

**SHASTA COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS' MEETING  
5:00 pm Tuesday, February 17th, 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. Closed Session:**

Closed the open session:

Open the closed session:

**5-1 "Closed Session. (Gov. Code 54957)**

**Consider appointment of General Manager."**

Closed the closed session:

Open the open session:

Report on closed session:

**6. 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 January 1<sup>st</sup> through January 31<sup>st</sup>, 2026**

**6 -1 SCSD Financial Report pgs 3**

**6-2 SCSD Monthly Bank Transactions pgs 4- 5**

**6-3 SCSD Budget vs Actual pgs 6-9**

**6-4 January 20<sup>th</sup>, 2025, meeting minutes pgs 10-16**

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

**7. Correspondence:**

7-1 Letter from customer John Wood requesting time to speak with the board of directors regarding water damage at his property pg 17

**8. General Business:**

8-1 Interim Officer in Charge monthly report pg 18

**9. New Business:**

9-1 Charles W. Pillon, CPA, non-audit services agreement pg 19-21

**Discussion/Possible Action**

**10. Old Business:**

10-1 2006 Redding Area Watershed Sanitary Survey

**Discussion/Possible Action**

**11. 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.

**11-1 Board Members:**

**11-2 Staff Members:**

**12. 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 January 2026

	Tri Counties Bank		Umpqua
	935	970	839
	General	Money Mult.	State Reimb.
<b>Beginning Cash</b>	\$ 41,226.15	\$ 1,937,255.39	\$ 60,517.58
Voided Checks - Prior Period			
Reconciling Adjustments		-4.5	
<b>Revenue</b>			
Customer Payments	36,131.25	42,656.24	
Bad Debt Recovery		725.13	
Hydrant Water Sales			
Property Tax Disbursements	12,504.19		
Capacity Expansion Fee			
Grants			
Scrap Metal			
Asset Disposal			
Vendor Refunds			
Interest		3,453.59	0.51
<b>Total Revenue</b>	\$ 48,635.44	\$ 46,834.96	\$ 0.51
<b>Transfers</b>			
Transfers In	50,000.00		
Transfers Out		50,000.00	
<b>Total Transfers</b>	\$ 50,000.00	\$ 50,000.00	\$ -
<b>Disbursements</b>			
Bills Paid	(34,679.43)		
Payroll	(27,377.79)		
Revolving Fund Loan Payment			
USDA Loan Payment			
Customer NSF Returns			
Bank Fees	(96.46)		
<b>Total Disbursements</b>	\$ (62,153.68)	\$ -	\$ -
<b>Ending Cash</b>	\$ 77,707.91	\$ 1,934,085.85	\$ 60,518.09

**Shasta Water Department**  
**BANK TRANSACTIONS**  
1/1/2026 - 1/31/2026

Type	Date	Num	Name	Memo	Debit	Credit	Balance
13110 - Tric General Fund 935							
Deposit	01/01/2026			Batch # 353 CC	401.94		41,226.15
Bill Pmt -Check	01/01/2026	EFT	TASC (Optilife)	Employee Supplemental Insurance January 2026		533.00	41,628.09
Deposit	01/02/2026			Batch # 354 CC	504.99		41,095.09
Deposit	01/03/2026			Batch # 355 CC	462.75		41,600.08
Bill Pmt -Check	01/03/2026	EFT	AT&T	December 2025 office internet		117.70	42,062.83
Deposit	01/04/2026			Batch # 359 CC	335.26		41,945.13
Paycheck	01/05/2026	17344	Hunt, Joshua E	pay period 12/16/2025-12/31/2025		3,037.90	42,280.39
Paycheck	01/05/2026	17345	Staup, Shawna P	pay period 12/16/2025-12/31/2025		2,630.56	39,242.49
Paycheck	01/05/2026	17346	Steele, Justin B.	pay period 12/16/2025-12/31/2025		3,843.07	36,611.93
Liability Check	01/05/2026		QuickBooks Payroll Service	Created by Payroll Service & payroll tax on 12/31/2025		32,768.86	32,768.86
Bill Pmt -Check	01/05/2026	17354	Ed Staub & Sons	fuel December 2025 2nd half		5,019.30	27,749.56
Bill Pmt -Check	01/05/2026	17355	PG&E	December 2025 office electric		276.21	27,473.35
Bill Pmt -Check	01/05/2026	EFT	Elan Cardmember Services	truck u15 tire, answering service, 3 mo. gps subscription, copy pa...		639.27	26,834.08
Bill Pmt -Check	01/05/2026	EFT	California Public Employee's Retirement	December 2025		1,288.79	25,545.29
Deposit	01/05/2026			Batch # 360 CC	382.45		21,050.40
Deposit	01/06/2026			Batch # 361 CC	1,070.16		21,432.85
Bill Pmt -Check	01/07/2026	17356	Carrel's Office Machines	December 2025 copier fees		64.43	22,503.01
Bill Pmt -Check	01/07/2026	17357	US Bureau of Reclamation	December 2025 adjustment		2,668.30	22,438.58
Transfer	01/07/2026			Funds Transfer	50,000.00		19,770.28
Bill Pmt -Check	01/07/2026	17358	verizon	December 2025 office cell phones & filter plant data		178.11	69,770.28
Bill Pmt -Check	01/07/2026	17359	Charles W. Pillon	24-25 audit & electric filing of the financial statements for yr ende...		8,157.00	69,592.17
Bill Pmt -Check	01/07/2026	17360	Wells Fargo Bank, N.A.	January 2026 copier lease inv 5037074894		116.20	61,435.17
Bill Pmt -Check	01/07/2026	17361	Usalco Modesto Plant LLC	polymer drum		797.38	61,318.97
Bill Pmt -Check	01/07/2026	17362	PG&E	December 2025 pumps electrical		2,049.34	60,521.59
Deposit	01/07/2026			Batch # 362 CC	988.73		58,472.25
Deposit	01/08/2026			Batch # 363 CC	1,269.52		59,440.98
Deposit	01/09/2026			Batch # 364 CC	2,016.29		60,710.50
Bill Pmt -Check	01/09/2026	17368	Kenny & Norine	legal services & attend board meeting file 7014		1,482.00	62,726.79
Deposit	01/10/2026			Batch # 365 CC	667.14		61,244.79
Deposit	01/11/2026			Batch # 368 CC	182.52		61,911.93
Deposit	01/12/2026			Batch # 369 CC	87.53		62,094.45
Check	01/12/2026			service charge		96.46	62,181.98
Liability Check	01/13/2026		QuickBooks Payroll Service	Created by Payroll Service & payroll tax for W2s on 01/12/2026,		57.00	62,085.52
Deposit	01/13/2026			Batch # 370 CC	455.96		62,028.52
Deposit	01/14/2026			AU010226A property taxes	12,504.19		62,484.48
Check	01/14/2026	17364	John Terry Terhorst	replace voided check 17363 closed acct 1026		582.29	74,988.67
Bill Pmt -Check	01/14/2026	17365	Immense Impact LLC.	Annual website subscription 2/14/2026-2/14/2027		635.00	74,406.38
Bill Pmt -Check	01/14/2026	17366	Ryan Process, Inc.	duratrac 3 piston & probe replacement at wtp		1,051.38	73,771.38
Bill Pmt -Check	01/14/2026	17367	Waste Management	January 2026 office trash		73.02	72,720.00
Bill Pmt -Check	01/14/2026	17369	Hue & Cry, Inc.	February 2026 fire & burglary alarm system monitoring		178.00	72,646.98
Deposit	01/14/2026			Batch # 371 CC	495.39		72,468.98
Deposit	01/15/2026			Batch # 372 CC	1,436.98		73,964.37
Bill Pmt -Check	01/16/2026	EFT	California State Disbursement Unit	Batch # 373 CC		349.00	74,401.35
Deposit	01/17/2026			Employee Garnishment	319.55		74,052.35
Deposit	01/19/2026			Batch # 376 CC	76.95		74,371.90
Paycheck	01/20/2026	17370	Hunt, Joshua E	pay period 1/1/2026 - 1/15/2026		2,505.88	74,448.85
Paycheck	01/20/2026	17371	Staup, Shawna P	pay period 1/1/2026 - 1/15/2026		2,551.63	71,942.97
Paycheck	01/20/2026	17372	Steele, Justin B.	pay period 1/1/2026 - 1/15/2026		3,515.26	69,391.34
Liability Check	01/20/2026		QuickBooks Payroll Service	Created by Payroll Service & payroll tax on 01/16/2026		4,217.19	65,876.08
Bill Pmt -Check	01/20/2026	17373	Amazing Amy's Cleaning	January 2026 office cleaning		275.00	61,658.89
Bill Pmt -Check	01/20/2026	17374	Batteries Plus	truck u14 new battery		254.51	61,383.89
Bill Pmt -Check	01/20/2026	17375	Ed Staub & Sons	fuel January 2026 1st half		257.46	61,129.38
Bill Pmt -Check	01/20/2026	17376	Triad Water Solutions LLC	wtp coagulation pump parts & labor		3,760.00	60,871.92
Bill Pmt -Check	01/20/2026	17377	Moore & Bogener	receive & review invoice from Downey Brand & draft letter to distr...		50.00	57,111.92
Bill Pmt -Check	01/20/2026	17378	Big Time Pest Control	January 2026 office pest control		85.00	57,061.92
							56,976.92

**Shasta Water Department**  
**BANK TRANSACTIONS**  
1/1/2026 - 1/31/2026

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Deposit	01/20/2026			Batch # 377 CC	2,947.97		59,924.89
Deposit	01/21/2026			Batch # 378 CC	1,198.42		61,123.31
Bill Pmt-Check	01/22/2026	17378	AT&T Mobility	December 2025 office phone		67.82	61,055.49
Deposit	01/22/2026			Batch # 379 CC	325.22		61,380.71
Deposit	01/23/2026			Batch # 380 CC	1,503.51		62,884.22
Deposit	01/24/2026			Batch # 381 ACH	14,574.38		77,458.60
Deposit	01/25/2026			Batch # 382 CC	84.70		77,543.30
Deposit	01/26/2026			Batch # 383 CC	153.47		77,696.77
Deposit	01/27/2026			Batch # 384 CC	713.31		78,410.08
Deposit	01/28/2026			Batch # 385 CC	159.12		78,569.20
Deposit	01/29/2026			Batch # 386 CC	1,217.01		79,786.21
Bill Pmt-Check	01/30/2026	17381	California State Disbursement Unit	Employee Garnishment		349.00	79,437.21
Bill Pmt-Check	01/30/2026	17382	Platinum Home & Auto Glass	trucks u14 U& u14 windshield replacement		910.00	78,527.21
Bill Pmt-Check	01/30/2026	17383	Downey Brand	WIIN Act fees for professional services		89.90	78,437.31
Bill Pmt-Check	01/30/2026	EFT	Quadrant Finance USA, Inc	December 2025 postage		1,000.00	77,437.31
Bill Pmt-Check	01/30/2026	17384	Pace Analytical Services LLC	drinking water monitoring coliform & E.coli		196.40	77,240.91
Bill Pmt-Check	01/30/2026	17385	Ace Payment Processing	tape measure, antifreeze, auto cloths, gloves, wire cutter, nuts, b...		210.17	77,030.74
Bill Pmt-Check	01/30/2026	17386	Shasta County Dept. Of Resource Mngnt.	hazmant inspection at filter plant & office		1,442.86	75,587.88
Deposit	01/30/2026			Batch # 387 CC	759.67		76,347.55
Deposit	01/31/2026			Batch # 388 CC	1,360.36		77,707.91
Total 13110 · TrnC General Fund 935					98,635.44	62,153.68	77,707.91
<b>TOTAL</b>					<b>98,635.44</b>	<b>62,153.68</b>	<b>77,707.91</b>

# Shasta Community Services District

## Profit & Loss Budget vs. Actual

July 2025 through January 2026

	Jul '25 - Jan 26	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
41000 · Water Sales			
41100 · Water Sales - Res. & Comm.	655,114.08	1,107,500.00	-452,385.92
41150 · Hydrant Water Sales	0.00	500.00	-500.00
41200 · Water Sales/Pumping	5,651.87	9,500.00	-3,848.13
41800 · Late Fees	10,866.84	15,000.00	-4,133.16
42230 · Service Connection Fee/Meters	0.00	0.00	0.00
Total 41000 · Water Sales	671,632.79	1,132,500.00	-460,867.21
42000 · Special Service Fees	813.74	1,500.00	-686.26
42160 · Property Tax Revenue - SCSD	13,541.84	40,000.00	-26,458.16
42220 · Scrap Metal	0.00	0.00	0.00
44000 · Interest Revenue			
44100 · TriC Interest	28,143.17	55,000.00	-26,856.83
44500 · Umpqua Interest	3.56	10.00	-6.44
Total 44000 · Interest Revenue	28,146.73	55,010.00	-26,863.27
47000 · Copies, Faxes, Document Request	0.00	10.00	-10.00
47300 · SFD Reimbursement	0.00	0.00	0.00
71000 · Gain/Loss Fixed Asset Disposal	0.00	0.00	0.00
Total Income	714,135.10	1,229,020.00	-514,884.90
Gross Profit	714,135.10	1,229,020.00	-514,884.90
Expense			
50500 · Bad Debt Expense	-725.13	5,000.00	-5,725.13
51000 · Water Service Expenses			
51010 · Bureau of Reclamation	20,425.75	25,000.00	-4,574.25
51012 · Other Water Purchases/Deficit	0.00	0.00	0.00
51018 · Water Testing Expense	3,287.40	6,300.00	-3,012.60
Total 51000 · Water Service Expenses	23,713.15	31,300.00	-7,586.85
51020 · Pumping Expense			
51021 · Middle Brunswick - PGE 573 #1	903.28	1,400.00	-496.72
51022 · Benson - PGE 937 #6	619.97	1,300.00	-680.03
51023 · Bandana Tr. - PGE 337 #7	973.49	2,000.00	-1,026.51
51024 · Highland Cir - PGE 355 #3	65.05	150.00	-84.95
51025 · Highland Circle - PGE 013 #5	1,025.12	2,500.00	-1,474.88
51026 · Record Heights - PGE 206 #4	2,149.59	5,000.00	-2,850.41
51027 · Lower Brunswick - PGE 936 #2	3,882.24	6,000.00	-2,117.76
51028 · Keswick WTP - 956 #9	94.54	500.00	-405.46
Total 51020 · Pumping Expense	9,713.28	18,850.00	-9,136.72
51030 · Water Treatment Expense			
51031 · W.T. Chemicals	15,745.00	28,000.00	-12,255.00
51032 · W.T. Filter Plant PGE 254 #8	2,921.91	5,500.00	-2,578.09
51033 · W.T. Plant Repair/Maint.	1,397.67	8,500.00	-7,102.33

# Shasta Community Services District

## Profit & Loss Budget vs. Actual

July 2025 through January 2026

	Jul '25 - Jan 26	Budget	\$ Over Budget
51034 · Backwash Sludge Disposal	0.00	5,500.00	-5,500.00
51035 · W.T. Security/Telephone	369.72	750.00	-380.28
Total 51030 · Water Treatment Expense	20,434.30	48,250.00	-27,815.70
51039 · Transmission/Distribution			
51040 · Transmission/Distribution-Gen	49,914.60	50,000.00	-85.40
51083 · Meters - New & Replacements	827.18	7,000.00	-6,172.82
51084 · Pump & Tank Level Telemetry	3,856.56	10,000.00	-6,143.44
Total 51039 · Transmission/Distribution	54,598.34	67,000.00	-12,401.66
51090 · Vehicle Maintenance			
51094 · Backhoe/Trailer/Generator	7,021.66	10,000.00	-2,978.34
51098 · U11 Ford Ranger 2011	0.00	0.00	0.00
51099 · U12 Ford F350 2016	773.73	800.00	-26.27
51100 · U13 Ford F-150 2018	325.00	500.00	-175.00
51101 · U14 Ford F-150 2021	839.51	600.00	239.51
51102 · U15 Toyota Tacoma 2025	311.56	500.00	-188.44
Total 51090 · Vehicle Maintenance	9,271.46	12,400.00	-3,128.54
51093 · Gas & Oil Expense			
51091 · Gas & Oil - Generator	50.15	1,000.00	-949.85
51092 · Gas & Oil Ford 150 Truck #13	229.98	1,500.00	-1,270.02
51093.1 · Gas & Oil 2021 F-150 Truck #14	2,359.39	6,000.00	-3,640.61
51093.2 · Gas & Oil - Backhoe	241.97	750.00	-508.03
51093.4 · Gas & Oil 2025 Toyota Truck #15	2,115.30	6,000.00	-3,884.70
51093.8 · Gas & Oil 2011 Ford Truck #11	0.00	0.00	0.00
51093.9 · Gas & Oil 2016 Ford 350 #12	341.41	1,500.00	-1,158.59
Total 51093 · Gas & Oil Expense	5,338.20	16,750.00	-11,411.80
52000 · Training			
52001 · Training Course Fees	98.00	1,700.00	-1,602.00
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	98.00	4,200.00	-4,102.00
55010 · Payroll Expenses			
55011 · Manager Salary			
55011.0 · Manager/Salary	64,732.25	141,234.00	-76,501.75
55011.1 · Manager/Salary/Vacation	17,237.31	17,238.00	-0.69
Total 55011 · Manager Salary	81,969.56	158,472.00	-76,502.44
55012 · Maintenance/Hourly			
55012.2 · Maintenance/Hourly	31,707.92	74,776.00	-43,068.08
55012.3 · Maintenance Hourly/Vacation	1,797.50		
55012.4 · Maintenance/Hourly/Sick	6,589.81		
55012.5 · Maintenance/Hourly/Holiday	3,163.60		
55012.6 · Maintenance/OT	5,131.22	10,000.00	-4,868.78

# Shasta Community Services District

## Profit & Loss Budget vs. Actual

July 2025 through January 2026

	Jul '25 - Jan 26	Budget	\$ Over Budget
55012.7 · Maintenance 2 / Lead Operator	44,772.00	85,280.00	-40,508.00
Total 55012 · Maintenance/Hourly	93,162.05	170,056.00	-76,893.95
55013 · Office/Hourly			
55013.1 · Office/Hourly-FD Reimburse	0.00	0.00	0.00
55013.2 · Office Hourl/ Vacation	2,013.20		
55013.3 · Office/Hourly/Sick	2,786.13		
55013.4 · Office Hourly	32,399.96	74,776.00	-42,376.04
55013.5 · Office/Hourly/Holiday	3,163.60		
55013.6 · Office Hourly Overtime	1,186.46	1,500.00	-313.54
Total 55013 · Office/Hourly	41,549.35	76,276.00	-34,726.65
55014 · On Call Time	13,738.85	26,327.00	-12,588.15
55010 · Payroll Expenses - Other	953.92	1,850.00	-896.08
Total 55010 · Payroll Expenses	231,373.73	432,981.00	-201,607.27
55029 · Employee Benefits			
55030 · Employee Health/Life Insurance	55,909.61	100,000.00	-44,090.39
55035 · Retiree Health Insurance	2,250.00	2,250.00	0.00
55040 · Workers Compensation Insurance	11,269.98	11,300.00	-30.02
55055 · CALPERS	34,956.61	65,000.00	-30,043.39
Total 55029 · Employee Benefits	104,386.20	178,550.00	-74,163.80
55060 · Payroll Tax Expense			
55062 · Employer Medicare Expense	3,341.08	6,000.00	-2,658.92
55063 · Employer Social Security Exp	14,286.03	25,500.00	-11,213.97
55070 · State Unemployment Insurance	1,302.00	1,736.00	-434.00
Total 55060 · Payroll Tax Expense	18,929.11	33,236.00	-14,306.89
55130 · Office Expense			
55110 · Answering Service Expense	1,309.75	2,136.00	-826.25
55121 · Office/Cellular Telephone	699.27	1,400.00	-700.73
55125 · Office/Security Expense	1,068.00	2,136.00	-1,068.00
55131 · Office/PGE 761	4,533.63	9,500.00	-4,966.37
55132 · Office/Telephone	1,105.07	1,500.00	-394.93
55133 · Office/Supplies	3,051.32	6,500.00	-3,448.68
55134 · Office/Postage	4,413.06	9,000.00	-4,586.94
55135 · Office/Equipment Expense	1,233.46	2,500.00	-1,266.54
55137 · Office/Employee Background Chec	0.00	0.00	0.00
55138 · Office/Propane	0.00	1,000.00	-1,000.00
55139 · Office/Building Maintenance	2,724.95	5,000.00	-2,275.05
55141 · Office/Safety	0.00	500.00	-500.00
55142 · Empl oyee Pre-emp. Physical	0.00	0.00	0.00
Total 55130 · Office Expense	20,138.51	41,172.00	-21,033.49
55140 · Advertising Expense	0.00	1,000.00	-1,000.00
55145 · Banking Fees	741.20	1,500.00	-758.80
55150 · Insurance - Liability & E&O	58,921.97	59,000.00	-78.03



# Shasta Community Services District

## Profit & Loss Budget vs. Actual

July 2025 through January 2026

	Jul '25 - Jan 26	Budget	\$ Over Budget
55160 · Professional Services			
55162 · Legal Services	3,549.43	4,000.00	-450.57
55163 · Engineering Services	527.50	20,000.00	-19,472.50
55164 · Auditing Services	10,732.00	12,000.00	-1,268.00
55165 · Professional Services Misc.	123.75	7,000.00	-6,876.25
Total 55160 · Professional Services	14,932.68	43,000.00	-28,067.32
55170 · Directors Compensation	6,100.00	9,500.00	-3,400.00
55180 · Dues/Permit Fees	40,647.02	44,900.00	-4,252.98
55182 · maintenance contracts/support	0.00	1,200.00	-1,200.00
60000 · Interest	573.78	11,000.00	-10,426.22
Total Expense	619,185.80	1,060,789.00	-441,603.20
Net Ordinary Income	94,949.30	168,231.00	-73,281.70
Other Income/Expense			
Other Income			
72000 · SRF Grant Reimbursement	-3,636.00	0.00	-3,636.00
72100 · USDA Grant	0.00	0.00	0.00
72300 · Miscellaneous Grants	0.00	0.00	0.00
Total Other Income	-3,636.00	0.00	-3,636.00
Net Other Income	-3,636.00	0.00	-3,636.00
Net Income	91,313.30	168,231.00	-76,917.70

**SHASTA COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS' MEETING  
6:00 pm Tuesday, January 20th, 2026  
11570 School Street, Redding, CA 96001  
DRAFT MINUTES**

**Board Members Present:** President Valerie Coon, Vice President Dave Cross, Director Chris Hunter, and Director Randy Smith.

**Board Members Absent:** Director Jo Ann Vayo.

**Staff Members Present:** Interim Officer in Charge Shawna Staup, Water Operator Justin Steele, and Charlie Pillon, C.P.A.

**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 Randy Smith motioned to approve the January 20, 2026, agenda. Vice President Dave Cross 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 December 1<sup>st</sup> through December 31<sup>st</sup>, 2025**

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

Initials\_\_\_\_\_ Initials\_\_\_\_\_

5-4 December 16<sup>th</sup>, 2025, meeting minutes

5-5 January 8<sup>th</sup>, 2026, special meeting minutes

Director Chris Hunter sought confirmation that the General Manager job listing had been published on Indeed, AWWA, and the District's website. Interim Office in Charge Shawna Staup verified that it had been posted today. Director Chris Hunter emphasized the necessity for applicants to possess a Treatment 3 certification and inquired whether the board would still consider candidates lacking the required certifications or if this was a minimum requirement. Vice President Dave Cross noted that certifications are integral to the qualifications for the position; however, if the board identified a desirable candidate without one of the required certifications, they could either overlook it or hire them on an interim basis until they obtain the necessary credentials. President Valerie Coon expressed her belief that all candidates should be considered. President Dave Cross remarked that he preferred to avoid complications arising from hiring an individual without the required certifications when the job listing specified them as a requirement. Director Chris Hunter affirmed that the board had the discretion to hire whomever they deemed appropriate.

**RECOMMENDATION: Approval and adoption of all items on the Consent Calendar.** Director Randy Smith motioned to approve the consent calendar. Director Chris Hunter seconded the motion. The motion passed unanimously.

**6. Correspondence:**

6-1 Letter from Charles W. Pilon, C.P.A., regarding the audit for the year ended June 30, 2025

**7. General Business:**

7-1 Interim Officer in Charge monthly report

- Water Consumption: This December 47 -acre feet  
Last December, 23-acre feet
- Water Samples:
  - Total Coliforms & E Coli (Present/Absent) – Done Monthly  
Brunswick Dr: Absent for both  
Highland Circle: Absent for both  
Skywalker Dr: Absent for both
  - TTHM Max Contaminant Level: 80 ug/L – Done Quarterly  
Newfound Way: 29 ug/L
  - HAA5 Max Contaminant Lever: 60 ug/L – Done Quarterly  
Weiland Street: 41 ug/L
- CUSI Software update:
  - November 21, 2025, Matt from CUSI informed us that gWorks had transferred all of our data from UBMax, rather than the data from gWorks. As a result, the last eight months of our data were missing, which rendered the dataset insufficient for conversion.

Initials\_\_\_\_\_ Initials\_\_\_\_\_

On the same day, Rick at gWorks was notified via email.

- December 4, 2025, the data was transferred again from gWorks.
- December 19, 2025, Matt from CUSI emailed to notify us that the second data transfer received from gWorks was inadequate for conversion.
- December 22, 2025, I communicated via email with Chris Bahle from gWorks to inform him that the second data transfer was inadequate. He responded the same day, indicating that he would have the developers investigate the issue and follow up with me.
- January 7, 2026, I reached out to Chris Bahle at gWorks via email, as I had not received any communication from him.
- January 9, 2026, I contacted Rick Alley at gWorks, who informed me that I needed to speak with Chris Bahle. He said that Chris was in a meeting and would return my call. I have yet to receive a response.

Please see the attached emails for detailed correspondence.

- Water Treatment Plant
  - The coagulant pump at the Water Treatment Plant was replaced for \$3,800.
- GPS tracking for the District's trucks:
  - USPS delivered the GPS tracking units during their visit to assign and key our delivery box located down the street, and they have been installed.
- Ground penetrating radar:
  - The item was purchased from Instrument Technology, and training is scheduled for February 4, 2026.
- Lower Brunswick pump station:
  - On Wednesday, December 17, 2025, Triad Water Solutions replaced one of the two pumps for \$13,288.
- CAL TRANS Encroachment permit:

The Caltrans encroachment permit for the district has been renewed, permitting us to conduct routine and emergency maintenance on our existing water system as well as to perform USA locating within or adjacent to State Highway 299. This permit was set to expire on December 31, 2025.
- Swasey Leak:
  - On December 23, 2025, a service line leak off the main line occurred on Swasey Drive. A customer reported that they had no water, and due to insufficient staff for traffic control, the leak being located beneath Swasey Drive, and was audible. We had to reach out to RAS Contractors to address the issue on the same day, incurring a cost of \$5,800.
- Hazmat Inspection:
  - On January 22, 2026, Paul McCarty from the County will be visiting to review our hazardous materials business plan and conduct a California Accidental Release Prevention Program (CalARP) inspection.

Initials\_\_\_\_\_ Initials\_\_\_\_\_

- During this inspection, he will expect to see the most recent California Environmental Reporting System (CERS) submission, the risk management plan, associated documents, and training records for both programs.
- Abandoned water meter/New owners:
  - Paradise charges a reconnect capacity fee applicable to customers listed on the property deed to re-establish water service and to help recover lost revenue during the period when those services were not provided. They did a rate study and utilized Bartle Wells, an independent public finance advisor, and their Engineer to set the amount.
  - Samantha Ryan at RCAC sent an email (attached) detailing electrical fees, reconnect capacity fees, and possible State or Federal funding opportunities.
- SB 827 was signed into law last year, requiring local agency officials to take two hours of fiscal and financial training every 2 years starting in 2026. CSDA is hosting a webinar on March 4<sup>th</sup> from 1-3 pm.

## **8. New Business:**

### **8-1 Review and possibly accept 2024/2025 audit**

Vice President Dave Cross asked Charlie Pillon, the auditor, to provide a brief overview of the district's current status and highlight any areas of concern. Mr. Pillon reported that the district is performing adequately; however, he expressed some concern regarding the increase in net operating loss this year, primarily attributed to higher depreciation costs. This increase is due to the capitalization of the new office building, resulting in a full year of depreciation. Additionally, maintenance operations administration expenses have risen, partly due to personnel costs and an increase in pension expenses. Nevertheless, Mr. Pillon assured the board that the district's reserves are sufficient to manage these expenses. He noted that the non-operating income primarily consists of grants and interest income, emphasizing that the district should focus on achieving a break-even point on the operating side, which includes depreciation expenses. Achieving this goal would allow for the accumulation of funds, as depreciation is a non-cash expense, thereby ensuring that reserves are available for future asset replacement.

Vice President Dave Cross indicated that he has been monitoring the district's reserve account, which appears to be trending positively as efforts are being made to build a reserve for potential replacements, such as main lines. Mr. Pillon emphasized the importance of focusing on current assets; the total cash, along with restricted cash, contributes to the unrestricted net position, representing the reserve, and should be tracked to ensure it remains positive.

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This year, there was a decrease in cash amounting to \$341,000, primarily due to the operational side being positive compared to the funds allocated to the fire fund to settle the interfund balance. In 2025/2026, the district will be able to evaluate the performance of the water funds independently, with the expectation of a positive increase in net cash.

Director Chris Hunter inquired whether Mr. Pillon could provide the previous year's data in the future. For instance, if the maintenance operation administration has increased this year, it would be beneficial to know the figures from last year. Additionally, Director Chris Hunter sought clarification on whether the audit figures align with the monthly data presented to the board, to pinpoint areas where certain expenses have risen. Mr. Pillon indicated that while there is monthly tracking in place, monthly accruals are not conducted. However, various adjustments made at year-end may result in fluctuations in that figure, which ultimately impacts the annual total, and he would put together that schedule and get it to Shawna to send out to the directors.

Director Chris Hunter noted that he has encountered challenges in tracking the comparison between profit and loss versus actual figures, often leading to the perception that we are consistently under budget. Mr. Pillon emphasized that the appropriate approach to budgeting should include depreciation. Currently, only the actual figures are being considered, while the district aims to ensure that net operating income either breaks even or exceeds that threshold. He explained that a non-cash figure of \$375,000 for depreciation directly contributes to an increase in cash reserves. As these reserves grow over the years, they will provide the necessary funds to replace significant assets in the future. If depreciation is not factored into the budget, the district risks incurring a net operational loss. Consequently, if this aspect is overlooked, the budget may reflect another negative year, necessitating either a reduction in operational costs or a rate increase to cover unavoidable expenses.

Mr. Pillon indicated that, given that the district operates as an enterprise fund with a full accrual accounting method, all assets and liabilities are reflected on the balance sheet. From an internal control perspective, it is advisable to include depreciation in the budget to accurately assess the bottom line and ensure that breakeven is achieved. Mr. Pillon offered financial training to the board of directors and indicated letting him know if they were interested.

President Valerie Coon inquired about the possibility of including depreciation as a line item once a bookkeeper is hired. Director Chris Hunter expressed the opinion that filling the general manager position should take precedence. Mr. Pillon indicated that there is an option to bring in someone to assist with certain bookkeeping tasks, while day-to-day operations could still be managed in the office. He suggested having a higher-level individual to review the day-to-day operations and collaborate with the board on budgets and do year-end adjustments. He is currently interviewing a candidate who may be suitable for this role, and if it works out and the candidate is agreeable, he could present him to the board.

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Director Chris Hunter inquired whether the net pension liability was included in the net loss. Mr. Pillon clarified that it constituted a significant portion of the cash decrease, as the district had paid off the pension liability. However, the district is now in a net pension asset position due to this payoff, and CALPERS experienced a favorable year in investments.

Vice President Dave Cross motioned to accept the Shasta Community Services District 2024/2025 audit. Director Randy Smith seconded the motion. The motion passed unanimously.

**8-2** Audit Engagement letter from Charles Pillon, CPA, to provide Shasta CSD audit services for the years ended June 30<sup>th</sup>, 2026-2030

Director Chris Hunter motioned to approve Charles Pillon, CPA, to provide Shasta CSD audit services for the years ending June 30, 2026, through 2030. Vice President Dave Cross seconded the motion. The motion passed unanimously.

**8-3** Shasta CSD budget revision 2025/2026

Vice President Dave Cross motioned to approve the Shasta CSD 2025/2026 budget revisions. Director Randy Smith seconded the motion. The motion passed unanimously.

**8-4** 2006 Redding Area Watershed Sanitary Survey

Officer in Charge Shawna Staup indicated that PACE had requested the item be presented to the board for adoption. However, an amendment is expected by the end of the month, and a representative from the County mentioned that the boards are not required to adopt it, as it must be submitted to the State. Therefore, it is at the discretion of the board of directors on how to proceed.

The board reached a consensus to table the item until next month, following the inclusion of the amendment.

## **9. Old Business:**

**9-1** Review of customer electrical pumping fees compared to the District's electrical bills

Following a discussion by the board, it was decided to table the item until the next rate study is conducted for the district.

## **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.

Initials\_\_\_\_\_ Initials\_\_\_\_\_

**10-1 Board Members:** Vice President Dave Cross will be unable to attend next month's meeting.

**10-2 Staff Members:** None.

**11. Adjourn: 7:05 PM.**

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

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Board President

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Secretary to the Board

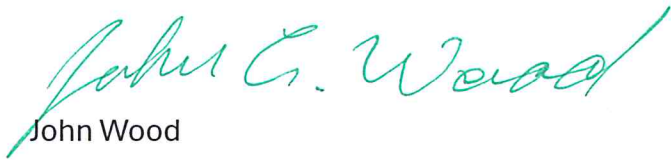


February 10, 2026

Dear Shasta Community Services District Board of Directors,

I would like a time window on our February 17, 2026, meeting to express concerns about water damage on APN # 011-700-020 account # 1639.

Thank you,



John Wood

## February Board Meeting Report:

- Water Consumption: This January- 40-acre feet  
Last January-25-acre feet
- Water Samples:
  - Total Coliforms & E Coli (Present/Absent) – Done Monthly
  - Victoria Highlands: Absent for both
  - Newfound Way: Absent for both
  - Valaparsio: Absent for both
- CUSI Software update:
  - CUSI has been given access to our gWorks account. They are using the data already provided by gWorks and generating reports out of gWorks for software development. Additionally, they will contact Badger Beacon to confirm that the file format for meter reading is correct. We will receive training on the software and conduct a parallel billing in March, with the transition to CUSI planned for April 1<sup>st</sup>.
- Ground penetrating radar:
  - Training took place on February 4, 2026, and it is being used out in the field for our USA locates.
- Hazmat Inspection:
  - The inspection took place on January 22, 2026. Paul McCarty from the County has requested that we update our emergency response plan and submit a revised registration form due to a change in the primary emergency contact. Additionally, we are required to provide an office site map, as we store diesel generators on-site, and complete our compliance audit that was due in October 2025. Josh and I are collaborating to ensure that all submissions are completed by February 21<sup>st</sup>.
- Truck Windshields:
  - The windshields of Truck 13 and Truck 14 were replaced due to cracks. We contacted the insurance company, which informed us that the deductible is \$1,000 for each truck. We opted not to go through the insurance and to have both windshields replaced for a total cost of \$910.
- Cross-Connection update:
  - We have received a significant number of completed questionnaires, which have been forwarded to Byron Gibbons. He is currently reviewing them and will reach out once he is prepared to begin the inspections.

# Charles W. Pillon, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT

4685 Pleasant Hills Dr.

Anderson, CA 96007

Telephone (530) 949-4177

Email: [charlie@charlespilloncpa.com](mailto:charlie@charlespilloncpa.com)

## NON-AUDIT SERVICES

February 10, 2026

Shasta Community Services District  
PO Box 2520  
Shasta, CA 96087

I am pleased to confirm our understanding of the services the firm of Charles W. Pillon, CPA (Firm) is to provide to the Shasta Community Services District (District). The Firm will perform the services as outlined in the scope of work section. These non-audit services (i.e. pre-audit) do not constitute an audit under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. The Firm will perform the services in accordance with applicable professional standards. The Firm, in its sole professional judgment, reserves the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

As part of the engagement, the Firm will not apply any procedures in accordance with auditing standards generally accepted in the United States of America to the District's account balances for any fiscal years that are subject to the review in the scope of work. The Firm will not express an opinion or provide any assurance on the information because the Firm does not have sufficient evidence to express an opinion or provide any assurance.

During this engagement, the work performed will not provide the District any assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. If the Firm discovers any of the above, the Firm will bring it to your attention immediately.

### Management Responsibilities

Management is responsible for making all final decisions on changes to account balances and all accounting/internal control systems.

### Scope of Work

The scope of the services for this engagement shall include but not be limited to those described in Exhibit A to this agreement.

### Engagement Administration, Fees, and Other

Charles Pillon, CPA, is the engagement partner and is responsible for overseeing the work of the Firm's pre-auditor, Jeff Heign.

The fee for all non-audit services will be at the Firm's standard hourly rate plus out-of-pocket costs (such as travel, lodging, etc.). The Firm's standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the engagement. The hourly rate for the engagement partner is \$175 and for Jeff Heign, it is \$100. The invoice for these services will be rendered on a monthly basis and are payable on presentation.

I appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign the agreement and return it to me via mail or email.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Charles W. Pillon, CPA", with a stylized flourish at the end.

Charles W. Pillon, CPA

RESPONSE:

This letter correctly sets forth the understanding of the Shasta Community Services District.

By: \_\_\_\_\_

Title: Board Chair

Date: \_\_\_\_\_

## EXHIBIT A - SCOPE OF SERVICES

1. Bank Reconciliations – Secretary (Shawna) will do, Jeff Heign of the Firm (Firm) will review and sign off
2. Gains and losses on the sale of fixed assets - Firm
3. Monthly recording and reconciling of all the balance sheet, and revenue & expense accounts – Firm
4. Payroll & payables posting to expenses and balance sheet accounts – Secretary will do, Firm reviews
5. Budget – Secretary will do, Firm to assist and review
6. Monthly financial reporting to the Board – Secretary will do, Firm to assist and review as necessary
7. Grants – Firm to oversee the grant accounting and reporting process while working together with the Secretary
8. CalPERS monthly reporting and payments – Secretary will do, Firm reviews
9. Monthly recording income and expenses to the right accounts & in the right time period – Secretary will do, Firm reviews
10. Annual pre-audit done by the Firm, which involves the following:
  - a. Annual GASB 68 pension adjustments
  - b. Annual GASB 87 lease accounting
  - c. Long-term debt accounting and year-end entries
  - d. Confirmations for audit – bank, debt, grant, etc.
  - e. Capital assets, including depreciation
  - f. Ensure year-end accruals for revenues and expenses are complete
11. Additional services at request of management