SHASTA COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' MEETING
6:00 pm Tuesday, August 18th, 2026
11570 School Street, Redding, CA 96001

AGENDA

1. **Call to Order**

2. **Pledge of Allegiance**

3. **Approve Agenda** pgs 1-2

4. **Public Comment Period**

This time is set aside for members of the public to address the District on matters not on the agenda, as well as matters on the Consent Calendar. If your comments concern an item noted on the regular agenda, please address the Board after that item is open to public comments. By law, the Board of Directors cannot make decisions on matters not included on the agenda. The Board will customarily refer these matters to the General Managers' Office. Each speaker is allocated three (3) minutes to speak. Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the District.

5. **Consent Calendar**

The Board considers matters listed under the Consent Calendar routine and will enact them by one motion in the form listed below. There will be no separate discussion of the items unless good cause is shown before the Board votes on the motion to adopt.

Financial Reports for July 1st through July 31st, 2026

5-1 SCSD Financial Report pg 3
5-2 SCSD Monthly Bank Transactions pgs 4-5
5-3 SCSD Budget vs Actual pgs 6-8

5-4 July 21st, 2026, meeting minutes pgs 9-13

RECOMMENDATION: Approval and adoption of all items on the Consent Calendar.

6. **Correspondence**:

6-1 Letter from SDRMA: No Paid Workers' Compensation Claims in 2025-26 and President's Special Acknowledgement Award-Property/Liability Program. pgs 14-16

6-2 Call for Nominations for Special District Members to Serve on Shasta LAFCO. pgs 17-20

7. **General Business:**

7-1 General Manager report pg 21

8. **New Business**:

9. **Old Business:**

9-1 Consideration of Adoption of Comprehensive Investment Policy and Resolution No. 2026-2 Delegating Investment Authority Pursuant to California Government Code Sections 53600 et seq. pgs 22-35 — **Discussion/Possible Action**

9-2 Consideration of Investment of Surplus Funds in Certificates of Deposit pgs 36-37 — **Discussion/Possible Action**

10. **Oral Communications:**

These Comment sessions are for information and reporting purposes only. Board action cannot be taken. If it becomes apparent that action is necessary or desired, the matter(s) will be scheduled on a subsequent board agenda.

10-1 Board Members:
10-2 Staff Members:

11. **Adjourn:**

In compliance with the Americans with Disabilities Act, the Shasta Community Services District will make available to any member of the public who has a disability, a needed modification or accommodation, including an auxiliary aid or service, for that person to participate in the public meeting. A person needing assistance should contact the district office by mail at PO Box 2520, Shasta, CA 96087, 48 hours before the meeting. Accommodations may include, but are not limited to, interpreters, assistive listening devices, accessible seating, or documentation in an alternate format. If requested, this document and other agenda materials can be made available in an alternative format for persons with a disability who are covered by the Americans with Disabilities Act

Shasta Community Services District
Financial Report for July 2026

	Tri Counties Bank 935 General	970 Money Mult.	Umpqua 839 State Reimb.
Beginning Cash	**$ 33,497.74**	**$ 1,967,400.94**	**$ 60,520.58**
Voided Checks - Prior Period			
Reconciling Adjustments		(444.81)	
Revenue			
Customer Payments	46,641.79	59,596.26	
Bad Debt Recovery			
Hydrant Water Sales			
Property Tax Disbursements	854.76		
Capacity Expansion Fee			
Grants			
Scrap Metal			
Asset Disposal			
Vendor Refunds			
Interest		3,341.04	0.52
Total Revenue	**$ 47,496.55**	**$ 62,937.30**	**$ 0.52**
Transfers			
Transfers In	80,000.00		
Transfers Out		80,000.00	
Total Transfers	**$ 80,000.00**	**$ 80,000.00**	**$ -**
Disbursements			
Bills Paid	(70,182.18)		
Payroll	(32,269.74)		
Revolving Fund Loan Payment			
USDA Loan Payment			
Customer NSF Returns			
Bank Fees	(132.97)		
Total Disbursements	**$ (102,584.89)**	**$ -**	**$ -**
Ending Cash	**$ 58,409.40**	**$ 1,949,893.43**	**$ 60,521.10**

Shasta Water Department
BANK TRANSACTIONS
7/1/26 - 7/31/26

Type	Date	Num	Name	Memo	Debit	Credit	Balance
13110 · TriC General Fund 935							33,497.74
General Journal	07/01/2026	1433		member # 507292, membership dues 7/1/2026 - 6/30/2027	539.00		34,036.74
General Journal	07/01/2026	1444		July 2026 copier lease	182.66		34,219.40
General Journal	07/01/2026	1445		July 2026 office alarm & fire alarm monitoring	178.00		34,397.40
Bill Pmt -Check	07/01/2026	EFT	California State Disbursement Unit	Employee Garnishment		349.00	34,048.40
Bill Pmt -Check	07/01/2026	EFT	Humana	July 2026 employee dental & vision		707.56	33,340.84
Bill Pmt -Check	07/01/2026	EFT	California Public Employee's Retirement	June 2026		4,653.18	28,687.66
Bill Pmt -Check	07/01/2026	17598	Western Growers Assurance Trust	July 2026 employee health insurance & annual dues inv # 26062...		5,689.88	22,997.78
Bill Pmt -Check	07/01/2026	EFT	US Bureau of Reclamation	June 2026 adjustment		4,157.82	18,839.96
Deposit	07/01/2026			Batch # 623 CC	1,168.08		20,008.04
Deposit	07/01/2026			Batch # 624 CC	371.66		20,379.70
Bill Pmt -Check	07/01/2026	17600	Carrel's Office Machines	June 2026 copier fees		34.65	20,345.05
Bill Pmt -Check	07/01/2026	17601	Pace Analytical Services LLC	drinking water monitoring Coliforn, E. Coli, HAA5, TTHM		835.40	19,509.65
Bill Pmt -Check	07/02/2026	EFT	TASC (Optilife)	Employee Supplemental Insurance July 2026		533.00	18,976.65
Bill Pmt -Check	07/02/2026	17599	Ed Staub & Sons	fuel June 2026 2nd half		808.49	18,168.16
Deposit	07/02/2026			Batch # 628 CC	838.13		19,006.29
Paycheck	07/03/2026	17595	Hunt, Joshua E	payroll 6/16/2026 - 6/30/2026		3,433.61	15,572.68
Paycheck	07/03/2026	17596	Simmons, Ryan S	payroll 6/16/2026 - 6/30/2026		2,194.08	13,378.60
Paycheck	07/03/2026	17597	Staup, Shawna P	payroll 6/16/2026 - 6/30/2026		2,404.92	10,973.68
Paycheck	07/03/2026	17598	Steele, Justin B.	payroll 6/16/2026 - 6/30/2026		2,891.18	8,082.50
Liability Check	07/03/2026		QuickBooks Payroll Service	Created by Payroll Service & payroll taxes on 07/01/2026		4,929.37	3,153.13
Deposit	07/05/2026			Batch # 629 CC	1,538.19		4,691.32
Bill Pmt -Check	07/06/2026	17602	Jeff Heign	pre-audit services/accountant		328.30	4,363.02
Bill Pmt -Check	07/06/2026	17603	Shasta LAFCO	2026-2027 annual net operating expenses owed		2,739.36	1,623.66
Deposit	07/06/2026			Batch # 632 CC	460.15		2,083.81
Deposit	07/06/2026			Batch # 635 CC	485.83		2,569.64
Transfer	07/07/2026			Funds Transfer	50,000.00		52,569.64
Deposit	07/07/2026			Batch # 627 CC	872.50		53,442.14
Deposit	07/07/2026			Batch # 633 CC	642.49		54,084.63
Deposit	07/08/2026			Batch # 636 CC	107.62		54,192.25
Deposit	07/08/2026			Batch # 637 CC	3,085.28		57,277.53
Bill Pmt -Check	07/09/2026	17604	Amazing Amy's Cleaning	July 2026 office cleaning		275.00	57,002.53
Bill Pmt -Check	07/09/2026	17605	SCP	chem chlor		150.55	56,851.98
Bill Pmt -Check	07/09/2026	EFT	AT&T	June 2026 office internet		117.70	56,734.28
Bill Pmt -Check	07/09/2026	EFT	PG&E	June 2026 office electric		640.30	56,093.98
Bill Pmt -Check	07/09/2026	EFT	PG&E	June 2026 pumps electrical		1,875.28	54,218.70
Bill Pmt -Check	07/09/2026	EFT	verizon	June 2026 cell phones & wtp data		221.59	53,997.11
Bill Pmt -Check	07/09/2026	17606	Anderson-Cottonwood Irrigation District	2026 CVP water transfer		24,686.00	29,311.11
Deposit	07/09/2026			Batch # 634 CC	945.57		30,256.68
Deposit	07/09/2026			Batch # 641 CC	67.93		30,324.61
Bill Pmt -Check	07/10/2026	17607	Downey Brand	WIIN Act		1,785.29	28,539.32
Deposit	07/10/2026			Batch # 643 CC	118.38		28,657.70
Deposit	07/11/2026			Batch # 644 CC	145.92		28,803.62
Deposit	07/12/2026			Batch # 640 CC	450.18		29,253.80
Check	07/12/2026			Service Charge		132.97	29,120.83
Bill Pmt -Check	07/13/2026	17608	Department of the Treasury	EIN 94-1568980 Form 720 Quarter 2		15.36	29,105.47
Deposit	07/13/2026			Batch # 646 CC	691.56		29,797.03
Deposit	07/13/2026			Batch # 647 CC	108.77		29,905.80
Bill Pmt -Check	07/14/2026	17609	PACE Civil Engineering, Inc.	new level emitter, programming updates, scada support renewal ...		5,284.25	24,621.55
Bill Pmt -Check	07/14/2026	17610	Waste Management	July 2026 office trash		76.87	24,544.68
Bill Pmt -Check	07/14/2026	17611	Agile Occupational Medicine, PC	pre employement physical & drug screen		215.00	24,329.68
Deposit	07/14/2026			Batch # 645 CC	413.33		24,743.01
Deposit	07/14/2026			Batch # 650 CC	227.11		24,970.12
Deposit	07/15/2026			Batch # 651 CC	609.83		25,579.95
Deposit	07/15/2026			Batch # 652 CC	441.34		26,021.29
Bill Pmt -Check	07/16/2026	EFT	California State Disbursement Unit	Employee Garnishment		349.00	25,672.29

Shasta Water Department
BANK TRANSACTIONS
7/1/26 - 7/31/26

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Transfer	07/16/2026			Funds Transfer	30,000.00		55,672.29
Check	07/16/2026	17616	CUSTOMER REFUNDS	partial deposit refund for closed acct # 831		125.20	55,547.09
Deposit	07/16/2026			Batch # 655 CC	722.33		56,269.42
Deposit	07/17/2026			Batch # 653 ACH	20,092.40		76,361.82
Deposit	07/19/2026			Batch # 656 CC	166.90		76,528.72
Deposit	07/19/2026			Batch # 658 CC	5,459.96		81,988.68
Paycheck	07/20/2026	17612	Hunt, Joshua E	pay period 7/1/2026 - 7/15/2026		3,545.29	78,443.39
Paycheck	07/20/2026	17613	Simmons, Ryan S	pay period 7/1/2026 - 7/15/2026		2,458.38	75,985.01
Paycheck	07/20/2026	17614	Staup, Shawna P	pay period 7/1/2026 - 7/15/2026		2,583.69	73,401.32
Paycheck	07/20/2026	17615	Steele, Justin B.	pay period 7/1/2026 - 7/15/2026		2,725.73	70,675.59
Liability Check	07/20/2026		QuickBooks Payroll Service	Created by Payroll Service & payroll taxes on 07/16/2026		5,103.49	65,572.10
Bill Pmt -Check	07/20/2026	17617	CASSIDY'S AUTO LUBE	truck u15 oil change		123.97	65,448.13
Bill Pmt -Check	07/20/2026	17618	Pace Analytical Services LLC	drinking water monitoring Coliform & E. Coli		196.40	65,251.73
Bill Pmt -Check	07/20/2026	17619	N&T Digmore, Inc.	emergency waterline repiar rock crk/granite dr		4,500.00	60,751.73
Deposit	07/20/2026			Batch # 659 CC	299.27		61,051.00
Bill Pmt -Check	07/20/2026	17623	Moore & Bogener	draft letter to district regarding WIIN Act litigation		50.00	61,001.00
Bill Pmt -Check	07/21/2026	17620	Big Time Pest Control	July 2026 office pest control		85.00	60,916.00
Bill Pmt -Check	07/21/2026	17621	Ed Staub & Sons	fuel July 2026 1st half		913.87	60,002.13
Bill Pmt -Check	07/21/2026	17622	Underground Service Alert	2026 membership/2025 billable tickets		1,365.70	58,636.43
Deposit	07/21/2026			AU063026A property taxes	854.76		59,491.19
Bill Pmt -Check	07/21/2026	17624	CLA-VAL	water treatment plant hytrol valve		600.00	58,891.19
Bill Pmt -Check	07/21/2026	EFT	AT&T Mobility	July 2026 office phone		72.83	58,818.36
Bill Pmt -Check	07/21/2026	17625	Hue & Cry, Inc.	August 2026 office alarm & fire alarm monitoring		178.00	58,640.36
Bill Pmt -Check	07/21/2026	17626	Wells Fargo Bank, N.A.	August 2026 copier lease		182.66	58,457.70
Bill Pmt -Check	07/21/2026	17627	Usalco Modesto Plant LLC	polymer drum x2		1,722.80	56,734.90
Deposit	07/21/2026			Batch # 661 CC	666.79		57,401.69
Deposit	07/21/2026			Batch # 662 CC	1,136.08		58,537.77
Bill Pmt -Check	07/22/2026	EFT	Quadient Finance USA, Inc	June 2026 postage		1,000.00	57,537.77
Deposit	07/23/2026			Batch # 664 CC	424.26		57,962.03
Bill Pmt -Check	07/24/2026	17642	CLA-VAL	upper & lower brunswick 3/8" hytrol valve parts & labor		3,436.58	54,525.45
Deposit	07/26/2026			Batch # 669 CC	476.43		55,001.88
Deposit	07/26/2026			Batch # 670 CC	98.47		55,100.35
Deposit	07/27/2026			Batch # 672 CC	67.62		55,167.97
Deposit	07/27/2026			Batch # 674 CC	1,350.78		56,518.75
Deposit	07/28/2026			Batch # 673 CC	1,266.91		57,785.66
Deposit	07/29/2026			Batch # 666 CC	186.06		57,971.72
Deposit	07/29/2026			Batch # 671 CC	437.68		58,409.40
Total 13110 · TriC General Fund 935					128,396.21	103,484.55	58,409.40
TOTAL					**128,396.21**	**103,484.55**	**58,409.40**

Shasta Community Services District
Profit & Loss Budget vs. Actual
July 2026

	Jul 26	Budget	$ Over Budget
Ordinary Income/Expense			
Income			
41000 · Water Sales			
41100 · Water Sales - Res. & Comm.	101,809.72	1,100,000.00	-998,190.28
41150 · Hydrant Water Sales	0.00	500.00	-500.00
41200 · Water Sales/Pumping	834.08	9,800.00	-8,965.92
41800 · Late Fees	0.00	17,000.00	-17,000.00
Total 41000 · Water Sales	102,643.80	1,127,300.00	-1,024,656.20
42000 · Special Service Fees	116.25	1,400.00	-1,283.75
42160 · Property Tax Revenue - SCSD	854.76	27,500.00	-26,645.24
44000 · Interest Revenue			
44100 · TriC Interest	3,341.04	45,410.00	-42,068.96
44500 · Umpqua Interest	0.52	7.00	-6.48
Total 44000 · Interest Revenue	3,341.56	45,417.00	-42,075.44
Total Income	106,956.37	1,201,617.00	-1,094,660.63
Gross Profit	106,956.37	1,201,617.00	-1,094,660.63
Expense			
50500 · Bad Debt Expense	0.00	6,000.00	-6,000.00
51000 · Water Service Expenses			
51010 · Bureau of Reclamation	4,734.47	38,000.00	-33,265.53
51014 · ACID Water	24,686.00		
51018 · Water Testing Expense	196.40	6,000.00	-5,803.60
Total 51000 · Water Service Expenses	29,616.87	44,000.00	-14,383.13
51020 · Pumping Expense			
51021 · Middle Brunswick - PGE 573 #1	287.17	1,700.00	-1,412.83
51022 · Benson - PGE 937 #6	147.97	1,100.00	-952.03
51023 · Bandana Tr. - PGE 337 #7	206.76	1,800.00	-1,593.24
51024 · Highland Cir - PGE 355 #3	21.64	150.00	-128.36
51025 · Highland Circle - PGE 013 #5	183.28	2,100.00	-1,916.72
51026 · Record Heights - PGE 206 #4	521.65	4,000.00	-3,478.35
51027 · Lower Brunswick - PGE 936 #2	490.12	5,800.00	-5,309.88
51028 · Keswick WTP - 956 #9	25.46	210.00	-184.54
Total 51020 · Pumping Expense	1,884.05	16,860.00	-14,975.95
51030 · Water Treatment Expense			
51031 · W.T. Chemicals	1,873.35	32,000.00	-30,126.65
51032 · W.T. Filter Plant PGE 254 #8	568.54	5,500.00	-4,931.46
51033 · W.T. Plant Repair/Maint.	0.00	8,500.00	-8,500.00
51034 · Backwash Sludge Disposal	0.00	5,000.00	-5,000.00
51035 · W.T. Security/Telephone	151.64	800.00	-648.36
Total 51030 · Water Treatment Expense	2,593.53	51,800.00	-49,206.47
51039 · Transmission/Distribution			
51040 · Transmission/Distribution-Gen	9,259.00	50,000.00	-40,741.00

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Shasta Community Services District
Profit & Loss Budget vs. Actual
July 2026

	Jul 26	Budget	$ Over Budget
51083 · Meters - New & Replacements	62.02	7,000.00	-6,937.98
51084 · Pump & Tank Level Telemetry	35.72	6,000.00	-5,964.28
Total 51039 · Transmission/Distribution	9,356.74	63,000.00	-53,643.26
51090 · Vehicle Maintenance			
51094 · Backhoe/Trailer/Generator	0.00	10,000.00	-10,000.00
51099 · U12 Ford F350 2016	0.00	800.00	-800.00
51100 · U13 Ford F-150 2018	0.00	500.00	-500.00
51101 · U14 Ford F-150 2021	0.00	500.00	-500.00
51102 · U15 Toyota Tacoma 2025	0.00	500.00	-500.00
Total 51090 · Vehicle Maintenance	0.00	12,300.00	-12,300.00
51093 · Gas & Oil Expense			
51091 · Gas & Oil - Generator	253.90	1,000.00	-746.10
51092 · Gas & Oil Ford 150 Truck #13	542.10	3,000.00	-2,457.90
51093.1 · Gas & Oil 2021 F-150 Truck #14	662.02	6,000.00	-5,337.98
51093.2 · Gas & Oil - Backhoe	172.02	750.00	-577.98
51093.4 · Gas & Oil 2025 Toyota Truck #15	742.20	6,000.00	-5,257.80
51093.9 · Gas & Oil 2016 Ford 350 #12	119.12	1,000.00	-880.88
Total 51093 · Gas & Oil Expense	2,491.36	17,750.00	-15,258.64
52000 · Training			
52001 · Training Course Fees	0.00	1,700.00	-1,700.00
52002 · Travel	0.00	500.00	-500.00
52003 · Lodging	0.00	1,500.00	-1,500.00
52004 · Meals	0.00	500.00	-500.00
Total 52000 · Training	0.00	4,200.00	-4,200.00
55010 · Payroll Expenses			
55011 · Manager Salary			
55011.0 · Manager/Salary	8,881.40	108,154.00	-99,272.60
Total 55011 · Manager Salary	8,881.40	108,154.00	-99,272.60
55012 · Maintenance/Hourly			
55012.2 · Maintenance/Hourly	5,054.33	60,973.00	-55,918.67
55012.3 · Maintenance Hourly/Vacation	0.00		
55012.4 · Maintenance/Hourly/Sick	500.00		
55012.5 · Maintenance/Hourly/Holiday	245.12		
55012.6 · Maintenance/OT	304.18	9,000.00	-8,695.82
55012.7 · Maintenance 2 / Lead Operator	6,824.25	89,190.00	-82,365.75
Total 55012 · Maintenance/Hourly	12,927.88	159,163.00	-146,235.12
55013 · Office/Hourly			
55013.4 · Office Hourly	6,228.78	76,060.00	-69,831.22
55013.5 · Office/Hourly/Holiday	324.96		
55013.6 · Office Hourly Overtime	107.86	1,500.00	-1,392.14
Total 55013 · Office/Hourly	6,661.60	77,560.00	-70,898.40
55014 · On Call Time	1,966.78	24,000.00	-22,033.22

Shasta Community Services District
Profit & Loss Budget vs. Actual
July 2026

	Jul 26	Budget	$ Over Budget
55010 · Payroll Expenses - Other	201.60	2,000.00	-1,798.40
Total 55010 · Payroll Expenses	30,639.26	370,877.00	-340,237.74
55029 · Employee Benefits			
55030 · Employee Health/Life Insurance	6,930.44	1,000,000.00	-993,069.56
55040 · Workers Compensation Insurance	8,519.07	9,000.00	-480.93
55055 · CALPERS	5,015.86	60,000.00	-54,984.14
Total 55029 · Employee Benefits	20,465.37	1,069,000.00	-1,048,534.63
55060 · Payroll Tax Expense			
55062 · Employer Medicare Expense	441.35	6,000.00	-5,558.65
55063 · Employer Social Security Exp	1,887.13	25,500.00	-23,612.87
55070 · State Unemployment Insurance	0.00	1,750.00	-1,750.00
Total 55060 · Payroll Tax Expense	2,328.48	33,250.00	-30,921.52
55130 · Office Expense			
55110 · Answering Service Expense	186.00	2,200.00	-2,014.00
55121 · Office/Cellular Telephone	0.00	1,400.00	-1,400.00
55125 · Office/Security Expense	178.00	2,136.00	-1,958.00
55131 · Office/PGE 761	784.79	9,500.00	-8,715.21
55132 · Office/Telephone	190.53	2,300.00	-2,109.47
55133 · Office/Supplies	301.75	8,000.00	-7,698.25
55134 · Office/Postage	33.86	9,000.00	-8,966.14
55135 · Office/Equipment Expense	259.72	2,500.00	-2,240.28
55138 · Office/Propane	0.00	1,000.00	-1,000.00
55139 · Office/Building Maintenance	436.87	5,000.00	-4,563.13
55141 · Office/Safety	0.00	500.00	-500.00
Total 55130 · Office Expense	2,371.52	43,536.00	-41,164.48
55140 · Advertising Expense	0.00	300.00	-300.00
55145 · Banking Fees	152.97	1,500.00	-1,347.03
55150 · Insurance - Liability & E&O	47,695.99	51,000.00	-3,304.01
55160 · Professional Services			
55162 · Legal Services	0.00	4,000.00	-4,000.00
55163 · Engineering Services	0.00	20,000.00	-20,000.00
55164 · Auditing Services	0.00	12,000.00	-12,000.00
55165 · Professional Services Misc.	0.00	7,000.00	-7,000.00
Total 55160 · Professional Services	0.00	43,000.00	-43,000.00
55170 · Directors Compensation	400.00	6,000.00	-5,600.00
55180 · Dues/Permit Fees	5,234.43	45,000.00	-39,765.57
55182 · maintenance contracts/support	0.00	1,500.00	-1,500.00
60000 · Interest	0.00	11,000.00	-11,000.00
Total Expense	155,230.57	1,891,873.00	-1,736,642.43
Net Ordinary Income	-48,274.20	-690,256.00	641,981.80
Net Income	**-48,274.20**	**-690,256.00**	**641,981.80**

8

SHASTA COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS' MEETING
6:00 pm Tuesday, July 21st, 2026
11570 School Street, Redding, CA 96001
DRAFT MINUTES

Board Members Present: President Valerie Coon, Vice President Dave Cross, Director Jo Ann Vayo, and Director Randy Smith.

Board Members Absent: Director Chris Hunter.

Staff Members Present: General Manager Josh Hunt, Secretary to the Board Shawna Staup, and Water Operator Ryan Simmons.

1. Call to Order: President Valerie Coon called the meeting to order at **6:00 PM.**

2. Pledge of Allegiance: Was led by President Valerie Coon.

3. Approve Agenda: Director Jo Ann Vayo motioned to approve the July 21, 2026, agenda. Director Randy Smith seconded the motion. The motion passed unanimously.

4. Public Comment Period

This time is set aside for members of the public to address the District on matters not on the agenda, as well as matters on the Consent Calendar. If your comments concern an item noted on the regular agenda, please address the Board after that item is open to public comments. By law, the Board of Directors cannot make decisions on matters not included on the agenda. The Board will customarily refer these matters to the General Managers' Office. Each speaker is allocated three (3) minutes to speak. Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the District.

None.

5. Consent Calendar

The Board considers matters listed under the Consent Calendar routine and will enact them by one motion in the form listed below. There will be no separate discussion of the items unless good cause is shown before the Board votes on the motion to adopt.

Financial Reports for June 1st through June 30th, 2026

5-1 SCSD Financial Report
5-2 SCSD Monthly Bank Transactions
5-3 SCSD Budget vs Actual

5-4 June 16th, 2026, meeting minutes

RECOMMENDATION: Approval and adoption of all items on the Consent Calendar. Director Jo Ann Vayo motioned to approve and adopt the consent calendar. Director Rand Sith seconded. The motion passed unanimously.

6. **Correspondence**:

6-1 Shasta LAFCO's notice of FY 2026/27 final budget

Shawna Staup, the Secretary to the Board, clarified that this correspondence is intended to inform the board about LAFCO's final budget, following the previous month's communication regarding their proposed budget.

7. **General Business:**

7-1 General Manager report

- Water Usage: The District used 68 acre-feet compared to 60 acre-feet last June.
- Bacteriological samples tested negative (Weiland, Tanstaafl, Laurie Ann.
- No GPS tracking issues.
- Sean and Samuel from PACE repaired the WTP Auto Dialer callout system, which notifies operators of alarms from the plant and pump station.
- Jen Collins from PACE is initiating our seismic assessment of the chlorine room at the plant to meet County requirements for the new Risk Management Plan (RMP) posting. The assessment is expected to be completed by the end of the week and will incur a cost of approximately $8,400. This assessment will be reviewed every ten years, provided there have been changes to the building.
- The Cross Connection site survey conducted by Byron indicates that 27 letters need to be sent to individuals and 18 letters to commercial entities to inform them of the new state requirements regarding backflow devices at the service connection.
- Addressing pressure issues in the Lower and Middle Brunswick pump stations in collaboration with Albert from Cla-Val. During the upgrades to the District pump stations, certain companies manufactured the valves with brass internals, resulting in numerous premature failures. Consequently, we are now required to replace those brass components with titanium or steel alternatives.
- District Leaks:
  - 15262 Rock Creek-Blown up copper service line.
  - Main leak at Rock Creek and Granite inside the creek- due to a cracked blowoff line coming off 12" main. Contacted Michael Colins at NPDFES, Lynn Coster & Kate Blanchard at Department of Wildlife, Mike Burgess, Shasta County Environmental Health, Army Corps of Engineers, CalOES. The issue has been resolved, and we have reinforced the creek bank, installed erosion control blankets, and restored the work site to its original condition as closely as possible. Additionally, we may be eligible for reimbursement from the Department of Wildlife for the erosion-control materials purchased.

Initials__________ **Initials**__________

8. **New Business**:

8-1 2026 Biennial Notice for Conflict-of-Interest Codes

Shawna Staup, Secretary to the Board, clarified that this conflict of interest was established in 2013, and the County mandates that the District conducts a review every two years to ensure no changes are necessary. President Valerie Coon stated that it appears the District already contains all the necessary elements to address the County's conflict of interest requirements.

President Valerie Coon motioned that the 2026 biennial review of the District's conflict of interest does not require any amendments. Director Jo Ann Vayo seconded the motion. Motion passed unanimously.

8-2 Adoption of Comprehensive Investment Policy and Resolution No. 2026-2 Delegating Investment Authority Pursuant to California Government Code Sections 53600 et seq.

Shawna Staup, the Secretary to the Board, explained that after conducting research with the bank regarding the investment of surplus funds into certificates of deposit (CDs), it was determined that the District would need a comprehensive investment policy that complies with the California Government Code. This policy must be reviewed and adopted annually. She further noted that this policy was compiled shortly before the board packets were assembled and is quite extensive. If the board wishes to review it in greater detail, it can be presented at next month's meeting.

Vice President Dave Cross indicated that the board had been discussing the possibility of generating additional revenue from the funds currently held but was unaware of the necessity for a policy, which is apparently required. Shawna Staup reported that she had spoken with the bank, which offered an 11-month certificate of deposit (CD) at an interest rate of 3.65%. She noted that the current interest rate on our account had decreased from 2.95% to 2.05% due to Federal Reserve cuts. President Dave Cross emphasized that if our funds do not yield at least the rate of inflation, we are effectively losing purchasing power, and he suggested that the district consider three, six, nine, and twelve-month CDs. President Valerie Coon explained that there is a tiered structure for the investment amounts, where a lower dollar amount corresponds to a shorter term and lower interest rate, and she highlighted the importance of considering the underlying investment strategy for these funds. Director Randy Smith expressed that he would like the district to explore a money market account, noting its safety and the availability of funds the following day. President Valerie Coon remarked that there are various types of money market accounts and advised against opening a brokerage account for such purposes.

Initials_________ **Initials**_________

Vice President Dave Cross indicated that we might identify a certificate of deposit (CD) with more favorable interest rates if we increase our investment. He emphasized the importance of ensuring that it is FDIC insured, noting that this insurance typically applies to accounts. President Valerie Coon clarified that the $250,000 FDIC insurance limit is not assigned per account but is determined by the way the accounts are titled. Secretary to the Board Shawna Staup inquired about the delegation of authority, as the current policy designates the Treasurer or Director of Finance. President Valerie Coon responded that the General Manager and the Board of Directors should be involved, as these matters should be treated as district business. She noted that the board convenes monthly, allowing for timely discussions regarding upcoming CDs.

After further discussions, the board reached the consensus to table the agenda item until next month. This decision allows for further research on interest rates for three, six, and twelve-month CDs, as well as an assessment of potential preferred rates based on our funds and our relationship with the bank. Director Randy Smith will provide additional information regarding money market options, and Secretary to the Board Shawna Staup will revise the policy concerning the delegation of authority.

Item is tabled to next meeting.

9. Old Business: None.

10. Oral Communications:

These Comment sessions are for information and reporting purposes only. Board action cannot be taken. If it becomes apparent that action is necessary or desired, the matter(s) will be scheduled on a subsequent board agenda.

10-1 Board Members: Director Jo Ann Vayo expressed her thoughts on the fire department, suggesting that the district consider hosting a fundraiser for the department in the future, as they currently lack a venue for such an event. General Manager Josh Hunt acknowledged the existing animosity towards the water department and expressed his desire to engage with the community by organizing a gathering to introduce the new team. Secretary to the Board Shawna Staup noted that both the water and fire departments have undergone management changes, and both departments are committed to collaborating and supporting one another. The board of directors agreed that this initiative would be beneficial and suggested scheduling it once the weather becomes cooler.

10-2 Staff Members: Shawna Staup, the Secretary to the Board, indicated that she will be on vacation next week.

11. Adjourn: 6:56 PM.

Initials_________ **Initials**_________

In compliance with the Americans with Disabilities Act, the Shasta Community Services District will make available to any member of the public who has a disability, a needed modification or accommodation, including an auxiliary aid or service, for that person to participate in the public meeting. A person needing assistance should contact the district office by mail at PO Box 2520, Shasta, CA 96087, 48 hours before the meeting. Accommodations may include, but are not limited to, interpreters, assistive listening devices, accessible seating, or documentation in an alternate format. If requested, this document and other agenda materials can be made available in an alternative format for persons with a disability who are covered by the Americans with Disabilities Act

Board President

Secretary to the Board

SDRMA
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

July 21, 2026

General Manager
Shasta Community Services District
Post Office Box 2520,
Shasta, California 96087-2520

Re: No Paid Workers' Compensation Claims in 2025-26

Dear Chris,

On behalf of SDRMA Board of Directors and staff, I am excited to extend our congratulations to you and your organization for no paid workers' compensation claims during the 2025-26 program year! A paid claim for the purposes of this recognition represents the first payment on an open claim during the prior program year.

In recognition of this accomplishment, I am pleased to inform you that Shasta Community Services District has earned one credit incentive point (CIP) and received a lower experience modification factor (EMOD). This well-deserved recognition not only highlights your excellence in risk management but also rewards your efforts by reducing your annual contribution amount. It is our way of acknowledging the hard work and dedication that went into maintaining a safe and secure environment.

Your commitment to safety and continuous improvement helps inspire and encourage fellow SDRMA members, and we are proud to partner with Shasta Community Services District as part of our SDRMA community.

Once again, congratulations on this achievement. Please do not hesitate to reach out if there is anything we can do to support your continued success.

Sincerely,

Robert J. Swan

Robert J. Swan, President
Board of Directors
Special District Risk Management Authority

California Association of Joint Powers Authorities
With Excellence
ACCREDITED
2005 - 2026

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

July 21, 2026

General Manager
Shasta Community Services District
Post Office Box 2520,
Shasta, California 96087-2520

Re: President's Special Acknowledgement Award – Property/Liability Program

Dear Chris,

On behalf of SDRMA Board of Directors and staff, it is my great pleasure to extend our congratulations to you, your governing body at Shasta Community Services District management, and staff on achieving no paid claims for the Property/Liability Program years 2021-2026. A paid claim for the purposes of this recognition represents the first payment on an open claim during the prior program year and excludes property claims.

As a symbol of our appreciation and acknowledgment of your exceptional performance, we are pleased to present Shasta Community Services District with the *President's Special Acknowledgement Award*, representing your outstanding achievement. In addition to this annual recognition, members with no paid claims receive the following, all resulting in a reduction to their annual contribution amount:

- earned one credit incentive point (CIP) for the 2025-26 program year
- for the prior five consecutive program years earned three additional bonus CIPs

This accomplishment is a testament to your agency's commitment to risk management excellence and a culture of safety and proactive governance. By consistently prioritizing risk management and fostering an environment where safety is essential, your agency has set a standard of excellence that is truly commendable.

Your commitment to safety and continuous improvement helps inspire and encourage fellow SDRMA members, and we are proud to partner with Shasta Community Services District as part of our SDRMA community.

Once again, congratulations on this achievement. Please do not hesitate to reach out if there is anything we can do to support your continued success.

Sincerely,

Robert J. Swan

Robert J. Swan, President
Board of Directors
Special District Risk Management Authority

SDRMA
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

President's Special Acknowledgement Award

The President of the Special District Risk Management Authority

Hereby gives special recognition to

Shasta Community Services District

The President's Special Acknowledgement Award is to recognize members with no "paid" claims during the prior five consecutive program years in the Property/Liability Program. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during that same period and excludes property claims. Congratulations on your excellent claims record!

Robert J. Swan
Robert J. Swan, SDRMA Board President

7/14/2026
Date

Date: July 30, 2026

From: Krystle Brogna, Executive Officer

To: Presiding Officers of Independent Special Districts
c/o District Clerks and General Managers

Subject: **Call for Nominations for Special District Members to Serve on Shasta LAFCO**

The term of office for one (1) Regular Special District Member is scheduled to expire on December 31, 2026. Commissioner terms for Special District Members are four (4) years and generally expire at the end of the calendar year. At this time there are no term limits.

Pursuant to Government code Section 56332, the Independent Special District Selection Committee serves as the appointing authority for the LAFCO special district representatives. The upcoming term of office for the seats subject to election will run from January 1, 2027, to December 31, 2030.

CURRENT SPECIAL DISTRICT MEMBERS

Designation	Current Member	Term of Office (ends on December 31st)
Regular Member	Fred Ryness Burney Water District	2024 - 2027
Regular Member	Ronnean Lund Anderson Cottonwood Irrigation District	2023 - 2026
Alternate Member	Rosemary Smith Shasta Fire Protection District	2024 - 2027

SELECTION PROCESS

Government Code Section 56332 establishes the process for selecting special district representatives to serve on LAFCO. The statute provides for a meeting of the Independent Special District Selection Committee, comprised of representatives from each independent special district in Shasta County, unless the Executive Officer determines that such a meeting is not feasible.

Based on the provisions of Government Code Section 56332, it has been determined that convening a meeting of the Independent Special District Selection Committee is not feasible due to the likelihood that a quorum would not be achieved. Accordingly, both the nomination process and the election will be conducted by mail ballot pursuant to Government Code Section 56332(f).

You are therefore invited to submit nominations for the Regular Member special district seats. The presiding officer (Board Chair/President) of each independent special district may nominate any director currently serving on the governing board of an independent special district within Shasta County. Formal board action to nominate a candidate is not required under Government Code Section

Krystle Brogna, AICP
Executive Officer
krystle@shastalafco.org

PO Box 8693, South Lake Tahoe, CA 96158
www.shastalafco.org

James Underwood
General Counsel
jim@jmulawoffice.com

56332(f); however, districts may choose to confirm nominations through action of their governing board.

ABOUT SHASTA LAFCO

The Commission is composed of seven regular members and four alternates representing the county, cities, independent special districts, and the public. Regular Commission meetings are generally held on the first Thursday of even-numbered months at 9:00 a.m. The meeting location rotates between the three cities and the County seat in Redding. Additional information about Shasta LAFCO is available at: www.shastalafco.org. If you have questions, please contract LAFCO staff at (530) 242-1112 or krystle@shastalafco.org.

NOMINATION GUIDELINES AND REQUIREMENTS

If your district wishes to nominate a board member for the Regular Member seat, the following procedures apply:

1. Each district may nominate one person for the Regular Member seat. Additional nomination forms may be found on the Shasta LAFCO website under "Commission Vacancies". Nominees must be members of a district governing board, not district staff.
2. All nominations must include a completed Nomination Form (enclosed) and be signed by the district's presiding officer or the presiding officer's alternate as designated by the governing body. If an alternate has been designated by the governing body pursuant to Government Code Section 56332(f), documentation of the designation (e.g., meeting minutes or minute order) may be included.
3. A Candidate Information Form (enclosed) or Letter of Interest may be submitted with the nomination. This is voluntary and will be kept on file at the LAFCO office and made available upon request. It will not be distributed with the ballots.
4. All nomination materials must be submitted to: Shasta LAFCO, P.O. Box 8693, South Lake Tahoe, CA 96158, or emailed (preferred) to the Commission Clerk at: amber@shastalafco.org.

   The deadline for submitting nominations is 5:00 p.m., Friday, September 4, 2026. Nominations received after this deadline will not be considered.
5. Upon receipt of nominations, LAFCO will prepare and distribute ballots to each district. Ballots will include voting instructions, the return deadline, and information regarding the announcement of election results. A quorum of ballots must be received; we encourage all districts to participate in the election process.

ELECTION SCHEDULE

LAFCO call for nominations letter emailed/mailed	Thursday, July 30, 2026
Nominations due to LAFCO	**By 5:00 p.m., Friday, September 4, 2026**
Ballots mailed from LAFCo via certified mail	No later than Friday, September 11, 2026
Election Day - Ballots due to LAFCo	By 5:00 p.m., Friday, November 13, 2026
Election results mailed from LAFCo	No later than Friday, November 20, 2026

Independent Special District Selection Committee
Nomination Form 2026

Please use this form to nominate one person for the Regular Member seat. Additional nomination forms may be found on the LAFCO website under "Commission Vacancies". Nominees must be members of a district governing board, not district staff.

NOMINEE INFORMTION

Name of Nominee: ______________________________

Position of Nominee (e.g., Director, Board President): ______________________________

Nominee's District: ______________________________

Seat Designation:

☐ Regular Voting Member: Term January 2027 - December 2030

NOMINATING DISTRICT AUTHORIZATION

Name of Nominating District: ______________________________

District Address: ______________________________

District Phone Number: ______________________________

Printed Name of Presiding Officer: ______________________________

Signature of Presiding Officer: ______________________________

(Signature Required)[1]

ATTACHMENTS *(Optional)*

☐ Meeting Minutes

☐ Candidate Information Form or Letter of Interest

SUBMISSION: Nominations must be received no later than Friday, September 4, 2026, at 5:00 P.M.

Please send completed nomination form(s) and any supplemental nomination materials to Shasta LAFCO, P.O. Box 8693, South Lake Tahoe, CA 96158, or email to the Commission Clerk amber@shastalafco.org (preferred).

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[1] *All nominations must be signed by the district's presiding officer or the presiding officer's alternate as designated by the governing body. If an alternate has been designated by the governing body pursuant to Government Code Section 56332(f), documentation of the designation (e.g., meeting minutes or minute order) may be included.*

Independent Special District Selection Committee
Candidate Information Form 2026

Providing this form or a letter of interest and qualifications is voluntary. It will be kept on file at the LAFCO office and made available on request. It will not be distributed with the ballots.

Name: ______________________________

Address: ______________________________

Phone: ______________________________

E-mail: ______________________________

District: ______________________________

Position Title: ______________________________

Length of service with District:

Present Occupation:

Brief description of professional background:

Summarize your interest in serving on LAFCo:

Summarize your qualifications for serving on LAFCo:

List local government and/or civic organization involvement:

General Manager's Report August 2026

Water Usage: 78 Ac-Ft compared to 61 Ac-Ft Last year

Bacteriological Samples tested negative

No GPS issues

- Seismic Assessment from Pace completed-RMP posted with county
- Cla-Val came out to lower Brunswick and Middle Brunswick pump stations to rebuild the PRSVs due to irregular pumping rates and tank inflows
- Someone trespassed onto our park property, started a camp fire, left trash, and vandalized the fence---Camera posted, No Trespassing Signs posted, also mended gates and fence.
- We were selected for the FFY24 State and Local Cybersecurity Grant Program- This will upgrade our vulnerable operating system and give us more accurate and reliable site data

Nuts and Bolts

- We received a CalFire Defensible Space Ordinance for the Highland Circle tank- Getting quotes from vegetation removal companies and working with neighbors to complete this
- Getting Quotes to have 2 repaired areas of Swasey paved (Gambler's Gulch& Swasey + Swasey&Ontario)
- Adjusted the Keswick Tank PRV due to level issues- adjusting and monitoring daily

District Leaks

- Granite Meter box leak
- Destiny Dr. Meter box leak
- Pulling Several Revoked Meters

SHASTA COMMUNITY SERVICES DISTRICT
COMPREHENSIVE INVESTMENT POLICY
Adopted by Resolution No. 2026-2
Effective Date: August 18, 2026

INTRODUCTION

The Shasta Community Services District ("District") recognizes that the investment of public funds is a responsibility requiring sound judgment, transparency, accountability, and prudent financial management. Public funds entrusted to the District shall be invested in a manner that protects taxpayer resources while ensuring sufficient funds are available to meet operational, capital, and emergency financial needs.

This Comprehensive Investment Policy establishes the principles, responsibilities, procedures, and internal controls governing the investment of District funds. The policy is intended to provide clear direction to District officials responsible for managing investments while ensuring compliance with applicable California Government Code requirements and sound public investment practices.

The District's investment program shall be managed with the primary goals of preserving principal, maintaining liquidity, and achieving a reasonable market rate of return consistent with safety and liquidity requirements.

I. PURPOSE

The purpose of this Investment Policy is to establish standards for the prudent investment of funds under the control of the Shasta Community Services District.
The objectives of this policy are to:

- Protect public funds through conservative investment practices.
- Maintain sufficient liquidity to meet current and anticipated District obligations.
- Achieve a reasonable rate of return consistent with the preservation of capital and liquidity requirements.
- Establish clear authority, responsibilities, and accountability for investment decisions.
- Maintain appropriate internal controls to protect District assets.
- Ensure compliance with applicable federal and California laws, including California Government Code Sections 53600 through 53686, as amended.

The District recognizes that investment decisions involve balancing risk and return. The safety of public funds shall always take priority over investment yield.

II. AUTHORITY

This Investment Policy is adopted pursuant to California Government Code Sections 53600 et seq. and applicable provisions governing the investment of local agency funds.

The Board of Directors delegates investment authority to the General Manager in accordance with California Government Code Section 53607. This delegation shall remain effective for a period not exceeding one year unless renewed by the Board.

The General Manager shall manage District investments consistent with this policy, applicable law, and Board direction. All investment activities remain subject to Board oversight and review.

III. SCOPE

This policy applies to all District funds available for investment unless otherwise restricted by law, bond documents, grant agreements, or other legal requirements.

Funds subject to this policy may include, but are not limited to:

- General Fund
- Water Enterprise Funds
- Capital Improvement Funds
- Reserve Funds
- Equipment Replacement Funds
- Debt Service Funds, unless governed by bond documents
- Grant Funds, unless otherwise restricted
- Trust and Agency Funds where legally permitted

The District shall maintain appropriate investment practices for each fund while recognizing that individual funds may have different liquidity and cash flow requirements.

IV. INVESTMENT OBJECTIVES

The District shall manage its investment portfolio according to the following priorities:

1. Safety of Principal

The preservation of public funds is the District's highest investment priority.

Investment decisions shall be made to minimize risks including:

- Credit risk — the risk that an issuer or financial institution may fail to meet its obligations.
- Custodial risk — the risk associated with the loss of funds held by financial institutions or custodians.

- Market risk — the risk that investment values may decline due to changes in interest rates or market conditions.
- Liquidity risk — the risk that investments cannot be converted to cash when needed.
- Operational risk — the risk of loss resulting from inadequate procedures, controls, or systems.

The District shall not engage in speculative investments or investment strategies designed primarily to generate short-term gains.

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2. Liquidity

The District shall maintain sufficient liquidity to meet anticipated operating expenses, capital obligations, debt requirements, and emergency needs.

Investment maturities shall be structured to align with projected cash requirements. Cash flow forecasting shall be used when appropriate to determine investment timing and maturity selection.

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3. Return on Investment

After safety and liquidity objectives have been satisfied, the District shall seek to achieve a reasonable market rate of return.

Investment decisions shall not compromise safety or liquidity in pursuit of higher yields.

V. STANDARD OF CARE

District officials responsible for investment activities shall exercise the "Prudent Investor" standard established by California Government Code Section 53600.3.

Investments shall be managed with the care, skill, prudence, and diligence that a prudent person would exercise under similar circumstances.

Investment officials shall:

- Act in good faith and in the best interests of the District.
- Exercise due diligence before making investment decisions.
- Maintain appropriate diversification.
- Avoid conflicts of interest.
- Protect public funds from unnecessary risk.
- Follow established procedures and internal controls.

Officials acting in accordance with this policy and applicable law shall not be held personally responsible for losses resulting from market conditions or other circumstances beyond their reasonable control.

VI. ETHICS AND CONFLICTS OF INTEREST

District officials involved in investment decisions shall maintain the highest standards of ethical conduct.

Investment officials shall:

- Comply with the California Political Reform Act and applicable ethics requirements.
- Avoid actual or perceived conflicts of interest.
- Disclose financial interests when required by law.
- Avoid personal investment activities that conflict with District responsibilities.
- Conduct investment activities in a manner that promotes public confidence.

No investment transaction shall be undertaken for personal benefit or in a manner that creates the appearance of impropriety.

VII. DELEGATION OF INVESTMENT AUTHORITY

The Board of Directors delegates responsibility for daily investment management to the General Manager.

The General Manager may establish administrative procedures necessary to implement this policy, including procedures related to:

- Investment transactions.
- Cash management.
- Wire transfers.
- Safekeeping arrangements.
- Documentation requirements.
- Internal controls.
- Reporting procedures.
- Separation of duties.

Only authorized individuals may execute investment transactions on behalf of the District.

VIII. RISK MANAGEMENT AND INTERNAL CONTROLS

The District shall maintain internal controls designed to protect public funds, prevent fraud, and ensure compliance with this policy.

Internal controls shall include, when practical:

- Separation of investment, accounting, and reconciliation responsibilities.
- Dual authorization for electronic transfers.
- Independent verification of transactions.
- Periodic review of investment records.

- Annual audit review.
- Secure record retention.
- Cybersecurity safeguards for financial systems.
- Procedures designed to prevent unauthorized transactions.

The District shall periodically review internal controls to ensure they remain effective and appropriate.

IX. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The District shall conduct investment transactions only with financial institutions and broker-dealers that meet established qualification standards and are authorized to conduct business in California.

The District may transact business with:

- Banks and financial institutions authorized to conduct business in California.
- Primary government securities dealers.
- Broker-dealers licensed by the State of California and registered with applicable regulatory agencies.
- Investment providers that meet District due diligence requirements.

The District may require financial institutions and broker-dealers to provide documentation demonstrating financial responsibility, regulatory compliance, and acknowledgment of the District's Investment Policy.

All parties conducting investment transactions with the District shall act in accordance with applicable laws, professional standards, and ethical practices.

X. AUTHORIZED INVESTMENTS

The District shall invest only in investment instruments authorized by California Government Code Section 53601 and related provisions, as amended.

The District shall maintain investments that comply with all statutory requirements relating to:

- Authorized investment types.
- Maximum investment amounts.
- Diversification.
- Credit quality.
- Maturity limits.
- Liquidity requirements.
- Reporting requirements.

Authorized investments may include, when permitted by law and appropriate for District needs:

- United States Treasury obligations.
- Federal agency securities.
- Obligations of the State of California.
- Obligations of California local agencies.
- Negotiable certificates of deposit.
- Bankers' acceptances.
- Commercial paper meeting statutory requirements.
- Medium-term corporate notes.
- Local Agency Investment Fund (LAIF).
- California Asset Management Program (CAMP).
- Money market mutual funds meeting statutory requirements.
- Supranational securities.
- Mortgage-backed securities where authorized by law.
- Asset-backed securities where authorized by law.
- Time deposits.
- Insured certificates of deposit.
- Placement service deposits.
- Repurchase agreements when authorized by law.

Reverse repurchase agreements shall only be used when specifically approved by the Board and permitted under applicable law.

The District shall not purchase any investment solely because it offers a higher yield.
Each investment shall be evaluated based upon safety, liquidity, credit quality, maturity, and overall portfolio objectives.

XI. PROHIBITED INVESTMENTS

The District shall not invest in securities or financial instruments that are prohibited by California law or inconsistent with the objectives of this policy.
Unless expressly authorized by law, prohibited investments include:

- Derivative securities used for speculation.
- Inverse floaters.
- Interest-only strips.
- Principal-only strips.
- Leveraged investments.
- Futures contracts.
- Options.
- Commodities.
- Cryptocurrency.
- Margin transactions.
- Securities lending transactions.
- Any investment prohibited by the California Government Code.

The District shall avoid investments that introduce unnecessary complexity, excessive risk, or lack sufficient transparency.

XII. DIVERSIFICATION

The District shall maintain a diversified investment portfolio to reduce exposure to any single investment, issuer, financial institution, or market risk.

Diversification shall be considered among:

- Investment type.
- Issuer.
- Financial institution.
- Maturity date.
- Market sector.

The District shall avoid excessive concentration in any single issuer except where permitted by law, including obligations of the United States Government or investments such as the Local Agency Investment Fund.

Diversification decisions shall consider current market conditions, cash flow needs, and overall portfolio risk.

XIII. MATURITY AND LIQUIDITY REQUIREMENTS

Investment maturities shall be structured to meet anticipated District cash flow requirements. The District shall maintain sufficient short-term investments and liquid assets to meet expected operating expenses and other financial obligations.

No investment shall be purchased with a maturity exceeding the maximum period permitted under California law. Investments exceeding five years to maturity may only be purchased when specifically authorized by the Board of Directors and permitted by applicable law. The District shall manage the portfolio's weighted average maturity to ensure it remains appropriate for anticipated liquidity requirements and changing economic conditions.

XIV. SAFEKEEPING AND CUSTODY

The District shall protect investment securities through appropriate safekeeping procedures.

All securities purchased by the District shall be held by an independent third-party custodian unless otherwise permitted by law.

Securities shall be held through recognized custody systems, including:

- Delivery versus Payment (DVP) procedures.

- Book-entry systems.
- Federal Reserve systems.
- Depository Trust Company systems.

Custodial agreements shall clearly identify that securities are owned by the District and shall establish appropriate protections for District assets.

XV. PERFORMANCE MEASUREMENT

The District shall evaluate investment performance based upon the objectives of safety, liquidity, and return.
Performance measurement shall recognize that preservation of capital and availability of funds are more important than maximizing investment earnings.
Appropriate benchmarks may include:

- Local Agency Investment Fund (LAIF).
- Three-month U.S. Treasury Bill.
- ICE BofA 1–3 Year U.S. Treasury Index.
- Other benchmarks determined appropriate by the General Manager.

Investment performance shall be evaluated over appropriate time periods and in consideration of market conditions.

XVI. REPORTING REQUIREMENTS

The General Manager shall provide investment reports to the Board of Directors at least quarterly in accordance with California Government Code Section 53646.
Investment reports shall provide sufficient information for the Board and public to understand the District's investment activities and financial position.
Reports shall include, at a minimum:

- Investment holdings.
- Investment type.
- Purchase date.
- Maturity date.
- Market value.
- Book value.
- Interest rate or yield.
- Portfolio earnings.
- Investment transactions during the reporting period.
- Compliance with this Investment Policy.
- Confirmation that sufficient liquidity exists to meet anticipated obligations.

XVII. INVESTMENT STRATEGY

The District shall maintain a conservative investment strategy focused on protecting public funds while maintaining adequate liquidity.

The District's investment strategy shall include:

- Preservation of principal.
- Matching investment maturities with projected cash needs.
- Maintaining adequate operating reserves.
- Diversifying investments among authorized categories.
- Limiting credit exposure.
- Monitoring economic and interest rate conditions.
- Maintaining flexibility during changing market environments.
- Laddering maturities when appropriate.

The District shall avoid speculative trading, market timing, or investment practices inconsistent with the objectives of this policy.

XVIII. COLLATERALIZATION OF DEPOSITS

District deposits shall be secured in accordance with applicable California Government Code provisions and federal banking regulations.

Financial institutions holding District deposits shall maintain required collateral levels to protect public funds exceeding applicable federal deposit insurance limits.

Collateral shall consist of securities or other eligible assets authorized by law and shall be maintained at the statutory levels required to protect District funds.

XIX. COMPLIANCE WITH LAWS AND POLICY REQUIREMENTS

The District shall manage all investments in compliance with:

- California Government Code Sections 53600 through 53686, as amended.
- Applicable federal laws and regulations.
- Bond covenants and debt obligations.
- Grant restrictions.
- Board resolutions.
- This Investment Policy.

In the event of a conflict between this policy and applicable law, the requirements of law shall govern.

Any material deviation from this policy shall be reported promptly to the Board of Directors.

XX. REVIEW AND ANNUAL UPDATE

The Board of Directors shall review this Investment Policy at least annually to ensure that it remains consistent with:

- Changes in California law.
- District financial objectives.
- Current market conditions.
- Industry best practices.

The Board may amend this policy by resolution whenever necessary.

XXI. TRAINING AND PROFESSIONAL DEVELOPMENT

District personnel responsible for investment activities should maintain appropriate knowledge and training related to:

- California Government Code requirements.
- Public fund investment practices.
- Treasury management.
- Internal controls.
- Fraud prevention.
- Ethics requirements.
- Cybersecurity practices.

Training should be consistent with the responsibilities assigned to each individual.

XXII. SOCIAL AND ENVIRONMENTAL CONSIDERATIONS

Where investment alternatives are substantially equivalent with respect to safety, liquidity, and expected return, the District may consider environmental, social, and governance (ESG) factors when evaluating investments, to the extent permitted by California law.

ESG considerations shall never override the District's primary investment objectives of safety, liquidity, and reasonable return.

XXIII. ANNUAL INVESTMENT CERTIFICATION

The General Manager shall annually certify to the Board of Directors that:

1. District investments comply with applicable California law.
2. District investments comply with this Investment Policy.
3. Adequate liquidity exists to meet anticipated financial obligations.
4. Internal controls remain effective.
5. Investment reports accurately represent District holdings and activities.

XXIV. EFFECTIVE DATE

This Investment Policy shall become effective upon adoption by resolution of the Board of Directors of the Shasta Community Services District.

This policy shall remain in effect until amended or repealed by the Board.

BOARD CERTIFICATION

Adopted by the Board of Directors of the Shasta Community Services District on August 18, 2026, by Resolution No. 2026-2.

APPROVED:

Board President

Date: ______________________________

ATTEST:

Secretary of the Board

Date: ______________________________

RESOLUTION NO. 2026-2

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SHASTA COMMUNITY SERVICES DISTRICT ADOPTING A COMPREHENSIVE INVESTMENT POLICY, DELEGATING INVESTMENT AUTHORITY, AND RESCINDING ALL PRIOR INCONSISTENT INVESTMENT POLICIES

WHEREAS, the **Shasta Community Services District** ("District") is a public agency organized under the laws of the State of California and is responsible for the prudent management of public funds entrusted to it; and

WHEREAS, California Government Code Sections 53600 through 53686 authorize local agencies to invest surplus public funds and establish standards for the prudent investment of those funds; and

WHEREAS, Government Code Section 53646(a)(2) requires the legislative body of a local agency to review and approve its investment policy annually at a public meeting; and

WHEREAS, California Government Code Section 53607 authorizes the Board of Directors to delegate investment authority to the General Manager for a period not to exceed one (1) year, subject to annual renewal, and the Board desires to delegate such authority to the General Manager **at the direction of the Board of Directors**; and

WHEREAS, the Board of Directors finds that it is in the best interests of the District to adopt a comprehensive investment policy establishing objectives, standards, internal controls, authorized investments, reporting requirements, and investment practices that comply with California law and reflect recognized public treasury management best practices; and

WHEREAS, the Board has reviewed the proposed Comprehensive Investment Policy and finds that it promotes the primary investment objectives of safety of principal, maintenance of adequate liquidity, and optimization of investment return consistent with applicable law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the **Shasta Community Services District** as follows:

Section 1. Adoption of Investment Policy

The Board hereby adopts the **Comprehensive Investment Policy**, attached hereto as **Exhibit A** and incorporated herein by this reference, to govern the investment of District funds.

Section 2. Compliance with State Law

The District shall invest public funds only in investments authorized by California Government Code Sections 53600 et seq., and any other applicable provisions of state or federal law.

3. Delegation of Investment Authority

Pursuant to California Government Code Section 53607, the Board of Directors hereby delegates authority to invest and reinvest District funds, and to sell or exchange securities so purchased, to the General Manager **at the direction of the Board of Directors**. The General Manager shall carry out all investment activities in accordance with the District's Comprehensive Investment Policy, applicable law, and any direction provided by the Board of Directors.

This delegation shall remain in effect for a period of **one (1) year** from the date of adoption of this Resolution unless sooner revoked by the Board or renewed by subsequent action of the Board of Directors.

Section 4. Internal Controls

The Treasurer shall maintain written administrative procedures and internal controls designed to safeguard District assets, prevent fraud, ensure compliance with applicable law, and provide adequate separation of duties consistent with the District's staffing structure.

Section 5. Quarterly Reporting

The Treasurer shall submit quarterly investment reports to the Board of Directors in accordance with Government Code Section 53646. Such reports shall include, at a minimum:

- A listing of all investments held by the District;
- Book and market values;
- Maturity dates;
- Investment yields;
- Portfolio diversification;
- Compliance with the Investment Policy;
- A statement regarding the District's ability to meet expenditures for the next six months; and
- Such additional information as required by law or requested by the Board.

Section 6. Annual Review

The Board shall review this Investment Policy annually at a public meeting and may amend the policy by resolution as necessary to reflect changes in law, market conditions, or District operations.

Section 7. Repeal of Prior Policies

Any prior resolutions, policies, or portions thereof relating to the investment of District funds that are inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 8. Severability

If any section, subsection, sentence, clause, or phrase of this Resolution is held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution.

Section 9. Effective Date

This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the **Shasta Community Services District** at a regular meeting held on the 18th day of August ***2026***, by the following vote:

AYES: ________________________________

NOES: ________________________________

ABSENT: ______________________________

ABSTAIN: _____________________________

CERTIFICATION

I, the undersigned, hereby certify that the foregoing Resolution No. 2026-1 was duly adopted by the Board of Directors of the **Shasta Community Services District** at a duly noticed public meeting held on the date set forth above.

APPROVED:

Board President

Date: ________________________

ATTEST:

Secretary of the Board

Date: ________________________

Subject **Certificate of Deposit**
From Christina Mason <ChristinaMason@tcbk.com>
To sstaup@shastacsd.org <sstaup@shastacsd.org>
Date 2026-07-17 9:43 am

Good morning!

After receiving an approval, we can offer you a Certificate of Deposit at 3.65% APY for 11 months. This approval is based off what we are currently offering to our customers plus a .25% increase exception. If rates were to change prior to opening the CD, then we would have to reevaluate our offer on interest rates and terms.

Please let me know if you have any questions or need anything else.

Thank you,

Christina Mason | Senior Banker
NMLS# 2500240

tri counties bank

Redding Downtown Branch
1327 South Street
Redding, CA 96001
Office 530.245.5930
Customer Service 1.800.922.8742 | **Fax** 530.243.7835
www.tricountiesbank.com ChristinaMason@tcbk.com

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Subject **RE: Certificate of Deposit**
From Christina Mason <ChristinaMason@tcbk.com>
To Shawna Staup <sstaup@shastacsd.org>
Cc Jhunt <jhunt@shastacsd.org>
Date 2026-07-23 10:51 am

1. They requested information on rates and terms for three, six, and eleven-month CDs. They also discussed the possibility of implementing a tiered system to ensure that not all surplus funds would be committed for an eleven-month period. **We have an approval to add a .25% APY to each term. If you chose to latter your CD's you are more than welcome to. Our rate exception of .25% APY on top of what is currently offered will stand until the Federal Reserve changes the rates. Please see below for the current rate sheet for our CD's.**

CERTIFICATES OF DEPOSIT

	$0.01-$999.99 [1]		$1,000-$9,999.99		$10,000-$24,999.99		$25,000-$49,999.99		$50,000-$99,999.99		$100,000-$249,999.99		$250,000+	
	APY	Interest Rate	APY	Interest Rate	APY	Interest Rate	APY	Interest Rate	APY	Interest Rate	APY	Interest Rate	APY	Interest Rate
3 Month	0.01%	0.01%	2.80%	2.76%	2.80%	2.76%	3.00%	2.96%	3.00%	2.96%	3.20%	3.15%	3.20%	3.15%
6 Month	0.01%	0.01%	2.60%	2.57%	2.60%	2.57%	2.60%	2.57%	2.60%	2.57%	2.60%	2.57%	2.60%	2.57%
1 Year (12 mo)	0.02%	0.02%	2.25%	2.23%	2.25%	2.23%	2.25%	2.23%	2.25%	2.23%	2.25%	2.23%	2.25%	2.23%
1 Year (12 mo) Bond Guarantee	0.02%	0.02%	2.25%	2.23%	2.25%	2.23%	2.25%	2.23%	2.25%	2.23%	2.25%	2.23%	2.25%	2.23%
2 Year (24 mo)	0.02%	0.02%	1.50%	1.49%	1.50%	1.49%	1.50%	1.49%	1.50%	1.49%	1.50%	1.49%	1.50%	1.49%
5 Year (60 mo)	0.02%	0.02%	1.50%	1.49%	1.50%	1.49%	1.50%	1.49%	1.50%	1.49%	1.50%	1.49%	1.50%	1.49%

2. They would like to inquire whether there is a rate exception available for Shasta CSD, considering the substantial funds we maintain in the bank and our established relationship with your institution. **Yes, a rate exception is what I have presented to you regarding adding a .25% APY on top of what we are currently offering**. **We can also discuss what the rate exception would be if you wanted to keep funds liquid and put them into our highest interest paying Money Market account as well.**

3. They seek clarification on the implications of early withdrawal from a CD, specifically whether the district would forfeit interest for the remaining term or if there are associated penalties. **Penalties differ due to term and amount needed to be pulled from the CD. Typically for a term longer than 3 months, the penalty includes 3 months of interest. So, if you invest in a 6-month term and pull funds a month after your investment, the penalty will normally include 3 months of interest**.

4. Could you please provide an explanation of how FDIC coverage applies to these funds when deposited into CDs? **FDIC coverage for business accounts is 250k**.

Please let me know if you have any further questions or need anything else.

Thank you 😊

Christina Mason | Senior Banker
NMLS# 2500240

tri counties bank

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