



# 2024-25 FISCAL YEAR BUDGET

Annual Publication of East Valley Water District  
Highland, California

# TABLE OF CONTENTS

<b>Transmittal Letter</b>	<b>i</b>	<b>Program Summaries</b>	<b>111</b>
Resolution 2024.10	iii	Program Descriptions	113
<b>Introduction</b>	<b>1</b>	Position Summary Schedule	113
Budget Guide	3	Governing Board	115
Statistical/Supplemental Information	7	General Administration	121
District Vision	10	Human Resources & Risk Management	127
District Goals and Objectives	11	Public Affairs	133
Organizational Structure	14	Conservation	139
Industry Benchmarks	21	Finance & Accounting	145
<b>Financial Summary</b>	<b>27</b>	Information Technology	151
Financial Policies	29	Customer Service	157
Budget Process	35	Meter Services	163
Budget Cycle Calendar	38	Engineering	169
Basis of Budgeting	39	Water Production	175
Fund Structure	40	Water Treatment	181
Fund/Program Relationship	43	Water Quality	187
Budget Summary	45	Water Maintenance	193
Revenue Summary	47	Wastewater Collection	199
Expenditure Summary	55	Water Reclamation	205
Debt Overview	61	Facilities Maintenance	211
Fund Equity & Reserves	67	Fleet Maintenance	217
Long Range Financial Plan	75	<b>Capital Budget</b>	<b>223</b>
<b>Water Fund</b>	<b>81</b>	Capital Budget Overview	225
<b>Wastewater Fund</b>	<b>93</b>	Capital Outlay	225
<b>Water Reclamation Fund</b>	<b>99</b>	CIP Five-Year Schedule	229
<b>Consolidated</b>		Capital Improvement Projects	233
<b>Financial Schedules</b>	<b>105</b>	Infrastructure Accomplishments	261
		<b>Glossary</b>	<b>265</b>
		Acronyms	271
		Chart of Accounts	275



James Morales, Jr.  
*Chairman of the Board*

Ronald L. Coats  
*Vice Chairman*

Chris Carrillo  
*Governing Board Member*

Phillip R. Goodrich  
*Governing Board Member*

David E. Smith  
*Governing Board Member*

Michael Moore, P.E.  
*General Manager/CEO*

3111 Greenspot Road  
Highland, CA 92346

(909) 889-9501  
[www.eastvalley.org](http://www.eastvalley.org)

June 26, 2024

Honorable Chairman, Governing Board, District Ratepayers, and Community Members:

The financial drivers affecting water utilities make this year's budget cycle very challenging, requiring new and unique decisions during the preparation stages. For the first time in over 30 years, we are seeing simultaneous decreases in water sales and record inflation impacting East Valley Water District (District). These headwinds have started to decrease over the past three months as we prepared the budget for the fiscal year. The District maintains strong financial flexibility to navigate these challenges and is meeting all established financial commitments. However, the District has needed to decrease its overall capital improvements and pull funds from the District's reserve accounts.

The financial challenges facing the District are the result of several factors. First, the Sterling Natural Resource Center (SNRC) is a decision made a decade ago to recycle the community's wastewater and ensure water security for our District. The cost of constructing the \$250 million project has required the District to carefully manage cash flows. Second, the District has faced significantly lower water sales due to wet weather, with a decrease of over 16% over the past two years. Finally, high inflation has impacted both overall operating expenses and capital improvement projects across the service area.

Through the extraordinary actions of staff and the Board of Directors (Board), the District has been able to make strategic adjustments to spending and balance the budget. The lengthy and transparent budget process began with the Board of Directors in Fall 2023 with strategic planning workshops to identify goals and objectives. In winter 2023, staff developed the Five-Year Work Plan update to identify specific goals and projects for each budget program spanning the upcoming five years. Finally, over the past three months, revenue projections, operating budgets, and capital improvement plans were presented at board meetings and Community Advisory Commission meetings. These public meetings were important for receiving public input to ensure the budget met the strategic objectives of the District. The goal throughout the public presentations was to create a budget that shifted the District's financial focus from the completed SNRC construction to addressing the challenges of the District's aging infrastructure.

A cost-of-service analysis and three-year rate adjustment were approved by the Board in May 2024. The rate adjustment and this budget provide a step in a new direction to replace aging water infrastructure and meet today's challenges. This significant step in replacing pipelines and groundwater wells is the beginning of a multi-year program needed to ensure reliable service to our customers.

As we prepared the budget, it is important to realize that challenges with rising construction costs, stagnant water sales, and aging infrastructure are not temporary and will continue to be addressed in future budgets. In February 2024, the Board approved changes to the District's Reserve Funds Policy that will allow the District to address these challenges without cutting infrastructure investment. Building these reserves will take a few years but will provide flexibility for staff to address unforeseen budget challenges.

The budget for FY 2024-25 is balanced and reflects the District's commitment to maximizing resources to meet or exceed the expectations of District stakeholders. Operating expenses incurred by the District's programs are allocated to the Water, Wastewater, and Water Reclamation (Reclamation) Funds based on the assumed benefit



of services to each fund. The Water, Wastewater, and Water Reclamation Funds are self-supporting based on rates received for services provided. Total projected revenues for FY 2024-25 are \$51,929,000.

Over this past year, staff made significant progress on goals set through the Five-Year Work Plan and FY 2023-24 program goals. Below is a list of completed accomplishments with additional activities listed under each program summary:

- Commissioned the Sterling Natural Resource Center and held a community ribbon cutting celebration.
- Implemented a new Fats, Oils and Grease (FOG) program to oversee and manage the discharge within the District's sewer collection system.
- Completed the rehabilitation of Plant 120 and commissioned the plant back into operation.
- Reduced customer credit card transaction fees by 50%.
- Implemented pilot water conservation rebate program.
- Replaced approximately 800 feet of waterline and replaced 40 broken isolation valves with District staff.
- Implemented a new three-year labor agreement for all staff.
- Began establishing SNRC debt service and other reserves required to comply with agreements.
- Completed Rate Study and adjusted water and wastewater rates for the next three years.
- Installed new AMI radio collectors to increase meter reads by 10%.

The budget process is a lengthy effort that lasts for six months and includes dozens of meetings with staff and the Board. I'd like to thank Brian Tompkins, Rudy Guerrero, and Christi Koide from the Finance Department for putting together the budget. In addition, William Ringland and Roxana Morales from the Public Affairs Department compiled the budget and goals of each budget program into this document. I also want to recognize the Department Heads for everything they do to control costs while continuing to meet their goals and provide service to our customers.

Finally, I'd like to thank the Board of Directors for their time and effort in providing the mission and vision for the District. The long-term focus set by the Board allows staff to make decisions and set policy, even with the temporary challenges we face each year. You have provided the resources necessary to maintain our strong credit rating, our position as a trusted community partner, and our status as a Top Workplace. I am confident in the future of the District to provide the highest level of water and wastewater service to our community with this budget, and I look forward to executing our strategic initiatives.



Yours in Service,

Michael Moore, P.E.  
General Manager/CEO

## District Management

**Brian Tompkins**  
*Chief Financial Officer*

**Jeff Noelte**  
*Director of Engineering & Operations*

**Justine Hendricksen**  
*District Clerk*

**Kerrie Bryan**  
*Director of Administrative Services*

**Patrick Milroy**  
*Operations Manager*

**William Ringland**  
*Public Affairs/Conservation Manager*



# Resolution 2024.10

## A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST VALLEY WATER DISTRICT APPROVING THE OPERATING AND CAPITAL BUDGETS FOR FY 2024-25

**WHEREAS**, East Valley Water District (“District”) is a county water district organized and operating pursuant to California Water Code Section 30000 et seq.; and

**WHEREAS**, the Board of Directors has reviewed and considered the Budget as presented for FY 2024-25, hereinafter referred to as the “Budget;” and

**WHEREAS**, the Budget provides a comprehensive plan of financial operations for the District including an estimate of revenues and the anticipated requirements for expenditures, appropriations, and reserves for the forthcoming fiscal year; and

**WHEREAS**, the Budget establishes the basis for incurring liability and making expenditures on behalf of the District; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the East Valley Water District as follows:

**Section 1.** The Budget, and each and every part thereof, is hereby approved and adopted for the FY 2024-25; and

**Section 2.** The provisions of this Resolution shall take effect on July 1, 2024.

**ADOPTED** this 26th day of June 2024.

Ayes: Directors: Carrillo, Coats, Goodrich, Morales, Smith

Noes: None


Abstain: None

Absent: None

ATTEST:



Michael Moore, P.E.  
Secretary, Board of Directors

  
James Morales, Jr.  
Board President

June 26, 2024

**I HEREBY CERTIFY** that the foregoing is a full, true and correct copy of Resolution 2024.10 adopted by the Board of Directors of East Valley Water District at its Regular Meeting held June 26, 2024.



Michael Moore, P.E.  
Secretary, Board of Directors

[PAGE LEFT BLANK]  
*Intentionally*

# FY 2024-25 INTRODUCTION

The financial plan serves as a policy document, operations guide for programs, and as a means of transparent communication.



## Introduction Contents

- Budget Guide
- Statistical/Supplemental Information
- District Vision
- Organizational Structure
- Industry Benchmarks

# BUDGET GUIDE

The budget document is East Valley Water District's (District) annual financial plan prepared by District staff and approved by the Governing Board. The financial plan serves as a policy document, operations guide for programs, and as a means of transparent communication. The intended audiences of the budget document are citizens, local businesses, creditors, governmental agencies, and other stakeholders.

## Budget Document Sections

East Valley Water District's Fiscal Year (FY) 2024-25 Operating and Capital Budgets provide customers, ratepayers, and members of the community with detailed information about the District's programs and operations.

The goal of the budget document is to provide transparency to the community regarding the services, programs, and operations of the District. The budget document consists of seven sections, including:

### 1 INTRODUCTION

This section includes the Budget Guide on how to read the budget, Statistical/Supplemental Information, Organizational Structure, and District Vision.

### 2 FINANCIAL SUMMARY

This section presents an in-depth Districtwide overview of the FY 2024-25 Budget, including methodology and principles to provide guidelines for the formation and consideration of the comprehensive annual budget.

### 3 WATER, WASTEWATER, AND RECLAMATION FUNDS

Financial projections, assumptions and considerations for revenue, expenses, and operations are included in this section.

### 4 CONSOLIDATED FINANCIAL SCHEDULES

This section is a comprehensive summary of the District's Budget presented for the organization as a whole and for each of the District Funds.



The budget represents actions needed to implement the District's short-term and long-term goals and objectives.

## 5 PROGRAM SUMMARIES

This section provides comprehensive information for each functional program within the District including their operational budget. Descriptions include highlights of accomplishments, key goals and objectives, and Operating Budget for the specific Program.

The FY 2024-25 Budget is organized into the following summary programs:

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

**Department Name**

**Function**

**Goals & Objectives**

**Accomplishments**

**Program Budget Detail**

Each program section includes:

- **Program Personnel:** Explanation of authorized personnel allocated to each program including an organization chart.
- **Program Structure:** Organization chart displaying the reporting for program personnel since supervisors may be allocated to different program funding.
- **Function:** A basic description of the responsibilities of each program.
- **Goals & Objectives:** Articulates the expectations for FY 2024-25 through specific goals and objectives.
- **Accomplishments:** Highlights and milestones from FY 2023-24.
- **Significant Changes:** Clarification of funding request differences compared to the previous year.
- **Levels of Service:** Key Performance Indicators to measure program operations and achievement of the District's Goals and Objectives.
- **Key Performance Indicators:** These tables present measures that help the District define and evaluate a program's performance.
- **Program Budget Detail:** A detailed breakdown of the program expenditures by category or line item.



Goals that directly support the District's Five-Year Work Plan are noted in the various Program Summaries with the use of this icon.



## 6 CAPITAL BUDGET

This section presents the Capital Outlay expenditures and Capital Improvement Projects for the FY 2024-25 Budget.

## 7 GLOSSARY

This section provides definitions for general terms, acronyms, and the Chart of Accounts used throughout the budget document.

## Budget Financial Information

The District operates on a fiscal year, or budget time period, that begins on July 1 and ends June 30. The columns typically presented are:

FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
----------------------	----------------------	-------------------------	----------------------	-------------------	-----------

### FY 2022-23 ACTUALS

Actual financial information for FY 2022-23 as reported in the Comprehensive Annual Financial Report. The actual financial information is reported in the budget document on a budgetary basis.

### FY 2023-24 BUDGET

The FY 2023-24 Budget was adopted by the Governing Board on June 23, 2023 and may also include any adjustments approved by the Governing Board at the Mid-Year Budget Review.

### FY 2023-24 PROJECTED

The FY 2023-24 Projected column reflects the adopted budget in addition to any amendments approved by the Governing Board during the fiscal year. This budget is prepared before the completion of the current year budget. The FY 2023-24 Projected column is also adjusted to reflect management's estimate of what revenues and expenditures will be at the end of the fiscal year.

### FY 2024-25 BUDGET

This column initially reflects the FY 2024-25 "Proposed" Budget submitted by the General Manager/CEO. After the Governing Board reviews and approves the FY 2024-25 Budget, the information in the FY 2024-25 column changes, if necessary, to reflect the Governing Board's actions.

### AMOUNT CHANGED AND % CHANGE

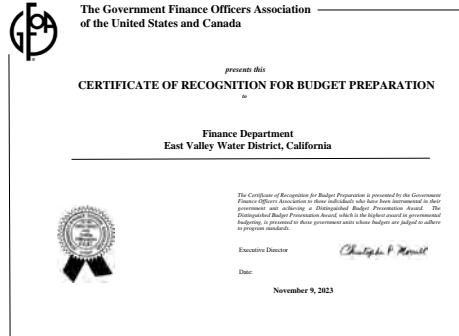
These columns provide the amount changed/percent change from the previous year's budget to the newly adopted budget.



## Budget Awards

The Government Finance Officers Association (GFOA) of the United States and Canada presented a Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers (CSMO) presented the Excellence Award to the District for its annual budget for the fiscal year beginning July 1, 2023. In order to receive these awards, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

These awards are valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA and CSMFO to determine its eligibility for another award.



Award and recognition of the District's annual budget is a testament to the organization's dedication to fiscal excellence. It boosts internal and external confidence while setting a foundation for sustainable financial health.

# STATISTICAL/SUPPLEMENTAL INFORMATION

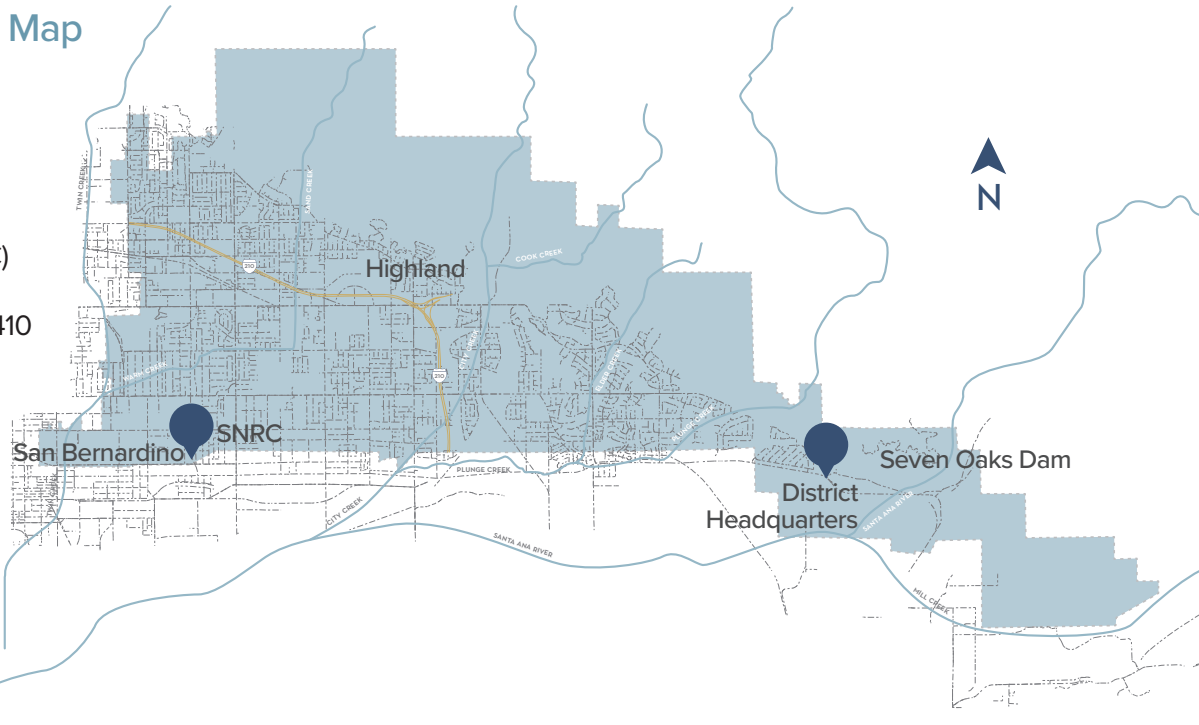
The District provides water and wastewater services to residents within its 30 Square mile area. This includes over 108,000 people within the cities of Highland and San Bernardino, portions of the unincorporated County of San Bernardino, the San Manuel Band of Mission Indians, and Patton State Hospital.

This District serves over 108,000 people within the cities of Highland and San Bernardino, portions of the unincorporated County of San Bernardino, the San Manuel Band of Mission Indians, and Patton State Hospital.

## District Boundary Map

District Headquarters  
31111 Greenspot Road  
Highland, CA 92346

Sterling Natural  
Resource Center (SNRC)  
25318 5th Street  
San Bernardino, CA 92410



## Government

The District is a California Special District established in 1954. The District has a five-member Governing Board elected by voters at-large to staggered four-year terms. The Governing Board represents the public's interest as policy makers with regards to rate for service, policies, ordinances, and budget adoption.



**James Morales, Jr.**  
*Chairman of  
the Board*



**Ronald L. Coats**  
*Vice Chairman of  
the Board*



**Chris Carrillo**  
*Governing  
Board Member*



**Phillip R. Goodrich**  
*Governing  
Board Member*



**David E. Smith**  
*Governing  
Board Member*



Appointed by the Governing Board, the General Manager/CEO is responsible for overseeing daily operations and managing staff resources. The District is a rate-based organization that receives no tax-related revenue and operates in accordance with Division 12 of the California Water Code.

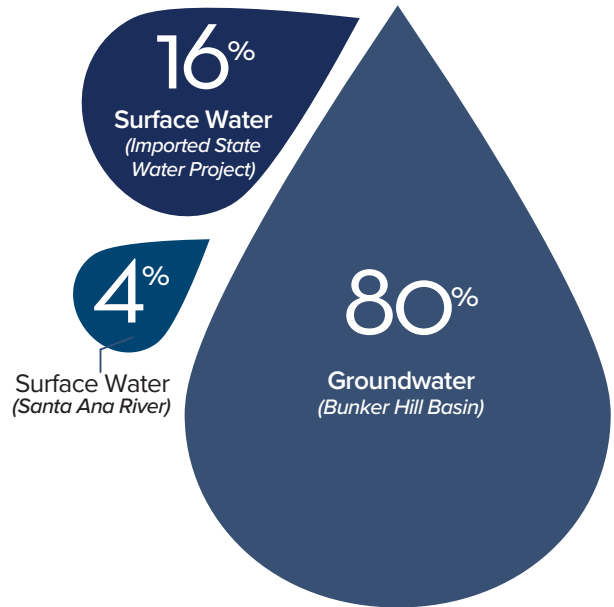
The District’s service area includes the City of Highland, San Manuel Band of Mission Indians, Patton State Hospital, and portions of both the City and County of San Bernardino. Additionally, the District is within the sphere of influence of the Inland Valley Development Authority, which oversees the reuse of the former Norton Air Force Base.

## Water Sources

The District has three sources for water, the Santa Ana River (SAR), the Bunker Hill Groundwater Basin (Bunker Hill Basin), and the State Water Project (SWP). The SAR starts with natural springs and snow melt high in the San Bernardino Mountains.

Groundwater is drawn from the Bunker Hill Basin, a natural underground storage area made up of soil, sand, and gravel.

A portion of the District’s surface water is locally supplied from the Santa Ana River. All surface water is treated at the District’s Water Treatment Plant.



## Wastewater Collection and Treatment

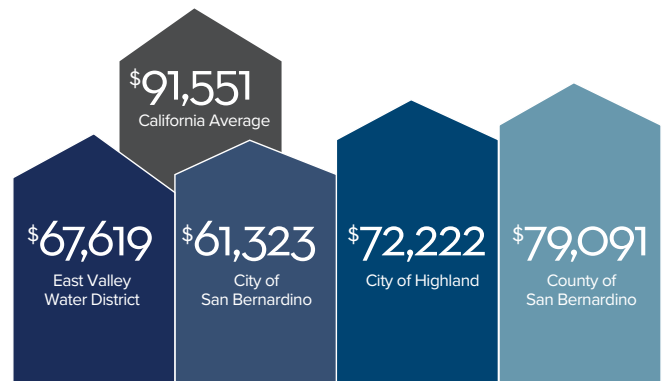
The District is responsible for the collection and treatment of wastewater within the service area, including monitoring and maintaining 230 miles of sewer main that are part of the infrastructure.

Wastewater flows are treated at the District’s Sterling Natural Resource Center facility located in San Bernardino. The facility became fully operational in January 2024 and treats up to eight million gallons of wastewater daily for recharge into the local Bunker Hill Basin. The SNRC provides drought-proof recycled water supply and allows hundreds of millions of gallons of water to be stored for use in dry years for beneficial reuse higher in the Santa Ana River watershed.

## Population Growth

Population growth projections vary within the District’s service area due to a number of proposed developments with unspecified timing for completion. There are a number of developments currently under construction and planned for the future within the District’s service area including:

- Construction and development of a new shopping center that includes fast food restaurants and retailer.
- New residential development on the east-end of service area.
- Logistic warehouses in the airport area.



Average Household Income

*\*Income information retrieved from census.gov.*

## Climate

The climate in the cities of Highland and San Bernardino vary throughout the year, but overall is considered arid. On average, there are 283 days of sunshine per year. Temperatures average a daily high of 94 degrees in the summer and a daily low of 42 degrees during the winter. This area typically averages 13 inches of precipitation annually, mostly during the months of January through March.

## Education

Residents within the District's service area have access to award winning K-12 schools through the Redlands Unified School District (RUSD) and San Bernardino City Unified School District (SBCUSD). Higher education institutions located near the District's service area include: California State University, San Bernardino; California Baptist University; Loma Linda University; University of California at Riverside; and University of Redlands. Community colleges within the region include: Crafton Hills College; Riverside City College; and San Bernardino Valley College.

## Hospital & Medical Facilities

Hospital and medical facilities located in or near the District service area include Arrowhead Regional Medical Center, Loma Linda University Medical Center, Kaiser Foundation Hospital, Redlands Community Hospital, Community Hospital of San Bernardino, J. Pettis Veteran's Administration Hospital, and St. Bernardine Medical Center. Additionally, there are a number of urgent care and outpatient facilities located throughout the region.

## Transportation

Public transportation is available within the District service area through OmniTrans. With a variety of routes, OmniTrans provides busing services throughout the San Bernardino Valley, including cities of Highland and San Bernardino. Community members have access to the Metrolink commuter rail service, which provides long distance transportation to commuters from the San Bernardino area to major centers of employment including Los Angeles and Orange County. Interstate 210 and both State Route 18 and 330 traverse through the District's boundaries. These roadways provide access to major transportation corridors including Interstates 215, 15, and 10; and State Routes 18, 38, 60, and 91.

## Public Safety

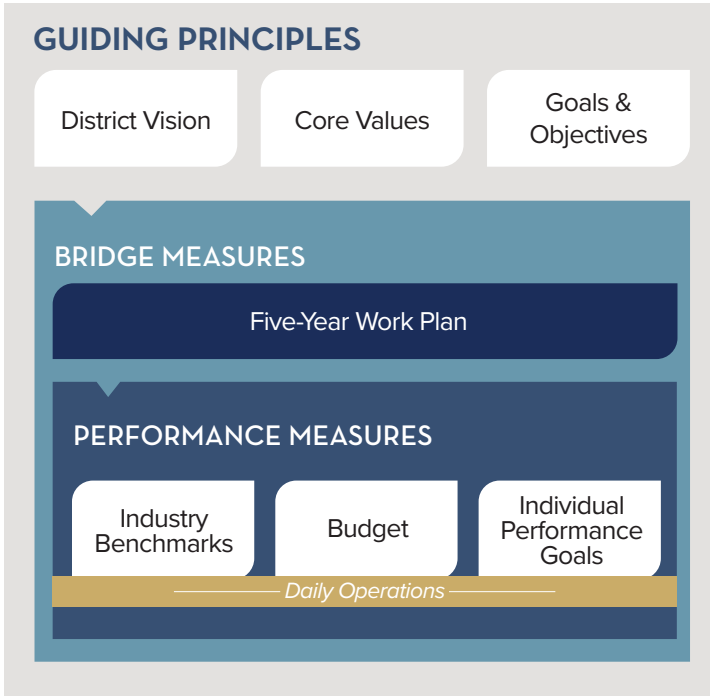
The District serves members of the community within the cities of Highland and San Bernardino, unincorporated County of San Bernardino and San Manuel Band of Mission Indians. Within these communities, law enforcement is provided by the San Bernardino County Sheriff's Department, City of San Bernardino Police Department, and San Manuel Department of Public Safety. Fire protection services are provided by the California Department of Forestry and Fire Protection (CalFire), San Bernardino County Fire Department, and the San Manuel Fire Department.

## Major Employers

Major employment industries within the cities of Highland and San Bernardino include education, mental health services, public administration, health care, public safety, casinos, transportation, and construction.

## Strategic Planning Workflow

The District has set out to be a world-class organization, with a focus not only on providing safe and reliable drinking water but enhancing and preserving the quality of life for our community. Through a series of planning measures, the Governing Board, staff, and the community have developed a District Vision that empowers the organization to be innovative, efficient, and effective.



A Five-Year Work Plan has been developed with an emphasis on the elements needed to clearly look to the future and account for daily operations of the District. This effort is designed to consider general policy direction and highlight priority projects that allow for the consideration of specific tasks necessary for implementation.

The District now has a series of measurable guiding elements that have established varying degrees of direction for operational and planning decisions. The strategic planning workflow includes: the guiding principles, bridge measures, and performance measures.

By setting clear expectations, all staff members are encouraged to be active participants in operations while looking for opportunities to make a positive impact on the community.

## District Vision

**ENHANCE & PRESERVE THE QUALITY OF LIFE FOR OUR COMMUNITY THROUGH INNOVATIVE LEADERSHIP AND WORLD-CLASS PUBLIC SERVICE.**

## Core Values

### LEADERSHIP

Motivating a group of people to act toward achieving a common goal or destination.

### PARTNERSHIP

Developing relationships between a wide range of groups and individuals through collaboration and shared responsibility.

### STEWARDSHIP

Embracing the responsibility of enhancing and protecting resources considered worth caring for and preserving.



## Goals and Objectives



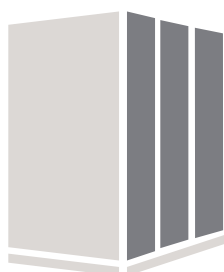
### Implement Effective Solutions Through Visionary Leadership

- Identify Opportunities to Optimize Natural Resources
- Maximize Internal Capabilities Through Ongoing Professional Development
- Strengthen Regional, State and National Partnerships
- Encourage Performance Based Results Through Staff Empowerment



### Maintain a Commitment to Sustainability, Transparency, and Accountability

- Practice Transparent and Accountable Fiscal Management
- Utilize Effective Communication Methods
- Pursue Alternative Funding Sources
- Provide Quality Information to Encourage Community Engagement



### Deliver Public Service with Purpose While Embracing Continuous Growth

- Advance Emergency Preparedness Efforts
- Strive to Provide World-Class Customer Relations
- Promote a Positive Organizational Culture
- Embrace an Environment of Active Learning and Knowledge Sharing



### Promote Planning, Maintenance and Preservation of District Resources

- Develop Projects and Programs to Ensure Safe and Reliable Services
- Enhance Planning Efforts that Respond to Future Demands
- Dedicate Efforts Toward System Maintenance and Modernization
- Enable Fact-Based Decision Making Through State-of-the-Art Data Management

## District Spotlight

A glance at the District's operational highlights for FY 2023-24 is shown below. This summary includes key metrics to understand the overall effort required to uphold water quality and infrastructure maintenance over a 12-month period.

### WATER SYSTEM AT-A-GLANCE

**14,125,000**

Average   
Gallons of Water  
Produced Daily

**300** 

Miles of  
Water Main

**315** 

Water Leaks  
Repaired

**12**

Active   
Groundwater Wells

**28,977,000**

Gallons of   
Water Storage

**800** 

Feet of Water  
Main Replaced

**3,500** 

Water Samples  
Collected

**686** 

Hydrants Repaired, Replaced, Inspected

**518**

Hydrants Flushed

### WASTEWATER SYSTEM AT-A-GLANCE

**230** 

Miles of  
Wastewater Mains

**6,000,000** 

Average Gallons of  
Wastewater Collected

**5,100** 

Manholes

**63** 

Miles of Wastewater  
Monitored by Video

**140** 

Miles of Wastewater  
Main Cleaned



The budget reflects the commitment of allocating resources to meet the needs of District stakeholders.

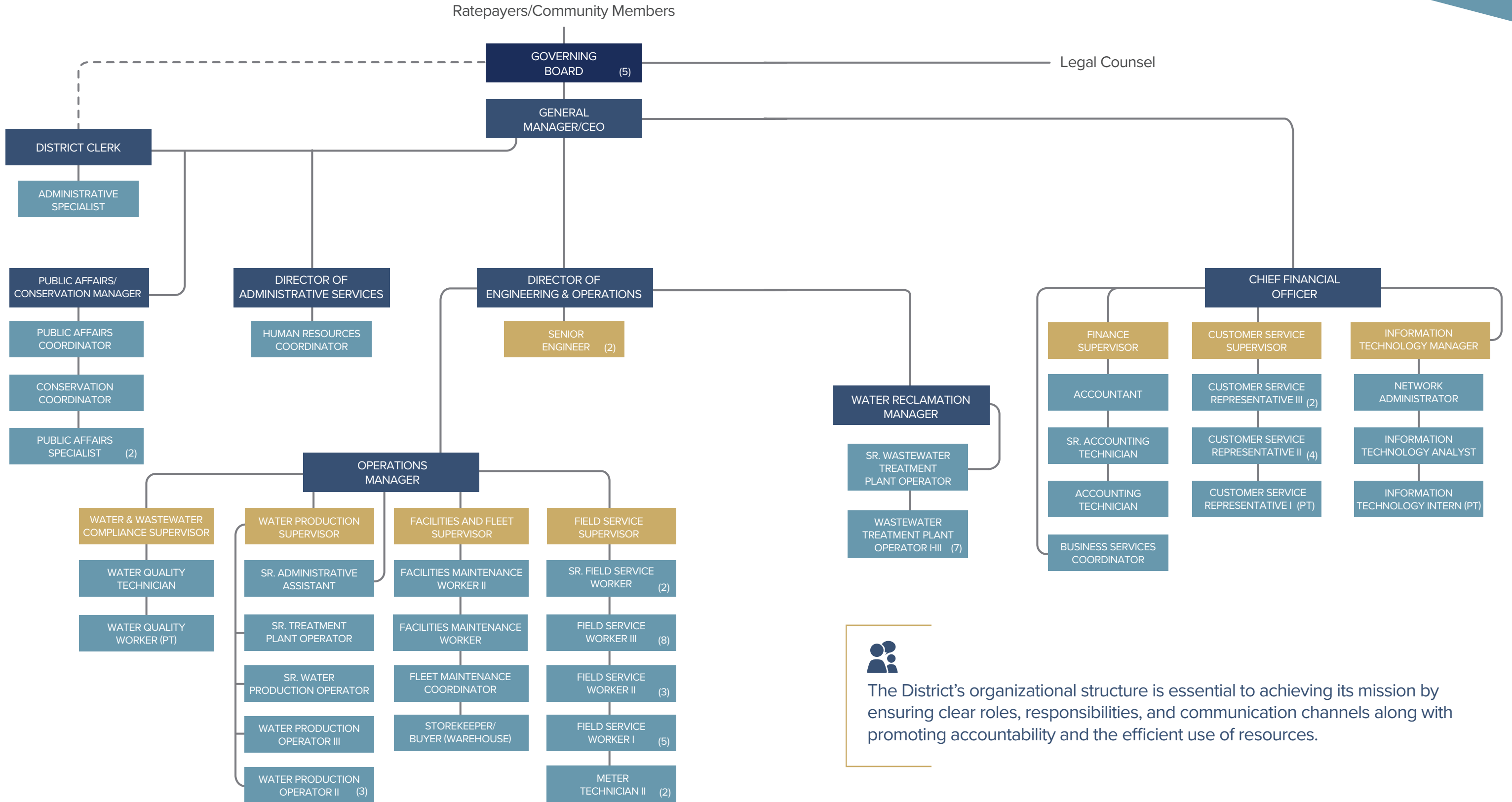





THE ANNUAL BUDGET  
**ESTABLISHES PRIORITIES**



Organizational Structure



 The District's organizational structure is essential to achieving its mission by ensuring clear roles, responsibilities, and communication channels along with promoting accountability and the efficient use of resources.

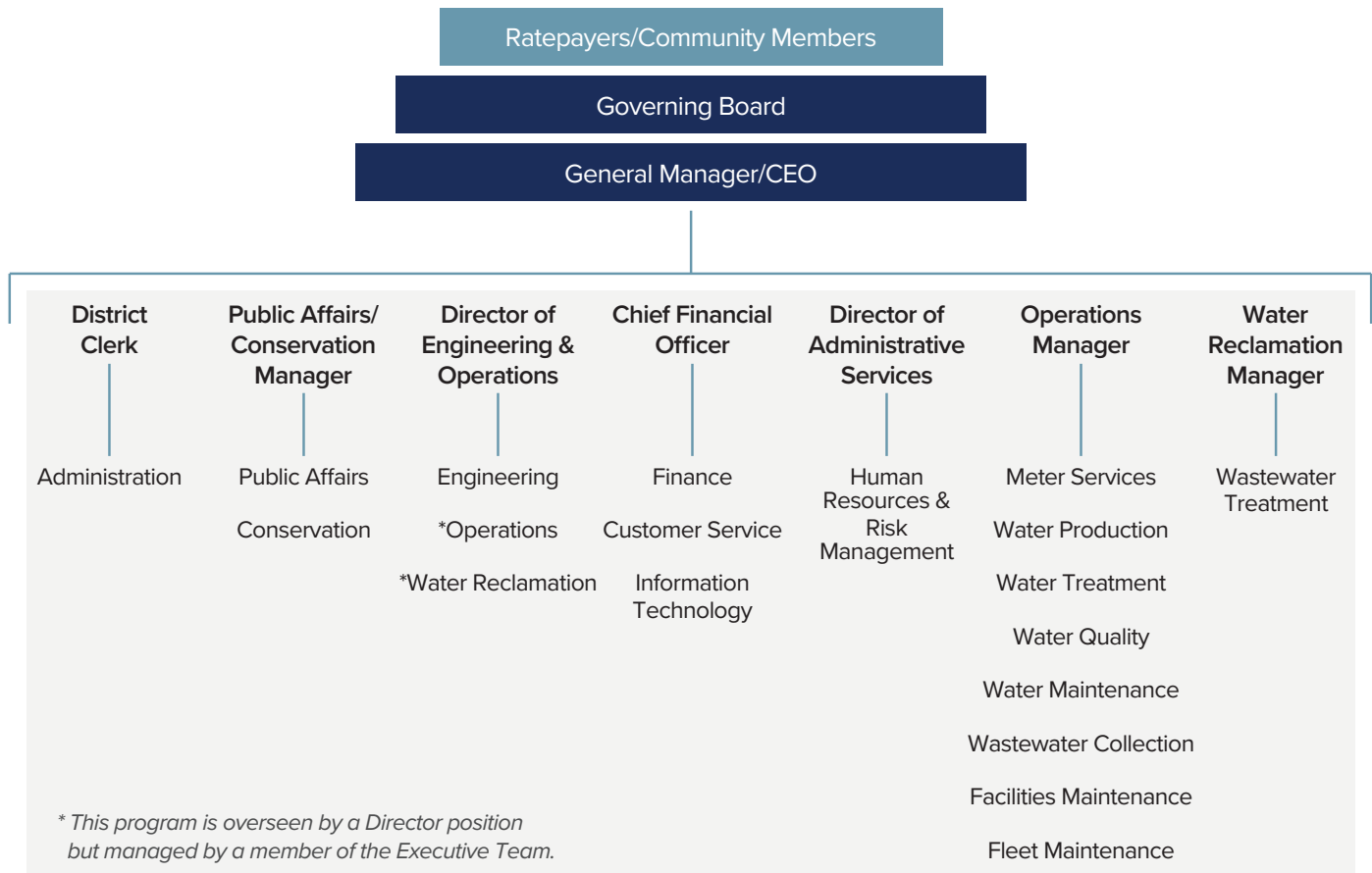
- LEGEND**
- Elected Officials
  - Executive Management
  - Management
  - General Staff

\* All positions are full-time unless noted otherwise as part time (PT).

## Program Structure

The District has built a world-class team of individuals committed to the Agency Vision and Core Values. The Organizational Chart reflects the current 75 authorized positions in relation to the chain of command structure. It is important to note that the District fosters a collaborative work environment which encourages communication and cooperation between different programs. A more detailed look at staffing can be viewed within each individual Program.

The District currently has 18 programs, which are overseen by various members of the Executive Management Team. This chart reflects the organizational structure based on Program oversight.



## Program Level Operational Responsibilities Overview

Ratepayers/Community		The individuals, businesses and stakeholders receiving services from the District.
Governing Board		The Governing Board is the legislative body of the organization. Comprised of five members elected at-large to four-year staggered terms of office.
<b>DISTRICT CLERK</b>		
General Administration		General Administration is responsible for ensuring the District's business and daily operations activities are performed following Federal, State, and Governing Board approved policies. The General Manager/CEO provides daily oversight for interagency relations for advancing the District's initiatives.



## DIRECTOR OF ADMINISTRATIVE SERVICES

### Human Resources & Risk Management



Human Resources & Risk Management is responsible for administering programs to attract and retain a diverse and qualified workforce. This Program also oversees the District safety program to ensure staff maintain a safe work environment. Additionally, this Program is responsible for managing the District's pathway and risk management programs.

## PUBLIC AFFAIRS/CONSERVATION MANAGER

### Public Affairs



Public Affairs oversees internal and external communication programs consistent with the District's Vision and guiding principles. Through community and media relations, the Program provides effective and strategic communications to various stakeholders. The Program is also responsible for grant writing, and facility rental programs.

### Conservation



Conservation is responsible for overseeing programs that facilitate and encourage sustainable water use throughout the District. Additionally, this Program is responsible for communicating conservation benchmarks to various regulatory agencies, tracking and monitoring legislative affairs and advocating on behalf of the District's legislative platform.

## CHIEF FINANCIAL OFFICER

### Finance & Accounting



Finance & Accounting oversees the business operations of the District in order to provide accountability and adequate control over the use of District funds.

### Information Technology



Information Technology oversees the District's technology infrastructure to support essential business and operational functions. The functions utilize industry specific software programs required to meet agency needs.

### Customer Service



Customer Service provides the community with prompt, courteous, and world-class customer relations.

## DIRECTOR OF ENGINEERING & OPERATIONS

### Engineering



The Engineering Program responsibilities include infrastructure planning, maintaining a safe and reliable water supply, and ensuring compliance with Federal and State regulations. The Program oversees water, wastewater, and water reclamation capital projects.

### Water Reclamation



The Water Reclamation Program is responsible for treating and disinfecting eight million gallons of wastewater per day (MGD). Reclamation of wastewater generated by District customers will also convert solid waste to electricity.

## OPERATIONS MANAGER

### Meter Services



The Meter Services program maintains a network of approximately 23,000 Advanced Metering Infrastructure (AMI) meters. The Program conducts routine maintenance, testing and replacement of meters to ensure billing is accurate.

### Water Production



Water Production is responsible for the daily monitoring and operations of the entire water production system to ensure preventative maintenance of all pumps, motors, wells, boosters, reservoirs, pressure regulating valves (PRVs), hydro-pneumatic plants, and the Supervisory Control and Data Acquisition (SCADA) system.

### Water Treatment



Water Treatment is responsible for management of three different sources of supply used by the District. The Program is responsible for the operation of Plant 134, a Surface Water Treatment Plant, and two unique groundwater treatment facilities at Plant 28 and Plant 39.

### Water Quality



Water Quality is responsible for ensuring District compliance with State and Federal Drinking Water Regulations. This program manages backflow prevention, water sampling, Fats, Oils, and Grease Program (FOG), and the fire hydrant flushing programs.

### Water Maintenance



The Water Maintenance Program is responsible for the repair and replacement of the District's 300 miles of water pipeline. Water Maintenance coordinates with Engineering and Water Production to install water service lines, fire hydrants, meters, valves, and all related equipment.

### Wastewater Collection



The Program's purpose is prevention of wastewater spillage and leaks. This is accomplished by routine inspections, cleaning, repairs, and replacements of the District's 230 miles of collection pipelines.

### Facilities Maintenance



Facilities Maintenance is responsible for the maintenance of all District facilities. The Program oversees administration buildings, water facilities, District-Owned vacant properties, and easements.

### Fleet Maintenance



Fleet Maintenance is responsible for the preventative maintenance program for all District vehicles and heavy equipment. This includes the procurement of fleet items and maintain compliance with State and Federal air quality rules and regulations.

## Budget Summary by Program

The sum of many pieces makes the whole, and through 18 programs the District is able to provide world-class services to the community it serves. The graphic below displays the budget allocation for each program within the FY 2024-25 Operating and Capital Budgets.



To align resources with District goals and objectives, it is crucial to strategically staff and budget for the appropriate number of personnel.



THE ANNUAL BUDGET  
**RESPONSIBLE USE OF RESOURCES**



# INDUSTRY BENCHMARKS

*Program Summaries Section*



Industry Benchmarks allow East Valley Water District to examine itself in comparison with other utilities across the United States.



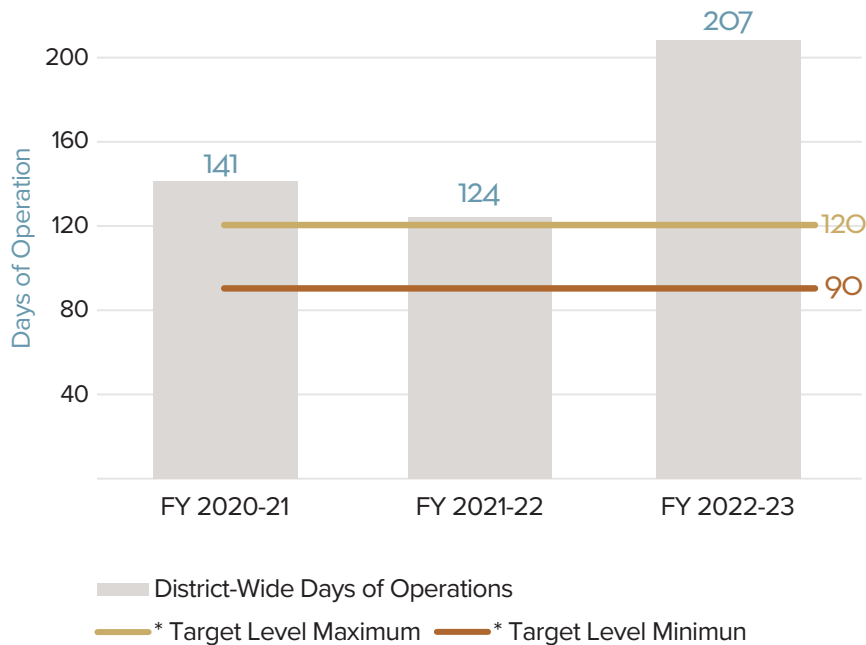
# INDUSTRY BENCHMARKS

The District is committed to delivering world-class service to its community, customers, and stakeholders. As part of its continuous improvement efforts, the District has established Industry Benchmarks that offer valuable insights into its performance relative to others in the industry.

The data presented in the following tables are sourced from the American Water Works Association's (AWWA) 2022 Utility Benchmarking Program, neighboring water districts, and the U.S. Environmental Protection Agency (U.S. EPA). The District's data includes the previous completed fiscal years. By leveraging these benchmarks, the District can enhance its operations, foster trust and transparency with stakeholders, and ensure that it continues to invest resources in building a safe and reliable public utility.

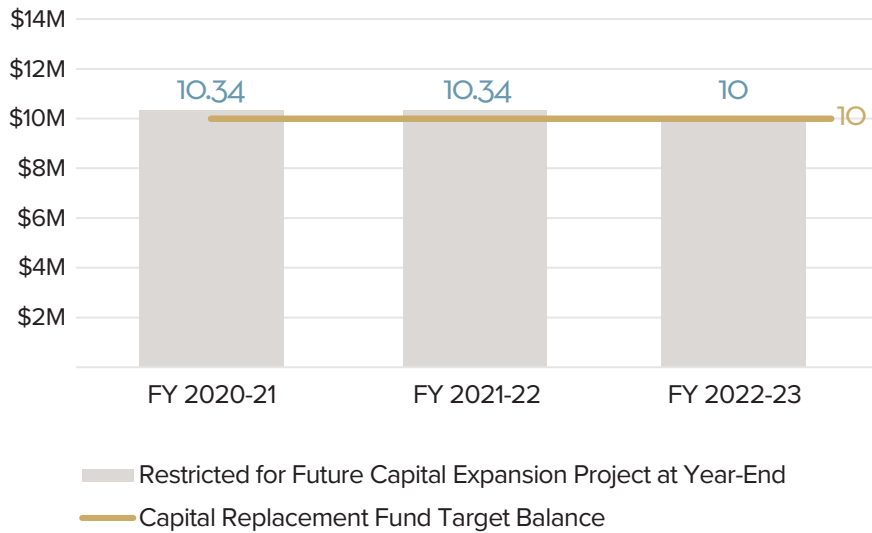
## Operating Fund Target Level

The operating fund target level pertains to the desired amount of funds that the District aims to have available in order to sustain day-to-day operations and ensure financial stability. The District's Reserve Funds Policy No. 7.2 establishes both maximum and minimum levels, which serve the purpose of guaranteeing adequate liquidity and covering operational expenses.



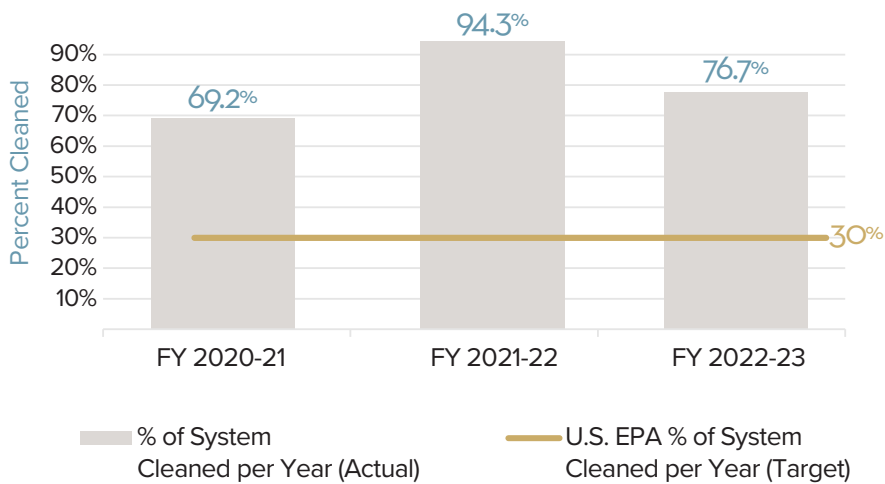
## Capital Replacement Fund Balance

The graph illustrates the restricted funds for capital replacement. The Capital Fund Target Balance is set based upon the District's adopted Reserve Funds Policy No. 7.2 to ensure the District has an appropriate level of financial reserves, while allowing for investment in infrastructure projects and optimizing long-term rehabilitation opportunities.



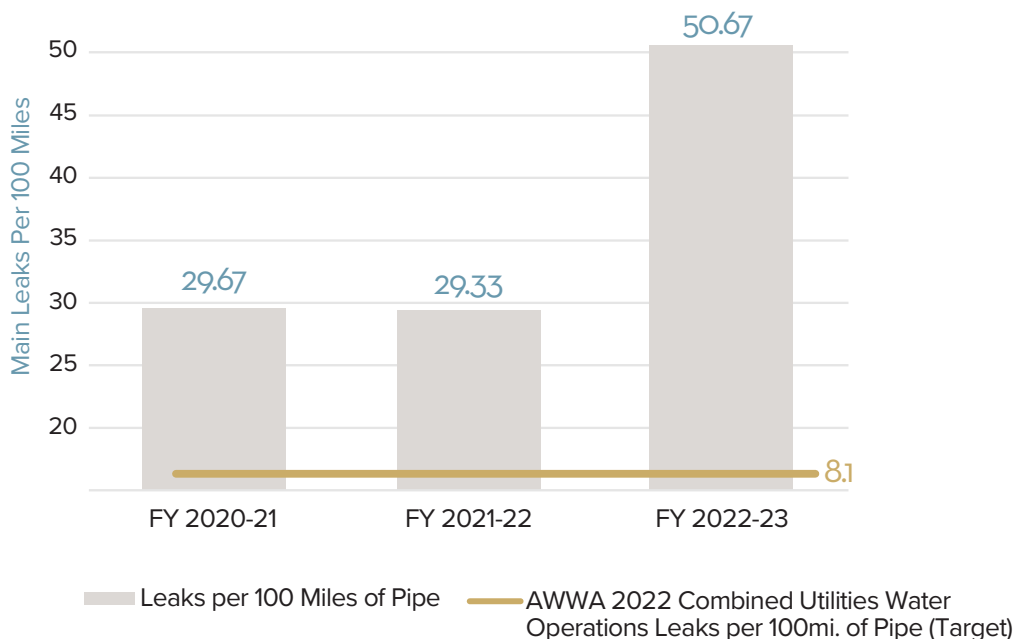
## Miles of Sewer Cleaned

The chart provides an overview of the number of miles of sewer lines cleaned. The District aims to clean at least 50% of the system per fiscal year with the U.S. EPA setting a target of 30%.



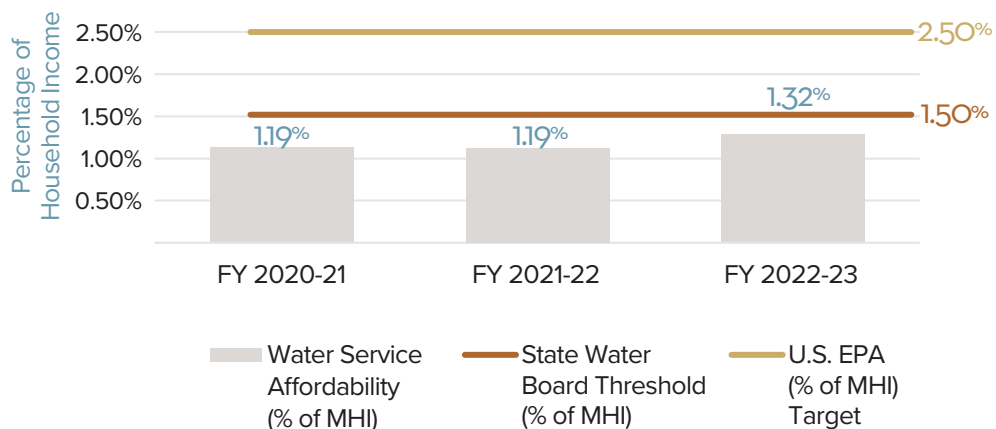
## Main Leaks

The chart displays the total number of main line leaks per 100 miles of water. The data includes AWWA's 2022 benchmark information to compare water systems across the United States.



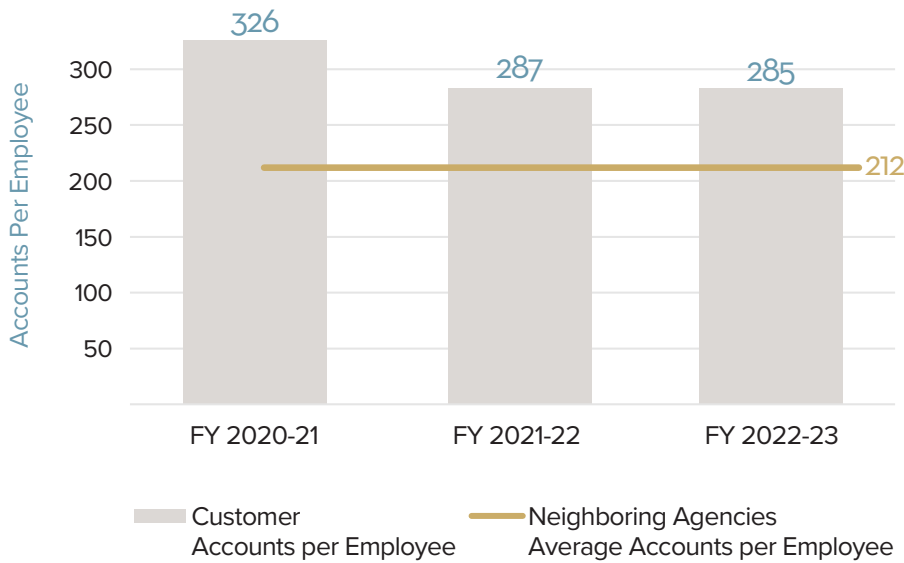
## Water Affordability

The chart presents the affordability of the District's water by comparing it to the U.S. EPA 2.5% threshold.



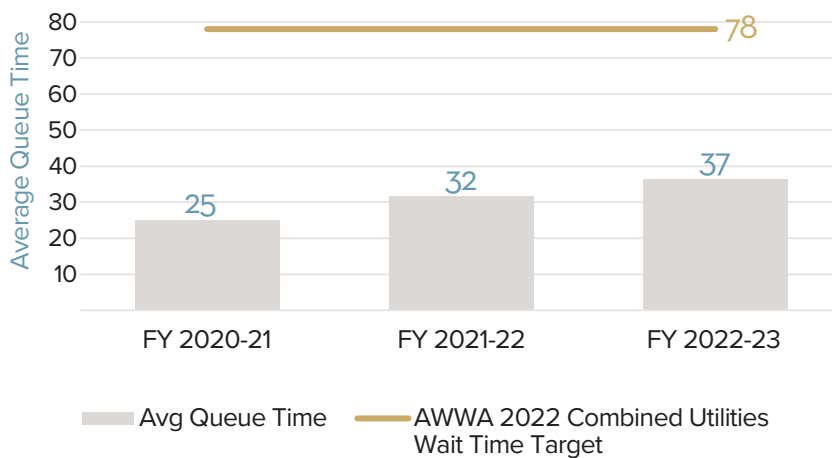
## Staffing Levels

The graph highlights the staffing levels of the District in comparison to neighboring water districts. The data is presented in relation to the total number of accounts per employee, offering insights into the efficiency and workload distribution of the District's workforce relative to its counterparts.



## Wait Time

The chart illustrates the call wait time experienced by District customers when contacting customer service representatives. It also includes a comparison with other utilities using the 2022 AWWA benchmarking data, offering insights into the District's performance in terms of customer service responsiveness in relation to industry standards.



# FY 2024-25 FINANCIAL SUMMARY

The annual budget is an opportunity to establish priorities for the fiscal year, identify means to evaluate results, and ensure that the planned operations and capital projects responsibly use District resources.

## Financial Summary Contents

- Financial Policies
- Budget Process
- Budget Cycle Calendar
- Basis of Budgeting
- Fund Structure
- Fund/Program Relationship
- Budget Summary
- Revenue Summary
- Expenditure Summary
- Debt Overview
- Net Position/Fund Equity
- Long-Range Financial Plan



# FINANCIAL POLICIES

East Valley Water District financial management policies provide a basic framework for the overall fiscal management of the District.

The policies represent a foundation for addressing changing circumstances and conditions, and assist in the decision-making process. Financial policies represent guidelines for evaluating both current activities and proposals for future programs. They also reflect long-standing principles and practices, which have enabled the District to maintain its financial stability. Policies are reviewed annually to ensure the guidelines represent a realistic, current framework for policy decisions.

## Operating and Capital Budget Policy

### PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines to assist in the formulation and consideration of a comprehensive annual budget, one of the most important financial activities the District undertakes each year. Those guidelines include a Strategic Plan and Capital Improvement Program (CIP), which assist in completing financial planning cycles that deliver efficient and effective public services. This policy applies to all funds under the budgetary and fiscal control of the Governing Board.

### BALANCED BUDGET

The District will adopt a balanced budget for each fund this policy covers, where the sum of estimated revenues and use of reserves is equal to or greater than current expenditures. Expenditures will include operating expenses, debt service, and the Budget's contribution to the CIP.

Short-term operating deficits will be mitigated either by raising rates and fees or cutting costs. The use of one-time revenues and development fees for the funding of operating costs is not permitted, and reserves may only be used for the purpose for which they were intended in accordance with the District's Designated Funds Policy.

Budget control is maintained at the program/department level. The General Manager/CEO has the authority to approve budgetary transfers between programs or departments, but changes that increase expenditures at the fund level require budget amendments approved by the Governing Board.

The budget development process is outlined on pages 39-41.

## Investment Policy

### PURPOSE AND SCOPE

The purpose of this policy is to establish guidelines for the prudent investment of District funds in conformance with California Government Code (CGC) requirements. The policy applies to all funds under direct authority of the District, which does not include funds held in trust for the District's retirement plans and post-employment health benefits.

## OBJECTIVES

CGC §53600.5 states that, when investing and managing public funds, the primary objectives, in priority order, of the District's investment activities shall be:

- **Safety** — Safety of principal is foremost, therefore, investments shall be undertaken in a manner that seeks to preserve capital, while mitigating risks such as interest rate risk and credit risk.
- **Liquidity** — The investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements that can reasonably be anticipated.
- **Return on Investment** — The investment portfolio shall be designed for attaining the best yield while keeping in mind that return is secondary to the objectives of safety and liquidity.

## DELEGATION OF AUTHORITY

The authority of the District's Governing Board to invest District funds is derived from CGC § 53601. CGC § 53607, allowing the Governing Board to delegate that authority to a Treasurer. The District's Chief Financial Officer has historically been selected to serve as this delegated authority. This delegation expires and may be renewed annually, by Board resolution, in conjunction with the annual review of the investment policy.

## AUTHORIZED INVESTMENTS

The District is empowered by CGC §53600 et. seq. to invest in certain types of investments. The District policy is more restrictive than the CGC regarding allowable investments due to the size of the District's investment portfolio and limited staff resources available to manage invested funds.

## SAFEKEEPING AND INTERNAL CONTROL

To protect against potential losses caused by the collapse of a security dealer, all book-entry securities are kept in safekeeping by a third-party bank trust department, acting as agent for the District under the terms of a custody agreement.

Internal controls have been established to help ensure assets are protected from loss, theft or misuse. Controls include separation of transaction authority from record-accounting, and confirmation of telephone transactions for investments and wire transfers.

## REPORTING

In accordance with CGC §53646, the Chief Financial Officer will prepare, and render to the Governing Board, a quarterly investment report within 30 days of the end of each quarter. The report shall list types of investments, maturity, par and market values of each investment, transactions occurring during the quarter, and identification of funds managed by a third-party.

## Reserve Funds Policy

### PURPOSE

The District recognizes that fiscal responsibility requires anticipating, and preparing for, unforeseen events, in addition to ensuring sufficient funding is available for current operating, capital, and debt service needs. To that end, the District has adopted a Reserve Funds Policy as part of prudent financial planning and to ensure sufficient funding for current and future needs.

## GENERAL PROVISIONS

The following provisions and principles are established for building and utilizing reserve funds:

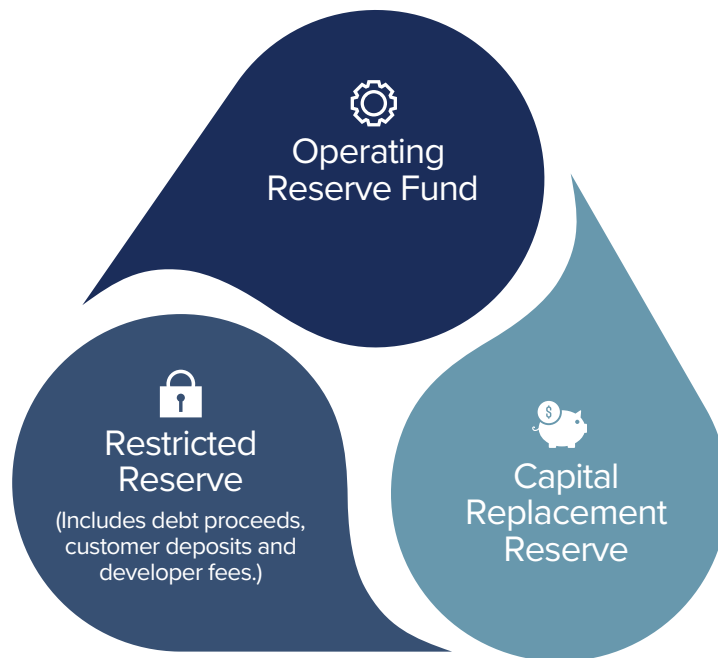
**Interest:** Interest income will be credited to reserve funds until maximum target levels have been reached. Once a fund reaches the established maximum, interest will be allocated to other funds.

**Funding Priority:** Fund balances are reviewed annually to determine whether maximum target levels have been reached. Operating reserves will be funded first. When Operating reserves are at their target levels, Capital reserves will be funded. The Governing Board will determine how excess monies will be allocated after reserves are at their maximum levels.

**Pay Go Versus Debt:** For funding of capital acquisitions and improvements, the District will analyze the use of reserves and/or issuing debt to determine the optimal funding strategy. Current and future liquidity positions will also be considered.

## TYPES OF RESERVES

The District has established and will strive to maintain the following funds:



## OPERATING RESERVE FUND

The Operating Reserve is used for unanticipated operating expenses. This fund is designated by the Governing Board to maintain working capital for current operations and to meet routine cash flow needs.

1. **Target Level** – Funding shall be targeted at a minimum amount equal to 90 days of the District’s budgeted total operating expenses, and the maximum amount shall not exceed 120 days of the budgeted total operating expenses.
2. **Events or Conditions Prompting the Use of the Fund** – Upon Governing Board authorization, this fund may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenue and expenses and extraordinary decreases in revenues and unexpected increases in expenses.
3. **Periodic Review Dates for Balances** – Fund balances and target level will be reviewed by staff and the Governing Board during the preparation and approval of the annual budget.

## CAPITAL REPLACEMENT RESERVE

All Funds will maintain a reserve for the replacement of capitalized assets when they reach the end of their useful lives or in the unexpected need for emergency repair. The source of reserves will be user fee revenue from the respective fund.

1. **Target Level** – The minimum target level should be equal to twice the five-year average of the District’s annual Capital Improvement Plan plus one percent of the system asset value. The maximum balance shall not exceed the projected needs for five years according to the District’s Capital Improvement Plan plus two percent of the system asset value.
2. **Events or Conditions Prompting the Use of the Fund** – Staff will recommend assets to be replaced during the Capital Budget presentation. As projects are approved, funds will be appropriated from undesignated funds or available revenues. Emergency reserves will be used to begin repair of the water and sewer systems after a catastrophic event or other unforeseen circumstances.
3. **Periodic Review Dates for Balances** – Fund balances and projected improvement projects will be reviewed by staff and the Governing Board during the preparation and approval of the annual budget.

## RESTRICTED RESERVE

Restricted reserves shall be segregated and limited in use to specific and designated purposes as defined by law or adopted ordinance, contractual agreement, or as a condition or covenant of borrowing.

1. **Bond Proceeds** – Typically consist of construction fund monies, and a debt service reserve.
  - a. **Target Level** – The debt service reserve requirement, if applicable, is established at the time of issue.
  - b. **Events or Conditions Prompting the Use of the Fund** – Construction fund monies must be spent on applicable projects, while the debt service reserve can only be used in the event of a shortfall of pledged revenues.
2. **Development Fees** – Consists of capacity fees paid by developers to buy into the infrastructure system paid for by the investment of existing customers.
  - a. **Target Level** – Capacity fees are collected to pay for facility additions or improvements to support demands on the system by new development.
  - b. **Events or Conditions Prompting the Use of the Fund** – Capacity fees may be used for Capital Improvement Projects necessitated wholly, or in part, by new development.

## Debt Policy

The purpose of this policy is to establish guidelines for the issuance and management of District debt, and to provide guidance for decision makers with respect to options available for financing infrastructure, and other capital projects, so that the most prudent, equitable, and cost-effective financing can be chosen.

## STANDARDS FOR USE OF DEBT FINANCING

When appropriate, the District will use long-term financing to:

- Achieve an equitable allocation of capital costs/charges between current and future system users;
- Provide more manageable rates in the near and medium term; and
- Maintain minimum rate volatility.

The District will not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life. In addition, capital projects financed through debt will not be financed for a term longer than the expected useful life of the project.

## METHODS OF FINANCING

The Finance Program will investigate all possible project financing alternatives including, but not limited to: annual operating revenue, reserves, bonds, loans, and grants. When applicable, development fees will be used to pay for increased capital costs resulting from new development.

The District may legally issue short and long-term financing using the following debt instruments:



### Inter-Fund Borrowing

Safety of principal is foremost, therefore, investments shall be undertaken in a manner that seeks to preserve capital while mitigating risks such as interest rate risk and credit risk.



### Lines of Credit

May be considered as short-term borrowing. The Chief Financial Officer shall determine when it is prudent to recommend that the District enter into an agreement with a commercial bank or other financial institution for the purpose of acquiring a line or letter of credit.



### Capital Lease Debt

May be used for equipment purchases where cost exceeds \$50,000 and financing terms are cost effective.



### State Revolving Fund (SRF) Loans

Based on availability, loans are low or zero interest for water and wastewater infrastructure projects with a term of 20 to 30 years.



### Joint Powers Agency Revenue Bonds

Financing may be obtained through the issuance of debt under a joint exercise of powers agreement with such debt payable from amounts paid by the District under a lease, installment sale agreement, or contract of indebtedness.



### Refunding Revenue Bonds

The District may issue refunding revenue bonds to refund District indebtedness pursuant to the State of California local agency refunding revenue bond law (Title 5 of the California Government Code).

## COMPLIANCE

The use of bond proceeds must be monitored to ensure compliance with all Internal Revenue Code arbitrage rebate requirements, and requirement under California Government Code §8855. The District is also responsible for verifying compliance with all undertakings, covenants, and agreements of each debt issue, typically including:

- Annual appropriations of revenue to meet debt service payments;
- Timely transfer of debt service payments to the Trustee;
- Compliance with insurance requirements; and
- Compliance with rate covenants.

## GOVERNING BOARD DISCRETION

This policy is intended to serve as a guide and in no way restricts the ability of the Governing Board to review proposed rate actions, debt issuances, or other actions of substance to the District.





THE ANNUAL BUDGET  
**STRATEGIC PLANNING**

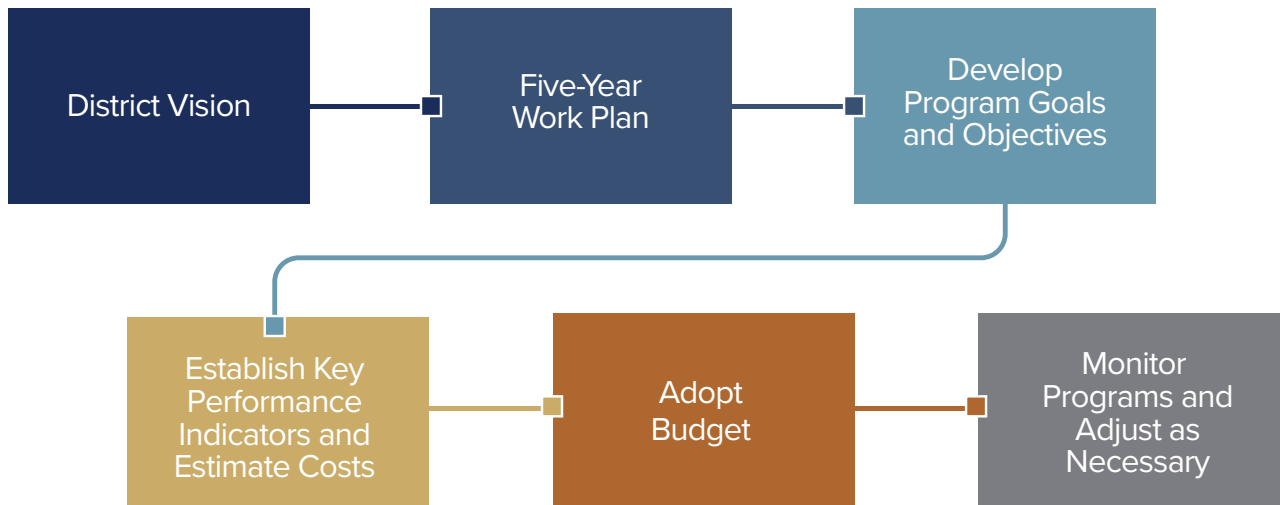
# BUDGET PROCESS

The Budget reflects direction from the Governing Board as established by the District Vision and communicated to District staff through various meetings and workshops.

The purpose of this budget document is to communicate the District’s financial priorities with citizens, local businesses, creditors, rating agencies, local agencies, stakeholders, and District staff. The FY 2024-25 Budget represents guidelines established to address the District’s short-term and long-term goals and objectives. This document also demonstrates the District’s ability to use financial resources for completing critical capital projects for current and future customers as well as the District’s commitment to meet its financial obligations. Staff is confident that the financial framework outlined in the FY 2024-25 Budget will allow the District to deliver reliable, high-quality water, wastewater collection, and water reclamation services to its customers in a prudent and sustainable manner.

Each year, administrative and operational program managers establish Goals and Objectives in support of the District’s Five-Year Work Plan, which upon adoption by the Governing Board, provide clear direction to staff regarding District priorities. Progress toward accomplishing established goals is measured throughout the fiscal year and reported to the Governing Board.

Moreover, in developing the budget, staff utilized the District Vision for prioritizing District resources for operational and capital activities.

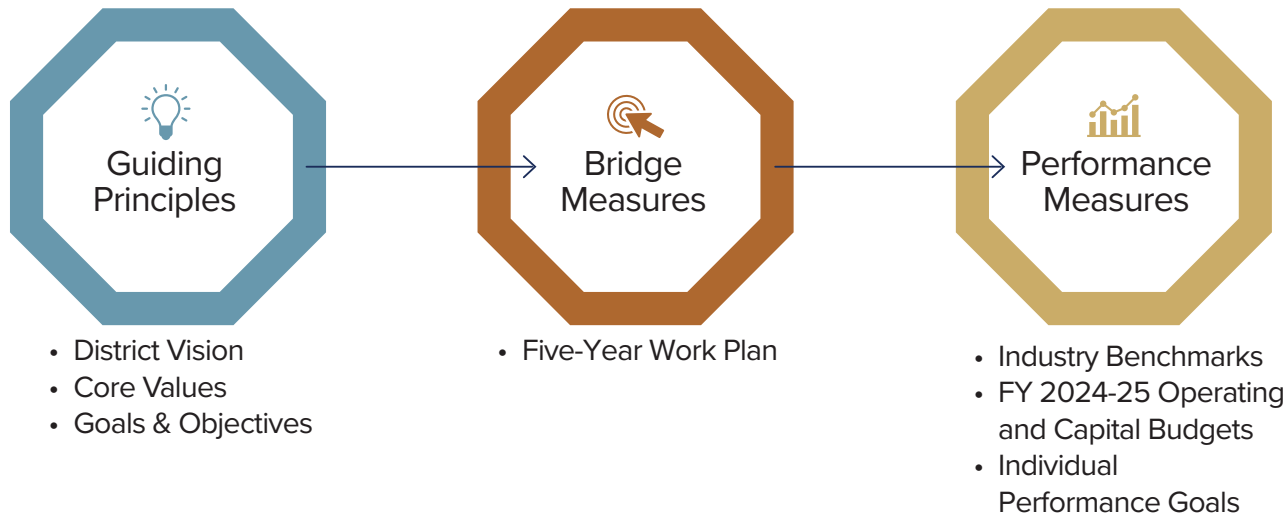


## Stakeholder Input

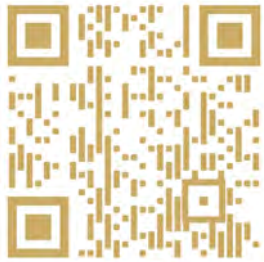
The District has established a Community Advisory Commission (CAC) which meets regularly at publicly noticed meetings and Governing Board workshops, to discuss significant activities of the District, including development of the goals and objectives and Five-Year Work Plan. Members of the CAC are community leaders who donate their time to provide input to staff on agenda items.

## District Vision

To help ensure consistent purpose, the District has adopted a comprehensive statement that serves as a guide for the decision making process throughout the organization. This element of the Strategic Plan remains consistent year-to-year. The District Vision includes the District's Vision statement, Core Values, and Agency Goals and Objectives.



Every January, the budget process begins with the Governing Board creating and adopting the Five-Year Work Plan, which serves as the District's guiding strategy plan spanning over the course of multiple years. District staff will then develop the milestones and objectives needed to meet the Five-Year Work Plan goals within the District's financial forecasts. The effort allows for a strategic planning process through goal setting and planning, while considering ongoing operational needs in the development of the program and capital expenses.



Scan this QR code to view a copy of the **2024-25 Five-Year Work Plan**.

## Five-Year Work Plan

The District has adopted a Five-Year Work Plan identifying a series of long-term objectives that link management and staff work efforts to the District's Strategic Plan. Objectives in the Five-Year Work Plan have estimated completion dates ranging from 3 to 20 years and present the core work efforts to which District financial and human resources will be dedicated. The Five-Year Work Plan will be revised annually to reflect progress made on complex objectives, status of long-range or cyclical planning measures, and external considerations that require a significant response or operational adjustment. The Five-Year Work Plan was presented to the Governing Board in May, then adopted as Program Goals in relevant Programs and Capital Budgets.

## Develop Program Goals and Objectives

Each program manager is tasked with developing achievable and measurable goals and objectives to be implemented in a single fiscal year. This endeavor clearly identifies the planned efforts of the program for the given period, links the program's efforts to the Five-Year Work Plan when possible, and allows program employees to propose/establish individual goals that support the District's long-term goals and vision. Program Goals and Objectives were presented to the Governing Board and public at a public workshop in April 2024.



## Establish Key Performance Indicators & Estimate Costs

To assess the organization's productivity and effectiveness, unique key performance indicators were utilized as a quantitative measure. Cost estimates reflect the anticipated expenses for accomplishing each program's day-to-day operational tasks, special projects and overall Program Goals. Once this effort has been completed, expenses can be compared to revenue projections. In situations where expenses are projected to exceed revenues, staff works collaboratively to reevaluate activities to fit within available funding.

## Adopt Budget

The final budget document is assembled, including projected revenues, expenditures, and funding of all Goals and Objectives proposed by Program Managers. The document is presented to the District Governing Board at the first regular meeting in June for discussion. Barring any revisions or corrections, the budget is agendized at the second Board meeting in June for adoption. A hard copy version of the final budget document is available to the public on request or can be viewed in its entirety digitally on the District website.

To provide an opportunity for discussion and participation, the budget is presented to the Governing Board in phases at a series of three public meetings. In addition, the information is presented during one public meeting of the Community Advisory Commission. **The annual budget must be adopted by June 30 in order to begin the new fiscal year on July 1.**

## Program Monitoring & Budget Adjustments

In January of each year, District management meets to analyze revenues and spending to determine whether realized revenue has exceeded revenue projections to the extent that additional program services or capital projects can be proposed, and to determine whether transfers between budget line items are necessary to ensure that budget limitations are not exceeded.

Given that the budget is developed based on projections, every program monitors monthly expenses. Each quarter, the budget-to-actuals are reviewed by staff to allow for an opportunity to take formal budget adjustments to the Governing Board for consideration. Consistent budget review eases the transition of programs from year-to-year.

Requests for budget adjustments are submitted by Program Managers to Executive Management for review, who then forward the requested adjustments to Finance for incorporation into proposed budget amendments to be presented to the Governing Board at a Mid-Year Budget Review in February.

When possible, adjustments have no net effect on the original budget balance unless additional revenue is available. However, if revenue shortfalls or unanticipated costs are realized, and transfers between line items cannot meet the projected deficit, a recommendation to defer capital projects or draw on reserves is usually required to meet the shortfall. All proposed changes are presented to the Governing Board at a Mid-Year Budget Review in February.



Operating under the principles of transparency, the District takes steps to make financial reports reader-friendly and easily accessible to the public.

## Budget Cycle Calendar

June 26, 2024	FY 2024-25 Budget Adoption
November 13, 2024	First Quarter <b>FY 2024-25</b> Budget Review at Public Board Meeting
January 23, 2025	Budget Meeting to Distribute <b>FY 2025-26</b> Worksheets to Program Managers
February 12, 2025	<b>FY 2024-25</b> Mid-Year Budget Review at Public Board Meeting
February 24 - March 13, 2025	Discuss <b>FY 2025-26</b> Goals & Objectives with Program Managers
March 4 & 11, 2025	<b>FY 2025-26</b> Capital Outlay and Capital Improvement Program Planning Meeting
March 27, 2025	<b>FY 2025-26</b> New Position Requests, Program Goals & Objectives and Budget Requests, Capital Outlay, and CIP Requests
April 9, 2025	<b>FY 2025-26</b> Proposed Goals and Objectives Workshop at Public Board Meeting
April 21-24, 2024	<b>FY 2025-26</b> Budget Review with Executive Managers and General Manager/CEO
April 23, 2025	<b>FY 2025-26</b> Revenue Projection Workshop at Public Board Meeting
May 20, 2025	CAC FY 2025-26 Budget Review
May 30, 2025	<b>FY 2025-26</b> Budget Complete with all Revisions
June 11, 2025	<b>FY 2025-26</b> Budget Presentation at Public Board Meeting
June 25, 2025	<b>FY 2025-26</b> Budget Adoption at Public Board Meeting

# BASIS OF BUDGETING

The District's financial records are kept in accordance with Generally Accepted Accounting Principles (GAAP) for governmental enterprise funds, which are business-type funds used to report an activity for which a fee is charged to external users for goods or services. Therefore, the District follows the GAAP requirement that enterprise funds use the full accrual basis of accounting.

The District uses the full accrual basis for budgeting as well, however, there are exceptions where the accrual basis is not conducive to effective presentation of the District's budget because it does not allow discrete presentation of some significant uses of current financial resources. In these cases, GAAP is not followed, and instead those uses of current resources are shown as expenditures rather than as a reduction to a previously recorded liability, or a capitalized cost.

Exceptions to the full accrual basis used for the District's budget presentation are as follows:

- Compensated absence expense reflects the change in related accrued liabilities during the accounting period on the full accrual basis, but for budget purposes, expense includes anticipated leave time to be used and/or cashed by employees during the fiscal year.
- Principal payments on Long-Term Debt are applied to reduce the outstanding liability on the full accrual basis; but are shown as a current expenditure for Budget purposes.
- Capital Outlay and Construction costs are capitalized and expensed over the useful life of the asset on a full accrual basis; shown as a current expenditure for Budget purposes.
- Depreciation is recorded annually to expense the cost of a capital asset over its useful life on a full accrual basis but is not contemplated in the annual Budget.
- Pension expense is budgeted based on employer contribution rates assigned by the California Public Employee's Retirement System (CalPERS). For financial statement reporting, pension expense is recorded based on the change to the net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.
- Other Post Employment Benefits (OPEB) expense (retiree health insurance) is budgeted based on stipulated reimbursements to retirees toward the cost of health insurance until they reach medicare age. For financial statement reporting, OPEB expense is recorded based on the change to net OPEB liability in accordance with Governmental Accounting Standards Board Statement No. 75.
- Interest payments related to financing of the cost of a capital asset during construction are capitalized on the GAAP basis; shown as a current expenditure on a Budget basis.

## Fund Structure

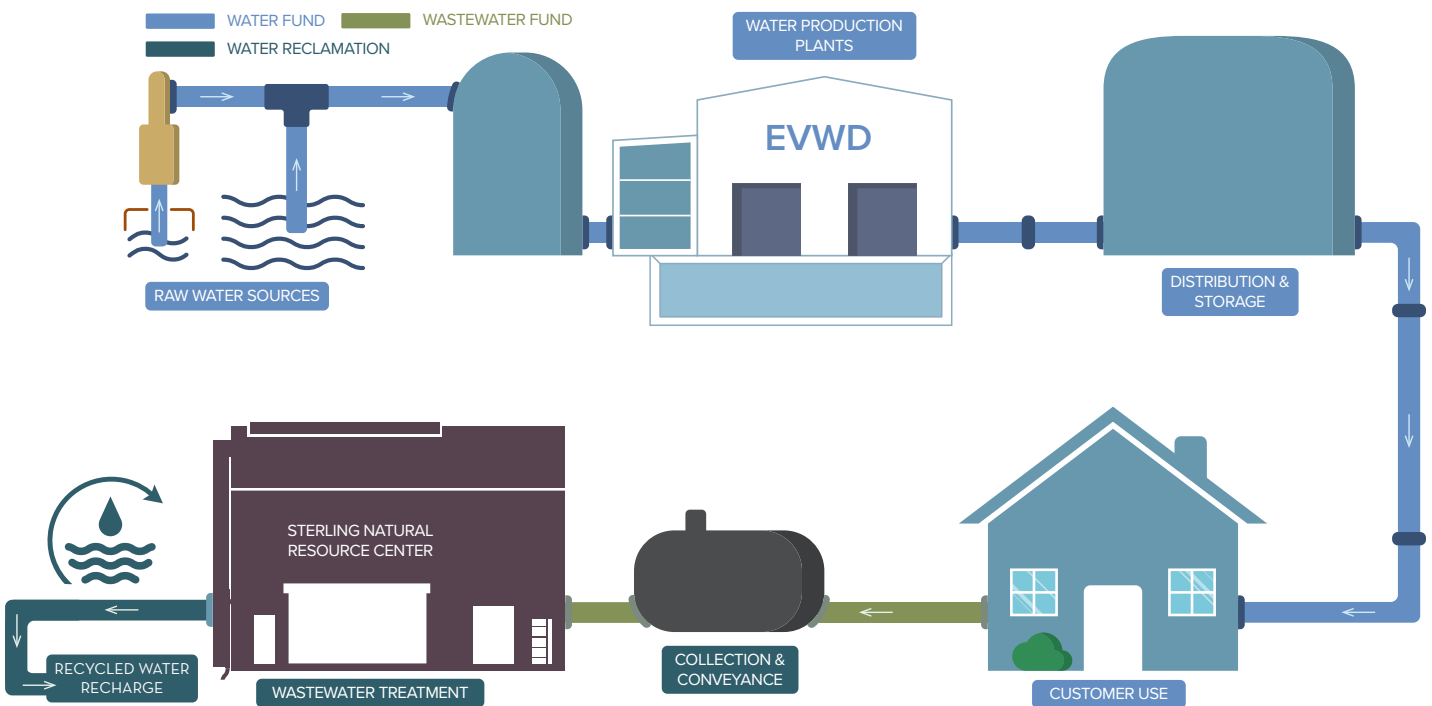
GAAP requires that the District, a California Special District, account for its activities as a single, governmental Enterprise Fund.

The activities of enterprise funds closely resemble those of ongoing businesses, in that rates and fees charged for services are intended to cover the cost of operations and capital needs.

Though it is a single Enterprise Fund, the District engages in three separate and distinct business-type activities including the distributions of potable water, the collection of wastewater, and the reclamation and recycling of wastewater. Accordingly, the District's budget is organized based on these activities, or sub-funds, hereafter referred to as the Water Fund, Wastewater Fund, and the Water Reclamation Fund.

The Water Fund accounts for the costs of acquiring raw water, treating the water, and then pumping and distributing the treated water to District customers. The Wastewater Fund accounts for the cost of maintaining a system of pipelines responsible for collecting wastewater from residential and commercial customers and delivering the wastewater to the treatment facility. The Water Reclamation Fund treats wastewater to the standards of Title 22 of the California Code of Regulations and conveys recycled water for groundwater replenishment.

Currently, the District operates its own reclamation facility known as the Sterling Natural Resource Center. Recycled water is sent to the Weaver Basins, owned by the San Bernardino Valley Municipal Water District, for recharge into the Bunker Hill Basin.



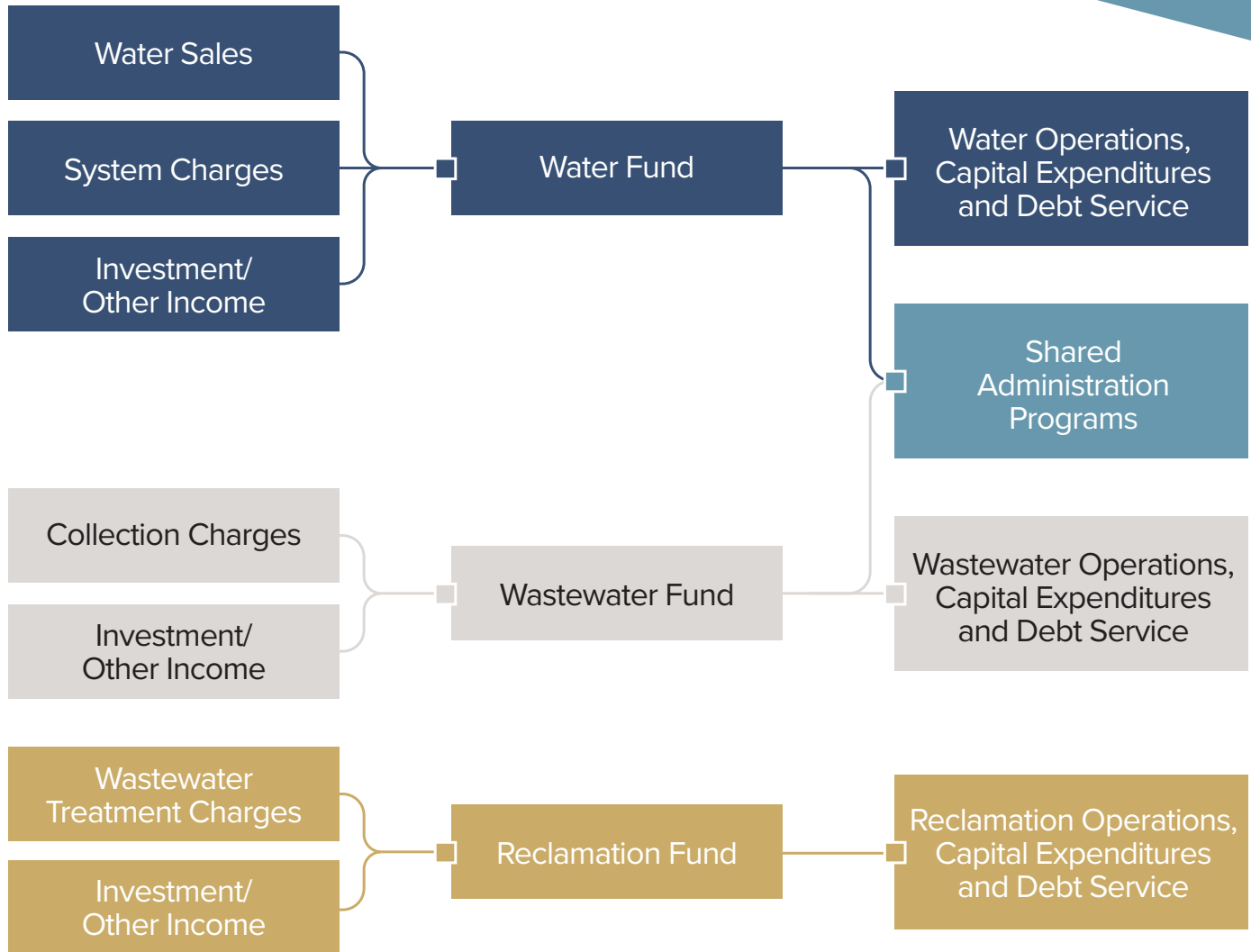
The District follows the GAAP requirement that enterprise funds use the full accrual basis of accounting.

Each of the Funds' operations rely on a significant amount of planning and infrastructure. Accordingly, each fund contributes to the maintenance, replacement, and improvement of that infrastructure. When the issuance of debt is appropriate to fund major capital projects, each fund has the authority to issue debt.

To support these costs, each fund adopts its own user rates, fees and charges, and has its own self-balancing set of accounts. Budgets for each fund are adopted to support the associated capital, and debt service costs, to make reasonable contributions to reserves, and to pay for direct, and allocated, operating and maintenance program expenses.



## Flow of Funds



Additional details about the activities and budgets of each fund are included at the Water Fund, Wastewater Fund, and Water Reclamation Fund tabs in this document.



THE ANNUAL BUDGET  
GOAL SETTING AND PLANNING



# FUND/PROGRAM RELATIONSHIP

District operating and maintenance expenses are all budgeted and accounted for by Program. Expenses incurred by Program are then allocated to the Water, Wastewater and Water Reclamation Funds based on the assessed benefit of Program services to each fund.

The benefit assessment entails the evaluation of each program and the services provided through activity-based costing. Programs with activities fully aligned with the purpose of one fund or the other, are charged fully to the appropriate fund, while programs with general and administrative type functions are allocated proportionally.

For FY 2024-25, the cost of centralized functions such as Administration, Public Affairs and Finance are allocated between the Water and Wastewater funds, usually by a 70% - 30% split. The Water Reclamation Fund will also share in the future costs of these functions once fund reserves have been established and operating costs for the Water Reclamation Fund are better known and predictable.

The percentage allocation can be adjusted for unique circumstances. For example, with the implementation of water budget-based rates, allocated costs for Customer Service were shifted from the Wastewater Fund to the Water Fund due to the increased cost of administering the new rates.



The annual budget development provides an opportunity for cooperation and collaboration with the understanding that an efficient operation requires high degrees of teamwork and focus.

Below is a table illustrating the Fund/Program relationship for FY 2024-25:

Program	Water Fund	Wastewater Fund	Reclamation Fund	Total
1000 Governing Board	\$ 228,200	\$ 97,800	\$ -	\$ 326,000
2000 General Administration	911,400	390,600	-	1,302,000
2100 Human Resources & Risk Mgmt.	2,530,500	1,084,500	-	3,615,000
2200 Public Affairs	1,059,100	453,900	-	1,513,000
2300 Conservation	651,000	-	-	651,000
3000 Finance & Accounting	978,250	419,250	-	1,397,500
3200 Information Technology	1,323,700	567,300	-	1,891,000
3300 Customer Service	1,548,400	663,600	-	2,212,000
3400 Meter Services	304,000	-	-	304,000
4000 Engineering	924,700	396,300	-	1,321,000
5000 Water Production Administration	710,000	-	-	710,000
5000-51 Wells	3,986,000	-	-	3,986,000
5000-52 Boosters	1,044,000	-	-	1,044,000
5000-54 Reservoirs	445,000	-	-	445,000
5100 Water Treatment	1,629,000	-	-	1,629,000
5200 Water Quality	605,000	-	-	605,000
6000 Maintenance Administration	396,900	44,100	-	441,000
6100 Water Maintenance	3,711,250	-	-	3,711,250
6200 Wastewater Collection	-	962,250	-	962,250
6300 Water Reclamation	-	-	7,739,000	7,739,000
7000 Facilities Maintenance	1,527,400	654,600	-	2,182,000
7100 Fleet Maintenance	634,200	271,800	-	906,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 25,148,000</b>	<b>\$ 6,006,000</b>	<b>\$ 7,739,000</b>	<b>\$ 38,893,000</b>

# BUDGET SUMMARY

The budget for FY 2024-25 is balanced and reflects East Valley Water District’s commitment to allocating anticipated resources to meeting the expectations of District ratepayers, creditors, and stakeholders.

The District projects that it will receive \$51,929,000 in revenue during FY 2024-25 and has developed a budget plan to allocate \$38,893,000 toward funding of program operations, \$10,875,000 toward the amortization of outstanding debt, and \$2,161,000 toward capital asset improvement and replacement resources.

The table below presents a summary of revenue by type, and expenditures by cost category, and is followed by a discussion of revenue and expenditures.

	Water Fund	Wastewater Fund	Reclamation Fund	FY 2024-25 Total
<b>REVENUE / SOURCES</b>				
Water Sales	\$ 17,920,000	\$ -	\$ 1,072,000	\$ 18,992,000
Meter Charges	10,525,000	-	-	10,525,000
Penalties	416,000	110,000	60,000	586,000
Wastewater System Charges	-	6,515,000	-	6,515,000
Wastewater Treatment Charges	-	-	12,233,000	12,233,000
Other Operating Revenue	115,000	5,000	2,058,000	2,178,000
Miscellaneous Revenue	520,000	100,000	280,000	900,000
<b>TOTAL REVENUE / SOURCES</b>	<b>\$ 29,496,000</b>	<b>\$ 6,730,000</b>	<b>\$ 15,703,000</b>	<b>\$ 51,929,000</b>
<b>OPERATING EXPENSES</b>				
Employment Expenses	\$ 10,313,300	\$ 2,783,700	\$ 1,732,000	\$ 14,829,000
Water Costs	833,000	-	-	833,000
Power Costs	3,225,000	-	1,400,000	4,625,000
Materials & Supplies	1,847,500	173,750	787,000	2,808,250
Contract Services	8,524,000	2,930,750	3,800,000	15,254,750
Other Operating Expenses	405,200	117,800	20,000	543,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 25,148,000</b>	<b>\$ 6,006,000</b>	<b>\$ 7,739,000</b>	<b>\$ 38,893,000</b>

	Water Fund	Wastewater Fund	Reclamation Fund	FY 2024-25 Total
<b>OTHER EXPENSES</b>				
Debt Principal	\$ 1,873,000	\$ 385,000	\$ 4,527,000	\$ 6,785,000
Debt Interest Expense	789,000	97,000	3,204,000	4,090,000
Capital Outlay	1,128,000	242,000	83,000	1,453,000
Capital Improvement Program	558,000	-	150,000	708,000
<b>TOTAL OTHER EXPENSES</b>	<b>\$ 4,348,000</b>	<b>\$ 724,000</b>	<b>\$ 7,964,000</b>	<b>\$ 13,036,000</b>
<b>TOTAL OPERATING / OTHER EXPENSES</b>	<b>\$ 29,496,000</b>	<b>\$ 6,730,000</b>	<b>\$ 15,703,000</b>	<b>\$ 51,929,000</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



Consistent budget review eases the transition of programs from year to year.

# REVENUE SUMMARY

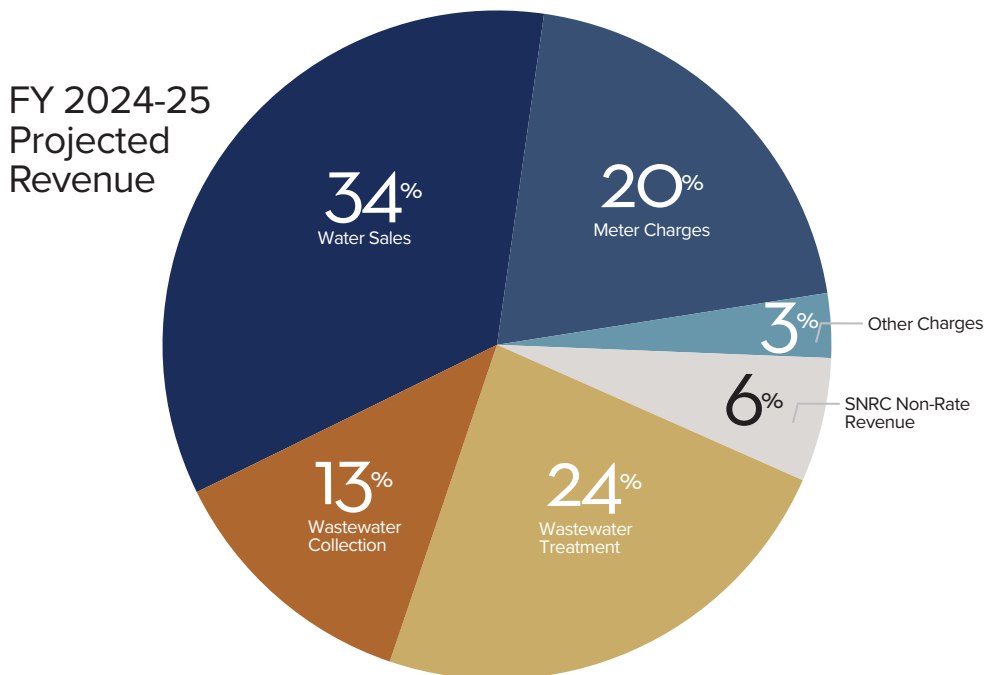
Revenue projections are key to determining the extent of financial resources available to support District programs and other obligations. Therefore, projections are developed early in the budget process and then presented to the District's Governing Board in May.

East Valley Water District receives 94% of its revenue from user rates and fees; the District receives no increment from property or sales taxes.

Utility rates and miscellaneous charges are reviewed on three to five year cycles and adjusted as necessary to cover the costs of providing services to ratepayers. The District derives its authority for setting rates from California Water Code §31000 and rate adjustments are adopted at public hearings conducted in accordance with requirements established by California Propositions 26 and/or 218. User fees, which is the term used to refer to SNRC Non-Rate Revenue, are negotiated with third-party contractors.

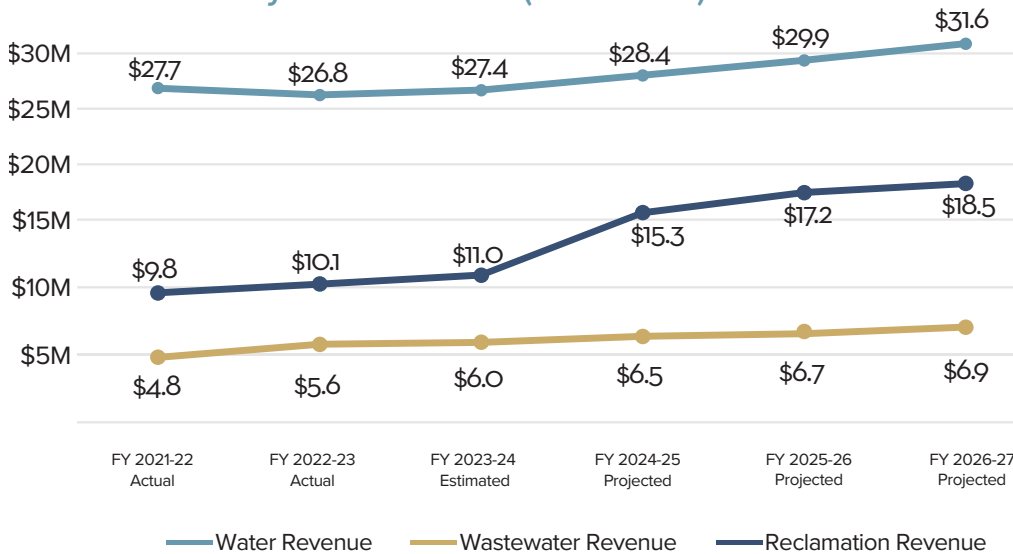
The District has six revenue categories based on established rates, fees and charges. The six categories and the fund which recognizes the revenue, are:

1	Water Sales	→	Water Fund	4	Wastewater Treatment	→	Reclamation Fund
2	Meter Charges	→	Water Fund	5	SNRC Non-Rate Revenue	→	Reclamation Fund
3	Wastewater Collection	→	Wastewater Fund	6	Other Charges	→	All Funds





## Revenue History and Forecast (In Millions)



Forecasting revenue projections requires consideration of external factors that could impact the demand for water services. Elements factored into the FY 2024-25 forecasts included potential drought declaration, construction activity within the service area, and the opening of the Sterling Natural Resource Center. In addition, water and wastewater rate revenues are highly reliant on new development and rate increases for sustained growth.

Water sales are also reliant on consumer demand, which increases or decreases based on weather, water rates, and drought conditions. Since 2015, two multi-year droughts have forced the District, and like agencies, to promote conservation and reduce water usage as part of a State-wide effort. However, an unusually wet winter in 2023, and higher than average rainfall in the winter of 2024, have filled state reservoirs and allowed the State Water Project to announce that they can deliver water allocations to agencies in Southern California. State Water Project is one of the District's three water sources.

Construction within the region has increased over the last three to four years. Multiple moderate sized developments of between 200 and 300 units have requested District assistance with the formation of Community Facilities Districts (CFD), and one of the CFDs has new homes under construction, which contributed to the increase of 101 new dwelling units during FY 2023-24. However, rising interest rates have slowed market absorption of new homes and in turn, slowed new development plans.

The most significant factors affecting District revenues in FY 2024-25 will be rate adjustments adopted in May 2024, and the fact that this coming fiscal year will be the first full year of operations for the SNRC Water Reclamation facility. Rate adjustments, with effective dates of July 1, 2024 (wastewater) and January 1, 2025 (water) are expected to impact revenues approximately 6.7% over each of the next three years, and with the SNRC online, the District will treat and recycle all wastewater produced by District customers for groundwater recharge, retaining all wastewater treatment fees collected. Anaerobic digesters at the SNRC will also allow the District to produce energy from wastewater sludge and other high grade food waste accepted from third-party haulers. As a result, new revenue sources associated with the SNRC include:

- Payment from the San Bernardino Valley District Local Resource Investment Program for recycled water used for recharge;
- Tipping fees from liquid waste haulers; and
- Energy produced by digesters will offset the facility's power operating costs by between 50% and 90%. The actual percentage will depend on how efficiently the plant is operated and will have a significant impact on net revenue in the Reclamation Fund. There is also potential that excess power will be produced and sold to the Southern California Edison (SCE) power grid.

A more detailed description of the District's major revenue sources, and related trends, is provided in the following sections, including a discussion of new revenue streams under Other SNRC Income. In addition, the Water Fund, Wastewater Fund, and Water Reclamation Fund sections of this document include a detailed discussion of the rates used to calculate FY 2024-25 revenue projections.

## WATER SALES

The District produces potable water for sale to four customer classes: single-family residential, multi-family residential, commercial and irrigation. All customers are billed on a monthly cycle based on their amount of water usage, which is metered and measured in hundred cubic feet (HCF) where one HCF is equal to 748 gallons.

The District bills for water consumption in three ascending 'Water Budget' rate tiers. Therefore, as customers' water usage exceeds established tier widths or thresholds, water becomes more expensive. Water Budget tiers are unique in that tier width, or the number of units (HCF) billed at each tier, is determined based on the individual customer's characteristics.

For single and multi-family customers, the Tier 1 width is determined based on the number of occupants in a dwelling and is intended to allocate the customer with sufficient water for indoor health and safety needs. Tier 2 width is based on a customer's landscaped square footage, and the measured evapotranspiration, or the rate at which plants and soil lose moisture during the month being billed. The Tier 2 budget is intended to allocate sufficient water for efficient irrigation of the landscaped square footage. Tier 3 is billed for water use in excess of the Tier 1 and 2 budgets and is deemed to be inefficient use.

Irrigation customers receive only a Tier 2 budget as described above, with usage in excess of the budget billed at the Tier 3 rate.

Finally, commercial customers, having neither occupants nor landscaped area associated with their domestic meter, have received Tier 1 and 2 water budgets based on the business' historical water usage, with excess usage billed at the Tier 3 rate. Billing for commercial customers will change, however, to a flat rate in January 2025 as a result of the cost-of-service analysis. The cost-of-service analysis determined that business water usage by these customers is neither outdoor usage, nor indoor health and safety usage, and proposed that a separate flat rate be calculated and adopted. The Water Fund section of this document includes more discussion of the new flat rate for non-residential customers.

The table below summarizes water sales volume (HCF) by billing tier for the last three years, and also includes conservative projections for FY 2024-25.

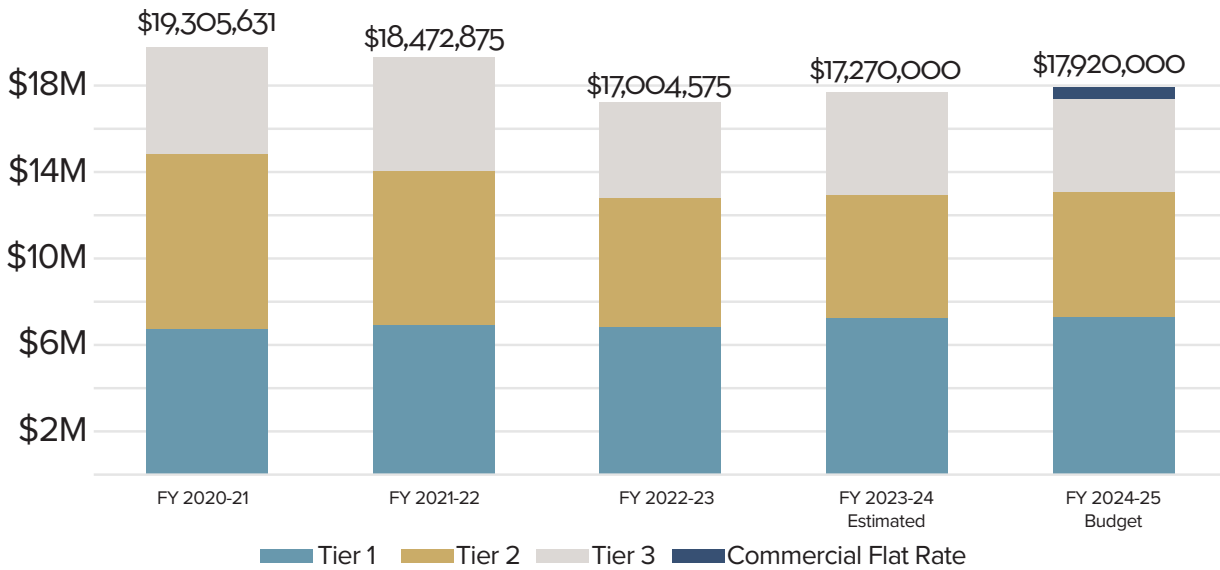
	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Estimated	FY 2024-25 Budget
Tier 1	\$ 6,834,379	\$ 7,097,089	\$ 7,082,200	\$ 7,147,000
Tier 2	6,868,459	5,398,193	5,544,200	5,832,000
Tier 3	4,770,037	4,509,293	4,643,600	4,262,000
Commercial Flat Rate	-	-	-	679,000
<b>TOTAL</b>	<b>\$ 18,472,875</b>	<b>\$ 17,004,575</b>	<b>\$ 17,270,000</b>	<b>\$ 17,920,000</b>

## CUSTOMER CONSUMPTION IN HUNDRED CUBIC FEET

Water consumption during FY 2024-25 is expected to increase 2.4% to 15.6 thousand acre feet compared to the 15.1 thousand acre feet projected for FY 2023-24. This slight increase is a projected rebound from two successive wet winters experienced in California, and is attributed to continued development, both residential and commercial, along the City of Highland's 5th Street corridor.

Based on the projection of water sales in volume, and the tier rates that will be effective throughout the year, the District has projected water sales of \$17,920,000 for FY 2024-25. The graph below shows water sales trends for four years and the current year projection. Additional information about water rates is available in the Water Fund section of this document.

## WATER SALES TRENDS



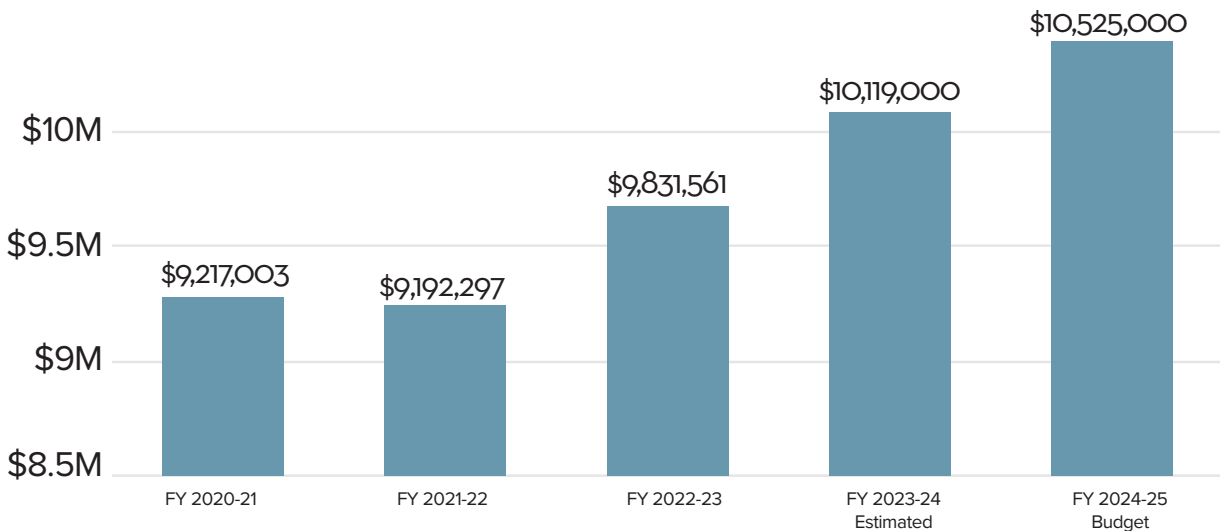
## Water System Charges

Also referred to as Meter Charges, water system charge rate revenue consists of a fixed monthly rate assessed to customers based on the size of the meter serving their property. The District sets its meter charge rates to generate between 35% and 40% of annual water operating revenue. In doing so, the District is able to shift some of the burden for revenue stability from unpredictable water sales, such as during times of severe drought and water restrictions, to a more reliable fixed charge.

Meter charges were included in the cost-of-service analysis and rate study completed in January 2024 and adopted in May 2024. Proposed adjustments will become effective beginning January of 2025. The remaining adjustment become effective in January of each of the following two years.

Revenues have been slightly impacted by development activity in the last two years as there have been approximately 120 new residential connections added to the District system. Development could potentially add 50 new residential customers consistently over the next ten years, but those new customers have not been counted and factored into projections. Only rate adjustments scheduled for January 2025 have been included in Meter Charge projections which are \$10,525,000 for FY 2024-25.

## METER CHARGES



## Wastewater Collection (System) Charges

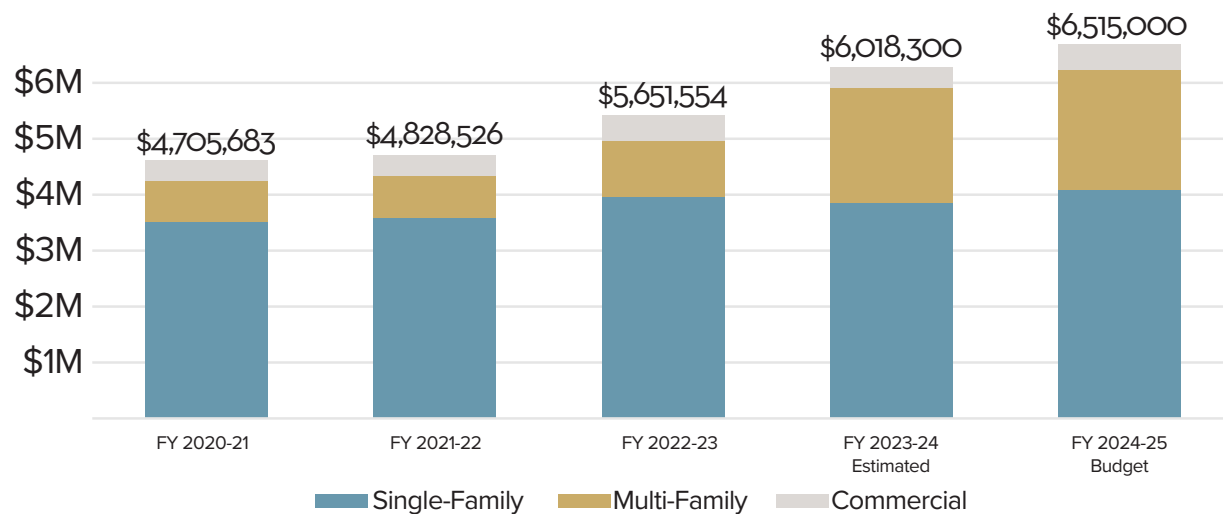
Wastewater Collection charges are assessed to District customers to fund the maintenance and replacement of wastewater collection pipelines, make wastewater debt service payments, and fund program services associated with the Wastewater Fund.

Wastewater collection rates were included in the cost-of-service analysis and rate study completed in January 2024 and then adopted at a public hearing in May 2024. The study proposed a modest 8.6% increase over three years beginning in July 2024. District wastewater customers include 19,450 single-family units and 10,963 multi-family units. These unit counts multiplied by the fixed charges were used to project residential collections revenue.

620 commercial accounts will continue to be billed at a monthly flat rate plus a volumetric charge based on water usage (measured in HCF). The volumetric rate varies according to the strength of the wastewater a customer type typically discharges into the collection system.

Phase two of adopted collection charge adjustments was implemented in January 2023 and will be followed by an adjustment in 2024. Projected wastewater collection revenue for FY 2024-25 is \$6,515,000. A more thorough discussion of the calculation of projected wastewater collection revenue can be found in the Wastewater Fund section of this document.

## WASTEWATER COLLECTION CHARGES



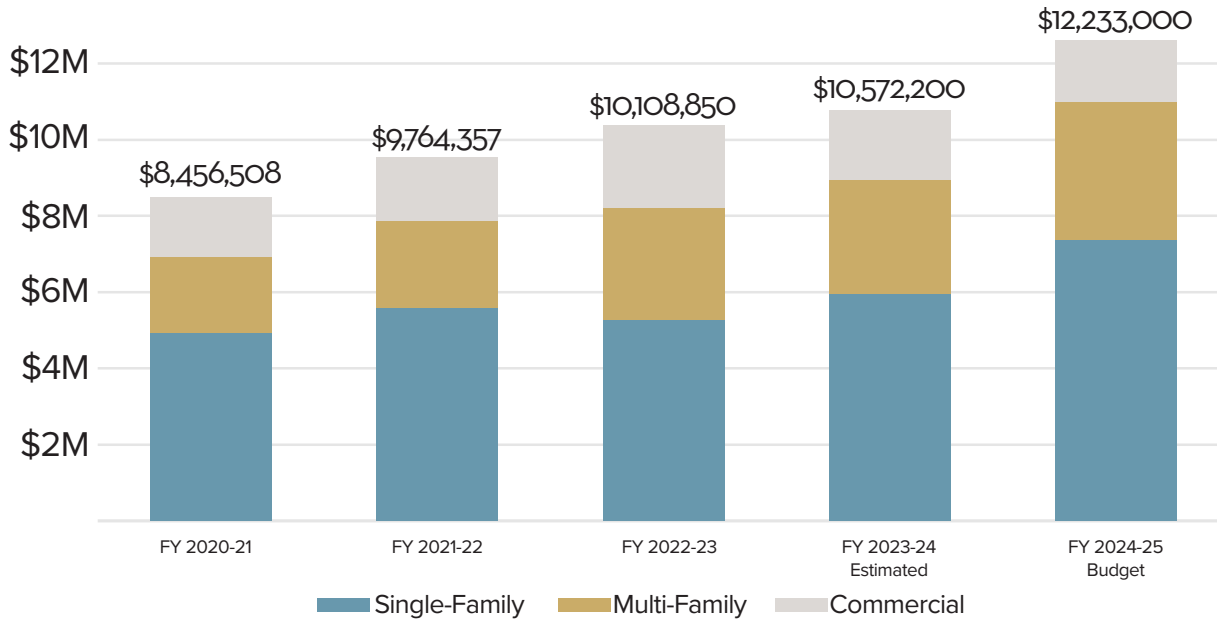
## Wastewater Treatment Revenue

Wastewater generated by District customers is now treated by the newly commissioned Sterling Natural Resource Center (SNRC) water recycling plant. Until March of 2024, some of the District’s wastewater was still being treated by the SBMWD treatment plant.

SNRC treatment rates include a monthly fixed charge, assessed based on the number of dwelling units, for both single-family and multifamily residential accounts. Commercial customers are billed both a monthly fixed charge, and then a volumetric charge based on water consumption. The volumetric rate is assessed for every hundred cubic feet (HCF) of water used, and the rate varies based on the ‘strength’ of the wastewater a customer discharges into the District wastewater system. Strength is categorized as low strength, medium strength, or high strength.

Wastewater Treatment Charges are a revenue of the new Water Reclamation Fund, and total charges projected for FY 2024-25 are \$12,233,000.

## WASTEWATER TREATMENT REVENUE



## SNRC Non-Rate Revenue

Commencement of operations at the Sterling Natural Resource Center in Spring 2024 meant that the District will assess and collect its own wastewater treatment revenue, and in addition, other revenue streams associated with the anaerobic digesters and recycled water will begin to be realized. Explanations of those revenues and projections for FY 2024-25 are presented below.

## LOCAL RESOURCE INVESTMENT PROGRAM (LRIP)

In October 2018, the District signed an agreement to sell up to 11,000 acre-feet annually of recycled water produced by the SNRC to San Bernardino Valley. San Bernardino Valley will initially pay \$173 per acre-foot for recycled water made available to recharge the local groundwater basin. The District estimates that the SNRC will produce and recharge 6,200 acre feet annually beginning in fiscal year 2024-25. As a result of recharging this water, the District will receive an LRIP Contribution from San Bernardino Valley of \$1,072,000.

## WASTEWATER HAULER TIPPING FEES

In order to maximize the power generation capacity of the SNRC digesters, activated wastewater sludge from the SNRC will be supplemented by soliciting disposal of high grade food waste at the SNRC. The District anticipates that up to 130,000 gallons of liquid waste per day will be discharged by haulers at the SNRC for a fee of \$0.08 per gallon. The District projects that at the beginning of FY 2024-25 approximately 60,000 gallons of food waste will be received and processed daily, with that number ramping up to 130,000 gallons per day by the end of the fiscal year. In total, approximately 25.6 million gallons of liquid waste is expected to be accepted at the SNRC during FY 2024-25 generating tipping fees of approximately \$2,048,000.

## ELECTRICAL POWER GENERATION

Gases released and burned by the anaerobic digesters will be used to generate electrical power to help offset the cost of supplying the SNRC with power. The District has also installed a two-way electric meter for situations where the digesters are generating surplus power, which can be sold to the power grid at \$0.13 per kilowatt hour. The District does not anticipate any net revenue from power sales during FY 2024-25 as the digesters will not likely reach full capacity until the end of the year.

The table below provides a summary of all projected non rate revenue from the SNRC for FY 2024-25.

Revenue Type	Unit of Measure	Volume FY 2023-24	Fee Per Unit	Non-Rate Revenue Total
LRIP Contribution	Acre Foot (AF)	6,200 AF	\$ 173.00	\$ 1,072,000
Tipping Fees	Gallon	25.60 MG	0.08	2,048,000
Power Sales	kWh	-	0.13	-
				<b>\$ 3,120,000</b>

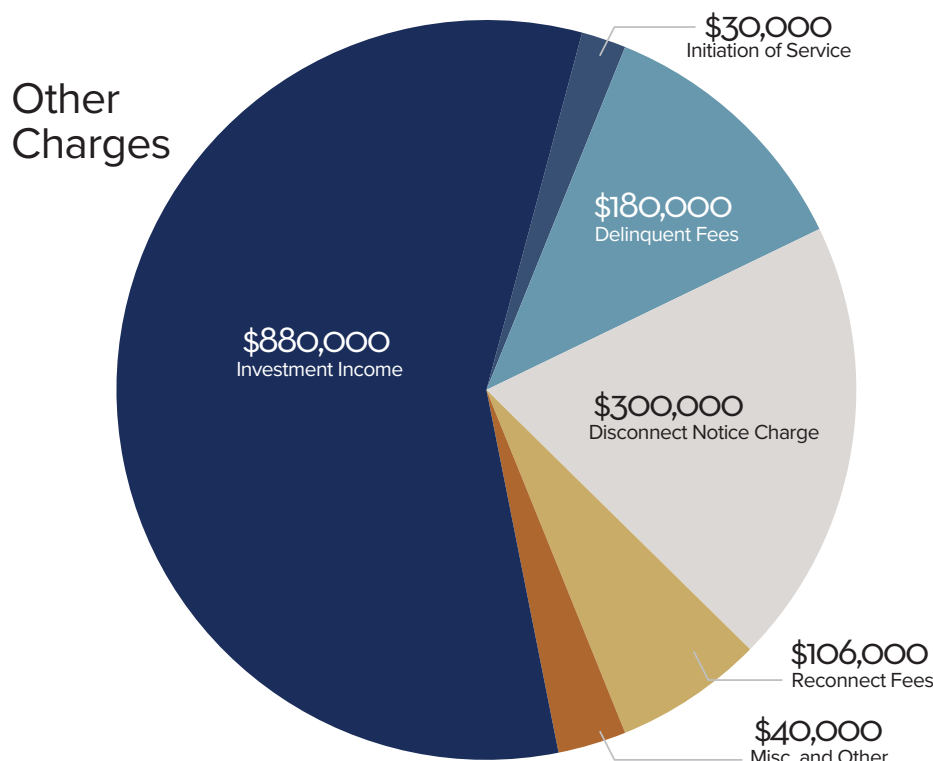
### Other Charges and Income

Other charges are assessed according to an adopted fee schedule, but are only charged to users who request, or require, use of District resources beyond the scope of delivering water, wastewater and water reclamation services. Charges include initiation of service fees, and charges related to collection of customer payments, including delinquent fees, final notice fees, and disconnect/reconnect fees.

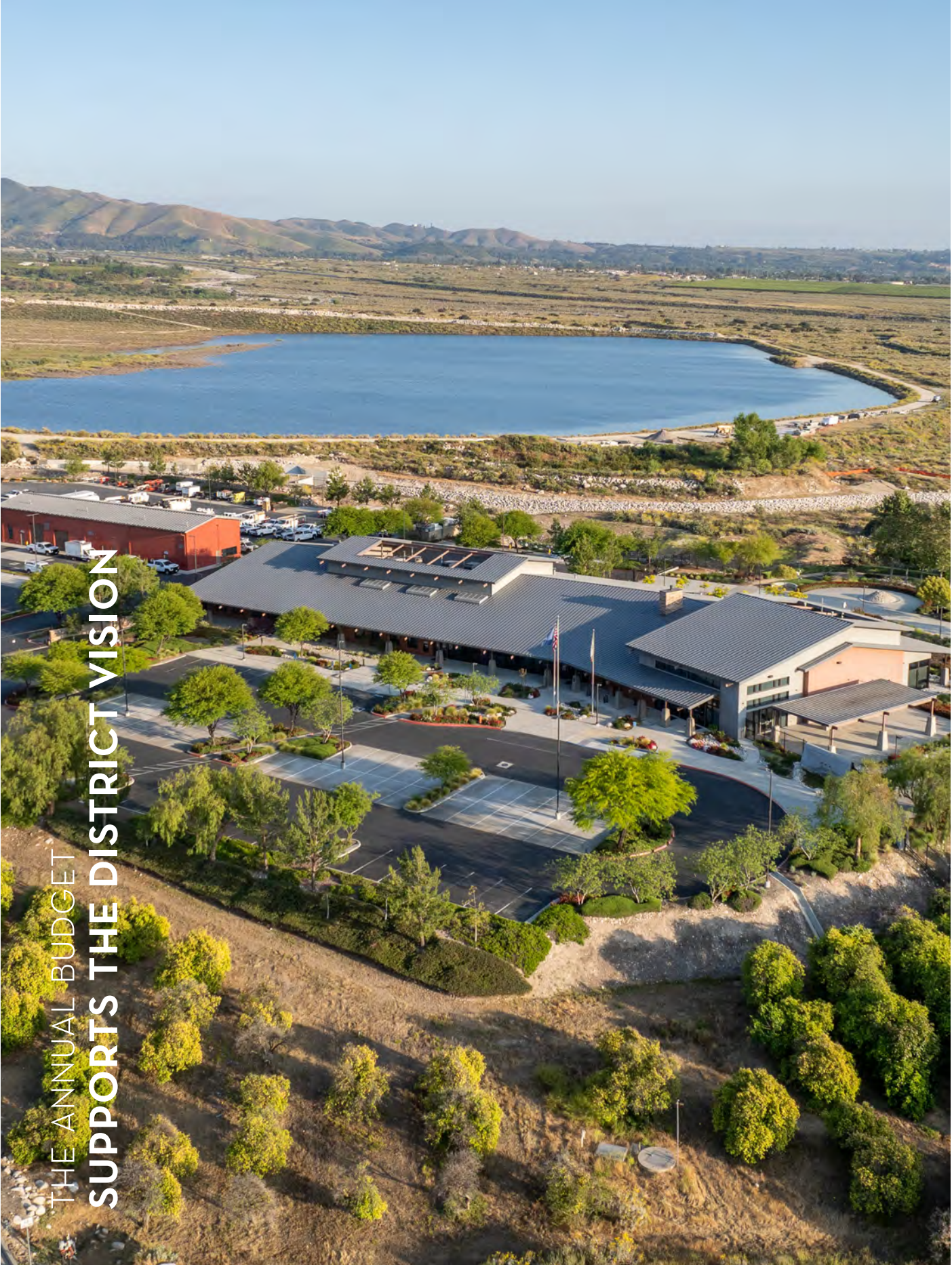
In prior years, revenue from charges related to collection of delinquent customer payments (delinquent fees, notice charges, disconnect/reconnect fees) have been significant, so the District has successfully implemented procedures to work closely with customers to reduce the number of service disconnections for non-payment. Revenue related to fees charges for collection efforts have been projected at \$586,000 in the upcoming year.

Other Income included in FY 2024-25 projections are facilities rentals, interest, and miscellaneous revenue. Projections for interest revenue have increased as yields are expected to remain at around 4% to 5%, and the amount of investible funds held by the District will be fairly significant as the District has substantially completed the construction of the SNRC and is carefully planning future capital improvements, including the incorporation of external funding such as grants.

In total, the FY 2024-25 projection for Other Charges and Income is \$1,616,000, which is calculated using adopted fees and an estimate of the number of occurrences for each type of fee based on historical trends.







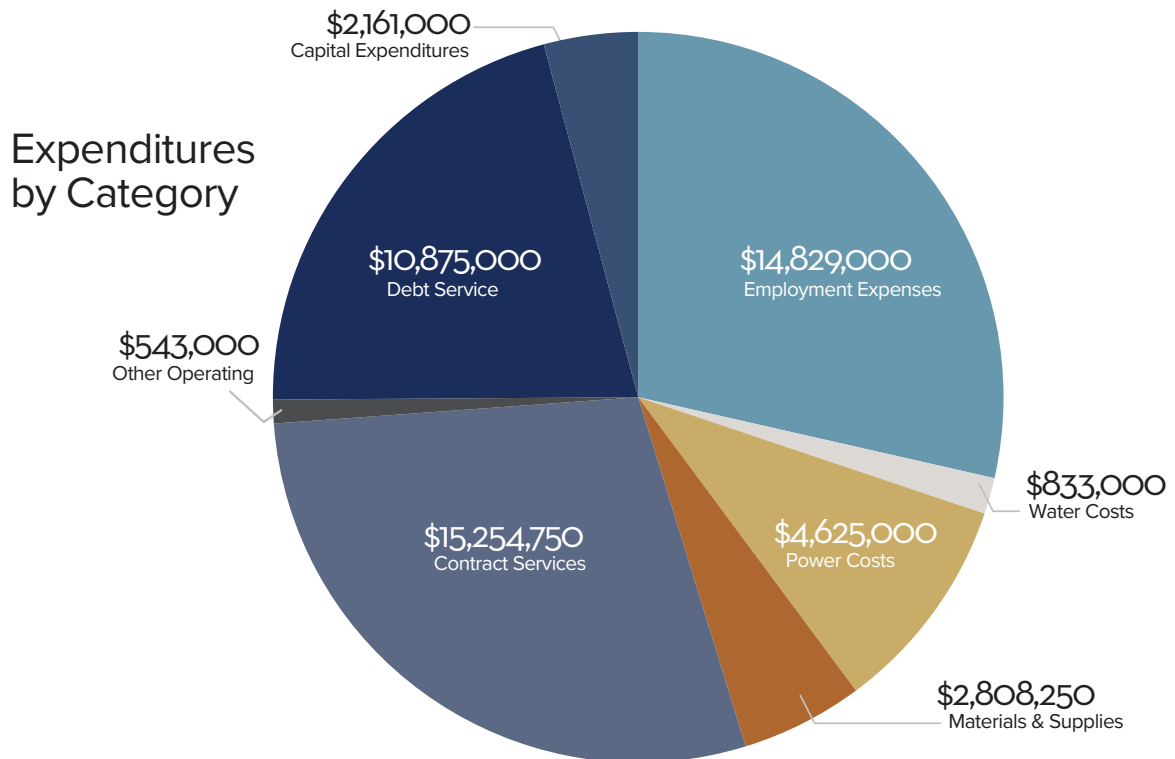
THE ANNUAL BUDGET  
SUPPORTS THE DISTRICT VISION



# EXPENDITURE SUMMARY

The District prepares its annual budget and financial plan based on operating expenses proposed by program managers, debt service payments scheduled in accordance with covenants and contractual obligations to bondholders and other creditors, and capital expenditures prioritized in the District's Capital Improvement Program and equipment replacement schedules.

Resources required for these expenditures are then appropriated from the District's Water, Wastewater, and Water Reclamation Funds. Operating expenses are addressed on the following pages by broad cost category as listed in the Budget Summary on page 45. Expenses are presented in more detail, by account type, in the Water, Wastewater, and Water Reclamation Fund Sections, and again, by Program in the Program Summaries.



## Employment Expenses

Budgeted Employment Expenses include salaries and benefits paid for 75 full-time employees (FTEs) and three part-time employees, and also includes District contributions toward health insurance for current retirees.

Employees are represented by two in-house bargaining units, or employee partnerships, which have negotiated a three-year Memorandum of Understanding (MOU) regarding wage and benefit adjustments through FY 2025-26.

Salaries include regular wages, overtime and on-call pay, paid leave time, incentives, and differential payments which are awarded upon attainment of designated certifications. Per an agreement with employees at adoption of the current MOU, a 5% COLA will also take effect in FY 2024-25 in addition to pay scale step increases of 5% available for employees who have not reached the top step in their pay range, subject to annual performance evaluations. With new positions at the SNRC being filled to ensure full-time oversight of the plant, and the terms of the new MOU, projected salaries expense for FY 2024-25 is \$10,173,000.

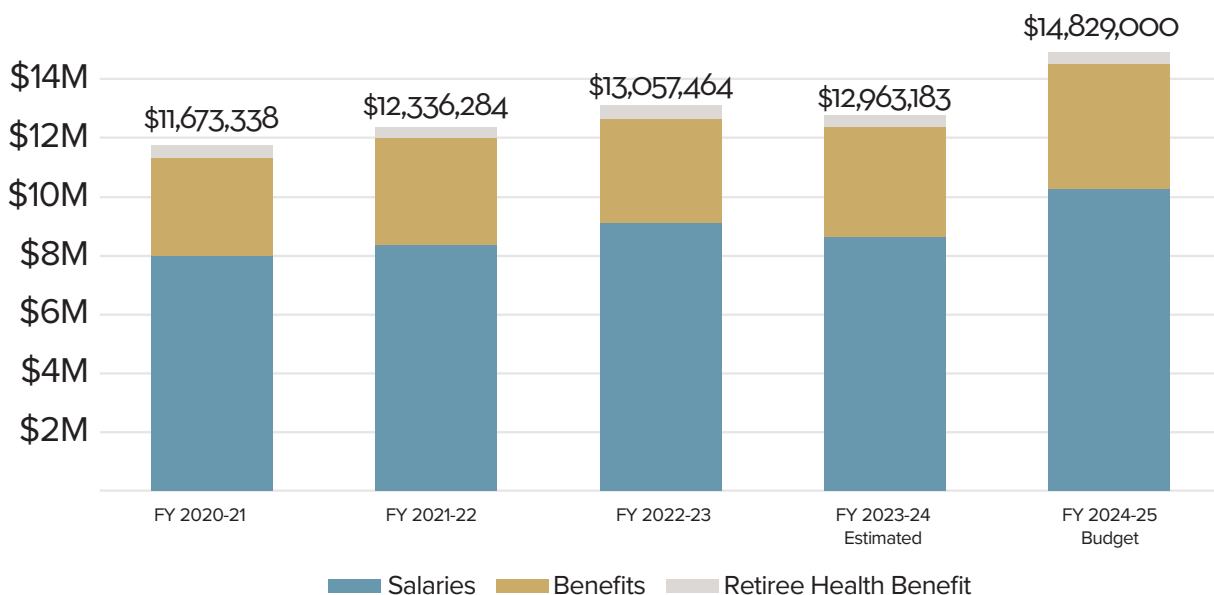
Benefit programs include a retirement plan with the California Public Employee Retirement System (CalPERS), a cafeteria health insurance plan, a deferred compensation plan with employer matching, and Worker’s Compensation and Medicare insurance. The District also contributes up to \$850 per month toward retiree health insurance.

The most significant employee benefit is the CalPERS retirement plan. Funding requirements for the plan are determined through actuarial valuations conducted by CalPERS and include contributions from both the District and the employees. Contributions from the District are made toward the plan’s annual normal cost, at a rate of 15.53% of payroll for employees hired prior to January 2013 (Classic), and 7.94% of payroll for post January 2013 hires (PEPRA), and as a lump sum against the plan’s unfunded liability. In recent years, unfunded pension liabilities have risen significantly as the plan struggles to meet the expectation administrators have set to earn a 7% return on plan assets each year. The rise of unfunded liabilities has led plan administrators to adopt 25 year amortization schedules, requiring increasing annual contributions to the plan, in an attempt to ensure that the plan is ultimately fully funded. However, instead of relying on the administrator plans for funding, the District has implemented an aggressive 15 year level-pay plan to amortize unfunded pension liabilities in order to reduce the cost of this liability. While the 15-year plan requires higher initial annual contributions of \$1,165,981, the shorter amortization period is projected to save the District \$3.5 million. For FY 2024-25, District paid costs related to the retirement plan are projected to increase 4.8%.

Healthcare costs are also split between the District and employees as the District pays 90% to 95% of premiums equal to the designated ‘benchmark’ insurance plan, with employees paying the balance. Premiums for the benchmark plan increased 2.49% between 2023 and 2024, therefore a similar decrease for the cost of healthcare benefits is expected. Contributions toward retiree health insurance premiums are capped at \$850 per month for FY 2024-25. Payments continue until the retiree reaches the age of 65, or Medicare age, provided they meet all eligibility requirements for this benefit. Worker’s compensation and life insurance premiums, cell phone allowances, and auto allowances for managers make up the remaining benefits.

Total District paid benefits are expected to increase 8.4% to \$4,305,000 for FY 2024-25, while contributions toward retiree health insurance were determined by an actuary to be \$351,000.

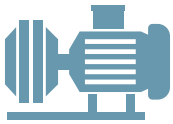
## SALARIES AND BENEFITS



## Water Costs

The District anticipates customer demand for approximately 15,528 acre-feet, or 5.06 billion gallons, of water during FY 2024-25. This is a projected 5% decrease in demand compared to projections used for FY 2023-24, as actual demand will fall short of projections in the prior year due to the wet winter season at the beginning of 2024.

The District meets customer demand by procuring water from three different raw water sources – groundwater, surface water, and the purchase of imported water. Each of these sources have associated rates, fees, or assessments charged by other agencies/companies as explained below:



### Groundwater

The District obtains approximately 80% of its water supply through its wells by pumping water from the Bunker Hill Groundwater Basin. The fee associated with pumping groundwater is paid to the San Bernardino Valley Conservation District. The District’s total assessment for FY 2024-25 is projected to be \$352,000.



### Surface Water

Stockholder assessments paid to the North Fork Water Company (NFWC) on company shares owned by the District. Annual assessments are set to cover the costs of operating NFWC and includes delivery of Santa Ana River surface water, also based on the number of shares owned. The District owns approximately 7,147 shares and projects that the assessment will be \$181,000 and is budgeted accordingly.

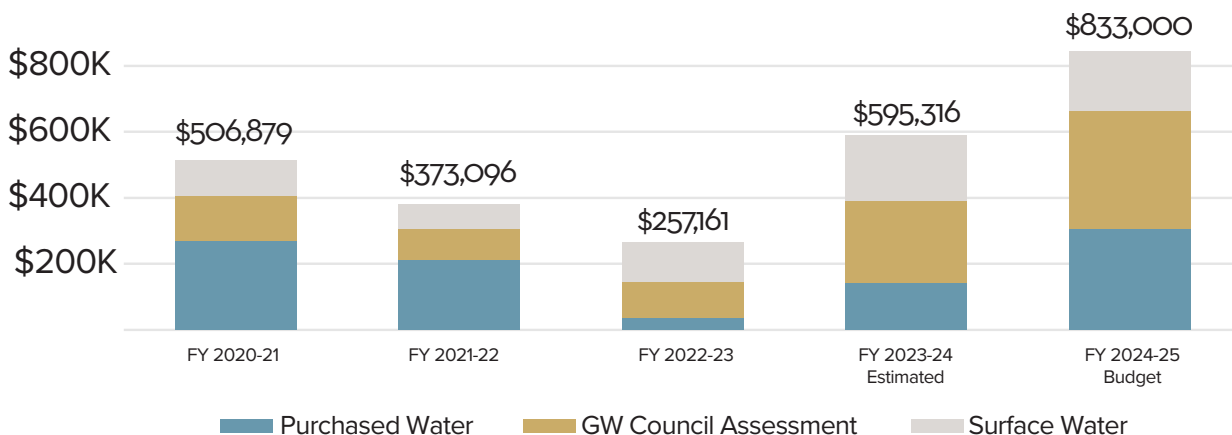


### Purchased Water

Paid to San Bernardino Valley to buy State Water Project at \$126 per acre foot (AF) when available. Due to the significant amount of rainfall and snow pack in California last winter, at least 30% of the normal allocation of water is available from the State Water Project. The District has budgeted \$300,000 for up to 2,400 acre feet of water from the State Water Project in FY 2024-25.

Total water costs associated with these three sources are projected to be \$833,000 for FY 2024-25.

## WATER COSTS



## Contracted Wastewater Treatment

As outlined in the discussion about wastewater treatment revenue, the District transitioned from contracting with the SBMWD for wastewater treatment, to commencing its own wastewater treatment operations at the new Sterling Natural Resource Center (SNRC) during FY 2023-24. Accordingly, contracted treatment payments, previously displayed as a single line item, have been replaced in this document by various costs associated with operating a treatment plant, capital costs, and debt service payments to the State Water Resources Control Board on a low-interest loan used for financing the construction of the SNRC.

The transition of costs is displayed in the accompanying Water Reclamation Fund section.

## WASTEWATER TREATMENT COSTS

Annual payments to the SBMWD for wastewater treatment services has represented approximately 22% of the District's annual budget in past years. Going forward, however, contracted treatment payments will be replaced by new debt service payments, SNRC treatment staff salaries, and other operating costs displayed in other sections of this budget, and also summarized in the Water Reclamation Fund.

## Power Costs

Power costs include the electrical power for extracting groundwater through wells, treating imported water, surface water, and groundwater when necessary, and distributing water throughout nine pressure zones within the District. Significant power costs will also be incurred for the SNRC in FY 2024-25 as the new plant commences its first year of operation.

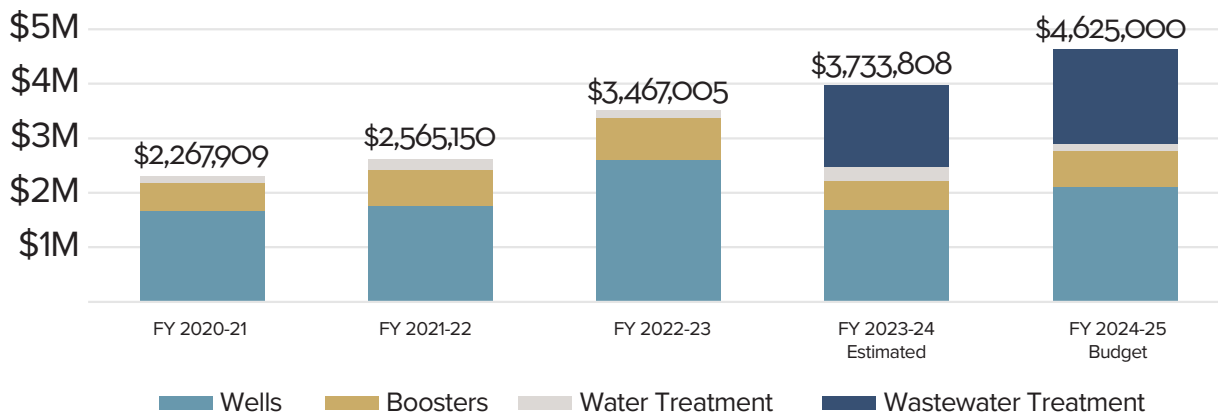
Rates for electrical power have been steadily increasing over the past three years, resulting in significant budget pressure, despite the fact that the District has implemented various energy conservation measures including the installation of high efficiency pumps at several plants, and construction of a hydroelectric generation facility at the District's surface water treatment plant (Plant 134), to help mitigate rising costs. In addition, District operations staff works closely with representatives from Southern California Edison (SCE) to try to ensure that water production facilities are assigned Time-of-Use (TOU) rates wherever possible, encouraging staff to operate facilities to take advantage of the off-peak rates. In spite of these efforts to control costs, electricity rate pressures have resulted in steadily increasing power costs.

The addition of the SNRC had the potential to more than double the District's power demand. In order to mitigate the cost, the District added anaerobic digesters to the SNRC project to convert wastewater sludge, supplemented with imported liquid food waste, into energy. The District contracted with SCE to install a two-way meter at the plant, so any excess energy produced by the digesters in the future can be sold on the power grid. During startup, and at least for the FY 2024-25, the District expects to consume all power generated on-site for the operation of the plant and expects that the SNRC will be a net user of power. A budget of \$1,400,000 has been established for net power costs at the SNRC for FY 2024-25. This amount is approximately half of the expected cost to run the plant without the self-generated capabilities with the digester.

Power costs for water production were approximately \$2.2 million in FY 2023-24, well below the budgeted amount of \$2,985,000. The District was expecting Edison rate increases in combination with a surge of water usage following a very wet winter in FY 2022-23 to cause energy costs to rise significantly. Instead, a 3% decrease in customer water usage resulted in lower than expected power costs for water production. In projecting power costs for FY 2024-25, the District again expects Edison rate increases, although the percentage is not yet known, and anticipates that the loss of three wells that are too close to the new regional recycled water recharge basins, will make it difficult to avoid peak time-of-use power rates until replacement wells can be placed in service. Under these circumstances, the District expects power costs for water production to be \$3,225,000 in FY 2024-25.

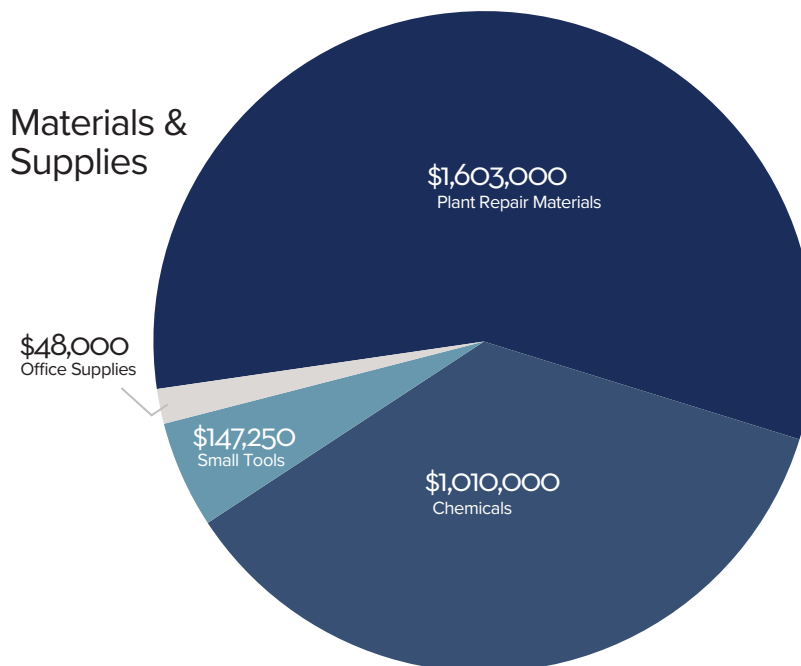
Based on the above, the total budget for power to run production facilities in FY 2024-25 is \$4,625,000.

## POWER COSTS



## Materials and Supplies

Materials and supplies are purchased to assist staff with the performance of their daily tasks. For administrative programs, materials ordinarily consist of office supplies, informational/educational printed materials for the public, books and reference materials for staff, and small office equipment. For operating and maintenance programs, materials also include some office supplies, but also include items such as chemicals for water treatment, small tools and parts for distribution system repairs, fuel and lubricants, and fill materials for backfilling trenches, among other items. Materials costs are budgeted to increase 9% to \$2,808,250 for FY 2024-25. Significant variances between prior year Contract Services costs and projections for the upcoming year is due to Water Reclamation’s budget of \$650,000 for chemicals, a new program expense.



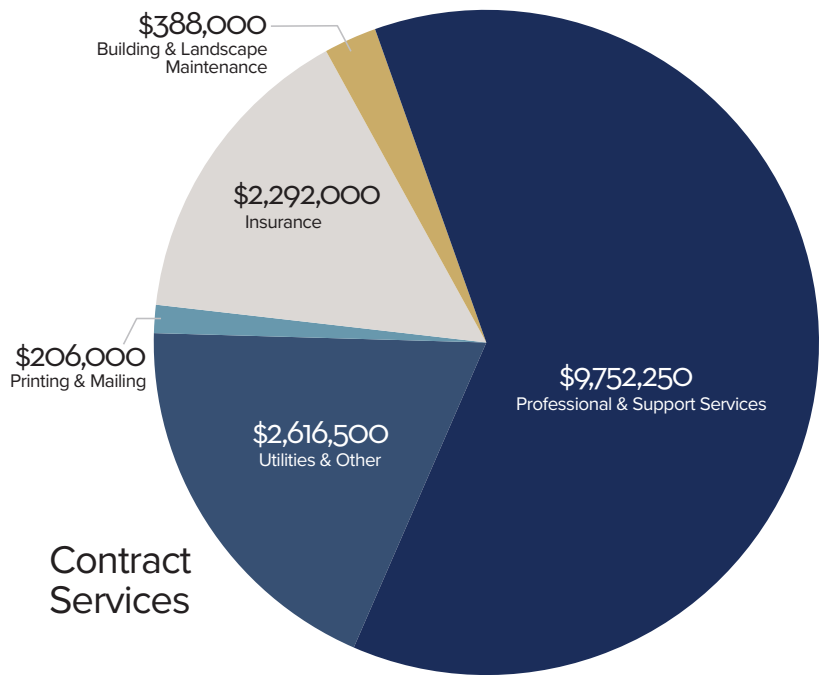


## Contract Services

Contract services are proposed by program managers to fund ongoing needs for outside services, and periodic technical expertise to help meet Program Goals and Objectives. For administrative programs outside services include, but are not limited to, legal services, banking and payment processing, printing, and insurance, while technical services would include rate consultants, engineering consultants, and legislative advocates. Operating and maintenance programs primarily use ongoing outside services such as paving, electrical repair, landscape maintenance, and equipment maintenance.

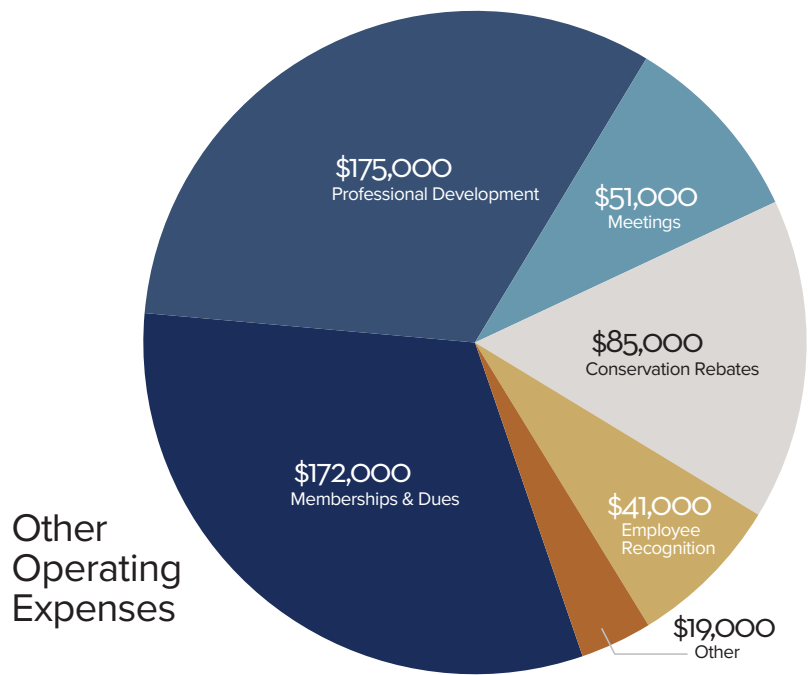
The budget for contract services is expected to increase 28% to \$15,254,750 for FY 2024-25. Significant variances between prior year contract services costs and projections for the upcoming year include:

- A full year of operations at the SNRC Water Reclamation Facility will add over \$3.3 million in additional Contract Services, including solids hauling and disposal, SCADA support, and new laboratory services.



## Other Operating Expenses

Other Operating Expenses budgeted for FY 2024-25 total \$543,000 and includes conservation rebates, professional development, memberships and dues, licensing, meeting expenses, employee recognition, and education assistance. The District emphasizes professional growth and leadership, encouraging employees to utilize resources made available by the District to continue learning through formal education, certifications, and collaboration with other agencies responsible for delivering similar service to its ratepayers.



# DEBT OVERVIEW

East Valley Water District's debt service payments in FY 2024-25 will be \$10,175,000 on total outstanding debt of \$210,033,000 as of June 30, 2024. These amounts include the initial debt service payment, and outstanding State Water Resources Control Board loan balance on the SNRC water reclamation plant that was commissioned in May of 2024.

The SWRCB declared that the project was essentially complete in December 2023, establishing the date for debt service payments to begin in December 2024. A more complete discussion about the funding for this project and annual debt service of approximately \$7.7 million annually is included in the discussion about SWRCB loans below.

The District issues debt for the purpose of building and improving capital assets, and to refund/refinance previously issued debt when interest rates and other circumstances make it financially prudent. In September 2020, the District refunded its outstanding 2010 and 2013 Revenue bonds with 2020 Series A & B Refunding Revenue bonds in order to achieve annual interest savings of approximately \$400,000.

The District's Debt Management Policy states that debt may only be issued to finance capital projects that have been incorporated into the District's Capital Improvement Program. Additionally, debt will only be used to finance projects if it is the most cost-effective means of doing so and the District's credit rating will not be negatively impacted. District policy prohibits the issuance of long-term debt to fund operating activities.

## Types of Debt

### REVENUE BONDS

Revenue bonds are issued to finance the construction or upgrade of water and wastewater facilities. Debt service on revenue bonds is payable out of water and wastewater system net revenue.

- **2020A Refunding Revenue Bonds:** Issued to refund outstanding 2010 Revenue bonds and save \$380,000 annually on interest. The 2020A bonds have an outstanding balance of \$14,060,000, and bear (tax-exempt) interest ranging from 3.0% to 5.0%.
- **2020B Refunding Revenue Bonds:** Issued to refund outstanding 2013 Revenue bonds, which had been issued to finance the construction of a new administration and operations headquarters. The 2020B bonds outstanding total \$12,780,000, and bear (taxable) interest ranging from 0.42% to 2.93%.

### STATE WATER RESOURCES CONTROL BOARD (SWRCB) LOANS

SWRCB loans are utilized to finance the construction or upgrade of clean drinking water or recycled water projects. Debt service is payable out of water and wastewater system net revenue.

- **Treatment Plant 134:** Borrowed to finance upgrades to treatment technology at the District's Plant 134. The total loan outstanding is \$4,901,000 bearing interest at 0%.

- **SNRC:** Borrowed as primary funding for the Water Reclamation Plant known as the SNRC. The total loan amount approved is \$168.3 million. Through June 2024, approximately \$143.2 million has been drawn down. Interest on the loan is 1.8%, which has accrued on all draws against the loan during the project construction period. The accrued interest will be added to the loan balance bringing the total amount to be repaid to \$178 million. Annual debt service on this total will be approximately \$7.7 million annually.

The District has also signed two SWRCB loan agreements in support of the State’s consolidation of mutual water companies with failing water infrastructure within the District’s service area. The District is responsible for ensuring payment on the State loans, which is payable from assessments on property formerly served by the water companies.

### Assessment Districts

- **Arroyo Verde & Eastwood Farms:** Borrowed to fund installation of new water distribution system connected to the District’s water supply facilities. Loans outstanding total is \$311,000 and bear interest at 0%.

## OTHER LOANS – SUBORDINATE

Financing agreements signed with equipment vendors, installers, or construction project managers for the purchase or installation of equipment with useful lives of 20 years or less. Repayment periods are typically 10 years or less.

Two loans with outstanding balances totaling \$1,719,000 at June 30, 2023, were paid off during the 2023-24 fiscal year.

## OTHER LONG TERM OBLIGATIONS

On November 21, 2017 the District entered into a Settlement Agreement (Agreement) with SBMWD that defined the terms under which the District would stop sourcing wastewater treatment services to SBMWD in accordance with a 1957 Joint Powers Agreement, and would construct and operate its own water reclamation facilities capable of treating all wastewater flows generated by District customers.

One of the terms of the Agreement is that the District will pay ten annual installments of \$700,000 to SBMWD to help alleviate the loss of revenue resulting from the District’s departure. The first payment was due within 30 days after the District began treating all wastewater generated by its customers — that occurred in March of 2024. Accordingly, the District made the initial \$700,000 payment in FY 2023-24 and will budget these annual payments through FY 2032-33.

Fiscal Year	WATER FUND		WASTEWATER FUNDS		Total
	Principal	Interest	Principal	Interest	
2024-25	\$ 490,000	-	\$ 210,000	-	\$ 700,000
2025-26	490,000	-	210,000	-	700,000
2026-27	490,000	-	210,000	-	700,000
2027-28	490,000	-	210,000	-	700,000
2028-29	490,000	-	210,000	-	700,000
2030-34	1,960,000	-	840,000	-	2,800,000
<b>TOTAL</b>	<b>\$ 4,410,000</b>	<b>\$ -</b>	<b>\$ 1,890,000</b>	<b>\$ -</b>	<b>\$ 6,300,000</b>

## Impact of Current Debt Levels

A schedule of FY 2024-25 debt service payments, by debt issue, is shown in the following schedule.

### DEBT SERVICE PAYMENTS

Debt Issue	WATER FUND		WASTEWATER FUNDS		Total
	Principal	Interest	Principal	Interest	
2020A Refunding Revenue Bonds	\$ 1,030,000	\$ 565,000	\$ -	\$ -	\$ 1,595,000
2020B Refunding Revenue Bonds	100,000	224,000	175,000	97,000	596,000
SWRCB Loan Treatment Plant 134	234,000	-	-	-	234,000
SWRCB Loans Assessment Districts	19,000	-	-	-	19,000
SWRCB Loans SNRC (Estimated)	-	-	4,527,000	3,204,000	7,731,000
<b>TOTAL</b>	<b>\$ 1,383,000</b>	<b>\$ 789,000</b>	<b>\$ 4,702,000</b>	<b>\$ 3,301,000</b>	<b>\$ 10,175,000</b>

As detailed above, debt service for FY 2024-25 on all outstanding District debt is \$10,175,000. This amount represents 19.6% of the District's total budget for FY 2024-25. This level of debt service does not affect utility services provided to District ratepayers but does directly impact the number of Capital Projects that can be funded by operating revenues.

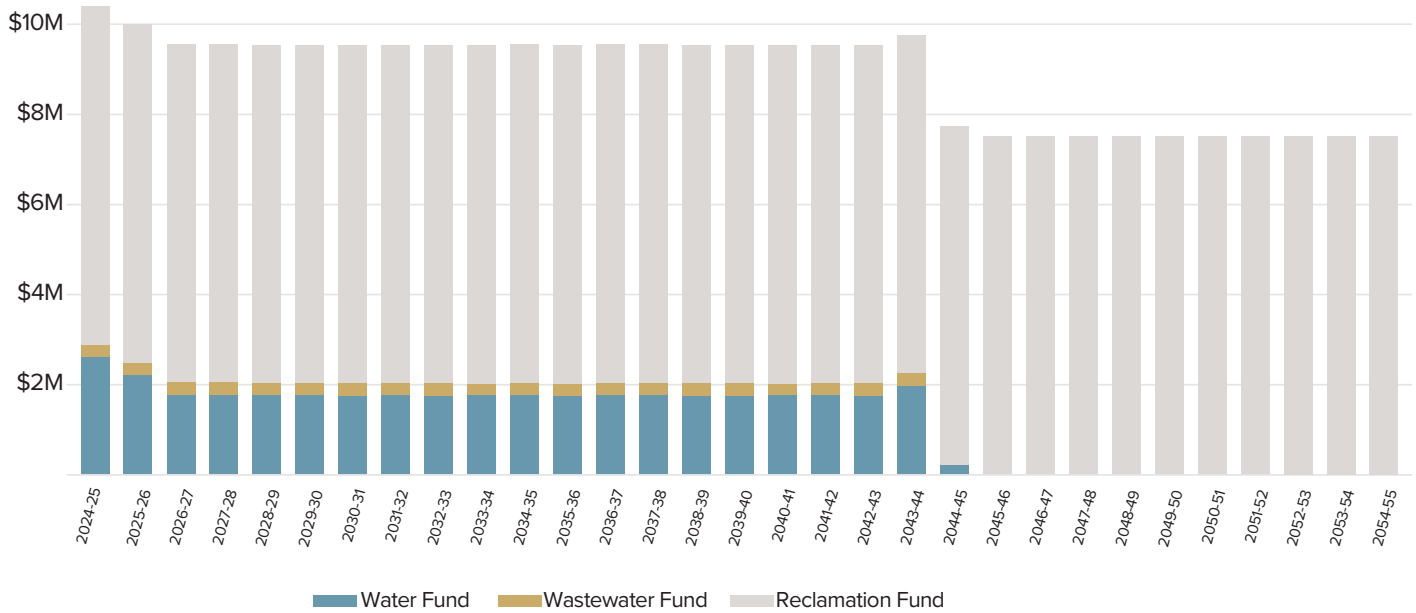
The following table presents District debt level ratios compared to 2015 Southwest Regional medians reported by Fitch ratings. District debt used for the calculations includes loan funds borrowed for the SNRC through June 2024, but for which debt service is not yet being paid.

### DEBT SERVICE THROUGH MATURITY

Fiscal Year	WATER FUND		WASTEWATER FUNDS		Total
	Principal	Interest	Principal	Interest	
2024-25	\$ 1,383,000	\$ 789,000	\$ 4,702,000	\$ 3,301,000	\$ 10,175,000
2025-26	1,028,000	747,000	4,783,000	3,218,000	9,776,000
2026-27	1,063,000	715,000	4,871,000	3,133,000	9,782,000
2027-28	1,098,000	682,000	4,956,000	3,046,000	9,782,000
2028-29	1,134,000	645,000	5,042,000	2,957,000	9,778,000
2030-34	6,212,000	2,634,000	26,618,000	13,388,000	48,852,000
2035-39	7,197,000	1,646,000	29,141,000	10,872,000	48,856,000
2040-44	8,479,000	581,000	31,918,000	8,086,000	49,064,000
2045-49	234,000	-	33,523,000	5,130,000	38,887,000
2050-54	-	-	36,651,000	2,003,000	38,654,000
<b>TOTAL</b>	<b>\$ 27,828,000</b>	<b>\$ 8,439,000</b>	<b>\$ 182,205,000</b>	<b>\$ 55,134,000</b>	<b>\$ 273,606,000</b>

The graph below presents total debt service on existing debt through maturity.

## DEBT SERVICE



## Bond Ratings



Credit risk is the potential that creditors will suffer financial loss if the District fails to fulfill its obligation to make timely payments to holders of District debt. This risk is measured by the assignment of a rating to the District’s bonds by a nationally recognized credit rating organization. Strong credit ratings provide benefits to District ratepayers in the form of reduced debt service costs. Prudent financial management policies resulted in a bond rating of AA- from both Standard & Poor’s and Fitch ratings when the District issued 2020 A & B series revenue bonds in September 2020. Fitch affirmed this rating as the result of a review conducted in June 2024.

**The AA- rating is considered a high quality, investment grade rating.**

## Debt Capacity and Debt Service Coverage

The District has no policy limitation, and there is no statutory limitation, on the amount of debt that may be issued by the District, however, bond covenants for the District’s 2020 Revenue Bonds require an additional bonds test prior to issuing additional obligations payable from Net Operating Revenue. The test determines the amount of additional debt that may be issued by calculating the amount of net revenue available for additional debt service payments.

The Revenue Bond documents, as well as loan agreements with the SWRCB and US Bank, require that the District maintain a debt service coverage ratio equal to 1.2 or 120 percent of annual debt service or greater.

The FY 2024-25 Budget provides the net revenue to debt ratios shown in the table below.

## DEBT SERVICE COVERAGE

	Water Fund	Wastewater Fund	Reclamation Fund	Total
<b>REVENUE</b>				
Sales & Services	\$ 28,445,000	\$ 6,515,000	\$ 12,233,000	\$ 47,193,000
Other Charges	511,000	115,000	3,120,000	3,746,000
Interest & Miscellaneous Revenue	540,000	100,000	350,000	990,000
Grants / Self Generation Incentives	-	-	3,650,000	3,650,000
<b>TOTAL REVENUES</b>	<b>\$ 29,496,000</b>	<b>\$ 6,730,000</b>	<b>\$ 19,353,000</b>	<b>\$ 55,579,000</b>
<b>OPERATING EXPENSES</b>				
Program Expenditures	\$ 25,148,000	\$ 6,006,000	\$ 7,705,000	\$ 38,859,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 25,148,000</b>	<b>\$ 6,006,000</b>	<b>\$ 7,705,000</b>	<b>\$ 38,859,000</b>
<b>NET REVENUE</b>	<b>\$ 4,348,000</b>	<b>\$ 724,000</b>	<b>\$ 11,648,000</b>	<b>\$ 16,720,000</b>
<b>ANNUAL DEBT SERVICE</b>	<b>\$ 2,662,000</b>	<b>\$ 482,000</b>	<b>\$ 7,731,000</b>	<b>\$ 10,875,000</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.63</b>	<b>1.50</b>	<b>1.51</b>	<b>1.54</b>



The District's Debt Management Policy stipulates that debt may only be issued to finance capital projects.





THE ANNUAL BUDGET  
FRAMEWORK FOR POLICY DECISIONS

# FUND EQUITY & RESERVES

As previously discussed, EVWD operates water, wastewater collection, and water reclamation enterprise activities; the District does not have governmental or non-major enterprise activities as part of its operational structure.

For financial reporting purposes, each of the District's activities report Equity, the excess of Assets and Deferred Outflows over Liabilities and Deferred Inflows, as Net Position. Also for financial reporting purposes, Net Position is reported in three distinct classifications:



**Invested in  
Capital Assets**



**Restricted**



**Unrestricted**

For budgeting purposes, and for purposes of this discussion, the three classifications above will be referred to as designations of the District's equity, rather than of Net Position.

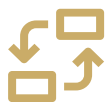
Restricted and unrestricted equity are spendable reserves, Equity Invested in Capital Assets is not. Equity Invested in Capital Assets maintains a running balance of resources previously spent on the acquisition and construction of capital assets, less outstanding long-term debt, and net of depreciation of those capital assets over time. It does not include spendable funds that are available for appropriation and is therefore not considered as part of the budget process.

Restricted Net Position may include any or all of the following in a given year: 1) unspent proceeds from the issuance of long-term debt, 2) developer paid capacity fees, and 3) debt service reserves. Unspent debt proceeds and capacity fees are available for appropriation for capital projects, but only as defined by contractual agreement with bondholders and other creditors, or by studies adopted by the District that state the purpose and amount of capacity fees to be collected from developers. Debt proceeds are used only for projects specifically stated in debt agreements, and capacity fees are used only for construction of projects that expand the capacity of the District's infrastructure. Debt service reserves may only be used to pay debt service on the associated debt, if and when needed. The amount of funds required to be held in this reserve is equal to one year's debt service.

Unrestricted fund equity is the residual after the balances in the other two classifications of equity have been determined. The District has the most flexibility in determining how unrestricted equity may be appropriated, and the Governing Board has done so by establishing a Reserve Funds Policy, which is summarized on pages 30-32. The policy, which was revised in February 2024, establishes two designations for unrestricted equity, and has defined their purpose, order of priority for funding, target levels, and uses. Those unrestricted designations are the:



**Operating  
Reserve**



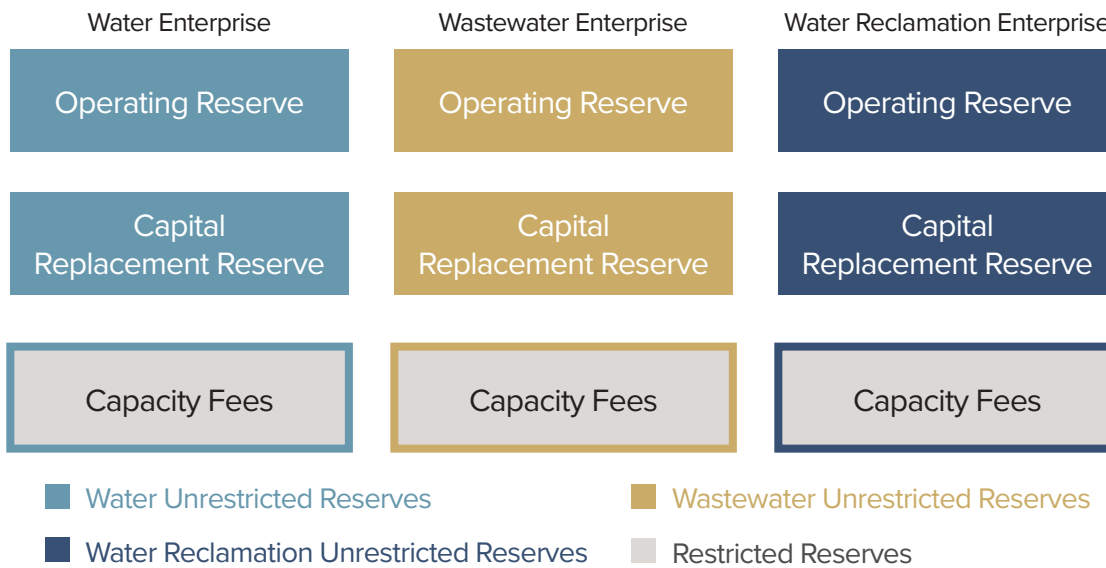
**Capital  
Replacement  
Reserve**



The Operating Reserve has the highest priority and is funded first out of any excess of revenue over expenditures at the end of each fiscal year. When the Operating Reserve has reached its target level of 120 days operating expenses, excess funds are applied to the Capital Replacement Reserve with a minimum target level of twice the annual average of the District's five year Capital Improvement Program, and a maximum level equal to the five year CIP total. If the Capital Replacement Reserve reaches its maximum target, excess funds are to be placed back in the Operating Reserve.

Expenditure of funds out of any of the Unrestricted Reserve categories will be replenished with excess Operating Reserves, and then by transfer from reserves with lower priority. The District's Governing Board may take action to transfer balances between the Unrestricted Reserve designations at any time.

## Enterprise Reserves



## Water Fund Reserves

The Water Fund is projected to have \$6,200,052 in Operating Reserves, \$7,292,000 in the Capital Replacement Reserve, and \$2,793,420 in Restricted Reserves at the end of FY 2024-25. The Water Reserves table presents changes to the Water Fund unrestricted and restricted equity, broken down by reserve designation, over a five year period, and includes beginning balances, annual activity, and ending balances. Target levels for each of the reserve designations, in accordance with the District's reserve policy, are also shown.

## UNRESTRICTED RESERVES

Funding for unrestricted reserves is built into rates when the District conducts a cost-of-service analysis; this occurs approximately every five years. Rate adjustments were last adopted in May 2024 and will become effective in three phases on January 1st of each year, 2025, 2026, and 2027. Modeling for the new rates continued to focus on collecting at least 35% of revenue from the fixed system (meter) charges as California continues living with droughts and mandatory conservation, which results in reduced water sales. The unrestricted Operating Reserve balance will remain near its target level during the fiscal year, while funds from the unrestricted Capital Replacement Reserve will be drawn upon to supplement operating revenue for many important capital projects including drilling a rehabilitation of an existing tank.

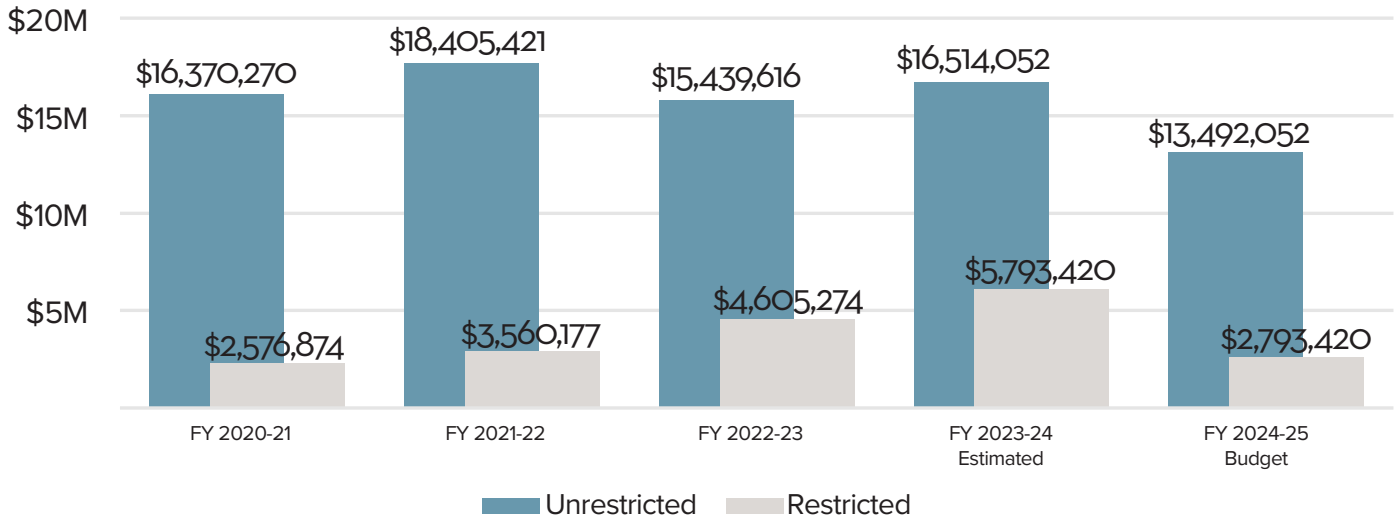
## RESTRICTED RESERVES

Restricted Reserves are from the collection of water capacity fees from new development. Although the receipt of capacity fees is not included in revenue projections and budgeted, accumulated fees are available for appropriation for certain capital improvement projects. \$3,000,000 of restricted reserve balances are budgeted for use toward construction of a new well during FY 2024-25, leaving a projected year-end balance of \$2,793,420.

## UNRESTRICTED AND RESTRICTED EQUITY – WATER

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Budget
<b>WATER OPERATING RESERVE</b>					
<i>Maximum Target Level 120 Days Operations</i>	\$ 6,025,000	\$ 6,366,000	\$ 6,645,000	\$ 7,245,000	\$ 8,400,000
Beginning Fund Balance	6,489,732	6,031,622	8,405,421	6,645,000	6,200,052
Revenue	29,145,482	29,273,276	28,250,377	28,667,803	29,496,000
Operating / Non-Operating Expenditures	(20,132,623)	(22,435,689)	(21,919,678)	(21,161,367)	(25,148,000)
Capital Expenditures	(4,179,287)	(5,131,241)	(7,134,813)	(3,365,000)	(1,686,000)
Debt Principal Payments	(2,393,628)	(2,120,011)	(2,161,691)	(3,067,000)	(2,662,000)
Land Sale / Transfer CIP from Wastewater	(6,298,054)	2,448,816	-	-	-
Transfer to Other Reserves	3,400,000	338,648	1,205,384	(1,519,384)	-
<b>ENDING WATER OPERATING RESERVE</b>	<b>\$ 6,031,622</b>	<b>\$ 8,405,421</b>	<b>\$ 6,645,000</b>	<b>\$ 6,200,052</b>	<b>\$ 6,200,052</b>
<b>WATER CAPITAL REPLACEMENT RESERVE</b>					
<i>Minimum Target Level</i>	\$10,000,000	\$10,000,000	\$10,000,000	\$ 10,314,000	\$ 10,314,000
Beginning Fund Balance	13,738,648	10,338,648	10,000,000	8,794,616	10,314,000
Transfer from (to) Other Reserves	(3,400,000)	(338,648)	(1,205,384)	1,519,384	-
Capital Expenditures	-	-	-	-	(3,022,000)
<b>ENDING WATER CAPITAL REPLACEMENT RESERVE</b>	<b>\$10,338,648</b>	<b>\$10,000,000</b>	<b>\$ 8,794,616</b>	<b>\$ 10,314,000</b>	<b>\$ 7,292,000</b>
<b>TOTAL UNRESTRICTED RESERVES - WATER</b>	<b>\$16,370,270</b>	<b>\$ 18,405,421</b>	<b>\$ 15,439,616</b>	<b>\$ 16,514,052</b>	<b>\$13,492,052</b>

## WATER RESERVES



	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Budget
<b>WATER CAPACITY FEES</b>					
<i>No Target Level</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	2,284,023	2,576,874	3,560,177	4,527,579	5,793,420
Fees Collected	292,851	983,303	967,402	1,265,841	-
Capital Expenditures	-	-	-	-	(3,000,000)
<b>ENDING WATER CAPACITY FEES</b>	<b>\$ 2,576,874</b>	<b>\$ 3,560,177</b>	<b>\$ 4,527,579</b>	<b>\$ 5,793,420</b>	<b>\$ 2,793,420</b>
<b>TOTAL RESTRICTED RESERVES - WATER</b>	<b>\$ 2,576,874</b>	<b>\$ 3,560,177</b>	<b>\$ 4,527,579</b>	<b>\$ 5,793,420</b>	<b>\$ 2,793,420</b>

## Wastewater Fund Reserves

The Wastewater Fund is projected to have \$2,334,455 in Operating Reserves, \$7,000,000 in the Capital Replacement Reserve, and \$3,529,854 in Restricted Reserves. The following table presents changes to the Wastewater Fund unrestricted and restricted equity, broken down by reserve designation, over a five year period, and includes beginning balances, annual activity, and ending balances. The target levels established for each reserve designation, in accordance with the District's Reserve Funds Policy, are also shown.



## UNRESTRICTED AND RESTRICTED EQUITY – WASTEWATER

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Budget
<b>WASTEWATER OPERATING RESERVE</b>					
<i>Maximum Target Level</i> <i>120 Days Operations</i>	\$ 1,250,000	\$ 1,850,000	\$ 1,900,000	\$ 2,000,000	\$ 2,250,000
Beginning Fund Balance	2,311,575	2,540,325	538,315	8,679,634	1,533,728
Revenue	4,846,067	5,189,870	5,795,316	6,935,418	6,730,000
Operating / Non-Operating Expenditures	(4,920,069)	(4,070,081)	(4,913,771)	(5,821,324)	(6,103,000)
Capital Expenditures	(5,885,302)	(2,951,799)	(2,951,799)	(585,000)	(242,000)
Debt Principal Payments	(110,000)	(170,000)	(175,000)	(175,000)	(385,000)
SRF Loan Proceeds - Net	-	-	10,386,573	-	-
Transfer to Other Reserves	-	-	-	(7,500,000)	-
Transfer CIP to Other Fund	6,298,054	-	-	-	-
<b>ENDING WASTEWATER OPERATING RESERVE</b>	<b>\$ 2,540,325</b>	<b>\$ 538,315</b>	<b>\$ 8,679,634</b>	<b>\$ 1,533,728</b>	<b>\$ 1,533,728</b>
<b>WASTEWATER CAPITAL REPLACEMENT RESERVE</b>					
<i>Minimum Target Level</i>	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$ 2,000,000
Beginning Fund Balance	-	-	-	-	7,500,000
Transfer from Other Reserves	-	-	-	7,500,000	-
Loans from (to) Other Reserves	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
<b>ENDING WASTEWATER CAPITAL REPLACEMENT RESERVE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,500,000</b>	<b>\$ 7,500,000</b>
<b>TOTAL UNRESTRICTED RESERVES - WASTEWATER</b>	<b>\$ 2,540,325</b>	<b>\$ 538,315</b>	<b>\$ 8,679,634</b>	<b>\$ 9,033,728</b>	<b>\$ 9,033,728</b>

## UNRESTRICTED RESERVES

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Budget
<b>WASTEWATER CAPACITY FEES</b>					
<i>No Target Level</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	1,696,736	1,837,888	2,701,340	3,144,381	3,723,964
Fees Collected	141,152	863,452	443,041	579,583	-
Debt Issued	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
<b>ENDING WASTEWATER CAPACITY FEES</b>	<b>\$ 1,837,888</b>	<b>\$ 2,701,340</b>	<b>\$ 3,144,381</b>	<b>\$ 3,723,964</b>	<b>\$ 3,723,964</b>
<b>TOTAL RESTRICTED RESERVES - WASTEWATER</b>	<b>\$ 1,837,888</b>	<b>\$ 2,701,340</b>	<b>\$ 3,144,381</b>	<b>\$ 3,723,964</b>	<b>\$ 3,723,964</b>

The accumulation of wastewater Operating and Capital Replacement reserves have been limited due to the investment in construction of the SNRC, a water reclamation facility for which the Water Reclamation Fund was established in FY 2022-23. Prior to establishing the Water Reclamation Fund, the Wastewater Fund financed costs not covered by a grant/loan agreement provided by the State Water Resources Control Board (SWRCB) affecting its ability to build reserves, in spite of the fact that rate adjustments were implemented in each of the years beginning with FY 2021-22.

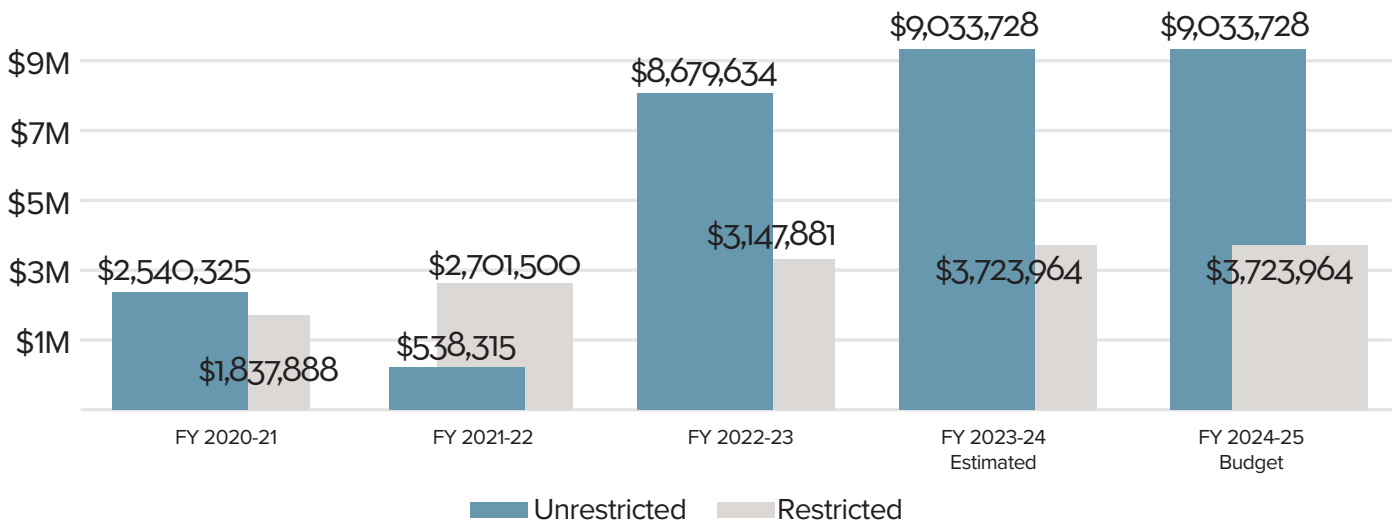
However, in FY 2022-23, with the establishment of the Reclamation Fund and with the District being granted a second amendment to its SWRCB loan agreement, whereby an additional \$18 million in construction costs became eligible for reimbursement from the SWRCB loan, more than \$10 million in cash funded costs were reimbursed to the Wastewater Fund filling its unrestricted reserves. The FY 2024-25 balanced budget does not project any increases or decreases to wastewater fund unrestricted reserves during the fiscal year, therefore total unrestricted reserves are projected to remain at \$9,033,728.

## RESTRICTED RESERVES

Restricted Reserves are primarily from the collection of wastewater capacity fees from new development. The table also includes balances and activity for restricted Wastewater capacity fees. Although the receipt of capacity fees is not included in revenue projections and budgeted, accumulated fees are available for appropriation for certain capital improvement projects. The projected restricted reserve balance at the end of FY 2024-25 is \$3,723,964.

The projected total for all Wastewater Fund reserves at the end of FY 2024-25 is \$12,757,692.

## WASTEWATER RESERVES



## Water Reclamation Fund Reserves

The Water Reclamation Fund was established to account for the revenues and expenditures related to the Sterling Natural Resource Center water reclamation plant which began operations in January of 2024. Target levels will be established as they are for other funds, in accordance with the District’s Reserve Funds Policy.

## UNRESTRICTED AND RESTRICTED EQUITY – RECLAMATION

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Budget
<b>RECLAMATION OPERATING RESERVE</b>					
<i>Maximum Target Level 120 Days Operations</i>	\$ -	\$ -	\$ -	\$ 4,100,000	\$ 5,235,000
Beginning Fund Balance	-	-	-	-	529,659
Revenue	8,456,508	9,764,357	10,108,850	11,266,603	15,703,000
Operating/Non Operating Expenditures	(8,456,508)	(9,764,357)	(10,286,707)	(10,086,944)	(10,943,000)
Capital Expenditures	-	-	-	(150,000)	(233,000)
Debt Principal Payments	-	-	-	-	(4,527,000)
Transfer from (to) Debt Service Reserve	-	-	177,857	(500,000)	-
<b>ENDING RECLAMATION OPERATING RESERVE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 529,659</b>	<b>\$ 529,659</b>
<b>TOTAL UNRESTRICTED RESERVES - RECLAMATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 529,659</b>	<b>\$ 529,659</b>
<b>RECLAMATION DEBT SERVICE RESERVE</b>					
<i>Target - One Year's Annual Debt Service</i>	\$ -	\$ -	\$ -	\$ -	\$ 7,731,000
Beginning Fund Balance	-	-	-	-	4,000,000
Transfer from Other Reserves	-	-	-	4,000,000	-
Loans from (to) Other Reserves	-	-	-	-	-
Grants & Other Contributions	-	-	-	-	3,650,000
<b>ENDING RECLAMATION DEBT SERVICE RESERVE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000,000</b>	<b>\$ 7,650,000</b>
<b>RECLAMATION CAPACITY FEES</b>					
<i>No Target Level</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Balance	2,518,595	1,860,609	2,736,642	3,008,522	96,896
Capacity Fees Received	143,182	876,033	449,737	588,374	-
Expenditures / Transfers to Other Reserves	(801,168)	-	(177,857)	(3,500,000)	-
<b>ENDING RECLAMATION CAPACITY FEES</b>	<b>\$ 1,860,609</b>	<b>\$ 2,736,642</b>	<b>\$ 3,008,522</b>	<b>\$ 96,896</b>	<b>\$ 96,896</b>
<b>TOTAL RESTRICTED RESERVES - RECLAMATION</b>	<b>\$ 1,860,609</b>	<b>\$ 2,736,642</b>	<b>\$ 3,008,522</b>	<b>\$ 4,096,896</b>	<b>\$ 7,746,896</b>

## UNRESTRICTED RESERVES

Prior to the SNRC, the District contracted with the SBMWD for wastewater treatment, and all revenue billed and received was remitted to the SBMWD. Given this agreement, there was no opportunity or reason to build a reserve for wastewater treatment operations.

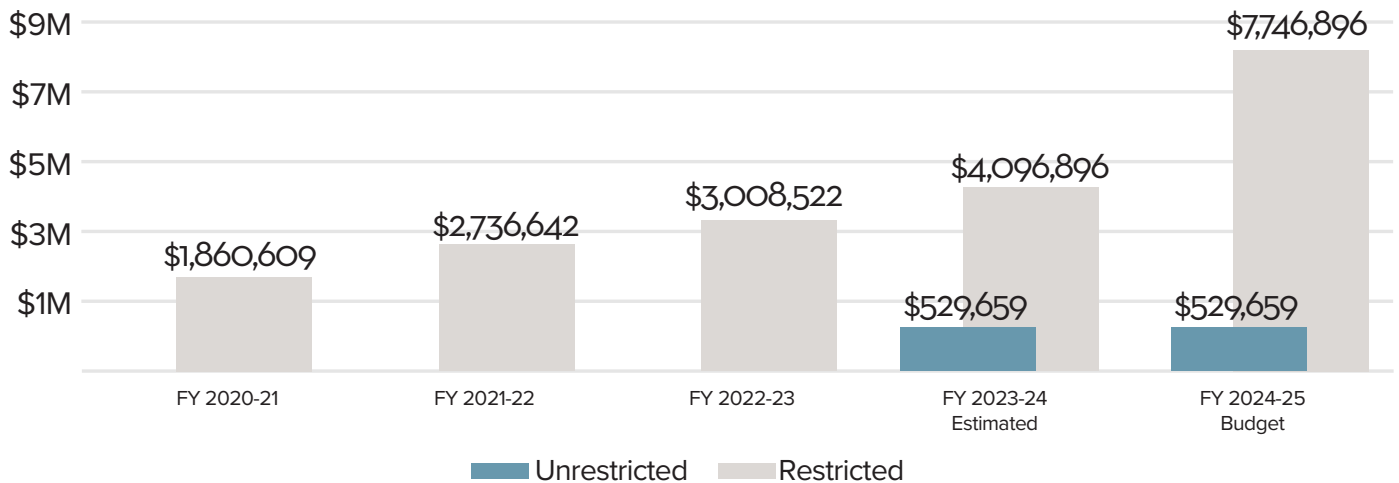
The Water Reclamation Fund will establish unrestricted operating and capital replacement reserves, but unlike other funds, the Water Reclamation Fund must first establish a Debt Service reserve. As with other reserve funds, there is a clear prioritization and target for all types. Projections for the Reclamation Fund operations through the end of FY 2023-24 estimate that the Fund will have a surplus of approximately \$1,030,000, of which \$500,000 will be transferred to the Debt Service Reserve, and the balance of \$529,659 will begin to build an Operating Reserve. FY 2024-25 will be the first full year of operations for the Reclamations plant, and the first payment on the state loan financing the plant construction is due in December.

## RESTRICTED RESERVES

The tables for accumulated wastewater treatment capacity fees, which belong to the Reclamation Fund, and for the new Debt Service Reserve are shown above. The District began collecting wastewater treatment capacity fees when construction began on the SNRC, for this reason the accumulation of restricted funds began occurring prior to the creation of the Water Reclamation Fund. The debt service reserve, which is required by section 3.7(a) of the SNRC loan funding agreement with the State Water Resources Control Board, must have a balance equal to one year's debt service on the loan from the SWRCB, approximately \$7,500,000 (the Target Level). In FY 2023-24, a total of \$4,000,000 was transferred by the Operating and Capacity Fee reserves to the Debt Service reserve to begin building the required balance. In FY 2024-25, an additional \$3,650,000 in grants (CA Natural Resource Agency) and self-generation incentive payments (Edison) will supply the balance needed to finish funding the Debt Service reserve.

The projected total for all Reclamation Fund reserves at the end of FY 2024-25 is \$8,276,555.

## RECLAMATION RESERVES



# LONG-RANGE FINANCIAL PLAN

The Long-Range Financial Plan provides a forward-looking view of the District’s three different funds, allowing leadership, along with other stakeholders, to evaluate whether financial resources will be available to achieve the District’s long-term goals and objectives included in the Five-Year Work Plan.

The Five-Year Work Plan and long range financial planning serve conjunctively as tools for future decision making regarding the District’s spending and projected revenues.

As a multi-beneficial organization that provides water, wastewater, and water reclamation services, the District’s long-term planning efforts consider factors such as the age, condition, and efficiency of infrastructure used to deliver world-class services to District customers and maintaining compliance with changing regulations. Over the last decade, the cyclical droughts in California has raised water supply reliability, operational flexibility, and water quality, as prominent issues in strategic planning. Based on these identified priorities, the District has developed goals that will have a significant impact on the District’s financial planning and Budget over the next few years, including:

- Cost recovery through user rates and development fees, as applicable;
- Address rapidly rising energy costs and green energy regulations;
- Ensure water quality and supply reliability;
- Maintain organizational culture and staff capabilities; and
- Replace aging pipelines and build new groundwater wells.

The achievement of these goals is subject to certain assumptions but will remain a priority as they support the District Vision and Five-Year Work Plan.

COST DRIVER	ASSUMPTION	LINK TO DISTRICT AND FIVE-YEAR WORK PLAN
Utility User Rates Support Reasonable Costs Related to Existing Customers; Development Fees Pay for New Infrastructure	<ul style="list-style-type: none"> <li>• Water usage per capita will not increase due to conservation efforts</li> <li>• Development will add 50 customers annually to District service area</li> </ul>	<ul style="list-style-type: none"> <li>• Practice Transparent Fiscal Management                             <ul style="list-style-type: none"> <li>– Conduct Cost-of-Service Analysis for Rates</li> </ul> </li> <li>• Enhance Planning Efforts for Future Demand</li> </ul>
Energy Costs and Green Energy Regulations	<ul style="list-style-type: none"> <li>• Digesters at SNRC will support energy requirements of plant</li> <li>• Incentives and federal credits will help defray the cost of additional self-generation projects</li> </ul>	<ul style="list-style-type: none"> <li>• Identify Opportunities to Optimize Natural Resources                             <ul style="list-style-type: none"> <li>– Analyze Alternative Energy Sources</li> </ul> </li> <li>• Enhance Planning Efforts that Respond to Future Demand</li> </ul>



COST DRIVER	ASSUMPTION	LINK TO DISTRICT GOALS AND OBJECTIVES
Water Quality and Reliability	<ul style="list-style-type: none"> <li>Recycled water from SNRC will provide sustainable supply for recharge</li> <li>Existing treatment processes will need to be enhanced to ensure product water meets standards</li> </ul>	<ul style="list-style-type: none"> <li>Ensure Safe &amp; Reliable Services               <ul style="list-style-type: none"> <li>Complete Construction of SNRC</li> <li>Construct Third Monitoring Well Near Recycled Water Recharge</li> <li>Evaluate Feasibility of Salt Mitigation</li> </ul> </li> </ul>
Organizational Culture / Staff Capabilities	<ul style="list-style-type: none"> <li>Staff training, engagement and knowledge transfer will facilitate world class customer relations</li> </ul>	<ul style="list-style-type: none"> <li>Maximize Internal Capabilities Through Professional Development               <ul style="list-style-type: none"> <li>Develop Succession Plan</li> <li>Evaluate IT, SNRC Staffing</li> <li>Enhance Emergency Preparedness Training</li> </ul> </li> </ul>
Aging Infrastructure	<ul style="list-style-type: none"> <li>District's rates will provide revenue for some, but not all, capital improvement projects</li> <li>Grant funding will be available to help pay for the District's infrastructure improvements</li> </ul>	<ul style="list-style-type: none"> <li>Dedicate Effort Toward System Maintenance &amp; Modernization               <ul style="list-style-type: none"> <li>Pipeline Replacement Program</li> <li>Water Reservoir Rehabilitation Program</li> <li>New Well Construction</li> <li>Pursue Alternative Funding Sources</li> </ul> </li> </ul>

## User Rates & Development Fees from Reserves

The District updated all water and wastewater user rates in May 2024 to help ensure that operating revenue can cover the cost of operations, debt service costs and help maintain reserves. Updated rates were based on a three year Cost-of-Service Analysis and financial model, that considered the rapidly escalating cost of capital improvement projects that are needed to replace aging facilities. Adjustments will occur in three phases, one each during the fiscal years 2024-25, 2025-26, and 2026-27.

Developer capacity fees will be updated in FY 2024-25 and will be based on an independent capacity fee study. Fees were last updated in December 2019, and although adopted fees include a provision for annual adjustment each July based on the prior calendar year's Construction Cost Index, the index has not helped fees keep pace with construction costs.

Updated miscellaneous fees and charges are primarily fees related to the collection of delinquents accounts, and charges for Engineering services. The amount of each of the fees and charges was established by determining the average amount of staff and equipment time required for a single occurrence, and then multiplying the time required by labor rates and equipment rental rates.

## Energy Costs and Green Energy Regulations

Construction on the Sterling Natural Resource Center (SNRC) was completed in FY 2023-24, including anaerobic digesters capable of generating three megawatts of electrical power. This amount of power self-generation should allow the District to power the plant and produce excess energy to sell back to the Edison grid as soon as FY 2025-26

While other self-generation District facilities have not shared in the same level of success, state regulation requiring the integration of electric vehicles into the District's fleet and the furtherance of other green energy goals, and the rising cost of purchased power, compel the District to explore more clean energy generating options, particularly while there are federal incentives to invest in clean energy alternatives. Over the next five years the District will consider the addition of solar panels and Tesla batteries, and consider participating in a regional effort to acquire hydro facilities, to help alleviate the pressures of rising energy prices and new regulations.

## Water Quality and Reliability

The District built a State Water Project turnout at its Surface Water Treatment Plant in order to utilize as much imported water as feasible. This strategy would preserve water in the groundwater basin and allow the District to take delivery of, and treat, water at a high elevation, using gravity to assist with water distribution to customers. The alternative is to incur significant pumping costs by extracting water with wells and then pumping it uphill for distribution.

Unfortunately, California continues to experience cyclical droughts, in which State Water Project deliveries are unreliable. For FY 2023-24, State Water Project contractor agencies, the source for the District's imported water, have been told their annual allocation of imported water will be 15%, whereas, in the previous fiscal year, the supply provided was 100% of requested. As a result, EVWD will experience fluctuating power costs to pump groundwater over the next five years to offset the unreliability of available imported water.

## Organizational Culture and Staff Capabilities

An aging workforce, emerging technology, inflation, and beginning a new enterprise activity with the completion of the Sterling Natural Resource Center (SNRC) water recycling facility have highlighted the need for the District to remain competitive regarding staff compensation. This is necessary in order to attract and retain talented team members to operate the state-of-the-art SNRC, or implement and maintain new technologies, while at the same time the District must remain prudent with the public funds used to pay compensation.

Inflationary pressures resulted in an average of 4.3% COLA adjustments to salaries during the current three year Memorandum of Understanding with staff and will likely result in similar percentages being negotiated for future years when the current MOU ends in June 2026.

## Aging Infrastructure

As mentioned under User Rates, adopted rates included funding for the Capital Improvement Program including water main replacements. The District must also replace three wells that were taken off-line due to their proximity to SNRC recycled water recharge basins, and the rapidly increasing cost to build new water tanks/reservoirs makes it imperative that the District allocate resources for the rehabilitation of existing tanks. Having the funding available to proactively contract for rehabilitation projects, rather than reacting to reports of system leaks or failures, allows the District to select the most opportune time to take plants or infrastructure off-line, minimizing overtime, avoiding excess power to run alternate facilities during peak hours, and avoiding water losses.

The District has identified specific plants for rehabilitation and includes rehabilitation projects in Capital budget requests each year, but the District is also actively searching for external funding.

## FY 2025-29 Forecast

### REVENUE FORECAST

Water, wastewater, and reclamation revenues are expected to increase moderately over the next five years due to continued development activity and approved rate adjustments. Rate adjustments were adopted in May 2024 and will be implemented beginning in July 2024. Additional approved rate adjustments become effective in January 2025.

Water Revenue projections include approved rate adjustments as well as a modest growth rate of 2% annually. Sales per capita is expected to remain flat as water budget based tiered rates implemented by the District incentivize consumers to use water efficiently.

Wastewater revenue projections include rate adjustments in July 2024, for both collection and treatment charges, of about 7.0%. For years subsequent to 2024, a 3.0% escalation factor was used to account for potential future rate increases and/or growth related to new development.

Other operating revenues, such as LRIP contributions from the groundwater basin watermaster for delivering recycled water for recharge, and tipping fees from waste haulers, will increase while the SNRC is scaling up to reach full capacity. At full capacity the SNRC is expected to produce 6,200 acre feet of recycled water.

## OPERATING COST FORECAST

Operating costs for the District include salaries and benefits, maintenance and operation of the water distribution, wastewater collection systems, water reclamation, contract services and materials and supplies. Reclamation operation is still ramping up and operation costs are forecasted based on current staffing levels and SNRC Contract Services.

## EMPLOYMENT EXPENSES

Labor & Benefits are the largest costs in the District's Budget and are adjusted in accordance with a Memorandum of Understanding (MOU) with employees. The current three-year MOU became effective in July 2023 and remains in effect through FY 2025-26 and the average increase for the three years was 5% due to the results of a salary survey. Retirement plan contributions make up two-thirds of total benefit costs and are expected to increase 1% per year, and other benefit costs including medical are projected to increase 5% per year.

Staffing levels will increase from 73 to 75 full-time positions in FY 2024-25 as the District fills two more positions tied to commencement of operations at the SNRC – Wastewater Treatment Plant Operator and a Facilities Maintenance Worker.

## WASTEWATER TREATMENT

Between the months of January and March of 2024, the District completed a phased transition of all of its wastewater flows away from the City of San Bernardino Treatment Plant to the newly commissioned Sterling Natural Resource Center. As a result, future years beginning with FY 2024-25 will no longer show contracted treatment costs of approximately \$8.6 million, but instead will show approximately \$7.7 million in operating expenses associated with water reclamation / recycling.

## POWER COSTS

The District has taken steps to insulate ratepayers from significant increases in electricity costs by implementing energy conservation measures, installing a hydro-electric generation facility, installing batteries at three facilities to avoid peak hour power rates, and constructing digesters at the SNRC to generate electricity.

The SNRC digesters will take a few months to ramp up to full capacity during FY 2024-25, so the budget for that year includes approximately \$1.4 million in net power costs incurred for reclamation activities. Thereafter, the District is projected to increase energy production to the point where energy needed to power the operations of the SNRC is produced on site, and to possibly produce excess energy which can be sold back to the grid.

With all of these measures in place the District continues to experience increased power costs at plants without alternative energy sources or generation capabilities, and accordingly, will continue to investigate additional power generation facilities. Although the existing measures mitigate the extent of price increases, the District projects that energy costs will still increase between 3% and 5% annually for the next five years.

## MATERIALS AND SUPPLIES

Materials and supplies are projected to increase by 19% in FY 2024-25 as the SNRC completes commissioning transitioning the facility to regularly purchase chemicals and other supplies. In the following years cost increases are based on inflation projections of 3.9% for FY 2024-25 through 2027-28. These significant inflation percentages are supported by notification from vendors stating that supply chain interruptions are creating shortages and increasing costs.

## OTHER CONTRACTED SERVICES

Other Contracted Services such as facilities maintenance, professional consulting, security, customer bill generation and printing are increasing 34% to \$11.9 million for FY 2023-24, due to the commencement of SNRC operations in Spring of 2024. Thereafter an inflation adjustment factor of 3% has been used to project costs for the future as vendors are expected to realize, and pass through, the increased cost of materials for the reasons explained above in the Material and Supplies Section.

## DEBT SERVICE FORECAST

Debt service costs include principal and interest on Revenue Bonds and Loans issued to finance system improvements. Future debt service cost projections include an additional loan from the State Revolving Fund issued to finance the construction of the SNRC. The final loan amount will not be determined until the final claim is submitted and reimbursed, however, the additional debt related to this project is expected to increase annual debt service from \$3.4 million in FY 2023-24, to \$10.9 million in FY 2024-25. FY 2023-24 also included the first of ten annual installments of \$700,000 to be made to the SBMWD to help offset the loss of revenue from the District which will now treat its own wastewater.

A schedule of future debt service, including the State Revolving Fund loan from the SWRCB, is shown on page 63 of this document.

## REVENUE FUNDED CAPITAL EXPENDITURES FORECAST

Revenue funded capital spending is projected to average \$4.2 million over the next five years. Projects included in the forecast are discussed in the five-year Capital Improvement Program section of this budget.

## Five Year Forecast

### FY 2024-25 Through FY 2028-29

The following financial forecast is presented to provide a general understanding of how long-term goals will affect operating revenue, operating expenditures, debt service costs, and capital expenditures over the next five years.

<b>FORECAST</b>	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>REVENUE</b>					
Water Sales / Wastewater Collection	\$24,435,000	\$25,250,000	\$26,557,000	\$27,678,000	\$28,851,000
Wastewater Treatment	12,233,000	13,458,000	14,798,000	15,242,000	15,700,000
Meter Fees	10,525,000	11,320,000	12,000,000	12,120,000	12,242,000
LRIP Revenue	1,038,000	1,038,000	1,038,000	1,038,000	1,038,000
Other Operating Charges	2,674,000	3,614,000	3,609,000	3,604,000	3,599,000
Investment Income	880,000	1,367,000	1,117,000	1,279,000	1,449,000
Grants / Other Contributions	3,650,000	-	1,125,000	-	1,125,000
Other Income	110,000	120,000	120,000	120,000	120,000
<b>TOTAL REVENUE</b>	<b>\$ 55,545,000</b>	<b>\$ 56,167,000</b>	<b>\$ 60,364,000</b>	<b>\$ 61,081,000</b>	<b>\$ 64,124,000</b>
<b>EXPENDITURES</b>					
Labor & Benefits	\$ 14,478,000	\$ 15,203,000	\$ 15,830,000	\$ 16,484,000	\$ 17,021,000
Water Costs	833,000	768,000	768,000	768,000	768,000
Power Costs	4,625,000	4,122,000	3,922,000	3,925,000	3,931,000
Contract Services	12,928,750	13,317,980	13,718,349	14,131,210	14,555,666
Materials & Supplies	2,808,250	2,907,350	3,010,668	3,117,051	3,227,603
Conservation	120,000	120,000	-	-	-
Other Operating Expenses	819,000	826,000	833,050	840,153	847,310
Insurance	2,282,000	2,282,000	2,329,000	2,377,000	2,426,000
Debt Service	10,875,000	10,478,000	10,480,000	10,485,000	10,480,000
Capital Outlay	1,453,000	1,450,000	1,450,000	1,450,000	1,450,000
Capital Improvement Program	6,730,000	7,945,000	3,557,000	2,451,000	3,337,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 57,952,000</b>	<b>\$ 59,419,330</b>	<b>\$ 55,898,067</b>	<b>\$ 56,028,413</b>	<b>\$ 58,043,580</b>
<b>CHANGE IN EQUITY</b>	<b>\$(2,407,000)</b>	<b>\$(3,252,330)</b>	<b>\$ 4,465,933</b>	<b>\$ 5,052,587</b>	<b>\$ 6,080,420</b>
<b>BEGINNING UNRESTRICTED EQUITY</b>	<b>\$ 39,691,719</b>	<b>\$ 37,319,719</b>	<b>\$ 34,067,389</b>	<b>\$ 38,413,322</b>	<b>\$ 43,345,909</b>
<b>ENDING UNRESTRICTED EQUITY</b>	<b>\$ 37,284,719</b>	<b>\$ 34,067,389</b>	<b>\$ 38,533,322</b>	<b>\$ 43,465,909</b>	<b>\$ 49,426,329</b>



# FY 2024-25 WATER FUND

Budget based rates promote water efficiency and are based on the cost-of-service while remaining equitable and fair.



# WATER FUND

The Water Fund pays for all activities related to acquiring and treating raw water, then pumping and distributing the treated water to District customers.

## Rates

The District has taken many steps to encourage water-use efficiency and water supply reliability, and accordingly utilizes water budget-based rates for use in billing for water usage. The water budget-based rates promote water efficiency and are based on the cost-of-service; they are equitable and fair; and support sustainable behavior change. The State Water Resources Control Board approves of the water budget-based rate structure for its ability to produce superior water savings, and this alternative approach is compliant with the California Drought Conservation Regulations.

The District also collects a monthly fixed charge based on meter size serving the property. This fixed charge helps ensure the water fund's long-term financial sustainability.

In May 2024, a public hearing was held in accordance with Proposition 218 at which the Governing Board adopted rates that would adjust over a three-year period beginning January 1, 2025. The Board also approved a recommendation to revise billing for commercial customers to a flat volumetric rate as their water use is for business purposes and not for health and safety or irrigation purposes which are used to define water use for other customer classes. The existing rates, and three phases of adjustments adopted in May 2024 are listed below:

## COMMODITY CHARGES

Rates	Current	FY 2024-25	FY 2025-26	FY 2026-27
Tier 1	\$ 2.11	\$ 2.19	\$ 2.33	\$ 2.47
Tier 2	2.70	2.84	3.02	3.21
Tier 3	4.18	4.10	4.35	4.62
Commercial Flat Rate	-	2.39	2.54	2.70



East Valley Water District understands the importance of preserving California's water supplies.

## MONTHLY METER CHARGES

Meter Size	Current	FY 2024-25	FY 2025-26	FY 2026-27
5/8 in.	\$ 25.49	\$ 27.52	\$ 29.18	\$ 30.94
3/4 in.	32.74	34.62	36.70	38.91
1 in.	47.24	48.83	51.76	54.87
1.5 in.	83.50	84.35	89.42	94.79
2 in.	127.00	126.97	134.59	142.67
3 in.	243.01	368.48	390.59	414.03
4 in.	373.52	901.23	955.31	1,012.63
6 in.	736.05	1,433.89	1,520.02	1,611.23
8 in.	2,041.16	2,854.65	3,025.93	3,207.49
10 in.	2,041.16	4,630.48	4,908.31	5,202.81
12 in.	2,041.16	5,695.98	6,037.74	6,400.01

## MONTHLY FIRE LINE SERVICE CHARGES

Meter Size	Current	FY 2024-25	FY 2025-26	FY 2026-27
1 in.	\$8.78	\$14.01	\$14.86	\$15.76
1.5 in.	13.18	14.36	15.23	16.15
2 in.	17.57	14.71	15.6	16.54
3 in.	26.35	15.41	16.34	17.33
4 in.	35.14	16.11	17.08	18.11
6 in.	52.7	17.51	18.57	19.69
8 in.	70.27	18.91	20.05	21.26
10 in.	87.84	20.31	21.53	22.83
12 in.	87.84	21.71	23.02	24.41

## PROJECTED TIER REVENUE BY CUSTOMER CLASS

Customer Class	Tier 1	Tier 2	Tier 3	Flat Rate	Total
Residential	\$ 4,605,000	\$ 3,887,000	\$ 2,009,000	\$ -	\$ 10,501,000
Multi-Family	1,937,000	777,000	1,200,000	-	3,914,000
Commercial	605,000	54,000	248,000	-	907,000
Commercial - Flat Rate	-	-	-	679,000	679,000
Irrigation / Construction	-	1,114,000	805,000	-	1,919,000
<b>TOTAL</b>	<b>\$ 7,147,000</b>	<b>\$ 5,832,000</b>	<b>\$ 4,262,000</b>	<b>\$ 679,000</b>	<b>\$ 17,920,000</b>

## WATER SALES

Class	No. Of Accounts	Tier 1 (Acre Feet)	Tier 2 (Acre Feet)	Tier 3 (Acre Feet)	Flat Rate	Total (Acre Feet)	Total Sales
Residential	19,976	4,920	3,254	1,111	-	9,285	\$ 10,501,000
Multi-Family	479	2,067	650	664	-	3,381	3,914,000
Commercial	712	751	53	161	519	1,484	1,586,000
Irrigation / Construction	364	-	933	445	-	1,378	1,919,000
<b>TOTALS</b>	<b>21,531</b>	<b>7,738</b>	<b>4,890</b>	<b>2,381</b>	<b>519</b>	<b>15,528</b>	<b>\$17,920,000</b>

The table below projects the amount of water to be produced for FY 2024-25. The amount of water produced is more than the amount of water sold to account for unanticipated water demand and regular system water losses.

## WATER PRODUCTION (ACRE FEET)

Source of Supply	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Budget
Ground Water	14,887	14,980	13,254	12,450	12,250
Surface Water	1,378	771	1,128	590	1,200
Purchased Water	2,519	3,037	2,026	3,080	2,825
<b>TOTAL</b>	<b>18,784</b>	<b>18,788</b>	<b>16,408</b>	<b>16,120</b>	<b>16,275</b>

## Assumptions and Trends

The development of the revenue projections for FY 2024-25 requires management to estimate customer consumption for the next year. The District will provide water services through approximately 21,517 domestic and irrigation connections in FY 2024-25. In addition, 277 commercial fire services and 14 temporary hydrant meters are connected to the District's system. Water demand is estimated at 6,764,000 hundred cubic feet of water (HCF = 748 gallons). The estimate is based on the baseline year consumption established for rate modeling, and actual consumption history for the last five years. Staff is confident projections will allow adequate funding for Program Goals and Objectives without considerable risk of overstatement.

The District considers multiple factors in calculating each customer's monthly water budget:

- Number of Occupants
- Number of Dwelling Units
- Medical Needs
- Horses / Livestock
- Business Needs
- Agricultural Needs
- Irrigable Landscape
- Weather
- Meter Size

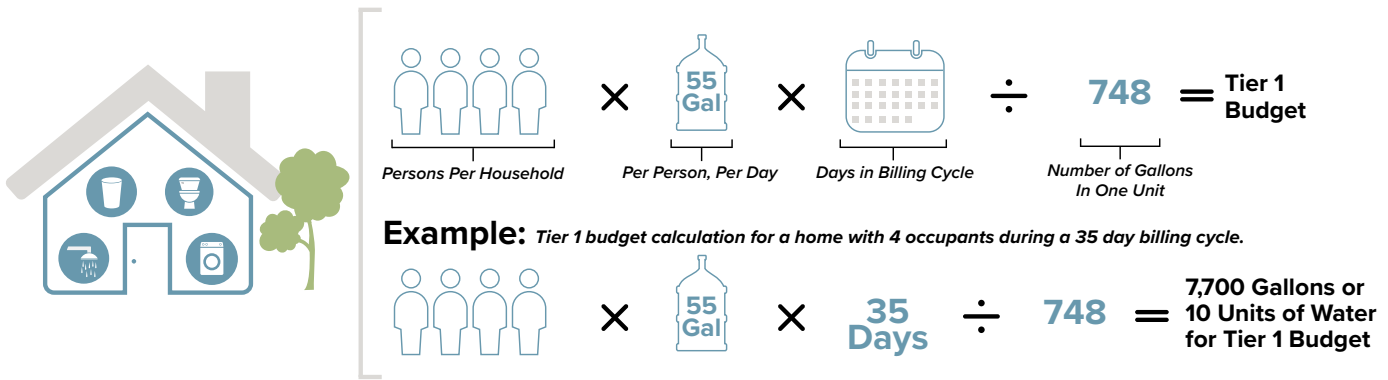
Since the adoption of water budget-based rates, the District has experienced success in reducing water consumption and stabilizing revenues to ensure operating and capital needs of the District are adequately funded.

## How Water Bills Are Calculated — Residential

Indoor Water Budgets are unique to each customer and are based on the number of occupants residing in the house. Each occupant is budgeted 55 gallons of water per day (gpd) for efficient indoor use, this allocation will drop to 47 gallons per day on January 1, 2025 in accordance with state guidelines. The total gallons per day for all occupants is then multiplied by the number of days in the billing period.



## TIER 1 INDOOR BUDGET EXAMPLE



**OUTDOOR WATER BUDGETS** are unique to customer property and are based on the landscape area. Landscape area represents the square footage of the property’s landscape requiring irrigation (e.g., grass, parkways, trees, bushes, and various plants).

## TIER 2 FACTORS

In determining the customer’s outdoor budget, the following factors and conversions are made during each billing cycle.

**Square Footage of Landscape Area (Irrigable Landscape):** When the District restructured its uniform rates to budget-based rates in FY 2014-15, the District hired a consultant that provided property information for each customer’s parcel located within the District’s service area. The consultant used an advanced camera that was attached to an airplane flown over the District boundary capturing each parcel’s unique landscape area square footage.

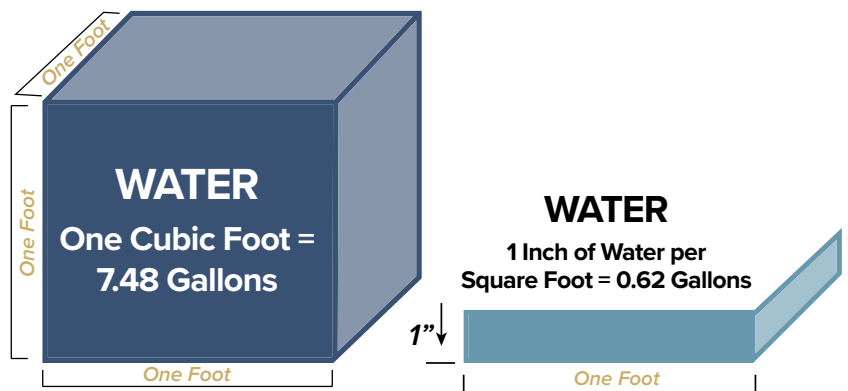
**Evapotranspiration (ETo):** The process by which water is transferred from the land to the atmosphere by evaporation from the soil and other surfaces and by transpiration from plants. ETo is measured in inches, which is captured and recorded by a State-Certified weather station. The District received ETo data from the California Irrigation Management Information System (CIMIS) Station ID 251 in Highland, California. The sum of daily ETo measurement during the billing period is used in the calculation for efficient outdoor water usage.

**Crop Coefficient (Kc):** The properties of plants used in predicting evapotranspiration (ETo). Below is a table listing the values used in each month. The District has elected to use the Cool-Season Crop Coefficient.

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Annual Average
Cool Season Plant Factor	0.61	0.64	0.75	1.04	0.95	0.88	0.94	0.86	0.74	0.75	0.69	0.60	<b>0.79</b>
Warm Season Plant Factor	0.55	0.54	0.76	0.72	0.79	0.68	0.71	0.71	0.62	0.54	0.58	0.55	<b>0.65</b>

### Square Footage to Gallons Conversion:

The District provides water in the measurement of HCF (1 unit = 748 gallons), but the ETo rate is measured in inches. Additionally, the measurement of landscape area is square foot which must be converted to gallons to determine the outdoor budget. One square foot equals 0.62 gallons. The sum of the billing periods ETo is multiplied by 0.62 gallons to develop the efficient outdoor water budget.

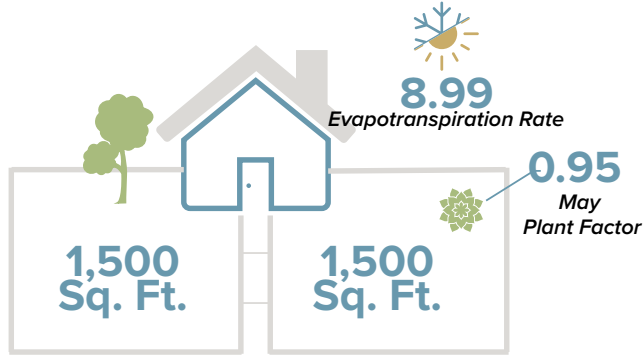


## TIER 2 OUTDOOR BUDGET EXAMPLE

$$\begin{array}{ccccccccc}
 \text{Icon of Irrigation Head} & \times & \text{Icon of Sun and Clouds} & \times & 0.95 & \times & 0.62 & \div & 748 & = & \text{Tier 2 Usage} \\
 \text{Landscape Area} & & \text{Monthly Evapotranspiration Rate} & & \text{Monthly Plant Factor} & & \text{Sq. Ft. to Gallons Conversion Factor for Irrigation} & & \text{Number of Gallons In One Unit} & & \\
 \text{in Square Feet} & & \text{Note: This rate varies per day and month} & & \text{Note: Plant factor changes each month} & & & & & & 
 \end{array}$$

### Example:

Tier 2 budget calculation for a home with 3,000 sq. ft. of irrigable area.



$$\begin{array}{ccccccccc}
 3,000 & \times & 8.99 & \times & 0.95 & \times & 0.62 & \div & 748 & = & 15,885 \text{ Gallons or } 22 \text{ Units of Water for Tier 2 Usage} \\
 \text{Landscape Area} & & \text{Evapotranspiration Rate} & & \text{Plant Factor} & & \text{Sq. Ft. to Gallons Conversion Factor for Irrigation} & & \text{Number of Gallons In One Unit} & & \\
 \text{in Square Feet} & & & & & & & & & & 
 \end{array}$$

Sq. Ft. = Square Feet

HCF = Hundred Cubic Feet or 1 Billing Unit

## TIER 3 INEFFICIENT USE

When a customer exceeds their Tier 1 and Tier 2 budgets, the excess units of water used are billed at the Tier 3 rate. The District has developed its rates in accordance with Proposition 218, allowing the District and like agencies to charge customers the highest rate due to the additional cost incurred by the District for delivering inefficient water, including but not limited to, imported water cost, electricity expenses for pumping and boosting water throughout the system, and chemicals needed for the treatment process.

### How Water Bills Are Calculated — Non Residential

Non-residential commercial customers are billed at a flat rate for each unit of water usage to account for the fact that usage is not specifically allocated for health and safety or irrigation purposes, but for business processes.

## METER CHARGE REVENUE

Meter Size	No. of Services	Rate July–Dec	Rate Jan–June	Total
5/8 in.	3,233	\$25.49	\$27.52	\$1,028,000
3/4 in.	13,369	32.74	34.62	5,403,000
1 in.	4,232	47.24	48.83	2,440,000
1.5 in.	273	83.50	84.35	274,000
2 in.	299	127.00	126.97	456,000
3 in.	77	243.01	368.48	282,000
4 in.	29	373.52	901.23	222,000
6 in.	12	736.05	1,433.89	156,000
8 in.	7	2,041.16	2,854.65	206,000
Fire Service 1.5 in.	4	14.36	14.36	1,000
Fire Service 4 in.	49	16.11	16.11	10,000
Fire Service 6 in.	142	17.51	17.51	29,000
Fire Service 8 in.	64	18.91	18.91	13,000
Fire Service 10 in.	17	20.31	20.31	4,000
Fire Service 12 in.	1	21.71	21.71	1,000
<b>TOTALS</b>	<b>21,808</b>			<b>\$10,525,000</b>

## METER CHARGE REVENUE BY METER SIZE

The District’s Operating Revenue includes fixed charges, which are based on the size of the meter serving the customer’s property. The rates meet the compliance requirements of Proposition 218. Meter Charges have been established based on a comprehensive third-party cost-of-service analysis, and the rates provide funding for operating and capital needs.

### Other Charges & Other Revenue Sources

Other charges and other revenue include fees related to the collection of delinquent accounts, investment revenue, reimbursements from other agencies, facility rentals, and other miscellaneous revenue.

## ASSUMPTIONS AND CONSIDERATIONS

Delinquent fees, final notice charges, and disconnect/reconnect fees will increase as the State moratorium on service disconnections for non-payment has expired and collection efforts will resume.

The LAIF interest rate, which is paid on District funds invested with LAIF, lags behind adjustments to the federal rate but should trend upward over the next year, and investment earnings with it.

### Expenses

The Water Fund is one of three enterprise funds the District operates. Water Fund resources pay for operations and maintenance of the water distribution system, repair and replacement of water infrastructure, a portion of District customer accounts and administration costs, and debt service. Water Fund debt is incurred to provide full or partial funding for multiple CIP projects.

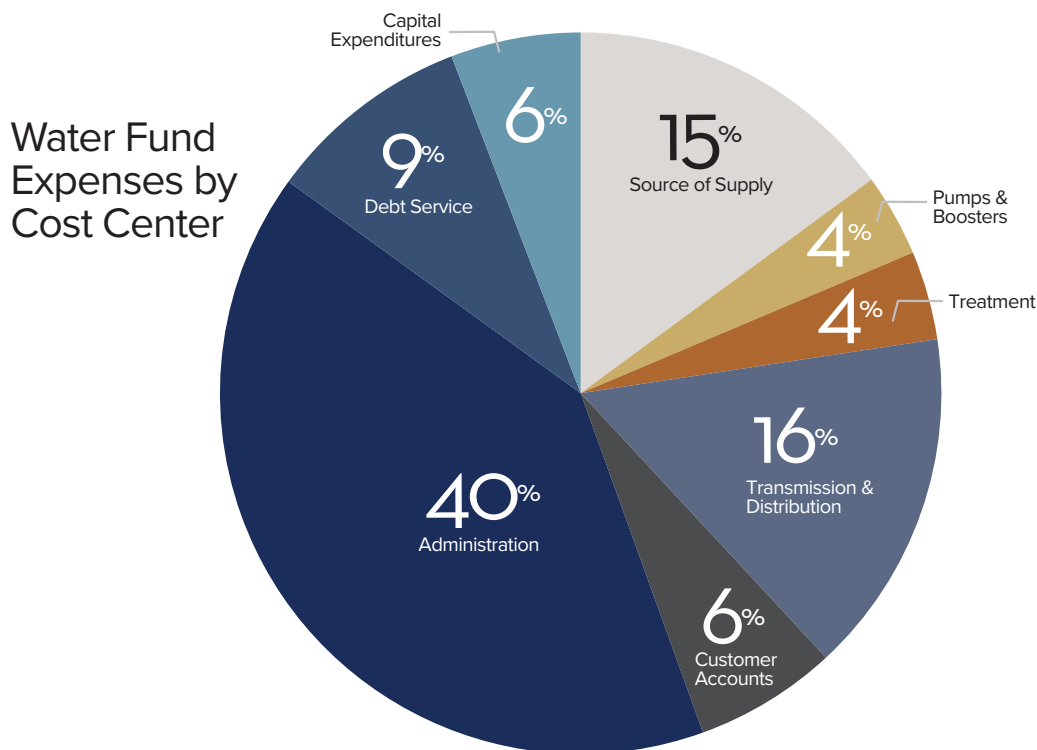
## ASSUMPTIONS AND CONSIDERATIONS FOR OPERATING EXPENSES

Expenses are based on the cost of providing water to meet customer demands. Primary cost considerations and assumptions include:

- Electricity Expense for operating wells, pumps and boosters, treatment plants and other facilities.
- Chemical Expense purchased for the treatment of source water before it enters the distribution system for consumption. The cost trends for chemicals are stable, with no foreseeable significant increases.
- Contract Services are expenses incurred for services provided by third parties. Many District programs utilize consultants or vendors who offer quality and economical services. Since these services are unique to the program, it is difficult to list them all. Program Managers are responsible for researching or pre-bidding services in developing their program’s budget.
- Materials and Supplies are needed to support field operations and general administration related to operating the District.
- The District is continuing to focus effort on the Conservation Program, which is committed to assisting customers with conservation efforts through the continuance of the rebate programs and instructor-led seminars and demonstrations.

The following costs are allocated to all Funds, including the Water Fund:

- Customer Account costs are related to reading meters, billing and payment collection, and responding to customer inquiries.
- Administration costs are incurred in various programs, including, but not limited to Human Resources & Risk Management, Public Affairs, Engineering and Finance.



## DEBT SERVICE & CAPITAL EXPENSES

The District has issued debt to pay for capital expenditures for replacing, improving, and adding infrastructure. In addition to debt financing, the District also budgets a portion of operating revenue each year to cash finance certain capital projects.

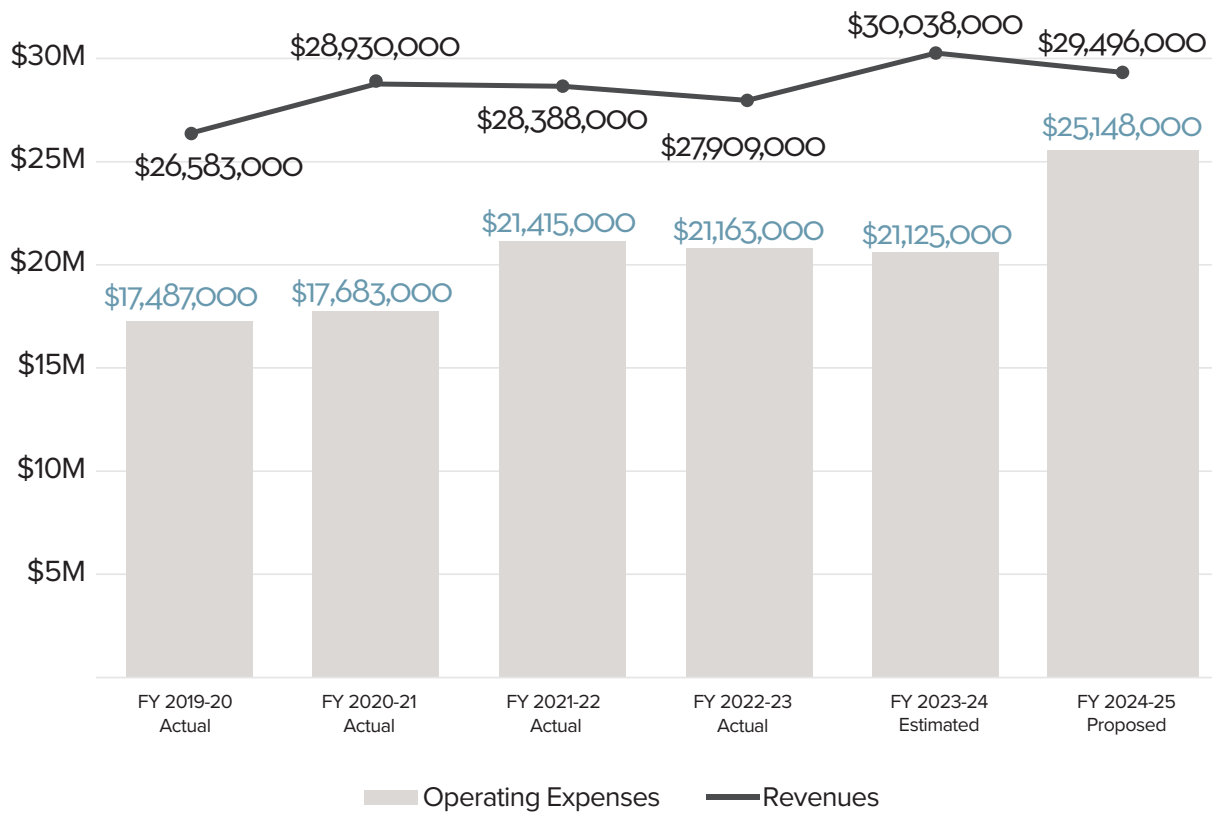
## Conclusions

The budget for the Water Fund is balanced, including contributions to reserves. District staff will continue to monitor the revenues and expenses and present the progress to the Governing Board on a periodic basis.

## FY 2024-25 Water Fund Budget

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget
<b>REVENUE / SOURCES</b>					
Water Sales	\$18,472,875	\$17,004,577	\$17,695,000	\$18,014,499	\$17,920,000
Meter Charges	9,192,297	9,831,561	10,096,000	10,067,528	10,525,000
Penalties	298,362	567,398	450,000	574,408	416,000
Other Operating Revenue	1,420,752	1,485,861	42,000	1,188,142	115,000
Miscellaneous Revenue	180,486	345,869	420,000	193,337	520,000
Gain on Disposal of Assets	807,425	23,669	-	-	-
<b>TOTAL REVENUE / SOURCES</b>	<b>\$ 30,372,197</b>	<b>\$ 29,258,935</b>	<b>\$ 28,703,000</b>	<b>\$ 30,037,914</b>	<b>\$ 29,496,000</b>
<b>OPERATING EXPENSES</b>					
Employment Expenses	\$ 9,787,000	\$ 9,502,190	\$ 9,484,200	\$ 9,261,830	\$10,313,300
Water Costs	373,096	257,161	768,000	595,316	833,000
Power Costs	2,565,150	3,467,006	3,165,000	2,433,808	3,225,000
Materials & Supplies	1,604,795	1,937,379	1,617,600	1,667,084	1,847,500
Contract Services	5,048,055	6,458,208	7,077,000	6,881,434	8,524,000
Other Operating Expenses	507,757	475,594	383,200	312,788	405,200
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 19,885,853</b>	<b>\$ 22,097,538</b>	<b>\$ 22,495,000</b>	<b>\$ 21,152,260</b>	<b>\$ 25,148,000</b>
<b>OTHER EXPENSES</b>					
Debt Principal	\$ 2,088,231	\$ 1,260,957	\$ 2,217,000	\$ 2,217,000	\$ 1,873,000
Debt Interest Expense	906,479	812,244	886,000	886,000	789,000
Other Non-Operating Expense	322,574	-	-	-	-
Capital Outlay	541,195	164,804	670,000	670,000	1,128,000
Capital Improvement Program	2,724,603	5,118,007	2,695,000	2,695,000	558,000
Transfer to (from) Reserves	3,903,262	(194,615)	(260,000)	2,417,654	-
<b>TOTAL OTHER EXPENSES</b>	<b>\$ 10,486,344</b>	<b>\$ 7,161,397</b>	<b>\$ 6,208,000</b>	<b>\$ 8,885,654</b>	<b>\$ 4,348,000</b>
<b>TOTAL OPERATING / OTHER EXPENSES</b>	<b>\$ 30,372,197</b>	<b>\$ 29,258,935</b>	<b>\$ 28,703,000</b>	<b>\$ 30,037,914</b>	<b>\$ 29,496,000</b>
<b>NET SURPLUS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## WATER FUND REVENUES VS. EXPENSES



The District delivers over 14 million gallons of water daily through 300 miles of water distribution pipeline.





THE ANNUAL BUDGET  
**CONSIDERS DAILY OPERATIONAL NEEDS**

# FY 2024-25 WASTEWATER FUND

The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to resources while funding operating expenses from current revenues.



# WASTEWATER FUND

The Wastewater Fund pays for all activities related to the operations and maintenance of the District's wastewater collection system.

In FY 2021-22 and prior, the wastewater fund also reported all activities related to wastewater treatment, which consisted primarily of billing and collection of wastewater treatment revenue on behalf of the San Bernardino Municipal Water Department, and remittance of those revenues to SBMWD on a monthly basis. However, with the District's completion of the Sterling Natural Resource Center, reporting of past and current wastewater treatment activity is now shown in the District's Water Reclamation Fund.

## Revenues

The Wastewater Fund relies primarily on revenue from Wastewater Collection System charges. Wastewater Collection rate adjustments are adopted at a public hearing that occurs every three to five years, and the adjustments are supported by an independent cost-of-service analysis. The most recent analysis was completed in January of 2024 and the rates proposed by that analysis will become effective July 1, 2024. The adopted rates by customer class are listed in the rate tables below.

## RESIDENTIAL

Residential collection system rates were restructured in FY2021-22 to charge customers in a manner more consistent with the nature of their customer class. The updated multi-family rates add equitability because they consider the number of dwelling units associated with an account and then assess a monthly fixed charge for each dwelling unit, very similar to charges to single-family accounts. Both residential account types, Single-Family and Multi-Family, are considered residential accounts as they have similar impacts to the collection system, whereas Multi-Family accounts were previously billed similar to non-residential (commercial) accounts.

## NON-RESIDENTIAL

The District also bills non-residential customers on a monthly basis using a different calculation. The non-residential charge consists of two components—a flat rate and a consumption based rate. The flat rate is assessed once per billing cycle, while the consumption based rate is assessed for every hundred cubic feet (HCF), of water consumption in the billing period.

Additionally, the consumption-based rate varies depending on the strength of wastewater discharged into the collection system. There are four strength categories: low strength, medium strength, high strength, and mixed use.

Shown on the following page are the calculations for projected wastewater system charge revenue from all customer classes for FY 2024-25.

Customer Type	Units	Monthly Fixed Charge	Usage (HCF)	Charge per HCF	Total
Single-Family Residential	19,450	\$ 16.70	-	\$ -	\$ 3,897,500
Multi-Family Residential	10,963	15.48	-	-	2,036,500
Commercial Low Strength	393	10.59	210,000	0.77	212,000
Commercial Medium Strength	69	10.59	6,000	0.77	60,000
Commercial High Strength	81	10.59	196,000	0.77	161,000
Commercial Mixed Use	77	10.59	312,000	Varies	148,000
<b>TOTAL</b>	<b>31,033</b>				<b>\$ 6,515,000</b>

## Other Revenue

Other revenue posted to the Wastewater Fund include:

- **Investment Income** — Allocated based on the balance of the funds invested reserves.
- **Penalties** — Fees related to the collection of delinquent utility accounts. These revenues are projected based on an estimated number of occurrences during the fiscal year and they are shared with the Water Fund.
- **Miscellaneous Revenue** — These fees include items such as the collection of delinquent accounts, investment revenue, and inspections.

## Expenses

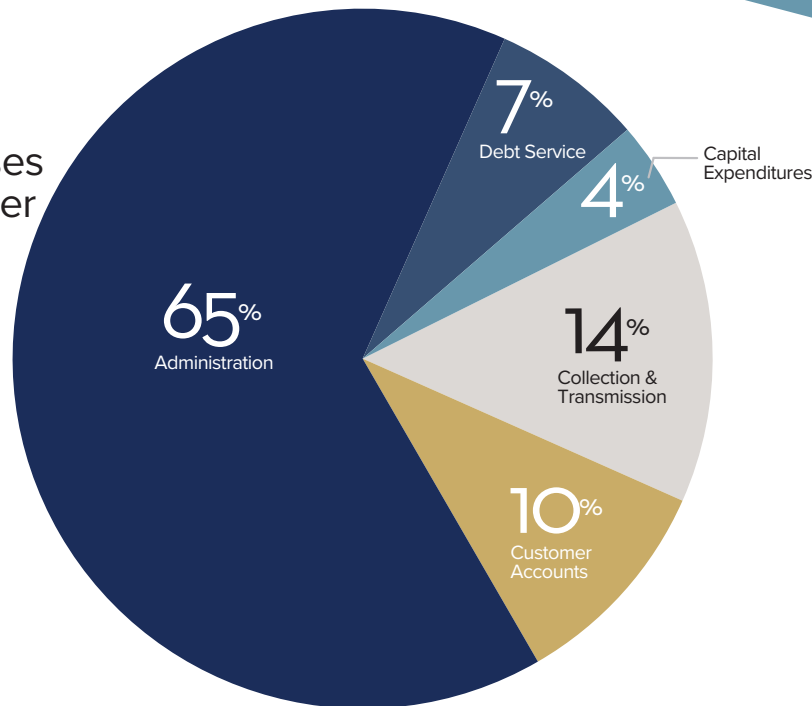
Operating expenses have remained consistent in the Wastewater Fund. The District typically utilizes a crew of four field staff plus a Supervisor to conduct preventative maintenance programs on the wastewater pipelines. This includes video monitoring and cleaning the lines on a regular schedule. Also, the fund's budget includes contracting for spot repairs of the conveyance system when video monitoring reveals minor deficiencies or faults in the wastewater collection lines.

The Wastewater Fund also continues to share in allocated costs from internal service or administrative type programs within the District usually at a 30% allocation.

Cost Center	Amount
Transmission & Distribution	\$ 975,150
Customer Service	663,600
Administration	4,367,250
Debt Service	482,000
Capital Expenditures	242,000
<b>TOTAL</b>	<b>\$ 6,730,000</b>



Wastewater Fund Expenses by Cost Center



Conclusions

The Wastewater Fund is balanced and, after several years, is building the financial capacity to begin a pipeline replacement program and/or establish a Capital Replacement reserve. District staff will continue to monitor the revenues and expenses and, if appropriate, recommend funding new projects during the budget review(s) with the Governing Board.

FY 2024-25 Wastewater Fund Budget

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget
<b>REVENUE / SOURCES</b>					
Penalties	\$ 106,560	\$ 59,944	\$ 60,000	\$ 60,701	\$ 110,000
Wastewater System Charges	4,828,525	5,651,554	5,968,000	5,957,067	6,515,000
Wastewater Treatment Charges	9,764,357	-	-	-	-
Other Operating Revenue	1,745,551	523,441	-	742,202	5,000
Miscellaneous Revenue	17,070	33,465	20,000	175,303	100,000
Gain on Disposal of Assets	235,137	6,465	-	-	-
<b>TOTAL REVENUE / SOURCES</b>	<b>\$ 16,697,200</b>	<b>\$ 6,274,869</b>	<b>\$ 6,048,000</b>	<b>\$ 6,935,273</b>	<b>\$ 6,730,000</b>



	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget
<b>OPERATING EXPENSES</b>					
Employment Expenses	\$ 2,549,215	\$ 2,602,446	\$ 2,569,800	\$ 2,436,720	\$ 2,783,700
Materials & Supplies	157,881	123,888	155,400	159,799	173,750
Contract Services	10,259,072	1,784,271	2,121,000	2,231,612	2,930,750
Other Operating Expenses	92,460	80,572	113,800	81,182	117,800
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 13,058,628</b>	<b>\$ 4,591,177</b>	<b>\$ 4,960,000</b>	<b>\$ 4,909,313</b>	<b>\$ 6,006,000</b>
<b>OTHER EXPENSES</b>					
Debt Principal	\$ 170,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 385,000
Debt Interest Expense	210,654	144,370	98,000	98,000	97,000
Other Non-Operating Expense	158,990	-	-	-	-
Capital Outlay	-	-	285,000	285,000	242,000
Capital Improvement Program	679,228	541,925	300,000	300,000	-
Transfer to (from) Reserves	2,419,700	822,397	230,000	1,167,960	-
<b>TOTAL OTHER EXPENSES</b>	<b>\$ 3,638,572</b>	<b>\$ 1,683,692</b>	<b>\$ 1,088,000</b>	<b>\$ 2,025,960</b>	<b>\$ 724,000</b>
<b>TOTAL OPERATING / OTHER EXPENSES</b>	<b>\$ 16,697,200</b>	<b>\$ 6,274,869</b>	<b>\$ 6,048,000</b>	<b>\$ 6,935,273</b>	<b>\$ 6,730,000</b>
<b>NET SURPLUS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

FY 2024-25  
**WATER  
RECLAMATION FUND**

World class public service requires a constant commitment to creative solutions and innovation.



# WATER RECLAMATION FUND

The Water Reclamation Fund pays for all activities related to the operation of the SNRC and the treatment of the District's wastewater. The District has established wastewater treatment rates to cover water reclamation costs, which are offset by energy generation from anaerobic digestion processes at the SNRC.

## Revenues

The Water Reclamation Fund relies primarily on revenue from Wastewater Treatment charges. These are supplemented by Non-Rate operating revenue generated from third parties, miscellaneous revenue, interest income, and capacity charges for new services. On May 15, 2024, the Governing Board adopted new treatment rates effective after July 1, 2024. The adopted rates by customer class are listed in the rate tables on the next page.

## RESIDENTIAL

Residential treatment rates are structured to charge customers in a manner consistent with the nature of their customer class. Redesigned multi-family rates in FY 2021-22 added equitability because they consider the number of dwelling units associated with an account and then assess a fixed charge for each dwelling unit, very similar to charges to single-family accounts. Both account types, Single-Family and Multi-Family, are considered residential accounts as they have similar requirements for treatment, whereas Multi-Family accounts were previously billed similar to non-residential (commercial) accounts.

## NON-RESIDENTIAL

The District bills non-residential customers on a monthly basis for wastewater using a different calculation. The non-residential charge consists of two components—a flat rate and a consumption based rate. The flat rate is assessed once per billing cycle, while the consumption based rate is assessed for every hundred cubic feet (HCF) of water consumption in the billing period.

Additionally, the consumption based rate varies significantly depending on the strength of a customer's wastewater discharged for treatment. There are four strength categories: low strength, medium strength, high strength, and mixed use.

Shown on the following page are the calculations for projected wastewater treatment revenue from all customer classes for FY 2024-25.

Customer Type	Units	Monthly Fixed Charge	Usage (HCF)	Charge per HCF	Total
Single-Family Residential	19,450	\$ 29.79			\$ 6,953,000
Multi-Family Residential	10,963	25.67			3,377,000
Commercial Low Strength	393	9.16	210,000	\$ 2.19	503,000
Commercial Medium Strength	69	9.16	67,000	2.54	178,000
Commercial High Strength	81	9.16	196,000	3.96	785,000
Commercial Mixed Use	77	9.16	312,000	Varies	437,000
<b>TOTAL</b>	<b>31,033</b>				<b>\$ 12,233,000</b>

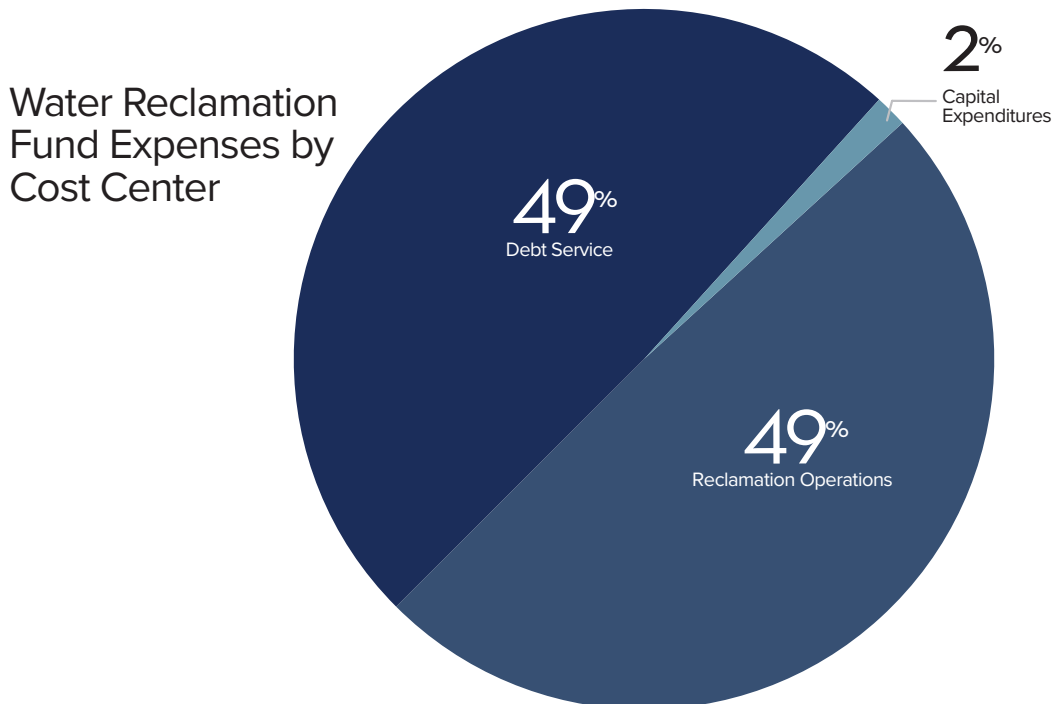
## Other Revenue

Other revenues posted to the Reclamation fund include:

- **Other Operating Income** — Consists of fees charged to, or earned from, third parties. Currently these include tipping fees charged to liquid waste haulers who unload at the SNRC digesters, and Local Resource Investment Program (LRIP) revenue earned.
- **Investment Income** — Allocated based on the balance of the funds invested reserves.
- **Miscellaneous Revenue** — These fees include items such as the collection of delinquent accounts, investment revenue, and inspections.

## Expenses

With the startup of operations at the SNRC in January 2024, this fund has seen an anticipated increase in expenses as commissioning and treatment operations initiated. During FY 2024-25 the District will utilize a field staff of nine for plant operations and maintenance of the SNRC. The District has forecasted these types of expenses and planned for these operations through the District's wastewater rates.



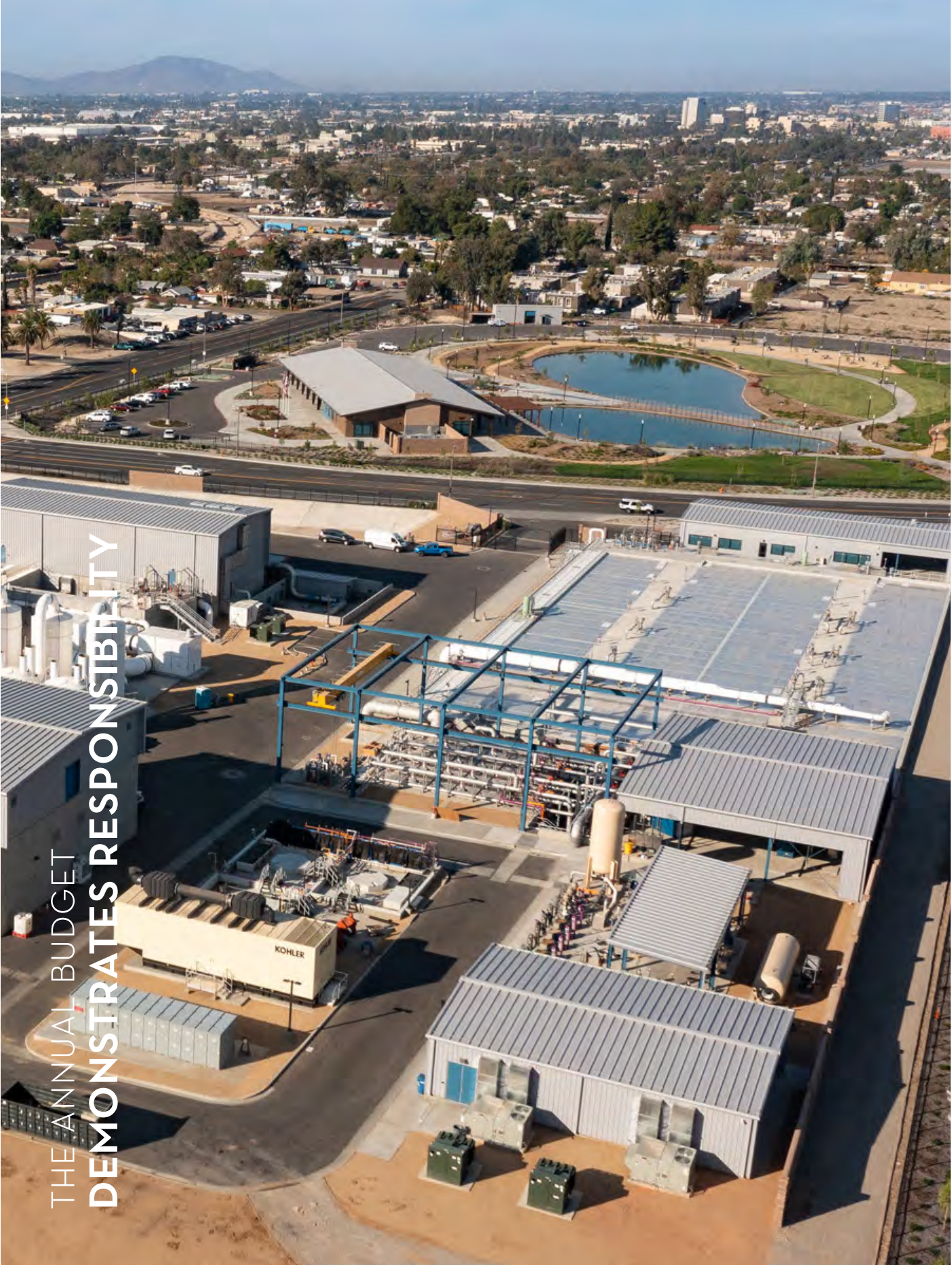
## Conclusion

The new Water Reclamation Fund is balanced, however, with the recent start of new operations, there will be future adjustments in this fund as the District becomes more efficient in the treatment process. District staff will continue to monitor the revenues and expenses and present the progress to the Governing Board on a semi-annual basis.

## FY 2024-25 Water Reclamation Fund Budget

	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget
<b>REVENUE / SOURCES</b>					
Water Sales	\$ -	\$ -	\$ 332,000	\$ 450,000	\$ 1,072,000
Penalties	-	-	-	-	60,000
Wastewater Treatment Charges	-	10,108,850	10,379,000	10,572,000	12,233,000
Other Operating Revenue	-	449,578	500,000	76,873	2,058,000
Miscellaneous Revenue	-	-	100,000	167,730	280,000
<b>TOTAL REVENUE / SOURCES</b>	<b>\$ -</b>	<b>\$ 10,558,428</b>	<b>\$ 11,311,000</b>	<b>\$ 11,266,603</b>	<b>\$ 15,703,000</b>
<b>OPERATING EXPENSES</b>					
Employment Expenses	\$ -	\$ 952,828	\$ 1,259,000	\$ 1,225,740	\$ 1,732,000
Power Costs	-	178,308	1,500,000	1,300,000	1,400,000
Materials & Supplies	-	72,847	618,000	308,000	787,000
Contract Services	-	9,079,706	7,764,000	7,241,229	3,800,000
Other Operating Expenses	-	3,018	20,000	11,975	20,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ -</b>	<b>\$ 10,286,707</b>	<b>\$ 11,161,000</b>	<b>\$ 10,086,944</b>	<b>\$ 7,739,000</b>
<b>OTHER EXPENSES</b>					
Debt Principal	\$ -	\$ -	\$ -	\$ -	\$ 4,527,000
Debt Interest Expense	-	-	-	-	3,204,000
Capital Outlay	-	-	150,000	150,000	83,000
Capital Improvement Program	-	-	-	-	150,000
Transfer to (from) Reserves	-	271,721	-	1,029,659	-
<b>TOTAL OTHER EXPENSES</b>	<b>\$ -</b>	<b>\$ 271,721</b>	<b>\$ 150,000</b>	<b>\$ 1,179,659</b>	<b>\$ 7,964,000</b>
<b>TOTAL OPERATING / OTHER EXPENSES</b>	<b>\$ -</b>	<b>\$ 10,558,428</b>	<b>\$ 11,311,000</b>	<b>\$ 11,266,603</b>	<b>\$ 15,703,000</b>
<b>NET SURPLUS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>





THE ANNUAL BUDGET  
DEMONSTRATES RESPONSIBILITY

# FY 2024-25 CONSOLIDATED FINANCIAL SCHEDULES

The District conducts an extensive process gathering input from internal staff and the community throughout the budget development and review process.



# CONSOLIDATED FINANCIAL SUMMARY

Overview of revenues and other financing sources and expenditures.

## Districtwide Summary

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>REVENUES</b>							
4100	Water Sales	\$ 17,004,577	\$ 18,027,000	\$ 18,464,499	\$ 18,992,000	\$ 965,000	5%
4200	Meter Charges	9,831,561	10,096,000	10,067,528	10,525,000	429,000	4%
4301	Penalties	627,342	510,000	635,109	586,000	76,000	15%
4400	Wastewater Collection Charges	5,651,554	5,968,000	5,957,067	6,515,000	547,000	9%
4500	Wastewater Treatment Charges	10,108,850	10,379,000	10,572,000	12,233,000	1,854,000	18%
4605	Other Operating Charges	2,458,880	542,000	2,007,217	2,178,000	1,636,000	302%
4700	Miscellaneous Revenue	379,334	540,000	536,370	900,000	360,000	67%
4801	Gain on Disposal of Assets	30,134	-	-	-	-	0%
<b>TOTAL REVENUES</b>		<b>\$ 46,092,232</b>	<b>\$ 46,062,000</b>	<b>\$ 48,239,790</b>	<b>\$ 51,929,000</b>	<b>\$ 5,867,000</b>	<b>13%</b>
<b>EXPENSES – OPERATING BY PROGRAM</b>							
1000	Governing Board	\$ 376,456	\$ 359,000	\$ 321,422	\$ 326,000	\$ (33,000)	-9%
2000	General Administration	1,268,646	1,370,000	1,214,618	1,302,000	(68,000)	-5%
2100	Human Resources & Risk Management	2,382,834	2,671,000	2,906,915	3,615,000	944,000	35%
2200	Public Affairs	1,674,906	1,240,000	1,001,820	1,513,000	273,000	22%
2300	Conservation	1,020,922	615,000	541,205	651,000	36,000	6%
3000	Finance & Accounting	1,221,105	1,304,000	1,085,519	1,397,500	93,500	7%



		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
3200	Information Technology	\$ 1,226,431	\$ 1,592,000	\$ 1,345,755	\$ 1,891,000	\$ 299,000	19%
3300	Customer Service	2,001,535	2,048,000	2,002,016	2,212,000	164,000	8%
3400	Meter Services	256,211	292,000	252,388	304,000	12,000	4%
4000	Engineering	1,151,657	1,298,000	1,099,793	1,321,000	23,000	2%
5000	Water Production	5,543,730	5,942,000	4,714,842	6,185,000	243,000	4%
5100	Water Treatment	1,110,495	1,275,000	1,692,118	1,629,000	354,000	28%
5200	Water Quality	440,703	504,000	442,810	605,000	101,000	20%
6000	Water Maintenance Administration	435,490	465,000	485,908	441,000	(24,000)	-5%
6100	Water Maintenance	3,542,288	3,246,000	3,253,264	3,711,250	465,250	14%
6200	Wastewater Collection	752,474	801,000	749,349	962,250	161,250	20%
6300	Water Reclamation	9,601,460	10,781,000	10,086,944	7,739,000	(3,042,000)	-28%
7000	Facilities Maintenance	2,159,835	2,053,000	2,210,805	2,182,000	129,000	6%
7100	Fleet Maintenance	808,244	760,000	741,026	906,000	146,000	19%
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 36,975,422</b>	<b>\$ 38,616,000</b>	<b>\$ 36,148,517</b>	<b>\$ 38,893,000</b>	<b>\$ 277,000</b>	<b>1%</b>
<b>OTHER EXPENSES</b>							
	Debt Principal	\$ 1,435,957	\$ 2,392,000	\$ 2,392,000	\$ 6,785,000	\$ 4,393,000	184%
	Debt Interest Expense	956,614	984,000	984,000	4,090,000	3,106,000	316%
	Capital Outlay	164,804	1,105,000	1,105,000	1,453,000	348,000	31%
	Capital Improvement	5,659,932	2,995,000	2,995,000	708,000	(2,287,000)	-76%
	Transfer to (from) Reserves	899,503	(30,000)	4,615,273	-	30,000	-100%
<b>TOTAL OTHER EXPENSES</b>		<b>\$ 9,116,810</b>	<b>\$ 7,446,000</b>	<b>\$ 12,091,273</b>	<b>\$ 13,036,000</b>	<b>\$ 5,590,000</b>	<b>75%</b>
<b>TOTAL OPERATING / OTHER EXPENSES</b>		<b>\$ 46,092,232</b>	<b>\$ 46,062,000</b>	<b>\$ 48,239,790</b>	<b>\$ 51,929,000</b>	<b>\$ 5,867,000</b>	<b>13%</b>
<b>NET SURPLUS</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

## Itemized Operating Expense Summary

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 8,388,689	\$ 8,161,000	\$ 7,662,473	\$ 9,432,000	\$ 1,271,000	16%
5102	Temporary Labor	53,105	47,000	26,728	47,000	-	0%
5103	Overtime	547,813	554,000	735,218	572,000	18,000	3%
5104	Standby	38,345	90,000	92,693	122,000	32,000	36%
5200	Benefits	3,566,213	4,110,000	3,918,178	4,305,000	195,000	5%
<b>TOTAL PERSONNEL</b>		<b>\$ 12,594,165</b>	<b>\$ 12,962,000</b>	<b>\$ 12,435,290</b>	<b>\$ 14,478,000</b>	<b>\$ 1,516,000</b>	<b>12%</b>
<b>WATER SUPPLY</b>							
6101	Purchased Water	\$ 31,557	\$ 200,000	\$ 200,000	\$ 300,000	\$ 100,000	50%
6102	Groundwater Replenishment	109,631	451,000	280,647	352,000	(99,000)	-22%
6103	Water Assessments	115,973	117,000	114,669	181,000	64,000	55%
<b>TOTAL WATER SUPPLY</b>		<b>\$ 257,161</b>	<b>\$ 768,000</b>	<b>\$ 595,316</b>	<b>\$ 833,000</b>	<b>\$ 65,000</b>	<b>8%</b>
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	\$ 1,702,265	\$ 1,311,000	\$ 1,378,844	\$ 1,603,000	\$ 292,000	22%
6202	Tools	82,302	119,000	118,612	147,250	28,250	24%
6203	Office Supplies	26,930	56,000	31,786	48,000	(8,000)	-14%
6204	Chemicals	322,617	905,000	605,641	1,010,000	105,000	12%
6205	Conservation Rebates	227,661	70,000	85,400	85,000	15,000	21%
6301	Contract Services	4,478,230	5,888,000	5,423,804	9,531,250	3,643,250	62%
6302	Banking Services	293,373	401,000	413,128	412,000	11,000	3%
6303	Printing & Publishing	276,362	202,000	148,438	206,000	4,000	2%
6304	Legal Services	203,798	171,000	123,501	171,000	-	0%
6305	Treatment Services	8,531,612	6,300,000	6,162,411	-	(6,300,000)	-100%
6306	Rents & Leases	17,979	20,000	28,750	20,000	-	0%
6307	Uniforms	79,482	102,000	84,769	103,500	1,500	1%
6308	Billing Services	83,199	68,000	52,783	57,000	(11,000)	-16%



		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
6309	Shut Off Notice Services	271,203	225,000	233,626	300,000	75,000	33%
6310	Street Services	\$ 444,869	\$ 450,000	\$ 450,000	\$ 525,000	\$ 75,000	17%
6311	Landscape Services	272,014	233,000	275,238	233,000	-	0%
6312	Janitorial Services	175,773	148,000	130,383	155,000	7,000	5%
6314	Litigation Expense	7,953	25,000	8,566	50,000	25,000	100%
6401	Utilities	47,726	48,000	44,970	48,000	-	0%
6402	Telephone	149,950	156,000	144,060	155,000	(1,000)	-1%
6403	Electricity	3,850,264	4,955,000	3,973,084	4,915,000	(40,000)	-1%
6404	Fuel	236,962	256,000	227,074	296,000	40,000	16%
6405	Permits	144,963	201,000	187,702	194,000	(7,000)	-3%
6406	Postage	231,182	220,000	177,034	216,000	(4,000)	-2%
6501	Memberships & Dues	151,402	176,000	131,516	172,000	(4,000)	-2%
6502	Professional Development	90,419	177,000	134,286	175,000	(2,000)	-1%
6503	Education Assistance	-	3,000	-	13,000	10,000	333%
6504	Meetings	39,839	44,000	32,867	51,000	7,000	16%
6505	Employee Recognition	44,361	41,000	19,000	41,000	-	0%
6701	General Insurance	1,130,081	1,548,000	1,770,762	2,282,000	734,000	47%
6702	Insurance Claims	40,524	10,000	28,000	10,000	-	0%
6703	Cash Over/Short	(320)	1,000	-	1,000	-	0%
6704	Bad Debt Expense	5,744	5,000	2,876	5,000	-	0%
6705	Retiree Benefits	463,299	351,000	489,000	351,000	-	0%
6706	Inventory Over/Short	78	-	-	-	-	0%
<b>SUBTOTAL OPERATING EXPENSES</b>		<b>\$ 24,124,096</b>	<b>\$ 24,886,000</b>	<b>\$ 23,117,911</b>	<b>\$ 23,582,000</b>	<b>\$ (1,304,000)</b>	<b>-5%</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 36,975,422</b>	<b>\$ 38,616,000</b>	<b>\$ 36,148,517</b>	<b>\$ 38,893,000</b>	<b>\$ 277,000</b>	<b>1%</b>

# FY 2024-25 PROGRAM SUMMARIES

Program-based budgeting allows for costs to be clearly identified while easily measuring benefits as outlined in the Key Performance Indicators and completion of Goals and Objectives.

## Program Summary Contents

- Program Descriptions
- Position Summary Schedule
- Program Summaries

# PROGRAM DESCRIPTIONS

Comprehensive information for each functional program within the District provides a higher degree of operational detail. The District utilizes program-based budgeting. Requested funds are associated with the expected results and performance is measured by indicators and reviewed on a quarterly basis with the Governing Board. This results-oriented strategy provides the ability to monitor expenses related to a particular program or activity and track measurable benefits. Program-based budgeting results can be used in cost-benefit analysis, just as it would be in a business environment to determine the value of decisions and enhance transparency.

Program Goals and Objectives have been designed to correlate directly with the District’s adopted Vision and Five-Year Work Plan for the upcoming fiscal year. Key Performance Indicators (KPI) monitor progress towards meeting program objectives. Each KPI has a target that provides users of the budget the ability to assess the Program’s performance over time. Program-based budgeting also increases accountability and transparency as community members and Governing Board can more easily see where dollars are invested and monitor program effectiveness.

The FY 2024-25 Budget is organized into the following summary programs:

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## Program Summary Schedule

The District continues to evaluate staffing needs to ensure all services are addressed by a high-quality workforce. This process is supported by the strategic direction and succession planning efforts previously approved by the Governing Board.

The District will add two full-time employees in FY 2024-25 to address staffing deficits created by the completion of the Sterling Natural Resource Center. The first is an additional Wastewater Treatment Plant Operator, and the other, a Facilities Maintenance Worker, needed to tend the 13-acre facility which also provides public open space for the community.

The table on the following page summarizes the number of full-time personnel by Program. All authorized positions are funded in the adopted budget for FY 2024-25. Part-time positions are included in the program descriptions and not shown in the table.

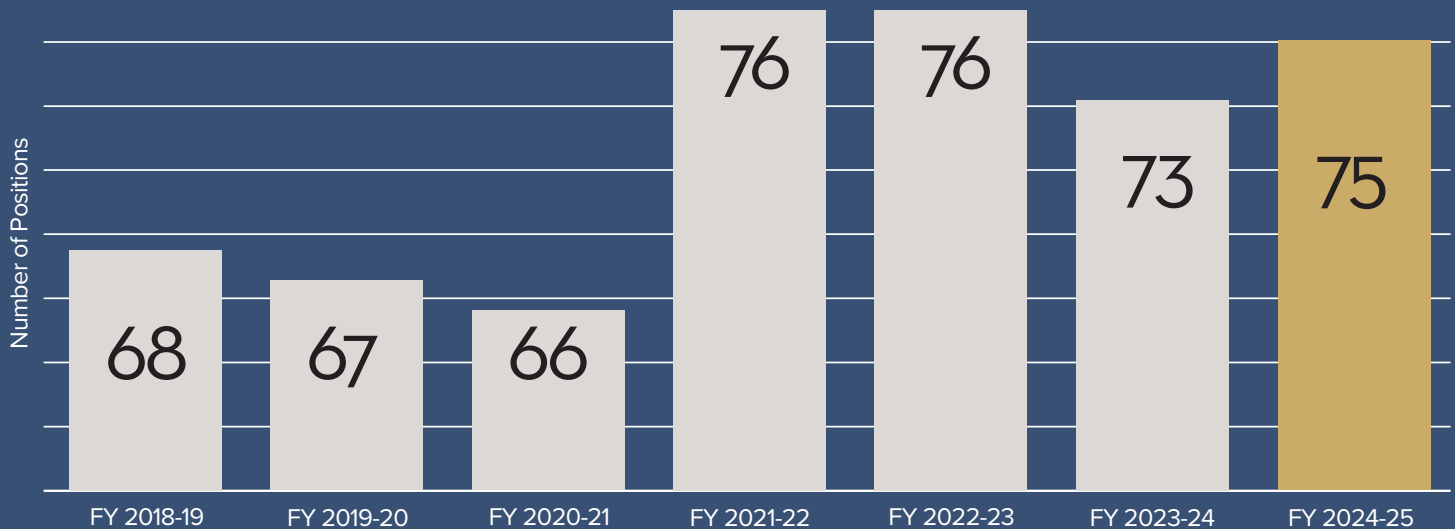


Goals that directly support the District’s Five-Year Work Plan are noted in the various Program Summaries with the use of this icon.

## Full-Time Staffing Summary by Program

Program	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Adopted
2000 General Administration	3	3	3
2100 Human Resources & Risk Management	2	2	2
2200 Public Affairs	4	4	4
2300 Conservation	1	1	1
3000 Finance & Accounting	6	6	6
3200 Information Technology	3	3	3
3300 Customer Service	7	7	7
3400 Meter Services	2	2	2
4000 Engineering	4	3	3
5000 Water Production	7	7	7
5100 Water Treatment	2	2	2
5200 Water Quality	2	2	2
6000 Maintenance Administration	2	2	2
6100 Water Maintenance	14	14	14
6200 Wastewater Collection	4	4	4
6300 Water Reclamation	9	8	9
7000 Facilities Maintenance	3	2	3
7100 Fleet Maintenance	1	1	1
<b>TOTAL</b>	<b>76</b>	<b>73</b>	<b>75</b>

## Total Authorized Positions



# GOVERNING BOARD

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Governing Board Members	5
-------------------------	---

---

<b>Elected Officials</b>	<b>5</b>
--------------------------	----------

## PROGRAM STRUCTURE



The Governing Board is the District's legislative body responsible for serving as the organizational policy makers.

# GOVERNING BOARD

The Governing Board is the legislative body of the organization. Comprised of five members elected at-large to four-year staggered terms of office. Governing Board members are responsible for providing leadership, direction, and serving as the organizational policy makers.

## GOALS

## OBJECTIVES

**1** Provide Organizational Direction and Set Expectations through Policy Decisions Consistent with the Five-Year Work Plan

1. Consider actions to acquire outstanding shares of the NFWC.
2. Convene a City Creek Mutual Water Company Board Meeting to appoint officers and consider levy of an operating assessment.
3. Conduct General Manager/CEO annual evaluation.
4. Review and consider approval of update to the Five-Year Work Plan.

**2** Support and Engage Community with the District's Capital Improvement Program Plan

1. Participate in community groups on capital investment programs.
2. Engage with legislators to discuss funding for capital investment.

**3** Engage Elected Officials and Community on the District's Strategic Priorities and Legislative Priorities

1. Adopt the updated legislative platform document.
2. Engage with legislators to promote the legislative platform.
3. Engage community-based Committees in strategic plan, goals, and objectives.



## FY 2023-24 Accomplishments

### Goal One

*Provided Organizational Direction and Set Expectations through Policy Decisions Consistent with the Five-Year Work Plan*

- Engaged in a strategic planning session to establish District goals and objectives.

### Goal Two

*Addressed Policy Decisions Related to the SNRC*

- Executed pretreatment MOU with the SBMWD.
- Participated in Regional Water Quality Control Board (RWQCB) permit hearing.
- Executed operation agreement with San Bernardino Valley for recharge basins.

### Goal Three

*Engaged Elected Officials and Community on the District's Strategic Priorities and Legislative Priorities*

- Visited Sacramento and seven legislative offices to discuss the SNRC, pending legislation, and state water bonds.
- Engaged Community Advisory Commission in the strategic planning effort.
- Led May 3rd ribbon cutting ceremony for SNRC operations facility.

## LEVELS OF SERVICE

The Governing Board has four KPI metrics that are associated with the District's Goals and Objectives of:

- Identify Opportunities to Optimize Natural Resources (I-A)
- Maximize Internal Capabilities Through Ongoing Professional Development (I-B)
- Provide Quality Information to Encourage Community Engagement (II-D)
- Strengthen Regional, State and National Partnerships (I-C)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
I-A	Act on project related agenda items presented by staff	100%	100%	100%	100%
I-B	Average number of professional development hours per Governing Board Member	6	6	15	18
II-D	Submit all documentation by deadlines pursuant to transparency policies	100%	100%	100%	100%
I-C	Attend Regional and State meetings as representatives of the District	160	236	258	288

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 111,150	\$ 120,000	\$ 109,200	\$ 142,000	\$ 22,000	18%
5200	Benefits	71,303	90,000	64,378	90,000	-	0%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	-	3,000	1,844	3,000	-	0%
6301	Contract Services	172,161	110,000	110,000	55,000	(55,000)	-50%
6307	Uniforms	320	1,000	1,000	1,000	-	0%
6502	Professional Development	21,522	35,000	35,000	35,000	-	0%
<b>GOVERNING BOARD TOTAL</b>		<b>\$ 376,456</b>	<b>\$ 359,000</b>	<b>\$ 321,422</b>	<b>\$ 326,000</b>	<b>\$ (33,000)</b>	<b>-9%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Strategic Planning completed and decreased the Contract Services budget.

### PROGRAM BUDGET ALLOCATION

- \$326,000



[PAGE LEFT BLANK]  
*Intentionally*

# GENERAL ADMINISTRATION

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

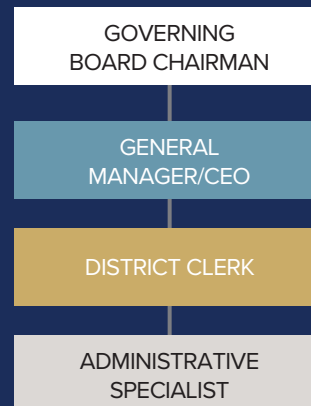
## PROGRAM PERSONNEL

General Manager/CEO	1
District Clerk	1
Administrative Specialist	1

---

**Total Full-Time 3**

## PROGRAM STRUCTURE




General Administration is responsible for implementing the District's Vision, maintaining official records, promoting public trust, and ensuring transparency compliance.

# GENERAL ADMINISTRATION


General Administration is responsible for ensuring the District’s business and daily activities are performed following Federal, State, and Governing Board approved policies. The General Manager/CEO provides daily oversight for interagency relations for advancing the District’s initiatives. Additionally, the General Manager/CEO implements strategic planning for future operations and capital improvement funding requirements and resource allocation.

## GOALS


## OBJECTIVES

**1** Schedule City   
Creek Mutual  
Water Company  
Shareholder Meeting

1. Work with legal counsel to establish annual shareholder meeting agenda for the City Creek Mutual Water Company.
2. Work with Finance to establish the amount for a proposed operating assessment.
3. Begin proceedings to obtain inactive shares with delinquent assessments.

**2** Enhance   
Document  
Management  
Process

1. Continue to scan vital documents and incorporate them into the electronic document repository.
2. Continue destruction of documents in compliance with the Records Retention Policy.
3. Review current agenda management platform to determine if new features or upgrades are necessary to improve the user experience.

**3** Organizational   
Priorities and  
Philosophies

1. Review and revise the District’s Strategic Plan.
2. Determine the direction and activities of the Community Heritage and Education Foundation.
3. Conduct all activities required for the Board of Directors’ election.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Consolidation / Dissolution of Mutual Water Companies</i></p>	<ul style="list-style-type: none"> <li>Reviewed prior NFWC shareholders water allocation with the District.</li> <li>Consulted with legal counsel to determine how the NFWC will operate in the future.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Implemented Document Management Process</i></p>	<ul style="list-style-type: none"> <li>Scanned vital documents and incorporated them into the electronic document repository.</li> <li>Provided training to Customer Service and Finance staff to ensure the document repository system is used consistently.</li> <li>Destroyed 1,120 boxes of documents in compliance with the Records Retention Policy.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Documented / Updated Organizational Priorities and Philosophies</i></p>	<ul style="list-style-type: none"> <li>Updated the District Strategic Plan.</li> <li>Finalized the District Clerk Handbook.</li> </ul>
<p><b>Other Accomplishments</b></p>	<ul style="list-style-type: none"> <li>Completed reaccreditation process and received Special District Leadership Foundation (SDLF) District Transparency Certificate of Excellence and District of Distinction Certificate.</li> </ul>

## LEVELS OF SERVICE

The General Administration Program has four KPI metrics that are associated with the District's Goals and Objectives of:

- Practice Transparent and Accountable Fiscal Management (II-A)
- Provide Quality Information to Encourage Community Engagement (II-D)
- Dedicated Efforts Toward System Maintenance and Modernization (IV-C)
- Maximize Internal Capabilities through Ongoing Professional Development (I-B)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
II-A	Make administrative documents available online	50	53	57	52
II-D	Publish Open Meeting/Public Notices on or before statutory requirement	100%	100%	100%	100%
IV-C	Reduce number of boxes held in off-site storage	1,000	2,770*	1,970	1,061
I-B	Participate in Professional Development Opportunities	6	9	11	22

\*Not able to reduce boxes due to COVID-19 restrictions.

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 559,084	\$ 582,000	\$ 580,800	\$ 621,000	\$ 39,000	7%
5102	Temporary Labor	853	30,000	6,976	30,000	-	0%
5103	Overtime	2,252	4,000	3,942	4,000	-	0%
5200	Benefits	286,724	264,000	260,018	267,000	3,000	1%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	533	4,000	536	3,000	(1,000)	-25%
6203	Office Supplies	1,269	3,000	2,256	3,000	-	0%
6301	Contract Services	123,601	161,000	121,450	42,000	(119,000)	-74%
6303	Printing & Publishing	2,206	3,000	436	3,000	-	0%
6304	Legal Services	143,426	120,000	95,448	120,000	-	0%
6307	Uniforms	1,097	1,000	-	1,000	-	0%
6314	Litigation Services	7,953	25,000	8,566	50,000	25,000	100%
6402	Telephone	1,838	3,000	1,737	3,000	-	0%
6406	Postage	-	1,000	51	1,000	-	0%
6501	Memberships & Dues	113,050	104,000	96,386	104,000	-	0%
6502	Professional Development	11,814	50,000	23,497	30,000	(20,000)	-40%
6504	Meetings	12,946	15,000	12,519	20,000	5,000	33%
<b>GENERAL ADMIN TOTAL</b>		<b>\$ 1,268,646</b>	<b>\$ 1,370,000</b>	<b>\$ 1,214,618</b>	<b>\$ 1,302,000</b>	<b>\$ (68,000)</b>	<b>-5%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Moved Legislative Lobbyist expense to Public Affairs; as a result the Contract Services budget decreased.
- Increased Litigation Services budget due to proceedings to obtain inactive shares with delinquent assessments.

### PROGRAM BUDGET ALLOCATION

- \$1,302,000



[PAGE LEFT BLANK]  
*Intentionally*

# HUMAN RESOURCES & RISK MANAGEMENT

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Director of Administrative Services	1
Human Resources Coordinator	1
<hr/>	
<b>Total Full-Time</b>	<b>2</b>

## PROGRAM STRUCTURE



Human Resources & Risk Management focuses on the management and development of employees in an organization.

## Program Summary



# HUMAN RESOURCES & RISK MANAGEMENT

Human Resources & Risk Management is responsible for administering programs to attract and retain a diverse and qualified workforce. To remain an industry leader, this Program analyzes compensation and benefits packages against the market and implements new initiatives based upon market demands.

Acknowledging the need to build a work-life balance to support a successful workforce, Human Resources & Risk Management creates programs focused on the health and wellness of all employees. Additionally, Human Resources & Risk Management administers the Risk Management Program to mitigate personnel injuries, property damage and financial loss for the District, the Emergency Preparedness Program to ensure business continuity and recovery efforts in the event of a disaster, and the Pathway Program which provides water industry career education and internship opportunities to local students.

## GOALS

## OBJECTIVES

- |  |  |
|--|--|
| <p><b>1</b> Advance the  District's Emergency Preparedness Program</p>  | <ol style="list-style-type: none"><li>1. Develop an emergency preparedness training program and prepare employees to follow plans established by the District.</li><li>2. Update the District's emergency response documents to reflect current conditions, regulations, and identified actions.</li><li>3. Conduct an audit of the District's Emergency Operations Center item inventory, purge expired items, and stock inventory with needed materials and supplies.</li></ol>      |
| <p><b>2</b> Promote a Positive  Organizational Culture that Maintains a Supportive and Encouraging Work Environment</p> | <ol style="list-style-type: none"><li>1. Update the District's Succession Plan to identify organizational growth, prepare for future retirements, and continue to provide training and development opportunities for staff.</li><li>2. Create administrative policies regarding work schedules and standby responsibilities for SNRC maintenance and operations.</li><li>3. Facilitate quarterly activities that support employee engagement, team building, or empowerment.</li></ol> |
| <p><b>3</b> Promote Regional Involvement and Provide Workforce Experience and Educational Opportunities</p>  | <ol style="list-style-type: none"><li>1. Actively engage schools within the District's service area to promote participation in water industry workforce experiences.</li><li>2. Enhance the summer internship program to provide opportunities to local high school students.</li><li>3. Develop educational and interactive tours of the SNRC with hands on lab experiments for students to understand wastewater physical and biological processes.</li></ol>                       |



## FY 2023-24 Accomplishments

### Goal One

*Implemented Workforce Programs in Support of the SNRC*

- Recruited and onboarded two candidates to join the SNRC team.
- Identified opportunities to ensure collaboration between staff located at District Headquarters and the SNRC.

### Goal Two

*Promoted a Positive Organizational Culture that Maintains a Supportive and Encouraging Work Environment*

- Implemented new MOU for July 1, 2023 – June 30, 2026.
- Graduated 21 employees from the District’s Leadership Development & Alignment Series.
- Implemented the Onboarding module of our current NeoGov Recruitment Suite.

### Goal Three

*Promoted Regional Involvement and Provided Workforce Experience and Educational Opportunities*

- Engaged with San Geronio and Indian Springs High Schools to promote participation in water industry workforce experiences.
- Presented the success of the Internship Program to the Board in September.

## LEVELS OF SERVICE

The Human Resources & Risk Management Program has four KPI metrics that are associated with the District’s Goals and Objectives of:

- Encourage Performance Based Results through Staff Empowerment (I-D)
- Promote a Positive Organizational Culture (III-C)
- Embrace an Environment of Active Learning and Knowledge Sharing (III-D)

The program’s performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
I-D	Percentage of annual non-retirement employee turnover	<7%	1%	1%	1%
I-D	Annual performance appraisals completed in a timely manner	95%	100%	100%	100%
III-C	Maintain high level of employee participation in annual employee engagement survey	90%	100%	95.5%	100%
III-D	Utilization rate of District’s Employee Assistance Program	>10%	13.43%	11.76%	14.86%

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 331,495	\$ 329,000	\$ 318,451	\$ 353,000	\$ 24,000	7%
5103	Overtime	1,828	3,000	2,728	3,000	-	0%
5200	Benefits	195,452	199,000	210,804	214,000	15,000	8%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	854	6,000	1,000	4,000	(2,000)	-33%
6203	Office Supplies	1,494	1,000	800	1,000	-	0%
6301	Contract Services	126,842	150,000	43,000	320,000	170,000	113%
6303	Printing & Publishing	569	1,000	500	1,000	-	0%
6304	Legal Services	29,329	15,000	8,000	15,000	-	0%
6307	Uniforms	43	-	-	-	-	0%
6402	Telephone	644	1,000	400	1,000	-	0%
6406	Postage	49	1,000	900	1,000	-	0%
6501	Memberships & Dues	4,832	4,000	4,270	4,000	-	0%
6502	Professional Development	3,826	9,000	6,300	12,000	3,000	33%
6504	Meetings	7,312	3,000	3,000	3,000	-	0%
6505	Employee Recognition	44,361	40,000	19,000	40,000	-	0%
6701	General Insurance	1,130,081	1,548,000	1,770,762	2,282,000	734,000	47%
6702	Insurance Claims	40,524	10,000	28,000	10,000	-	0%
6705	Retiree Benefits	463,299	351,000	489,000	351,000	-	0%
<b>HUMAN RESOURCES &amp; RISK MGMT. TOTAL</b>		<b>\$2,382,834</b>	<b>\$ 2,671,000</b>	<b>\$ 2,906,915</b>	<b>\$ 3,615,000</b>	<b>\$ 944,000</b>	<b>35%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Contract Services budget increased due to the Emergency Preparedness Program's move from Public Affairs to Human Resources. This Program's name has changed to Human Resources & Risk Management.
- Increased the General Insurance budget due to higher insurance premiums for Property/Liability and Worker's Compensation coverages.

### PROGRAM BUDGET ALLOCATION

- \$3,615,000



[PAGE LEFT BLANK]  
*Intentionally*

# PUBLIC AFFAIRS

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Public Affairs/Conservation Manager	1
Public Affairs Coordinator	1
Public Affairs Specialist	2
<hr/>	
<b>Total Full-Time</b>	<b>4</b>

## PROGRAM STRUCTURE



Public Affairs establishes solid public relationships built on a foundation of trust.


## Program Summary

# PUBLIC AFFAIRS


Public Affairs oversees internal and external communication programs consistent with the District's Vision and guiding principles. Through community and media relations, the Program provides effective and strategic communications to various stakeholders. Public Affairs is also responsible for grant writing, legislative affairs, and the facility rental programs.

## GOALS

## OBJECTIVES

**1** Enhance Strategic   
Community  
Engagement  
Initiatives

1. Develop a targeted outreach plan to enhance community engagement and neighborhood outreach.
2. Engage with community members and organizations through pop-ups, presentations, and local events.
3. Conduct a community recruitment process to fill vacancies resulting from the term limits of CAC sitting members.

**2** Utilize   
Communication  
Methods that  
Enhance the  
District's Priorities

1. Continue to develop the District's digital presence through website redesign and increase social media engagement.
2. Rollout and communicate with ratepayers the District's website domain transition from a .org to a .gov domain.
3. Assess and enhance current communication platforms used in community outreach and crisis communications. Identify new channels for community digital notification.
4. Showcase the District's projects and programs through participation in industry related conferences and awards.

**3** Legislative  
and Grants

1. Monitor, track, and review legislative bills that have an impact on District customers.
2. Review and update the legislative and grant platforms.
3. Monitor and respond to grant opportunities in accordance with the District's grant platform.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Implemented Community Based Activities at the SNRC</i></p>	<ul style="list-style-type: none"> <li>Hosted a ribbon cutting event for SNRC operations on May 3, 2024.</li> <li>Partnered with third parties to offer community activities to maximize the SNRC public space.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Utilized Communication Methods that Enhanced the District's Priorities</i></p>	<ul style="list-style-type: none"> <li>Engaged with community members and organizations through 25 pop-ups, presentations, and local events.</li> <li>Initiated web design through issuing an RFP, conducted a website audit, and developed a revised sitemap.</li> <li>Increased social media engagement communication and overall account followers.</li> <li>Updated the District's Five-Year Work Plan.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Advanced the District's Emergency Preparedness Program</i></p>	<ul style="list-style-type: none"> <li>Received grants for Seismic Retrofit of seven reservoirs, HMP update, and Planning grant for new well.</li> <li>Received \$263,205 reimbursement for design phase of Seismic Retrofit of Water Mains.</li> </ul>
<p><b>Other Accomplishments</b></p>	<ul style="list-style-type: none"> <li>Received Urban Greening grant.</li> </ul>

## LEVELS OF SERVICE

The Public Affairs Program has three KPI metrics that are associated with the District's Goals and Objectives of:

- Provide Quality Information to Encourage Community Engagement (II-D)
- Strengthen Regional, State and National Partnerships (I-C)
- Utilize Effective Communication Methods (II-B)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
II-D	Number of community event presentations	15	11	41	25
I-C	Number of Community Advisory Commission meetings conducted	6	5	6	5
II-B	Number of followers on social media	3,000	2,062	2,700	3,102

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 670,411	\$ 429,000	\$ 462,159	\$ 517,000	\$ 88,000	21%
5103	Overtime	11,981	17,000	10,212	17,000	-	0%
5200	Benefits	233,195	127,000	154,046	153,000	26,000	20%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	129,171	77,000	50,000	95,000	18,000	23%
6203	Office Supplies	4,862	2,000	1,500	1,000	(1,000)	-50%
6301	Contract Services	345,059	380,000	165,000	475,000	95,000	25%
6303	Printing & Publishing	185,156	127,000	111,100	133,000	6,000	5%
6304	Legal Services	5,950	5,000	6,600	5,000	-	0%
6307	Uniforms	5,226	1,000	1,246	2,000	1,000	100%
6402	Telephone	3,871	3,000	3,187	3,000	-	0%
6406	Postage	25,067	36,000	11,700	32,000	(4,000)	-11%
6501	Memberships & Dues	22,967	21,000	7,200	23,000	2,000	10%
6502	Professional Development	5,179	3,000	6,900	23,000	20,000	667%
6503	Education Assistance	-	-	-	5,000	5,000	100%
6504	Meetings	5,290	7,000	4,800	11,000	4,000	57%
<b>FACILITIES RENTAL EXPENSES</b>							
6201	Materials & Supplies	18,145	-	302	-	-	0%
6301	Contract Services	616	3,000	1,168	9,000	6,000	200%
6312	Janitorial Services	2,760	2,000	4,700	9,000	7,000	350%
<b>PUBLIC AFFAIRS TOTAL</b>		<b>\$ 1,674,906</b>	<b>\$ 1,240,000</b>	<b>\$ 1,001,820</b>	<b>\$ 1,513,000</b>	<b>\$ 273,000</b>	<b>22%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Removed Director of Strategic Services position and added another Public Affairs Specialist.
- Increased Contract Services budget due to Legislative Lobbyist expense that moved from the Governing Board's budget.
- Increased Professional Development budget due to additional trainings/conferences staff plan to attend.
- Increased Contract Services and Janitorial budgets for Facilities Rentals due to hosting more community events during the work week.

### PROGRAM BUDGET ALLOCATION

- \$1,513,000



[PAGE LEFT BLANK]  
*Intentionally*

# CONSERVATION

*Program Summaries Section*



CONSERVATION



## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

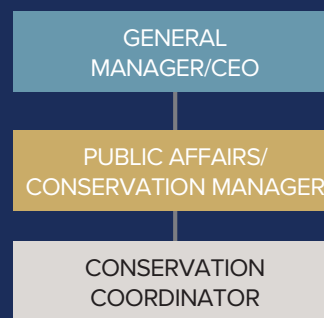
## PROGRAM PERSONNEL

Conservation Coordinator	1
--------------------------	---

---

<b>Total Full-Time</b>	<b>1</b>
------------------------	----------

## PROGRAM STRUCTURE



Conservation programs help educate customers on how to use water efficiently.


## Program Summary

# CONSERVATION

Conservation is responsible for overseeing programs that facilitate and encourage sustainable water use throughout the District. Additionally, this program is responsible for communicating conservation benchmarks to various regulatory agencies, preparing regulatory compliance documents, and monitoring regulatory conservation requirements.

### GOALS


### OBJECTIVES

**1** Coordinate   
Necessary Program  
Working Groups  
to Complete  
Conservation Reports  
and Monitor Progress  
on Water Use  
Efficiency Objectives

1. Continue to hold group meetings for the purpose of tracking informational data requests for State mandated reports and identifying data inputs for new reporting requirements.
2. Prepare and submit required water efficiency reports such as the Drought Risk Assessment, Urban Water Use Objectives, and Commercial, Industrial, Institutional (CII) classifications, and Annual Water Use Efficiency Objectives.

**2** Evaluate Rebate  
Program Success  
and Implement  
Program  
Modifications

1. Continue to streamline rebate programs to maximize customer water savings in line with new State objectives.
2. Continue to analyze water consumption data to better understand historical conservation responses to forecast trends.

**3** Engage and   
Educate Students  
on Water Resources  
Consistent with State  
Curriculum

1. Enhance engagement with students in a classroom environment to provide current water conservation and water resource materials consistent with State curriculum.



## FY 2023-24 Accomplishments

### Goal One

*Coordinated Necessary Program Working Groups to Complete Conservation Reports*

- Held working group meetings to report informational data requests for State mandated reports and identified data inputs for new reporting requirements.
- Submitted required water use efficiency reports such as the Drought Contingency Plan, Drought Risk Assessment, Urban Water Use Objectives, and Commercial, Industrial, Institutional (CII) classifications.

### Goal Two

*Evaluated Rebate Program Success and Implemented Program Enhancements*

- Launched Pilot Leak Repair Rebate Programs to maximize customer water savings in line with new State objectives.
- Analyzed water consumption data using WaterView Platform to better understand historical conservation responses to forecast trends.

### Goal Three

*Engaged and Educated Students on Water Resources Consistent with State Curriculum*

- Conservation Coordinator received certification through Project WET, allowing the District to conduct eleven classroom presentations.
- Participated in quarterly educational activities with schools located within the District's service area.
- Developed digital material and other educational elements to provide customers with conservation resources, free community events, and held four conservation workshops.

## LEVELS OF SERVICE

The Conservation Program has five KPI metrics that are associated with the District's Goals and Objectives of:

- Identify Opportunities to Optimize Natural Resources (I-A)
- Provide Quality Information to Encourage Community Engagement (II-D)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
I-A	Meet SWRCB (SBX7-7) conservation goal	172 gpcd	160	159	136
I-A	Maintain significant level of participation in annual conservation rebate programs	200	200	350	250
II-D	Number of educational materials created	100	78	125	107
II-D	Number of conservation workshops held	4	4	4	4
II-D	Number of attendees at workshops	300	125	160	250

GPCD = Gallons Per Capita Per Day

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 113,417	\$ 107,000	\$ 107,820	\$ 123,000	\$ 16,000	15%
5103	Overtime	6,907	7,000	3,032	7,000	-	0%
5200	Benefits	35,438	42,000	33,116	44,000	2,000	5%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	28,061	25,000	13,100	62,000	37,000	148%
6203	Office Supplies	242	1,000	800	1,000	-	0%
6205	Conservation Rebates	227,661	70,000	85,400	85,000	15,000	21%
6301	Contract Services	504,462	270,000	253,081	237,000	(33,000)	-12%
6303	Printing & Publishing	75,048	50,000	24,700	52,000	2,000	4%
6304	Legal Services	-	1,000	200	1,000	-	0%
6307	Uniforms	499	1,000	643	1,000	-	0%
6402	Telephone	937	2,000	328	2,000	-	0%
6406	Postage	19,262	24,000	9,000	24,000	-	0%
6501	Memberships & Dues	4,004	12,000	7,754	8,000	(4,000)	-33%
6502	Professional Development	2,569	2,000	1,431	3,000	1,000	50%
6504	Meetings	2,415	1,000	800	1,000	-	0%
<b>CONSERVATION TOTAL</b>		<b>\$ 1,020,922</b>	<b>\$ 615,000</b>	<b>\$ 541,205</b>	<b>\$ 651,000</b>	<b>\$ 36,000</b>	<b>6%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Increased Materials & Supplies budget for Water Education Program enhancements.
- Increased Conservation Rebates budget for special projects for targeted rebates.
- Increased Contract Services budget for a three-year subscription renewal for a data management tool.

### PROGRAM BUDGET ALLOCATION

- \$651,000



[PAGE LEFT BLANK]  
*Intentionally*

# FINANCE & ACCOUNTING

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Chief Financial Officer	1
Finance Supervisor	1
Accountant	1
Sr. Accounting Technician	1
Accounting Technician	1
Business Services Coordinator	1

---

**Total Full-Time** **6**

## PROGRAM STRUCTURE




Finance & Accounting manage, plan, and direct financial resources.

# FINANCE & ACCOUNTING

Finance and Accounting oversees the business operations of the District to provide accountability and adequate control over the use of District funds. Staff maintains the financial systems and records in accordance with GAAP as well as applicable laws, regulations, and District policies.

## GOALS

## OBJECTIVES

**1** Ensure Financial Stability with Full Understanding of Operational Complexities 

1. Ensure timely submission of grant claims for cash flow purposes.
2. Ensure fiscal agent account transactions for revenue and CFD bonds are recorded timely.
3. Update the Procurement Policy and present to the Board for approval.
4. Work with a consultant to complete the Pension Unfunded Accrued Liability Policy and present it to the Board.
5. Work with Customer Service to evaluate convenience fees and present to the Board.
6. Evaluate pros and cons of migrating to Tyler's Munis Enterprise ERP.

**2** Fully Understand the Cost and Accounting Associated with Placing the SNRC in Service

1. Receive SNRC debt service schedule from SWRCB and incorporate it into the existing debt service repayment plan.
2. Meet with the Water Reclamation Manager monthly to monitor SNRC operating expenses.
3. Ensure timely invoicing to San Bernardino Valley for delivery of recycled water.
4. Ensure timely invoicing to Waste dischargers for pre-treatment permits.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Ensured Financial Stability with Full Understanding of Operational Complexities</i></p>	<ul style="list-style-type: none"> <li>Established SNRC debt service and other reserves required to comply with agreements.</li> <li>Completed Rate Study and held a Public Hearing on May 15, 2024 to consider rate adjustments.</li> <li>Worked with CalPERS staff to determine if the current “level pay” amount is adequate to pay down Unfunded Actuarial Liability (UAL) in 15 years as planned.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Fully Understood the Cost and Accounting Associated with Placing the SNRC in Service</i></p>	<ul style="list-style-type: none"> <li>Determined placed-in-service date and finalized total project costs.</li> <li>Submitted final State Revolving Fund (SRF) request.</li> <li>Allocated total project costs to physical plant components in the accounting system.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Maximized the Utility and Security of Financial Software and Data</i></p>	<ul style="list-style-type: none"> <li>Developed standard procedures for linking capital improvements in the District’s accounting software to the GIS mapping software.</li> <li>Conducted informal review of financial software and determined current software is among industry leaders.</li> <li>Identified pros and cons for moving Tyler to a hosted environment to determine that software will continue to be hosted on-premise.</li> </ul>

## LEVELS OF SERVICE

The Finance & Accounting Program has six KPI metrics that are associated with the District’s Goals and Objectives of:

- Practice Transparent and Accountable Fiscal Management (II-A)

The program’s performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
II-A	Days to prepare and present Annual Report after fiscal year end	135 days	167	103	117
II-A	Enhance District bond rating through strong reserves and fiscal policies	AA	AA-	AA-	AA-
II-A	Number of fiscal policies updated / enhanced and reviewed with the Governing Board	4	2	3	3
II-A	Provide program managers monthly budget variance reports	12	12	12	12
II-A	Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for Annual Report	12	10	11	12
II-A	Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for PAFR	7	5	6	7

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 698,045	\$ 735,000	\$ 607,007	\$ 823,000	\$ 88,000	12%
5103	Overtime	11,660	13,000	7,606	13,000	-	0%
5200	Benefits	277,953	374,000	338,489	383,000	9,000	2%
<b>OPERATING EXPENSES</b>							
6203	Office Supplies	4,621	7,000	3,503	6,000	(1,000)	-14%
6301	Contract Services	192,195	90,000	72,440	91,000	1,000	1%
6302	Banking Services	16,429	32,000	24,410	32,000	-	0%
6303	Printing & Publishing	2,019	7,000	1,702	5,000	(2,000)	-29%
6304	Legal Services	4,606	10,000	2,253	10,000	-	0%
6307	Uniforms	1,501	2,000	-	1,500	(500)	-25%
6402	Telephone	2,110	3,000	1,583	3,000	-	0%
6406	Postage	301	1,000	383	1,000	-	0%
6501	Memberships & Dues	2,136	5,000	3,320	5,000	-	0%
6502	Professional Development	4,843	20,000	20,068	14,000	(6,000)	-30%
6503	Education Assistance	-	-	-	5,000	5,000	100%
6504	Meetings	2,686	5,000	2,646	5,000	-	0%
6704	Bad Debt	-	-	109	-	-	0%
<b>FINANCE &amp; ACCT. TOTAL</b>		<b>\$ 1,221,105</b>	<b>\$ 1,304,000</b>	<b>\$ 1,085,519</b>	<b>\$ 1,397,500</b>	<b>\$ 93,500</b>	<b>7%</b>

SIGNIFICANT CHANGES IN  
PROGRAM BUDGET

- Moved a professional certification expense from the Professional Development budget to Education Assistance.

PROGRAM BUDGET  
ALLOCATION

- \$1,397,500



[PAGE LEFT BLANK]  
*Intentionally*

# INFORMATION TECHNOLOGY

*Program Summaries Section*





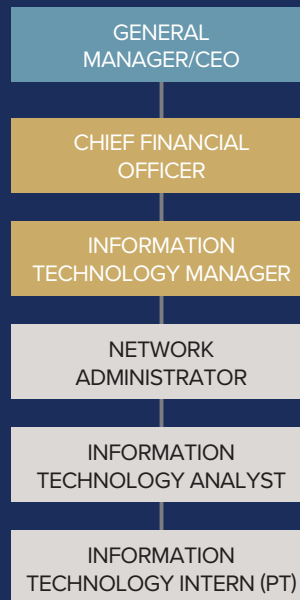
## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Information Technology Manager	1
Network Administrator	1
Information Technology Analyst	1
<hr/>	
<b>Total Full-Time</b>	<b>3</b>
<b>Part-Time</b>	
Information Technology Intern	1
<hr/>	
<b>Total Part-Time</b>	<b>1</b>

## PROGRAM STRUCTURE





Information Technology coordinates and implements agency-wide technology by facilitating vendor access and support for technology focused projects.


# INFORMATION TECHNOLOGY

The Information Technology (IT) Program oversees the District's technology infrastructure to support essential business and operational functions. The functions utilize industry specific software programs required to meet agency needs. The Program implements routine cybersecurity training campaigns to mitigate financial and data loss. In addition to software management, the Program proactively schedules hardware replacements from the point of procurement to installation.

## GOALS

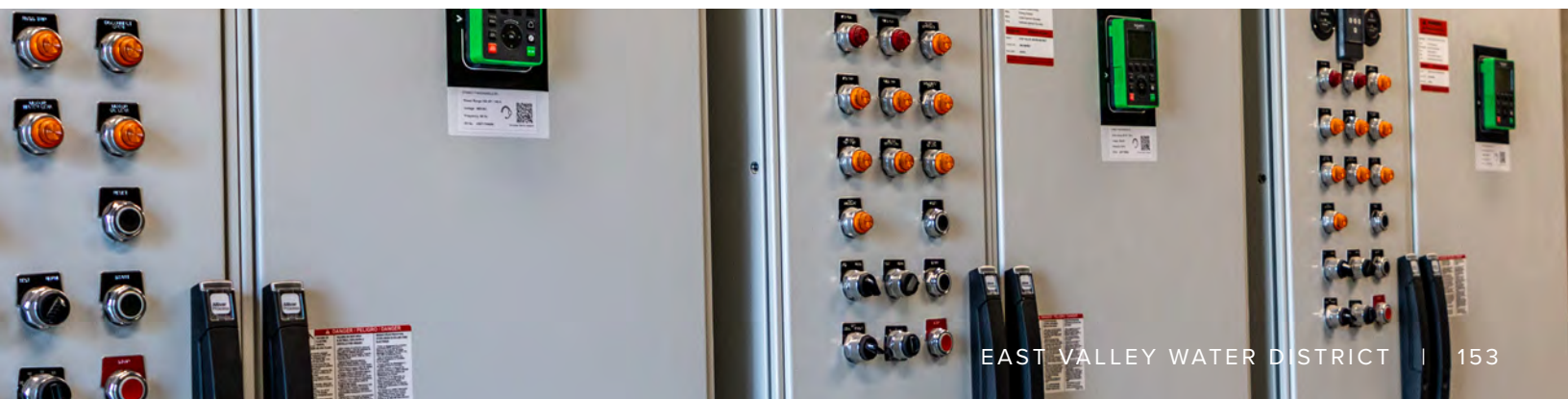
**1** Ensure Reliability   
of Technology  
Infrastructure for  
Primary Business  
and Operation  
Requirements

**2** Improve Systems   
and Cybersecurity  
Measures for  
Response Functions

**3** Analyze Current   
Systems to Enhance  
Reporting and  
Automate Processes

## OBJECTIVES

1. Upgrade the Cisco phone system after determining which environment (hosted vs. on-premise) is ideal for the District.
  2. Upgrade SCADA radios and technology at two sites identified by Advanced Telemetry Systems Internation (ATSI).
  3. Work with Engineering to upgrade and replace the Engineering plotter.
  4. Replace technology that has reached end of its useful life to comply with hardware replacement schedule.
- 
1. Replace current email security with Cisco email cloud security.
  2. Implement new technology and security at Plant 39 Warehouse (Internet Fiber, access controls).
  3. Upgrade all security cameras at District Headquarters and Plant 39.
  4. Update all District email addresses to align with the new website government domain.
- 
1. Work with the General Manager/CEO and Department heads to identify data-based decisions and source of supporting data.
  2. Work with the Laserfiche development team and Administration to implement Engineering's automation and workflow in the document repository, in accordance with the retention schedule.
  3. Design and launch a public portal for developers to access as-built designs of the District.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Ensured Reliability of Technology Infrastructure for Primary Business and Operation Requirements</i></p>	<ul style="list-style-type: none"><li>• Upgraded all server operating systems to comply with Microsoft server life cycle.</li><li>• Updated active directory and group policy cleanup.</li><li>• Installed hardware and software for the SNRC solids, headworks, and main electrical buildings.</li><li>• Upgraded District firewalls to comply with standardization best-practice.</li></ul>
<p><b>Goal Two</b></p> <p><i>Improved Systems and Cybersecurity Measures for Response Functions</i></p>	<ul style="list-style-type: none"><li>• Continued monthly email phishing campaign to reduce click rate and educate staff on security risks.</li><li>• Implemented multi-factor authentication software for new VPN.</li><li>• Contracted CISA, Cybersecurity and Infrastructure Agency for network vulnerability routine scan, and mitigated all detected vulnerabilities.</li></ul>
<p><b>Goal Three</b></p> <p><i>Analyzed Current Systems to Enhance Reporting and Automate Processes</i></p>	<ul style="list-style-type: none"><li>• Worked with Administration, Customer Service, and Finance staff to implement naming conventions for the District’s electronic document repository.</li><li>• Worked with Tyler and Customer Service to revise and streamline the utility billing packet processing workflow process.</li><li>• Reconfigured payment contract, conservation reports, disconnection door hangers, and arrearage reports.</li></ul>
<p><b>Other Accomplishments</b></p>	<ul style="list-style-type: none"><li>• Implemented site security cameras at Plant 134.</li><li>• Implemented site to site VPN access between Weaver Basins and SNRC Reclamation plant.</li><li>• Implemented asset management module for Water Reclamation and SNRC plant assets.</li><li>• Upgraded Eleveo call recording software for Customer Service.</li><li>• Upgraded Selectron IVR environment.</li><li>• Assisted Water Quality to implement new Backflow and FOG software</li><li>• Refreshed On-Premise Backup server.</li><li>• Implemented new VPN software and Multi-Factor Authentication to meet cybersecurity measures.</li><li>• Implemented Utility Network to enable GIS edits and updates to ArcPro Enterprise.</li></ul>

## LEVELS OF SERVICE

The Information Technology Program has six KPI metrics that are associated with the District’s Goals and Objectives of:

- Develop Projects and Programs to Ensure Safe and Reliable Service (IV-A)
- Strive to Provide World-Class Customer Relations (III-B)

The program’s performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
IV-A	Elevate Cybersecurity awareness by sending out test 'phishing' emails	800	1,080	1,139	1,200
IV-A	Maximize system availability	99%	99%	99%	99%
IV-A	Cybersecurity awareness results for phishing email click rate	<7%	7.8%	7.9%	7.7%
IV-A	Complete disaster recovery drill (system restoration, power outages, emergency notifications)	2	4	4	4
III-B	Receive 'Excellent' scores on IT satisfaction surveys submitted by staff	>95%	100%	100%	100%
III-B	Minimize resolution time for help desk issues submitted by staff	24 Hrs.	17.2	4.4	4.8

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 438,190	\$ 433,000	\$ 389,176	\$ 487,000	\$ 54,000	12%
5102	Temporary Labor	-	17,000	19,752	17,000	-	0%
5103	Overtime	430	-	-	-	-	0%
5200	Benefits	211,394	259,000	280,596	280,000	21,000	8%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	66,414	65,000	96,500	80,000	15,000	23%
6203	Office Supplies	970	5,000	900	5,000	-	0%
6301	Contract Services	478,735	795,000	535,200	1,004,000	209,000	26%
6307	Uniforms	1,011	1,000	200	1,000	-	0%
6402	Telephone	23,614	12,000	19,400	12,000	-	0%
6501	Memberships & Dues	130	4,000	3,107	4,000	-	0%
6502	Professional Development	5,410	1,000	796	1,000	-	0%
6504	Meetings	133	-	128	-	-	0%
<b>IT TOTAL</b>		<b>\$ 1,226,431</b>	<b>\$ 1,592,000</b>	<b>\$ 1,345,755</b>	<b>\$ 1,891,000</b>	<b>\$ 299,000</b>	<b>19%</b>

## SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Increased Materials & Supplies budget for hardware replacements that will occur this fiscal year.
- Increased Contract Services budget for a GIS consultant expense that moved from Engineering's budget; and software renewals that were moved from various programs.

## PROGRAM BUDGET ALLOCATION

- \$1,891,000



# CUSTOMER SERVICE

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
  - Meter Services
  - Engineering
  - Water Production
  - Water Treatment
  - Water Quality
  - Water Maintenance
  - Wastewater Collection
  - Water Reclamation
  - Facilities Maintenance
  - Fleet Maintenance

## PROGRAM PERSONNEL

Customer Service Supervisor	1
Customer Service Representative III	2
Customer Service Representative II	4
<hr/>	
<b>Total Full-Time</b>	<b>7</b>
<b>Part-Time</b>	
Customer Service Representative I	1
<hr/>	
<b>Total Part-Time</b>	<b>1</b>

## PROGRAM STRUCTURE



Customer Service downloads meter read data, audits data, and submits data files to a third-party vendor for bill printing and mailing.

# CUSTOMER SERVICE

Customer Service provides the community with prompt, courteous, and world-class customer relations.

As the primary contact point with residents, this program explores opportunities to provide thorough/accurate responses to billing inquiries; provide convenient locations and methods for payment; and to resolve customer concerns about service delivery by requesting assistance from water maintenance personnel, and then following up with customers regarding the resolution to their concern.

## GOALS

## OBJECTIVES

- |   |   |
|---|---|
| <p><b>1</b></p> <p><b>Develop Strategies to Address Organizational Service Needs</b></p>                                      | <ol style="list-style-type: none"><li>1. Implement new payment options for District customers that are already supported by the District's billing software.</li><li>2. Enforce contractor compliance with an agreement to make temporary meters available for monthly reads through an increased assessment of Temporary Meter Read Availability Charge.</li></ol>   |
| <p><b>2</b></p> <p><b>Review Regulatory Changes that Require Updates to District Processes / Fee Schedules</b></p>            | <ol style="list-style-type: none"><li>1. Work with Engineering and other agencies on a process for identifying additional, billable dwelling units that are added to existing services.</li><li>2. Research and assess new/alternative industry practices used for reducing the number of disconnections for non-payment.</li></ol>   |
| <p><b>3</b></p> <p><b>Enhance Customer Utilization of AMI Data</b></p>  | <ol style="list-style-type: none"><li>1. Coordinate with Public Affairs to publish AMI related bill inserts, push notifications, and educational videos.</li><li>2. Follow-up on each AMI outreach effort with 100 in-person calls to discuss recent campaign.</li><li>3. Register twenty customers for leak alerts monthly.</li></ol>  |
| <p><b>4</b></p> <p><b>Refine Data in Billing System Toward Compliance with State Indoor and Outdoor Water Usage Goals</b></p> | <ol style="list-style-type: none"><li>1. Compare the number of household occupants in the Billing system with external sources of the District's population.</li><li>2. Identify customer accounts with default occupant data.</li><li>3. Develop method(s) for converting default occupants to confirmed occupants.</li><li>4. Reduce the number of accounts with default occupant numbers by 10%.</li></ol> |



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Developed Strategies to Address Organizational Service Needs</i></p>	<ul style="list-style-type: none"> <li>Met with payment processors to evaluate cost savings and convenience fees, and payment options not currently being offered to District customers.</li> <li>Provided feedback to Public Affairs for Customer Service needs on new website.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Worked with other Departments to Recover Costs That Are Not Currently Captured by the District Fee Schedule</i></p>	<ul style="list-style-type: none"> <li>Evaluated the need for a fee to discourage defaults on payment plan contracts and found that the number of payment plans has drastically diminished and a fee for defaults is no longer necessary.</li> <li>Researched costs associated with credit card charges and identified a vendor to capture the convenience fee.</li> <li>Prepared revisions to ordinance and fee schedule and incorporated them into Public Hearing process for rates (obstruction, convenience fee).</li> </ul>
<p><b>Goal Three</b></p> <p><i>Identified and Implemented Software Adjustments Needed Due to SB 998 and other Legislation</i></p>	<ul style="list-style-type: none"> <li>Reconfigured Tyler revenue codes to accommodate new time requirements under SB 998.</li> <li>Revised and streamlined utility billing packet processing workflow process.</li> <li>Reconfigured payment contract, conservation reports, disconnection door hangers, and arrearage report.</li> </ul>

## LEVELS OF SERVICE

The Customer Service Program has five KPI metrics that are associated with the District's Goals and Objectives of:

- Strive to Provide World-Class Customer Relations (III-B)
- Maximize internal Capabilities through Ongoing Professional Development (I-B)
- Dedicate Efforts Toward System Maintenance and Modernization (IV-C)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
III-B	Reduce number of customers disconnected for non-payment each year	1,800	0*	1,661	2,078
III-B	Number of customer payments received through convenient off-site locations	5,000	4,323	3,886	3,208
I-B	Number of customer service training hours per employee	16	4	4	6
IV-C	Customers enrolled in paperless billing	2,000	1,411	1,506	1,614
IV-C	Customers enrolled in the Pre-Authorized Payment Plan (auto-debit)	5,000	3,663	3,001	4,053

\*Due to California Governor Executive Order N-42-20 and the COVID-19 Pandemic, customer disconnections were prohibited.

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 582,850	\$ 619,000	\$ 585,088	\$ 686,000	\$ 67,000	11%
5102	Temporary Labor	52,252	-	-	-	-	0%
5103	Overtime	16,400	7,000	9,716	7,000	-	0%
5200	Benefits	249,437	310,000	301,603	325,000	15,000	5%
<b>OPERATING EXPENSES</b>							
6203	Office Supplies	7,160	7,000	2,170	7,000	-	0%
6301	Contract Services	239,106	240,000	248,000	248,000	8,000	3%
6302	Banking Services	276,944	369,000	388,718	380,000	11,000	3%
6303	Printing & Publishing	10,394	10,000	10,000	10,000	-	0%
6304	Legal Services	6,036	5,000	-	5,000	-	0%
6307	Uniforms	2,721	4,000	4,000	4,000	-	0%
6308	Billing Services	83,199	68,000	52,783	57,000	(11,000)	-16%
6309	Shut Off Notice Services	271,203	225,000	233,626	300,000	75,000	33%
6402	Telephone	9,265	8,000	8,287	8,000	-	0%
6406	Postage	186,463	153,000	153,000	153,000	-	0%
6501	Memberships & Dues	-	1,000	-	-	(1,000)	-100%
6502	Professional Development	-	13,000	-	13,000	-	0%
6504	Meetings	2,681	3,000	2,258	3,000	-	0%
6703	Cash Over/Short	(320)	1,000	-	1,000	-	0%
6704	Bad Debt	5,744	5,000	2,767	5,000	-	0%
<b>CUSTOMER SERVICE TOTAL</b>		<b>\$ 2,001,535</b>	<b>\$2,048,000</b>	<b>\$ 2,002,016</b>	<b>\$ 2,212,000</b>	<b>\$ 164,000</b>	<b>8%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Convenience fee has significantly reduced the net cost for electronic payment processing.
- Increased Shut Off Notice Services budget due to increased number of disconnections.

### PROGRAM BUDGET ALLOCATION

- \$2,212,000



[PAGE LEFT BLANK]  
*Intentionally*

# METER SERVICES

*Program Summaries Section*



METER  
SERVICES



## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- **Meter Services**
  - Engineering
  - Water Production
  - Water Treatment
  - Water Quality
  - Water Maintenance
  - Wastewater Collection
  - Water Reclamation
  - Facilities Maintenance
  - Fleet Maintenance

## PROGRAM PERSONNEL

Meter Technician II	2
---------------------	---

---

<b>Total Full-Time</b>	<b>2</b>
------------------------	----------

## PROGRAM STRUCTURE



Meter Services is responsible for maintaining the District's smart meter network, on-site customer meter-related requests, and customer service assistance.

## Program Summary

# METER SERVICES

The Meter Services program maintains a network of approximately 23,000 Advanced Metering Infrastructure (AMI) meters. The AMI meter program provides the District and its customers with near real-time consumption information. The Program conducts routine maintenance, testing and replacement of meters to ensure billing is accurate.

## GOALS

## OBJECTIVES

1

Implement Inspection Program for AMI Meters

1. Identify and replace eight vaults in need of lid replacements.
2. Visually inspect meter boxes in routes where read problems are occurring.

2

Work with Customer Service to Address Coverage Issues with the AMI Network

1. Confirm and correct MIU (meter interface unit) and meter numbers on meters that are not transmitting reliable read data.
2. Determine if an additional data collector is needed near or at Plant 132. Order and install if needed to address unreliable collection of reads.

3

Continue Meter Testing Programs in Compliance with State Water Audits Best Practices

1. Conduct an audit of 10% of large meters for accuracy to ensure compliance with AWWA standards.
2. Replace large meters that do not meet AWWA standards.



## FY 2023-24 Accomplishments

### Goal One

#### *Implemented Inspection Program for AMI Meters*

- Replaced 11 vault lids.
- Visually inspected 100% of meter boxes in routes where read problems occurred.

### Goal Two

#### *Worked with Customer Service to Address Coverage Issues with the AMI Network*

- Corrected 25 MIU (meter interface unit) and meter numbers in billing database for errors made during installation.
- Installed additional data collector at SNRC to address unreliable transmission of reads for routes in that vicinity.

### Goal Three

#### *Continued Meter Testing Programs in Compliance with State Water Audits Best Practices*

- Conducted an audit of 10% of large meters for accuracy and ensured compliance with AWWA standards.
- Replaced 12 large meters that did not meet AWWA standards.

## LEVELS OF SERVICE

The Meter Services Program has three KPI metrics that are associated with the District's Goals and Objectives of:

- Identify Opportunities to Optimize Natural Resources (I-A)
- Strive to Provide World-Class Customer Relations (III-B)
- Dedicate Efforts towards System Maintenance and Modernization (IV-C)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
I-A	Number of large meters tested for accuracy	11	11	11	11
III-B	Respond to customer requests for assistance within two hours	100%	100%	100%	100%
IV-C	Number of employees trained on the Mobile Data Collector and access Neptune 360	4	3	3	4

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 171,033	\$ 173,000	\$ 159,183	\$ 181,000	\$ 8,000	5%
5103	Overtime	2,289	6,000	412	6,000	-	0%
5200	Benefits	80,253	101,000	89,642	104,000	3,000	3%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	-	1,000	-	1,000	-	0%
6202	Tools	-	3,000	-	3,000	-	0%
6301	Contract Services	-	5,000	-	5,000	-	0%
6307	Uniforms	1,328	2,000	2,000	2,000	-	0%
6402	Telephone	1,308	1,000	1,151	2,000	1,000	100%
<b>METER SERVICES TOTAL</b>		<b>\$ 256,211</b>	<b>\$ 292,000</b>	<b>\$ 252,388</b>	<b>\$ 304,000</b>	<b>\$ 12,000</b>	<b>4%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- None.

### PROGRAM BUDGET ALLOCATION

- \$304,000



[PAGE LEFT BLANK]  
*Intentionally*

# ENGINEERING

*Program Summaries Section*



ENGINEERING



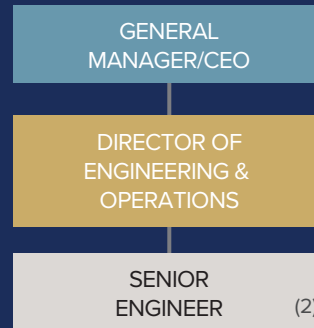
## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
  - Water Production
  - Water Treatment
  - Water Quality
  - Water Maintenance
  - Wastewater Collection
  - Water Reclamation
  - Facilities Maintenance
  - Fleet Maintenance

## PROGRAM PERSONNEL

Director of Engineering & Operations	1
Senior Engineer	2
<hr/>	
<b>Total Full-Time</b>	<b>3</b>

## PROGRAM STRUCTURE



Engineering coordinates and supports new development within the District's service area by streamlining plan checking and inspection efforts.

## Program Summary


# ENGINEERING



The Engineering Program responsibilities include infrastructure planning, maintaining a safe and reliable water supply, and ensuring compliance with Federal and State regulations. This Program also oversees wastewater collection and reclamation capital projects.

### GOALS

**1** Develop and  Implement the District's Capital Improvement Program to Address Rehabilitation and Maintenance Needs While Preparing for New Development

**2** Develop Plans to  Optimize District Water and Energy Resources

### OBJECTIVES

1. Complete rehabilitation of the reservoir at Plant 56.
2. Retrofit and upgrade the water facilities at Plant 101.
3. Conduct the bid phase and start construction of grant-funded pipeline replacements.
4. Evaluate options to upgrade the Plunge Creek Crossing for the North Fork Water Company Pipeline.

1. Complete a study to evaluate alternatives to optimize surface water treatment capacity within the District.
2. Complete groundwater master planning efforts to consider short-term and long-term actions related to groundwater production capacity.
3. Conduct an analysis of alternative energy sources.
4. Complete the bid and drilling phase for the new groundwater well at Plant 129.
5. Complete design of grant-funded seismic retrofits of seven storage reservoirs.



## FY 2023-24 Accomplishments

### Goal One

*Developed and Implemented the District's Capital Improvement Program to Address Rehabilitation and Maintenance Needs While Preparing for New Development*

- Completed preliminary design report for Canal 3 Zone reservoir at the Applewood site.
- Completed design of 6.5 miles of District water mains.
- Reviewed minutes of three utility coordination meetings with the City of Highland to monitor the Baseline Bridge replacement project.
- Completed design and bid package for Plant 101.
- Completed design and substantial construction of water main relocation at Little 3rd Street and Little Tippecanoe.

### Goal Two

*Developed Plans to Optimize District Water and Energy Resources*

- Completed design of new groundwater well at Plant 129.
- Provided Engineering support for rehabilitation of Plant 120.
- Provided Engineering and surveying support related to the North Fork pipeline root intrusion.

### Goal Three

*Completed Construction and Commissioning of the SNRC*

- Completed construction of the regional recycled water pipeline and Weaver Basins.

## LEVELS OF SERVICE

The Engineering Program has three KPI metrics that are associated with the District's Goals and Objectives of:

- Develop Projects and Programs to Ensure Safe and Reliable Services (IV-A)
- Strive to Provide World-Class Customer Relations (III-B)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
IV-A	Initiate fully funded projects included in the current year CIP	100%	100%	100%	100%
III-B	Complete development infrastructure plan reviews in < 14 days	100%	100%	100%	80%
III-B	Issue development impact fee costs estimates in < 2 days	100%	100%	100%	95%

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 583,000	\$ 627,000	\$ 522,067	\$ 658,000	\$ 31,000	5%
5103	Overtime	-	3,000	-	-	(3,000)	-100%
5200	Benefits	173,739	153,000	116,479	154,000	1,000	1%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	2,303	9,000	1,500	3,000	(6,000)	-67%
6202	Tools	2,252	7,000	5,700	1,000	(6,000)	-86%
6203	Office Supplies	627	3,000	960	2,000	(1,000)	-33%
6301	Contract Services	299,023	377,000	341,154	374,000	(3,000)	-1%
6303	Printing & Publishing	-	3,000	-	1,000	(2,000)	-67%
6304	Legal Services	12,491	10,000	11,000	15,000	5,000	50%
6307	Uniforms	932	3,000	500	3,000	-	0%
6402	Telephone	3,380	3,000	2,610	3,000	-	0%
6405	Permits	60,828	84,000	89,000	94,000	10,000	12%
6406	Postage	40	1,000	-	1,000	-	0%
6501	Memberships & Dues	1,742	5,000	1,916	4,000	(1,000)	-20%
6502	Professional Development	10,737	7,000	6,707	7,000	-	0%
6504	Meetings	563	3,000	200	1,000	(2,000)	-67%
<b>ENGINEERING TOTAL</b>		<b>\$ 1,151,657</b>	<b>\$1,298,000</b>	<b>\$ 1,099,793</b>	<b>\$ 1,321,000</b>	<b>\$ 23,000</b>	<b>2%</b>

## SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Contract for a GIS consultant moved to Information Technology's Contract Services budget.

## PROGRAM BUDGET ALLOCATION

- \$1,321,000



[PAGE LEFT BLANK]  
*Intentionally*

# WATER PRODUCTION

*Program Summaries Section*



WATER  
PRODUCTION



## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- **Water Production**
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

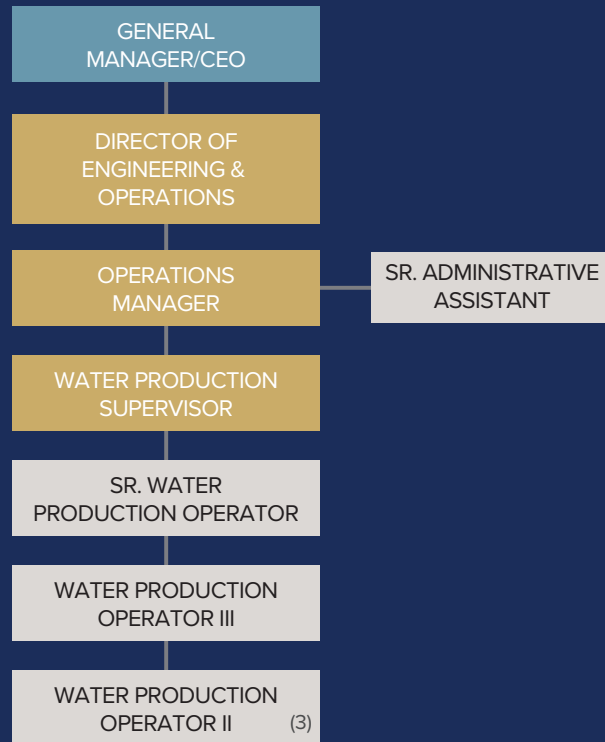
## PROGRAM PERSONNEL

Operations Manager	1
Sr. Water Production Operator	1
Water Production Operator III	1
Water Production Operator II	3
Sr. Administrative Assistant	1

---

**Total Full-Time 7**

## PROGRAM STRUCTURE



Water Production specializes in managing the overall water distribution system.


## Program Summary

# WATER PRODUCTION


Water Production is responsible for the daily monitoring and operations of the entire water production system to ensure preventative maintenance of all pumps, motors, wells, boosters, reservoirs, pressure regulating valves (PRVs), hydro-pneumatic plants, and the SCADA system. This Program is also responsible for the delivery of Santa Ana River water through the North Fork Water Company canal/pipeline.

## GOALS


## OBJECTIVES

**1** Implement a Plan to   
Identify and Enhance  
Water Sources'  
Requirements Due  
to the SNRC  
Discharge Location

1. Support work of contractor to complete rehabilitation of Plant 101.
2. Support construction of new well at Plant 129, and identification of second site to facilitate start of preliminary design work.
3. Contract for a study to determine alternate use of plant and equipment at Plant 143.

**2** Enhance the   
SCADA System  
to Improve Water  
Production Reliability

1. Work with the SCADA contractor to identify individual sites for SCADA upgrades.

**3** Rehabilitate   
Plant Components  
to Ensure Water  
Production

1. Coordinate with Water Maintenance for replacement of isolation valves to repair critical PRV (Pacific/Osbun).
2. Work with Engineering for rehabilitation of reservoir at Plant 56.
3. Solicit proposals and finalize new master agreements for pump and motor maintenance.



## FY 2023-24 Accomplishments

### Goal One

**Implemented a Plan to Identify and Enhance Water Sources' Requirements Due to the SNRC Discharge Location**

- Installed pressure regulating valve (PRV) at Plant 129 to connect the plant to the upper zone distribution system.
- Contracted for repairs and upgrades to Well 120 to ensure its operational readiness for summer 2024 production.

### Goal Two

**Enhanced the SCADA System to Achieve Water Production Requirements**

- Worked with SCADA contractor to upgrade servers and add new cell modems to Headquarters and Plant 134.
- Upgraded radio at Plants 120, 37, 131, and 38.

### Goal Three

**Rehabilitated Plant Components to Ensure Water Production**

- Coordinated with Water Maintenance for replacement of isolation valves to repair critical PRV (Church/Water and Baseline/Sterling).

## LEVELS OF SERVICE

The Water Production Program has six KPI metrics that are associated with the District's Goals and Objectives of:

- Develop Projects and Programs to Ensure Safe and Reliable Services (IV-A)
- Dedicate Effort towards System Maintenance and Modernization (IV-C)
- Enable Fact-Based Decision Making through State-of-the-Art Data Management (IV-D)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
IV-A	Perform upgrades to SCADA radios as recommended by consultant	5/Yr	5	3	4
IV-C	Perform or schedule repairs recommended by reservoir inspection report	1/Yr	0	1	1
IV-D	Implement available SCADA software updates	100%	100%	100%	100%
IV-A	Complete all efficiency testing for all well pumps	12	100%	100%	100%
IV-A	Schedule well replacement of pumps based on SCE reports*	1	1	1	1
IV-A	Complete all efficiency testing on booster pumps	30	100%	100%	100%

\*New KPI starting in FY 2023-24

## Program Budget Detail

## Administration

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 276,178	\$ 271,000	\$ 258,310	\$ 303,000	\$ 32,000	12%
5103	Overtime	375	1,000	41	1,000	-	0%
5104	Standby	14,442	15,000	46,527	47,000	32,000	213%
5200	Benefits	150,981	180,000	192,099	196,000	16,000	9%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	2,143	-	3,811	3,000	3,000	100%
6202	Tools	674	6,000	3,177	6,000	-	0%
6203	Office Supplies	5,322	9,000	5,449	4,000	(5,000)	-56%
6301	Contract Services	88,237	103,000	106,676	110,000	7,000	7%
6307	Uniforms	11,638	15,000	12,023	15,000	-	0%
6402	Telephone	11,796	14,000	13,748	14,000	-	0%
6501	Memberships & Dues	735	3,000	588	3,000	-	0%
6502	Professional Development	14,171	7,000	7,448	7,000	-	0%
6504	Meetings	1,577	1,000	516	1,000	-	0%
<b>ADMINISTRATION TOTAL</b>		<b>\$ 578,269</b>	<b>\$ 625,000</b>	<b>\$ 650,413</b>	<b>\$ 710,000</b>	<b>\$ 85,000</b>	<b>14%</b>

## Wells

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 162,768	\$ 215,000	\$ 201,723	\$ 234,000	\$ 19,000	9%
5103	Overtime	8,726	17,000	12,925	17,000	-	0%
5200	Benefits	53,607	83,000	92,881	67,000	(16,000)	-19%
<b>OPERATING EXPENSES</b>							
6101	Purchased Water	31,557	200,000	200,000	300,000	100,000	50%
6102	Groundwater Replenishment	109,631	451,000	280,647	352,000	(99,000)	-22%
6103	Water Assessment	115,973	117,000	114,669	181,000	64,000	55%
6201	Materials & Supplies	69,896	45,000	41,252	45,000	-	0%
6204	Chemicals	135,241	150,000	132,473	150,000	-	0%
6301	Contract Services	134,154	265,000	46,839	265,000	-	0%
6403	Electricity	2,567,441	2,275,000	1,659,279	2,275,000	-	0%
6405	Permits	77,300	100,000	81,702	100,000	-	0%
<b>WELLS TOTAL</b>		<b>\$3,466,294</b>	<b>\$3,918,000</b>	<b>\$2,864,390</b>	<b>\$3,986,000</b>	<b>\$ 68,000</b>	<b>2%</b>

## Boosters

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 109,008	\$ 119,000	\$ 108,689	\$ 132,000	\$ 13,000	11%
5103	Overtime	11,141	14,000	10,611	14,000	-	0%
5200	Benefits	48,081	63,000	66,940	68,000	5,000	8%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	13,817	20,000	16,555	20,000	-	0%
6301	Contract Services	16,247	100,000	92,514	100,000	-	0%
6403	Electricity	762,784	710,000	535,319	710,000	-	0%
<b>BOOSTERS TOTAL</b>		<b>\$ 961,078</b>	<b>\$1,026,000</b>	<b>\$ 830,628</b>	<b>\$1,044,000</b>	<b>\$ 18,000</b>	<b>2%</b>

## Reservoirs

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 263,075	\$ 185,000	\$ 180,660	\$ 215,000	\$ 30,000	16%
5103	Overtime	13,267	14,000	59,416	60,000	46,000	329%
5200	Benefits	179,144	74,000	57,231	65,000	(9,000)	-12%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	16,425	5,000	2,447	30,000	25,000	500%
6204	Chemicals	30,516	50,000	18,533	30,000	(20,000)	-40%
6301	Contract Services	35,662	45,000	51,124	45,000	-	0%
<b>RESERVOIRS TOTAL</b>		<b>\$ 538,089</b>	<b>\$ 373,000</b>	<b>\$ 369,411</b>	<b>\$ 445,000</b>	<b>\$ 72,000</b>	<b>19%</b>
<b>TOTAL WATER PRODUCTION</b>		<b>\$5,543,730</b>	<b>\$5,942,000</b>	<b>\$ 4,714,842</b>	<b>\$ 6,185,000</b>	<b>\$ 243,000</b>	<b>4%</b>

## SIGNIFICANT CHANGES IN PROGRAM BUDGET

- The District plans to increase the amount of prepaid Tier 1 SWP water from San Bernardino Valley this fiscal year.
- Increased Water Assessment budget due to NFWC's increase in Operating and Capital Assessments.

## PROGRAM BUDGET ALLOCATION

- \$6,185,000



# WATER TREATMENT

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- **Water Treatment**
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Water Production Supervisor	1
Sr. Treatment Plant Operator	1
<hr/>	
<b>Total Full-Time</b>	<b>2</b>

## PROGRAM STRUCTURE



Water Treatment manages three sources of water, including surface water, groundwater, and State Water Project imported water.

# WATER TREATMENT



Water Treatment is responsible for the management of three different sources of supply used by the District. The District operates Plant 134, a Surface Water Treatment Plant, that can treat Santa Ana River water and imported water from the State Water Project. Staff also operate two unique groundwater treatment facilities: Plant 28 uses Granular Activated Carbon (GAC) and Plant 39 is a blending facility.

## GOALS

## OBJECTIVES

**1** Maximize Plant 134 Water Production

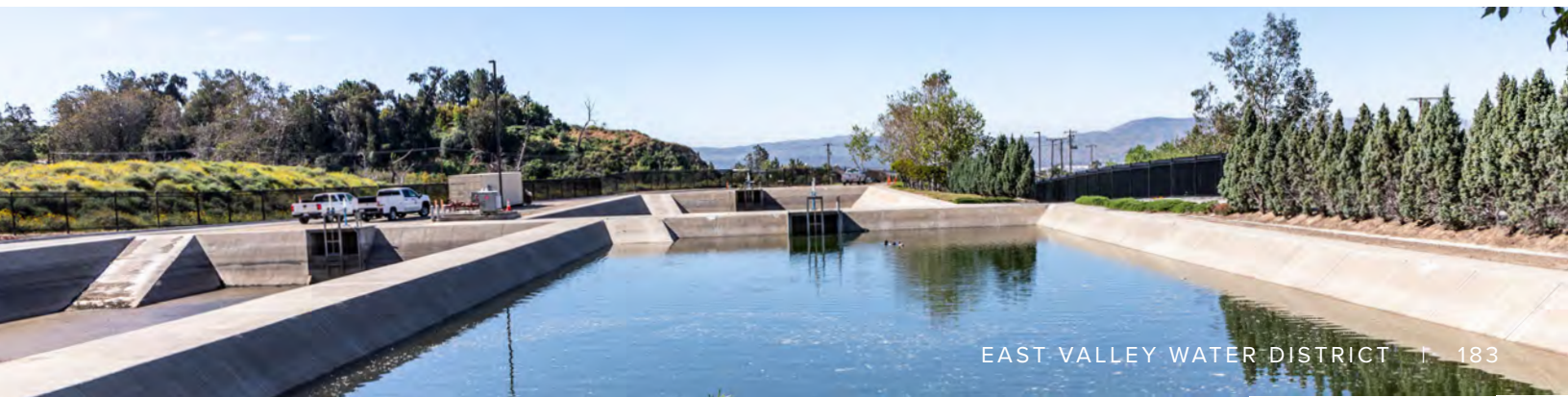
1. Determine the frequency of changeouts required for GAC media.
2. Determine most efficient and cost-effective method for disposing of increasing levels of sludge.

**2** Develop a Long-Term Replacement Plan Based on Plant Performance

1. Track individual membrane integrity test (MIT) results and repairs to prioritize replacement schedule.

**3** Evaluate and Rehabilitate Existing Clean-in-Place Equipment at Plant 134

1. Inspect existing equipment and establish prioritized replacement schedule.
2. Purchase and install necessary parts and materials to complete the clean-in-place equipment project.



## FY 2023-24 Accomplishments

### Goal One

**Maximized Plant 134 Water Production While Utilizing GAC Facilities**

- Developed flow standards to meet water quality objectives.
- Determined frequency of carbon filtration media changeouts to maintain water quality.
- Implemented data collection requirements identified in the permit amendment.

### Goal Two

**Completed Plant 134 Membrane Replacements Using a Five-Phase Replacement Schedule**

- Procured the necessary membrane modules from the manufacturer in accordance with the District's Purchasing Policy.
- Coordinated and scheduled in-house installation of new membranes in the fifth and final train.

## LEVELS OF SERVICE

The Water Treatment Program has four KPI metrics that are associated with the District's Goals and Objectives of:

- Develop Projects and Programs to Ensure Safe and Reliable Service (IV-A)
- Dedicate Effort towards System Maintenance and Modernization (IV-C)
- Maximize Staff Capabilities through Ongoing Professional Development (I-B)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
IV-A	Meet all regulatory requirements	100%	100%	100%	100%
IV-A	Maximize utilization of treatment plant capacity according to peak demands (July – September)	7.5 MGD	4.3	3.6	4.4
IV-C	Percentage of plant equipment and motors on preventative maintenance schedules	100%	100%	100%	100%
I-B	Number of Production staff with T-4 certification or higher	4	5	4	3

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 263,315	\$ 273,000	\$ 266,431	\$ 304,000	\$ 31,000	11%
5103	Overtime	57,477	39,000	28,429	39,000	-	0%
5200	Benefits	138,374	164,000	180,855	179,000	15,000	9%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	157,681	70,000	113,513	20,000	(50,000)	-71%
6204	Chemicals	156,860	195,000	254,635	180,000	(15,000)	-8%
6301	Contract Services	195,242	347,000	605,566	662,000	315,000	91%
6307	Uniforms	461	2,000	491	2,000	-	0%
6402	Telephone	4,304	5,000	2,988	3,000	(2,000)	-40%
6403	Electricity	136,781	180,000	239,210	240,000	60,000	33%
<b>WATER TREATMENT TOTAL</b>		<b>\$ 1,110,495</b>	<b>\$ 1,275,000</b>	<b>\$ 1,692,118</b>	<b>\$ 1,629,000</b>	<b>\$ 354,000</b>	<b>28%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Identified July through September are peak demand months to operate Plant 134.
- Materials & Supplies increased \$50,000 at mid-year, due to additional materials needed for Plant 134 repairs. Staff do not anticipate needing more than \$20,000 this fiscal year.
- Increased Electricity budget due to higher energy costs.

### PROGRAM BUDGET ALLOCATION

- \$1,629,000



[PAGE LEFT BLANK]  
*Intentionally*

# WATER QUALITY

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- **Water Quality**
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Water & Wastewater Compliance Supervisor	1
Water Quality Technician	1
<hr/>	
<b>Total Full-Time</b>	<b>2</b>
<b>Part-Time</b>	
Water Quality Worker	1
<hr/>	
<b>Total Part-Time</b>	<b>1</b>

## PROGRAM STRUCTURE



Water Quality has dedicated, state certified team members to test water quality and ensure all members of the community receive safe drinking water.

## Program Summary

# WATER QUALITY

Water Quality is responsible for ensuring District compliance with State and Federal Drinking Water Regulations. This program manages Backflow Prevention, Water Sampling, and the Fire Hydrant Flushing Programs.

Water Quality is also assisting in the development and launch of the Fats, Oils, and Grease (FOG) program for SNRC pre-treatment.

## GOALS


## OBJECTIVES

1

Evaluate Water Quality Regulations and Improve Process Efficiencies to Enhance Water Quality Compliance

1. Begin sampling for U.S. EPA's revised Lead and Copper Rule, effective summer of 2024.
2. Complete Unregulated Contaminant Monitoring Rule (UCMR5) sampling in accordance with U.S. EPA's sample schedule.

2

Implement  Backflow Program Enhancement Modifications

1. Work with customers to replace remaining outdated and unapproved backflow devices.
2. Work with staff to obtain required backflow certification.

3

Evaluate FOG Program Procedures for Effectiveness

1. Identify and investigate non-permitted locations for compliance.
2. Work with contractors to evaluate additional needs for system efficiencies.
3. Evaluate program to ensure fees are adequate to cover program cost.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Evaluated Water Quality Regulations and Improved Process Efficiencies to Enhance Water Quality Compliance</i></p>	<ul style="list-style-type: none"> <li>Implemented updated sampling requirements outlined in the District's latest permit amendment.</li> <li>Completed U.S. EPA registration for Unregulated Contaminant Monitoring Rule (UCMR5) sample schedule.</li> <li>Identified sample requirements for U.S. EPA's Revised Lead and Copper Rule, effective summer 2024.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Implemented Backflow Program Enhancement Modifications</i></p>	<ul style="list-style-type: none"> <li>Completed backflow software migration and implementation for cloud-based service.</li> <li>Provided contractor tester training for accessing and updating customer device information via cloud-based software.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Implemented Customer / Vendor FOG Program Requirements and Training Campaign</i></p>	<ul style="list-style-type: none"> <li>Conducted customer outreach and vendor training for cloud-based compliance reporting.</li> <li>Created customer Best Management Practices campaign to maintain program standards.</li> <li>Assisted Water Reclamation with procurement and management of contract for FOG compliance inspection.</li> </ul>

## LEVELS OF SERVICE

The Water Quality Program has four KPI metrics that are associated with the District's Goals and Objectives of:

- Develop Projects and Programs to Ensure Safe and Reliable Service (IV-A)
- Strive to Provide World-Class Customer Relations (III-B)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
IV-A	Conduct all water quality sampling required by SWRCB and U.S. EPA	100%	100%	100%	100%
IV-A	Complete annual Hazmat site-handling permits*	100%	100%	100%	100%
III-B	Response time to water quality complaints by customers (average)	2.0 Hrs	1.5	1.5	1.5
IV-A	Number of underground fire services to be re-routed aboveground annually	3	3	4	3

\*New KPI starting in FY 2022-23

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 110,633	\$ 98,000	\$ 99,360	\$ 133,000	\$ 35,000	36%
5103	Overtime	2,596	6,000	2,024	6,000	-	0%
5200	Benefits	26,614	41,000	17,609	24,000	(17,000)	-41%
<b>WELLS OPERATING EXPENSES</b>							
6201	Materials & Supplies	12,414	14,000	14,000	14,000	-	0%
6301	Contract Services	55,987	59,000	59,000	95,000	36,000	61%
6307	Uniforms	1,170	4,000	4,000	4,000	-	0%
6504	Meetings	234	1,000	1,000	1,000	-	0%
<b>RESERVOIR PERSONNEL EXPENSES</b>							
5101	Regular Labor	110,420	125,000	99,360	146,000	21,000	17%
5103	Overtime	2,596	6,000	381	6,000	-	0%
5200	Benefits	55,180	66,000	65,076	78,000	12,000	18%
<b>RESERVOIR OPERATING EXPENSES</b>							
6201	Materials & Supplies	576	2,000	2,000	2,000	-	0%
6202	Tools	3,000	9,000	9,000	9,000	-	0%
6301	Contract Services	55,685	65,000	65,000	79,000	14,000	22%
6406	Postage	-	2,000	2,000	2,000	-	0%
6502	Professional Development	3,598	3,000	3,000	3,000	-	0%
6503	Education Assistance	-	3,000	-	3,000	-	0%
<b>WATER QUALITY TOTAL</b>		<b>\$ 440,703</b>	<b>\$ 504,000</b>	<b>\$ 442,810</b>	<b>\$ 605,000</b>	<b>\$ 101,000</b>	<b>20%</b>

## SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Hired a part-time Water Quality Worker.
- Increased Contract Services budget due to U.S. EPA's sampling requirements for UCMR5 and the Lead & Copper Rule.

## PROGRAM BUDGET ALLOCATION

- \$605,000



[PAGE LEFT BLANK]  
*Intentionally*

# WATER MAINTENANCE

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

Water Maintenance maintains the District's water transmission and distribution system.

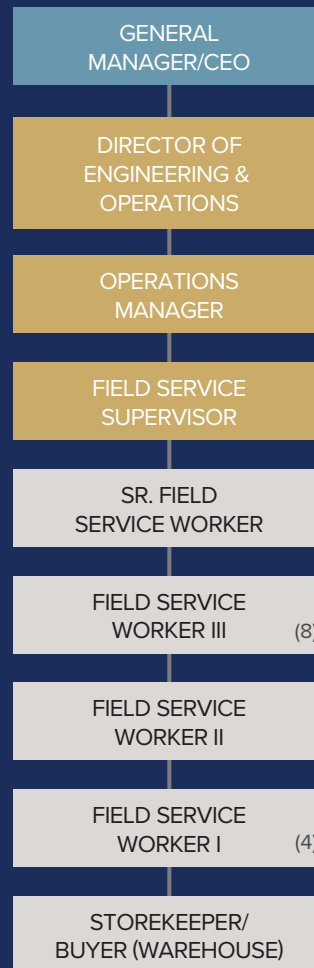
## PROGRAM PERSONNEL

Field Service Supervisor	1
Sr. Field Service Worker	1
Field Service Worker III	8
Field Service Worker II	1
Field Service Worker I	4
Storekeeper/Buyer (Warehouse)	1

---

**Total Full-Time 16**

## PROGRAM STRUCTURE




## Program Summary

# WATER MAINTENANCE

The Water Maintenance Program is responsible for repair and replacement of the District's 300 miles of water pipeline. Water Maintenance coordinates with Engineering and Water Production to install water service lines, fire hydrants, meters, valves, and all related equipment. Crew members remain on standby during non-business hours to respond to customer afterhours requests and emergencies.

### GOALS


### OBJECTIVES

**1**  **Prioritize Preventative Maintenance Schedules to Ensure Equipment Readiness for Emergency Response**

1. Replace 40 inoperable gate valves on the west side of the District.
2. Coordinate with Production to perform valve replacements to isolate crucial PRV stations in Pacific/Osburn; Plant 37; and Orange/Mercedes.
3. Inspect, maintain, and replace (as needed) 3,000 hydrants on a three-year cycle.
4. Solicit proposals and finalize new master agreement for pipeline repair services.

**2** **Fully Utilize Tyler's EnerGov Asset Management Software**

1. Continue training and implementation of Tyler's Asset Management module (EnerGov).

**3**  **Continue Replacement Program for Mains and Inground Fire Service Devices**

1. Replace 1,500 feet of water main in Elmwood Drive north of Lynwood.
2. Coordinate with Water Quality to replace final three outdated fire services on Central Avenue, Palm Avenue, and Pacific Street.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Prioritized Preventative Maintenance Schedules to Ensure Equipment Readiness for Emergency Response</i></p>	<ul style="list-style-type: none"> <li>Replaced 40 inoperable gate valves on the west side of the District. Conducted majority of work in house, augmented by outside contractor.</li> <li>Coordinated with Production to perform valve replacements to isolate crucial PRV stations in Baseline/Sterling, North Church, and Central/Mansfield.</li> <li>Inspected and maintained 1,055 District hydrants; replaced 15 hydrants.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Assessed Operation of Tyler's EnerGov Asset Management Software</i></p>	<ul style="list-style-type: none"> <li>Trained all staff on use of new software.</li> <li>Enhanced tracking of all labor, equipment, and materials for water maintenance activities.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Continued Replacement Program for Mains and Inground Fire Service Devices</i></p>	<ul style="list-style-type: none"> <li>Replaced 900 feet of water mains in Darren Place, Tiffani Place, and Valaria Court.</li> </ul>

## LEVELS OF SERVICE

The Water Maintenance Program has six KPI metrics that are associated with the District's Goals and Objectives of:

- Maximize Internal Capabilities through Ongoing Professional Development (I-B)
- Advance Emergency Preparedness Efforts (III-A)
- Develop Projects and Programs to Ensure Safe and Reliable Service (IV-A)
- Dedicate Effort towards System Maintenance and Modernization (IV-C)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
I-B	Number of Water Maintenance staff with D-3 certification or higher	5	5	5	4
III-A	Annual equipment and safety training hours per staff member	16	16	16	16
IV-A	Number of gate valves exercised*	1,200	643	755	1,284
IV-C	Respond to, and assess, customer leak concerns within reasonable time frame (two hours)	98%	100%	100%	100%
IV-C	Number of main leaks repaired*	<70	92	88	120
IV-C	Estimate of water losses from main leaks (MG)*	<10 MG	0.54 MG	0.54 MG	0.28 MG

\*Data reported for calendar year beginning FY 2023-24.

## Program Budget Detail

### Administration

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 225,908	\$ 217,000	\$ 208,149	\$ 218,000	\$ 1,000	0%
5103	Overtime	1,586	2,000	560	2,000	-	0%
5104	Standby	23,903	20,000	46,059	20,000	-	0%
5200	Benefits	135,013	158,000	173,130	132,000	(26,000)	-16%
<b>OPERATING EXPENSES</b>							
6203	Office Supplies	46	3,000	3,000	3,000	-	0%
6307	Uniforms	3,692	1,000	1,234	2,000	1,000	100%
6402	Telephone	35,724	41,000	30,637	41,000	-	0%
6501	Memberships & Dues	1,204	2,000	2,000	2,000	-	0%
6502	Professional Development	4,455	18,000	18,139	18,000	-	0%
6504	Meetings	3,881	3,000	3,000	3,000	-	0%
6706	Inventory Over/Short	78	-	-	-	-	0%
<b>ADMINISTRATION TOTAL</b>		<b>\$ 435,490</b>	<b>\$ 465,000</b>	<b>\$ 485,908</b>	<b>\$ 441,000</b>	<b>\$ (24,000)</b>	<b>-5%</b>

## Pipeline Maintenance

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 1,143,044	\$1,064,000	\$1,043,228	\$1,280,000	\$ 216,000	20%
5103	Overtime	337,271	319,000	380,941	219,000	(100,000)	-31%
5200	Benefits	550,451	620,000	586,095	630,000	10,000	2%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	893,947	650,000	650,000	880,000	230,000	35%
6202	Tools	51,991	36,000	36,000	67,000	31,000	86%
6301	Contract Services	79,718	67,000	67,000	70,250	3,250	5%
6307	Uniforms	34,162	40,000	40,000	40,000	-	0%
6310	Street Services	444,869	450,000	450,000	525,000	75,000	17%
6405	Permits	6,835	-	-	-	-	0%
<b>PIPELINE MAINTENANCE TOTAL</b>		<b>\$3,542,288</b>	<b>\$3,246,000</b>	<b>\$3,253,264</b>	<b>\$ 3,711,250</b>	<b>\$ 465,250</b>	<b>14%</b>
<b>TOTAL WATER MAINTENANCE</b>		<b>\$ 3,977,778</b>	<b>\$ 3,711,000</b>	<b>\$ 3,739,172</b>	<b>\$ 4,152,250</b>	<b>\$ 441,250</b>	<b>12%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Increased Materials & Supplies, Tools, and Street Services budgets due to inflation.

### PROGRAM BUDGET ALLOCATION

- \$4,152,250



# WASTEWATER COLLECTION

*Program Summaries Section*



WASTEWATER  
COLLECTION



## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Sr. Field Service Worker	1
Field Service Worker II	2
Field Service Worker I	1
<hr/>	
<b>Total Full-Time</b>	<b>4</b>

## PROGRAM STRUCTURE



Wastewater Collection prevents wastewater spillage and leaks by monitoring and maintaining wastewater pipelines.

# WASTEWATER COLLECTION



The Wastewater Collection program performs routine inspections, cleaning, repairs, and replacement of the District's 230 miles of collection pipelines. The District's collection system has been engineered to use best practice gravity flow conveyance prior to treatment. California public health code mandates the District is responsible for inspection of wastewater collection systems.

The pipeline inspection program uses a sewer inspection camera/transporter and closed-circuit television (CCTV) technology. The videoing software allows the operator to document pipeline condition attributes and location data for maintenance or replacement consideration. Along with videoing the collection pipeline, the Wastewater Collection Program conducts a weekly sewer cleaning program using specialized equipment. The jetting program ensures the entire system is cleaned within 24 months, and high maintenance areas are cleaned more regularly.

## GOALS

## OBJECTIVES

1

**Continue Wastewater Collection System Maintenance and Management**

1. Video inspect and assess 75 miles of District sewer mains between the northern and southern District boundaries, and west of Del Rosa Avenue.
2. Clean 230 miles of sewer main.
3. Investigate and implement method(s) to reduce rainwater inflow into the wastewater collection system during storm events.

2

**Provide Support for the New Fats, Oils, and Grease (FOG) Program**

1. Identify high maintenance areas within the collection system for the new contracted FOG inspector.
2. Assist FOG inspector in prioritizing correction efforts.

3

**Keep Sewer Mains Clear of Pests and Obstructions**

1. Video sewer mains to identify root intrusions.
2. Schedule foam blasting of identified areas to control roots.
3. Schedule to spray 2,500 manholes for insect control.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Continued Wastewater Collection System Maintenance and Management</i></p>	<ul style="list-style-type: none"> <li>• Video inspected and assessed 63 miles of District sewer mains between the northern and southern District boundaries, and east of Victoria.</li> <li>• Cleaned 237 miles of sewer main.</li> <li>• Developed communication protocols for Collection staff to notify SNRC staff of specialized maintenance activities (tree root chemicals, insects, etc).</li> </ul>
<p><b>Goal Two</b></p> <p><i>Provided Support for New Fats, Oils, and Grease (FOG) Program</i></p>	<ul style="list-style-type: none"> <li>• Identified three high maintenance areas within the collection system for the new contracted FOG inspector.</li> <li>• Assisted FOG inspector in prioritizing correction efforts.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Kept Sewer Mains Clear of Pests and Obstructions</i></p>	<ul style="list-style-type: none"> <li>• Treated 16,340 ft of sewer mains with root control foam for root intrusions.</li> <li>• Sprayed 2,500 manholes for insect control.</li> </ul>

## LEVELS OF SERVICE

The Wastewater Collection Program has six KPI metrics that are associated with the District’s Goals and Objectives of:

- Maximize Internal Capabilities through Ongoing Professional Development (I-B)
- Develop Projects and Programs to Ensure Safe and Reliable Service (IV-A)
- Dedicate Effort towards System Maintenance and Modernization (IV-C)

The program’s performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
I-B	Number of staff holding CWEA certifications	4	6	5	5
IV-A	Miles of wastewater mains inspected by video	55	71	75	63
IV-A	Category 1 Sanitary System Overflows reportable to SWRCB	0	0	0	0
IV-C	Miles of wastewater mains jetted / cleaned	230	211	230	237
IV-C	Category 4 or 5 spot repairs identified	0	1	0	0
IV-C	Category 4 or 5 spot repairs completed	0	1	0	0

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 420,449	\$ 371,000	\$ 349,470	\$ 396,000	\$ 25,000	7%
5103	Overtime	32,093	9,000	12,177	9,000	-	0%
5200	Benefits	128,981	174,000	143,973	177,000	3,000	2%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	9,607	31,000	31,000	31,000	-	0%
6202	Tools	7,115	11,000	11,000	6,250	(4,750)	-43%
6301	Contract Services	153,169	201,000	201,000	339,000	138,000	69%
6307	Uniforms	1,060	4,000	729	4,000	-	0%
<b>WASTEWATER COLLECTION TOTAL</b>		<b>\$ 752,474</b>	<b>\$ 801,000</b>	<b>\$ 749,349</b>	<b>\$ 962,250</b>	<b>\$ 161,250</b>	<b>20%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Increased Contract Services to fund FOG Inspection and Environmental Support Services. Annual Discharge Permit fees will be used to cover the increase.

### PROGRAM BUDGET ALLOCATION

- \$962,250



[PAGE LEFT BLANK]  
*Intentionally*

# WATER RECLAMATION

*Program Summaries Section*



WATER  
RECLAMATION



## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Water Reclamation Manager	1
Sr. Wastewater Treatment Plant Operator	1
Wastewater Treatment Plant Operator I - III	7
<hr/>	
<b>Total Full-Time</b>	<b>9</b>

## PROGRAM STRUCTURE



Water Reclamation oversees and manages all operations related to the SNRC to ensure compliance with strict State water quality standards.

## Program Summary

# WATER RECLAMATION

The Water Reclamation Program is responsible for treating and disinfecting up to eight million gallons of wastewater per day (MGD) at the District's new water recycling plant known as the Sterling Natural Resource Center (SNRC). The SNRC operations include anaerobic digestion for energy generation to offset the cost of power needed to operate the plant.

## GOALS

## OBJECTIVES

### 1 Evaluate SNRC Resourcing

1. Create a plan to onboard interns and provide learning opportunities at the SNRC.
2. Start the Operator In Training Plan (OIT).
3. Develop and implement the SNRC Internship Recruitment Plan.
4. Contract for maintenance and other services not currently performed by staff or other contractors.

### 2 Meet and Exceed Compliance Requirements for the SNRC

1. Manage and enforce a pre-treatment program.
2. Comply with Air Quality Management District (AQMD) emissions requirements.
3. Comply with recycled water quality requirements.

### 3 Operate the SNRC to Ensure Long-Term Sustainability and Resource Optimization

1. Develop a comprehensive asset management plan.
2. Participate with regional coalitions and implement Salt Mitigation Feasibility study recommendations.
3. Optimize digester energy operations to produce 85% of on-site energy needs.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Completed Staffing and Training for New Wastewater Treatment Operations</i></p>	<ul style="list-style-type: none"> <li>Continued to hire staff in accordance with staffing plan finalized by Human Resources &amp; Risk Management.</li> <li>Ensured new employees are trained for operations and maintenance for the SNRC.</li> <li>Worked with Water Quality to procure a contract for the FOG program compliance inspector.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Met and Exceeded Compliance Requirements for the SNRC</i></p>	<ul style="list-style-type: none"> <li>Implemented and managed a pre-treatment program.</li> <li>Complied with AQMD emissions requirements.</li> <li>Complied with recycled water quality requirements.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Commenced Operations at the SNRC</i></p>	<ul style="list-style-type: none"> <li>Completed transition: of wastewater flows to the SNRC over a three-month period, discharged water to Weaver Basins, generated on-site renewable energy, and disposed residual solids.</li> <li>Performed optimization of the Aeration system.</li> <li>Managed new preventative maintenance program.</li> </ul>

## LEVELS OF SERVICE

The Water Reclamation Program has four KPI metrics that are associated with the District's Goals and Objectives of:

- Maximize Internal Capabilities through Ongoing Professional Development (I-B)
- Develop Projects and Programs to Ensure Safe and Reliable Service (IV-A)
- Dedicate Effort towards System Maintenance and Modernization (IV-C)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
I-B	Number of staff holding Wastewater Treatment certifications*	6	2	6	7
IV-A	Comply with Waste Discharge Requirements (WDR) and Water Recycling Requirements (WRR) for Removal of BOD and TSS at the SNRC	95%	N/A	N/A	100%
IV-A	Deliver recycled water to San Bernardino Valley for groundwater recharge	6.0MG	N/A	N/A	4.9
IV-C	Tipping Fees collected from outside haulers	\$3.2M	N/A	N/A	0

\*Pursuant to Division 7, Chapter 9, Section 13627 of the Water Code an Operator with a water treatment certification may operate a wastewater treatment plant of the appropriate grade.

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 715,218	\$ 750,000	\$ 710,333	\$ 1,071,000	\$ 321,000	43%
5103	Overtime	7,873	50,000	172,529	125,000	75,000	150%
5104	Standby	-	55,000	107	55,000	-	0%
5200	Benefits	141,967	404,000	342,771	481,000	77,000	19%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	6,920	68,000	68,000	91,000	23,000	34%
6202	Tools	1,746	30,000	30,000	36,000	6,000	20%
6203	Office Supplies	265	10,000	10,000	10,000	-	0%
6204	Chemicals	-	510,000	200,000	650,000	140,000	27%
6301	Contract Services	9,450	1,032,000	1,032,000	3,770,000	2,738,000	265%
6303	Printing & Publishing	970	1,000	-	1,000	-	0%
6304	Legal Services	1,960	5,000	-	-	(5,000)	-100%
6305	Treatment Services	8,531,612	6,300,000	6,162,411	-	(6,300,000)	-100%
6307	Uniforms	2,094	8,000	8,000	8,000	-	0%
6401	Utilities	59	1,000	4,147	1,000	-	0%
6402	Telephone	-	3,000	1,671	3,000	-	0%
6403	Electricity	178,308	1,500,000	1,300,000	1,400,000	(100,000)	-7%
6404	Fuel	-	16,000	16,000	16,000	-	0%
6405	Permits	-	17,000	17,000	-	(17,000)	-100%
6406	Postage	-	1,000	-	1,000	-	0%
6501	Membership & Dues	602	12,000	4,975	12,000	-	0%
6502	Professional Development	2,295	5,000	5,000	5,000	-	0%
6504	Meetings	121	2,000	2,000	2,000	-	0%
6505	Employee Recognition	-	1,000	-	1,000	-	0%
<b>WATER RECLAMATION TOTAL</b>		<b>\$ 9,601,460</b>	<b>\$ 10,781,000</b>	<b>\$ 10,086,944</b>	<b>\$ 7,739,000</b>	<b>\$(3,042,000)</b>	<b>-28%</b>

## SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Added a new Wastewater Treatment Plant Operator position.
- Decreased Treatment Services budget due to completing transition of wastewater flows to the SNRC.
- In addition, the Materials & Supplies, Tools, and Contract Services budgets have also increased.

## PROGRAM BUDGET ALLOCATION

- \$7,739,000



[PAGE LEFT BLANK]  
*Intentionally*

# FACILITIES MAINTENANCE

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Facilities and Fleet Supervisor	1
Facilities Maintenance Worker II	1
Facilities Maintenance Worker I	1
<b>Total Full-Time</b>	<b>3</b>

## PROGRAM STRUCTURE




Facilities Maintenance ensures District facilities meet standards for aesthetics, functionality, and operation.

# FACILITIES MAINTENANCE


Facilities Maintenance is responsible for the maintenance of all District facilities. The District has several locations throughout the 30.1 square mile service area for operating the utility systems. The Program's oversight includes administration buildings, water facilities, a water reclamation facility (SNRC), District-owned vacant properties, and easements. The purpose of this Program is to mitigate expenses by maintaining a complex facilities management system to achieve Program goals.

## GOALS


## OBJECTIVES

**1** Evaluate and Plan   
Improvements/  
Demolition of  
West-End Inventory  
Storage Facilities (Del  
Rosa and Plant 39)

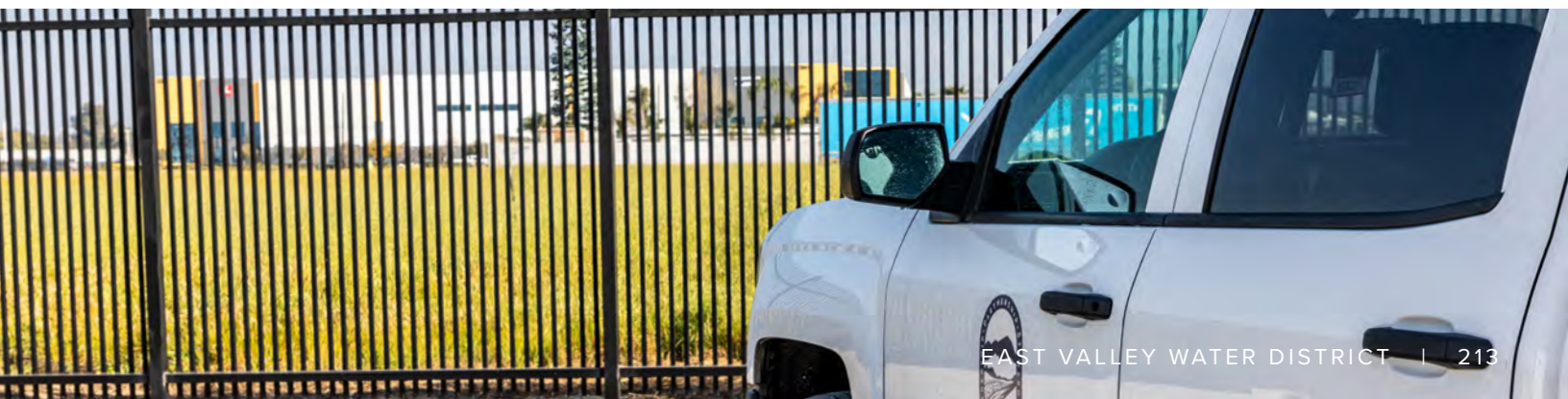
1. Contract for construction of a 3,200 sq. ft. storage building at Plant 39.
2. Work with IT to implement security cameras, access controls, and alarms.
3. Remove former office trailers located at the Del Rosa site to prepare for demolition and cleanup.

**2** Continue Phased   
Upgrades and  
Rehabilitation of  
District Facilities

1. Develop a comprehensive site improvement project list.
2. Contract for painting the building at Plant 33.
3. Insulate Plant 59 building.
4. Complete the HVAC project by removing swamp coolers and sealing wall openings at Plants 39, 142, and 149.
5. Continue to improve energy efficiency of pump houses and other Plant buildings through lighting upgrades, insulation, and weatherstripping.

**3** Assess Security   
Needs at  
SNRC, District  
Headquarters, and  
Plant 134

1. Determine the most cost-effective solution for physical security at all three sites.
2. Enhance alarm system for building on Administration side of the SNRC.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Completed Site Improvements at the Del Rosa Facility</i></p>	<ul style="list-style-type: none"> <li>Enhanced site security by upgrading doors and locks on the existing warehouse.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Continued Phased Upgrades and Rehabilitation of District Facilities</i></p>	<ul style="list-style-type: none"> <li>Upgraded camera and alarm system at Treatment Plant.</li> <li>Determined the most cost-effective solution for physical security at various sites.</li> <li>Installed sound dampening material at SNRC.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Assessed Security Needs at SNRC, District Headquarters, and Plant 134</i></p>	<ul style="list-style-type: none"> <li>Enhanced alarm system for building on Administration side of the SNRC.</li> <li>Created new security guard schedule at SNRC and District Headquarters.</li> <li>Completed installation of security glass on Customer Service counter at SNRC.</li> </ul>
<p><b>Other Accomplishments</b></p>	<ul style="list-style-type: none"> <li>Coordinated installation of Tesla battery at District Headquarters.</li> <li>Installed two HVAC units in electrical room at Plant 134.</li> <li>Completed RFP for District Landscaping services.</li> </ul>

## LEVELS OF SERVICE

The Facilities Maintenance Program has four KPI metrics that are associated with the District's Goals and Objectives of:

- Dedicate Efforts Toward System Maintenance and Modernization (IV-C)
- Identify Opportunities to Optimize Natural Resources (I-A)

The program's performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
IV-C	Close all service work orders timely	<30 Days	<30 Days	<30 Days	<30 Days
IV-C	Systematically rehabilitate buildings at Plant sites (paint, roof, general repairs)*	2	3	2	2
IV-C	Complete security fencing upgrades at Plant sites*	1	1	1	2
I-A	Identify and conduct energy efficiency measures at Plant facilities*	2	1	1	2

\*New KPI metric beginning in FY 2021-22.

## Program Budget Detail

		FY 2022-23 Actuals	FY 2023-24 Budget	FY 2023-24 Projected	FY 2024-25 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 231,473	\$ 219,000	\$ 208,033	\$ 304,000	\$ 85,000	39%
5103	Overtime	17,966	14,000	11,256	14,000	-	0%
5200	Benefits	121,289	123,000	119,880	162,000	39,000	32%
<b>ADMINISTRATION OPERATING EXPENSES</b>							
6201	Materials & Supplies	113,278	40,000	69,734	40,000	-	0%
6202	Tools	1,732	2,000	2,402	4,000	2,000	100%
6301	Contract Services	836,418	772,000	976,053	772,000	-	0%
6306	Rents & Leases	17,979	20,000	28,750	20,000	-	0%
6307	Uniforms	8,723	11,000	7,561	11,000	-	0%
6311	Landscape Services	118,801	131,000	136,492	131,000	-	0%
6312	Janitorial Services	171,213	144,000	125,582	144,000	-	0%
6401	Utilities	46,402	37,000	37,720	37,000	-	0%
6402	Telephone	23,235	25,000	24,853	25,000	-	0%
6403	Electricity	204,950	290,000	239,276	290,000	-	0%
6403	Professional Development	-	3,000	-	3,000	-	0%
<b>SOURCE OF SUPPLY/WELLS OPERATING EXPENSES</b>							
6201	Materials & Supplies	1,395	3,000	1,999	3,000	-	0%
6301	Contract Services	16,602	34,000	31,661	34,000	-	0%
6311	Landscape Services	83,336	40,000	73,646	40,000	-	0%
6402	Telephone	929	1,000	1,032	1,000	-	0%
<b>PUMPS AND BOOSTERS OPERATING EXPENSES</b>							
6201	Materials & Supplies	216	3,000	-	3,000	-	0%
6301	Contract Services	8,152	5,000	-	5,000	-	0%
6311	Landscape Services	33,594	35,000	28,728	35,000	-	0%
<b>TREATMENT OPERATING EXPENSES</b>							
6201	Materials & Supplies	6,109	10,000	1,088	10,000	-	0%
6301	Contract Services	30,779	22,000	15,507	25,000	3,000	14%
6311	Landscape Services	36,283	27,000	36,372	27,000	-	0%
6312	Janitorial Services	1,800	2,000	101	2,000	-	0%
6401	Utilities	1,265	10,000	3,103	10,000	-	0%
6402	Telephone	25,916	30,000	29,976	30,000	-	0%
<b>FACILITIES MAINTENANCE TOTAL</b>		<b>\$ 2,159,835</b>	<b>\$2,053,000</b>	<b>\$ 2,210,805</b>	<b>\$ 2,182,000</b>	<b>\$ 129,000</b>	<b>6%</b>

**SIGNIFICANT CHANGES IN PROGRAM BUDGET**

- Added a new Facilities Maintenance Worker position.

**PROGRAM BUDGET ALLOCATION**

- \$2,182,000



# FLEET MAINTENANCE

*Program Summaries Section*





## Program Summaries Contents

- Governing Board
- General Administration
- Human Resources & Risk Management
- Public Affairs
- Conservation
- Finance & Accounting
- Information Technology
- Customer Service
- Meter Services
- Engineering
- Water Production
- Water Treatment
- Water Quality
- Water Maintenance
- Wastewater Collection
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Fleet Maintenance Coordinator	1
-------------------------------	---

---

<b>Total Full-Time</b>	<b>1</b>
------------------------	----------

## PROGRAM STRUCTURE



Fleet Maintenance ensures the proper function of vehicles and equipment used in the maintenance of the water and wastewater system.

# FLEET MAINTENANCE



Fleet Maintenance is responsible for the preventative maintenance program for all District vehicles and heavy equipment. This includes the procurement of fleet items and maintaining compliance with State and Federal air quality rules and regulations. This program includes partnership with local charitable organizations in need of a vehicle to help continue their mission.

The District fleet is comprised of light and heavy-duty utility trucks for water and wastewater crew members to maintain District infrastructure. The heavy equipment category of the fleet includes large, specialized equipment for routine maintenance and inspection of the water distribution, wastewater collection, and treatment systems.

## GOALS

## OBJECTIVES

- 1 Assess Future Operations of Fleet Management
- 2 Continue to Implement the Air Quality Management Program
- 3 Gain Understanding of New Legislation Affecting the Fleet Maintenance Program

1. Enhance service orders in the Fleet Maintenance module within Tyler's Energov Asset Management (EAM) software.
2. Continue installation of four Electric Vehicle (EV) charging stations for pool vehicles.
1. Manage all air quality regulations for AQMD and California Air Resources Board (CARB).
2. Transmit emissions data to the Bureau of Automotive Repair (BAR) using Network Fleet devices.
1. Research and understand fleet regulations.
2. Contract vendor to ensure District is in compliance with zero emission regulations.



## FY 2023-24 Accomplishments

<p><b>Goal One</b></p> <p><i>Assessed Future Operations of Fleet Management</i></p>	<ul style="list-style-type: none"> <li>• Trained new Fleet Maintenance Coordinator.</li> <li>• Procured new vendor for generator fuel delivery.</li> <li>• Installed EV charging stations for pool vehicles.</li> </ul>
<p><b>Goal Two</b></p> <p><i>Continued to Implement the Air Quality Management Program</i></p>	<ul style="list-style-type: none"> <li>• Managed all air quality regulations for AQMD and CARB.</li> <li>• Transmitted emissions data to the Bureau of Automotive Repair (BAR) using new Network Fleet devices.</li> </ul>
<p><b>Goal Three</b></p> <p><i>Enhanced the Vendor-Managed Fleet Maintenance Program</i></p>	<ul style="list-style-type: none"> <li>• Completed an RFP for mobile maintenance.</li> <li>• Provided a list of pre-approved safety repairs and replacements for the RFP.</li> <li>• Contracted with a vendor to provide detailing for specialized equipment.</li> <li>• Executed a new on-call fleet maintenance contract.</li> </ul>

## LEVELS OF SERVICE

The Fleet Maintenance Program has three KPI metrics that are associated with the District’s Goals and Objectives of:

- Develop Projects and Programs to Ensure Safe and Reliable Services (IV-A)
- Dedicate Efforts toward System Maintenance and Modernization (IV-C)

The program’s performance related to these metrics are included in the following table.

## KEY PERFORMANCE INDICATORS CHANGES

Agency Goal	Key Performance Indicator	Target	FY 2021-22	FY 2022-23	FY 2023-24
IV-A	Ensure vehicles and equipment are evaluated and replaced on schedule	80% of Net Asset Value	100%	100%	100%
IV-C	Percent of vehicles pass annual D.O.T. inspection	100%	100%	100%	N/A
IV-A	Number of vehicle/equipment units replaced	4	2	2	4

## Program Budget Detail

		FY 2021-22 Actuals	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 98,525	\$ 100,000	\$ 87,776	\$ 105,000	\$ 5,000	5%
5103	Overtime	1,099	3,000	6,280	3,000	-	0%
5200	Benefits	21,643	41,000	30,467	32,000	(9,000)	-22%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	152,360	160,000	198,663	160,000	-	0%
6202	Tools	13,792	15,000	21,333	15,000	-	0%
6203	Office Supplies	52	5,000	448	5,000	-	0%
6301	Contract Services	280,928	190,000	183,371	300,000	110,000	58%
6307	Uniforms	1,804	1,000	1,142	1,000	-	0%
6402	Telephone	1,079	1,000	472	1,000	-	0%
6404	Fuel	236,962	240,000	211,074	280,000	40,000	17%
6501	Memberships & Dues	-	3,000	-	3,000	-	0%
6502	Professional Development	-	1,000	-	1,000	-	0%
<b>FLEET MAINTENANCE TOTAL</b>		<b>\$ 808,244</b>	<b>\$ 760,000</b>	<b>\$ 741,026</b>	<b>\$ 906,000</b>	<b>\$ 146,000</b>	<b>19%</b>

### SIGNIFICANT CHANGES IN PROGRAM BUDGET

- Increased Contract Services budget for heavy equipment maintenance and car wash vendor for District vehicles.

### PROGRAM BUDGET ALLOCATION

- \$906,000







THE ANNUAL BUDGET  
ACTS AS A COMMUNICATION DEVICE

# FY 2024-25 CAPITAL BUDGET

The District's long-term planning efforts includes consideration of the age, condition, and efficiency of infrastructure used to deliver services to its customers.



## Capital Budget Contents

- Capital Budget Overview
- Capital Improvement Projects
- Infrastructure Accomplishments

# CAPITAL BUDGET OVERVIEW

The District includes two types of capital expenditures in its Capital Budget. The two types are, 1) routine purchases and replacement of assets, referred to as Capital Outlay, and 2) non-routine construction project expenditures that are part of the District's Capital Improvement Program.

The District's FY 2024-25 Capital Budget contains \$8,843,000 in total capital expenditures. Of this amount, \$1,453,000 are Capital Outlay, which typically include requests to replace heavy equipment, computer and office equipment, and to contract for infrastructure planning studies. The remaining proposed capital expenditures of \$7,390,000 are current year (Year 1) costs pertaining to projects shown in the District's Capital Improvement Program, presented in greater detail in the remainder of this section.

With the District commencing operations at the new SNRC water reclamation plant in spring of 2024, care has been taken to not overextend financial and human resources by committing to starting multiple new projects in the upcoming Fiscal Year. Projects with external funding or regulatory requirements, or that are 'shovel ready', are moving forward, but the successful startup of the SNRC is a top priority. A summary of the proposed FY 2024-25 Capital Budget is shown below.

## Capital Budget Summary

Capital Outlay (Routine)		Capital Improvement Program	
Infrastructure Upgrades / Technology Enhancements	\$ 530,000	Automated Metering Enhancements	\$ 150,000
Facility Improvements / Security	270,000	Storage Tank / Reservoir Upgrades & Rehabs	1,660,000
Water Quality / Environmental Studies	375,000	Plant 101 - Rehab Hydro System	900,000
Equipment Acquisition	278,000	Pipeline Upgrades & Valve Replacements	700,000
		Plant 129 Well Design & Construction	3,000,000
		General Facilities Rehab / Relocation	450,000
		Plant 39 Warehouse / Storage	380,000
		Emergency Off-Spec. Pumping Program	150,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$1,453,000</b>	<b>TOTAL CIP EXPENDITURES</b>	<b>\$ 7,390,000</b>

## Capital Outlay

The District defines Capital Outlay expenditures as an individually significant acquisition of capital assets (not involving construction) that have expected useful lives of more than two years and have a heavy equipment cost of \$5,000 or more. This threshold is applied at the individual asset level.

Each year as part of the budget process, Program Managers and Supervisors compile and submit a list of Capital Outlay requests for consideration. The requests are reviewed and prioritized by management based on the assessment of need and the amount of funding available. Funding for Capital Outlay is paid out of the operating revenue from the fund (water, wastewater or water reclamation) that will benefit from use of the capital item. Items that benefit all funds are allocated accordingly.

## FY 2024-25 CAPITAL OUTLAY

Program	Water	Wastewater	Water Reclamation	Total	
<b>FUNDED BY OPERATING REVENUE</b>					
2100	Emergency Plan Updates	\$ 100,000	\$ 50,000	\$ -	\$ 150,000
2200	Website Redesign	100,000	50,000	-	150,000
3200	Hardware Replacements	35,000	-	-	35,000
3200	Phone System	70,000	30,000	-	100,000
3200	District Headquarters Cameras	56,000	24,000	-	80,000
4000	Engineering Plotter	14,000	6,000	-	20,000
4000	Upper SAR HCP	160,000	-	-	160,000
5000	SCADA Radios	50,000	25,000	-	75,000
5100	Plant 134 Turbidity Meters and Clean-in-Place Equipment	150,000	-	-	150,000
5200	Sourcewater Assessments	150,000	-	-	150,000
6300	Salt Mitigation Feasibility Study	-	-	65,000	65,000
6300	Golf Cart	-	-	18,000	18,000
7000	Fencing at District Headquarters	133,000	57,000	-	190,000
7100	Plant 39 Forklift	80,000	-	-	80,000
7100	Trailer Mounted Pump	30,000	-	-	30,000
<b>TOTAL CAPITAL OUTLAY</b>		<b>\$ 1,128,000</b>	<b>\$ 242,000</b>	<b>\$ 83,000</b>	<b>\$ 1,453,000</b>

## Capital Improvement Program and Prioritization

The District's CIP is a five-year planning schedule with the first year (Year 1) adopted as part of the Capital Budget for the upcoming fiscal year. A project included in the District's CIP is an individually significant construction project with a cost of more than \$25,000, and either creates a new capital asset, improves an existing asset (increases its service capacity, etc.), or significantly extends an asset's expected useful life.

The Engineering Program is responsible for maintaining the District's Capital Improvement Program and consults various sources for project planning. The primary sources for these planning efforts are the District's Water Master Plan and Wastewater Collection System Master Plan — both were updated during FY 2018-19. The Master Plans identify the infrastructure improvements needed to serve a growing population. In addition, each project being considered must meet one or more of the following criteria:

- Preservation of public health and water quality.
- Improvements required as a result of local, State or Federal legislation/mandates.
- Reduction of current maintenance expenditures and avoidance of costly future rehabilitation.
- Preservation of existing facilities/infrastructure.
- Positive impacts on customers.
- External funding (grant/debt proceeds) has been secured for specific project.

For FY 2024-25, the District has proposed the use of operating revenue, reserves, and a loan from the California Department of Water Resources to fund current year phases of Capital Improvement Program projects for \$7,390,000 – total project costs for the projects in process are approximately \$69.97 million over the next five years. The names of the projects funded, and the reasons for their prioritization this year include:



### Automated Metering Infrastructure (AMI) Enhancements

The District completed installation of remote-read meters for all customer accounts in 2021. Some read captures have been inconsistent, so staff is proposing an additional data collector tower and a new mobile collector, as well as the addition of remote read meters on commercial fire services to detect unauthorized usage through these connections. Total cost for FY 2024-25 is proposed at \$150,000. This project is prioritized to mitigate the need for staff to manually confirm/take reads when an AMI system has been installed.



### Plant 101

A hydropneumatic tank and booster station, that serves residents living at an elevation where water cannot be delivered by gravity, needs to be replaced. The design for the work has been completed so construction work is being proposed for FY 2024-25 at an estimated cost of \$900,000. This project is a priority as it solves a potential health and safety issue for the residents it serves.



### Plant 129 Well Design & Construction

This project addresses concerns related to water scarcity and ensures continued access to groundwater resources. Prioritizing this project helps mitigate the impacts of droughts or water shortages on the community as well as enhancing the reliability of the water supply by diversifying water sources. This reduces dependency on surface water sources that may be susceptible to drought or contamination. Implementing this project proactively may be more cost-effective than reactive measures during water scarcity events. By investing in a new groundwater production well now, the District can potentially avoid higher costs associated with emergency response measures in the future.



### Storage Tank Rehabilitation

The District has created a priority list for the systematic rehabilitation of existing tanks to ensure their dependability and years of future service. A 0.5 million gallon storage tank at the District's Plant 56 is proposed for recoating in FY 2024-25 at an estimated cost of \$1,000,000 to be funded by water operating revenue. This project is a priority as it proactively addresses potential public health and safety concerns.



### North Fork Pipeline Rehabilitation

Prioritizing this project ensures the continued functionality and reliability of the North Fork Pipeline, addressing segments that have not seen improvements in several decades. This proactive approach prevents potential infrastructure failures and service disruptions; maintaining water supply reliability. Repairing or replacing segments of the pipeline that are reaching the end of their useful service life reduces the risk of leaks, breaks, or other failures. This mitigates potential water supply interruptions, property damage, and safety hazards, safeguarding both infrastructure and communities.



### Reservoir Seismic Retrofits

Prioritizing the seismic retrofitting of existing storage reservoirs enhances EVWD's water system resilience against seismic events, ensuring reliability and safety, especially in earthquake-prone areas. Aligned with the District's 2019 Water System Master Plan, the project addresses vulnerabilities and follows best practices. Retrofitting reduces structural risks, minimizing disruptions, property damage, and safety hazards. Supported by a FEMA Hazard Mitigation Grant Program, it allows effective use of external funding, optimizing the project's impact and cost-effectiveness.



### Water Main Replacements

The District has scheduled the replacement of one water main pipeline to be completed by District maintenance crews. Estimated cost for this project is \$300,000. The project is designated as priority as it will reduce future responses for leak calls and increase fire flows which are directly related to public health and safety.




### Gate Valve Replacements

The District has identified approximately 105 gate valves that are frozen or broken and therefore cannot be used for emergency shutdowns. This project proposes to replace 40 defective valves during FY 2024-25 at an estimated cost of \$300,000 and has been given priority status due to public health and safety concerns in the event of an emergency situation.



### Plant 39 Warehouse

The proposed warehouse at Plant 39 addresses the need for improved infrastructure by providing a dedicated space for storing water distribution parts, crucial for efficient maintenance and repair. A centralized location streamlines storage and retrieval, enhancing operational efficiency, leading to faster response times and reduced downtime. This consolidation can also yield cost savings by eliminating multiple storage sites and reducing emergency shipments. Furthermore, the inclusion of an on-site restroom can save time and labor costs by minimizing travel for field staff.



### Weaver Basins Emergency Storage Pumping Improvements

The 8-million-gallon emergency storage basin next to Weaver Basins was designed to use a trailer-mounted pump to return water from the basin to the sewer main in Greenspot Road. This project involves the potential construction of permanent pumping facilities to provide this function.



### General Facilities Rehabilitation / Relocation

These line items involve various projects such as security upgrades and improving the aesthetics of buildings at plant sites; it also provides a budget for relocating facilities in conjunction with City street or storm drain improvement projects. Planned expenditures for FY 2024-25 are \$450,000 to be funded by water operating revenue. These funds are kept available in the event of a notification by another agency.

The following Capital Improvement Projects section includes further detail for each of the projects that have been proposed for funding in FY 2024-25.

## Impact of Capital Improvement Program Project Investments on Operating Budgets

The capital projects described in this section will have varying impacts on future operating expenses, both in increased costs and cost savings. The SNRC will have both operational costs and new revenue streams. Proposed treatment processes at the District's Surface Water Treatment Plant will allow the District to run the plant at higher capacity, to fully utilize Santa Ana River water through the North Fork pipeline.

The SNRC will result in a major shift of costs, from contracted treatment services to costs associated with owning and operating a District facility such as labor, materials, contract services, and other operating costs. At the same time, the inclusion of solid waste digesters at the facility will allow the District to tap into other revenue streams such as solid waste carrier tipping fees and recycled water revenue. Not included here, but discussed in the Debt section of this document, is a significant increase in debt service related to the SNRC.

The following schedule provides an estimate of the effect of capital expenditures on future operations:

## CAPITAL EXPENDITURE IMPACT OVERVIEW

	Annual Impact on Operations	Nature of Impact
Automated Metering Enhancements	\$ (30,000)	Reduced staffing commitments (OT)
Storage Tank / Reservoir Upgrades & Rehabs	(1,000,000)	Extends useful life / avoids new purchase
Plant 101 - Rehab Hydro System	(1,000,000)	Extends useful life / water supply reliability
Pipeline Upgrades & Valve Replacements	(100,000)	Reduced staffing needs for repairs
Plant 129 Well Design & Construction	2,500,000	New well needed after required to place 4 offline
Plant 39 Warehouse / Storage	(250,000)	Reduce energy cost and staffing commitments
Weaver Basins Emergency Storage Pumping Improvements	100,000	Reduced staffing commitments (OT)
<b>TOTAL CIP EXPENDITURES</b>	<b>\$ 220,000</b>	

## CIP FIVE-YEAR PROGRAM SCHEDULE (FY 2025-29)

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>WATER</b>						
Meter Replacement Program	\$ 150,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ 750,000
Canal Zone Storage Reservoir	-	1,600,000	10,000,000	8,000,000	-	19,600,000
Plant 134 Membrane Replacement	-	-	350,000	350,000	350,000	1,050,000
Tank / Reservoir Rehabilitation	1,000,000	1,070,000	1,144,900	1,225,043	1,310,796	5,750,739
Plant 101 Hydro Tank Rehabilitation	900,000	-	-	-	-	900,000
Plant 134 Enhancements SAR Pretreatment	-	100,000	-	-	-	100,000
North Fork Pipeline Rehabilitation	100,000	100,000	-	-	-	200,000
Reservoir Seismic Retrofits	660,000	2,200,000	2,000,000	2,000,000	-	6,860,000
Water Main Replacements - Seismic Mitigation	-	10,000,000	7,000,000	-	-	17,000,000
Plant 129 Well Design & Construction	3,000,000	3,000,000	-	-	-	6,000,000
New Well	-	400,000	1,500,000	3,000,000	-	4,900,000
Water Mains Elmwood Road & Dogwood Street	300,000	-	-	-	2,000,000	2,300,000
Facility Relocations	100,000	100,000	100,000	100,000	100,000	500,000
Facility Relocation - Baseline Bridge Water Main	-	-	1,000,000	-	-	1,000,000
Facility Rehabilitations	350,000	75,000	75,000	75,000	75,000	650,000
Plant 39 Warehouse Building	380,000	-	-	-	-	380,000



	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
Santa Ana River Watershed Sanitary Survey	-	-	80,000	-	-	80,000
Gate Valve Replacement Program	300,000	-	-	-	-	300,000
<b>WATER SUBTOTAL</b>	<b>\$ 7,240,000</b>	<b>\$18,845,000</b>	<b>23,449,900</b>	<b>\$14,950,043</b>	<b>\$ 3,835,796</b>	<b>\$ 68,320,739</b>
<b>RECLAMATION</b>						
Weaver Basins Emergency Storage Pumping Improvements	150,000	-	-	-	-	150,000
Replace Diffusers and UV Lamps	-	-	500,000	500,000	500,000	1,500,000
<b>RECLAMATION SUBTOTAL</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 1,650,000</b>
<b>TOTAL</b>	<b>\$ 7,390,000</b>	<b>\$18,845,000</b>	<b>\$23,949,900</b>	<b>\$15,450,043</b>	<b>\$ 4,335,796</b>	<b>\$ 69,970,739</b>

## CIP FIVE-YEAR FUNDING SCHEDULE (FY 2025-29)

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
Water Operating Revenue	\$ 558,000	\$ 6,145,000	\$ 4,699,900	\$ 3,950,043	\$ 3,835,796	\$ 19,188,739
Water Replacement Reserve	3,022,000	-	-	-	-	3,022,000
Water Capacity Fees	3,000,000	3,000,000	-	-	-	6,000,000
Grants	660,000	9,700,000	7,250,000	-	-	17,610,000
Bond / Debt Proceeds	-	-	11,500,000	11,000,000	-	22,500,000
Reclamation Operating Revenue	150,000	-	500,000	500,000	500,000	1,650,000
<b>TOTAL</b>	<b>\$ 7,390,000</b>	<b>\$18,845,000</b>	<b>\$23,949,900</b>	<b>\$15,450,043</b>	<b>\$ 4,335,796</b>	<b>\$ 69,970,739</b>



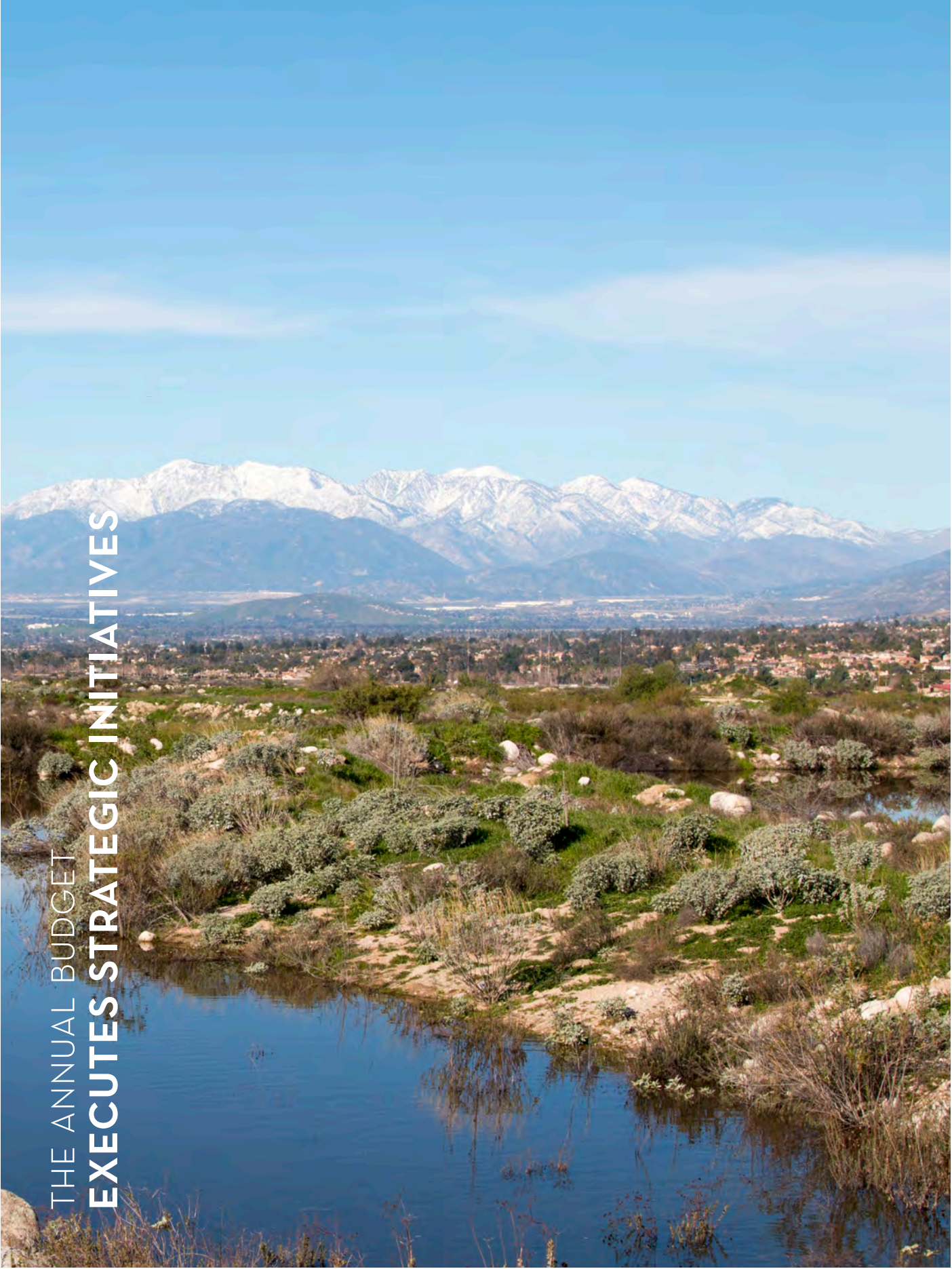
## CIP FY 2024-25 PROPOSED FUNDING

	Water Fund Operating Revenue	Water Reclamation Fund Operating Revenue	Grants/ Loans Other Fund	Project Total
<b>WATER</b>				
Meter Replacement Program	\$ 150,000	\$ -	\$ -	\$ 150,000
Tank / Reservoir Rehabilitation	-	-	1,000,000	1,000,000
Plant 101 Hydro Tank Rehabilitation	-	-	900,000	900,000
North Fork Pipeline Rehabilitation	100,000	-	-	100,000
Reservoir Seismic Retrofits	-	-	660,000	660,000
Plant 129 Well Design & Construction	-	-	3,000,000	3,000,000
Water Main Replacement - Elmwood Road & Dogwood Street	-	-	300,000	300,000
Facility Relocations	100,000	-	-	100,000
Facility Rehabilitations	208,000	-	142,000	350,000
Plant 39 Warehouse Building	-	-	380,000	380,000
Gate Valve Replacement Program	-	-	300,000	300,000
<b>WATER SUBTOTAL</b>	<b>\$ 558,000</b>	<b>\$ -</b>	<b>\$6,682,000</b>	<b>\$ 7,240,000</b>
<b>RECLAMATION</b>				
Weaver Basins Emergency Storage Pumping Improvements	-	150,000	-	150,000
<b>RECLAMATION SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 150,000</b>
<b>TOTAL</b>	<b>\$ 558,000</b>	<b>\$ 150,000</b>	<b>\$6,682,000</b>	<b>\$ 7,390,000</b>



Capital planning involves identifying current and future needs and prioritizing them through an assessment process.





THE ANNUAL BUDGET  
**EXECUTES STRATEGIC INITIATIVES**

# CAPITAL IMPROVEMENT PROJECTS

*Capital Budget Section*



### *Capital Improvement Projects*

- Meter Replacement Program
- Tank/Reservoir Rehabilitation
- Plant 101 Hydro Tank Rehabilitation
- North Fork Pipeline Rehabilitation
- Reservoir Seismic Retrofits
- Plant 129 Well Design & Construction
- Water Main Replacement Elmwood & Dogwood Road
- Gate Valve Replacement Program
- Plant 39 Warehouse Building
- Facility Relocations
- Facility Rehabilitations
- Weaver Basins Emergency Storage Pumping Improvements

Projects included in the CIP are individually significant construction projects with a cost of more than \$25,000, and either creates a new capital asset, improves an existing asset (increases its service capacity, etc.), or significantly extends an asset's expected useful life.

[PAGE LEFT BLANK]  
*Intentionally*





# METER REPLACEMENT PROGRAM

The installation of Advanced Metering Infrastructure (AMI) hardware, software, and meters throughout the entire District was completed in April 2021. Since that time, District staff has been troubleshooting and monitoring performance of the AMI system, and in doing so has determined that data capture and communication could be enhanced by the installation of an additional tower and data collector in the central west area of the District at Plant 132. \$150,000 has been included in the capital budget for this work in FY 2024-25.

**Start Date:**

July 2024

**Estimated Completion:**

June 2025

**Project Type:**

Water

**Location:**

All Service Connections  
throughout the District

**Project Manager:**

Meter Services/Operations

**Total Project Cost:**

\$150,000

**Prior Years Budget:**

N/A

**Capital Requests:**

Previously  
Programmed Project

## Operating Budget Impact

### ADDITIONAL STAFF SALARIES

The installation of an additional collector should reduce the amount of staff time required to collect manual reads of meters that cannot be picked up by the automated metering infrastructure-estimated at 30 hours per month. The addition of automated meters on hydrants will help to explain water losses, whether use of water through the hydrants, intentional misuse, or use for fire suppression.

### DEBT SERVICE

N/A

### MAINTENANCE/UTILITIES

Minimal increase in annual telecommunication costs of \$5,400.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	-	-	-	-	-	-
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	150,000	200,000	200,000	200,000	-	750,000
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 150,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 750,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 150,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ 750,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 150,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ 750,000</b>

## Benefits to the Community



Provide customers with reliable meter information.



Enhance operations by digitizing consumption information.



Help identify water leaks and losses sooner.



# TANK/RESERVOIR REHABILITATION

The District has completed a comprehensive, multi-year water tank inspection program and received an engineering report identifying and prioritizing tank rehabilitation projects. Many of the projects present significant challenges where there is no redundant storage capacity, limiting projects to certain times of year when demand for water is low, and requiring alternate methods for water distribution.

**Start Date:**

October 2024

**Estimated Completion:**

June 2025

**Project Type:**

Water

**Location:**

3808 E. Citrus Street  
San Bernardino, CA

**Project Manager:**

Engineering

**Total Project Cost:**

\$1,000,000

**Prior Years Budget:**

Costs from Previous Tank  
Rehabilitations Do Not  
Accumulate

**Capital Requests:**

New Project

The District has pre-qualified a list of three contractors to provide bids as the reservoir/plant to be rehabilitated in the upcoming year has been identified. In October 2019 the District awarded a contract to Crosno Construction for the rehabilitation of Tank 39-1; that project was completed in May 2020. In FY 2020-21, the District entered into a contract for rehabilitation of the tank at Plant 108, a 2 million gallon reservoir serving the District's Foothill zone. This year's project is a 0.5 million gallon reservoir at District Plant 56. A contractor will be selected to execute the necessary rehabilitations to extend the reservoir's useful service life. The estimated FY 2024-25 cost for this project \$1,000,000.

## Operating Budget Impact

This project requires no additional staff, debt service, or maintenance/utilities.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ 100,000	\$ 107,000	\$ 115,000	\$ 123,000	\$ 132,000	\$ 577,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	900,000	963,000	1,029,900	1,102,043	1,178,796	5,173,739
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 1,000,000</b>	<b>\$ 1,070,000</b>	<b>\$ 1,144,900</b>	<b>\$ 1,225,043</b>	<b>\$ 1,310,796</b>	<b>\$ 5,750,739</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ -	\$ 1,070,000	\$ 1,144,900	\$ 1,225,043	\$ 1,310,796	\$ 4,750,739
Replacement Reserve	1,000,000	-	-	-	-	1,000,000
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$1,000,000</b>	<b>\$1,070,000</b>	<b>\$ 1,144,900</b>	<b>\$ 1,225,043</b>	<b>\$ 1,310,796</b>	<b>\$ 5,750,739</b>

## Benefits to the Community



Help prolong the tank's life to continue serving the community.



Install anti-corrosion system and make repairs to maintain tank reliability.



Identify and assess structural concerns to protect the Plant during an earthquake.





# PLANT 101 HYDRO TANK REHABILITATION

The Hydro-pneumatic tank and booster pumps at Plant 101 increase water pressure to 37 homes that are situated at elevations too high to be gravity fed by the plant's 1.4-million-gallon reservoir; the Hydro tank is the only means of serving these customers with sufficient water pressure. An inspection of Plant 101 revealed that the Hydro Tank and booster pumps need to be replaced, but those tasks were deferred until an on-site emergency generator could be installed.

**Start Date:**

July 2021

**Estimated Completion:**

June 2025

**Project Type:**

Water

**Location:**

3045 N. Mountain Top Drive  
Highland, CA 92346

**Project Manager:**

Engineering

**Total Project Cost:**

\$1,896,000

**Prior Years Budget:**

\$996,000

**Capital Requests:**

Previously  
Programmed Project

With the generator now in place, and design for the tank and boosters complete, replacement of the tank and boosters can be scheduled. Project was out for bid during FY 2023-24 and staff proposes to complete these replacements during FY 2024-25. An estimated cost of \$900,000 has been included in the FY 2024-25 budget for this project.

## Operating Budget Impact

### ADDITIONAL STAFF SALARIES

N/A

### DEBT SERVICE

N/A

### MAINTENANCE/UTILITIES

N/A



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	900,000	-	-	-	-	900,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 900,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Reserve	900,000	-	-	-	-	900,000
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 900,000</b>

## Benefits to the Community



Enhance plant operations to maintain service reliability.



Facility allows the District to continue meeting the community's water needs.



Allows the District to continue to meet local, State, and Federal system requirements.





# NORTH FORK PIPELINE REHABILITATION

Much of the North Fork Pipeline was improved from the 1990s through 2010, however, there are portions in which improvements have not occurred in 50-80 years. The purpose of this project is to fund necessary planning and design for locations along the North Fork Pipeline which are reaching the end of their useful service life and need repair or replacement. This fiscal year's focus will include a portion of riveted steel pipeline that functions as a syphon crossing Plunge Creek and a portion of damaged reinforced concrete pipe with an irregular section near Carriage Hill and Highland Avenue.

**Start Date:**

July 2024

**Estimated Completion:**

June 2025

**Project Type:**

Water

**Location:**

Plunge Creek Crossing and East of Carriage Hill Access Box at Highland Avenue Intersection

**Project Manager:**

Engineering

**Total Project Cost:**

\$100,000

**Prior Years Budget:**

N/A

**Capital Requests:**

New Project

## Operating Budget Impact

### ADDITIONAL STAFF SALARIES

N/A

### DEBT SERVICE

N/A

### MAINTENANCE/UTILITIES

This is an ongoing maintenance task. Pipelines and appurtenances conveying raw surface water (pretreated).



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)		100,000	-	-	-	100,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 200,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>

## Benefits to the Community



Enhancements to the water distribution system.



Allow the District to continue meeting the community's water needs.



Help extend the pipeline's operating life.



# RESERVOIR SEISMIC RETROFITS 7 RESERVOIRS, PHASE I OF II

There are 18 existing storage reservoirs in EVWD's water system ranging from 0.07 million gallons (MG) to 4 MG in capacity. Per the District's 2019 Water System Mater Plan, it was recommended that seismic retrofitting be performed on all EVWD tanks. This proposal will cover Phase I of two for a FEMA Hazard Mitigation Grant Program (HMGP) awarded to the District. Phase I portion of the work will consist of engineering analysis, planning, and bid package preparation for the construction of the Phase II portion.

**Start Date:**

November 2023

**Estimated Completion:**

June 2025

**Project Type:**

Water

**Location:**

Plants 33, 39 and 129

**Project Manager:**

Engineering

**Total Project Cost:**

\$660,000 (Phase I 100%  
Grant funding awarded by  
FEMA and CalOES)

**Prior Years Budget:**

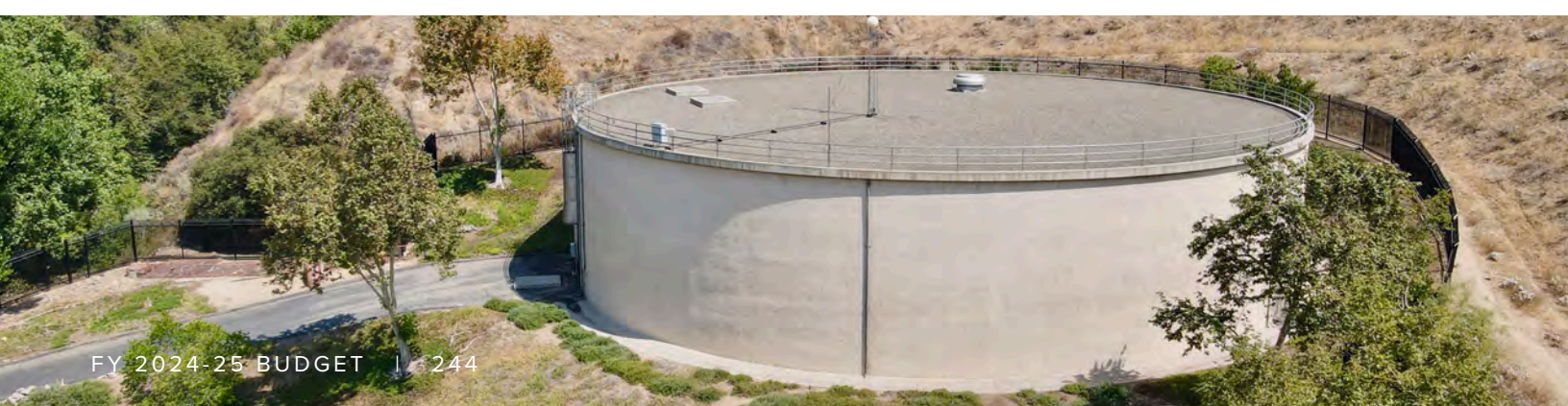
N/A

**Capital Requests:**

Previously  
Programmed Project

## Operating Budget Impact

This project requires no additional staff, debt service, or maintenance/utilities.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	600,000	2,200,000	2,000,000	2,000,000	-	6,800,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 660,000</b>	<b>\$ 2,200,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 6,860,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	660,000	2,200,000	2,000,000	2,000,000	-	6,860,000
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 660,000</b>	<b>\$ 2,200,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 6,860,000</b>

## Benefits to the Community



Identify and assess structural concerns to protect the Plant during an earthquake.



Allow the District to continue to meet the community's water needs.



Enhance plant operations to maintain a reliable service.





# PLANT 129 WELL DESIGN & CONSTRUCTION

The Drought Contingency Plan (DCP) includes a list of mitigation actions needed to protect against potential risks and impacts from drought and to increase flexibility and resiliency. The Priority 1 mitigation actions in the DCP include six projects to drill and equip new groundwater wells.

A Site Feasibility for New Groundwater Production Well Technical Memorandum, which is included as part of the DCP, provided a high-level assessment of Plant 129 and determined that the site is suitable for a new production well. This project will design, drill, and equip a new groundwater production well at Plant 129.

**Start Date:**

July 2024

**Estimated Completion:**

June 2027

**Project Type:**

Water

**Location:**

7800 Calle Del Rio  
Highland, CA 92346

**Project Manager:**

Engineering

**Total Project Cost:**

\$3,000,000

**Prior Years Budget:**

N/A

**Capital Requests:**

New Project

## Operating Budget Impact

This project requires no additional staff, debt service, or maintenance/utilities.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 600,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	2,700,000	2,700,000	-	-	-	5,400,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,000,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	3,000,000	3,000,000	-	-	-	6,000,000
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,000,000</b>

## Benefits to the Community



Enhance plant operations to maintain a reliable service.



Allow the District to continue to meet the community's water needs.



Allows the District to continue to meet local, State, and Federal system requirements.





# WATER MAIN REPLACEMENT ELMWOOD ROAD & DOGWOOD STREET

This project will replace 1,127 feet of 4" wrapped steel water main in Elmwood Road, starting north from Lynwood Drive and then turning east to connect to the main in Dogwood Street. The new main will consist of 6" ductile iron pipe and will provide two benefits: enhanced fire flow capacity, and access to the pipeline in public right of ways rather than in private property where many sections of the existing main are aligned. Work will be performed in-house by District water maintenance crews and will take approximately three weeks to complete.

**Start Date:**  
September 2024

**Estimated Completion:**  
June 2025

**Project Type:**  
Water

**Location:**  
North of Lynwood Drive and  
West of Dogwood Street

**Project Manager:**  
Operations

**Total Project Cost:**  
\$300,000

**Prior Years Budget:**  
N/A

**Capital Requests:**  
New Project

## Operating Budget Impact

This project requires no additional staff, debt service, or maintenance/utilities.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	-	-	-	-	2,000,000	2,000,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	90,000	-	-	-	-	90,000
District Labor	180,000	-	-	-	-	180,000
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ 2,300,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
Replacement Reserve	300,000	-	-	-	-	300,000
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ 2,300,000</b>

## Benefits to the Community



Protects health and safety of the community.



Replaces water main to prevent a future break.



Allows the District to continue to meet the community's water needs.



# GATE VALVE REPLACEMENT PROGRAM

The District's water distribution pipeline system has approximately 8,000 gate valves which allow damaged / leaking water mains to be isolated while repair work is being performed. These valves must be routinely exercised in order to prevent them from corroding and seizing, rendering them unable to serve their purpose. Even with routine exercising, some valves eventually seize and need to be replaced.

**Start Date:**  
July 2023

**Estimated Completion:**  
June 2025

**Project Type:**  
Water

**Location:**  
Districtwide

**Project Manager:**  
Operations

**Total Project Cost:**  
\$600,000

**Prior Years Budget:**  
\$300,000

**Capital Requests:**  
Previously  
Programmed Project

There are approximately 105 inoperable or broken valves in the District's distribution system which the District plans to replace using a combination of in-house and contracted labor. Working from a prioritized list, 40 valves will be selected for replacement in each of the next two years.

## Operating Budget Impact

### ADDITIONAL STAFF SALARIES

N/A

### DEBT SERVICE

N/A

### MAINTENANCE/UTILITIES

There will be no significant change in maintenance costs associated with this replacement program.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	185,000	-	-	-	-	185,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	25,000	-	-	-	-	25,000
District Labor	90,000	-	-	-	-	90,000
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Reserve	300,000	-	-	-	-	300,000
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>

## Benefits to the Community



Reduce service interruptions during water main leaks or repairs.



Enhance the water distribution system to continue providing a reliable service.



Repair and extend the useful life of the distribution system.





# PLANT 39 WAREHOUSE BUILDING

This project involves building a new metal warehouse building at Plant 39 for the purpose of securely storing water distribution parts on the west end of the service area. The warehouse will facilitate access to parts during repairs and potentially reduce construction time. The building includes a restroom for Field staff.

**Start Date:**  
July 2024

**Estimated Completion:**  
June 2025

**Project Type:**  
Water

**Location:**  
Plant 39

**Project Manager:**  
Operations

**Total Project Cost:**  
\$380,000

**Prior Years Budget:**  
N/A

**Capital Requests:**  
New Project

## Operating Budget Impact

### ADDITIONAL STAFF SALARIES

N/A

### DEBT SERVICE

N/A

### MAINTENANCE/UTILITIES

Improved security fencing will help deter intrusion onto District property and vandalism.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	380,000	-	-	-	-	380,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 380,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 380,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Reserve	380,000	-	-	-	-	380,000
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 380,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 380,000</b>

## Benefits to the Community



Reduce service interruption time during system repairs or enhancements.



Provide a secure location to store water distribution parts.



Enhance operations to maintain efficiency.





# FACILITY RELOCATIONS

The District's service area covers all of the City of Highland, parts of the City of San Bernardino and parts of San Bernardino County. When these agencies plan and construct improvements within their jurisdiction, there are occasionally alignment or location conflicts with existing District facilities. When this occurs, the District is frequently obligated to relocate its facilities. This project budget serves to fund relocation costs as they arise.

**Start Date:**

July 2024

**Estimated Completion:**

June 2025

**Project Type:**

Water

**Location:**

Districtwide

**Project Manager:**

Engineering

**Total Project Cost:**

\$100,000

(Budgeted Annually)

**Prior Years Budget:**

\$100,000

**Capital Requests:**

Annual Budget Request

## Operating Budget Impact

This project requires no additional staff, debt service, or maintenance/utilities.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	100,000	100,000	100,000	100,000	100,000	500,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 500,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 500,000</b>

## Benefits to the Community



Relocate system facilities to maintain service reliability.



Work with local agencies to ensure a smooth transition with minimal service interruptions.



Extend the useful life of the distribution system.



# FACILITY REHABILITATIONS

This project involves scheduled capital improvements to District facilities that can be performed within a single fiscal year. Improvements planned for FY 2024-25 include upgrade to wrought iron security fencing at various sites throughout the District including Plant 33 and additional Electric Vehicle Chargers at the District Headquarters and SNRC.

**Start Date:**  
July 2024

**Estimated Completion:**  
June 2025

**Project Type:**  
Water

**Location:**  
Districtwide

**Project Manager:**  
Facilities Maintenance

**Total Project Cost:**  
\$350,000  
(Budgeted Annually)

**Prior Years Budget:**  
\$325,000

**Capital Requests:**  
Annual Budget Request

## Operating Budget Impact

### ADDITIONAL STAFF SALARIES

N/A

### DEBT SERVICE

N/A

### MAINTENANCE/UTILITIES

Improved security fencing will help deter intrusion onto District property and vandalism.



## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	350,000	75,000	75,000	75,000	75,000	650,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 350,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 650,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 208,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 508,000
Replacement Reserve	142,000	-	-	-	-	142,000
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 350,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 650,000</b>

## Benefits to the Community



Enhance the security of water facilities.



Prevent unauthorized access.



Extend the useful life of water facilities.



# WEAVER BASINS EMERGENCY STORAGE PUMPING IMPROVEMENTS

The 8-million-gallon emergency storage basin next to Weaver Basins was designed to use a trailer-mounted pump to return water from the basin to the sewer main in Greenspot Road. This project involves the potential construction of permanent pumping facilities to provide this function.

**Start Date:**

July 2024

**Estimated Completion:**

June 2025

**Project Type:**

Water Reclamation

**Location:**

Emergency Storage Basin  
next to Weaver Basins

**Project Manager:**

Meter Services/Operations

**Total Project Cost:**

\$150,000

**Prior Years Budget:**

N/A

**Capital Requests:**

New Project

## Operating Budget Impact

This project requires no additional staff, debt service, or maintenance/utilities.





## Project Cost

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	150,000	-	-	-	-	150,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
District Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>

## Project Funding

	Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27	Year 4 FY 2027-28	Year 5 FY 2028-29	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>

## Benefits to the Community



Enhance facility operations.



Facilitates water pumping for recycling.



Provides a more efficient process for placing flows into the source system.





THE ANNUAL BUDGET  
SUMMARIZES CAPITAL IMPROVEMENTS



# INFRASTRUCTURE ACCOMPLISHMENTS

*Capital Budget Section*



The budget reflects the District's commitment to allocating resources to meet the needs of its stakeholders.

# INFRASTRUCTURE ACCOMPLISHMENTS

Infrastructure improvements represent a significant investment in maintaining a reliable system for the community served by the District.

There were a number of Capital Improvement Projects completed during FY 2023-24 that focused on system improvements for both water and wastewater systems. The District would like to highlight the following:

## 1 Plant 134 Membrane Replacement

Project Budget: \$305,000

Actual Cost: \$305,205

Completed: February 2024



## 2 Plant 120 Rehabilitation

Project Budget: \$280,000

Actual Cost: \$308,554

Completed: April 2024



## 3 Sterling Natural Resource Center

Project Budget: \$175,000,000

Actual Cost: \$181,038,124

Completed: March 2024







On May 3, 2024 the District celebrated the Turning of the Valve event as a symbolic moment indicating the SNRC was fully operational. This event represented a significant milestone in the journey toward a sustainable new water supply.



THE ANNUAL BUDGET  
HIGHLIGHTS ACCOMPLISHMENTS

# FY 2024-25 GLOSSARY

The budget is formally reviewed each quarter, allowing for an opportunity to take formal budget adjustments to the Governing Board for consideration.



## Glossary Contents

- Definitions
- Acronyms
- Chart of Accounts

# GLOSSARY

Technical terms found in the budget document.

## Definitions

### A

- **Acre Foot:** A water measurement equal to 325,851 gallons. - pg. 52
- **Advanced Metering Infrastructure:** The technology of collecting meter reads via a network. - pg. 18
- **Air Quality Management District or South Coast Air Quality Management District:** The air pollution agency responsible for regulating stationary sources of air pollution in the South Coast Air Basin, in Southern California. - pg. 207
- **American Water Works Association:** Established in 1881 and is the largest nonprofit, scientific, and educational association dedicated to managing and treating water. - pg. 23
- **Annual Report:** A set of U.S. government financial statements comprising of the financial report of a state, municipal, or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board. - pg. 148

### C

- **California Public Employees' Retirement System:** An agency in the California executive branch that manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families. - pg. 39
- **California Special Districts Association:** A 501c(6) not-for-profit association that promotes good governance and improved core local services through professional development, advocacy, and other services for independent special districts. - pg. 7

- **Capital Outlay and Construction Costs:** Capitalized and expenses over the useful life of the asset on a Generally Accepted Accounting Principle basis; shown as a current expenditure on a budget basis. - pg. 39
- **Closed Circuit TV:** The use of video cameras to transmit a signal to a limited set of monitors. - pg. 201
- **Compensated Absence:** An expense that reflects the change in related accrued liabilities during the accounting period on the Generally Accepted Accounting Principle basis, but for budget purposes, expense includes anticipated leave time to be used and/or cashed by employees during the fiscal year. - pg. 39
- **Cool-Season Turfgrass:** Grass species which require 80% replenishment of evapotranspiration. Species do not go dormant during winter months and include tall fescue, ryegrass, bentgrass, and Kentucky bluegrass. - pg. 86

### D

- **Depreciation:** Recorded annually to expense the cost of a capital asset over its useful life on a General Accepted Accounting Principle basis but is not contemplated on the budget basis. - pg. 39

## E

- **Enterprise Fund:** Business-type funds used to report an activity for which a fee is charged to external users for goods or services - pg. 40

## F

- **Fees:** Charges for service that are based upon the cost of providing the service. - pg. ii
- **Fiscal Year:** The time frame in which the budget applies. This period is from July 1 through June 30.- pg. i
- **Full-Time Employee:** A measure of effective authorized positions, indicating the percentage of time a position or group of positions is funded. It is calculated by equating 2,080 hours of work per year with the full-time equivalent of one position. - pg. 55
- **Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives. - pg. i
- **Fund Equity:** The excess of an entity's assets over its liabilities; a negative Fund Equity is sometimes called a deficit. - pg. 67

## G

- **Generally Accepted Accounting Principles:** Uniform minimum standards of, and guidelines for external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. Generally Accepted Accounting Principles (GAAP) encompasses the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. The primary authoritative statements on the application of GAAP to state and local governments are Government Accounting Standards Board pronouncements. GAAP provides a standard by which to measure financial presentations. - pg. 39
- **Geographic Information System:** An organized collection of computer hardware, software and

geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information. - pg. 78

- **Governmental Accounting Standards Board:** A private, non-governmental organization who is the source of generally accepted accounting principles used by State and Local governments in the U.S. - pg. 39
- **Governmental Accounting Standards Board 68:** A state or local government employer will report the Net Pension Liability associated with its defined benefit pension plan(s) that is administered through a trust or equivalent arrangement. - pg. 39
- **Government Finance Officers Association:** Represents public finance officials throughout the United States and Canada. - pg. 6
- **Granular Activated Carbon:** A highly porous adsorbent material used during the water treatment process. It is used to remove tetrachloroethylene, also known as perchloroethylene (PCE). - pg. 183
- **Groundwater:** Water that occurs below the surface of Earth. - pg. i

## H

- **Hundred Cubic Feet:** Water billing measurement equal to 748 gallons. - pg. 49

## K

- **Key Performance Indicator:** Monitors progress towards meeting program objectives. - pg. 4

## L

- **Laserfiche:** A digital content management software. - pg. 153
- **Local Agency Investment Fund:** A program administered by the California State Treasurers office to give local agencies and special districts the opportunity to participate in a major portfolio using the investment expertise of the Treasurer's Office Investment staff. - pg. 88

## N

- **North Fork Water Company:** A mutual water company that secures surface water from the Santa Ana River and other available sources for delivery to its shareholders. - pg. 8

## P

- **Pension Expense:** Budgeted based on employer contribution rates assigned by the California Public Employees' Retirement System. For financial statement reporting, pension expense is recorded based on the change to the net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68. - pg. 39
- **Principal Payments:** Payments on long-term debt are applied to reduce the outstanding liability on a Generally Accepted Accounting Principle basis; shown as a current expenditure on a budget basis. - pg. 39
- **Purchased Water:** Imported water purchased from the California State Water Project. - pg. 57

## R

- **Revenue:** Income generated by assessments, investments, connection fees, stand-by fees, and user charges. - pg. i
- **Reserve:** An account set aside to meet unexpected costs. - pg. i

## S

- **San Bernardino Valley Municipal Water District:** Formed in 1954 as a regional agency to plan a long-range water supply for the San Bernardino Valley. - pg. 8
- **Section Sign (§):** Typographical glyph for referencing numbered sections of a document. - pg. 30
- **Single-Family Residential:** A stand-alone residential building. - pg. 49
- **Sterling Natural Resource Center:** The District is planning and constructing a water recycling center called the Sterling Natural Resource Center. - pg. I
- **Supervisory Control and Data Acquisition:** Generally refers to an industrial computer system that monitors and controls a process. - pg. 18
- **Surface Water:** Found in large bodies such as oceans or lakes which flows overland in streams. - pg. 8

## T

- **Tyler Accounting System:** The District's enterprise resource planning software that integrates across all business processes and activities. - pg. 147

## W

- **Wastewater Collection System Master Plan:** Outlines existing deficiencies and facility requirements to meet increasing demands. It provides a general assessment to create a comprehensive CIP for the wastewater collection system. - pg. 226
- **Water Master Plan:** Provides information on proposed CIP for the water system, including phasing of the necessary projects and capital requirements taking existing deficiencies and facility requirements to meet both current and future demand in consideration. - pg. 226





THE ANNUAL BUDGET  
**MAKES DECISIONS AND SETS POLICY**



# ACRONYMS

*Glossary Section*





The District is committed to sound stewardship and transparent operations, through its presentation of the capital and operating budget to the community.

# ACRONYMS

Technical acronyms found in the budget document.

## A

- **AF:** Acre Foot - pg. 52
- **AMI:** Advanced Metering Infrastructure - pg. 18
- **AQMD or SCAQMD:** Air Quality Management District or South Coast Air Quality Management District - pg. 207
- **ATSI:** Advanced Telemetry Systems, Inc. - pg. 153
- **AWWA:** American Water Works Association - pg. 23

## B

- **BAR:** Bureau of Automotive Repair - pg. 219
- **BOD:** Biological Oxygen Demand - pg. 208

## C

- **CAC:** Community Advisory Commission - pg. i
- **CalFire:** California Department of Forestry and Fire and Protection - pg. 9
- **CalPERS:** California Public Employees' Retirement System - pg. 39
- **CARB:** California Air Resources Board - pg. 219
- **CCTV:** Closed-Circuit Television - pg. 201
- **CEO:** Chief Executive Officer - pg. ii
- **CFD:** Community Facilities District - pg. 48
- **CGC:** California Government Code - pg. 29
- **CHEF:** Community Heritage Education Foundation - pg. 123
- **CIP:** Capital Improvement Program - pg. 29
- **CISCO:** Computer Information System Company - pg. 153

- **CSDA:** California Special Districts Association - pg. 7
- **CSMFO:** California Society of Municipal Officers - pg. 6
- **CWEA:** California Water Environment Association - pg. 202

## D

- **DWR:** Department of Water Resources - pg. 227

## E

- **EAM:** Enterprise Asset Management - pg. 219
- **EOC:** Emergency Operations Center - pg. 129
- **ERP:** Enterprise Resource Planning - pg. 147
- **EVWD:** East Valley Water District - pg. 40
- **EV:** Electric Vehicle - pg. 77

## F

- **FY:** Fiscal Year - pg. i
- **FOG:** Fats, Oils, and Grease - pg. ii

## G

- **GAC:** Granular Activated Carbon - pg. 183
- **GASB:** Governmental Accounting Standards Board - pg. 39
- **GAAP:** Generally Accepted Accounting Principles - pg. 39
- **GC:** San Bernardino Basin Area Groundwater Council - pg. 8
- **GIS:** Geographic Information System - pg. 78
- **GFOA:** The Government Finance Officers Association - pg. 6

## H

- **HCF:** Hundred Cubic Feet - pg. 49
- **HVAC:** Heating, Ventilation, and Air Conditioning - pg. 213

## K

- **KPI:** Key Performance Indicator - pg. 4

## L

- **LAIF:** Local Agency Investment Fund - pg. 88
- **LRIP:** Local Resource Investment Program - pg. 52

## M

- **MG:** Million Gallon - pg. 8
- **MGD:** Million Gallons Per Day - pg. 17
- **MOU:** Memorandum of Understanding - pg. 55

## N

- **NFWC:** North Fork Water Company - pg. 8

## O

- **OIT:** Operator in Training - pg. 207
- **OPEB:** Other Post Employment Benefits - pg. 39
- **OT:** Overtime - pg. 56

## P

- **PAFR:** Popular Annual Financial Report - pg. 148
- **PRV:** Pressure Regulating Valve - pg. 18
- **PT:** Part-Time - pg. 55

## R

- **RFP:** Request for Proposal - pg. 136
- **RUSD:** Redlands Unified School District - pg. 9
- **RWQCB:** Regional Water Quality Control Board - pg. 118

## S

- **SAR:** Santa Ana River - pg. 7
- **SBCUSD:** San Bernardino City Unified School District - pg. 9
- **SBMWD:** City of San Bernardino Municipal Water Department - pg. 51
- **SCADA:** Supervisory Control and Data Acquisition - pg. 18
- **SCE:** Southern California Edison - pg. 48
- **SDLF:** Special District Leadership Foundation - pg. 124
- **SFR:** Single-Family Residential - pg. 49
- **SNRC:** Sterling Natural Resource Center - pg. 1
- **SRF:** State Revolving Fund - pg. 33
- **SWP:** State Water Project - pg. 8
- **SWRCB:** State Water Resources Control Board - pg. 61

## T

- **TSS:** Total Suspended Solids - pg. 208

## U

- **UAL:** Unfunded Actuarial Liability - pg. 148
- **UCMR5:** Unregulated Contaminant Monitoring Rule 5 - pg. 189
- **U.S. EPA:** United States Environmental Protection Agency - pg. 23

## W

- **WDR:** Waste Discharge Requirements - pg. 208
- **WET:** Water Education Today - pg. 142
- **WRR:** Water Recycling Requirements - pg. 208

# CHART OF ACCOUNTS

*Glossary Section*



The District actively enhances communication methods to reach a variety of stakeholders.

# CHART OF ACCOUNTS

In order to maintain consistency across programs and ease the ability to compare expenses, each program budget detail has allocated District resources within a specific list of revenue and expense accounts. This budget includes specific accounts that will be used throughout the current fiscal year. Below is a listing of the District's Chart of Accounts with a brief description of each account.

- **5101 - Regular Labor:** Regular salaries and wages for permanent full-time and part-time employees
- **5102 - Temporary Labor:** Costs for labor not permanently employed by the District
- **5103 - Overtime:** Employees that work more than their regular 40 hours per week
- **5104 - Standby:** Employees that are on call for emergencies during non-business hours, weekends, and holidays
- **5200 - Benefits:** Medical, dental, vision, retirement, and related benefits offered by the District
- **6101 - Purchased Water:** Cost to purchase imported water
- **6102 - Groundwater Replenishment:** Cost to pump groundwater from the basin
- **6103 - Water Assessments:** Cost of water shares directly related to North Fork Water Company
- **6201 - Materials & Supplies:** Items used in daily operations, repair, and maintenance
- **6202 - Tools:** Items used to perform repair and maintenance activities
- **6203 - Office Supplies:** Items such as pens, paper, and other related desk accessories
- **6204 - Chemicals:** Used for the treatment of water and cleaning equipment and tools
- **6205 - Conservation Rebates:** Costs to reimburse customers for eligible conservation efforts
- **6301 - Contract Services:** Services rendered by consultants and contractors; software subscriptions and licensing
- **6302 - Banking Services:** Service fees charged by financial institutions, merchant banks, and payment processors
- **6303 - Printing & Publishing:** Costs for printing and producing District publications
- **6304 - Legal Services:** Costs for legal advice, consultation, contract review, and litigation
- **6305 - Treatment Services:** Outside treatment services for wastewater
- **6306 - Rents & Leases:** Rental and lease costs for buildings and equipment that are not owned by the District
- **6307 - Uniforms:** Costs for the purchase, rental and laundering of uniforms, and other sundries for employees
- **6308 - Billing Services:** Costs associated with printing and mailing customer utility bills
- **6309 - Shut Off Notice Services:** Costs associated with the printing and delivery of 48 Hour Notices; these costs are charged back to customers through a fee
- **6310 - Street Services:** Costs associated with street restoration after District performs repairs and maintenance to existing infrastructure
- **6311 - Landscape Services:** Costs to maintain landscape, sprinklers, and weed abatement throughout the District
- **6312 - Janitorial Services:** Costs to clean and maintain District facilities
- **6313 - Facilities Repair:** Tracking of minor repairs for District facilities



- **6314 - Litigation Expense:** Costs associated with legal proceedings, legal action, lawsuits, legal disputes, or legal cases.
- **6401 - Utilities:** Cable, gas, and other utilities not including telephone and electricity
- **6402 - Telephone:** Land lines, cellular phones, and internet services
- **6404 - Fuel:** Fuel costs for vehicles and generators
- **6405 - Permits:** Permit costs required by Federal, State, and local regulatory agencies
- **6406 - Postage:** Costs for mailing bills, publications, and special deliveries
- **6501 - Memberships & Dues:** Subscriptions (not including software) and memberships for associations and special groups; award applications
- **6502 - Professional Development:** Seminars, conferences, and travel costs for employee development
- **6503 - Education Assistance:** Tuition reimbursement for employees who attend school for a degree or certificate
- **6504 - Meetings:** Costs such as meals, parking, and registration that are not related to professional development
- **6505 - Employee Recognition:** Employee recognition costs to recognize excellent performance throughout the year
- **6701 - General Insurance:** General liability insurance for the District's facilities and infrastructure development
- **6702 - Insurance Claims:** Cost of insurance claims paid during the fiscal year
- **6703 - Cash Over/Short:** Accounts for customer payment processing discrepancies
- **6704 - Bad Debt:** Account used to write off uncollectible customer unpaid water or wastewater charges
- **6705 - Retiree Benefits:** Other post-employment benefits reimbursed to District retirees

EXPERT  
**SERVICE**

The combination of elected representatives and water professionals working together, provides the customers of East Valley Water District with efficient and reliable water and sewer operations.

A handwritten signature in white ink, appearing to read "Michael Moore", is positioned above the printed name.

MICHAEL MOORE | GENERAL MANAGER/CEO

eastvalley.org

f i X v @eastvalleywater

# BUDGET ADOPTED

JUNE 26, 2024

## EAST VALLEY WATER DISTRICT

District Headquarters

3111 Greenspot Road  
Highland, California 92346

Sterling Natural Resource Center

25318 5th Street  
San Bernardino, California 92410

District Board Meetings

Second and Fourth Wednesday of Each  
Month at 5:30pm

District Headquarters Board Room  
3111 Greenspot Road, Highland, CA 92346