1990 may request that the District (1) make agendas available in appropriate alternative formats, and (2) provide a disability-related modification or accommodation, including auxiliary aids or services, to participate in any public meeting of the Board of Directors. A request for modification or accommodation shall be made in person, or by telephone, facsimile or written correspondence to the General Manager at the District's office at least ten days before the public meeting for which the modification or accommodation is requested. The District will attempt to accommodate persons who make requests less than seven days before the public meeting.

Staff reports and other disclosable public records related to Open Session agenda items will be made available when complete if not otherwise accompanied with this agenda at the Golden Hills Community Services District office located at 21415 Reeves Street, Tehachapi, CA during business hours, Monday through Thursday, 7:00 a.m. to 5:30 p.m.

MISSION STATEMENT

To be interactive and responsive to the Golden Hills community and provide those services within our authority.

1. ROLL CALL:

2. FLAG SALUTE:

3. PUBLIC INPUT:

This portion of the meeting is set aside for members of the public to address any matters not on this Agenda. Individuals desiring to address the Standing Committee must state their name before giving their presentation.

4. APPROVAL OF MINUTES OF THE APRIL 14, 2026 STANDING FINANCE COMMITTEE MEETING:

Motion _____, seconded _____

GOLDEN HILLS COMMUNITY SERVICES DISTRICT**FINANCE STANDING COMMITTEE****MINUTES****FOR THE MEETING OF THE FINANCE COMMITTEE ON
APRIL 14, 2026
5:00 PM
21415 REEVES STREET**

The Finance Standing Committee of the Golden Hills Community Services District duly met on April 14, 2026, at the hour of 5:00 PM at 21415 Reeves Street.

Meeting was called to order at 5:10 PM.

1. **CHAIRPERSONS PRESENT:** Matt Guggemos, Joe King
CHAIRPERSONS ABSENT: None
COMMITTEE MEMBERS PRESENT: David Shaw
COMMITTEE MEMBERS ABSENT: None
OTHERS PRESENT: Christopher Carlson, Brian Barnett, Davin Blain
2. **FLAG SALUTE:** The Pledge of Allegiance was led by Joe King
3. **PUBLIC INPUT:** None
4. **APPROVAL OF MINUTES FOR MARCH 17, 2026, STANDING FINANCE COMMITTEE MEETING:**

Motion to approve the minutes for March 17, 2026, was made by Guggemos, seconded by Shaw, and carried by the following vote:

AYES: Guggemos, King, Shaw

NOES: None

ABSTAIN: None

ABSENT: None

5. REVIEW CURRENT EXPENDITURES AND DISTRICT ACCOUNT DISTRIBUTIONS:

Committee reviewed the monthly expenses in comparison to established budget to include the current monthly bank statements for all District accounts.

6. REVIEW MONTHLY FINANCIAL REPORT:

Committee reviewed the monthly financial report in relation to adopted budget.

7. FISCAL YEAR 2026-2027 PRELIMINARY BUDGET PRESENTATION:

Committee reviewed Fiscal Year 2026-2027 Preliminary Budget.

8. RESOLUTION NO. 26-13 INCREASING BASE AND CONSUMPTIVE RATES IN DIRECT CORRELATION WITH THE INCREASE IN THE CONSUMER PRICE INDEX:

Committee reviewed Resolution No. 26-13, increasing base and consumptive rates by 2.6 percent effective July 1, 2026, in direct correlation with the increase in the Consumer Price Index (CPI).

9. NEW BUSINESS:

None

10. ESTABLISHMENT OF NEXT STANDING COMMITTEE MEETING DATE:

Proposed date(s): May 19, 2026 @ 5:00 P.M.

11. ADJOURN STANDING COMMITTEE MEETING:

Motion to adjourn the standing committee meeting at 6:40 PM, was made by Shaw, seconded by Guggemos, and carried by the following vote:

AYES: Guggemos, King, Shaw

NOES: None

ABSTAIN: None

ABSENT: None

Respectfully submitted,

Approved:

Christopher Carlson, Secretary

Joe King, Chair

5. REVIEW CURRENT EXPENDITURES AND DISTRICT ACCOUNT DISTRIBUTIONS:

Committee to review monthly expenses in comparison to established budget to include the current monthly bank statements for all District accounts.

RESOLUTION NO. 26-14

OF THE BOARD OF DIRECTORS

GOLDEN HILLS COMMUNITY SERVICES DISTRICT

BE IT RESOLVED that the expenses listed below have been reviewed and signed by at least one Director, and are hereby accepted as reported and executed through District's Valley Strong Credit Union Account.

GOLDEN HILLS FUND NO. 50270 - GENERAL FUND, PROPERTY TAX REVENUES

Karls Hardware	<u>61.67</u>
TOTAL FUND NO. 50270	\$61.67

GOLDEN HILLS FUND NO. 50271 - WATER OPS REVENUE

ACWA	25010.60
David Benham	300.00
BSE Rents	368.84
John Buckley	200.00
Core and Main	728.77
Customized Custodial	1475.00
DMV Renewal	54.00
Everbridge	3300.00
Matt Guggemos	200.00
Karls Hardware	63.91
Joe King	200.00

Klein, Denatale, Goldner	4584.00
Matrix	2880.00
Napa	233.80
Navillus Enterprises	3462.50
Optimized Investments	844.48
PAS	93.55
Pitney Bowes	48.16
Provost & Pritchard	453.00
RGS	1805.50
RLH	120.00
SCE	20874.36
Western Exter	238.48
Witts	441.09
Scott Wyatt	100.00
Zalco Labs	<u>700.00</u>
TOTAL FUND NO. 50271	\$70337.54

GOLDEN HILLS FUND NO. 50274 – MD 1

NBS	<u>1777.83</u>
TOTAL FUND NO. 50274	\$1777.83

GOLDEN HILLS FUND NO. 50275 – MD 2

Stradling	<u>902.50</u>
	\$902.50

GOLDEN HILLS FUND NO. 50289 – DISTRICT FACILITIES

Karls hardware

36.77

\$36.77

Passed and adopted at a regular meeting of the Board of Directors of the Golden Hills Community Services District on May 21, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I hereby certify that the foregoing is a full, true, and correct copy of the resolution duly passed and adopted at a regular meeting of the Board of Directors of the Golden Hills Community Services District on May 21, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Christopher Carlson, Board Secretary

(DISTRICT SEAL)

**RESOLUTION NO. 26-15
OF THE BOARD OF DIRECTORS**

GOLDEN HILLS COMMUNITY SERVICES DISTRICT

BE IT RESOLVED that the expenses listed below have been reviewed and signed by at least one Director, and are hereby accepted as reported and executed through District's Valley Strong Credit Union Account.

GOLDEN HILLS FUND NO. 50270 - GENERAL FUND, PROPERTY TAX REVENUES

Honor Flight	3000.00
Karls Hardware	<u>25.49</u>
TOTAL FUND NO. 50270	\$3025.49

GOLDEN HILLS FUND NO. 50271 - WATER OPS REVENUE

ACWA	21417.04
Cal Rural	1504.00
Cintas	478.10
Core and Main	4001.98
Dataprose	2912.81
Dinnerville	1800.00
Home Depot	76.27
Karls Hardware	217.57
Napa	92.63
PAS	1.22

Provost & Pritchard	351.00
South St Service Center	3120.01
Tehachapi Transmissions	2571.58
The Tire Store	980.00
Western Exterminator	238.48
Zalco Labs	<u>220.00</u>
TOTAL FUND NO. 50271	\$39,982.69

GOLDEN HILLS FUND NO. 50278 – CAPACITY

Karls	604.04
Provost & Pritchard	<u>2054.00</u>
TOTAL FUND NO. 50278	\$2658.04

GOLDEN HILLS CC/MDF FUND – VALLEY STRONG

Total Credit Card Charges	7087.34
Total Manual Checks	467.51
TOTAL CC/MDF FUND	\$7554.85

Passed and adopted at a regular meeting of the Board of Directors of the Golden Hills Community Services District on May 21, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I hereby certify that the foregoing is a full, true, and correct copy of the resolution duly passed and adopted at a regular meeting of the Board of Directors of the Golden Hills Community Services District on May 21, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Christopher Carlson, Board Secretary

(DISTRICT SEAL)

**GOLDEN HILLS CSD
MDF & CREDIT CARD ACTIVITY
APRIL 30, 2026**

GOLDEN HILLS MANUAL DISBURSEMENT FUND (MDF) – VALLEY STRONG

Credit Card Charges

Total Credit Card Charges **7,087.34**

Manual Disbursements

Total Manual Disbursements **467.51**

TOTAL CREDIT CARD & MANUAL DISBURSEMENTS—MDF FUND **7,554.85**

AUTHORIZED SIGNATURES:

DAVID BENHAM, BOARD MEMBER

DATE

JOHN BUCKLEY, BOARD MEMBER

DATE

MATT GUGGEMOS, BOARD MEMBER

DATE

JOE KING, BOARD MEMBER

DATE

SCOTT WYATT, BOARD MEMBER

DATE

GENERAL MANAGER

DATE



FINANCIAL VERIFICATION BY

DATE

DATA VERIFICATION BY

DATE



RESOLUTION PREPARED BY

DATE

GOLDEN HILLS MANUAL DISBURSEMENT FUND (MDF) – VALLEY STRONG

Credit Card Charges

Annuvia	AED Pads	366.97
Costco	Office Supplies	70.67
WalMart	Office Supplies	11.43
WP Forms	WP Forms	49.00
Amazon	Picture Frames for Certifications	75.70
MSFT	Microsoft Office	29.40
MSFT	Microsoft Office	165.00
RingCentral	Office Phones	270.12
La Villa	Lock Off Lunch	151.80
Albertsons	Finance Snack	5.99
Jersey Mikes	Board Meal	112.70
Wal Mart	Board Meal	12.93
CSDA	CSDA Conference	890.00
Black Tap	CMTA Conference	32.33
Din Tai Fung	CMTA Conference	59.26
Black Tap	CMTA Conference	31.25
Levy Disneyland	CMTA Conference	20.34
Cal Rural	CRWA Conference	1,220.00
SkillPath	Training for Water Operators	349.00
Wal Mart	Water Day at Meadowbrook	60.60
American Backflow	Backflow Repair Kits	380.67
RH Equipment	Trailer Rental	270.62
Lands End	Uniforms Return	-53.11

Lands End	Uniforms Return	-57.72
Lands End	Uniforms	124.12
Amazon	HotBox Repairs	89.54
Oreilly	Tractor Battery	193.24
Amazon	Polaris Spray Pump	114.63
Amazon	HotBox Repairs	76.96
Parts Geek	Window Washing Reservoir Juans Truck	62.71
LinxUp	Vehicle Tracking	293.32
Douglass Truck	Crane Motor 301	801.78
LinxUp	Vehicle Tracking	284.96
Amazon	Fuel Filter Block	186.58
Sim Sanitation	Porta Potties on the Nature Park	254.47
Amazon	Spray Triggers	80.08
Total Credit Card Charges		<u>7,087.34</u>

Manual Disbursements

Zachary Ikeler	Boot Reimbursement	217.51
Austin Watts	Boot Reimbursement	250.00
Total Manual Disbursements		<u>467.51</u>

TOTAL CREDIT CARD & MANUAL DISBURSEMENTS—MDF FUND 7,554.85

6. REVIEW MONTHLY FINANCIAL REPORT:

Committee to review monthly financial report in relation to adopted budget.

**GOLDEN HILLS
COMMUNITY SERVICES
DISTRICT**

**MONTHLY
FINANCIAL REPORT**

APRIL 30, 2026

Monthly Budget Comparison
Fund Summary
Fiscal Year 2025-2026 thru April 30, 2026
Budget Completion 83%

	Actuals	Adopted Budget	% of Budget Completion
Revenues			
Property Taxes and Assessments	552,818	539,050	103%
Permits and Fees	82,227	118,000	70%
Rent and Leases	121,573	143,500	85%
Charges for Services	2,870,331	3,618,782	79%
Interest Income and Other Revenues	232,744	208,378	112%
Total Revenues	3,859,693	4,627,710	83%
Expenses			
Salaries & Benefits	1,255,380	1,569,600	80%
General & Administrative	256,761	307,340	84%
System Operations	255,863	320,100	80%
Maintenance & Supplies	99,536	160,650	62%
Utilities	180,328	276,350	65%
Insurance	71,331	83,000	86%
Outside Services	130,501	185,000	71%
Total Operating Expenses	2,249,700	2,902,040	78%
Debt Service	449,109	462,036	97%
Capital Outlay/Transfer associated with revenues	673,531	1,016,234	66%
Total Capital Expenditures associated with revenues	1,122,640	1,478,270	76%
Expenses before Depreciation	3,372,340	4,380,310	77%
Net Increase (Decrease) before Depreciation	487,353	247,401	
Capital Outlay Paid with Reserves	717,922	1,089,000	66%
Depreciation	429,337	608,137	71%
Total Expenses	4,519,599	6,077,447	74%
Net Increase (Decrease) in Budget Comparison	(659,906)	(1,449,736)	

**Monthly Budget Comparison
Fiscal Year 2025-2026 thru April 30, 2026 (83%)**

	Actuals	Adopted Budget	% Act/Bud	Actuals	Adopted Budget	% Act/Bud	
Gen Fund Revenues	580,184	525,150	110%	Maint Dist 1 Revenues	152,510	146,830	104%
Gen Fund Expenses	282,999	628,443	45%	Maint Dist 1 Expenses	115,983	129,867	89%
Gen Fund Excess/(Deficit)	297,185	(103,293)		Maint Dist 1 Excess/(Deficit)	36,527	16,963	
Water Fund Revenues	3,106,082	3,940,730	79%	Maint Dist 2 Revenues	20,916	15,000	139%
Water Fund Expenses	3,902,035	5,104,337	76%	Maint Dist 2 Expenses	218,582	214,800	102%
Water Fund Excess/(Deficit)	(795,953)	(1,163,606)		Maint Dist 2 Excess/(Deficit)	(197,666)	(199,800)	
Funds Summary	(498,768)	(1,266,899)		Funds Summary	(161,138)	(182,837)	
				Total Fund Summary Excluding Depreciation	487,353	247,401	
				Total Fund Summary Including Depreciation	(659,906)	(1,449,736)	

Monthly Budget Comparison
 General Fund
 Fiscal Year 2025-2026 thru April 30, 2026
 Budget Completion 83%

	Actuals	Adopted Budget	% of Budget Completion
Revenues			
Property Taxes and Assessments	397,036	393,900	101%
Permits and Fees	42,535	77,000	55%
Rent and Leases	106,767	32,500	329%
Charges for Services	-	-	
Interest Income and Other Revenues	33,846	21,750	156%
Total Revenues	<u>580,184</u>	<u>525,150</u>	<u>110%</u>
Expenses			
Salaries & Benefits	160,317	190,796	84%
General & Administrative	25,404	28,134	90%
System Operations	356	1,200	30%
Maintenance & Supplies	18,028	57,600	31%
Utilities (Edison is behind a month)	7,181	10,910	66%
Insurance	7,133	8,300	86%
Outside Services	11,039	34,750	32%
Total Operating Expenses	<u>229,457</u>	<u>331,690</u>	<u>69%</u>
Debt Service	-	-	0%
Capital Outlay/Transfers	17,704	255,000	7%
Total Capital Expenditures	<u>17,704</u>	<u>255,000</u>	<u>7%</u>
Expenses before Depreciation	<u>247,162</u>	<u>586,690</u>	<u>42%</u>
Net Increase (Decrease) before Depreciation	333,022	(61,540)	
Depreciation	35,837	41,753	86%
Total Expenses	<u>282,999</u>	<u>628,443</u>	<u>45%</u>
Net Increase (Decrease) in Budget Comparison	<u>297,185</u>	<u>(103,293)</u>	

Monthly Budget Comparison
Water Fund
Fiscal Year 2025-2026 thru April 30, 2026
Budget Completion 83%

	Actuals	Adopted Budget	% of Budget Completion
Revenues			
Property Taxes and Assessments	1,092	1,500	73%
Permits and Fees	39,692	41,000	97%
Rent and Leases	14,806	111,000	13%
Charges for Services (Water Sales behind a month (Accruals))	2,870,331	3,618,782	79%
Interest Income and Other Revenues	180,161	168,448	107%
Total Revenues	<u>3,106,082</u>	<u>3,940,730</u>	<u>79%</u>
Expenses			
Salaries & Benefits	1,095,063	1,378,804.00	79%
General & Administrative	227,933	273,706.00	83%
System Operations	255,507	318,900.00	80%
Maintenance & Supplies	81,508	103,050.00	79%
Utilities (Edison is behind a month)	173,147	265,440.00	65%
Insurance	64,198	74,700.00	86%
Outside Services (Legal/Engineering behind a month)	107,359	134,550.00	80%
Total Operating Expenses	<u>2,004,715</u>	<u>2,549,150.00</u>	<u>79%</u>
Debt Service	130,072	138,568.75	94%
Capital Outlay/Transfer associated with revenues	655,826	761,233.86	86%
Total Capital Expenditures associated with revenues	<u>785,898</u>	<u>899,802.61</u>	<u>87%</u>
Expenses before Depreciation	<u>2,790,614</u>	<u>3,448,952.61</u>	<u>81%</u>
Net Increase (Decrease) before Depreciation	315,468	491,777.82	
Capital Outlay Paid with Reserves	717,922	1,089,000.00	
Depreciation	393,500	566,384.26	69%
Total Expenses	<u>3,902,035</u>	<u>5,104,336.87</u>	<u>76%</u>
Net Increase (Decrease) in Budget Comparison	<u>(795,953)</u>	<u>(1,163,606)</u>	

Monthly Budget Comparison
Maintenance District 1 Fund
Fiscal Year 2025-2026 thru April 30, 2026
Budget Completion 83%

	Actuals	Adopted Budget	% of Budget Completion
Revenues			
Property Taxes and Assessments	139,967	136,950	102%
Permits and Fees	-	-	
Rent and Leases	-	-	
Charges for Services	-	-	
Interest Income and Other Revenues	12,544	9,880	127%
Total Revenues	<u>152,510</u>	<u>146,830</u>	<u>104%</u>
Expenses			
Salaries & Benefits	-	-	
General & Administrative	2,875	3,500	82%
System Operations	-	-	
Maintenance & Supplies	-	-	
Utilities	-	-	
Insurance	-	-	
Outside Services	3,704	7,900	47%
Total Operating Expenses	<u>6,579</u>	<u>11,400</u>	<u>58%</u>
Debt Service	109,404	118,467	92%
Capital Outlay/Transfers	-	-	
Total Capital Expenditures	<u>109,404</u>	<u>118,467</u>	<u>92%</u>
Total Expenses	<u>115,983</u>	<u>129,867</u>	<u>89%</u>
Net Increase (Decrease) in Budget Comparison	<u>36,527</u>	<u>16,963</u>	

Monthly Budget Comparison
 Maintenance District 2 Fund
 Fiscal Year 2025-2026 thru April 30, 2026
 Budget Completion 83%

	Actuals	Adopted Budget	% of Budget Completion
Revenues			
Property Taxes and Assessments	14,724	6,700	220%
Permits and Fees	-	-	
Rent and Leases	-	-	
Charges for Services	-	-	
Interest Income and Other Revenues	6,193	8,300	75%
Total Revenues	<u>20,916</u>	<u>15,000</u>	<u>139%</u>
Expenses			
Salaries & Benefits	-	-	
General & Administrative	549	2,000	27%
System Operations	-	-	
Maintenance & Supplies	-	-	
Utilities	-	-	
Insurance	-	-	
Outside Services	8,399.73	7,800	108%
Total Operating Expenses	<u>8,948.79</u>	<u>9,800</u>	<u>91%</u>
Debt Service	209,633	205,000	102%
Capital Outlay/Transfers	-	-	
Total Capital Expenditures	<u>209,633</u>	<u>205,000</u>	<u>102%</u>
Total Expenses	<u>218,582</u>	<u>214,800</u>	
Net Increase (Decrease) in Budget Comparison	<u>(197,666)</u>	<u>(199,800)</u>	

GOLDEN HILLS COMMUNITY SERVICE DISTRICT
MONTHLY FUND AND CASH ACCOUNTS
STATEMENT ACTIVITY SUMMARY

April 30, 2026

	3/31/2026		INCOME	EXPENSE	PAYROLL	ACCOUNT		ACCOUNT		4/30/2026
	ENDING	BALANCES				TRNSFR	TRNSFR	ENDING	BALANCES	
8367 GHCSO GENERAL FUND	15,226.86		150,556.96	(3,267.39)					162,516.43	
8381 GHCSO OPERATIONS FUND	19.93		0.94						20.87	
8395 GHCSO STANDBY	4,095.72		11,255.15	(176.60)					15,174.27	
8410 GHCSO WATER BANKING REIMB	0.39		0.94						1.33	
8422 GHCSO MD1 TAX ASSMT 3366	748.09		7,358.81	(160.31)					7,946.59	
8435 GHCSO MD2 TAX ASSMT 3365	254.05		2,513.19	(53.69)					2,713.55	
8448 GHCSO SANITATION	1.63		0.94						2.57	
8462 GHCSO ON-SITE SEPTIC	-		0.94						0.94	
8475 GHCSO CAPACITY	20.37		0.94						21.31	
8488 GHCSO DRAINAGE	2.27		1.01						3.28	
8501 GHCSO DISTRICT LANDS	-		0.94						0.94	
8519 GHCSO GENERAL RESERVE	0.64		1.01						1.65	
8532 GHCSO MD2 BOND ASSMT 3365	155.78		24.40						180.18	
8545 GHCSO DELINQUENT ACCOUNTS	676.15		2,433.64	(2.20)					3,107.59	
8559 GHCSO MD1 BOND ASSMT 3366	7,719.34		45,256.59	(41.20)					52,934.73	
8573 GHCSO DISTRICT FACILITIES	24,023.64		3,203.00						27,226.64	
8587 GHCSO OPERATIONS RESERVE	11.04		0.94						11.98	
VSCU TRUST DEPOSITS	284,509.52		5,275.00	(5,100.00)					284,684.52	
VSCU MANUAL DISBURSEMENTS FUND	78,268.48			(221,847.01)	110,000.00		72,973.31	45,666.22	85,061.00	
VSCU KC TREASURER	98,058.77		260,120.88	(3,736.16)	(110,000.00)		(72,973.31)	(45,666.22)	125,803.96	
VSCU SAVINGS/MEMBERSHIP FUND	5.00								5.00	
US BANK - INVESTMENT FUND	3,750,465.89		24,783.90	(3,384.18)					3,771,865.61	
CAMP- INVESTMENT FUND	1,882,426.58		5,853.56						1,888,280.14	
US BANK - ROAD BOND MD1 REDEMPTION 1155	5,065.44		18.82						5,084.26	
US BANK - ROAD BOND MD1 RESERVE 1156	118,907.68		358.66						119,266.34	
US BANK - ROAD BOND MD1 PREPAY 1159	17.87		0.05						17.92	
TOTAL \$	6,269,206.13	\$	519,021.21	\$	(237,768.74)	\$	-	\$	6,551,933.60	

GOLDEN HILLS COMMUNITY SERVICE DISTRICT
MONTHLY FUND AND CASH ACCOUNTS
STATEMENT SUMMARY
April 30, 2026

	4/30/2026 ENDING BALANCES	Water	Reserves	Land Maint	Maintenance Dist 1	Maintenance Dist 2
8367 GHCSO GENERAL FUND	162,516.43			162,516.43		
8381 GHCSO OPERATIONS FUND	20.87	20.87				
8395 GHCSO STANDBY	15,174.27	15,174.27				
8410 GHCSO WATER BANKING REIMB	1.33	1.33				
8422 GHCSO MD1 TAX ASSMT 3366	7,946.59				7,946.59	
8435 GHCSO MD2 TAX ASSMT 3365	2,713.55					2,713.55
8448 GHCSO SANITATION	2.57			1.63		
8462 GHCSO ON-SITE SEPTIC	0.94			0.94		
8475 GHCSO CAPACITY	21.31	21.31				
8488 GHCSO DRAINAGE	3.28			3.28		
8501 GHCSO DISTRICT LANDS	0.94			0.94		
8519 GHCSO GENERAL RESERVE	1.65			1.65		
8532 GHCSO MD2 BOND ASSMT 3365	180.18					180.18
8545 GHCSO DELINQUENT ACCOUNTS	3,107.59	3,107.59				
8569 GHCSO MD1 BOND ASSMT 3366	52,934.73				52,934.73	
8573 GHCSO DISTRICT FACILITIES	27,226.64	27,226.64				
8587 GHCSO OPERATIONS RESERVE	11.98		11.98			
VSCU TRUST DEPOSITS	284,684.52	284,684.52				
VSCU MANUAL DISBURSEMENTS FUND	85,061.00	85,061.00				
VSCU KC TREASURER	125,803.96	125,803.96				
VSCU SAVINGS/MEMBERSHIP FUND	5.00	5.00				
US BANK - INVESTMENT FUND	3,771,865.61	3,771,865.61				
CAMP - INVESTMENT FUND	1,888,280.14	717,493.55		820,340.55	260,000.02	90,446.02
US BANK - ROAD BOND MD1 REDEMPTION 1155	5,084.26				5,084.26	
US BANK - ROAD BOND MD1 RESERVE 1156	119,266.34				119,266.34	
US BANK - ROAD BOND MD1 PREPAY 1159	17.92				17.92	
TOTAL	6,551,933.60	5,030,465.65	11.98	982,865.42	445,249.86	93,339.75

**GOLDEN HILLS COMMUNITY SERVICE DISTRICT
MONTHLY FUND AND CASH ACCOUNTS
STATEMENT ACTIVITY SUMMARY**

April 30, 2026

	3/31/2026		CAMP		EXPENSE	KCT DAILY ACTIVITY	ACCOUNT		3/31/2026	
	ENDING BALANCES	US Bank INCOME	US Bank INCOME	TRNSFR			TRNSFR	ENDING BALANCES		
8367 GHCSO GENERAL FUND	539,232.62	2,542.72	2,542.72		(3,087.16)	147,289.57		11,710.45	697,688.20	
8381 GHCSO OPERATIONS FUND	674,021.51	23,613.43	23,613.43		(110,320.23)	0.94		87,355.33	689,286.14	
8395 GHCSO STANDBY	74,561.26					11,078.55			85,639.81	
8410 GHCSO WATER BANKING REIMB	55,785.10					0.94		2,969.40	60,025.47	
8422 GHCSO MD1 TAX ASSMT 3366	125,343.53	804.85	804.85		(1,777.83)	7,198.50			131,569.05	
8435 GHCSO MD2 TAX ASSMT 3365	31,153.93	292.28	292.28		(902.50)	2,459.50			33,003.21	
8448 GHCSO SANITATION	161,556.99					0.94			161,557.93	
8462 GHCSO ON-SITE SEPTIC	149.23					0.94			150.17	
8475 GHCSO CAPACITY	1,992,824.44				(2,658.04)	0.94		7,980.00	1,998,147.34	
8488 GHCSO DRAINAGE	63,887.67					1.01			63,888.68	
8501 GHCSO DISTRICT LANDS	181.61					0.94			182.55	
8519 GHCSO GENERAL RESERVE	59,397.82					1.01			59,398.83	
8532 GHCSO MD2 BOND ASSMT 3365	60,312.14					24.40			60,336.54	
8545 GHCSO DELINQUENT ACCOUNTS	49,798.27					2,431.44			52,229.71	
8559 GHCSO MD1 BOND ASSMT 3366	140,854.28					45,215.39		3,242.62	189,312.29	
8573 GHCSO DISTRICT FACILITIES	711,444.27				(36.77)	3,203.00		2,016.64	719,962.20	
8587 GHCSO OPERATIONS RESERVE	917,121.81					0.94		4,724.63	932,632.48	
	5,657,626.48	27,253.28	27,253.28		(118,782.53)	218,908.95		22,626.46	5,935,010.60	

7. FISCAL YEAR 2025-26 BUDGET REVISION #2 PRESENTATION:

Committee to review Fiscal Year 2025-26 Budget Revision #2.

Golden Hills CSD
Revision #2 Budget
2025-2026

	Water	Non Water Ops	GF	MD1	MD2	FY 25-26 Budget Revision #2	FY 25-26 Budget Revision #1	FY 25-26 Budget
Revenues								
Property Taxes								
4001			395,000			395,000	385,000.00	385,000.00
4005			6,800	100	100	7,000	7,000.00	7,000.00
4010			-			-	-	-
4015			-			-	-	-
4020	1,500		100	750	500	2,850	2,850.00	2,850.00
4025			2,000	100	100	2,200	2,200.00	2,200.00
4030			-			-	-	-
4035				120,000		120,000	120,000.00	120,000.00
4040				19,000		19,000	16,000.00	16,000.00
4045					8,000	8,000	-	-
4050					6,000	6,000	6,000.00	6,000.00
Permits and Fees								
4101	39,000					39,000	39,000.00	39,000.00
4105	2,000					2,000	2,000.00	2,000.00
4110			3,000			3,000	2,000.00	2,000.00
4115			80,000			80,000	75,000.00	75,000.00
Rents and Leases								
4205			30,000			30,000	30,000.00	30,000.00
4206			1,092			1,092	2,500.00	2,500.00
4210			111,000			111,000	111,000.00	111,000.00
Charges for Services								
4301	2,310,000					2,310,000	2,346,119.13	2,346,119.13
4305	655,000					655,000	619,403.30	619,403.30
4310		81,000				81,000	84,000.00	84,000.00
4311	163,000					163,000	163,000.00	163,000.00
4315	81,000	\$55,000 late fees, 65 tags/month, 10 lock-offs/month				81,000	81,000.00	81,000.00
4320	72,000					72,000	72,000.00	72,000.00
4325	126,000					126,000	126,000.00	126,000.00
4330	3,000	12 new installs				5,000	3,000.00	3,000.00
4335	11,500					11,500	11,500.00	11,500.00
4340	15,000	12 new installs				29,750	15,000.00	15,000.00
4345		95,760				209,244	95,760.00	95,760.00
4350	2,000					4,500	2,000.00	2,000.00
Interest Income and other Revenues								
4401	1,000		1,000	1,000	1,000	4,000	4,000.00	11,500.00
4402	18,000		30,000	7,000	4,000	59,000	66,580.00	66,580.00
4403	146,000					146,000	110,000.00	110,000.00
4450	100		100	4,800	1,500	6,500	6,200.00	6,200.00
Other Revenues								
4601	500					500	500.00	500.00
4605			5,500			5,500	5,500.00	100.00
4610	100					100	100.00	100.00
4611	4,048		750			4,798	4,797.93	-
4612	2,500					2,500	2,500.00	-
4640	8,200					8,200	8,200.00	-
Total Revenues	3,661,448	176,760	666,342	152,750	21,200	4,678,500	4,627,710.36	4,614,312.43

Golden Hills CSD
Revision #2 Budget
2025-2026

	Water	Non Water Ops	GF	MD1	MD2	FY 25-26 Budget Revision #2	FY 25-26 Budget Revision #1	FY 25-26 Budget
Expenses								
Salaries & Benefits								
5001 Salaries	750,300		120,700			845,000	845,000.00	845,000
5010 Overtime	8,500		3,500			12,000	12,000.00	12,000
5020 Special Duty Pay	146,000					146,000	146,000.00	146,000
5030 Elected Officials Salaries	12,267		1,833	This is 13%		14,100	18,600.00	18,600
5040 Cal - PERS Retirement	125,500		17,500			143,000	152,000.00	152,000
5050 Group Medical Insurance	239,000		41,000			280,000	286,000.00	286,000
5060 Unemployment Insurance	4,700		300			5,000	5,000.00	5,000
5065 Worker's Compensation	20,600		3,400			24,000	28,000.00	28,000
5070 Employer Payroll Tax Expense	66,000		11,000			77,000	77,000.00	77,000
General & Administrative								
6101 Office Expense	21,600		2,400			24,000	37,000.00	37,000
6105 Communications								
Brighthouse/Spectrum	4,536		504			5,040	5,040.00	5,040
T-Mobile	4,320		480			4,800	4,800.00	4,800
Grapevine	3,600					3,600	3,600.00	3,600
Waterly	6,098					6,098	4,750.00	4,750
Nixel	3,600		400			4,000	4,000.00	4,000
CalCad	15,000					11,000	15,000.00	15,000
Streamline	5,700					5,700	5,700.00	-
6110 Postage & Shipping	25,000							
Dataprose	16,000	23,400				23,400	23,400.00	23,400
Pitney Bowes	4,500	2,800				2,800	2,800.00	2,800
Misc Postage & Ship	2,000	2,000				2,000	2,000.00	2,000
6115 General Meeting Expense	3,150		350			3,500	3,500.00	3,500
6120 Board Meeting Expense	1,800		200			2,000	2,000.00	2,000
6125 Staff CE & Compliance Training	26,150					26,150	26,150.00	26,150
6126 Employee Tuition Reimbursement	500					500	500.00	500
6130 Board CE & Compliance Training	9,000					9,000	9,000.00	9,000
6135 Professional Dues/Memberships								
ACWA	14,455					14,455	15,300.00	15,300
Underground Service Alert	1,900					1,900	8,500.00	8,500
CSDA	9,391					9,391	9,000.00	9,000
Cal Chamber	1,000					1,000	1,000.00	1,000
CA Rural Water Assoc	1,500					1,500	1,600.00	1,600
CSMFO	250					250	250.00	250
AWWA	750					750	750.00	750
Greater Tehachapi EDC	600					600	600.00	600
6140 Consumer Confidence Report	4,000					4,000	4,000.00	4,000
6145 Legal Notices	1,000					1,000	1,000.00	1,000
6150 Vehicle Expense Reimbursement	500					500	500.00	500
6155 Community Programs			20,000			20,000	20,000.00	20,000
6160 Scholarship			2,500			2,500	2,500.00	2,500
6165 Software Maintenance Expenses	37,170					37,170	32,000.00	32,000
6166 Register Subscription Expenses	33,000					33,000	32,000.00	32,000
6170 Outside Billing Services	10,600					10,600	9,600.00	9,600
6175 Taxes & Licenses (Non-Auto)	2,500					2,500	2,500.00	2,500
6180 Election Expense	8,595					8,595	4,000.00	500
6185 Bank Charges	2,500			3,500	2,000	8,000	7,000.00	7,000
6186 Credit Card Fees	5,000					5,000	5,000.00	5,000
6190 Bad Debt Write-off	1,000					1,000	1,000.00	1,000

Golden Hills CSD
Revision #2 Budget
2025-2026

	Water	Non Water Ops	GF	MD1	MD2	FY 25-26 Budget Revision #2	FY 25-26 Budget Revision #1	FY 25-26 Budget
System Operations								
6201 Water System Maintenance	120,000					120,000	120,000.00	120,000
6202 SCADA System Maintenance	18,000					10,000	18,000.00	18,000
6210 Tools & Equipment	10,800		1,200			12,000	12,000.00	12,000
6215 Safety Equipment	2,500					2,500	2,500.00	2,500
6220 Chemicals	22,000					24,000	22,000.00	22,000
6225 Water Testing	23,500					23,500	13,500.00	13,500
6230 Equipment Rental	2,000					2,000	2,000.00	2,000
6235 Health Agency Fees	30,000					30,000	30,000.00	30,000
6240 SWP Meter Charge		100				100	100.00	100
6245 Water Extractions over APA						-	43,600.00	43,600
6246 TCCWD Spreading Loss Costs						-	150.00	150
6250 Water Rights Lease	112,500					112,500	56,250.00	56,250
Maintenance & Supplies								
6301 Janitorial Services	16,200		1,800			18,000	18,000.00	18,000
6305 Uniform Expense	11,700		1,300			13,000	13,000.00	13,000
6310 Equipment Repair & Maintenance	11,250		1,250	Isnt Equip half Nature Park		12,500	12,500.00	12,500
6315 Vehicle Repair & Maintenance	13,500		1,500			15,000	15,000.00	15,000
6320 Structure Repair & Maintenance	18,000		2,000			20,000	20,000.00	20,000
6325 Equipment & Vehicle Fuel & Oil	32,400		3,600			36,000	36,000.00	36,000
6330 Drainage Easement Maintenance			5,000			5,000	5,000.00	5,000
6335 Grounds & Trail Mai	-						-	-
Nature Park							-	-
Barriers (Bollards, Fencing)			1,000			1,000	1,000.00	
Trees			2,500			2,500	2,500.00	
Activities			-			-	4,950.00	36,750
Trail & Replacement Signs			1,700			1,700	1,700.00	
Trails Maintenance/Mowing			10,000			10,000	26,600.00	
Freedom Trail								
Trash & Dog Bags			1,400			1,400	1,400.00	
Herbicide			500			500	500.00	3,900
Maintenance			2,000			2,000	2,000.00	
6340 Refuse Service & Greenwaste			500			500	500.00	500
Utilities								
6401 Electricity	257,040		10,710			267,750	267,750.00	267,750
6410 Natural Gas	4,800		200			5,000	5,000.00	5,000
6411 Propane	3,600					3,600	3,600.00	3,600
Insurance								
6501 General Insurance	74,700		8,300			83,000	83,000.00	58,000
Outside Services								
6601 Legal Services	-							
Water	-	58,884	3,300			62,184	55,100.00	55,100
Stradling Delinquen	-					-	10,000.00	10,000
Stradling Delinquen	-				7,500	7,500	10,000.00	10,000
6605 Accounting & Audit Services	25,200		2,800			28,000	28,000.00	28,000
6610 Engineering Services	12,000					12,000	12,000.00	12,000
6615 Security Services	1,000					1,000	1,000.00	1,000
6625 Inspections	1,000					1,000	1,000.00	1,000
6630 Other Professional S	-						-	-
NBS	-			7,058	3,482	10,540	15,000.00	15,000
ADP	3,936		164			4,100	4,100.00	4,100
OIP	9,720		1,080			10,800	10,800.00	10,800
RGS	-	2,700	300			3,000	3,000.00	3,000
Actuarial Retirement Consultants	1,350		150			1,500	4,000.00	4,000
Announce Solutions	-	13,000				13,000	17,400.00	17,400
General Admin	-	1,250	1,000			2,250	8,000.00	8,000
6635 Kern County Administration Charges	1,000		4,200	250	150	5,600	5,600.00	5,600
Total Operating Expenses	2,557,361	100	295,521	10,808	13,132	2,876,922	2,902,040.00	2,867,840

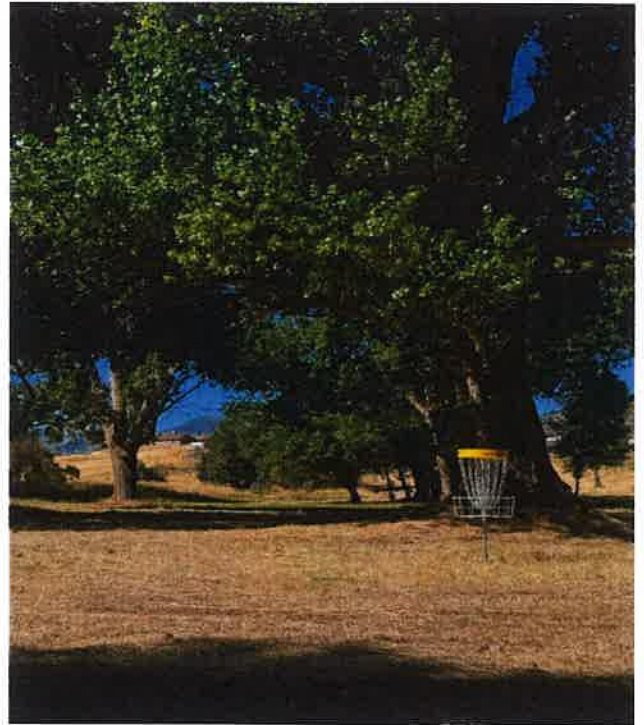
Golden Hills CSD
Revision #2 Budget
2025-2026

	Water	Non Water Ops	GF	MD1	MD2	FY 25-26 Budget Revision #2	FY 25-26 Budget Revision #1	FY 25-26 Budget
Debt Service								
Interest Expense								
9201	Interest Expense					47,569	47,568.75	47,569
9250	Bond Interest Expense			48,467		48,467	48,467.00	48,467
Principal Payments								
9301	Building Loan	91,000				91,000	91,000.00	91,000
9302	Maintenance District 1			70,000		70,000	70,000.00	70,000
9303	Maintenance District 2				205,000	205,000	205,000.00	205,000
Total Debt Service		138,569	-	118,467	205,000	462,036	462,035.75	462,036
Capital Outlay								
	Purchase Water TCCWD		2,500.00			2,500	2,500.00	2,500
	Tank Asset Rehabilitaton Program	327,035.76	2.92% Raise			327,036	327,035.76	327,036
	Well Rehabilitation Program	121,393.33				121,393	123,000.00	63,000
	Hydropneumatic Rehabilitation Progr	-				-	-	12,000
	Poor Well Treatment Replacement	86,000.00				86,000	86,000.00	-
	Vehicle Replace (Greg's Truck)	69,698.10				69,698	69,698.10	70,000
	Purchase Property		20,000			20,000	20,000.00	20,000
	Nature Park Master Plan		150,000			150,000	150,000.00	150,000
	PTO Truck Upgrade/Air Compressor	21,729.10				21,729	20,000.00	20,000
	Track Loader & Appurtenances	69,479.15	69,479			138,958	140,000.00	-
	Emergency Power Tie-In	27,387.11				27,387	28,000.00	-
8900	Unidentified	35,000.00	15,000			50,000	50,000.00	35,000
Total Capital Outlay		757,723	2,500	254,479	-	1,014,702	1,016,233.86	699,536
Expenses before Depreciation		3,453,652	2,600	550,001	129,275	218,132	4,353,660	4,029,412
Revenues over Expense before I		207,796	174,160	116,341	23,475	(196,932)	324,840	584,901
Capital Outlay Paid with Reserves								
	New Well (Wells Well)		75,000			75,000	75,000.00	375,000
	P-2 Well		179,000			179,000	179,000.00	
	Solar Project		835,000			835,000	835,000.00	1,330,448
Depreciation								
6955	Depreciation Expense	566,384		41,753		608,137	608,137.05	608,137
Total Expenses		4,020,036	1,091,600	591,753	129,275	218,132	6,050,797	6,342,996
Excess(Deficit) of Revenue over Expen		(358,588)	(914,840)	74,589	23,475	(196,932)	(1,372,297)	(1,728,684)

8. FISCAL YEAR 2026-27 PROPOSED BUDGET PRESENTATION:

Committee to review Fiscal Year 2026-27 Proposed Budget.

FY 2026-2027 PROPOSED BUDGET





21415 Reeves Street
P.O. Box 637
Tehachapi, CA 93581

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(661) 822 8284 Fax
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June 18, 2026

**Members, Board of Directors
Golden Hills Community Services District
21415 Reeves Street
Tehachapi, CA 93581**

FISCAL YEAR 2026-27 FINAL BUDGET

The attached documents constitute the Fiscal Year 2026-27 Final Budget, a balanced spending plan in furtherance of the Golden Hills Community Services District's (District) goals and objectives. Staff has worked closely with the Finance Committee during this budget development process.

FISCAL YEAR 2025-26 ACCOMPLISHMENTS:

- Continued revision of the District Handbook to ensure compliance with Board-adopted policies or State/federal changes.
- Receipt of another clean annual audit.
- Continued implementation of SB 1383, California's Short-Lived Climate Pollutant Reduction Law since April of 2024 inception.
- Continued collaboration with other Municipal and Industrial (M&I) water users in the Tehachapi Basin to ensure adequate State Water Project water ("surface water") is allocated to M&I users.
- Increased inter-agency collaboration on a multitude of events and issues.
- Hosted the annual Ghoulden Hills Halloween trick-or-treat, (largest attendance yet again held at Meadowbrook park), Community Partners Day, Splash Day, the Color Run and collaborated with TVRPD to host the inaugural Mud Run.
- Continued the process of liquidating Surplus Land located in Golden Hills.
- Completed and adopted the CEQA/Administration process outlined in the Nature Park Master Plan paving the way to initiate active and passive offerings within the park.
- Continued management of the delinquency rates associated with Maintenance Districts 1 and 2 (Tracts 3365 and 3366).
- Continued construction of the F Well Ground Mount Solar Project with a go live date of July 1st.

- Executed to successful completion, the 24-month collaboration with Provost & Pritchard to complete the P-2 well Project which has already decreased the District's demand on supplemental SWP water by extracting water from the Salvage Area.
- Continued Nature Park cleanup activities by removing dead/dying trees, shrubs and debris increasing park aesthetics while decreasing fire hazard risk.
- In addition to routine operational tasks, staff replaced 19 lateral service lines, responded to 505 water-related service requests, responded to 3,069 underground service alerts, and installed 22 new water meters.

Building and sustaining organizational momentum requires consistency, adaptability, and a continued commitment to long-term planning. Over the past several fiscal years, District staff, working collaboratively with the Board of Directors, has continued strengthening the District's operational foundation while simultaneously advancing strategic infrastructure, financial stability, and community enhancement initiatives.

Fiscal Year 2025-26 represented another significant step forward in the District's continued evolution from a reactive water district toward a proactive, project-driven community services district focused on long-term resiliency, operational efficiency, and public service enhancement. The successful completion and commissioning of the P-2 Well project marked a major milestone in the District's ongoing efforts to diversify and strengthen local groundwater resources while reducing dependency on supplemental State Water Project supplies. Likewise, continued progress on the F Well Ground Mount Solar Project reflects the District's commitment to reducing long-term operational costs and improving energy sustainability associated with water production infrastructure.

District staff continued prioritizing routine and preventative infrastructure maintenance activities necessary to preserve water system reliability and protect public investment in critical assets. Water system rehabilitation efforts, full service line replacements, hydropneumatics tank maintenance, leak response operations, water storage tank maintenance, and ongoing well performance management remain core operational priorities and continue to be performed on a scheduled and proactive basis.

Beyond core utility operations, the District continued expanding its role as a community partner and facilitator through increased inter-agency collaboration, enhanced public engagement efforts, and continued activation of District-owned parks and recreational facilities. Community events such as Ghouden Hills Halloween, Community Partners Day, Splash Day, the Color Run, and the inaugural Mud Run continue to strengthen community identity and reflect growing public participation within District-sponsored activities.

The District also continued making measurable progress within the Golden Hills Nature Park through ongoing cleanup, vegetation management, and implementation planning efforts associated with the adopted Nature Park Master Plan. The addition of and the substantial

success of the Nature Park Disc Golf Course is a strong indication of continued advancement in future park additions. These efforts are intended to improve accessibility, public enjoyment, fire safety, and long-term usability of District recreational assets while laying the groundwork for future passive and active recreational opportunities.

At the administrative level, staff continued emphasizing financial transparency, policy compliance, region wide agency collaboration, and organizational accountability. The District's continued receipt of clean audit opinions, ongoing refinement of internal policies and procedures, and implementation of enhanced financial management and investment practices reflect this continued commitment to responsible governance and operational stewardship.

At the same time, the District continues facing increasingly complex regulatory and administrative challenges associated with expanding State compliance mandates and reporting requirements. Programs such as SB 1383 solid waste compliance, evolving CalRecycle implementation standards, and broader State climate, sustainability, and conservation initiatives continue placing substantial demands on staff resources, operational oversight, recordkeeping procedures, and administrative coordination.

Over the past fiscal year, staff has devoted significant time toward implementation and documentation efforts associated with California's continually evolving environmental and climate-related regulatory framework, including organics diversion compliance, self-hauler education requirements, complaint investigation procedures, procurement documentation standards, and other State-directed compliance programs. While many of these mandates are administrative in nature, they nevertheless require the development of formalized procedures, ongoing reporting mechanisms, extensive documentation retention, inter-agency coordination, and continued monitoring to maintain compliance.

These increasing regulatory obligations continue to present disproportionate challenges for smaller special districts with limited staffing resources, requiring staff to balance expanding State administrative requirements alongside the District's daily operational responsibilities of maintaining critical infrastructure and providing essential public services.

Despite these challenges, staff remains committed to methodically addressing all applicable compliance requirements while continuing to prioritize operational reliability, financial stewardship, infrastructure maintenance, and quality customer service for the residents of Golden Hills.

Looking ahead to Fiscal Year 2026-27, the proposed budget continues prioritizing infrastructure resiliency, operational efficiency, asset preservation, financial stability, and incremental improvements to community facilities and recreational offerings. Staff remains focused on identifying practical opportunities to improve service delivery, strengthen District resources, and responsibly position the District for continued long-term success.

BUDGET OVERVIEW

REVENUE PROJECTIONS

Revenue projections have increased by approximately \$60,000 compared to the Fiscal Year 2025-26 Adopted Budget, mainly due to the increase in property taxes and water sales.

MAJOR CATEGORIES OF REVENUE

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Revenues			
Property Taxes and Assessments	539,050	560,050	559,150
Permits and Fees	118,000	124,000	123,000
Rent and Leases	143,500	142,092	145,327
Charges for Services	3,618,782	3,747,994	3,665,075
Interest Income and Other Revenues	194,980	237,098	180,000
Total Revenues	4,614,312	4,811,234	4,672,552

SUMMARY BY FUND

	General Fund	Water	Debt Service Fund	
			Maint. District 1	Maint. District 2
Revenues				
Property Taxes and Assessments	413,900	1,000	137,450	6,800
Permits and Fees	83,000	40,000	-	-
Rent and Leases	145,327	-	-	-
Charges for Services	-	3,665,075	-	-
Interest Income and Other Revenues	33,700	128,700	12,500	5,100
Total Revenues	675,927	3,834,775	149,950	11,900

EXPENSE PROJECTIONS

Expense projections have decreased because Debt Service has decreased \$207,638 compared to the Fiscal Year 2025-26 Adopted Budget. This decrease in costs, associated with the paid off MD-2 Road Bond, was budgeted in the 2025-26 fiscal year.

MAJOR CATEGORIES OF EXPENSE

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Expenses			
Salaries & Benefits	1,569,600	1,572,100	1,760,205
General & Administrative	298,140	297,298	310,010
System Operations	320,100	336,600	335,100
Maintenance & Supplies	160,650	139,100	161,700
Utilities	276,350	276,350	115,600
Insurance	58,000	83,000	90,000
Outside Services	185,000	162,474	172,450
Total Operating Expenses	2,867,840	2,866,922	2,945,065
Debt Service	462,036	462,036	254,398
Capital Outlay	699,536	1,014,702	1,215,888
Total Capital Expenditures	1,161,572	1,476,737	1,470,286
Expenses before Depreciation	4,029,412	4,343,660	4,415,351
Revenues Over Expense before Depreciation	584,901	467,574	257,201
Capital Outlay Paid with Reserves	1,705,448	1,089,000	1,058,750
Depreciation	608,137	608,137	639,432
Total Expenses	6,342,996	6,040,797	6,113,533
Excess (Deficit) of Revenue over Expenses	(1,728,684)	(1,229,563)	(1,440,981)

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SUMMARY BY FUND

	General Fund	Water	Debt Service Fund	
			Maint. District 1	Maint. District 2
Expenses				
Salaries & Benefits	195,045	1,565,160	-	-
General & Administrative	29,720	276,790	3,500	-
System Operations	1,200	333,900	-	-
Maintenance & Supplies	60,500	101,200	-	-
Utilities	11,300	104,300	-	-
Insurance	9,000	81,000	-	-
Outside Services	19,185	130,315	17,750	5,200
Total Operating Expenses	325,950	2,592,665	21,250	5,200
Debt Service	-	139,081	115,317	-
Capital Outlay	572,500	643,388	-	-
Total Capital Expenditures	572,500	782,469	115,317	-
Expenses before Depreciation	898,450	3,375,135	136,567	5,200
Revenues Over Expense before Depreciation	(222,523)	459,641	13,383	6,700
Capital Outlay Paid with Reserves	-	1,058,750	-	-
Depreciation	45,329	594,103	-	-
Total Expenses	943,779	5,027,987	136,567	5,200
Excess (Deficit) of Revenue over Expenses	(267,852)	(1,193,212)	13,383	6,700

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CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan continues the investment in the District’s future and infrastructure and allows for medium range planning of expenditures and phasing of projects. The plan is revised annually and included with the annual budget documents. The table and narrative below indicate the projects recommended for funding in Fiscal Year 2026-27:

Summary of Five-Year Capital Improvement Program for GHCS D						
Category	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	5 -Year Total
Water Fund Primary Capital Outlays						
Tank Rehabilitation Program	\$343,388	\$360,557	\$157,917	\$165,813	\$174,103	\$1,201,779
Well Rehabilitation Program (Steuber Well)	\$150,000	\$75,000	\$80,000	\$85,000	\$90,000	\$480,000
Solar Project	\$218,750					\$218,750
Scada Renovation			\$150,000			\$150,000
Wells Well (S3)	\$850,000					\$850,000
New Well			\$450,000	\$450,000		\$900,000
Total Primary Capital Outlays	\$1,562,138	\$435,557	\$837,917	\$700,813	\$264,103	\$3,800,529
Water Fund Secondary Capital Outlays						
Vehicle Replacement			\$75,000	\$75,000		\$150,000
Santa Lucia Fence		\$75,000				\$75,000
Sunnybrook Fence				\$25,000		\$25,000
Dump Truck	\$130,000					\$130,000
Unidentified	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total Secondary Capital Outlays	\$180,000	\$125,000	\$125,000	\$150,000	\$50,000	\$630,000
General Fund Capital Outlays						
Nature Park Master Plan	\$500,000	\$350,000	\$350,000	\$350,000	\$350,000	\$1,900,000
Purchase Property	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
Unidentified	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000
Total General Fund Capital Outlay	\$540,000	\$390,000	\$390,000	\$390,000	\$390,000	\$2,100,000
Total Capital Outlay	\$2,282,138	\$950,557	\$1,352,917	\$1,240,813	\$704,103	\$6,530,529
Sources of Funds						
Existing Capacity Fees	\$850,000	\$0	\$450,000	\$450,000	\$0	\$1,750,000
Grants						\$0
Loans						\$0
Operations/Reserves	\$1,432,138	\$950,557	\$902,917	\$790,813	\$704,103	\$4,780,529
Total Funding Sources	\$2,282,138	\$950,557	\$1,352,917	\$1,240,813	\$704,103	\$6,530,529

RESERVE POLICY

The Reserve Policy is also reviewed every year and included with these final budget documents. The Reserve Policy is attached for review.

OTHER BUDGET HIGHLIGHTS/CHALLENGES

CURRENT BANKED WATER SUPPLY

The GHCS D continuously focuses on the management of our Banked Water Reserve Account (BWRA) and maintains a thorough understanding of projected population growth over the coming years and decades. We are constantly looking to acquire water rights when they become available for purchase and leasing, which decreases our dependence on State Water Project (SWP) water.

YEAR-END TRANSFERS

100% of standby revenues are transferred to District Facilities funds, to potentially pay off the Building Loan in the future.

CONCLUSION

The District continues making steady progress toward strengthening infrastructure reliability, operational efficiency, financial transparency, and long-term organizational resiliency. Over the past fiscal year, staff successfully advanced several major initiatives, including commissioning the P-2 Well, continuing construction of the F Well Solar Project, expanding community programming efforts, and maintaining proactive infrastructure rehabilitation and maintenance activities throughout the District.

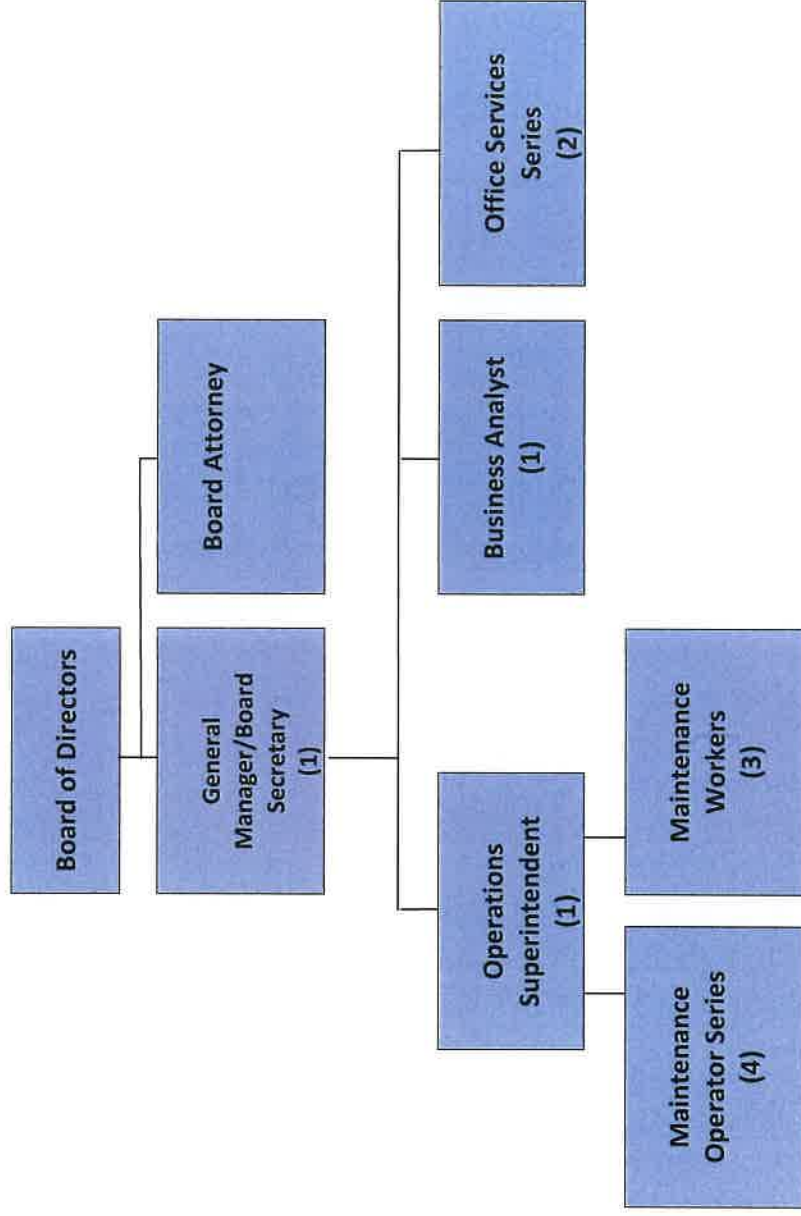
At the same time, the District continues navigating an increasingly complex regulatory environment requiring substantial administrative oversight, compliance coordination, and documentation management. Despite these challenges, staff remains committed to balancing daily operational responsibilities with long-term planning initiatives designed to preserve and enhance District services and assets.

The Fiscal Year 2026-27 Budget continues prioritizing responsible financial stewardship, infrastructure investment, operational sustainability, and incremental improvements to community facilities and recreational opportunities. As the District completes several major capital improvement efforts, planning has already begun for future infrastructure needs including water system rehabilitation, asset replacement, additional groundwater reliability projects, and continued implementation of the Nature Park Master Plan.

Respectfully submitted,

Christopher Carlson
General Manager

Attachments: FY 2026-27 Organizational Chart
FY 2026-27 Proposed Budget
GHCS D Reserve Policy



2026-2027 Proposed Budget to Board Summary

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Expenses			
Salaries & Benefits	1,569,600	1,572,100	1,760,205
General & Administrative	298,140	297,298	310,010
System Operations	320,100	336,600	335,100
Maintenance & Supplies	160,650	139,100	161,700
Utilities	276,350	276,350	115,600
Insurance	58,000	83,000	90,000
Outside Services	185,000	162,474	172,450
Total Operating Expenses	2,867,840	2,866,922	2,945,065
Debt Service	462,036	462,036	254,398
Capital Outlay	699,536	1,014,702	1,215,888
Total Capital Expenditures	1,161,572	1,476,737	1,470,286
Expenses before Depreciation	4,029,412	4,343,660	4,415,351
Revenues Over Expense before Depreciation	584,901	467,574	257,201
Capital Outlay Paid with Reserves	1,705,448	1,089,000	1,058,750
Depreciation	608,137	608,137	639,432
Total Expenses	6,342,996	6,040,797	6,113,533
Excess (Deficit) of Revenue over Expenses	(1,728,684)	(1,229,563)	(1,440,981)

2026-2027 Proposed Budget to Board Summary By Fund

	General Fund	Water	Debt Service Fund	
			Maint. District 1	Maint. District 2
Expenses				
Salaries & Benefits	195,045	1,565,160	-	-
General & Administrative	29,720	276,790	3,500	-
System Operations	1,200	333,900	-	-
Maintenance & Supplies	60,500	101,200	-	-
Utilities	11,300	104,300	-	-
Insurance	9,000	81,000	-	-
Outside Services	19,185	130,315	17,750	5,200
Total Operating Expenses	325,950	2,592,665	21,250	5,200
Debt Service	-	139,081	115,317	-
Capital Outlay	572,500	643,388	-	-
Total Capital Expenditures	572,500	782,469	115,317	-
Expenses before Depreciation	898,450	3,375,135	136,567	5,200
Revenues Over Expense before Depreciation	(222,523)	459,641	13,383	6,700
Capital Outlay Paid with Reserves	-	1,058,750	-	-
Depreciation	45,329	594,103	-	-
Total Expenses	943,779	5,027,987	136,567	5,200
Excess (Deficit) of Revenue over Expenses	(267,852)	(1,193,212)	13,383	6,700

**2026-2027 Proposed Budget to Board
Water Summary**

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Revenues			
Property Taxes	1,500	1,500	1,000
Revenues From Fees	41,000	41,000	40,000
Revenues From Rents or Leases	111,000	-	-
Water Sales/Revenues	3,618,782	3,747,994	3,665,075
Interest Income and Other Revenues	160,200	180,448	128,700
Total Revenues	3,932,482	3,970,942	3,834,775
Expenses			
Salaries & Benefits	1,484,904	1,372,867	1,565,160
General & Administrative	264,506	264,964	276,790
System Operations	318,900	335,400	333,900
Maintenance & Supplies	103,050	103,050	101,200
Utilities	265,440	265,440	104,300
Insurance	52,200	74,700	81,000
Outside Services	134,550	131,040	130,315
Total Operating Expenses	2,623,550	2,547,461	2,592,665
Debt Service	138,569	138,569	139,081
Capital Outlay	529,536	760,223	643,388
Total Capital Expenditures	668,105	898,791	782,469
Expenses before Depreciation	3,291,655	3,446,252	3,375,135
Revenue over Expenses before Depreciation	640,828	524,690	459,641
Capital Outlay Paid with Reserves	1,705,448	1,089,000	1,058,750
Depreciation	566,384	566,384	594,103
Total Expenses	5,563,487	5,101,636	5,027,987
Excess(Deficit) of Revenue over Expenses	(1,631,004)	(1,130,694)	(1,193,212)

**2026-2027 Proposed Budget to Board
Water Detail**

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Revenues			
Property Taxes			
Penalties/Cost Delinquent Tax	1,500	1,500	1,000
Total Property Taxes and Fees	1,500	1,500	1,000
Revenues From Fees			
Water Standby Fee	39,000	39,000	38,000
Prior Year Standby	2,000	2,000	2,000
Total Fees	41,000	41,000	40,000
Revenues From Rents and Leases			
GHCS D Facilities Rents	111,000	-	-
Total Rents and Leases	111,000	-	-
Water Sales/Revenues			
Residential Water Sales	2,346,119	2,310,000	2,370,060
Commercial Water Sales	619,403	655,000	641,938
Water Banking Reimbursement Fee	84,000	81,000	81,253
Water Sustainability Fee	163,000	163,000	157,991
Water Penalties	81,000	81,000	86,000
District Facilities Repymt (1.00)	72,000	72,000	72,936
Water Operations Reserve (3.50)	126,000	126,000	127,638
Water Meter Sizing	3,000	5,000	3,000
Water Sign Up	11,500	11,500	11,500
Water Connection Fees	15,000	29,750	15,000
Capacity Fees	95,760	209,244	95,760
Water Liens & Release Fees	2,000	4,500	2,000
Total Water Sales/Revenues	3,618,782	3,747,994	3,665,075
Interest Income and other Revenues			
Interest from County	7,500	1,000	1,000
Interest from CAMP	42,000	18,000	17,000
Interest from US Bank	110,000	146,000	110,000
Interest from Investments	100	100	100
Grant Revenue PSPS	-	-	-
CAL-OES Power Resiliency Grant	-	-	-
NSF Penalties	500	500	500
Misc Revenue - Over the Counter	100	100	100
Other Revenue	-	4,048	-
Misc Reimbursement	-	2,500	-
Sale of Assets	-	8,200	-
Total Interest Income and other Revenues	160,200	180,448	128,700
Total Revenues	3,932,482	3,970,942	3,834,775

**2026-2027 Proposed Budget to Board
Water Detail**

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Expenses			
Salaries & Benefits			
Salaries	794,300	750,300	840,400
Overtime	12,000	8,500	8,500
Special Duty Pay	146,000	146,000	152,000
Elected Officials Salaries	17,484	12,267	16,368
Cal - PERS Retirement	142,880	125,500	150,480
Group Medical Insurance	268,840	239,000	281,600
Unemployment Insurance	4,700	4,700	4,400
Worker's Compensation	26,320	20,600	36,080
Employer Payroll Tax Expense	72,380	66,000	75,332
Total Salaries & Benefits	1,484,904	1,372,867	1,565,160
General & Administrative			
Office Expense	33,300	21,600	27,000
Communications	35,806	38,854	38,060
Postage & Shipping	28,200	28,200	31,350
General Meeting Expense	3,150	3,150	3,520
Board Meeting Expense	1,800	1,800	1,760
Staff CE & Compliance Training	26,150	26,150	26,400
Employee Tuition Reimbursement	500	500	500
Board CE & Compliance Training	9,000	9,000	10,400
Professional Dues/Memberships	37,000	29,846	33,300
Consumer Confidence Report	4,000	4,000	4,000
Legal Notices	1,000	1,000	1,000
Vehicle Expense Reimbursement	500	500	500
Software Maintenance Expenses	32,000	37,170	39,000
Register Subscription Services	32,000	33,000	35,000
Outside Billing Services	9,600	10,600	10,500
Taxes & Licenses (Non-Auto)	2,500	2,500	2,500
Election Expense	500	8,595	4,000
Bank Charges	1,500	2,500	2,000
Credit Card Fees	5,000	5,000	5,000
Bad Debt Write-off	1,000	1,000	1,000
Total General & Administrative	264,506	264,964	276,790
System Operations			
Water System Maintenance	120,000	120,000	130,000
SCADA System Maintenance	18,000	10,000	18,000
Tools & Equipment	10,800	10,800	10,800
Safety Equipment	2,500	2,500	3,000
Chemicals	22,000	24,000	22,000
Water Testing	13,500	23,500	18,000
Equipment Rental	2,000	2,000	2,000
State Health Agency Fees	30,000	30,000	30,000
Raw Water Recharge	100	100	100
Non-Adjudicated Water Costs	43,600	-	43,600
TCCWD Spreading Loss Costs	150	-	150
Water Rights Lease	56,250	112,500	56,250
Total System Operations	318,900	335,400	333,900

**2026-2027 Proposed Budget to Board
Water Detail**

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Expenses (Cont'd)			
Maintenance & Supplies			
Janitorial Services	16,200	16,200	16,280
Uniform Expense	11,700	11,700	11,440
Equipment Repair & Maintenance	11,250	11,250	11,000
Vehicle Repair & Maintenance	13,500	13,500	13,200
Structure Repair & Maintenance	18,000	18,000	17,600
Equipment & Vehicle Fuel & Oil	32,400	32,400	31,680
Total Maintenance & Supplies	103,050	103,050	101,200
Utilities			
Electricity	257,040	257,040	96,300
Natural Gas	4,800	4,800	4,400
Propane	3,600	3,600	3,600
Total Utilities	265,440	265,440	104,300
Insurance			
General Insurance	52,200	74,700	81,000
Total Insurance	52,200	74,700	81,000
Outside Services			
Legal Services	51,794	58,884	47,937
Accounting & Audit Services	25,200	25,200	26,550
Engineering Services	12,000	12,000	13,500
Security Services	1,000	1,000	1,000
Inspections	1,000	1,000	1,000
Other Professional Services	42,556	31,956	38,828
County Administration Charges	1,000	1,000	1,500
Total Outside Services	134,550	131,040	130,315
Total Operating Expenses	2,623,550	2,547,461	2,592,665
Debt Service			
Interest Expense	47,569	47,569	44,081
Building Loan	91,000	91,000	95,000
Total Debt Service	138,569	138,569	139,081
Capital Outlay			
Capital Improvements			
Tank Asset Rehabilitation Program			343,388
Well Rehabilitation Program			150,000
Dump Truck			97,500
Unidentified			50,000
Capital Outlay FY 25-26	529,536	760,223	
Total Capital Improvements	529,536	760,223	640,888
Purchase Water TCCWD	-	-	2,500
Total Capital Outlay	529,536	760,223	643,388
Total Expenses before Depreciation	3,291,655	3,446,252	3,375,135
Revenue over Expenses before Depreciation	640,828	524,690	459,641
Depreciation & Capital Outlay Paid with Reserves			
New Well/Wells Well	375,000	75,000	850,000
Solar Panel Project	1,330,448	835,000	208,750
P2 Well	-	179,000	-
Depreciation Expense	566,384	566,384	594,103
Total Depreciation Expense & Capital Outlay Paid	2,271,832	1,655,384	1,652,853
Total Expenses	5,563,487	5,101,636	5,027,987
Excess(Deficit) of Revenue over Expenses	(1,631,004)	(1,130,694)	(1,193,212)

**2026-2027 Proposed Budget to Board
General Fund Summary**

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Revenues			
Property Taxes	393,900	403,900	413,900
Revenues From Fees	77,000	83,000	83,000
Revenues From Rents or Leases	32,500	142,092	145,327
Interest Income and Other Revenues	16,600	37,350	33,700
Total Revenues	520,000	666,342	675,927
Expenses			
Salaries & Benefits	84,696	199,233	195,045
General & Administrative	28,134	26,834	29,720
System Operations	1,200	1,200	1,200
Maintenance & Supplies	57,600	36,050	60,500
Utilities	10,910	10,910	11,300
Insurance	5,800	8,300	9,000
Outside Services	34,750	12,994	19,185
Total Operating Expenses	223,090	295,521	325,950
Capital Outlay	170,000	254,479	572,500
Total Capital Expenditures	170,000	254,479	572,500
Expenses before Depreciation	393,090	550,001	898,450
Revenue over Expenses before Depreciation	126,910	116,341	(222,523)
Depreciation	41,753	41,753	45,329
Total Expenses	434,843	591,753	943,779
Excess(Deficit) of Revenue over Expenses	85,157	74,589	(267,852)

**2026-2027 Proposed Budget to Board
General Fund Detail**

	25-26	25-26	26-27
	Adopted Budget	Estimated Actuals	Proposed Budget
Revenues			
Property Taxes			
Current Secured & Unsecured	385,000	395,000	405,000
Current Supplemental	6,800	6,800	6,800
Prior Secured		-	
Penalties/Cost Delinquent Tax	100	100	100
Homeowners Tax Relief	2,000	2,000	2,000
Total Property Taxes	393,900	403,900	413,900
Revenues From Fees			
On-site Waste Water Permits & Fees	2,000	3,000	3,000
Franchise Fees	75,000	80,000	80,000
Total Revenues From Fees	77,000	83,000	83,000
Revenues From Rents & Leases			
Cell Tower Leases	30,000	30,000	31,827
Land Lease	2,500	1,092	1,500
GHCS D Facilities Rents	-	111,000	112,000
Total Rent & Leases	32,500	142,092	145,327
Interest Income and Other Revenues			
Interest from County	2,000	1,000	1,000
Interest From CAMP	14,400	30,000	32,000
Interest from Investments	100	100	200
Donations	100	5,500	500
Other Revenue		750	
Sale of Assets	-	-	-
Total Interest Income and Other Revenues	16,600	37,350	33,700
Total Revenues	520,000	666,342	675,927

**2026-2027 Proposed Budget to Board
General Fund Detail**

	25-26	25-26	26-27
	Adopted Budget	Estimated Actuals	Proposed Budget
Expenses			
<u>Land Maintenance</u>			
Salaries & Benefits	84,696	199,233	195,045
General & Administrative	28,134	26,834	29,720
System Operations	1,200	1,200	1,200
Maintenance & Supplies	57,600	36,050	60,500
Utilities	10,910	10,910	11,300
Insurance	5,800	8,300	9,000
Outside Services	34,750	12,994	19,185
Capital Outlay	170,000	254,479	572,500
Total Land Maintenance	393,090	550,001	898,450
Total Expenses before Depreciation	393,090	550,001	898,450
Revenue over Expenses before Depreciation	126,910	116,341	(222,523)
Depreciation	41,753	41,753	45,329
Total Expenses	434,843	591,753	943,779
Excess(Deficit) of Revenue over Expenses	85,157	74,589	(267,852)

**2026-2027 Proposed Budget to Board
Maintenance District 1 Summary**

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Revenues			
Property Taxes	136,950	139,950	137,450
Interest Income and Other Revenues	9,880	12,800	12,500
Total Revenues	146,830	152,750	149,950
Expenses			
General & Administrative	3,500	3,500	3,500
Outside Services	7,900	7,308	17,750
Total Operating Expenses	11,400	10,808	21,250
Debt Service	118,467	118,467	115,317
Total Capital Expenditures	118,467	118,467	115,317
Total Expenses	129,867	129,275	136,567
Excess(Deficit) of Revenue over Expenses	16,963	23,475	13,383

**2026-2027 Proposed Budget to Board
Maintenance District 1 Detail**

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Revenues			
Property Taxes			
Current Supplemental	100	100	100
Penalties/Cost Delinquent Tax	750	750	750
Homeowners Tax Relief	100	100	100
MD #1 Road Bond Restricted Funds	120,000	120,000	120,000
Road Assessment - M/D #1	16,000	19,000	16,500
Total Property Taxes	136,950	139,950	137,450
Interest Income and Other Revenues			
Interest from County	1,000	1,000	1,000
Interest from CAMP	5,880	7,000	7,000
Interest from Investments	3,000	4,800	4,500
Total Interest Income and Other Revenues	9,880	12,800	12,500
Total Revenues	146,830	152,750	149,950
Expenses			
General & Administrative			
Bank Charges	3,500	3,500	3,500
Total General & Administrative	3,500	3,500	3,500
Outside Services			
Legal Services	-	-	10,000
Other Professional Services	7,650	7,058	7,500
Kern County Administration Charges	250	250	250
Total Outside Services	7,900	7,308	17,750
Debt Service			
Bond Interest Expense	48,467	48,467	45,317
Principal Payment	70,000	70,000	70,000
Total Debt Service	118,467	118,467	115,317
Total Expenses	129,867	129,275	136,567
Excess(Deficit) of Revenue over Expenses	16,963	23,475	13,383

**2026-2027 Proposed Budget to Board
Maintenance District 2 Summary**

	25-26	25-26	26-27
	Adopted Budget	Estimated Actuals	Proposed Budget
Revenues			
Property Taxes	6,700	14,700	6,800
Interest Income and Other Revenues	8,300	6,500	5,100
Total Revenues	15,000	21,200	11,900
Expenses			
General & Administrative	2,000	2,000	-
Outside Services	7,800	11,132	5,200
Total Operating Expenditures	9,800	13,132	5,200
Debt Service	205,000	205,000	-
Total Capital Expenditures	205,000	205,000	-
Total Expenses	214,800	218,132	5,200
Excess(Deficit) of Revenue over Expenses	(199,800)	(196,932)	6,700

**2026-2027 Proposed Budget to Board
Maintenance District 2 Detail**

	25-26 Adopted Budget	25-26 Estimated Actuals	26-27 Proposed Budget
Revenues			
Property Taxes			
Current Supplemental	100	100	100
Penalties/Cost Delinquent Tax	500	500	100
Homeowners Tax Relief	100	100	100
MD #2 Road Bond Restricted Funds	-	8,000	-
Road Assessment - M/D #2	6,000	6,000	6,500
Total Property Taxes	6,700	14,700	6,800
Interest Income and Other Revenues			
Interest from County	1,000	1,000	1,000
Interest from CAMP	4,300	4,000	4,000
Interest from Investments	3,000	1,500	100
Total Interest Income and Other Revenues	8,300	6,500	5,100
Total Revenues	15,000	21,200	11,900
Expenses			
General & Administrative			
Bank Charges	2,000	2,000	-
Total Bank Charges	2,000	2,000	-
Outside Services			
Legal Services	-	7,500	5,000
Other Professional Services	7,650	3,482	-
Kern County Administration Charges	150	150	200
Total Outside Services	7,800	11,132	5,200
Debt Service			
Bond Interest Expense	-	-	-
Principal Payment	205,000	205,000	-
Total Debt Service	205,000	205,000	-
Total Expenses	214,800	218,132	5,200
Excess(Deficit) of Revenue over Expenses	(199,800)	(196,932)	6,700

9. CAPITAL IMPROVEMENT PLAN REVIEW:

Committee to review the current Capital Improvement Plan and propose changes for Board review.

Golden Hills Community Services District

Capital Improvement Plan

INTRODUCTION

A Capital Improvement Plan (Plan) has been prepared by staff based on the planned major capital expenses over the next five (5) fiscal years. The Plan allows for medium range planning of expenditures and phasing of projects, representing a major investment in the District's future and infrastructure, while maintaining significant funding for operations and service levels to meet District goals. The Plan is a multi-year look at capital expenditures to replace and expand the District's infrastructure, vehicles, and equipment.

The Plan identifies various sources of revenue for the projects, such as existing capacity fees and capital/operations reserves (revenue sources from grants and loans have not been identified at this time but may be in the future). Each project included in the Plan has been prioritized and evaluated for impact on the District's operating budget. Estimates are based on approximate costs obtained from past similar projects, assuming typical construction conditions as well as informal bid requests. The estimates also include typical engineering and surveying fees. Estimates will be refined as projects are further developed.

The CIP is revised and considered during annual budget development. For Fiscal Year 2026-27 budget development, the following CIP list is included for the Board's consideration and approval.

WATER FUND PRIMARY CAPITAL OUTLAYS

F WELL GROUND MOUNT SOLAR PROJECT – \$218,750

The F well ground mount solar project was identified as a viable project during the fall of 2024 and endeavors to construct a ground mount solar system capable of offsetting 115% of the District's annual energy costs. The project is currently 85% complete and is located on the southernmost portion of the District office parking lot and is being constructed in accordance with the provisions specified in the Local Government Renewable Energy Self-Generation Bill Credit Transfer offered by Southern California Edison (SCE).

Work began in December of 2024 with two phases, application acceptance by SCE and engineering design completion by Coldwell Solar, completed during fiscal year 2024-2025. The remaining portion of the \$1,468,632 project will conclude near the end of fiscal year 2025-2026 and the start of 2026-2027. This project is projected to save the District \$5,366,446 in electricity costs over the next 25 years.

TANK REHABILITATION PROGRAM – \$343,388

This item continues the maintenance plan approved in Fiscal Year 2021-2022, for rehabilitation and maintenance performed by Utility Services Company (USG), based on a District-approved

schedule. This program provides certainty to the annual budgeting process and ensures the integrity of the assets in the long term. All major tank rehabilitations have been completed and annual maintenance activities are scheduled for the next decade.

The \$343,388 expenditure is the cost associated with the Fiscal Year 2026-27 rehabilitation and maintenance schedule and includes an anticipated 5% CPI increase as defined in the contract documents.

WELLS WELL (W-2) – \$850,000

With the P-2 well project complete and knowing that current production is around 50 gpm, the District is still in need of more potable water production wells located in Pressure Zone 1. The Wells Well (W-2), in honor of Susan Wells, the previous General Manager, will set out to replace a number of older wells, most drilled before 1970, that have exceeded their service life and are no longer functional. The Golden Star property has been identified as having the highest potential for volume and water quality inside Pressure Zone 1.

WELL REHABILITATION PROGRAM – \$150,000

The Well Rehabilitation Program provides for the rehabilitation of the District wells to improve and maintain their operating performance prolonging the life of each asset. Each well in the District will go through the rehab process every seven-ten years to maintain its effectiveness. In the first 10 years nearly all well buildings will be replaced or refurbished for more efficient operation. Steuber well is the next well scheduled for rehab for fiscal year 26-27. Steuber well has been online since 2017 and is the newest well in the District's catalog.

WATER FUND SECONDARY CAPITAL OUTLAYS

DUMP TRUCK - \$130,000

The current dump truck is beginning to show signs of long-term wear and tear with recent visits to local mechanics. Considering the unknown and often contradictory shifts in emissions policies, staff is proactively looking to purchase a new dump truck that meets current emission requirements prior to full electrification mandates.

Unidentified – \$50,000

This expenditure is designated for unanticipated needs.

GENERAL FUND CAPITAL OUTLAYS

GROWTH OF THE GOLDEN HILLS NATURE PARK MASTER PLAN - \$500,000

Continuing the path set forth in the GHCSO Nature Park Master Plan, this item allows the District the opportunity to plan, design, and install activities such as basketball hoops, obstacle course fixtures, trees, benches, pergolas, turf grass irrigation and continued trail cleanup and improvement.

PROPERTY PURCHASE - \$25,000

This expenditure is related to the management of delinquent properties in Maintenance Districts 1 and 2 and may be delayed or negated due to payment or collection activities by other government agencies.

UNIDENTIFIED - \$15,000

This expenditure is designated for unanticipated needs.

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Summary of Five-Year Capital Improvement Program for GHCS D						
Category	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	5 -Year Total
Water Fund Primary Capital Outlays						
Tank Rehabilitation Program	\$343,388	\$360,557	\$157,917	\$165,813	\$174,103	\$1,201,779
Well Rehabilitation Program (Steuber Well)	\$150,000	\$75,000	\$80,000	\$85,000	\$90,000	\$480,000
Solar Project	\$218,750					\$218,750
Scada Renovation			\$150,000			\$150,000
Wells Well (S3)	\$850,000					\$850,000
New Well			\$450,000	\$450,000		\$900,000
Total Primary Capital Outlays	\$1,562,138	\$435,557	\$837,917	\$700,813	\$264,103	\$3,800,529
Water Fund Secondary Capital Outlays						
Vehicle Replacement			\$75,000	\$75,000		\$150,000
Santa Lucia Fence		\$75,000				\$75,000
Sunnybrook Fence				\$25,000		\$25,000
Dump Truck	\$130,000					\$130,000
Unidentified	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total Secondary Capital Outlays	\$180,000	\$125,000	\$125,000	\$150,000	\$50,000	\$630,000
General Fund Capital Outlays						
Nature Park Master Plan	\$500,000	\$350,000	\$350,000	\$350,000	\$350,000	\$1,900,000
Purchase Property	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
Unidentified	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000
Total General Fund Capital Outlay	\$540,000	\$390,000	\$390,000	\$390,000	\$390,000	\$2,100,000
Total Capital Outlay Sources of Funds	\$2,282,138	\$950,557	\$1,352,917	\$1,240,813	\$704,103	\$6,530,529
Existing Capacity Fees	\$850,000	\$0	\$450,000	\$450,000	\$0	\$1,750,000
Grants						\$0
Loans						\$0
Operations/Reserves	\$1,432,138	\$950,557	\$902,917	\$790,813	\$704,103	\$4,780,529
Total Funding Sources	\$2,282,138	\$950,557	\$1,352,917	\$1,240,813	\$704,103	\$6,530,529

10. RESERVE POLICY REVIEW:

Committee to review the current Reserve Policy and propose changes for Board review.

Golden Hills Community Services District

Reserve Policy

INTRODUCTION

The purpose of the Golden Hills Community Services District (District) Reserve Policy is to ensure that the District will have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserves will be managed in a manner that allows the District to fund costs consistent with its annually updated Capital Improvement Program and other long-term plans, while avoiding significant rate fluctuations due to changes in cash flow requirements. Reserve funds shall not be spent for any function other than the specific purpose of the Reserve account from which they are drawn without specific direction in the annual budget or by a separate Board of Directors action.

This policy establishes the level of reserves necessary for maintaining the District's credit worthiness and adequately providing resources for:

- Economic uncertainties and other financial needs
- Balanced budgets
- Affordable water rates
- Emergency preparation
- Cash flow requirements
- Planning for the future:
 - Future debt or capital obligations
 - Unfunded mandates, including regulatory requirements
 - Funding infrastructure replacement or infrastructure maintenance

The Reserve Policy covers all reserve funds of the District. Reserve balances will be reported to the District's Board of Directors as part of each fiscal year-end financial review.

RESERVE FUND TYPES

- Restricted Reserves – restrictions imposed by an outside source, such as bond covenants, contractual obligation, etc.
- Assigned Reserves – specific purpose as determined by the Board of Directors through resolution or other board decision.
- Unassigned Reserves – use by the District for the purposes of the General Fund.

Restricted Reserves

- Bond Reserve Fund – governed by legal bond covenants for the District's bond: ~~Golden Knolls 2006 Bond Service~~ and the tract 3366 2016 Bond Service. Bond covenants require that the reserve fund be maintained at the least of the Maximum Annual Debt Service on the Outstanding Bonds, 10% of the original principal amount of the bonds, or 125% of average annual debt service on the bond.

The Bond Reserve Fund is solely for the purpose of making transfers to the Redemption Fund in the event of any deficiency in the Redemption Fund of the amount then required for payment of the principal and interest. These funds are held by the bond trustee during the term of the bonds and are to be used in the event the District is unable to meet its semi-annual debt service obligation.

Assigned Reserves

- Water O&M Reserve – used to supplement operating revenues when revenues budgeted in the current fiscal year are not available. This reserve shall be maintained at a level not to exceed fifteen percent (15%) of the annual budgeted Water O&M Expenses which equates to approximately two months of Operating Expenses. Excess revenues in this reserve shall be transferred to the Water Capital Reserve unless prior Board authorization is given to utilize for other purposes.
- Water Capital Reserve – used to fund capital projects as planned in the Capital Improvement Program and the current fiscal year budget. A key objective for accumulating capital reserves is to minimize external borrowing and interest expense. The Water Capital Reserve balance will accumulate from excess Water O&M Reserve revenue and when other revenue avenues become available. This reserve shall be maintained at a level not to exceed fifteen percent (15%) of the original book value of fixed assets, with a minimum level of \$1.5 million.
- Water Banking Reserve – this reserve is funded by a \$0.18 “Water Banking Fee” applied to every unit of water usage, for the specific purpose of banking water in compliance with the Municipal and Industrial (M&I) agreement with Tehachapi-Cummings County Water District (TCCWD), to bank a certain amount of water in a Banked Water Reserve Account (facilitated and maintained by TCCWD), equal to at a minimum, five times the annual average of water user’s State Water Project water demand over the previous five calendar years. This fee may also be used to recover charges from TCCWD or other wholesalers or individuals, for water purchases or leases. This reserve shall be maintained at an amount not to exceed \$600,000.
- Water Sustainability Reserve – Also referred to as the “Recharge Fee.” This reserve is specifically funded by a \$1.057 fee applied to every unit of water used beginning with the 16th unit, to purchase State Water Project water through the TCCWD to supplement demand over the District’s allowable pumping allocation. This reserve may also be used to purchase water rights or supplement Capital Reserve, with Board approval. This reserve shall be maintained at a level of \$600,000. Excess revenues in this reserve shall be transferred to the Capital Reserve unless prior Board authorization is given to utilize for other purposes.
- Water Emergency Reserve – used for emergency events, such as natural disasters or catastrophic loss of critical infrastructure, for which the District would need to access funds to address the emergency immediately and the potential decline in revenues. This reserve shall be maintained at a fixed level of 2 million dollars.

Ultimately, the District should strive to reach an emergency reserve of 100% of anticipated and budgeted revenues in any given year. This level would allow the District to temporarily operate in the event of a natural disaster such as an earthquake, fire, or some other catastrophic event resulting in extensive repairs,

while revenue may not be forthcoming from rate payers and assistance could be delayed from other government sources.

Unassigned (General Fund) Reserves

- Contingency Reserve – used to supplement operating revenues as needed for occasional increases in expenses such as negotiated salary increases, increases in employee benefit costs, recreational activities, contributions to community events, or other discretionary expenses not otherwise budgeted for during the budget process. This reserve shall be maintained at a level not to exceed \$500,000.

FUNDING SOURCES

The funding of all reserves comes from one-time revenues, excess reserve balances and revenues allocated to reserves. The transferring of excess reserves from one reserve to another will be flexible based on the current circumstances and needs of the District.

Nonrecurring (One-time) and Unpredictable Revenues

One-time revenues, except when immaterial, should be allocated to the source of the revenue or refunded expenditure, or if not directly allocable, to the Unassigned Contingency Reserve. Nonrecurring revenues shall not be used to initiate new programs which result in ongoing expenditures without specific notification to and approval by the Board of Directors.

POLICY

The following Policy shall dictate transfers, expenditures, and monitoring of Reserve revenues.

Reserve Fund Transfers

Non-emergency Reserve transfer requests, other than Board approved by resolution or during the budget adoption process, must be submitted to the Board of Directors for approval prior to any expenditure.

Emergency Reserve Expenditures

As referenced in the District's Purchasing Policy, purchase of items costing more than \$10,000.00 must be purchased pursuant to a "purchase order" in accordance with the Public Contract Code, and must be approved by the Board of Directors, unless previously approved through the annual budget, Capital Improvement Plan, or an unbudgeted purchase necessary to address an emergency situation. The General Manager shall report to the Board of Directors all actions taken to address an emergency situation at the earliest possible opportunity, but no later than the next regularly scheduled Board of Directors meeting.

In addition to reporting actions taken during an emergency, the report will include impacted reserve levels and avenues to replenish reserves if necessary.

Procedures for Monitoring Reserve Levels

The reserve levels are reported monthly to the Finance Committee as part of the financial report. In addition, reserve levels shall be reported during the:

- Board of Directors deliberation of annual budget development;
- Board of Directors deliberation of any rate increase (annual or bi-annual); or
- When a major change in conditions threatens reserve levels established within this policy.

	Balance of Reserves as of 04/30/2021	Balance of Reserves as of 04/30/2022	Balance of Reserves as of 04/30/2023	Balance of Reserves as of 04/30/2024	Balance of Reserves as of 04/30/2025	Balance of Reserves as of 04/30/2026	Kern County Account Number
Water O&M Reserve 15% of budgeted Water O&M Expenses FY 25-26 Level: \$521,396.55	513,351.83	521,396.55	521,396.55	521,396.55	521,396.55	521,396.55	50291
Water Capital Reserve 15% of book value of Fixed Assets FY 25-26 Level: 2,580,764.55	-	141,713.60	290,023.58	440,696.74	583,801.67	272,242.12	50291
Water Banking Reserve \$600,000	65,999.44	107,522.71	135,196.35	227,826.79	96,838.91	60,025.47	50273
Water Sustainability Reserve \$600,000	(1) 20,617.90	124,724.32	212,853.47	216,212.14 (2)	94,125.93 3)	138,993.81	50291
Water Emergency Reserve \$2,000,000	-	-	-	-	-	-	50291
Unassigned/Contingency Reserve \$500,000	87.88	55,539.02	56,128.94	57,895.79	59,255.20	59,398.83	50281
		(1) Purchased 52 Base acre-feet of water rights					
		2) Purchased 38 Base acre-feet of water rights					
		3) Purchased Water rights from Bozevich					
Totals							
50273	65,999.44	107,522.71	135,196.35	227,826.79	96,838.91	60,025.47	
50281	87.88	55,539.02	56,128.94	57,895.79	59,255.20	59,398.83	
50291	533,969.73	787,834.47	1,024,273.60	1,178,305.43	1,199,324.15	932,632.48	

11. NEW BUSINESS:

Committee to hear ideas (no discussions) for future agenda items.

12. ESTABLISHMENT OF NEXT STANDING COMMITTEE MEETING DATE:

Committee to establish next committee meeting date(s).

Proposed date(s): _____

13. ADJOURN STANDING COMMITTEE MEETING:

Motion _____, seconded _____