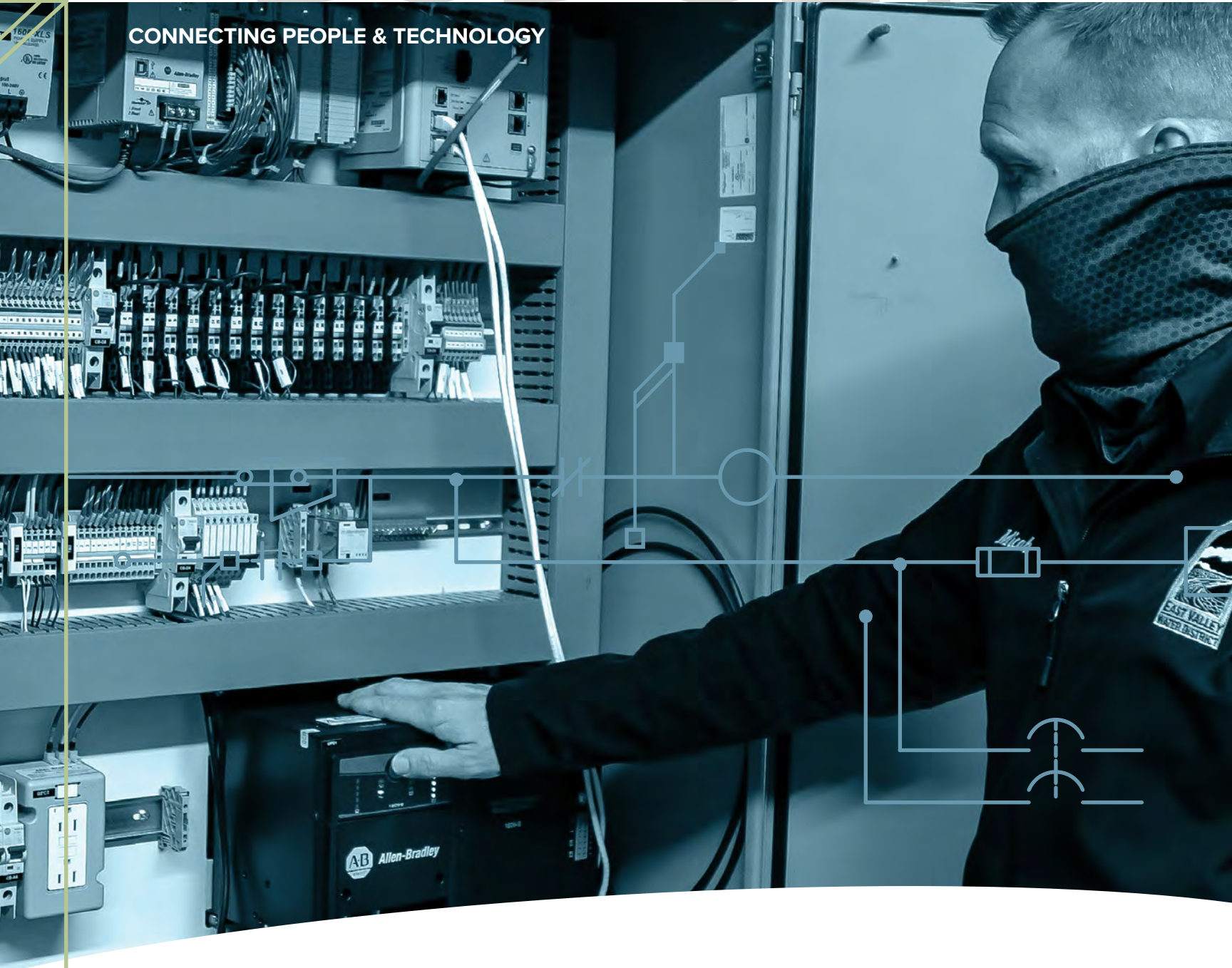


2021-22 Fiscal Year

BUDGET

CONNECTING PEOPLE & TECHNOLOGY



Highland, California

**EAST VALLEY
WATER DISTRICT**



*“Technology is best
when it brings people together.”*

– Matt Mullenweg



How to Read the Budget

East Valley Water District's Fiscal Year 2021-22 Operating and Capital Budgets provides 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 operating and capital budget include:

- 1. Transmittal Letter** – A letter from John Mura, General Manager/CEO to outline the District's approach and methodology in developing the budget.
- 2. Introduction** – Overview of East Valley Water District, the financial plan and operating guide.
- 3. Financial Summary** – Methodology and principles to provide guidelines to assist in the formulation and consideration of the comprehensive annual budget.
- 4. Water and Wastewater Funds** – Financial projections, assumptions and considerations for revenue, expenses, and operations.
- 5. Consolidated Financial Summary** – Snapshot of the District's revenues and expenses.
- 6. Program Summaries** – Individual program summaries highlighting the accomplishments, goals and proposed operating budget for the specific program.
- 7. Capital Budget** – Summary of capital budget and proposed capital improvement projects.
- 8. Glossary** – Explanation of key terms and acronyms used throughout the document.

PROGRAM SUMMARIES

The Program Summaries section provides the structural overview, key goals and objectives, accomplishments for the previous year and the program budget.

Department Name
Information Technology

FUNCTION
The Information Technology Department oversees the District's technology essential business and operational functions. The specific software programs required to meet agency elements routine cybersecurity training campaigns and. In addition to software management the includes hardware replacements from the point of hardware to reduce the risk of downtime. Lastly, the Department coordinates and implements agency-wide technology by facilitating vendor access and support for technology focused projects.

Function

GOALS

- #1 Ensure Reliability of Technology Infrastructure for Primary Business and Operation
- #2 Improve Operations and Cybersecurity Measures for Response Functions
- #3 Analyze Current Systems to Enhance Reporting and Automate Processes

OBJECTIVES

1. Install and configure Network Infrastructure and Technology to establish operating and business functions at SNRC.
2. Complete transition of direct fiber connection for HQ and SNRC to mitigate business disruption.
3. Strengthen network infrastructure back routes with Operation and liability.
4. Enhance Microsoft BI reporting capabilities to address Conservation and Human Resources's reporting requirements.
5. Complete a comprehensive Cityworks and GIS infrastructure assessment with Engineering to align with the organization's needs recommended through the IT strategic plan.
6. Assist Operations and Maintenance on identifying requirement for an asset management system.

Goals & Objectives

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Accomplishments

INFORMATION TECHNOLOGY

FY 2020-21 ACCOMPLISHMENTS

Goal 01
Fortified IT Infrastructure for Reliability and Expanded Services for HQ, the SNRC and Fleet D4

- Upgraded VMware licenses to expand Network Infrastructure for the SNRC and HQ
- Expanded hardware needs for office and field staff through mobile devices and laptops.

Goal 02
Proactively Improved Systems and Cybersecurity Measures for Internal and Emergency Response Functions

- Engaged staff with monthly phishing emails to improve cybersecurity to mitigate security risk.
- Assessed and enhanced remote capabilities for staff and EOC operators.
- Implemented imaging software to allow image and recovery of computer systems to minimize downtime.
- Fully transitioned staff for remote work through Covid-19 Pandemic.
- Implemented New Deployment Software for existing and new hardware.
- Provided additional staff with mobile devices for field use
- Assisted Administration with implementation of PrimeGov - New Agenda Management Software.

Other Accomplishments

Significant Changes

Funding to contract services increased to cover SNRC services Report response, Spectrum Fees

IT Services were established to support remote working capabilities and implement VPN enhancements for new remote environment.

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)
- Serve to Provide World-Class Customer Relations (II-B)

Program Budget Allocation
\$1,237,000

FISCAL YEAR BUDGET 2021-2022 | PAGE 100

PROGRAM SUMMARIES

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 2018-19	FY 2019-20	FY 2020-21
IVA	Elevate Cybersecurity awareness by sending out best phishing emails	800	844	852	1019
IVA	Maximize system availability	99%	99%	99%	99%
IVA	Cybersecurity awareness results for phishing email click rate	<7%	5%	74%	6%
IVA	Complete disaster recovery drill (system restoration, power outages, emergency)	2	1	1	2

Program Budget Detail

	FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Proposed	FY 2021-22 Proposed	Amount Changed	% Changed
PERSONNEL EXPENSES						
5101 Regular Labor	\$ 262,147	\$ 338,000	\$ 271,000	\$ 356,000	\$ 28,000	8%
5102 Temporary Labor	-	-	-	-	-	0%
5103 Overtime	-	-	-	-	-	0%
5200 Benefits	78,865	120,000	96,000	159,000	79,000	66%
OPERATING EXPENSES						
6201 Materials & Supplies	53,723	42,000	44,000	45,000	3,000	7%
6203 Office Supplies	56	1,000	-	1,000	-	0%
6301 Contract Services	359,485	440,000	286,000	606,000	157,000	35%
6307 Uniforms	872	1,000	-	1,000	-	0%
6402 Telephone	5,769	6,000	9,000	7,000	1,000	17%
6501 Memberships & Dues	2,554	1,000	-	1,000	-	0%
6502 Professional Development	393	14,000	4,000	10,000	(4,000)	-29%
6503 Education Assistance	-	-	-	-	-	0%
6504 Meetings	722	1,000	-	1,000	-	0%
IT TOTAL	\$ 764,586	\$ 973,000	\$ 710,000	\$1,237,000	\$ 264,000	27%

EAST VALLEY WATER DISTRICT | PAGE 101

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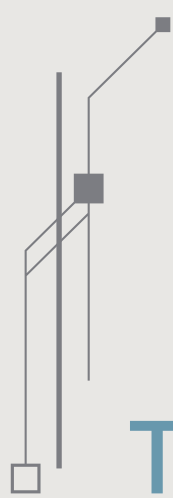
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TRANSMITTAL LETTER



FY 2019-20 ACCOMPLISHMENTS

DISTRICT MANAGEMENT

RESOLUTION 2021.10

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.

Honorable Chairman,

Governing Board, District Ratepayers, and Community Members,

It is my honor to present East Valley Water District's (District, EVWD) Fiscal Year (FY) 2021-22 Operating and Capital Budgets (budget). This budget has been assembled as a foundational guide and tool for our employees, stakeholders, and community to gain insight and understanding into the District's strategies, operations and goals.

The Operating and Capital Budgets have been created through the strategy planning process, which actively engaged District Board, staff, and community members. The budget presents a comprehensive financial plan that includes a forecast of operating and non-operating revenues and expenditures; financing of long-term capital improvement plans and funding for the repayment of long-term debt.

After many years of strategic planning and development, the Sterling Natural Resource Center (SNRC) will come online and begin operations in 2022. With the additional service, the District has developed a comprehensive launch strategy, a detailed staffing plan to ensure a safe and functioning facility, and the respective operational expenses and revenue generated through the operations. These elements have been incorporated through the addition of the a Wastewater Reclamation program in the FY 2021-22 Operating and Capital Budget.

Individuals are invited to participate in the discussions and decisions that affect the District's fiscal priorities and service to the community.

BUDGET PROCESS

Every January, the budget process begins with the Governing Board creating and adopting the annual District-wide goals. EVWD staff will then develop the plans and programs needed to meet the goals and District financial forecasts. The complex effort allows for an efficient process maintaining the goals and priorities as a foundation, while considering ongoing operational needs in the development of the program and capital expenses.

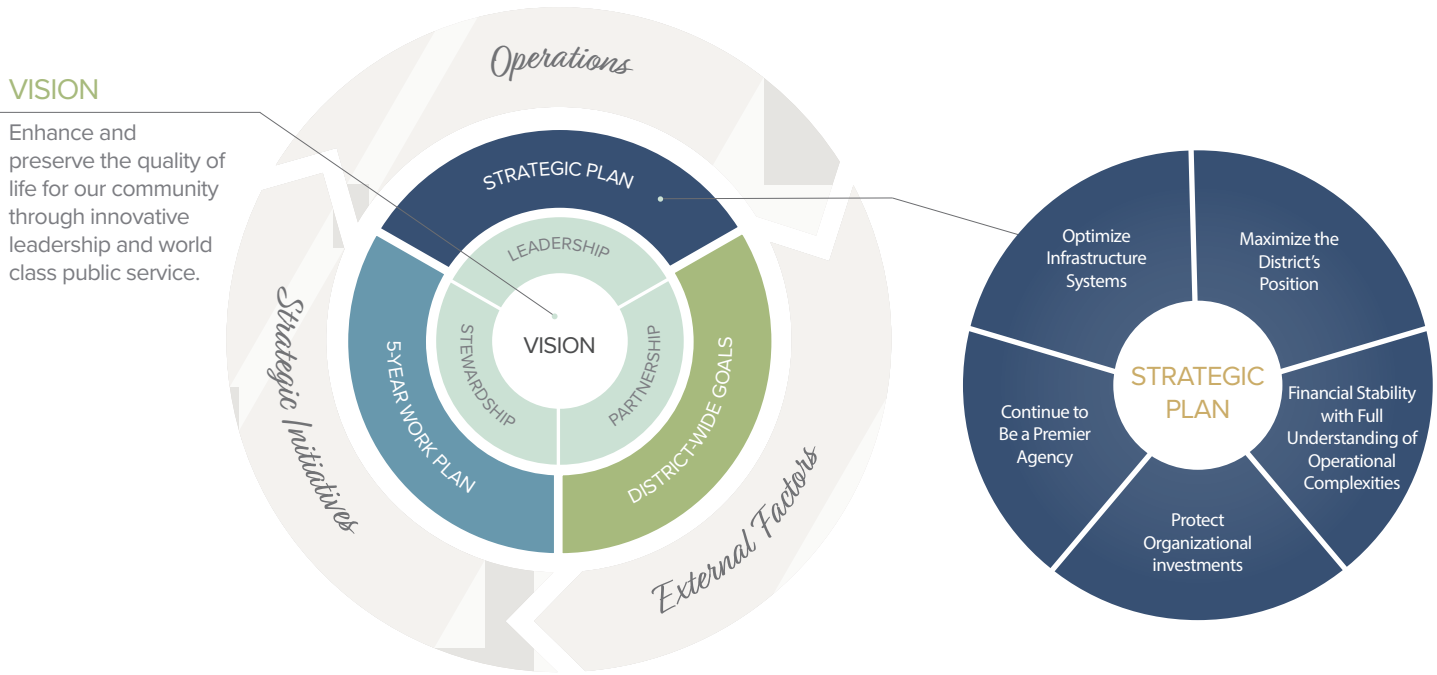
STRATEGIC PLANNING EFFORTS

East Valley Water 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.

The Governing Board, staff, and the community have developed a District vision that empowers the organization to take actions to be innovative, efficient, and effective. Carrying out this vision requires a commitment to being a performance-based organization which values results. Given the high expectation of the District, it is important to communicate the nature of key projects, including the required planning steps, environmental awareness, and clear prioritization to allow for on-going daily operations while addressing specific long-term needs.

The District began Strategic Planning efforts in 2012 with the identification of key projects and staffing adjustments. From that point, the District has enhanced these efforts to include development of the District Vision, Core Values, and annual District-wide Goals. To connect these elements in a manner that not only guides day-to-day decision making, but also long-term planning, the Five-Year Work Plan was developed in 2018.

Strategic Planning Workflow



Strategic Plan Priorities

- 01 | Implement Effective Solutions Through Visionary Leadership
- 02 | Maintain a Commitment to Sustainability, Transparency, and Accountability
- 03 | Deliver Public Service with Purpose While Embracing Continuous Growth
- 04 | Promote Planning, Maintenance and Preservation of District Resources

DISTRICT-WIDE GOALS AND OBJECTIVES

Given the dynamic organizational needs, District-wide goals are developed by building off the Five Year Plan to identify the highest priorities and typically most complex efforts to be undertaken each fiscal year. These activities are outside regular operations, and serve to develop an understanding of the areas that will require a commitment of significant resources, such as policy decisions, staff time, funding, and/or equipment. This process is completed as part of the General Manager/CEO's annual evaluation, where the Governing Board establishes the District-wide goals for the upcoming year. Priorities for FY 2021-22 follow the District's strategic priorities and are implemented within the program and capital goals.



Optimize Infrastructure

- Continue Making Progress on Design and Construction of Essential Capital Improvement Projects
- Prepare for the Completion and Operation of the SNRC



Financial Stability With Full Understanding of Operational Complexities

- Consider Short and Long-Term Impacts of COVID-19 on District Operations and Capital Needs
- Develop a Five-Year Financial Plan Once More Knowns Are Determined for the SNRC to Include in Budget Development and Projections



Protect Organizational Investments

- Conduct Staffing Analyses Including Updates to Succession Planning, Staffing Plan, and a Classification & Compensation Study
- Conduct and Develop Educational Programs to Foster Interest of Future Water and Wastewater Professionals



Have Others See the District As a Premier Agency

- Increase District Engagement with Regional and Industry Activities to Share the Success Experienced through the District's Vision

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

PROGRAMMATIC GOALS AND OBJECTIVES

All program goals have been designed to support the priorities outlined in the Strategic Plan, Five-Year Work Plan and the District-wide Goals and Objectives.

REVENUE PROJECTIONS

Anticipated rate and non-rate revenues are projected to understand the financial resources available to fund the activities identified for the fiscal year. Given the significant potential impacts of external factors such as the economy, drought conditions, and demand, the District calculates these figures in a fiscally conservative manner. A process is in place to allow for adjustments to reflect for actual revenue trends at quarterly intervals throughout the year and ultimately reported in the Comprehensive Annual Financial Report.

EXPENDITURE PROJECTIONS

Expenditure projections are costs estimates developed to achieve program goals and objectives along with daily operational needs. This information is presented from multiple perspectives, including the District-wide perspective, for each fund, and for individual programs. Once initial expenditures are developed, they are compared to the revenue projections. During the budget process, if expenditures were projected above available revenues, the organization could use the strategic nature of the budget to re-evaluate goals to ensure maintenance of consistent expectations with available financial resources.

BUDGET ADOPTION

To provide an opportunity for discussion and participation, the budget was presented to the Governing Board in phases at a series of three public meetings. In addition, the information was presented during two public meetings of the Community Advisory Commission for review and feedback. The Community Advisory Commission is a group of five residents appointed by the Governing Board to provide input to support efforts of transparency and accountability. The annual budget must be adopted by June 30, in order to begin the new fiscal year on July 1.

PROGRAM MONITORING AND BUDGET ADJUSTMENTS

Given that the budget is developed based on projections, each 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. Each year staff presents a comprehensive update to the Governing Board midway through the fiscal year. This item is discussed at an open public meeting and provides a summary of budget activity along with updated forecasts for the remainder of the year.

Budget Summary

The budget for FY 2021-22 is balanced and reflects EVWD'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 and Wastewater Funds based on the assumed benefit of services to each fund. Both the Water and Wastewater Funds are self-supporting based on rates received for services provided. Total projected revenues for FY 2021-22 are \$41,304,000.

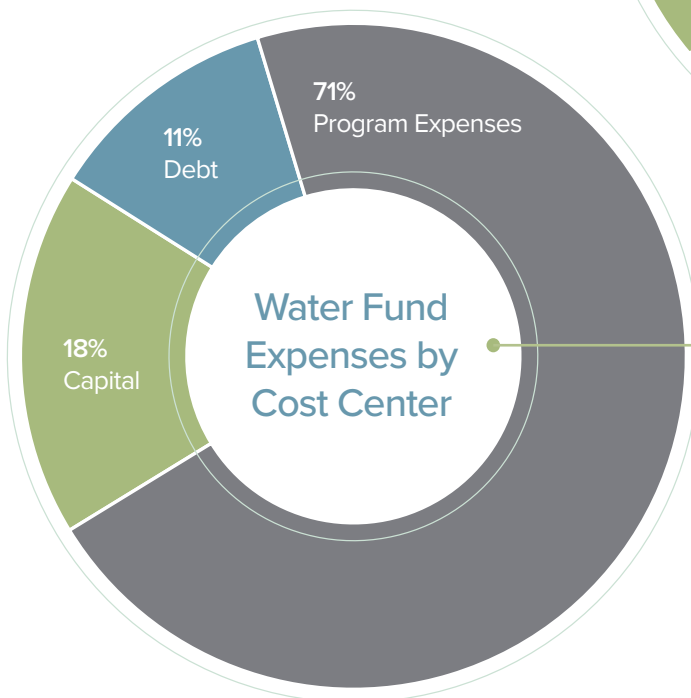
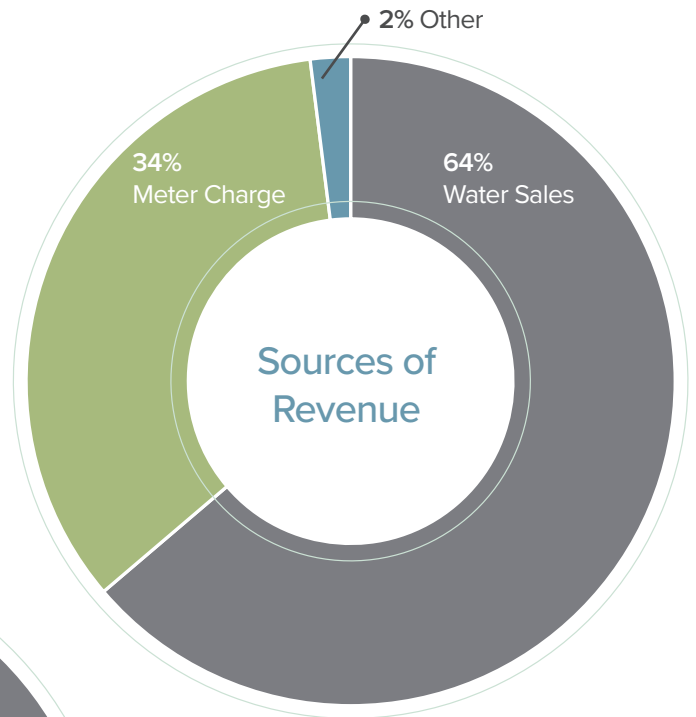
	FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	% Change
REVENUE					
Operating Revenue	\$ 39,634,511	\$ 39,518,000	\$ 40,686,595	\$ 40,326,000	2%
Non-Operating Revenue	710,168	347,000	396,424	978,000	182%
TOTAL REVENUE	\$ 40,344,679	\$ 39,865,000	\$ 41,083,019	\$ 41,304,000	4%
EXPENDITURES					
Operating & Maintenance	\$ 28,591,289	\$ 30,391,000	\$ 29,553,707	\$ 32,893,000	8%
Debt Service	4,249,104	4,379,000	4,182,184	3,352,000	-23%
Capital Expenditures	5,114,324	5,095,000	5,864,000	5,059,000	-1%
Reserve Transfer To/(From)	2,389,962	-	1,483,128	-	-
TOTAL EXPENDITURES	\$ 40,344,679	\$ 39,865,000	\$ 41,083,019	\$ 41,304,000	4%

WATER FUND

The Water Fund has identified \$26,972,000 in both revenue and expenses. Key considerations when developing the budget for this fund included the allocation of water consumption within the Budget Based Rate Structure, system security, water quality solutions, and preventative maintenance programs.

Revenue projections are developed with source assumptions being 64% water sales, 34% meter charges, and 2% other charges. The District reviews rates on a three to five year cycle and adjusts accordingly to continue providing reliable services to the community. EVWD conducted a rate analysis in FY 2020-21 with the Governing Board adopting a water rate adjustment to take effect January 1, 2022.

Projected expenditures have been developed through a comprehensive organizational budget process to achieve District-wide goals, maintain operations, and remain within revenue projections. Expenses for the Water Fund consist of 71% program, 18% capital, and 11% debt service.



All expenses incurred for operating and maintaining the distribution system, infrastructure repairs, and replacements are included in the calculation of expenses. Program expenses include all operating expenses.

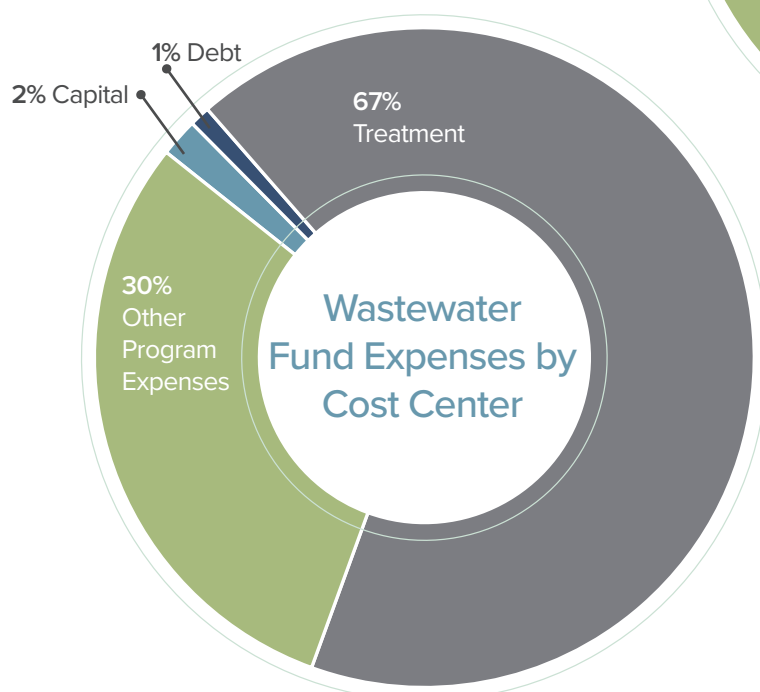
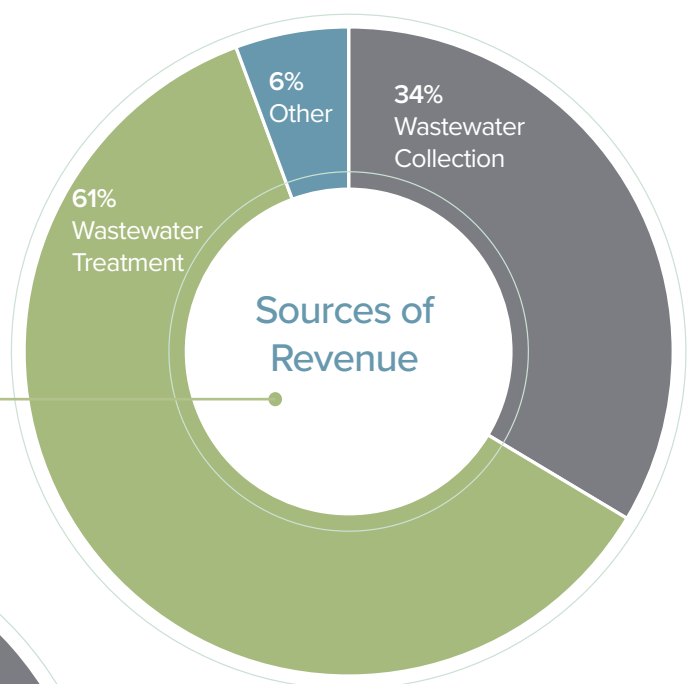
WASTEWATER FUND

The Wastewater Fund has identified \$14,332,000 in both revenues and expenses. When developing the budget for this fund, key considerations included the repair of the collection system, equipment investments for system maintenance, finalizing the construction of the SNRC, and beginning wastewater treatment operations.

Wastewater Fund revenue projections have been developed based on historical revenues with source projections including 61% treatment, 34% collection, and 6% other. The District reviews rates on a three to five year cycle and adjusts accordingly to continue providing reliable services to the community. A complete rate analysis was conducted in FY 2020-21 and the Governing Board approved new wastewater rates take effect at the start of SNRC operations.

Projected expenses have been developed through the budget process to support the Five-Year Work Plan and achieve District-wide goals, maintain operations, and remain within projected revenues. Expenditures for the Wastewater Fund consist of 67% Treatment, 30% Program Expenditures, 2% Capital Expenditures, and 1% Debt Service.

Wastewater revenues consist of collection charges, treatment charges, and miscellaneous revenues such as interest income and capacity charges for new services.



PROGRAM HIGHLIGHTS

As a results-oriented based organization, East Valley Water District has identified 18 programs essential to operations. Program-based budgeting allows for costs to be clearly identified while easily measuring benefits as outlined in the Key Performance Indicators (KPI) and completion of Goals and Objectives.

With the completion of the SNRC planned for early 2022, a new program has been created to oversee the treatment and disinfection of wastewater. The Water Reclamation program has been created and will be staffed incrementally over FY 2021-22.

- **The Governing Board** is the District's legislative body responsible for serving as the organizational policy makers.
- **General Administration** is responsible for overseeing the day-to-day District operations.
- **Human Resources** is responsible for personnel related programs.
- **Public Affairs** oversees internal and external communications programs.
- **Conservation** encourages sustainable water use.
- **Finance and Accounting** provides transparent and responsible oversight of District funds.
- **Information Technology** is responsible for District technology and software programs.
- **Customer Service** provides the community with world class customer relations.
- **Meter Services** maintains a network of approximately 23,000 Advanced Metering Infrastructure (AMI) meters and conducts maintenance, and meter replacement.
- **Engineering** implements infrastructure projects needed to provide safe and reliable services.
- **Water Production** is responsible for monitoring and operating the entire water system.
- **Water Treatment** is responsible for treating the three sources of supply.
- **Water Quality** complies with all required drinking water regulations.
- **NEW! Water Reclamation** responsible for treating and disinfecting wastewater.
- **Water Maintenance** maintains the District's water transmission and distribution system.
- **Wastewater Maintenance** repairs and safeguards the conveyance system.
- **Facilities Maintenance** repairs and maintains all District sites.
- **Fleet Maintenance** cares for vehicles and equipment.

STAFFING

The District continues to strategically evaluate the workforce needs to facilitate world-class service. The FY 2021-22 Budget has identified 76 authorized full-time positions along with one part-time position. This is an increase of ten positions from FY 2020-21. East Valley Water District will begin implementing the staffing plan developed with the staffing considerations for the SNRC and the increased District duties needed for daily operations. One part-time position has been repurposed to full-time and the District will continue to assess the daily operational needs and long-term strategic priorities.

STERLING NATURAL RESOURCE CENTER

The SNRC will present a new opportunity for East Valley Water District to begin treating wastewater for the community. As construction reaches the final stage, we are working to begin the transitional phases from construction to operations. As outlined in the budget, this transition will include the onboarding of new staff, start of operations and the launch of a new Wastewater Reclamation program to oversee operations and maintenance.



It is important to note that most of the new positions identified in this budget will not be staffed until late 2021 or early 2022. Since this timeline has notable impacts on staffing costs, salary and benefit costs have been prorated to reflect that actual anticipated time the position will be filled during the year.

EXTERNAL CONSIDERATIONS

In addition to the District’s daily operational needs, there are factors that must be considered when developing the budget document.

At the time of developing the FY 2021-22 budget, the world was recovering from the coronavirus (COVID-19), a global pandemic and the subsequent economic repercussions. The financial implications of this public health emergency are significant, with regional, national and global impacts on economies. From customer’s ability to pay their utility bill to national staffing shortages, COVID-19 will continue to be a significant focus of the District over the upcoming fiscal year.

On February 1, 2020, the District implemented Senate Bill (SB) 998 which requires changes to the process of discontinuing water service for delinquent customers. The new policy was then paused due to the State’s moratorium of utility disconnections brought on due to COVID-19, with the State considering new legislation to change the discontinuation process. The District is anticipating the moratorium will be lifted within this fiscal year, with the parameters for this process still in development at the time of budget adoption. Once the moratorium is lifted, the District will resume service disconnections as a result of non-payment in accordance with all state requirements.

Additional regulations regarding affordable rates, water conservation, and capital project funding continue to be topics of discussion that would have potential operational impacts. Maintaining compliance with regulations is an essential component to District operations. Several pieces of proposed legislation could have a profound impact on the daily operations of East Valley Water District. The District continues to actively engage in legislative activities and participate in proposed legislation discussions.

In May 2021, the State of California issued a drought declaration to 41 counties with 85% of San Bernardino County classified as being in an extreme drought. If California declares a drought emergency for the County of San Bernardino or the entire State, the declaration will have a significant impact to the daily operations of multiple Programs within the District.

The current economic climate and inflation impacts are also a consideration in the development of this document, both from an investment revenue perspective and operational costs such as construction, labor and materials. When calculating the Capital Budget, these factors were incorporated in the consideration of project costs. The District is required to comply with Department of Industrial Relations regulations, which include labor compliance requirements for public works. These factors impact the costs of the District’s Capital Budget compared to private sector projects.

CAPITAL IMPROVEMENT PROGRAM

The District's Capital Improvement Program (CIP) is a five-year planning schedule with each year approved in the correlating fiscal year's budget based on findings of the Water and Wastewater Master Plans. Scheduled projects in FY 2021-22 total \$58,508,000 for water and wastewater projects, and include:

- Plant 134 Process Improvements (TTHMs & Sludge Management)
- Tank/Reservoir Rehabilitation Plant 108 and Seismic Study
- Plant 101 Hydro Tank Rehabilitation
- General Facilities Rehabilitation/Relocation
- Well & Booster Improvements/Rehabilitations
- Wastewater Main 11th Street Rehabilitation
- SNRC

DEBT

EVWD utilizes debt funding to finance large capital projects. For FY 2021-22, the District has outstanding debt which has been utilized for water treatment facilities, energy efficiency improvements, mutual water company consolidations, and infrastructure projects. Debt is not used to fund operating expenses. Debt service for FY 2021-22 on all outstanding debt is \$3,352,000.

FY 2020-21 ACCOMPLISHMENTS

The District made significant progress on major projects in FY 2020-21 while also adapting to the changing environment resulting from the COVID-19 pandemic. We continued to embrace technology to enhance community engagement while carrying out operational activities that resulted in reliable service delivery to our customers.

Optimize Infrastructure

North Fork

The District completed a preliminary design report for an additional Surface Water Treatment Plant on the east end of the service area to maximize the use of water accessed through the North Fork Water Company (NFWC). This report considered the high-level design recommendations, siting, environmental documentation, and included an engineer's cost estimate.

Financial Stability With Full Understanding of Operational Complexities

Rates

The District refinanced the 2010 and 2013 Bonds for an annual savings of nearly \$400,000 without extending maturity dates while maintaining the AA- credit rating. In light of the COVID-19 pandemic, the District postponed the scheduled Proposition 218 hearing planned for 2020, and held a rate hearing in early 2021 for water and wastewater charges.

Acknowledge Unknowns

The District responded to the COVID-19 pandemic. Through the response process, the District proclaimed an emergency allowing for the submittal of approximately \$150,000 in cost reimbursements.

Protect Organizational Investments

Culture

The District continues to evaluate the on-going staffing needs of the organization along with long-term career aspirations of team members. A staffing plan for the next three years has been developed including considerations for the addition of SNRC operations and administrative staff as well as preparing for approaching retirements. COVID-19 has highlighted the tools available for internal communication including Team virtual meetings, emails, and InformaCast communication system.

Maximize the District's Position

Infrastructure



The District purchased the remaining AMI meters during FY 2019-20 to avoid a significant material cost increase. Phase Five of the AMI installation completed the transition of the District to 100% remote read in 2021. The transition has allowed for meter readers to be trained in customer service and AMI maintenance along with assisting in the field as needed, avoiding any need for staffing reductions in that area.

Win-Win with Developers

The District worked with multiple developers as it related to development fees and the establishment of Community Facilities Districts (CFDs).

Repair/Rehabilitation

Multiple facilities received critical maintenance including enhancements at Plant 39 with the resurfacing and re-coating of tank 39-1's interior, rehabilitation of four booster pumps, and the rebuild of the plant's well. Also, the fourth-year cycle was completed for membrane filters replacement at Plant 134. To enhance staff's hands-on skills, they completed an in-house water main project on Barton Road installing approximately 1,000 linear feet of new water main and 30 new services.

Have Others See the District As A Premier Agency

Regional Involvement



Despite COVID-19, the District continued to encourage collaboration and cooperation. The General Manager/CEO continued to serve as a Board member on the Inland Empire Economic Partnership and the Highland Senior Center. The Governing Board continued to represent the District in regional efforts. Additionally, the District continued to foster partnerships with the community through the donation of surplus vehicles to non-profit organizations.

Regional and educational partnerships blossomed through the continued engagement in the Water and Resource Management Pathway; a benefit of the virtual learning environment was that this pathway course was available to all San Bernardino City Unified School District juniors and seniors.

The District's Employee Events Association continued its partnership with Jefferson Hunt Elementary School in addition to other charitable causes throughout the year.

The District received reaccreditation for the Special District Leadership Foundation's Transparency Certificate of Excellence and was recognized as the Top Workplace in the Inland Empire for the small employer category.

AWARDS

1. California Special Districts Association (CSDA) Transparency Award
2. Government Finance Officers Association (GFOA) Award for FY 2020-21 Budget
3. California Society of Municipal Finance Officers (CSMFO) Excellence Award for FY 2020-21 Budget
4. Top Workplace 1st Place Award by the Inland News Group in Small Company Category
5. District of Distinction by the Special District Leadership Foundation



SUMMARY

Over the past year, East Valley Water District staff embraced technology to continue to provide world-class service for our community, even during a global pandemic. This spirit and drive will continue to be ingrained within our culture as we look ahead to the upcoming year. The team is proud to launch operations at the new Sterling Natural Resource Center and begin providing a new Wastewater Reclamation service within our District. With individuals working together, using the latest technology, we will continue to enhance the quality of life within the community and provide essential public services.

The budget development continues to be a collaborative process, involving members of our community, the Governing Board, and every District employee. I would like to thank the members who participated in this process, and I am proud to present East Valley Water District's FY 2021-22 Operating and Capital Budgets.

Respectfully Submitted,



John Mura
General Manager/CEO



DISTRICT MANAGEMENT

Kerrie Bryan
Director of Administrative Services

Kelly Malloy
Director of Strategic Services

Jeff Noelte
Director of Engineering & Operations

Justine Hendricksen
District Clerk

Patrick Milroy
Operations Manager

Brian Tompkins
Chief Financial Officer



David E. Smith
Chairman of the Board



Phillip R. Goodrich
Vice Chairman of the Board



Chris Carrillo
Governing Board Member



Ronald L. Coats
Governing Board Member



James Morales, Jr.
Governing Board Member

Resolution 2021.10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST VALLEY WATER DISTRICT APPROVING THE OPERATING AND CAPITAL BUDGETS FOR FY 2021-22

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 2021-22, 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 2021-22; and

Section 2. The provisions of this Resolution shall take effect on July 1, 2021.

ADOPTED this 23rd day of June 2021.

Ayes: Directors: Carrillo, Coats, Goodrich, Smith, Morales
Noes: None
Abstain: None
Absent: None

ATTEST:



John Mura
Secretary, Board of Directors



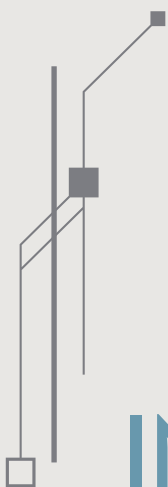
David E. Smith
Board President

June 23, 2021

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 2021.10 adopted by the Board of Directors of East Valley Water District at its Regular Meeting held June 23, 2021.



John Mura
Secretary, Board of Directors



INTRODUCTION




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BUDGET GUIDE

STATISTICAL/SUPPLEMENTAL INFORMATION

DISTRICT VISION

ORGANIZATIONAL STRUCTURE

INDUSTRY BENCHMARKS

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

Budget Guide

The budget document is the District's 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

The budget document consists of seven sections, including:

Transmittal Letter

This section includes the District Officials, General Manager/CEO's Budget Transmittal Letter, Strategic Plan, District-Wide Goals, and Priorities.

Introduction

This section includes the Budget Guide, Statistical/Supplemental Information, Organizational Structure, and District Vision.

Financial Summary

This section presents an in-depth District-wide overview of the FY 2021-22 Budget.

Consolidated Financial Schedules

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

Program Summaries

This section provides comprehensive information for each functional program within the District including their operational budget. The FY 2021-22 Budget is organized into the following summary programs:

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

Each program section includes:

- **Program Personnel:** This section is the authorized personnel allocated to each program with a program organization chart.
- **Program Structure:** This chart displays the chain of command for program personnel.
- **Function:** This section includes a basic description of the responsibilities of each program.
- **Goals & Objectives:** This section identifies specific goals and objectives for FY 2021-22.
- **Accomplishments:** This section includes highlights from FY 2020-21.
- **Significant Changes:** This section identifies causes of requests compared to differences in funding requests compared to the previous year.
- **Levels of Service:** This section links Key Performance Indicators to the Agency'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:** This section is a breakdown of the program expenditures by category or line item.

Capital Budget

This section presents the Capital Outlay expenditures and Capital Improvement Projects for the FY 2021-22 Budget.

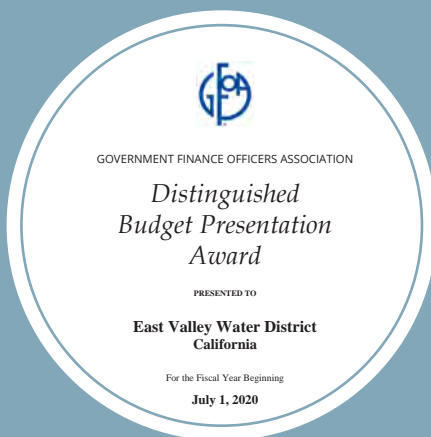
Glossary

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

BUDGET AWARDS

The Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers presented the Excellence Award to the District for its annual budget for the fiscal year beginning July 1, 2020. 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.



BUDGET FINANCIAL INFORMATION

East Valley Water 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 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
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FY 2019-20 Actuals

Actual financial information for FY 2019-20 as reported in the Comprehensive Annual Financial Report. The actual financial information is reported in the budget document on a budgetary basis.

FY 2020-21 Budget

The FY 2020-21 Budget was adopted by the Governing Board on June 24, 2020 and may also include any adjustments approved by the Governing Board at the Mid-Year Budget Review.

FY 2020-21 Projected

The FY 2020-21 Projected column reflects the adopted budget in addition to any amendments approved by the Governing Board during the fiscal year. The FY 2020-21 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 2021-22 Budget

This column initially reflects the FY 2021-22 "Proposed" Budget submitted by the General Manager/CEO. After the Governing Board reviews and approves the FY 2021-22 Budget, the information in the FY 2021-22 column changes, if necessary, to reflect the Board's actions.

Amount Changed and % Change

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

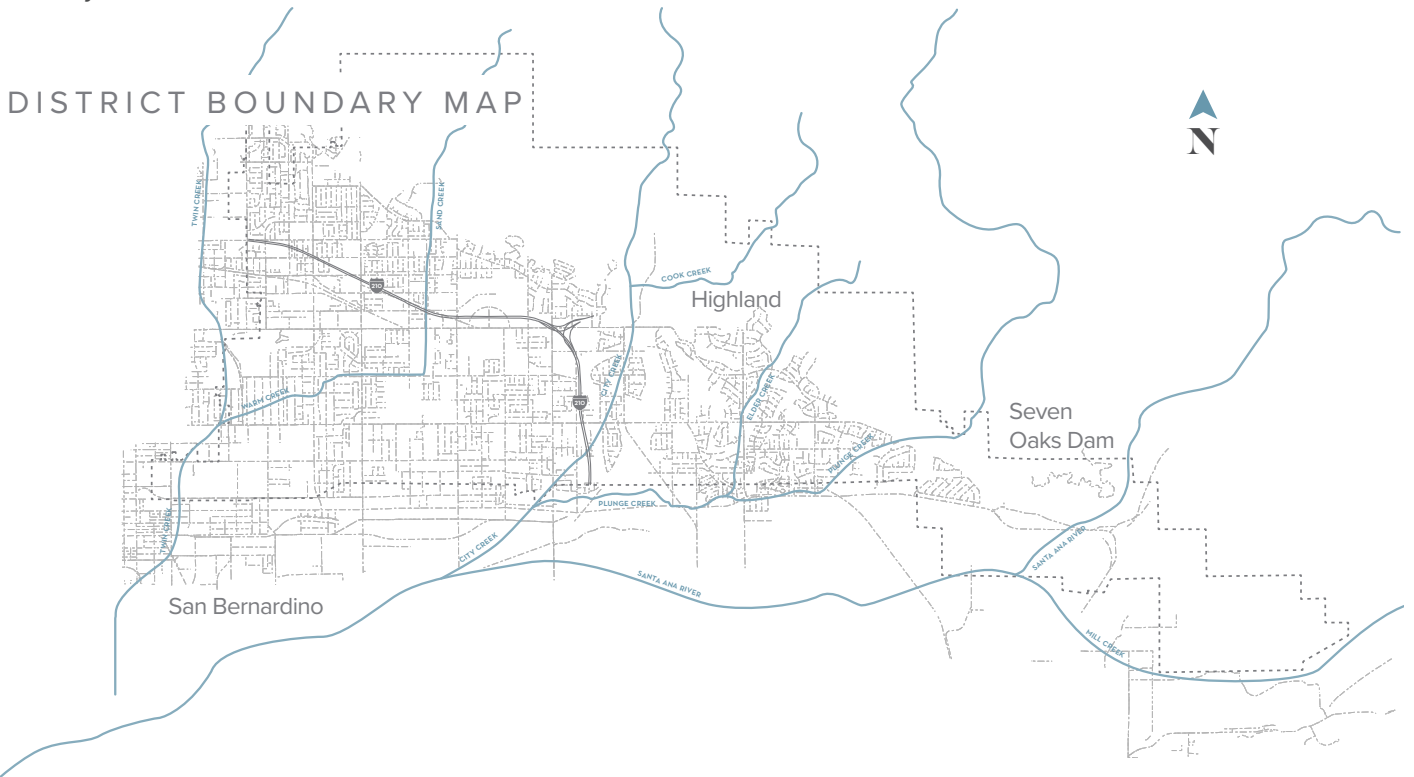
“Three years of financial information are presented to facilitate user analysis.”

Statistical/Supplemental Information

EVWD provides water and wastewater services to residents within its 30.1 Square mile area.

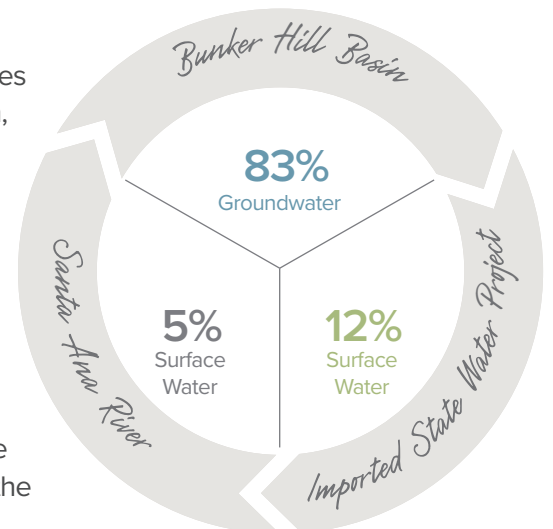
This includes over 103,000 people within the cities of Highland and San Bernardino, portions of the unincorporated County of San Bernardino, the San Manuel Band of Mission Indians, and Patton State Hospital.

The District was formed through a local election of mostly citrus grove operators, to have water service provided by a public agency. EVWD is located in the foothills of the San Bernardino Mountains, 65 miles east of Los Angeles in the County of San Bernardino.



WATER SOURCES

With a service area just over 30 square-miles, the District has three sources for water, the Santa Ana River (SAR), the Bunker Hill Groundwater Basin, and the State Water Project. 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 water is imported from Northern California through the State Water Project. EVWD has access to this water through San Bernardino Valley Municipal Water District (Valley District). The District anticipates using the allocated North Fork shares for groundwater replenishment rather than treated and used in the water distribution system directly. Not only will this help to contribute to a healthy basin level, it will offset the District’s cost obligation toward the Groundwater Council.



WASTEWATER COLLECTION & TREATMENT

The District is responsible for the collection and conveyance of wastewater within the service area. Currently, all wastewater is sent to the City of San Bernardino Municipal Water Department (SBMWD) facilities, where it is treated in accordance with a Joint Powers Agreement.

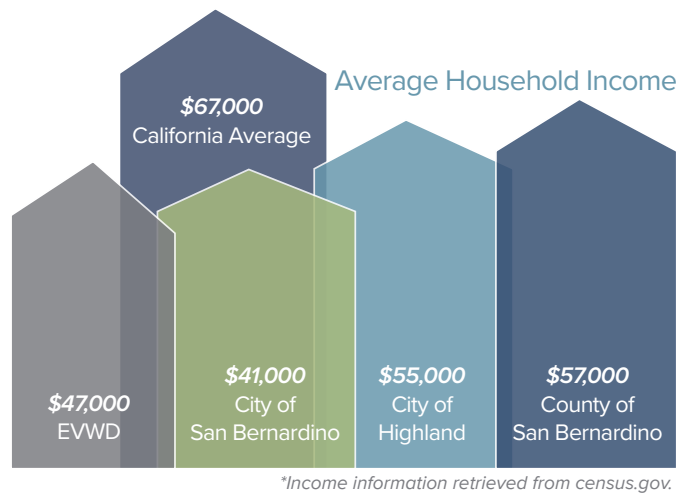
In 2018, East Valley Water District successfully received authorization for reorganization to include wastewater treatment authority by the Local Agency Formation Commission (LAFCO). This allows for the District to construct and ultimately operate facilities to treat wastewater collected from within its service area.

EVWD is constructing the SNRC in the City of Highland that will treat up to 8 million gallons of wastewater daily for recharge into the Bunker Hill Groundwater Basin. This project will create a drought-proof recycled water supply which will result in hundreds of millions of gallons of water stored for use in dry years for beneficial reuse higher in the Santa Ana River watershed. This project broke ground in late 2018 with operation beginning in early 2022. Once construction on the SNRC is completed, East Valley Water District will be responsible for treating the wastewater generated within its service area.

POPULATION GROWTH

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

- **The development of diverse housing from large estate lots to multi-family units.** Additional planned services of the area may include 14 to 21 acres of commercial services, a new fire station equipped with a police substation, and a new art school. The new development consists of approximately 1,650 acres and may add approximately 11,800 to 12,400 new residents in the District upon buildout anticipated in 2035.
- **Unit development project offering a variety of housing opportunities.** The development density allows for a minimum of 250 housing units and a maximum of 800 house units. The development will be located along Greenspot Road and the 210 Freeway.
- **Residential planned community of 316 housing units.** The permitted land use types of this area focus towards low to medium density residential units with additional inclusion of open space, agriculture, parks and recreation.



CLIMATE

The climate in the cities of Highland and San Bernardino varies 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.

GOVERNMENT

East Valley Water 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. 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.

East Valley Water 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.

EDUCATION

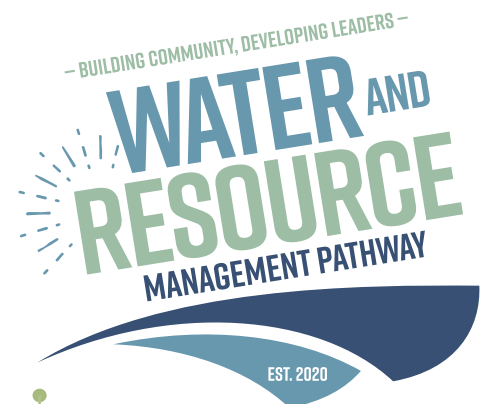
Residents within East Valley Water District's service area have access to award winning K-12 schools through the Redlands Unified School District (RUSD) and San Bernardino City Unified School District (SBCUSD). Higher education institutions located near East Valley Water District's service area include: 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 East Valley Water 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 East Valley Water 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.



The District has partnered with the San Bernardino City Unified School District and San Bernardino Valley College to develop a Water and Resource Management Pathway Program.

By working with local schools, EVD highlights career opportunities in the water industry including educational requirements. Graduates have a specialized skill that can jumpstart their career after high school.

PUBLIC SAFETY

East Valley Water 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, rail, health care, public safety, casinos, transportation, and construction.

DISTRICT VISION

East Valley Water 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 take actions to be innovative, efficient, and effective.

Following meetings with the community, Governing Board, and staff at all levels of the organization, a Five-Year Work Plan has been prepared with an emphasis on the elements needed to clearly look to the future. This effort is designed to consider general policy direction and highlight priority projects that allows 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 Plan includes: the District Vision, Core Values, Agency Goals and Objectives, Five-Year Work Plan, Annual District-Wide Goals, Program Goals, and Individual Goals.

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.



Enhance and Preserve the Quality of Life
for our community through innovative leadership &
world class public service.

Agency Goals and Objectives



Implement Effective Solutions Through Visionary Leadership

- A. Identify Opportunities to Optimize Natural Resources
- B. Maximize Internal Capabilities through Ongoing Professional Development
- C. Strengthen Regional, State and National Partnership
- D. Encourage Performance Based Results through Staff Empowerment



Maintain a Commitment to Sustainability, Transparency, and Accountability

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



Deliver Public Service with Purpose While Embracing Continuous Growth

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



Promote Planning, Maintenance and Preservation of District Resources

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

To maintain momentum and encourage continued growth, the District adopted these foundational principles in January 2018.

CORE VALUES

Leadership

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

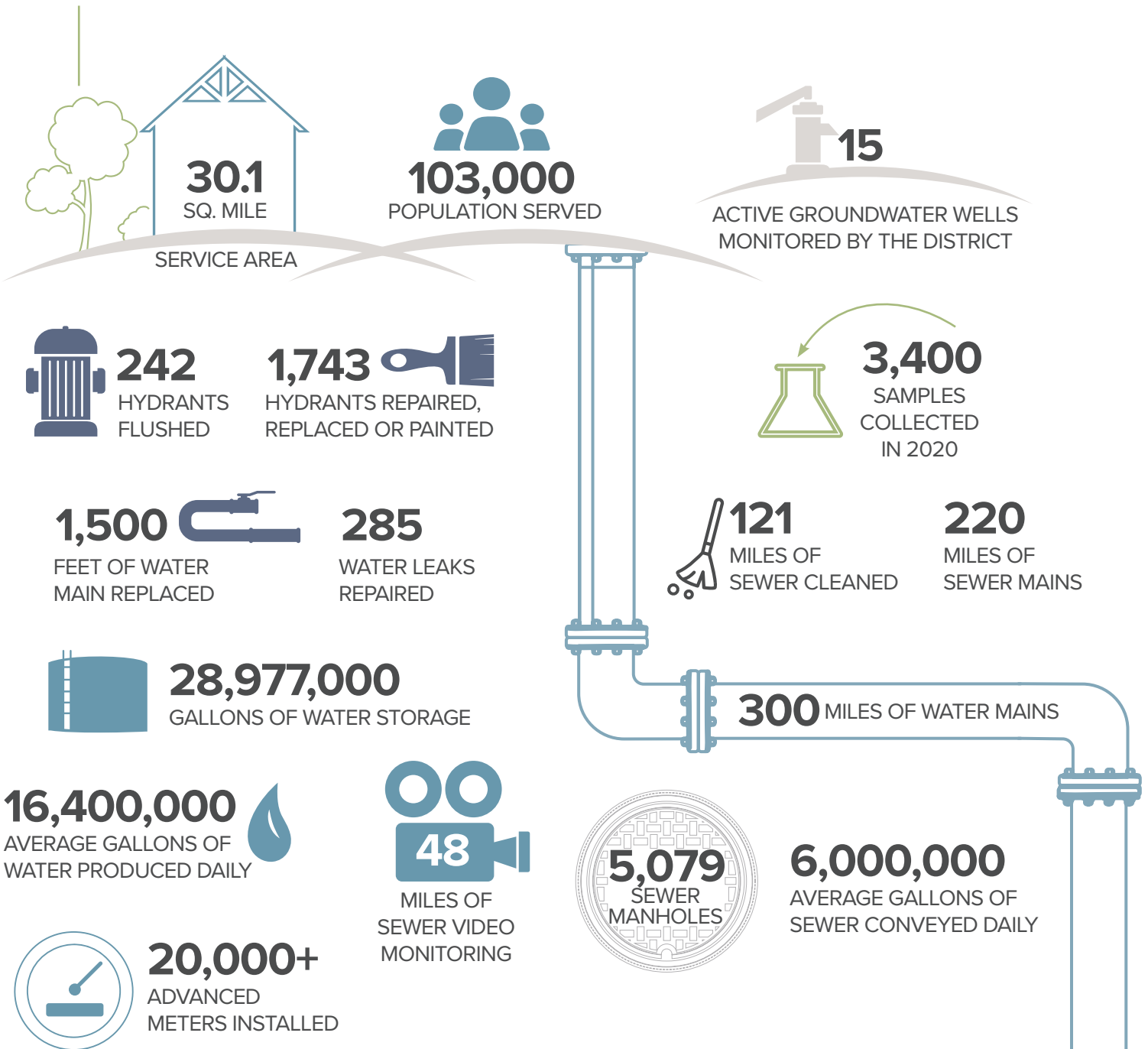
Partnership

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

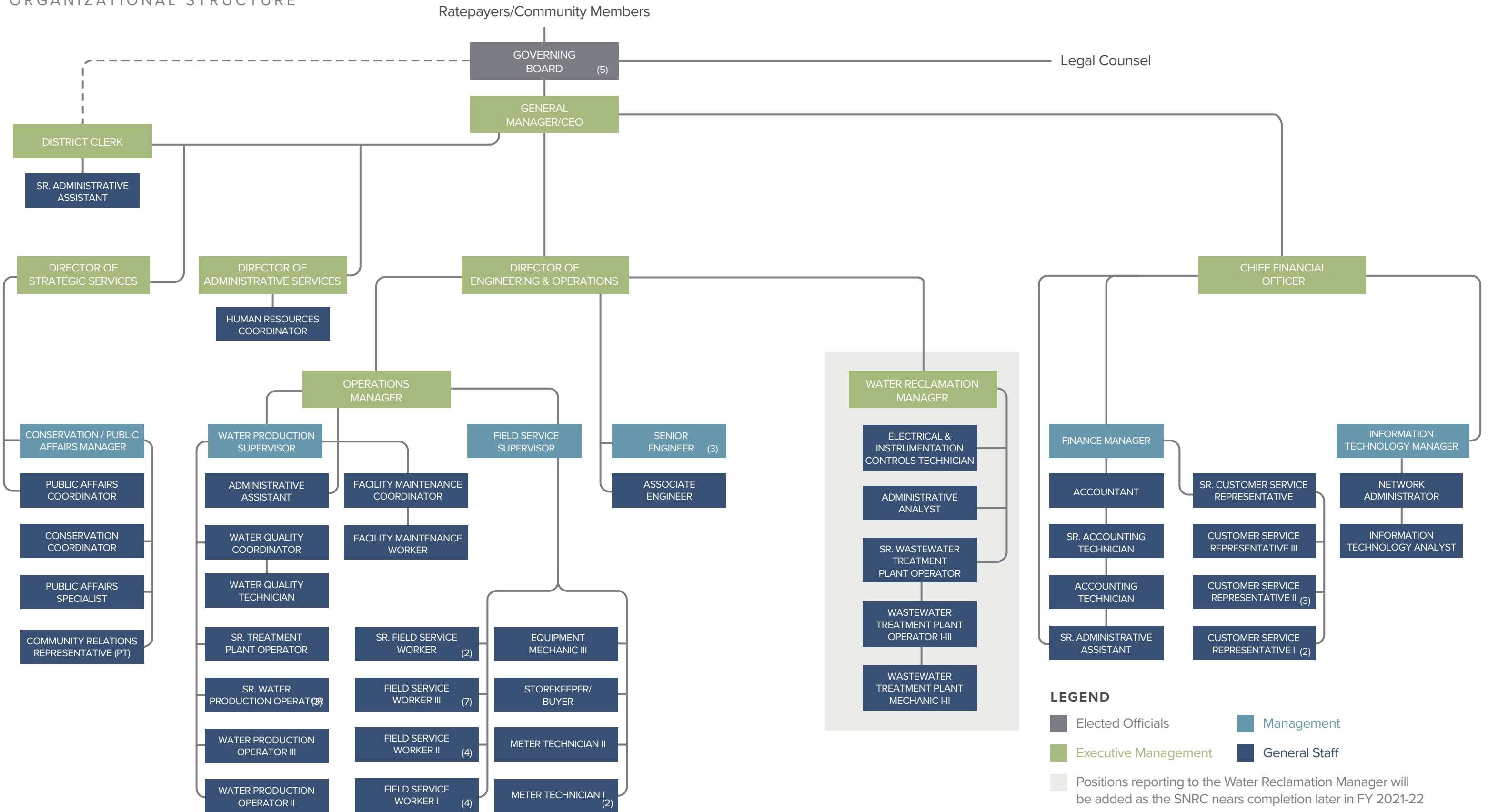
Stewardship

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

DISTRICT SPOTLIGHT



ORGANIZATIONAL STRUCTURE



LEGEND

- Elected Officials
- Executive Management
- Management
- General Staff

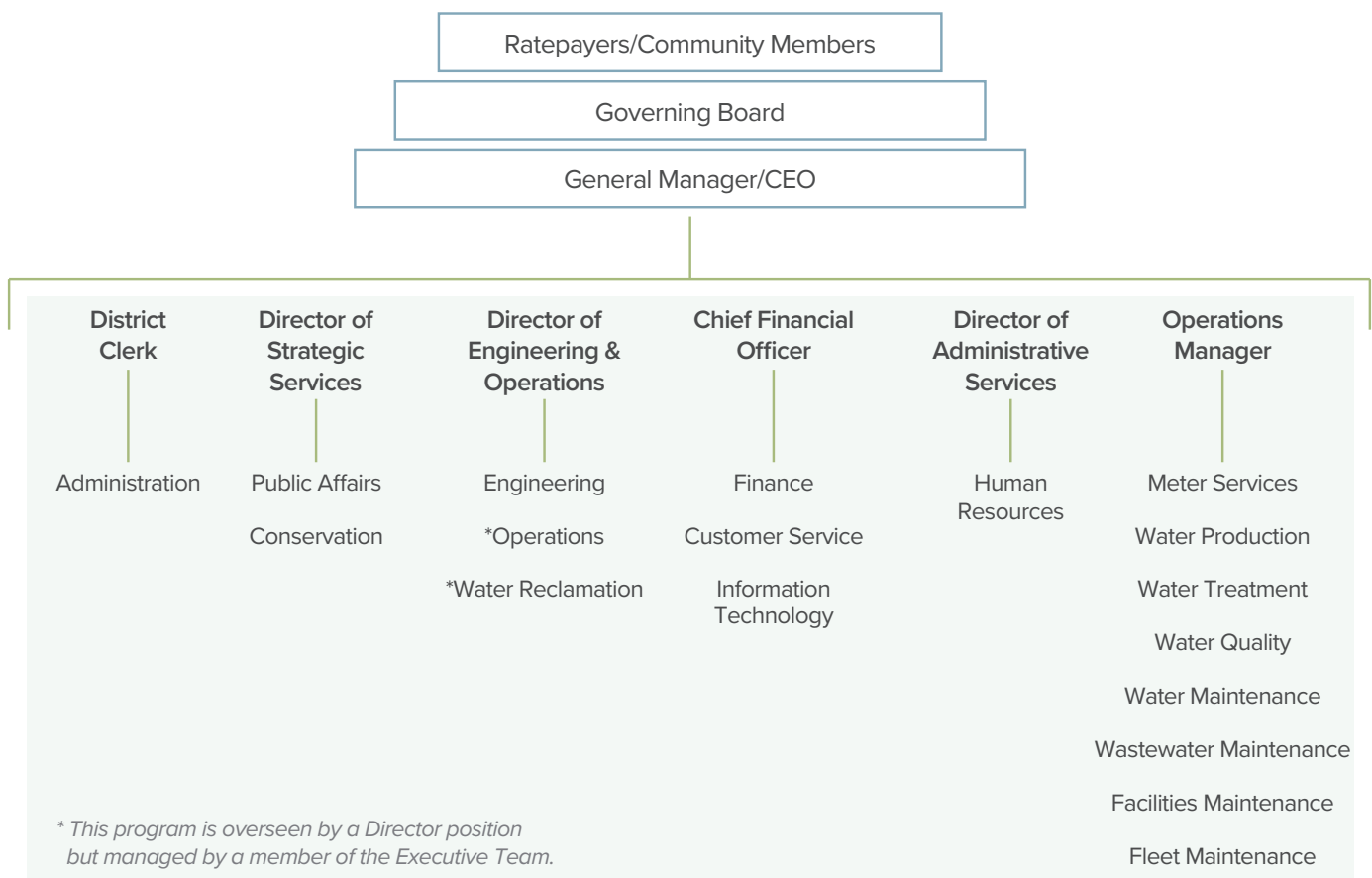
Positions reporting to the Water Reclamation Manager will be added as the SNRC nears completion later in FY 2021-22

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

PROGRAM STRUCTURE

East Valley Water District has built a world class team of individuals committed to the Agency Vision and Core Values. The Organizational Chart reflects the current 76 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 East Valley Water 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.

District Clerk

General
Administration



General Administration is responsible for ensuring the District's business and operations daily activities are performed following Federal, State, and District 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



Human Resources 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 Program and Risk Management Program.

Director of Strategic Services

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, emergency preparedness, 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 and Accounting oversees the business operations of the District in order to provide accountability and adequate control over the use of District funds. Staff downloads meter read data, audits data, and submits data files to a third-party vendor for bill printing and mailing.

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. The Program implements routine cybersecurity training campaigns to mitigate financial and data loss.

Customer Service



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

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

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 wastewater collection and treatment capital projects.

Water Reclamation



The Water Reclamation Program is responsible for treating and disinfecting 8.0 million gallons of wastewater per day (MGD). Reclamation of wastewater generated by District customers will transition from a service contracted with the SBMWD, to in-house operations at the newly completed SNRC during FY 2021-22.

Operations Manager

Meter Services



The Meter Service program maintains a network of approximately 23,000 Advanced Metering Infrastructure 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, 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 Maintenance



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 220 miles of collection pipelines.

Facilities Maintenance



Facilities Maintenance is responsible for the maintenance of all District facilities. The division’s oversight includes administration buildings, water facilities, District-owned vacant properties, and easements.

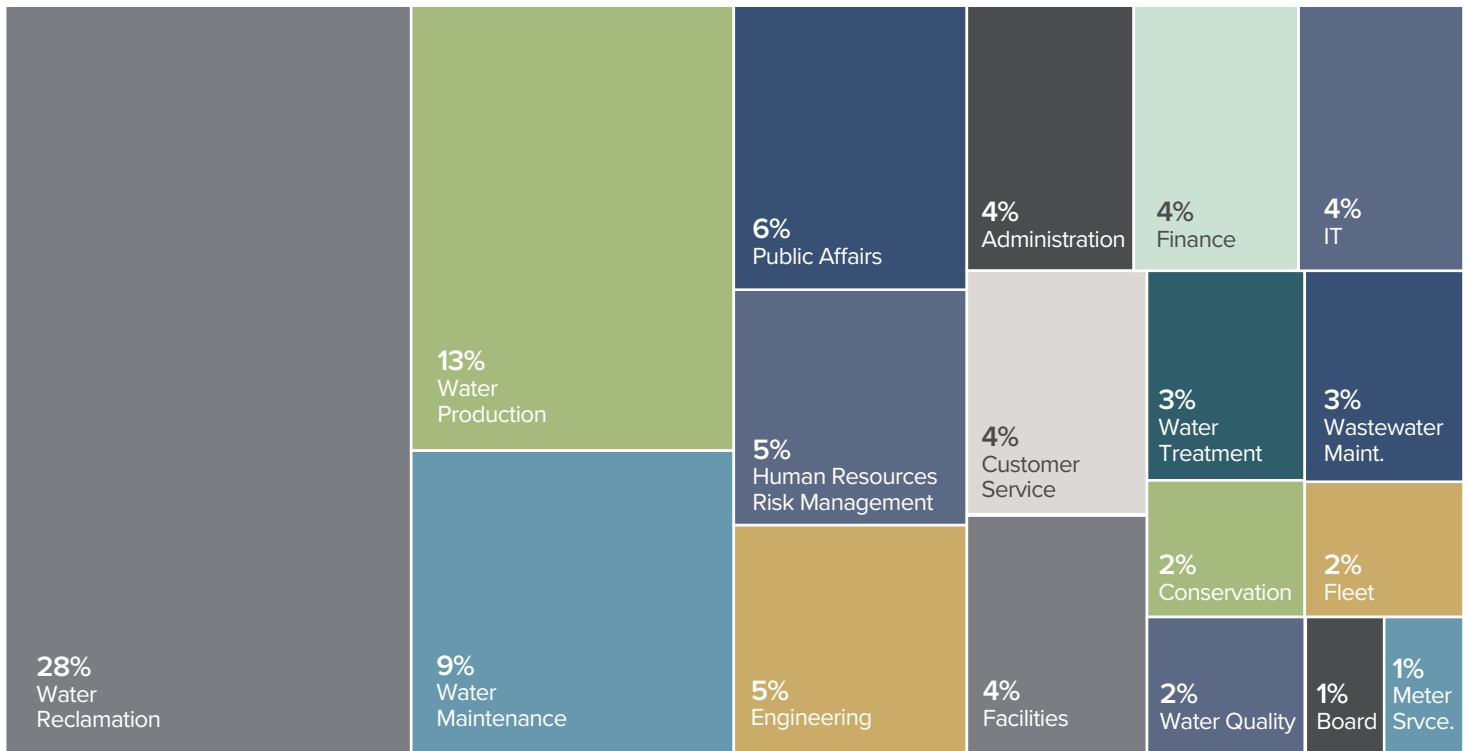
Fleet Maintenance



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 the 18 programs East Valley Water 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 2021-22 Operating and Capital Budgets.







Industry Benchmarks





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

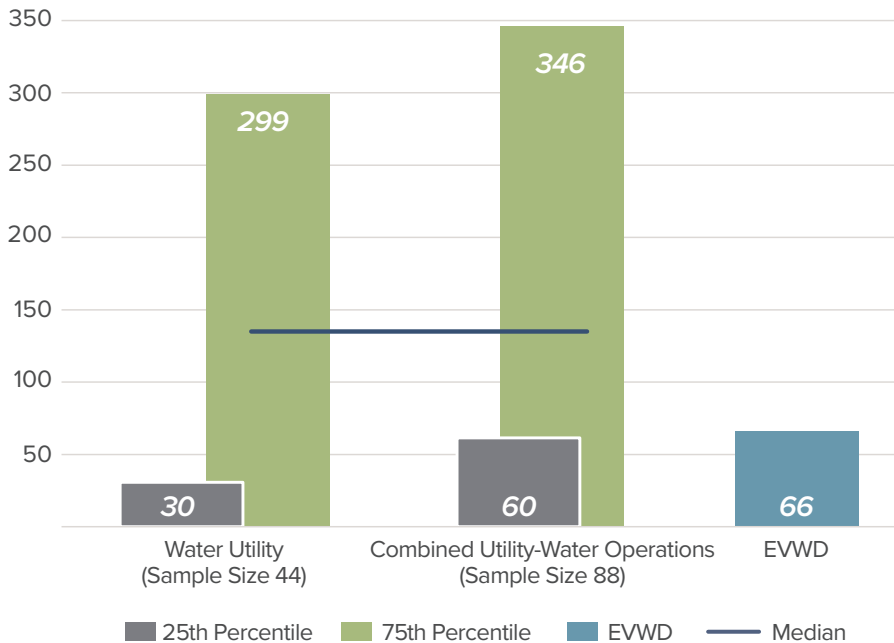
Industry Benchmarks

East Valley Water District strives to provide world-class service to the community, customers and stakeholders.

As part of EVWD’s embracement of continuous improvement, the District began reviewing industry data and metrics to establish benchmarks for services across the District. The following tables pull data from the American Water Works Association (AWWA) 2020 Utility Benchmarking Program and represent a snapshot of over 150 water and wastewater utilities across the United States. The survey was taken in 2020 and pulled performance results from the fiscal year 2019. For additional information about the industry data used, [visit www.awwa.org](http://www.awwa.org).

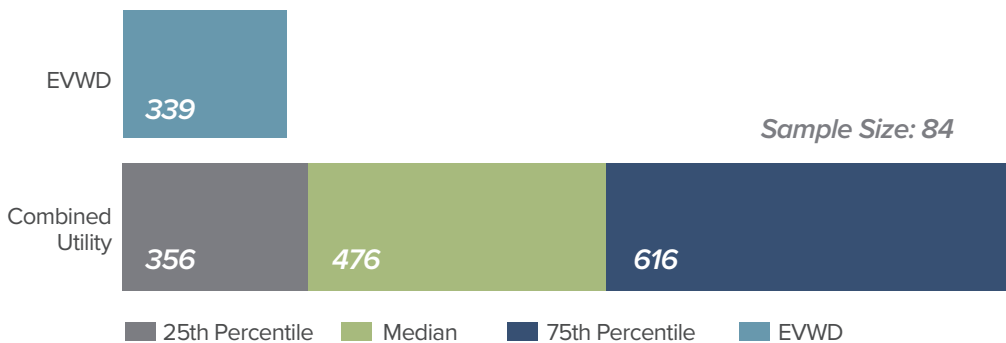
STAFFING LEVELS

This indicator provides a measure of the number of employees reported at each utility.



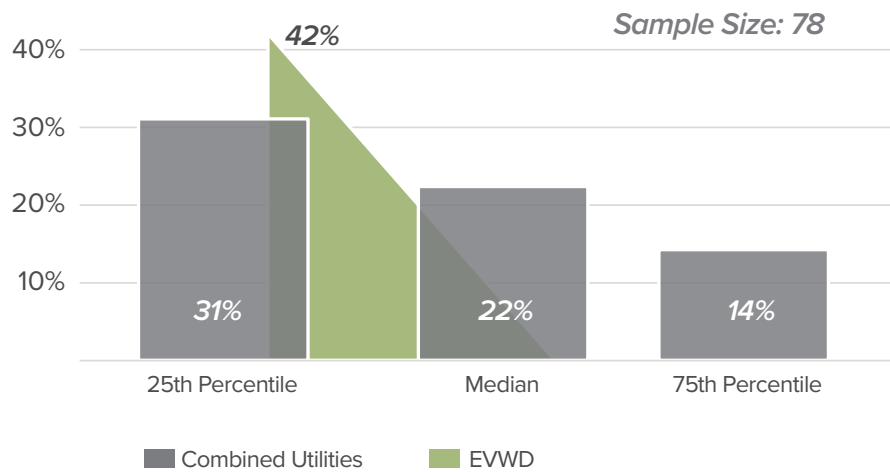
CUSTOMER ACCOUNTS PER EMPLOYEE

This indicator provides a measure of employee efficiency as expressed by the total number of active accounts serviced by utility employees.



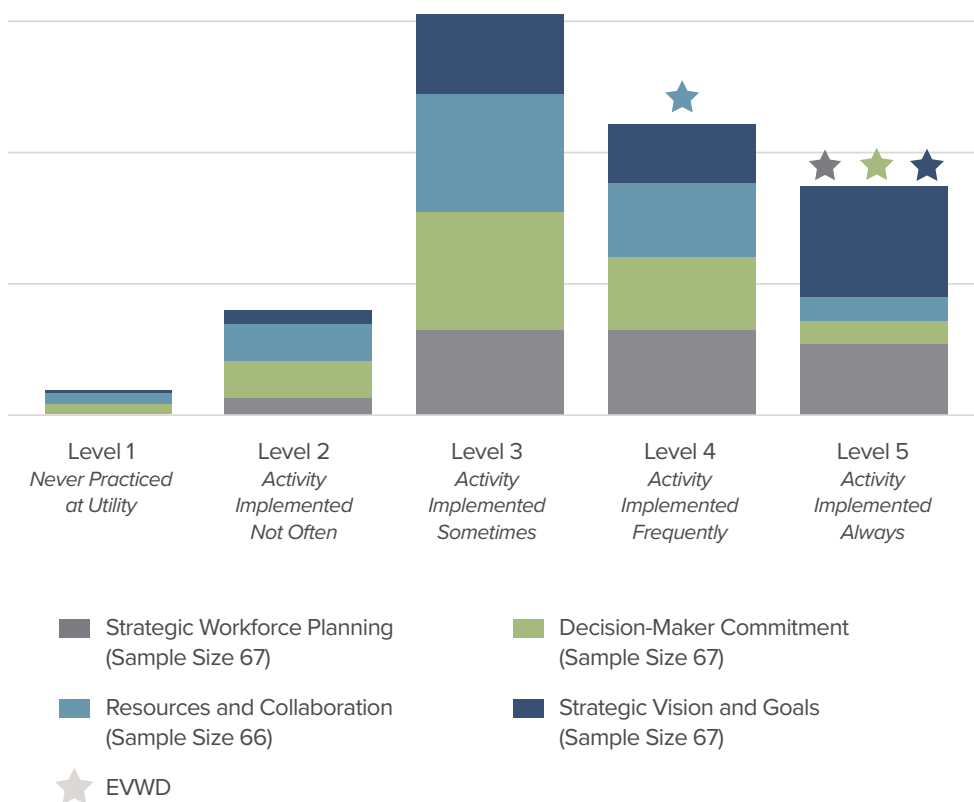
RETIREMENT ELIGIBILITY

This indicator provides a measure of the number of regular employees eligible for retirement.



STRATEGIC WORKFORCE PLANNING

The following set of indicators provides a measure of the utility's ability to prepare for the changing workforce.

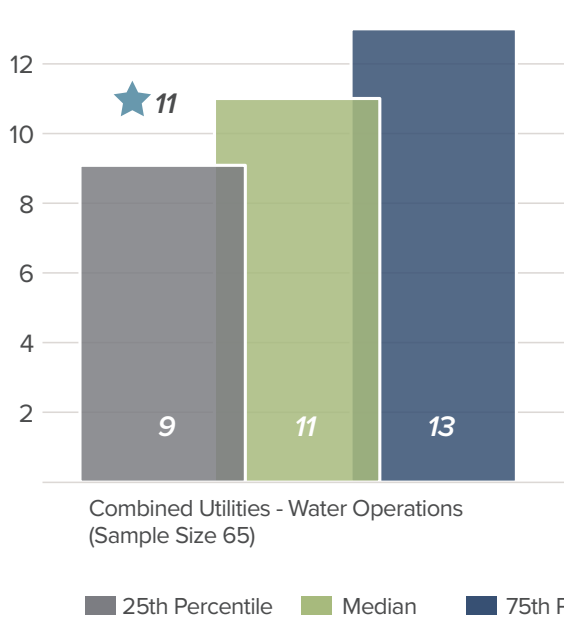


- **Level of Strategic Workforce Planning:** Succession plan is an integral part of our organization's comprehensive strategic plan.
- **Level of Decision-Maker Commitment:** There is a commitment from decision makers on succession planning.
- **Level of Resources and Collaboration:** Gather resource for developing and implementing succession planning; collaborate with other agencies and programs.
- **Role in Strategic Vision and Goals:** Value the role of succession planning in achieving the strategic vision and goals of our organization.

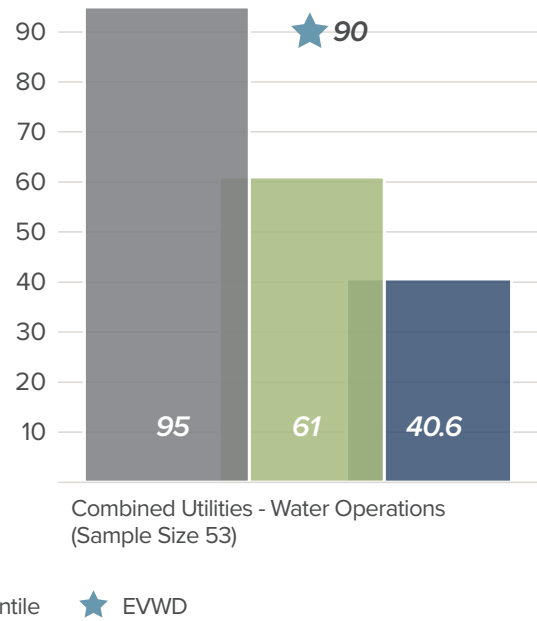
EMPLOYEE VACANCIES

The following indicators evaluate how well the utility has established, incorporated and maintained an effective workforce succession plan.

Average Employee Tenure (Years)

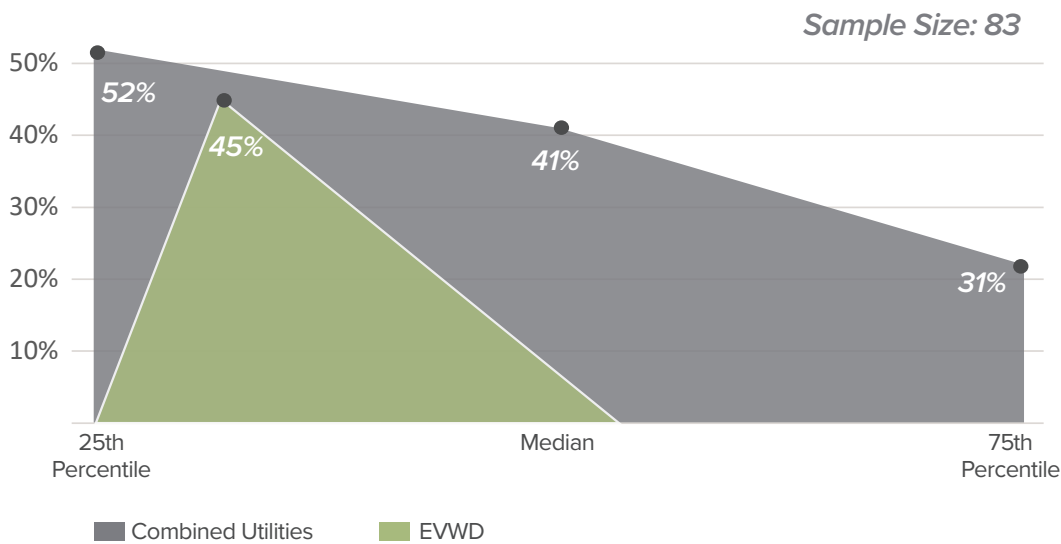


Average Length of Position Vacancies (Days)



DEBT RATIO

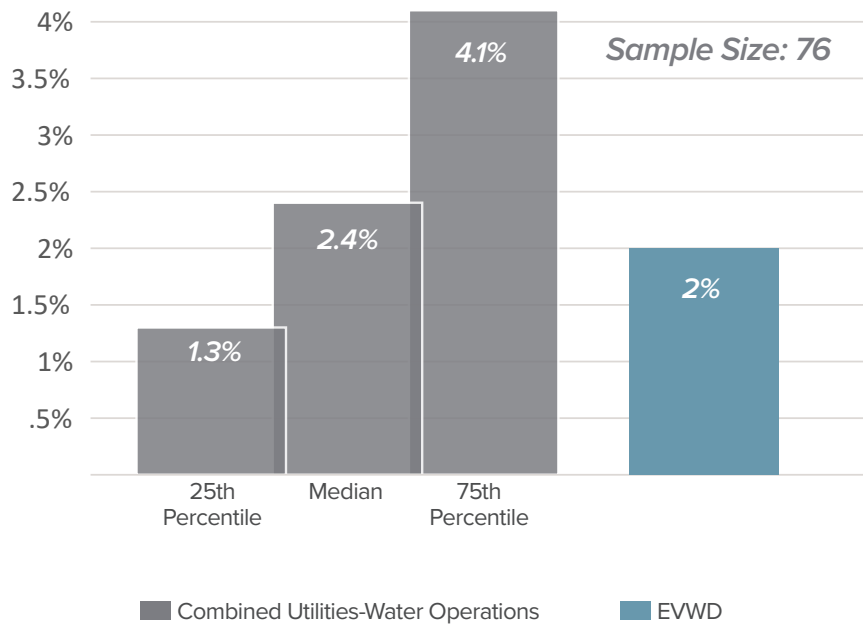
The debt ratio indicator quantified a utility's level of indebtedness.



**Data based on FY 2019*

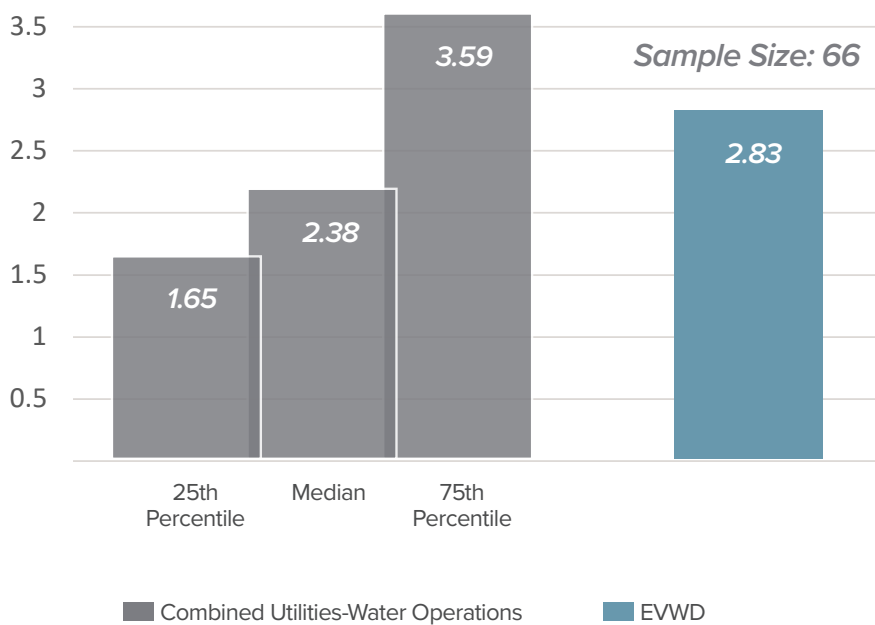
RETURN ON ASSETS

This indicator provides an estimate of the utility's financial effectiveness.



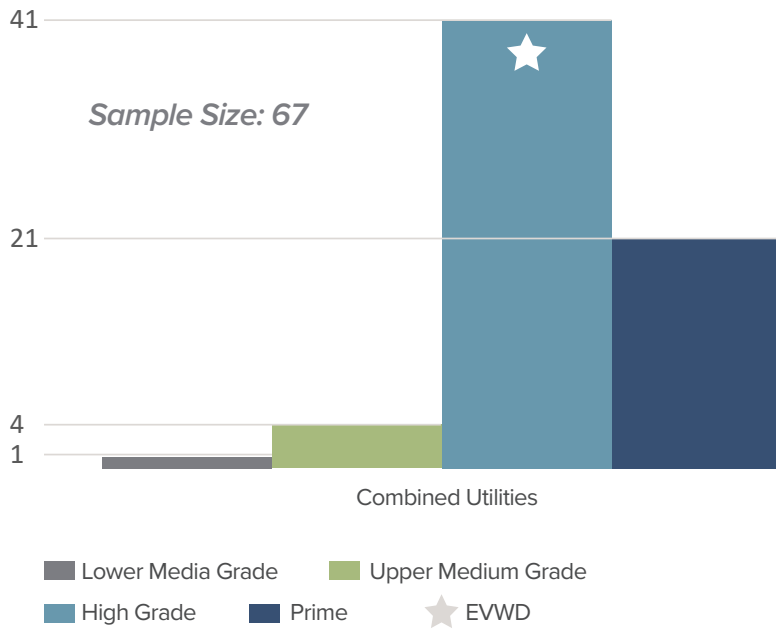
DEBT-SERVICE COVERAGE RATIO

The debt-service coverage ratio, also known as debt coverage ratio, is the ratio of net operating income to total debt service.



BOND RATING

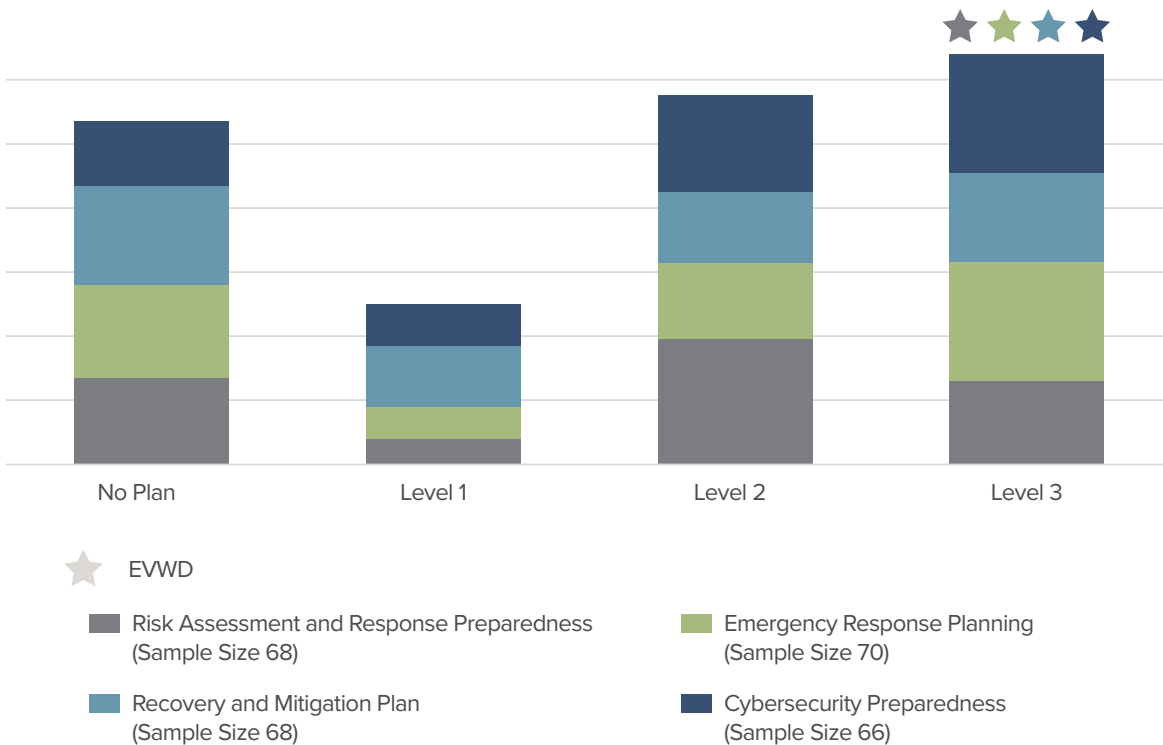
A utility's bond rating is a grade that indicates its creditworthiness.



Moody's	S&P	FITCH	
Baa 1 2 3	BBB +/-	B +/-	Lower Medium Grade
A1	A+	A+	Upper Medium Grade
A2	A	A	
A3	B	A-	
Aa1	AA+	AA+	High Grade
AA2	AA	AA	
Aa3	AA-	AA-	
Aaa	AAA	AAA	Prime

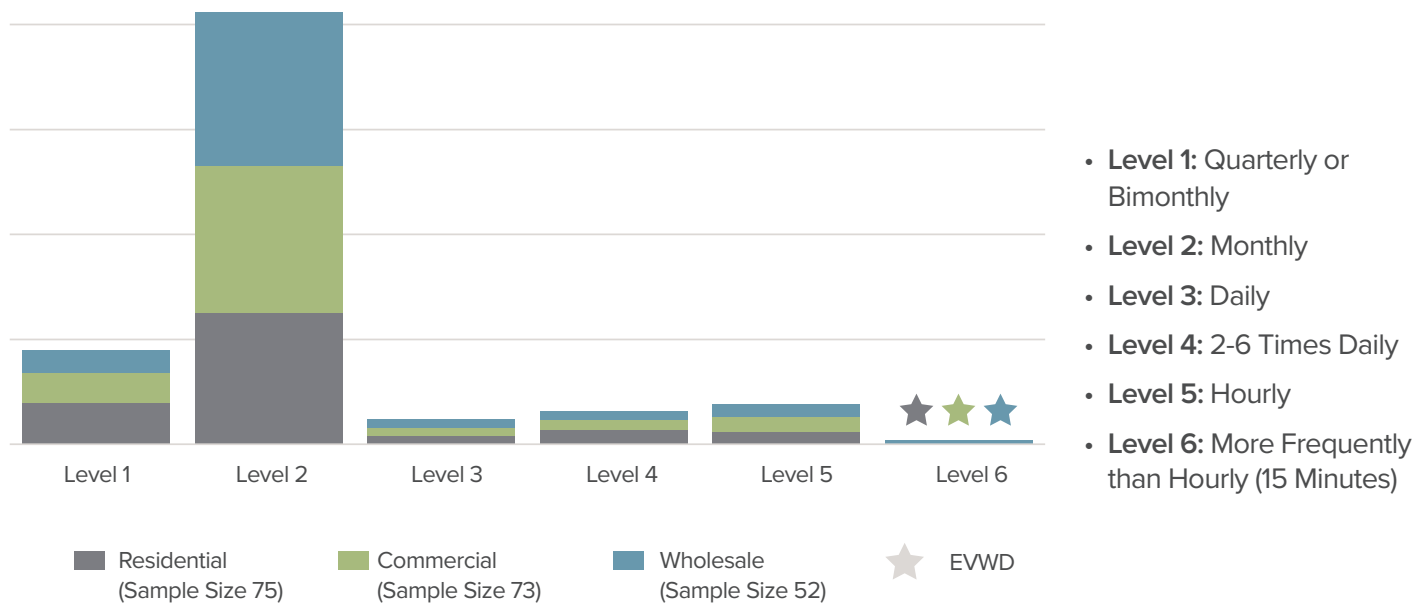
RISK AND RESILIENCY

The following indicators aim to look at the utility's readiness for emergencies.



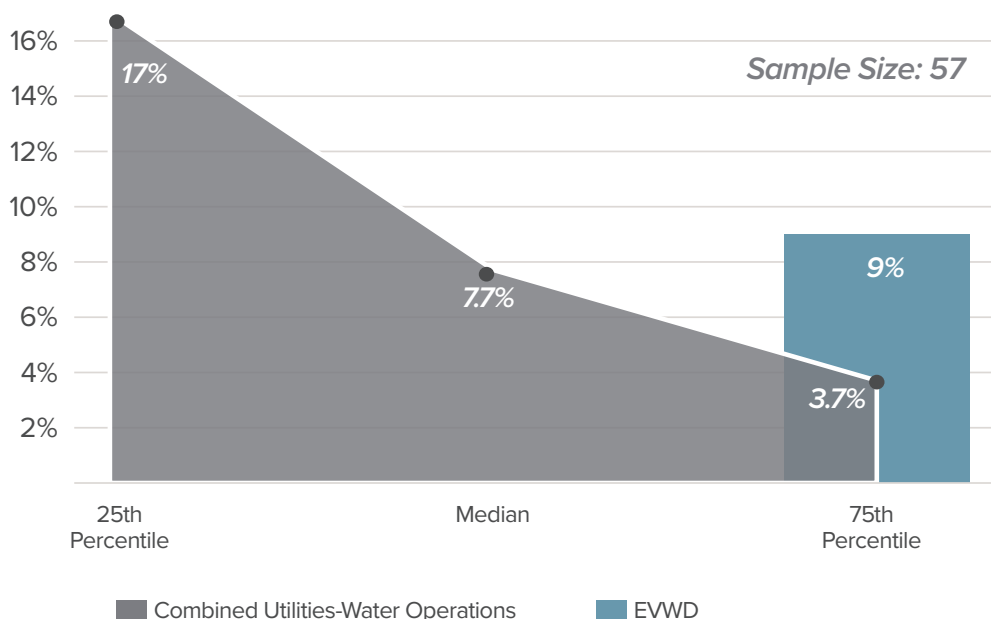
METERING PREVALENCE

This indicator looks at the percentage of water accounts that were fully metered for billing purposes.



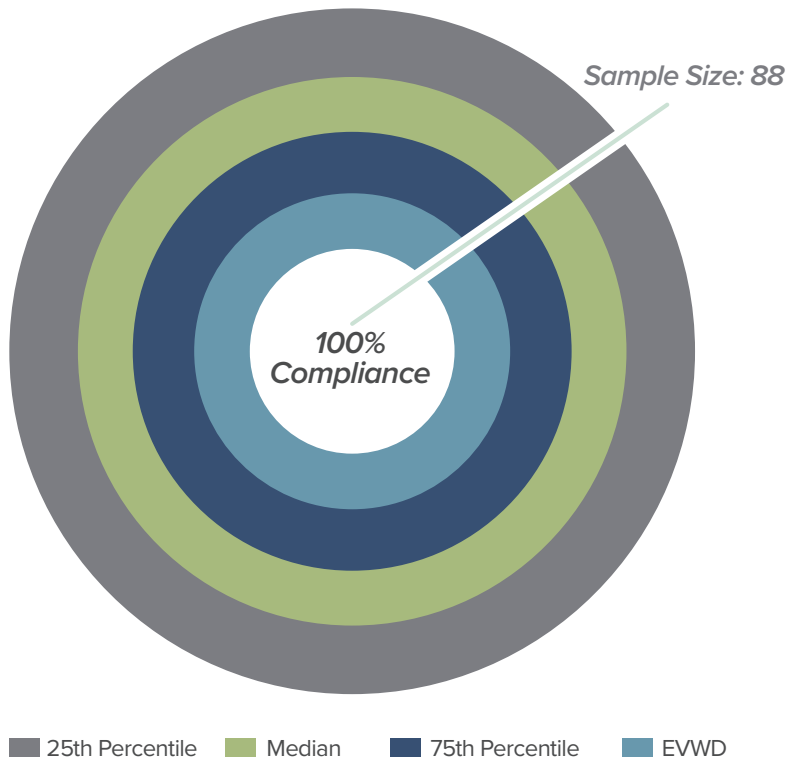
DELINQUENCY RATE

This indicator provides a look at the percentage of overall accounts delinquent over the given fiscal period. Due to the fluctuations of the COVID-19 pandemic, this benchmark is pulling data from FY 2018.



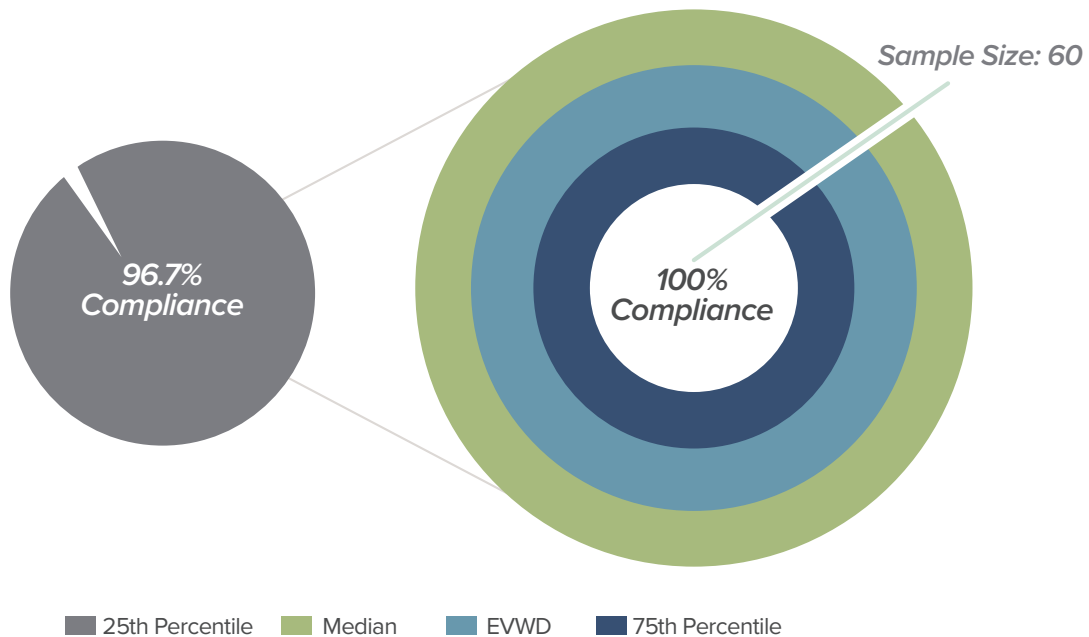
REGULATORY COMPLIANCE - WATER

This indicator quantified the percentage of time each year that the utility meets all health-related drinking water standards required.



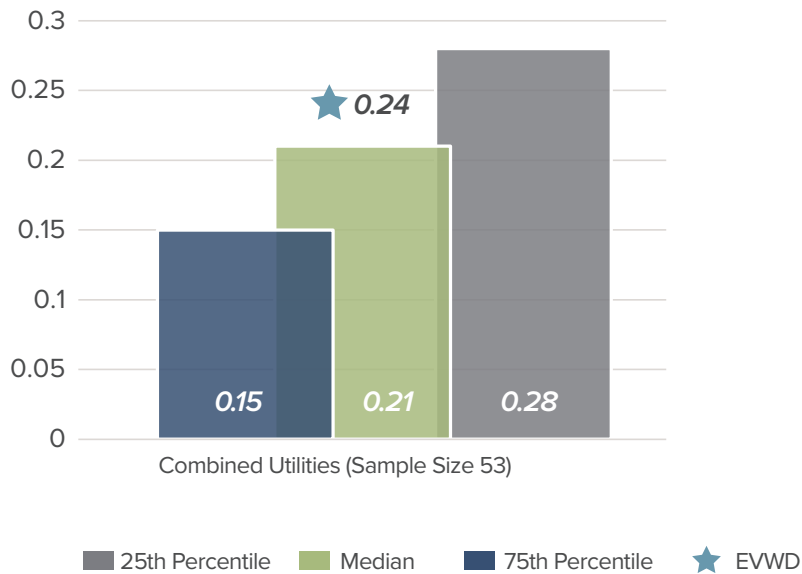
REGULATORY COMPLIANCE - WASTEWATER (COLLECTION SYSTEM OPERATIONS)

Regulatory compliance for wastewater is expressed as a percentage of the number of events per the facility's permit limits in compliance with the summation of the total number of compliance events in the reporting period.



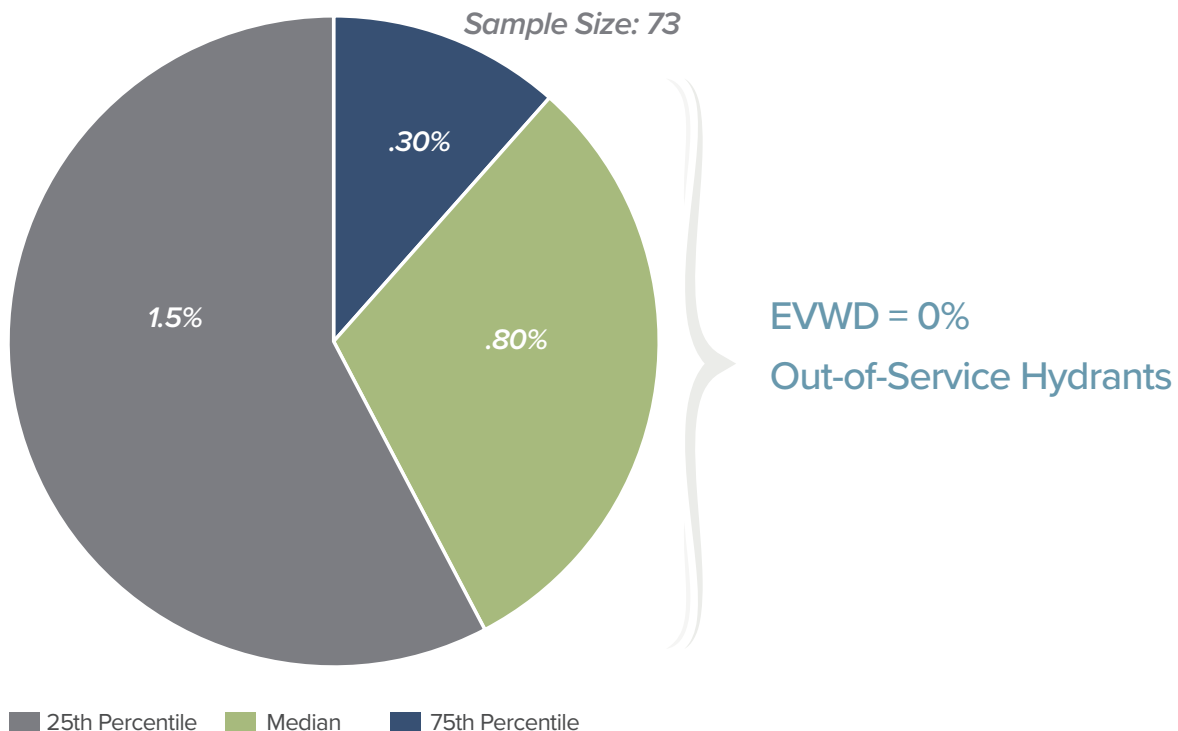
MGD OF WATER PRODUCED PER EMPLOYEE

This indicator provides a measure of employee efficiency as expressed by the amount of potable water delivered by utility employees per year. Comparing water production for FY 2019.



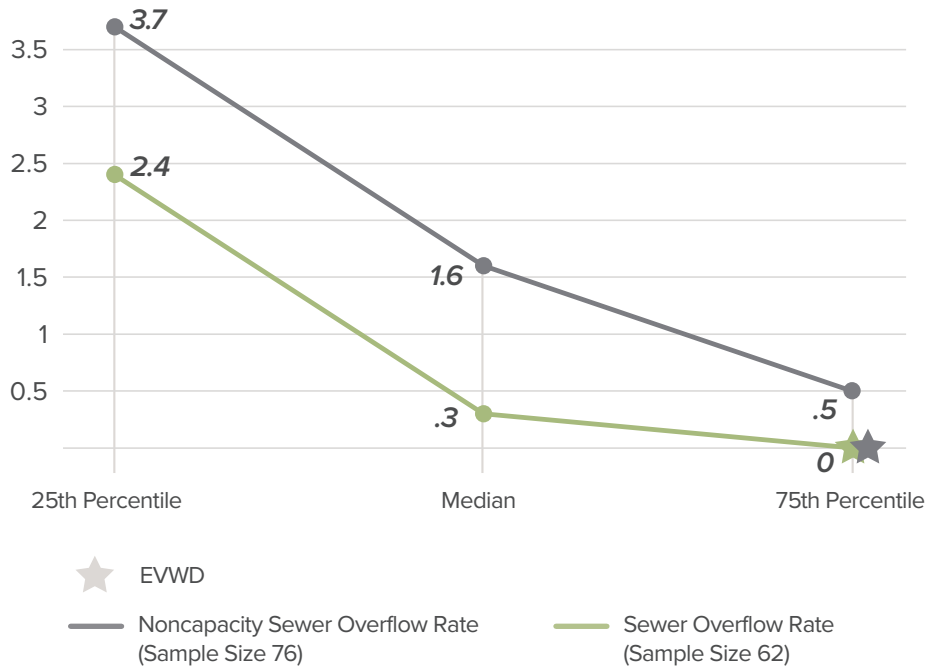
HYDRANT EFFECTIVENESS - OUT OF SERVICE INDICATOR

This indicator provides a measure of reliability of water hydrants in the utility service area. The aggregate data indicates out-of-service hydrants.



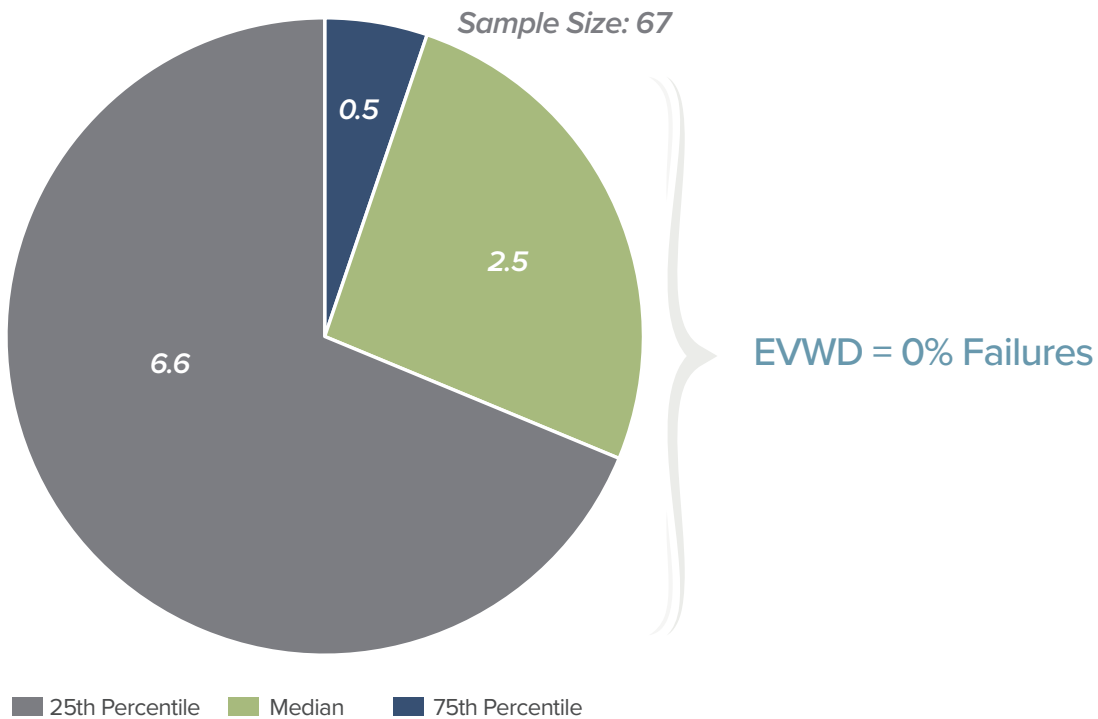
NONCAPACITY AND CAPACITY SEWER OVERFLOW

These indicators measure the total number of noncapacity and capacity sewer overflow events express as the ratio of the number of events per 100 miles of sanitary collection system piping.

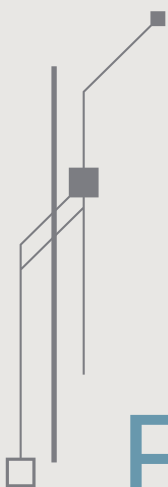


COLLECTION SYSTEM INTEGRITY

This indicator quantified the condition of a wastewater collection system expressed as the annual number of failures per 100 miles of collection system piping.







FINANCIAL SUMMARY



FINANCIAL POLICIES	■
BUDGET PROCESS	■
CURRENT & PROPOSED 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	■
	□
	□

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 Policies

The 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 to 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 Plan, 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 operating budget's contribution to the CIP.

Short-term operating deficits will be mitigated 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.

The budget development process is outlined on pages 53-55.

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 allows the Board to delegate that authority to the District's Chief Financial Officer/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 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 Designated Funds (Reserve) Policy as part of prudent financial planning and to ensure sufficient funding for current and future needs.

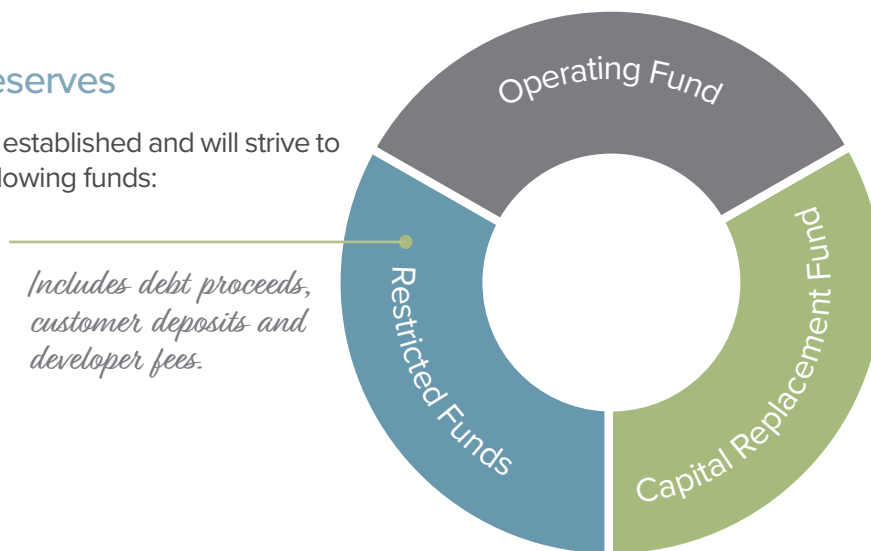
General Provisions

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 Fund

The Operating Fund is used for unanticipated operating expenses. This fund is designated by the 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 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 Board during the preparation and approval of the annual budget.

Capital Replacement Fund

Both the water and wastewater divisions will maintain a replacement fund for the replacement of capitalized assets when they reach the end of their useful lives. The source of replacement funds will be user fee revenue from the respective fund.

1. **Target Level** – The minimum target level should be equal to one years depreciation as determined by depreciation recorded for the previous fiscal year. The maximum balance shall not exceed the projected needs for five years according to the District’s Capital Improvement Plan.
2. **Events or Conditions Prompting the Use of the Fund** – Staff will recommend assets to be replaced during the Capital Improvement Plan / Capital Budget presentation. As projects are approved, funds will be appropriated from undesignated funds or available revenues.
3. **Periodic Review Dates for Balances** – Fund balances and projected improvement projects will be reviewed by staff and the Board during the preparation and approval of the annual budget.

Restricted Funds

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 utility 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
- 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 increase capital costs resulting from new development.

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

- **Inter-Fund Borrowing** – May be used for short-term cash flow imbalances due to grant terms, and interim financing pending issuance of long-term debt.
- **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 requirement; and
- Compliance with rate covenants.

Board Discretion

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



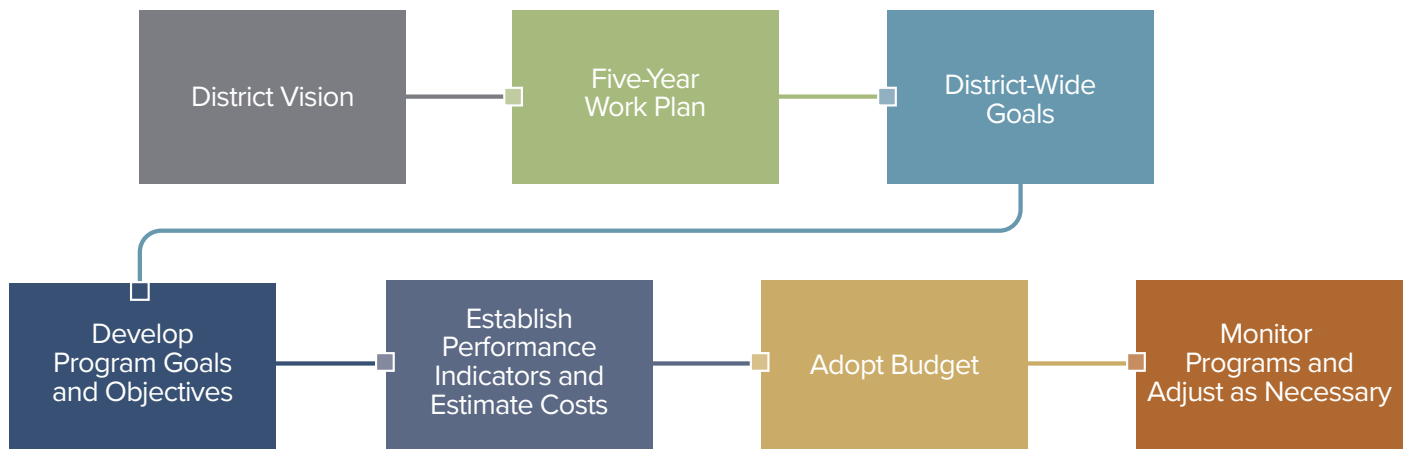
Budget Process

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, other local agencies and stakeholders, and District staff. The FY 2021-22 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 2021-22 Budget will allow the District to deliver reliable, high-quality water and wastewater 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 Strategic Initiatives and Five-Year Work Plan which, upon adoption by the Governing Board, provide clear direction to staff regarding District-wide priorities. Progress 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, to discuss significant affairs of the District, including development of the annual budget. Members of the CAC are civic minded community leaders who donate their time to provide input to staff on agenda items.

DISTRICT VISION

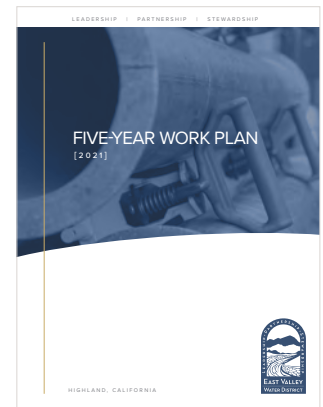
To help ensure consistent purpose, East Valley Water District has adopted a comprehensive statement that serves as a guide for the decision-making process throughout the organization. This element of the Strategic Plan remains consistent year-to-year. It includes the District’s Vision, Core Values, and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

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 when progress is made on complex objectives, status of long-range or cyclical planning measures, and external considerations that require a significant response or operational adjustment.

DISTRICT-WIDE GOALS AND OBJECTIVES

District-wide goals established with the annual budget are typically developed directly from the Five-Year Work Plan and usually define incremental steps from the long-term objectives that will be completed during the upcoming fiscal year. District-wide goals, also referred to as GM goals as they are part of the General Manager/CEO's annual performance evaluation, are adopted as program goals in one or more of the District's 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 District-wide goals 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 by program managers to the Governing Board and public at a public workshop in April.

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 funds.

ADOPT BUDGET

The final budget document was assembled, including projected revenues, expenditures, and funding of all goals and objectives proposed by program managers if possible. The document was presented to the East Valley Water 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 on the District website.

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.

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.



CURRENT & PROPOSED BUDGET CYCLE CALENDAR

<p>June 23, 2021</p> <p>FY 2021-22 Budget Adoption</p>	<p>November 10, 2021</p> <p>First Quarter FY 2021-22 Budget Review at Public Board Meeting</p>	<p>January 20, 2022</p> <p>Budget Meeting to Distribute FY 2022-23 Worksheets to Program Managers</p>	<p>February 9, 2022</p> <p>FY 2021-22 Mid-Year Budget Review at Public Board Meeting</p>
<p>March 10, 2022</p> <p>FY 2022-23 Capital Outlay and Capital Improvement Program Planning Meeting</p>	<p>March 25, 2022</p> <p>FY 2022-23 New Position Requests, Program Goals and Objectives Due to Finance</p>	<p>March 25, 2022</p> <p>FY 2022-23 Capital Outlay and Capital Improvement Project Requests Due to Finance</p>	<p>April 8, 2022</p> <p>FY 2022-23 Program Budget Requests Due to Finance</p>
<p>April 20, 2022</p> <p>FY 2022-23 Proposed Goals and Objectives Workshop at Public Board Meeting</p>	<p>April 25, 2022</p> <p>FY 2022-23 Capital Outlay and Capital Improvement Program Budget Review with Executive Managers and General Manager/CEO</p>	<p>May 5, 2022</p> <p>Meet with CAC to present and discuss proposed program goals and objectives and revenue projections for FY 2022-23</p>	<p>May 11, 2022</p> <p>FY 2022-23 Revenue Projection Workshop at Public Board Meeting</p>
<p>May 20, 2022</p> <p>FY 2022-23 Budget Complete with all Revisions</p>	<p>June 2, 2022</p> <p>Meet with CAC to Present Draft Budget for FY 2022-23</p>	<p>June 8, 2022</p> <p>FY 2022-23 Budget Presentation at Public Board Meeting</p>	<p>June 22, 2022</p> <p>FY 2022-23 Budget Adoption at Public Board Meeting</p>

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.

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 GAAP 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 GAAP 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 a GAAP basis; shown as a current expenditure on a Budget basis.
- **Capital Outlay and Construction costs** are capitalized and expensed over the useful life of the asset on a GAAP basis; shown as a current expenditure on a Budget basis.
- **Depreciation** is recorded annually to expense the cost of a capital asset over its useful life on a GAAP basis but is not contemplated on the Budget basis.
- **Interest payments** related to financing for the cost of a capital asset during construction are capitalized on the GAAP basis but are reported as a current expense on a Budget basis.
- **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.

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

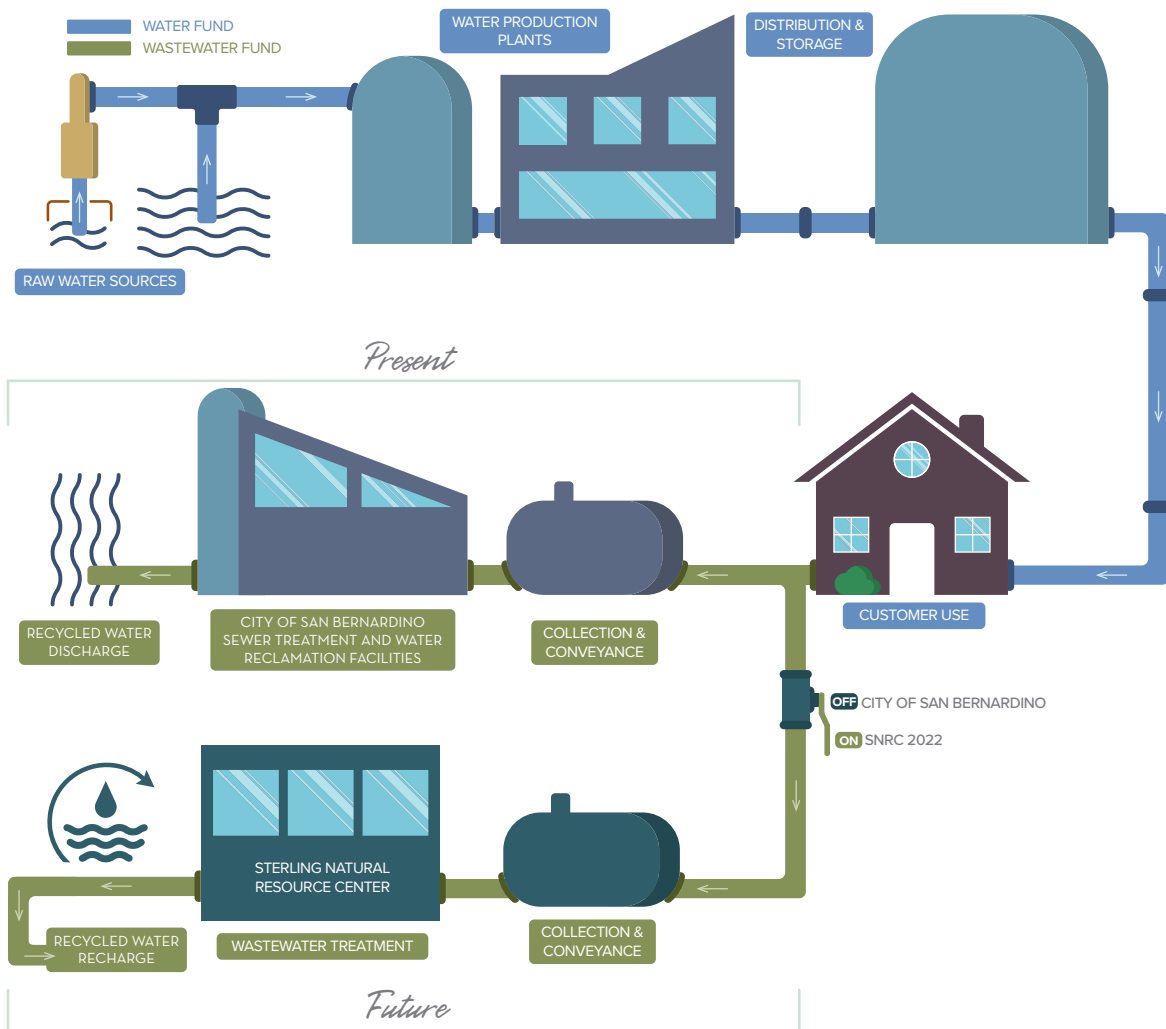
Fund Structure

Generally Accepted Accounting Principles require that East Valley Water 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, East Valley Water District engages in two separate and distinct business-type activities including the distributions of potable water, and the collection and treatment of wastewater. Accordingly, the District’s budget is organized based on these activities, or sub-funds, hereafter referred to as the Water Fund and the Wastewater 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 treatment facilities. Currently, wastewater flows are collected by a large interceptor line and sent to the SBMWD Treatment Plant where the wastewater is treated and released into the Santa Ana River. EVWD collects wastewater treatment fees from its customers and then remits those fees on a monthly basis to the SBMWD in a simple pass-through, where revenue is equal to expense.



However, in May the District will begin operating its own wastewater recycling plant, named the SNRC, and will no longer rely on the SBMWD for wastewater treatment.

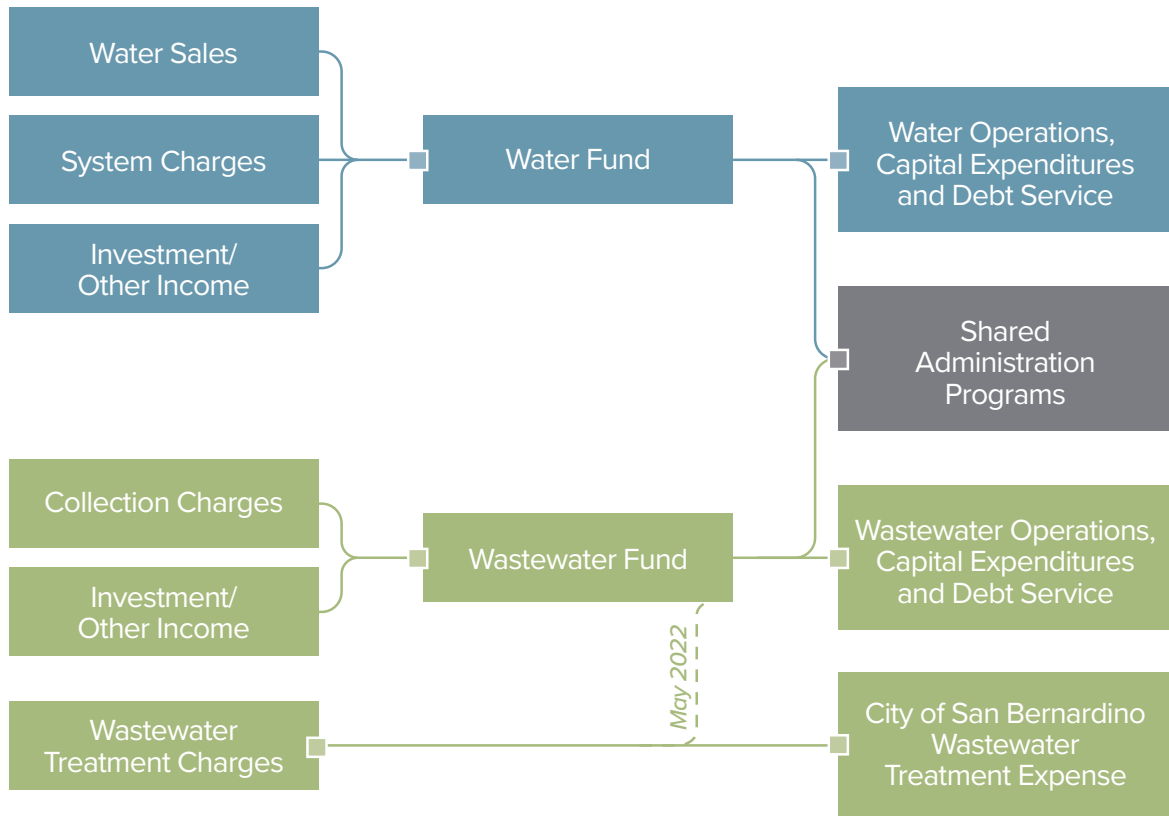
The District has established its own treatment charges in order to fund the labor and other operating costs, and debt service, related to this new facility. See the Revenue Summary section of this document for a discussion about new revenues from recycled water recharge and power generation related to the SNRC.

The Water and Wastewater Funds both rely on a significant amount of facilities 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 an allocated portion of operating and maintenance program expenses.

Both funds are supported by centralized customer service, engineering, and general administrative functions, the cost for which is allocated between the two funds.

Flow of Funds



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

Fund/Program Relationship

District operating and maintenance expenses are all budgeted and accounted for by Program.

Expenses incurred by Program's are then allocated to the Water and Wastewater 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 generally allocated using a 70%-30% split.

The percentage allocation is often 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.

Below is a table illustrating the Fund/Program relationship for the current fiscal year:

Program	Water Fund	Wastewater Fund	Total
1000 Governing Board	\$ 170,800	\$ 73,200	\$ 244,000
2000 General Administration	931,500	397,500	1,329,000
2100 Human Resources/Risk Management	1,322,400	349,600	1,672,000
2200 Public Affairs	1,340,900	503,100	1,844,000
2300 Conservation	614,000	-	614,000
3000 Finance	809,750	346,250	1,271,000
3200 Information Technology	895,900	341,100	1,237,000
3300 Customer Service	1,102,900	459,100	1,447,000
3400 Meter Services	321,000	-	321,000
4000 Engineering	1,114,400	477,600	1,592,000
5000 Water Production Administration	568,000	-	568,000
5000-51 Source of Supply	2,861,000	-	2,861,000
5000-52 Pumps & Boosters	659,000	-	659,000
5000-54 Transmission & Distribution	451,000	-	451,000
5100 Water Treatment	900,000	-	900,000
5200 Water Quality	521,000	-	521,000
6000 Maintenance Administration	378,000	42,000	420,000
6100 Water Maintenance	2,658,000	-	2,658,000
6200 Wastewater Maintenance	-	950,000	950,000
6300 Water Reclamation	-	9,555,000	9,555,000
7000 Facilities Maintenance	971,750	244,250	1,216,000
7100 Fleet Maintenance	506,700	56,300	563,000
TOTAL OPERATING EXPENSES	\$ 19,098,000	\$ 13,795,000	\$ 32,893,000

Budget Summary

The budget for FY 2021-22 is balanced and reflects East Valley Water District's commitment to allocating anticipated resources to meeting the expectations of District ratepayers, creditors, and other stakeholders.

The District projects that it will receive \$41,304,000 in revenue during FY 2021-22 and has developed a budget plan to allocate \$32,893,000 toward funding of program operations, \$3,352,000 toward the amortization of outstanding debt, and \$5,059,000 toward capital asset improvement and replacement.

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	FY 2021-22 Total
REVENUE / SOURCES			
Water Sales / Wastewater Collection Charges	\$ 17,288,000	\$ 4,815,000	\$ 22,103,000
Wastewater Treatment Charges	-	8,708,000	8,708,000
Water System (Meter) Charges	9,280,000	-	9,280,000
Other Operating Income	-	632,000	632,000
Other Charges and Income	404,000	177,000	581,000
TOTAL REVENUE / SOURCES	\$ 26,972,000	\$ 14,332,000	\$ 41,304,000
OPERATING EXPENSES			
Employment Expenses	\$ 8,763,400	\$ 3,359,600	\$ 12,123,000
Water Costs	768,000	-	768,000
Contracted Wastewater Treatment	-	7,844,000	7,844,000
Power Costs	1,900,000	260,000	2,160,000
Materials & Supplies	1,235,950	342,050	1,578,000
Contract Services	6,103,200	1,873,800	7,977,000
Other Operating Expenses	327,450	115,550	443,000
TOTAL OPERATING EXPENSES	\$ 19,098,000	\$ 13,795,000	\$ 32,893,000
OTHER USES			
Debt Service	\$ 3,082,000	\$ 270,000	\$ 3,352,000
Capital Outlay	1,080,000	50,000	1,130,000
Capital Improvement Program Contribution	3,712,000	217,000	3,929,000
TOTAL OTHER USES	7,874,000	537,000	8,411,000
TOTAL OPERATING EXPENSES/OTHER USES	26,972,000	14,332,000	41,304,000
NET SURPLUS (DEFICIT)	\$ -	\$ -	\$ -

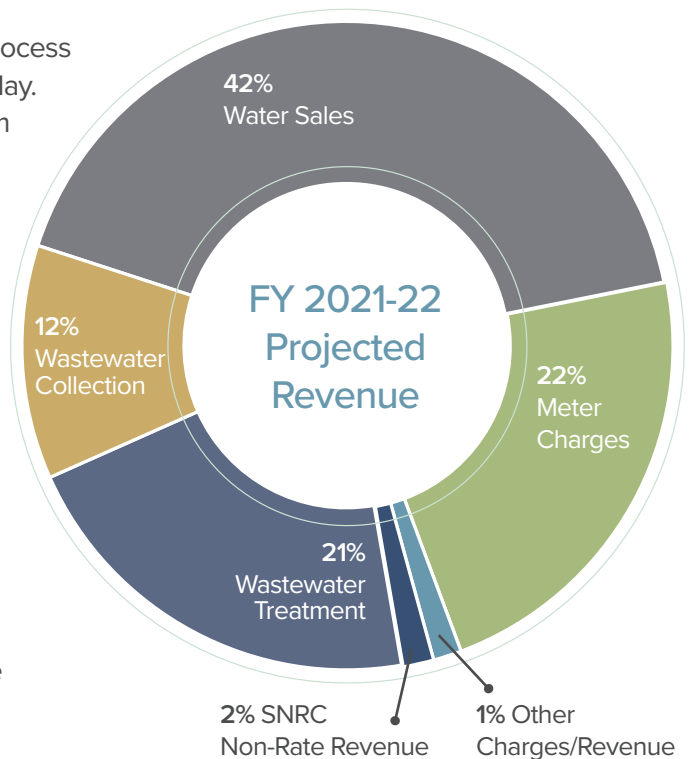
Revenue Summary

Revenue projections are key to determining the amount 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 97% of its revenue from user rates and fees; the District receives no increment from property or sales taxes. Rates and fees 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 §31000 California Water Code and rate adjustments are adopted at public hearings conducted in accordance with requirements established by California Propositions 26 and/or 218.

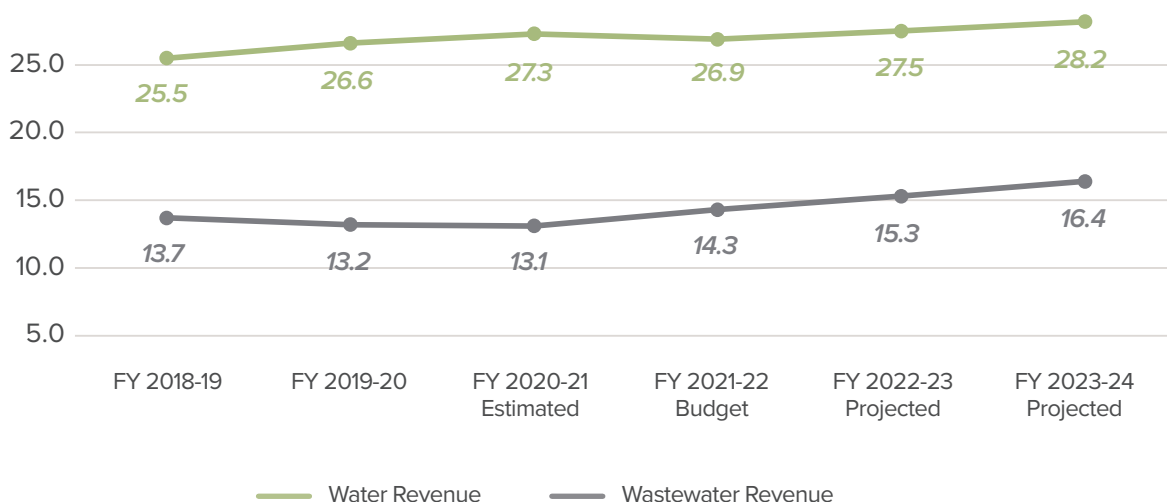
The District has six revenue categories based on rates:

- Water Sales
- Meter Charges
- Wastewater Collection
- Wastewater Treatment
- Other Charges
- SNRC Non-Rate Revenue



Forecasting revenue projections requires consideration of external factors that could impact the demand for water services. Elements factored into the FY 2021-22 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.

Revenue History and Forecast (In Millions)



Water sales are also reliant on consumer demand, which increases, or decreases based on weather, water rates, and occasionally drought conditions. The 2016 drought in California forced the District, and like agencies, to promote conservation and reduce water usage as part of a State-wide effort. Although an end to that drought was declared in April 2017, after three years of average to heavy rain and snowfall, the State appears to be heading into another severe drought. This is leading to more conservation efforts being driven by the State through legislation and reporting requirements.

Construction within the region has been picking up over the last 2-3 years, but large residential developments within the District have been challenged by community members concerned about impacts on existing residents and traffic circulation. Two large tracts of homes, representing approximately 750 residential units, are moving forward and are at various stages of the construction process. The District was involved in the establishment of a Community Facilities District in 2020, with another planned for 2021. Revenue projections include the addition of 50 new residential customers annually over the next five years. A larger development of approximately 3,000 homes and businesses is being revisited but will likely not result in any construction activity until after FY 2023-24.

The most significant factor affecting District revenue in FY 2021-22 will be the opening of the SNRC water reclamation facility. With this plant online the District will no longer send wastewater to the SBMWD for treatment but will treat and recycle wastewater for groundwater recharge. Anaerobic digesters at the SNRC will also allow the District to produce energy from wastewater and other high grade waste accepted from third-party haulers. As a result, new revenue sources associated with the SNRC include:

1. Payment from the groundwater basin-master for recycled water used for recharge;
2. Tipping fees from liquid waste haulers; and
3. Energy produced by digester will offset the facility's power operating costs. There is a potential to sell excess power produced by the digesters to the Edison power grid.

A more detailed description of the District's major revenue sources, and related trends, is included in the following sections, including a discussion of new revenue streams under Other SNRC Income. In addition, the Water Fund and Wastewater Fund sections of this document include a detailed discussion of the rates used to calculate FY 2021-22 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 the amount of water usage, which is metered and measured in hundred cubic feet (HCF) where 1 HCF is equal to 748 gallons.



The District bills for water consumption in three ascending 'Water Budget' rate tiers. Therefore, as customer 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 lost 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 meter 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 or landscaped area associated with their domestic meter, receive Tier 1 and 2 water budgets based on the business’ historical water usage, with excess usage billed at the Tier 3 rate.

The table below summarizes water sales volume (HCF) by billing tier for the last three years, and also includes conservative projections for FY 2021-22.

Customer Consumption In Hundred Cubic Feet

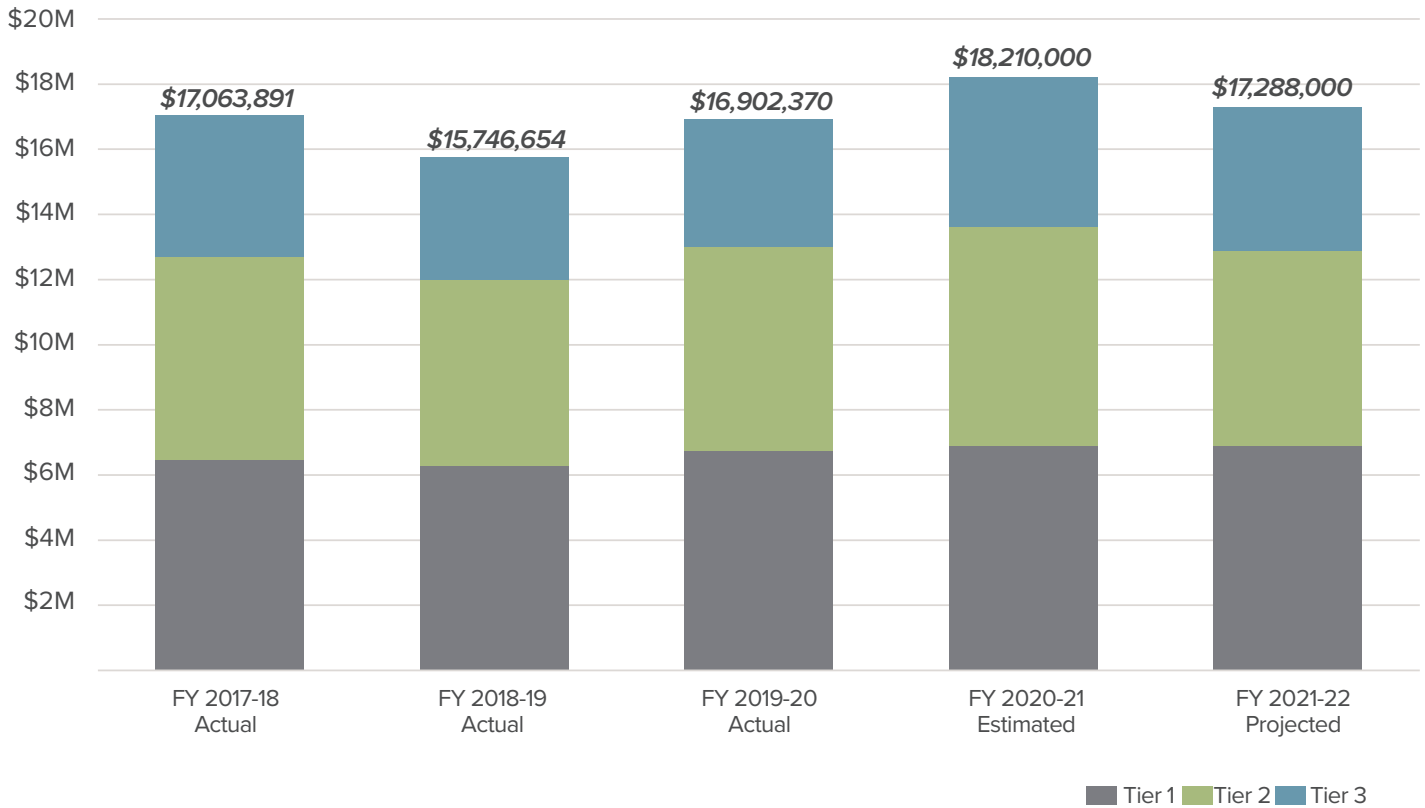
	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Estimated	FY 2021-22 Budget
Tier 1	3,633,298	3,777,126	3,696,721	3,631,000
Tier 2	2,346,603	2,406,396	2,659,770	2,313,000
Tier 3	1,111,457	1,096,457	1,237,088	1,180,000
TOTAL	7,091,358	7,279,979	7,593,579	7,124,000

Water consumption is expected to decrease in FY 2021-22 due to rate adjustments, adopted in May 2021 and effective January 2022, as well as evolving State guidelines that will require water agencies, such as EVWD, to enforce stricter water conservation measures. The rate adjustments mentioned above will have three phases, each taking effect on January 1, 2022, 2023 and 2024.

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 \$17.3 million for FY 2021-22. 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.

“Since the adoption of budget based rates, the District has experienced success in reducing water consumption and stabilizing revenues.”

Water Sales Trends



WATER SYSTEM CHARGES

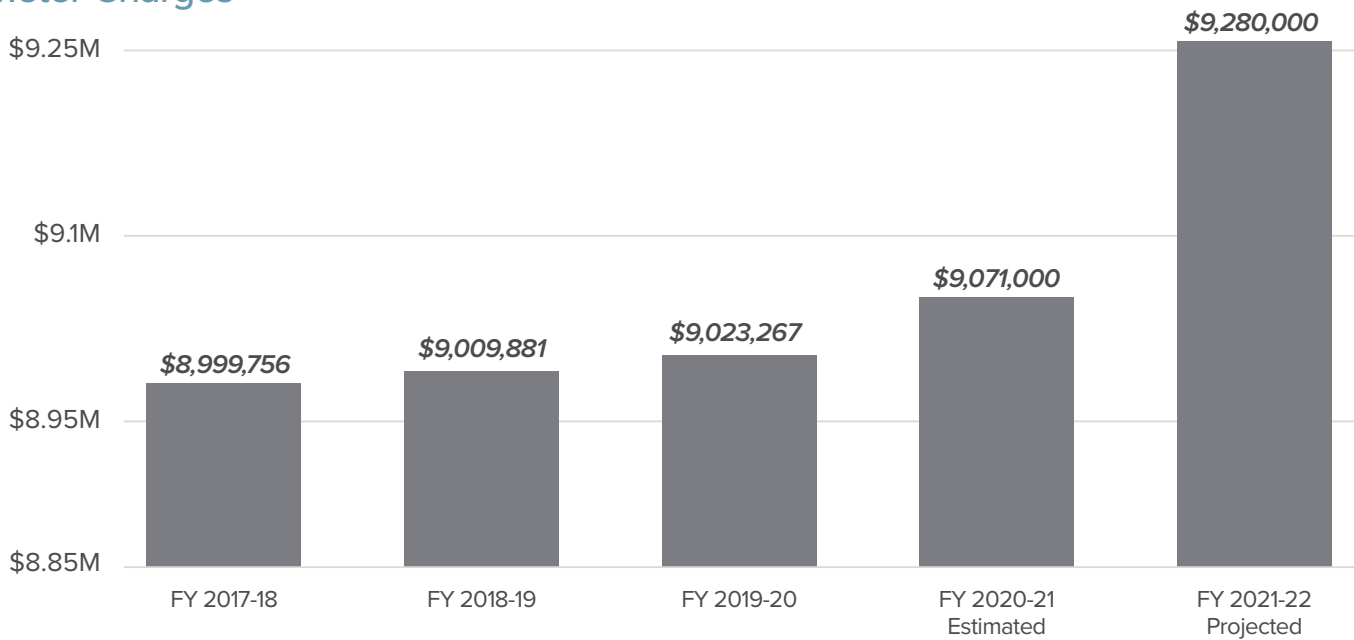
Also referred to as Meter Charges, this revenue consists of a fixed monthly charge assessed to customers based on the size of the meter serving their property. East Valley Water District sets its meter charge rates to generate between 35% and 40% of annual water operating revenue. In doing so, the District 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 last adjusted at the beginning of FY 2017-18 and were also included in a Cost of Service Analysis and Rate Study completed in January 2021. Adjustments proposed by the January study were adopted by the District in May 2021 and are scheduled to become effective in three phases, on January 1 of each year 2022 through 2024.

Revenues have been slightly impacted by infill development in the last two years as there have been approximately 35 residential and 15 commercial new connections to the District system. They are also impacted by charges collected on construction meters which can exceed \$150,000 annually. In addition, there are two developments totaling approximately 750 units moving forward which will likely add 50 - 75 new connections each year for the next 10 years.

With the implementation of phase 1 of rate adjustments in January 2022, Meter Charge revenue is projected to be \$9,280,000 for FY 2021-22.

Meter Charges



WASTEWATER COLLECTION (SYSTEM) CHARGES

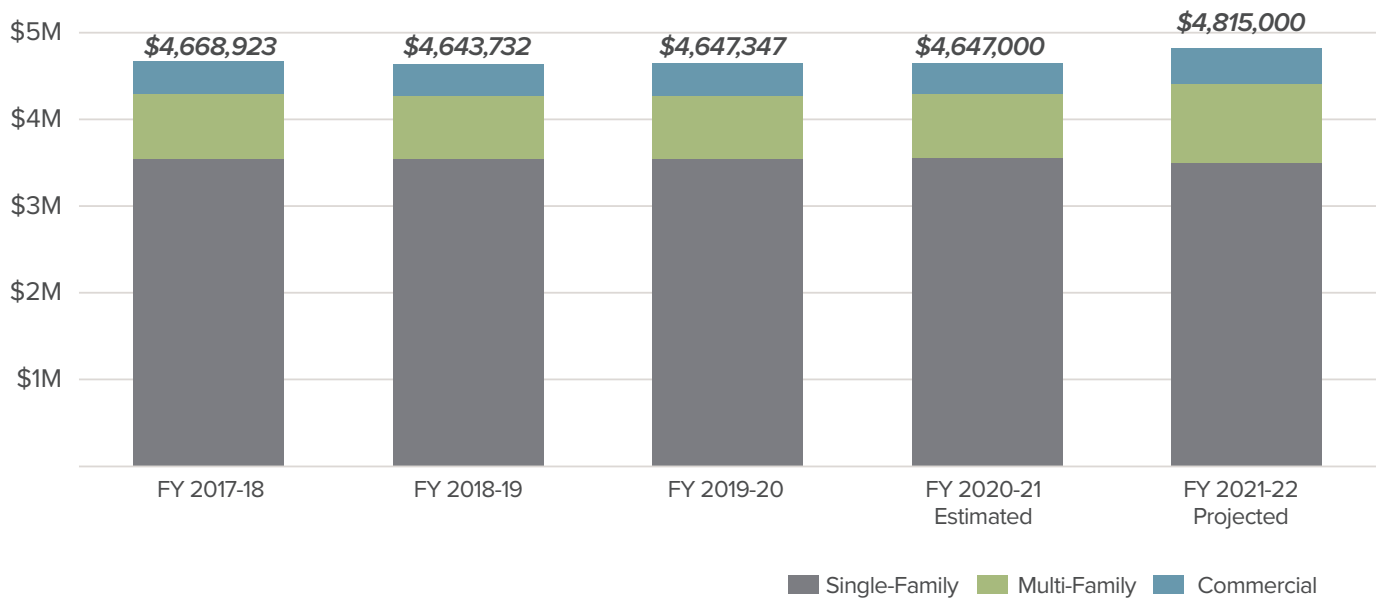
This charge is assessed to District customers to fund the maintenance and replacement of wastewater collection pipelines, make wastewater debt service payments, and fund program services associated with the Wastewater Fund.

Currently the rate structure includes a fixed monthly charge of \$15.36 for single-family residences, and a combination of fixed and volumetric charges for commercial and multi-family customers – currently \$3.90, and \$.55 per HCF of water usage, respectively.

Wastewater collection rates were last adjusted in October 2012, so wastewater collection revenue has remained relatively flat over the past nine years. However, collection rates were included in the Cost of Service Analysis and Rate Study completed in January 2021. The study proposed a change in how multi-family residential accounts are billed, changing from a method based predominantly on water usage of the master account, to a fixed charge per dwelling unit served by the master account. This change brings billing for multi-family residential accounts into alignment with the methodology in place for single-family residential accounts. Commercial accounts will continue to be billed a monthly flat charge plus a volumetric charge based on water usage.

Changes proposed by the Cost of Service Analysis, including a schedule of rate adjustments, were adopted in May 2021. Rate adjustments will be implemented in three phases, beginning on the first day of the month in 2022 (likely May) that the SNRC will become operational, and followed by adjustments on the first day of January of years 2023 and 2024. Accordingly, projected revenue for FY 2021-22 includes 10 months of revenue under the current rates and 2 months under the newly adopted rates. Projected wastewater collection revenue for FY 2021-22 is \$4,815,000.

Wastewater Collection Charges



WASTEWATER TREATMENT REVENUE

Wastewater generated by District customers is currently delivered to and treated by SBMWD facilities in accordance with a Joint Powers Agreement (JPA). Under the JPA the SBMWD establishes wastewater treatment rates to be charged to District customers. The District then bills customers within its service area at the SBMWD established rates, receives customer payments, and then remits collected treatment revenues to the SBMWD at the end of each month.

However, the District is preparing to begin operation of its own water recycling facility known as the SNRC that, upon completion, will allow the District to treat its own wastewater and no longer contract with the SBMWD for wastewater treatment. The SNRC is scheduled for completion in May 2022.

SBMWD Treatment Rates

SBMWD rates in effect at the beginning of FY 2021-22 include a fixed monthly charge of \$21.55 for single-family residential customers, and a combination of fixed and volumetric charges for commercial and multi-family customers. Multi-family accounts are billed a small fixed monthly charge of \$1.97, plus a volumetric charge of \$1.53 per HCF of water used. Commercial accounts are billed a small fixed monthly charge of \$3.52 plus a volumetric charge ranging from \$1.29/HCF to \$3.18/HCF depending on the type of business run by the commercial customer.

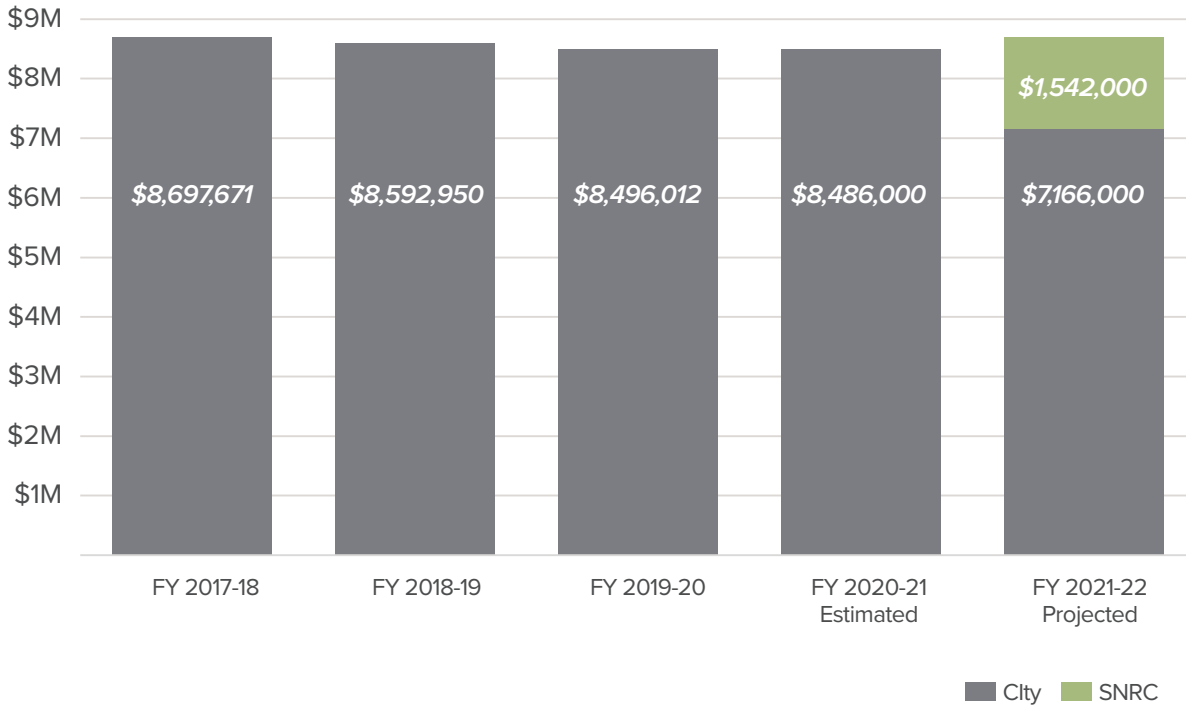
SNRC Treatment Rates

On May 12, 2021 the District adopted its own wastewater treatment rates which will become effective when the SNRC begins operations in May 2022. Accordingly, FY 2021-22 treatment revenue projections include 10 months at SBMWD rates and 2 months at rates established by the District.

Rates established for the SNRC differ from those of the SBMWD in two ways. First, multi-family residential accounts will no longer be billed based on water usage but will be billed a fixed charge for each dwelling unit as single-family residential accounts are. Second, commercial customers will no longer be classified in one of 12 customer categories but will be classified based on ‘strength’ of the wastewater they discharge into one of three categories: low strength, medium strength, or high strength.

Total Wastewater Treatment Charges projected for FY 2021-22 are \$8,708,000.

Wastewater Treatment Revenue



SNRC NON-RATE REVENUE

Commencement of operations at the SNRC on or around May 1, 2022 will not only mean that the District will assess and collect its own wastewater treatment revenue, but other revenue streams surrounding the anaerobic digesters and recycled water will begin to be realized including the following sources.

Local Resource Investment Program (LRIP)

In October 2018, EVWD signed an agreement to sell up to 11,000 acre-feet annually of recycled water produced by the SNRC to Valley District. Valley District will initially pay \$173 per acre-foot for recycled water made available to recharge the local groundwater basin. EVWD estimates that the SNRC will produce and recharge 6,000 acre feet annually when the plant is in full operation, but in May and June of 2022, as the plant is transitioning to operation, the District estimates that 375 acre feet of recycled water will be produced and recharged for which it will receive an LRIP Contribution from Valley District of \$65,000.

Waste Hauler Tipping Fees

In order to maximize the power generation capacity of the SNRC digester, activated wastewater sludge from the SNRC will be supplemented by contracting with high grade food waste haulers to dispose of their waste at the SNRC. The District anticipates that haulers will pay \$0.08 per gallon to unload up to 130,000 gallons daily. The District projects that it will unload approximately 7.084 MG for \$567,000 during FY 2021-22.

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 situation where the digesters are generating surplus power which can be sold to the power grid at \$0.127 per kilowatt hour. The District does not anticipate any revenue from power sales during the SNRC's startup year.

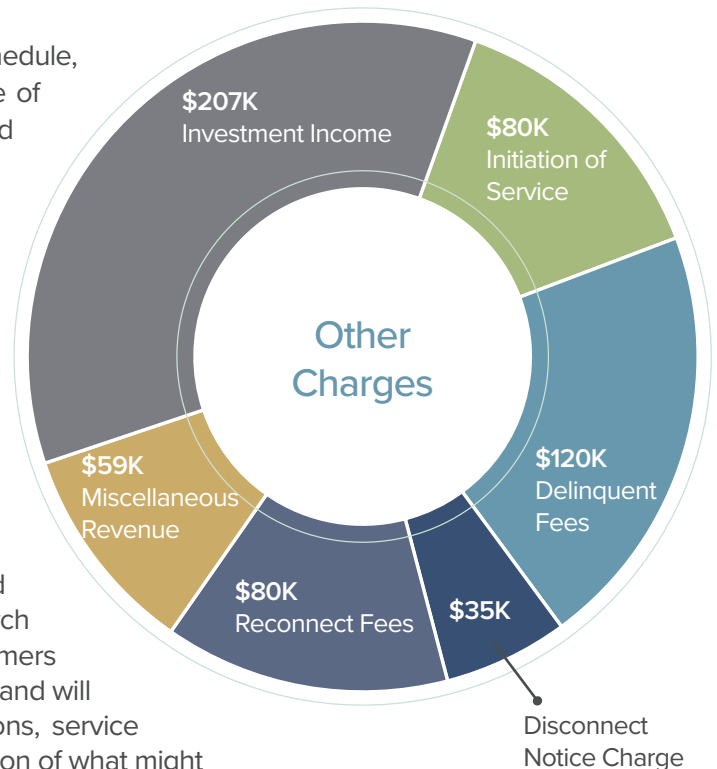
The table below provides a summary of all projected non rate revenue from the SNRC for FY 2021-22.

Revenue Type	Unit of Measure	Volume FY 2021-22	Fee Per Unit	Non-Rate Revenue Total
LRIP Contribution	Acre Foot	375 AF	\$ 173.00	\$ 65,000
Tipping Fees	Gallon	7.084 MG	0.08	567,000
Power Sales	kWh	0	0.13	-
				\$ 632,000

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 and wastewater 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 have been significant, so the District has been successfully implementing procedures to reduce the number of service disconnections for non-payment. However, a new California law effective February 1, 2020 mandates that residential customers not be disconnected until payment is at least 60 days overdue. Further, a COVID-19 related Executive Order from California's Governor effective March 17, 2020 which mandates that utilities not disconnect customers during the COVID-19 state of emergency has not been lifted and will further reduce delinquency fees. For FY 2021-22 projections, service disconnection related charges have been reduced to a fraction of what might be assessed without COVID-19 related prohibitions.



Other Income included in FY 2021-22 projections are facilities rentals, interest, and miscellaneous revenue. Projections for interest revenue have decreased as yields are expected to decline, and the amount of investible funds held by the District will be depressed as the District continues to pay for the construction costs of the SNRC and then wait 30 to 60 days for reimbursement.

In total, the FY 2021-22 projection for Other Charges and Income is \$581,000, which is calculated using adopted fees and an estimate of the number of occurrences for each type of fee based on historical trends.

“The District has successfully
implemented procedures to reduce the number of service disconnections.”



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 and Wastewater funds.

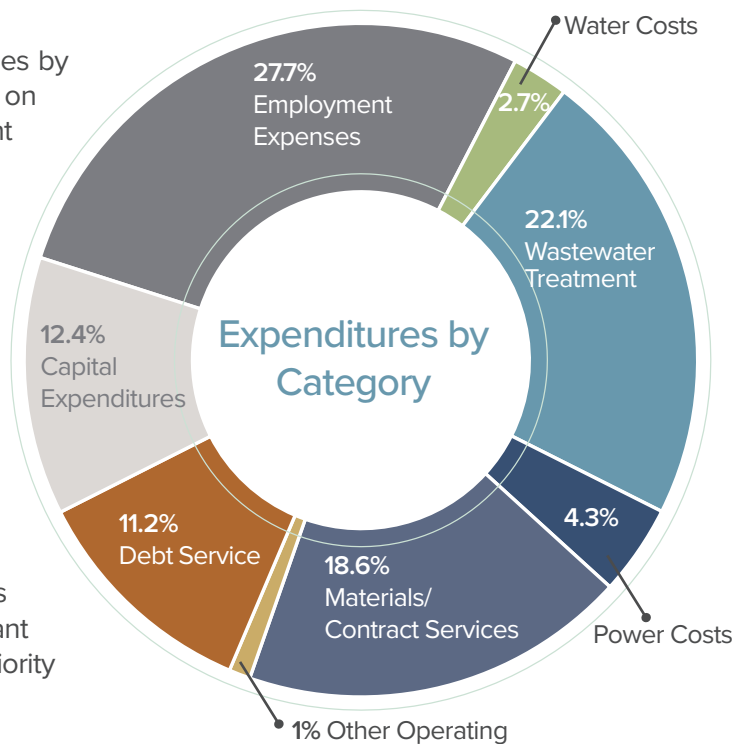
Operating expenses are addressed on the following pages by broad cost category as listed on the Budget Summary on page 60. Expenses are presented in more detail, by account type, in the Water and Wastewater Fund Sections, and again, by Program in the Program Summaries.

EMPLOYMENT EXPENSES

Employment expenses at the beginning of FY 2021-22 will include salaries and benefits paid for 76 full-time employees (FTEs) and one part-time employee, and District contributions toward retiree health insurance. The number of FTEs will grow during FY 2021-22 as the District prepares for the opening of a new wastewater treatment plant (the SNRC) in May 2022. Nine employees will be needed to staff the plant, but they will as the plant begins operations. Treatment operators will be the priority hires, followed by maintenance and administrative staff.

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 2020-21. Negotiations for an updated MOU were delayed due to the COVID-19 related economic downturn, but a new three year agreement through June 2023 was finalized in September 2021.

Salaries include regular wages, overtime and on-call pay, paid leave time, incentives, and differential payments which are awarded upon attainment of designated certifications. Under the terms of the new MOU, salaries increased by 5% in year one (FY 2020-21) to eliminate an agreed-upon policy to pay staff 5% below market median and then award up to 5% incentives at year end (10% for management) based on performance measures. In years two and three salaries will be adjusted to market median based on a survey conducted by an independent consultant, or by a 2% COLA for salary categories that were not affected by the survey. Pay scale step increases of 2.5% are also available for 32 employees who have not reached the top step in their pay range, subject to annual performance evaluations. With the new SNRC positions, and the terms of the new MOU, projected salaries expense for FY 2021-22 is \$8,104,000.



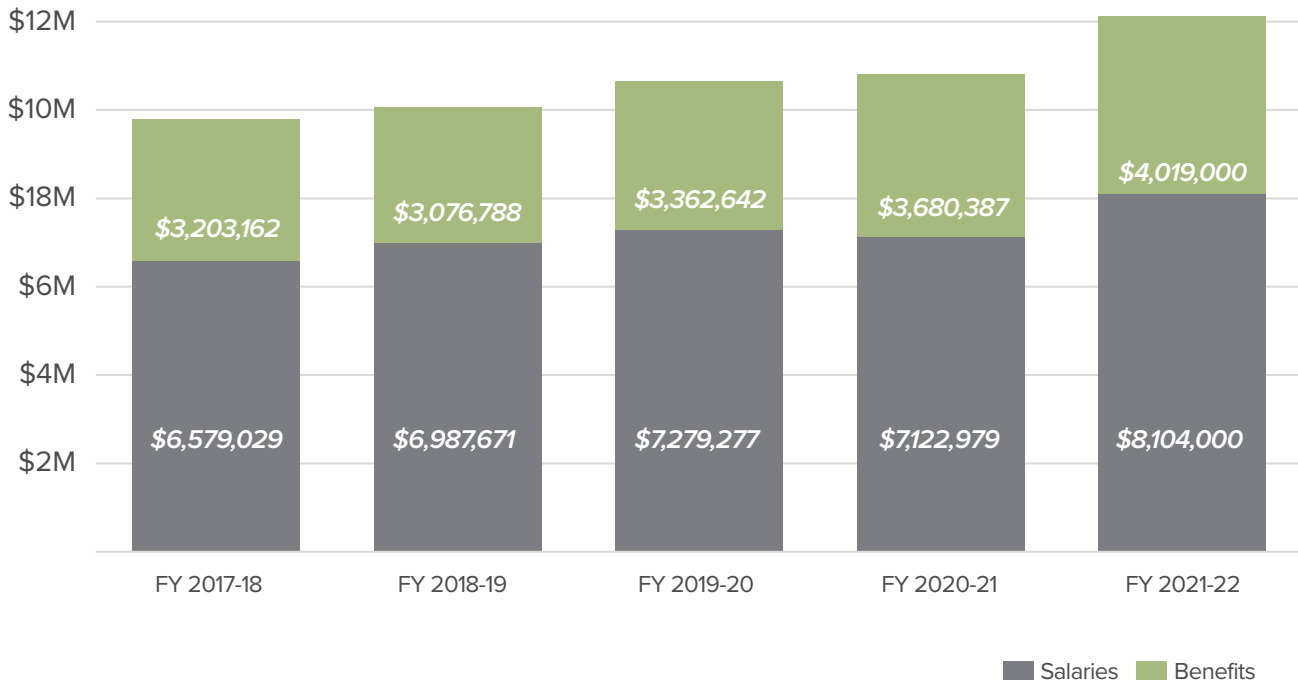
Benefit programs include a retirement plan with the CalPERS, a cafeteria health insurance plan, a deferred compensation plan with employer matching, and worker’s comp and Medicare insurance. Overall, benefits are expected to increase by 2.7% to \$3,964,000 for FY 2021-22.

The most significant of employee benefits 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. 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 increased contributions 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 liabilities. While the 15-year plan requires higher initial annual contributions, the shorter amortization period is projected to save the District \$3.5 million. District paid costs related to the retirement plan are projected to increase 3%.

Healthcare costs are also split between the District and employees as the District pays 90% to 95% of premiums of a designated ‘benchmark’ insurance plan, with employees paying the balance. Premiums for the benchmark plan increased 2.7% for calendar year 2021, therefore a similar increase for the cost of healthcare benefits has been projected. The District also contributes toward retiree health insurance premiums until the age of 65, provided they meet all eligibility requirements for this benefit. Workers 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 9.2% to \$4,019,000 for FY 2021-22 due primarily to the addition of the SNRC operations staff.

Salaries and Benefits



WATER COSTS

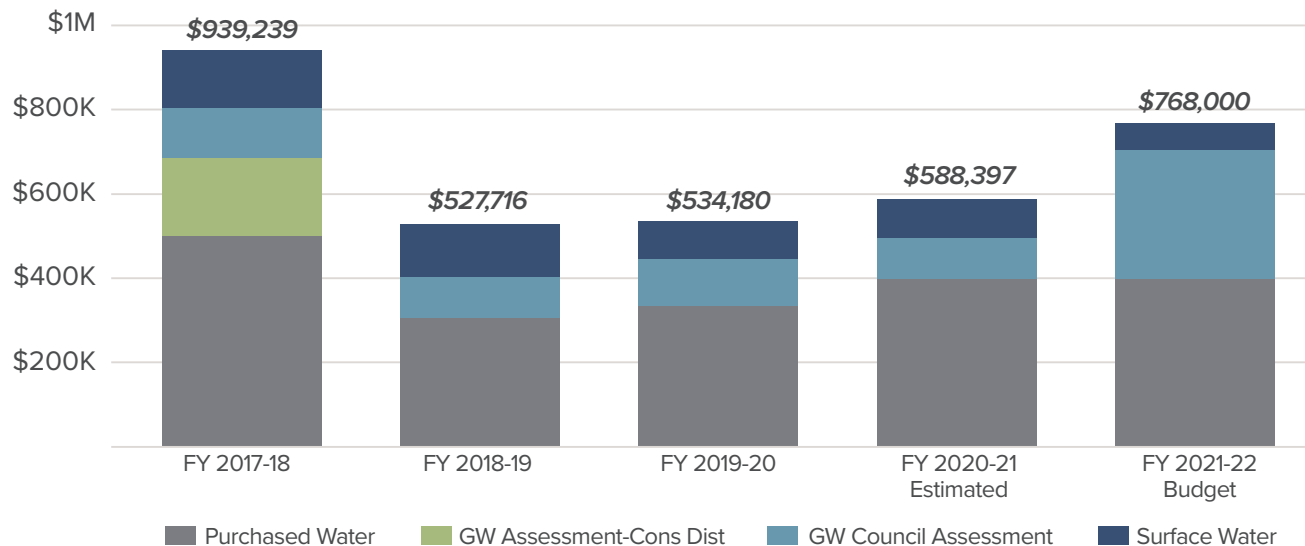
The District anticipates customer demand for approximately 16,346 acre-feet, or 5.38 billion gallons of water during FY 2021-22. This is approximately 7% lower than total water sold in FY 2020-21. Included in this projection are scheduled rate adjustments, and stronger messaging expected about the impending drought, which tend to apply downward pressure on water demand.

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 74% of its water supply through its wells pumping water from the Bunker Hill groundwater basin. Fees associated with pumping groundwater consist of an assessment paid to the San Bernardino Basin Groundwater Council (GC), a collaborative effort formed in January 2018 for the purpose of purchasing imported water to restore and maintain sustainable groundwater levels. Groundwater Council assessments are based on historical pumping levels by each of the signers to the GC Framework Agreement, and the District’s assessment for FY 2021-22 is projected to be \$445,000. However, the District receives credit against the assessment for Santa Ana River surface water that it allows to flow past the District’s intake into groundwater recharge basins. Net of the expected credit, the final assessment the District will pay to the Groundwater Council is projected to be \$304,000.
- **Surface Water** – stockholder assessments paid to the 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 7,140 shares and projects that the assessment will be \$9 per share and has budgeted \$64,000 accordingly.
- **Purchased Water** – paid to Valley District to buy State Water Project at \$126 per acre foot (AF) when available. Due to very light snow and rainfall in Northern California last winter, only 5% of the normal allocation of water is available from the State Water Project. The District should be able to purchase up to 3,175 acre feet of imported water during the upcoming fiscal year and has budgeted \$400,000 accordingly. Water availability from the State Water Project will be uncertain in the future without normal rainfall in the winter of 2021-22.

Total water costs associated with these three sources are projected to be \$768,000 for FY 2021-22.

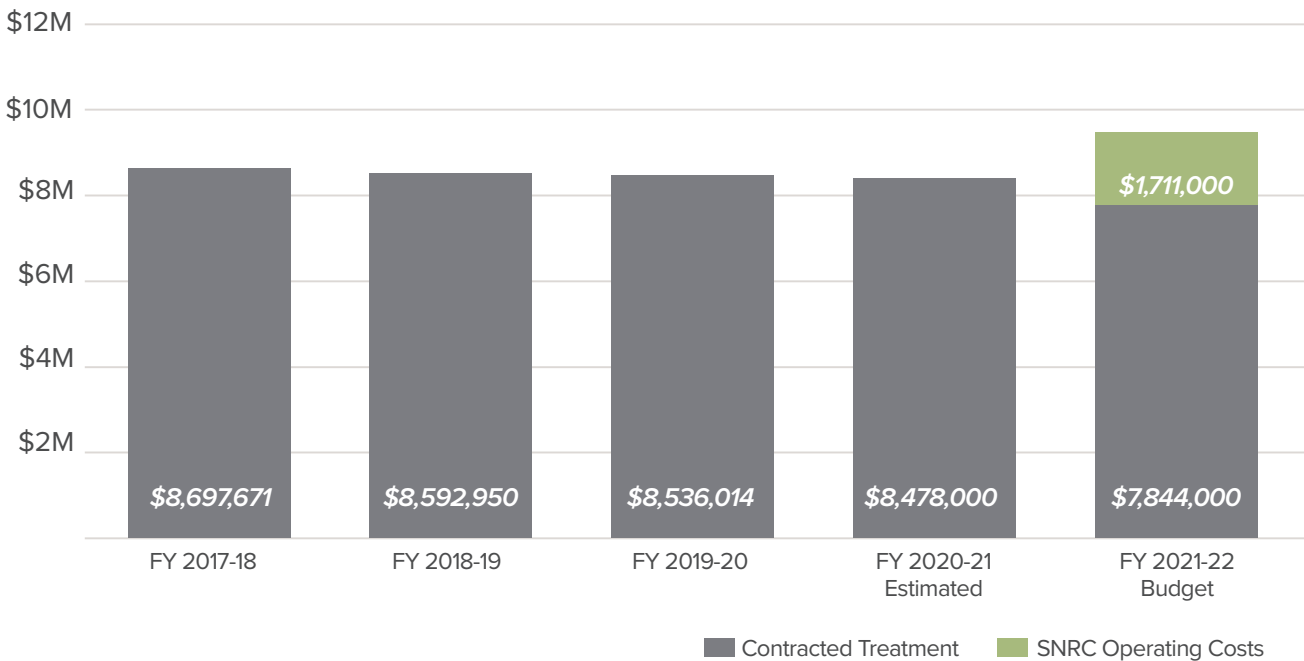
Water Costs



WASTEWATER TREATMENT

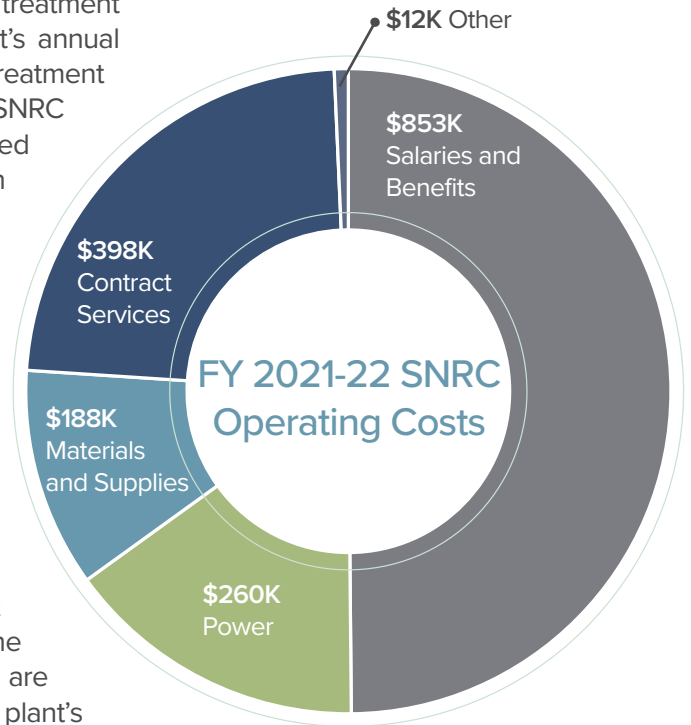
As outlined in the discussion about wastewater treatment revenue, the District will transition from contracting with the SBMWD, to commencing its own wastewater treatment operations at the brand new SNRC in May 2022. The transition will begin in May by diverting approximately a quarter of wastewater flows to the new plant. Every two weeks an additional portion of the flows will be diverted until full flows are going to the SNRC at the end of June 2022. While this phased approach to diverting flows is taking place in May and June 2022, some flows will continue going to the SBMWD’s treatment facilities and the District will be charged for those scaled down treatment services. For this reason, payments to the SBMWD in FY 2021-22 are higher than treatment revenues collected under SBMWD established rates.

Wastewater Treatment Costs



“The Sterling Natural Resource Center
 strives to create a sustainable future by maximizing the use of resources.*”*

This graph of annual payments to the SBMWD for those 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 program summary. In this year of transition, during which the SNRC will only be operational for two months, ‘in-house’ costs are expected to include the elements shown in the pie chart on the right.



POWER COSTS

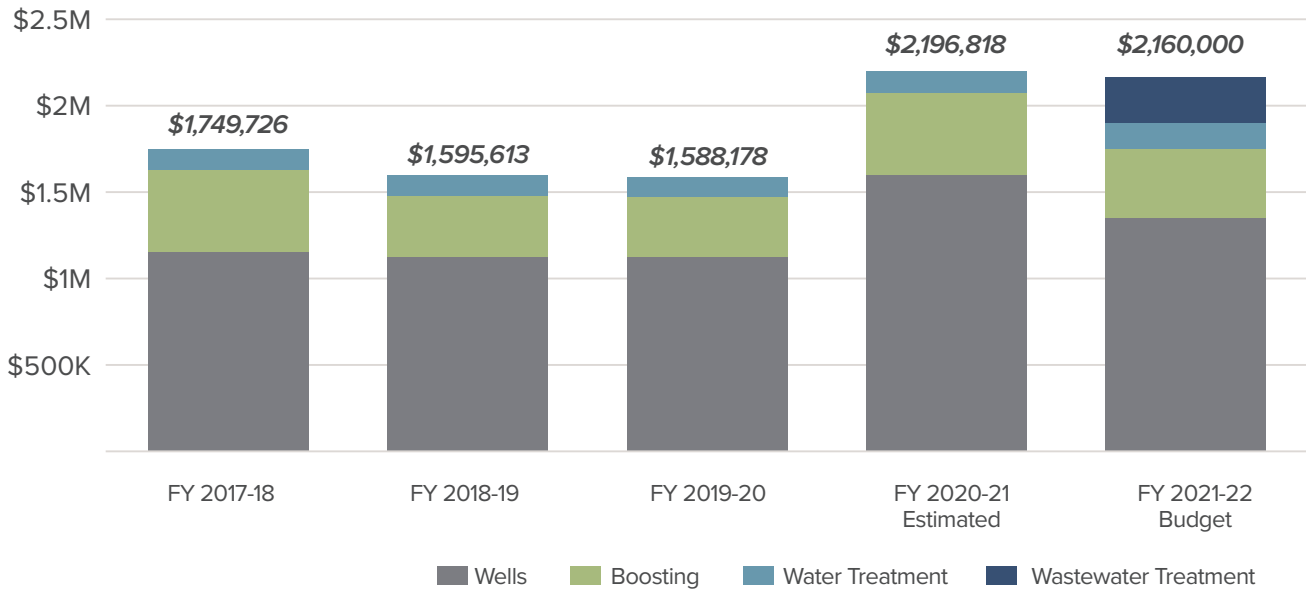
Power costs include the electrical power to extract groundwater through wells, to treat imported water, surface water, and groundwater when necessary, and to distribute water throughout nine pressure zones within the District using booster pumps. Power costs will also be incurred for the SNRC in FY 2021-22 as the new plant’s anaerobic digesters are activated in February 2022, and then three months later as the plant’s screening, aeration, and all other processes are activated to complete the commissioning process allowing the plant to recycle water.

Although rates for electrical power have been increasing, the District has been implementing various energy conservation measures over the last several years. In 2014, Honeywell conducted and implements an energy efficiency study which involved installation of high efficiency pumps at several plants. In 2018, a hydroelectric generation facility at the District’s Surface Water Treatment Plant (Plant 134), was installed to help mitigate power costs there, and in the fall of 2022, as the SNRC digesters near full capacity, they will generate electrical power to significantly lower, if not eliminate, power costs to run the whole treatment plant.

Even with these efforts to control costs, some rates applicable to District plants have increased as much as 15% annually. Accordingly, District operations staff works closely with representatives from Southern California Edison (SCE) to ensure that water production facilities are assigned Time-Of-Use (TOU) rates wherever possible, and to maximize facility operation during off-peak rates.

Total District power costs were \$2.2 million in FY 2020-21 due to the higher than anticipated demand for water. For FY 2021-22 the District is projecting lower demand for water, as explained under Water Costs, and has budgeted \$1.9 million to produce, treat, and distribute water to residents, and an additional \$260,000 for the startup of the SNRC. Accordingly, the total budget to power District plants in FY 2021-22 is \$2,160,000.

Power Costs

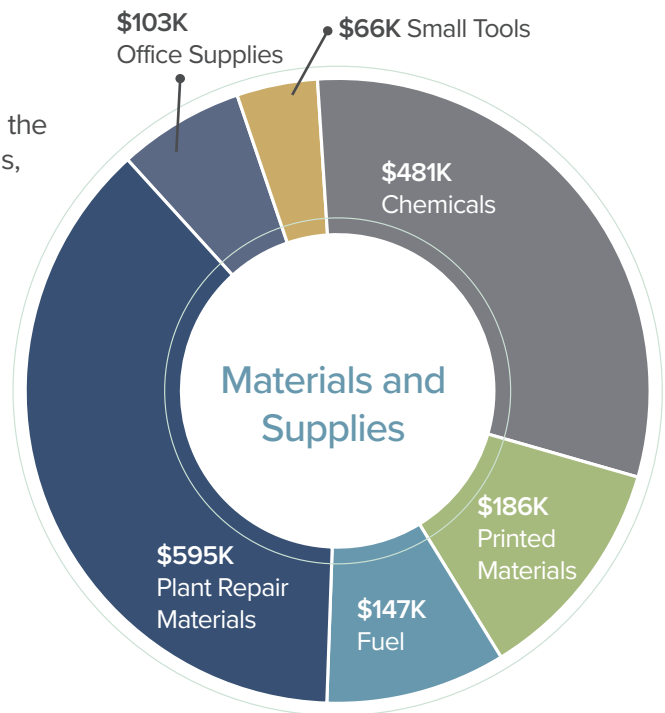


MATERIALS AND SUPPLIES

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 23% to \$1,578,000 for FY 2021-22. Significant variances between prior year contract services costs and projections for the upcoming year include:

- Public Affairs budget for materials added \$50,000 for ribbon cutting and other ceremonies to celebrate the opening of the SNRC.
- Water Production has increased its materials budget by \$35,000 due to courtesy notifications from various vendors regarding upcoming cost increases.

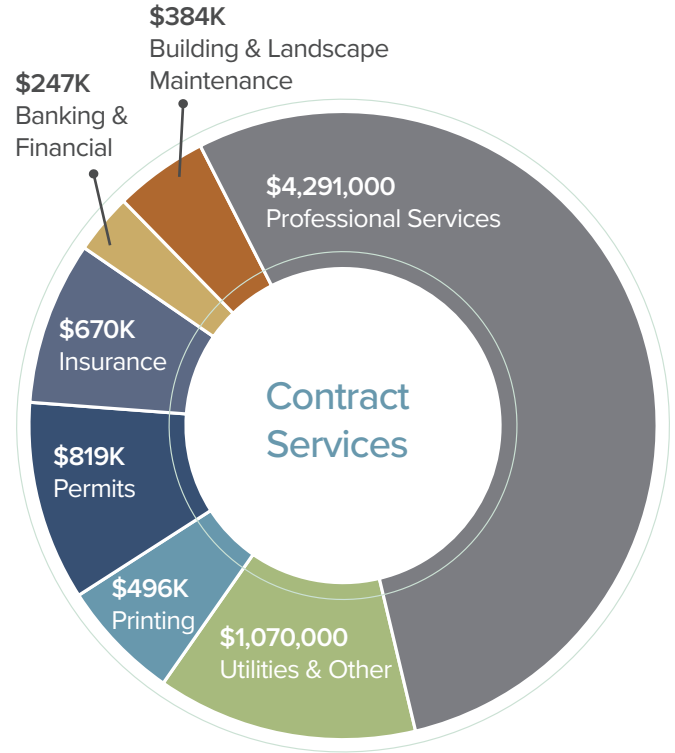


CONTRACT SERVICES

Contract services are proposed by program managers to fund ongoing needs for outside services, and periodic needs for 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 contract 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 22% to \$7,977,000 for FY 2021-22. Significant variances between prior year contract services costs and projections for the upcoming year include:

- Public Affairs budget includes the fully burdened cost of a Sheriff’s Deputy (\$150,000) who will increase patrols and presence of law enforcement at critical District facilities and will utilize office space at the SNRC for report writing.
- Information Technology has added nearly \$100,000 to its contract services budget to account for the cost of maintenance and support for new IT infrastructure at the SNRC.
- Engineering has added \$161,000 to its contract services budget to fund the District’s contribution toward a regional planning efforts for the Santa Ana River.
- Water Maintenance increased the street repairs budget \$200,000 due to rising permit and asphalt costs for Field crews to complete water main repairs.
- Facilities Maintenance reflects an increase of \$141,000 to its contract services budget to increase security guard services at critical facilities.

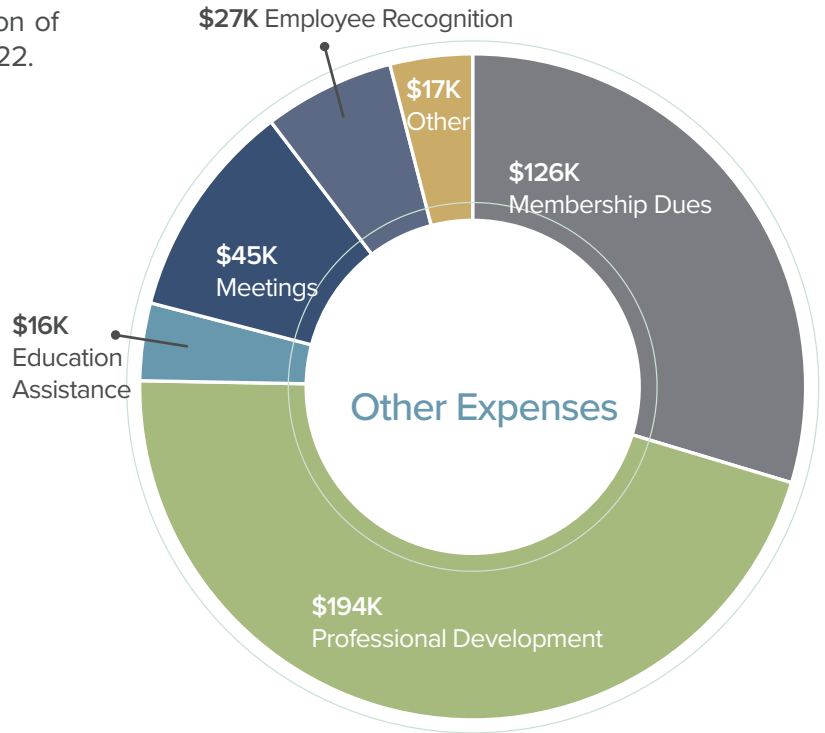


“Materials, supplies, and contract expenses are necessary elements for managing each Program’s budget.”

OTHER OPERATING EXPENSES

Other Operating Expenses budgeted for FY 2021-22 total \$443,000 and includes professional development, memberships and dues, licensing, meeting expenses, employee recognition, and education assistance. EVWD 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.

The chart shown to the right depicts the allocation of Other Operating Expenses budgeted for FY 2021-22.



“Other Operating Expenses represent the investment East Valley Water District makes into its employee programs.”

Debt Overview

East Valley Water District's debt service payments in FY 2021-22 will be \$3,352,000 on total outstanding debt of \$52,596,000 as of June 30, 2021.

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, and that 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 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 2010 bonds had been issued to finance pipeline and other infrastructure projects. 2020A bonds outstanding total \$16,885,000, and bear (tax-exempt) interest of 3.00% to 5.00%.
- **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. 2020B bonds outstanding total \$13,615,000, and bear (taxable) interest of 0.42% to 2.93%.

State Water Resources Control Board (SWRCB) Loans

SWRCB loans are utilized to finance the construction or upgrade to 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 \$5,602,000 bearing interest at 0%.
- **SNRC:** borrowed as primary funding for water recycling plant known as the SNRC. Total loan requested is \$150.3 million with \$122.8 million drawn down to date. Interest on the loan is 1.8% and annual debt service on the full loan will be approximately \$6.82 million annually. The debt service on this loan is not included in the tables on the following pages.

Assessment Districts loan agreements signed 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.

- **Arroyo Verde & Eastwood Farms:** borrowed to fund installation of new water distribution system connected to the District's water supply facilities. Loans outstanding total \$344,000 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 year or less. Repayment periods are 10 years and debt service payments are paid out of energy cost savings.

- **U.S. Bank Loan:** borrowed to finance construction and implementation of several energy conservation measures. The total loan outstanding is \$1,304,000 at an interest rate of 2.3%.
- **Valley District Loan:** borrowed from the Valley District (Valley District), the region’s State Water Project (SWP) contractor, for the construction of an SWP turnout and hydro-electric generation facility leading to the District’s treatment plant - Plant 134. Loan principal outstanding of \$2,150,000 bears interest at the Local Agency Investment Fund (LAIF) apportionment rate, currently 0.44%. Debt service is payable over 10 years out of water net revenue and energy cost savings.

IMPACT OF CURRENT DEBT LEVELS

A schedule of FY 2021-22 debt service payments, by debt issue, is shown in the following schedule:

As detailed above, debt service for FY 2021-22 on all outstanding debt is \$3,352,000 – this is a decrease of nearly \$1.03 million from debt service payments in FY 2020-21. The decrease is related to the final maturity of Series 2001 Certificates of Participation that had been refinanced by the 2010 revenue bonds, and to the sewer portion of the 2010 revenue bonds which had only a 10-year term.

\$3,352,000 represents 8.1% of the District’s total budget for FY 2021-22. 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.

Debt Issue	WATER FUND		WASTEWATER FUND		Total
	Principal	Interest	Principal	Interest	
2020A Refunding Revenue Bonds	\$ 895,000	\$ 710,000	\$ -	\$ -	\$ 1,605,000
2020B Refunding Revenue Bonds	105,000	224,000	170,000	100,000	599,000
SWRCB Loan-Treatment Plant	234,000	-	-	-	234,000
SWRCB Loans - Assessment Districts	19,000	-	-	-	19,000
US Bank Loan	425,000	29,000	-	-	454,000
SBVMWD Loan	430,000	11,000	-	-	441,000
TOTAL	\$ 2,108,000	\$ 974,000	\$ 170,000	\$ 100,000	\$ 3,352,000

The following table presents District debt level ratios compared to 2015 Southwest Regional medians reported by Fitch ratings.

Ratio	Fitch Median	EVWD	(1) Gross revenue does not include wastewater treatment charges, which are a pass-through to the SBMWD.
Outstanding debt per customer (21,576 accts)	\$ 1,634	\$ 2,438	
All-in debt service as % of gross revenue (1)	26%	10%	

Total Debt Service Through Maturity

Fiscal Year	WATER FUND		WASTEWATER FUND		Total
	Principal	Interest	Principal	Interest	
2021-22	\$ 2,108,000	\$ 974,000	\$ 170,000	\$ 100,000	\$ 3,352,000
2022-23	2,163,000	916,000	175,000	99,000	3,353,000
2023-24	2,223,000	854,000	175,000	98,000	3,350,000
2024-25	1,813,000	793,000	175,000	97,000	2,878,000
2025-26	1,458,000	749,000	175,000	96,000	2,478,000
2027-31	5,662,000	3,218,000	915,000	440,000	10,235,000
2032-36	6,606,000	2,232,000	1,010,000	344,000	10,192,000
2036-41	7,602,000	1,242,000	1,150,000	199,000	10,193,000
2041-46	5,539,000	211,000	780,000	35,000	6,565,000
2047-52	-	-	-	-	-
TOTAL	\$ 35,174,000	\$ 11,189,000	\$ 4,725,000	\$ 1,508,000	\$ 52,596,000

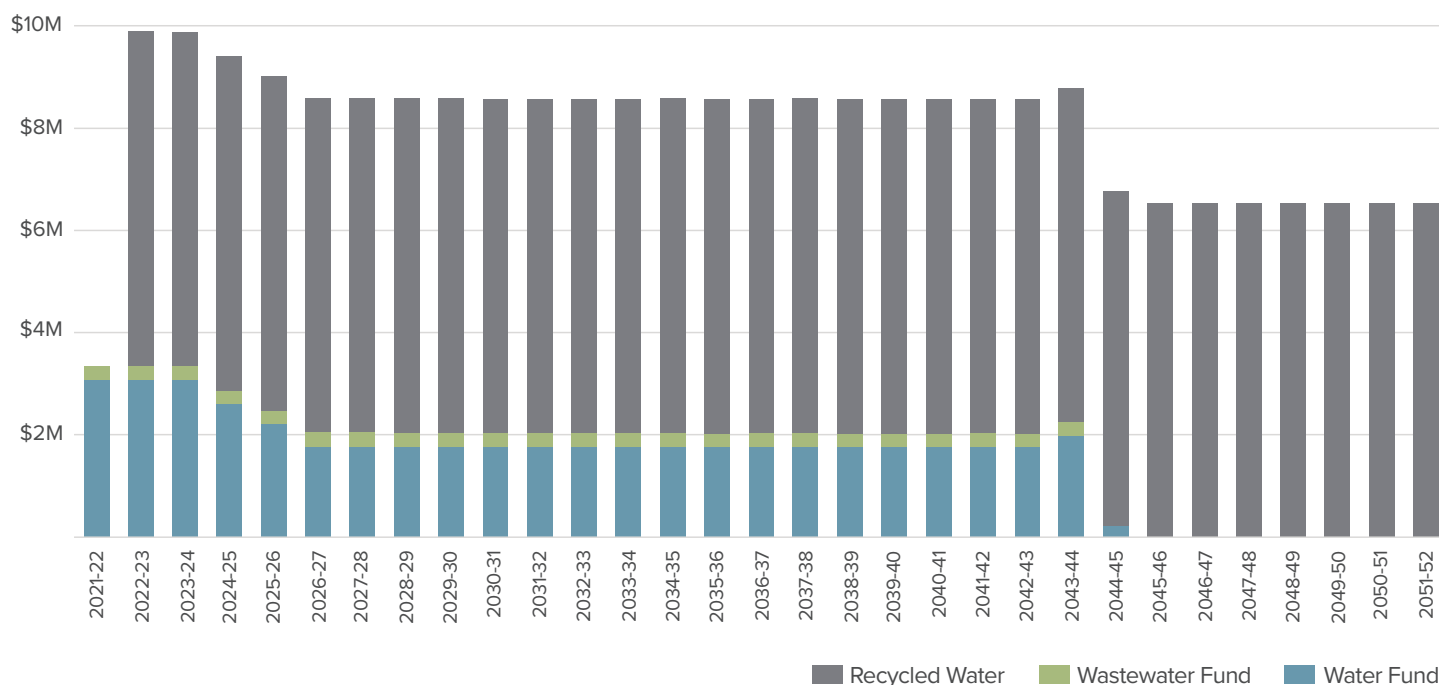
“The District’s Debt Management Policy”
 stipulates that debt may only be issued to finance capital projects.”

FUTURE DEBT LEVELS

The addition of the SWRCB Loan for the SNRC will substantially increase the District’s annual debt service requirement. Contractual payments on this loan will begin one year after completion of construction, which will be approximately July 2022. As noted in other discussions about the fiscal impact of the SNRC in this document, wastewater treatment services are currently provided by the SBMWD and payments under that contract shown as Wastewater Treatment operating expense. When the SNRC is operational, wastewater treatment payments to the SBMWD will be replaced with labor, materials, and other direct treatment costs, and debt service.

The graph below presents total debt service on existing debt, and future SNRC loan payments, 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 to refund its 2010 and 2013 series revenue bonds. 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.

The FY 2021-22 proposed operating budget provides the net revenue to debt ratios shown in the table below.

Debt Service Coverage

	Water Fund	Wastewater Fund	Total
REVENUE			
Sales and Services	\$ 26,568,000	\$ 14,155,000	\$ 40,723,000
Other Charges	175,000	772,000	947,000
Interest & Miscellaneous Revenue	229,000	37,000	266,000
TOTAL REVENUES	\$ 26,972,000	\$ 14,332,000	\$ 41,304,000
OPERATING EXPENSES			
Programs	\$ 19,098,000	\$ 13,795,000	\$ 32,893,000
TOTAL OPERATING EXPENSES	\$ 19,098,000	\$ 13,795,000	\$ 32,893,000
NET REVENUE	\$ 7,874,000	\$ 537,000	\$ 8,411,000
ANNUAL DEBT SERVICE	\$ 3,082,000	\$ 270,000	\$ 3,352,000
DEBT COVERAGE RATIO	2.55	1.99	2.51

Net Revenue in excess of annual debt service (excess coverage) provides funding for the District's CIP and contributions to Replacement Reserves.

Fund Equity & Reserves

As previously discussed, EVWD operates water and wastewater 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 over liabilities, 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 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 includes unspent proceeds from issuance of long-term debt and developer paid capacity fees. These funds 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. Accordingly, appropriations from Restricted funds will appear in the District’s capital budget when appropriate.

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 Policy, which is summarized on pages 48-50. The policy establishes three 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
- Rate Stabilization 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

WATER ENTERPRISE	WASTEWATER ENTERPRISE
Operating Reserve	Operating Reserve
Capital Replacement Reserve	Capital Replacement Reserve
Rate Stabilization Reserve	Rate Stabilization Reserve
Capacity Fees	Capacity Fees

- Water Unrestricted Reserves
- Restricted Reserves
- Wastewater Unrestricted Reserves

target level of 120 days operating expenses, excess funds are applied to the Capital Replacement Reserve up to a target level of \$10 million. Finally, a Rate Stabilization Reserve has been created to offset unexpected revenue shortfalls at a target level of 45 days of budgeted operating expenses. If all funds have been fully funded, the remainder reverts to 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.

WATER FUND RESERVES

The table on the following page 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.

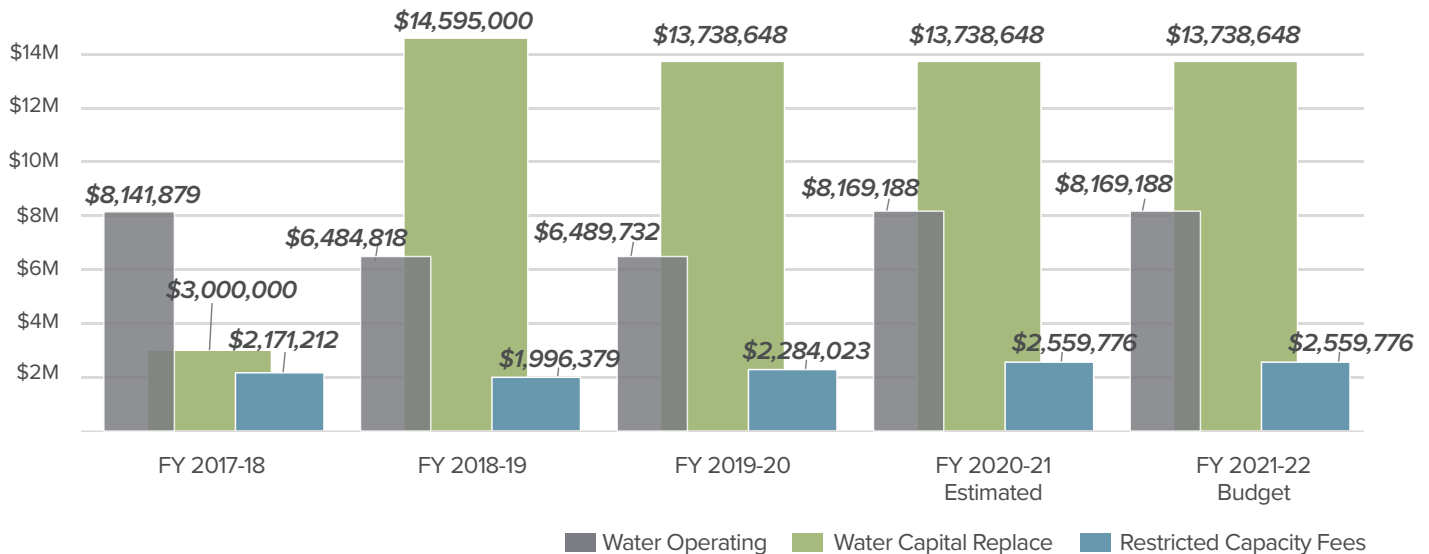
Unrestricted Reserves

Funding for unrestricted reserves is built into rates when the District conducts a cost-of-service analysis; this occurs approximately every five years. In March 2015, the District adopted a new tiered rate structure to provide revenue stability prior to California's severe drought in which strict conservation mandates were imposed by the State. Revenue stability was achieved by the new rates structure, as is evidenced by the growth of reserve balances for FY 2017-18 through FY 2021-22 in the chart below. In addition, reserve balances realized significant growth in FY 2018-19 due to the sale of surplus land.

Restricted Reserves

The table also includes balances and activity for restricted water 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.

Water Reserves



Unrestricted and Restricted Equity - Water

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Projected	FY 2021-22 Budget
WATER OPERATING RESERVE					
<i>Maximum Target Level 120 Days Operations</i>	\$ 5,174,000	\$ 5,505,000	\$ 5,850,000	\$ 6,025,000	\$ 6,366,000
Beginning Fund Balance	6,786,369	8,141,879	6,484,818	6,489,732	8,169,188
Revenue	27,296,029	26,754,320	27,179,063	27,804,791	26,972,000
Operating/Non-Operating Expenditures	(17,714,108)	(18,098,700)	(18,717,810)	(18,567,779)	(20,072,000)
Capital Expenditures	(2,645,333)	(2,938,973)	(4,132,028)	(4,919,000)	(4,792,000)
Debt Principal Payments	(2,581,078)	(2,924,244)	(2,564,311)	(2,638,556)	(2,108,000)
Interfund Sale of Land / Land Sale	-	7,550,536	-	-	-
Transfer to Capital Replacement Fund	(3,000,000)	(12,000,000)	(1,760,000)	-	-
ENDING WATER OPERATING RESERVE	\$ 8,141,879	\$ 6,484,818	\$ 6,489,732	\$ 8,169,188	\$ 8,169,188
WATER CAPITAL REPLACEMENT FUND					
<i>Minimum Target Level</i>	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Beginning Fund Balance	-	3,000,000	14,595,000	13,738,648	13,738,648
Transfer from Operating Fund	3,000,000	12,000,000	1,760,000		
Capital Expenditures		(405,000)	(2,616,352)		-
ENDING WATER CAPITAL REPLACEMENT FUND	\$ 3,000,000	\$ 14,595,000	\$ 13,738,648	\$ 13,738,648	\$ 13,738,648
TOTAL UNRESTRICTED EQUITY - WATER	\$ 11,141,879	\$ 21,079,818	\$ 20,228,380	\$ 21,907,836	\$ 21,907,836
RESTRICTED RESERVES					
<i>No Target Level</i>	-	-	-	-	-
Beginning Fund Balance	\$ 1,962,255	\$ 2,171,212	\$ 1,996,379	\$ 2,284,023	\$ 2,559,776
Fees Collected	208,957	310,946	287,644	275,753	-
Debt Issued					
Capital Expenditures	-	(485,779)			
ENDING WATER CAPACITY FEES	\$ 2,171,212	\$ 1,996,379	\$ 2,284,023	\$ 2,559,776	\$ 2,559,776
TOTAL RESTRICTED EQUITY - WATER	\$ 2,171,212	\$ 1,996,379	\$ 2,284,023	\$ 2,559,776	\$ 2,559,776

WASTEWATER FUND 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 – only the operating reserve currently has a balance. The target levels established for each reserve designation, in accordance with the District’s reserve policy, are also shown.

Unrestricted and Restricted Equity - Wastewater

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Projected	FY 2021-22 Budget
WASTEWATER OPERATING RESERVE					
<i>Maximum Target Level 120 Days Operations</i>	\$ 3,824,000	\$ 4,056,000	\$ 4,140,000	\$ 4,108,000	\$ 4,600,000
Beginning Fund Balance	3,029,546	1,706,085	3,306,271	2,311,575	2,165,247
Revenue	13,419,092	14,133,243	13,280,507	13,278,228	14,332,000
Operating/Non Operating Expenditures	(13,788,012)	(12,796,707)	(13,194,436)	(12,419,556)	(13,895,000)
Capital Expenditures	(859,541)	(341,350)	(980,767)	(895,000)	(267,000)
Debt Principal Payments	(95,000)	(95,000)	(100,000)	(110,000)	(170,000)
Interfund Sale of Land/Land Sale	-	700,000	-	-	-
ENDING WASTEWATER OPERATING RESERVE	\$ 1,706,085	\$ 3,306,271	\$ 2,311,575	\$ 2,165,247	\$ 2,165,247
TOTAL UNRESTRICTED EQUITY - WASTEWATER	\$ 1,706,085	\$ 3,306,271	\$ 2,311,575	\$ 2,165,247	\$ 2,165,247
RESTRICTED WASTEWATER CAPACITY FEES					
<i>No Target Level</i>	-	-	-	-	-
Beginning Fund Balance	\$ 698,889	\$ 982,850	\$ 1,283,577	\$ 4,215,330	\$ 4,492,001
Fees Collected	283,961	300,727	2,931,753	276,671	-
Debt Issued	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
ENDING WASTEWATER CAPACITY FEES	\$ 982,850	\$ 1,283,577	\$ 4,215,330	\$ 4,492,001	\$ 4,492,001
TOTAL RESTRICTED EQUITY - WASTEWATER	\$ 982,850	\$ 1,283,577	\$ 4,215,330	\$ 4,492,001	\$ 4,492,001

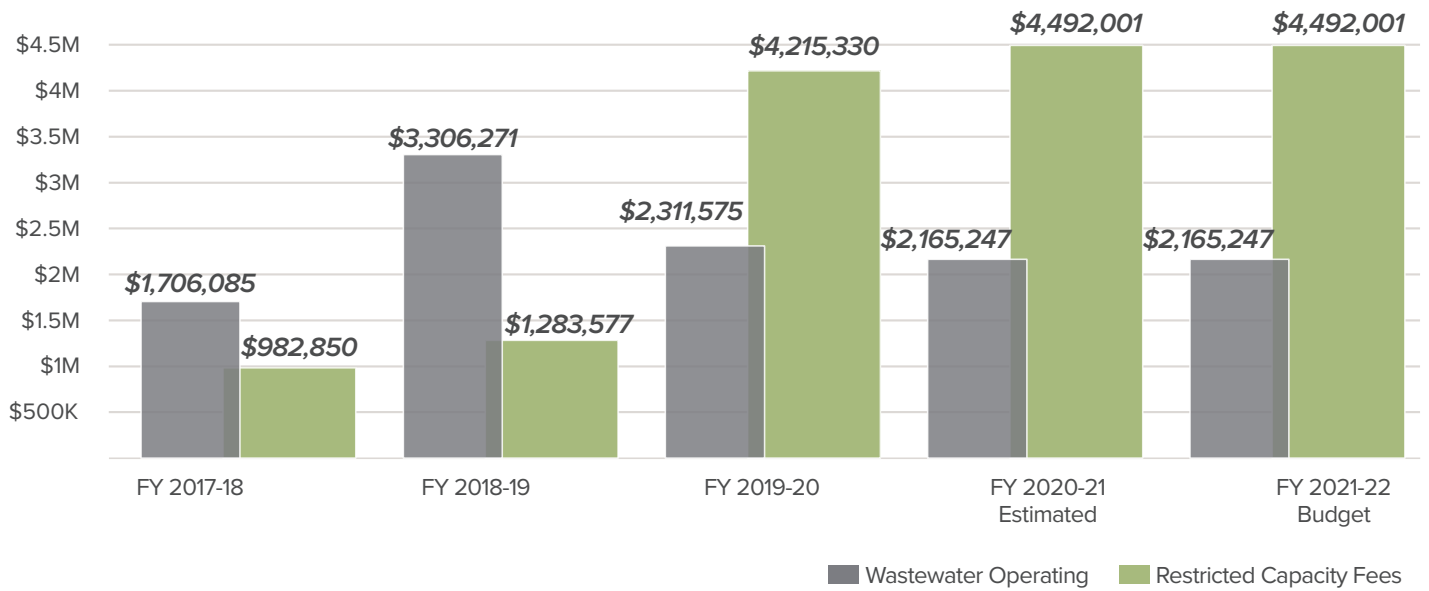
Unrestricted Reserves

The District last adjusted Wastewater Rates in October 2012. This fact, combined with the funding of preliminary studies and design, and ensuing litigation, related to a planned water recycling plant, have limited the District’s ability to accumulate and grow balances in Wastewater reserves. New rate adjustments were adopted in May 2021, including rates for the new water reclamation plant nearing completion, but those rates will not become effective until the plant is operational around May 2022. With an effective date so late in the upcoming fiscal year, the rate adjustments are not expected to have any impact on reserves in FY 2021-22 so no related change to reserve fund balances is shown. As the operating reserve target level has not been met, no funding is available for the Wastewater capital replacement reserve.

Restricted Reserves

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.

Wastewater Reserves



Long Range Financial Plan

The Long-Range Financial Plan provides a forward-looking view of the District’s operating funds, allowing District management and others to evaluate the long-term sustainability of the District’s operating budget.

It helps determine whether financial resources will be available to achieve the District’s long-term goals and objectives, and to contribute to capital programs and reserve levels. It also provides a starting point for future decision making regarding the district’s spending and projected revenues.

As a water and wastewater utility, the districts’ long-term planning efforts have always included consideration of the age, condition, and efficiency of infrastructure used to deliver services to District customers, along with compliance with water quality regulations. But in recent years, the omnipresent threat of drought in California has raised preservation and sustainability of water supplies, and water quality, as prominent issues in planning for future operations. Based on these identified priorities, the District has developed goals that will have a significant impact on the District’s operating budget over the next few years, including:

- Cost recovery through user rates versus development fees,
- Construction of a water recycling plant (SNRC),
- Find alternative water supply and promote conservation,
- Meet all water quality standards, and
- Replacement of aging pipelines and increased water storage capacity.

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

Goal	Assumption	Link to District Goals & Objectives
<p>Utility User Rates Support Reasonable Costs Related to Existing Customers; Development Fees Pay for New Infrastructure</p>	<ul style="list-style-type: none"> • Water Usage Per capita will not increase due to Conservation efforts • Development will add 50 customers annually to District service area 	<ul style="list-style-type: none"> • Practice Transparent and Accountable Fiscal Management • Pursue Alternative Funding Sources
<p>Construct SNRC for Recycled Water Supply</p>	<ul style="list-style-type: none"> • Digesters at SNRC will provide new revenue streams (energy sales, tipping fees) that will help ensure fiscal sustainability 	<ul style="list-style-type: none"> • Identify Opportunities to Optimize Natural Resources • Enhance Planning Efforts that respond to Future Demand • Pursue Alternative Funding Sources

<i>Goal</i>	<i>Assumption</i>	<i>Link to District Goals & Objectives</i>
Find / Utilize Additional Water Supply	<ul style="list-style-type: none"> State Project Water will be available to purchase for delivery to District plants and for basin recharge 	<ul style="list-style-type: none"> Enhance Planning Efforts that respond to Future Demand Strengthen Regional, State and National Partnerships
Replace Aging Pipelines	<ul style="list-style-type: none"> New rate structure will provide revenue stability and adequate funding for pipeline replacement program 	<ul style="list-style-type: none"> Develop Projects and Programs to Ensure Safe and Reliable Services Dedicate Effort Toward System Maintenance and Modernization
Meet Water Quality Standards	<ul style="list-style-type: none"> SRF Funding Will Be Available to Upgrade Treatment Processes for Imported Water High in Organics 	<ul style="list-style-type: none"> Develop Projects and Programs to Ensure Safe and Reliable Services

USER RATES & DEVELOPMENT FEES

The District has updated all water and wastewater user rates, development capacity fees, and miscellaneous fees and charges within the last two fiscal years. Capacity Fees were adopted in December 2019 and are based on an independent capacity fee study. The adopted fees include a provision for annual adjustment each July based on the prior calendar year's Construction Cost Index.

Water & wastewater utility rates, and miscellaneous fees and charges, were adopted in May 2021. The utility rates were based on a five year cost of service analysis and financial model, that considered the cost of capital improvement projects including the construction of a new surface water treatment plant at the east end of the district. Rate adjustments will occur in three phases on January 1 of each year 2022, 2023, and 2024 with the exception that Phase 1 of wastewater rates will not be implemented until the SNRC is brought online. Updated miscellaneous fees and charges are primarily fees related to the collection of delinquents accounts and charges for Engineering services.

Rates established in May 2021 should support District operations for the next five years.

CONSTRUCTION OF THE SNRC

Construction on the SNRC will be completed during FY 2021-22, including anaerobic digesters capable of generating three megawatts of electrical power. In order to generate this amount of electricity, sludge resulting from wastewater treatment will be supplemented by high grade food waste accepted from waste haulers, for which the District expects to receive tipping fees. Power cost offsets, tipping fees, and revenue from the sale of recycled water for recharge to the Groundwater Basin Watermaster are projected to total \$7.2 million when the SNRC reaches full capacity. When combined with wastewater treatment fees of approximately \$9.5 million, total projected 'revenue' for the SNRC should be sufficient to cover SNRC operating and debt service costs over the next 10 years.

FIND / UTILIZE ADDITIONAL WATER SUPPLY

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 underground aquifers 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 to customers.

California, however, appears to be heading into another serious drought, in which case State Water Project deliveries are unreliable. For FY 2021-22, State Water Project contractor agencies have been told their annual allocation of imported water will be cut to 5%.

EVWD will likely incur increasingly higher power costs to pump groundwater over the next five years.

PIPELINE REPLACEMENT

As mentioned under User Rates, adopted rates included funding for the Capital Improvement Program including water main replacements. Having the funding available to proactively replace pipelines, rather than responding to emergency calls, will save on labor and water losses.

FY 2022-26 FORECAST

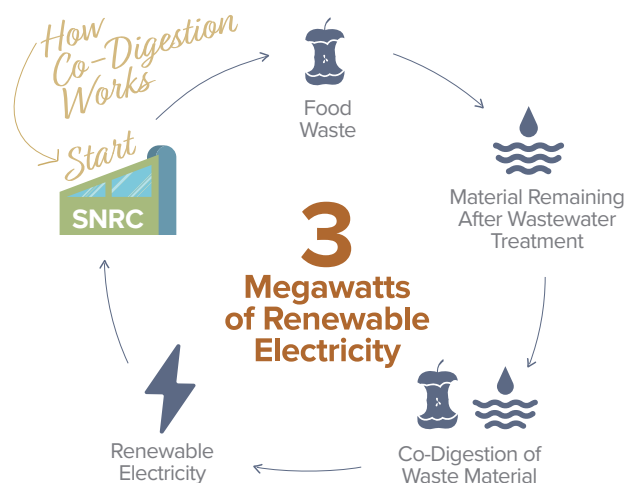
Revenue Forecast

As discussed in the previous section, water and wastewater rate adjustments are expected to increase over the next five years due to modest building development and rate adjustments. Rate adjustments were adopted in May 2021 and will become effective in January 2022.

Water Revenue projections include proposed rate adjustments as well as a modest growth rate of 1% annually. Small infill development was considered as part of these projections, as were larger developments of 250 and 580 units that are expected to complete construction on initial units in January 2022. Sales per capita is expected to remain flat as water budget based tiered rates implemented by the District incentivize consumers to use water efficiently.

When the District completes construction on the SNRC in May 2022, it will mark the beginning of wastewater treatment and water recycling operations for the District, and the collection of the related revenue. Beginning in 2022, the District will adopt and collect its own wastewater treatment rates in support of SNRC operations and debt service.

Other revenue sources will also become available with the commencement of operations at the SNRC. Recycled water produced by the SNRC will be sold to Valley District under a Local Resource Investment Program (LRP) established to recharge the Bunker Hill Groundwater Basin. Also, anaerobic digesters at the SNRC will accept food waste from haulers, generating tipping fees, and convert the waste, along with sludge from SNRC treatment processes, into energy. The energy will likely be sufficient to power operations at the SNRC. LRP revenue, tipping fees and power cost offsets are expected to be approximately \$7.2 million when the SNRC is operating at capacity.



Operating Cost forecast

Operating costs for the District include salaries and benefits, maintenance and operation of the water distribution and wastewater collection systems, contract services and materials and supplies. Costs also include monthly payments to the SBMWD for wastewater treatment services through June 2022. In May 2022 the SNRC will begin operations and contract payments to SBMWD will be phased out over May and June 2022, as the District gradually diverts wastewater flows to the SNRC, and those payments will be replaced by staff and direct operating costs related to the new water reclamation fund.

Employment Expenses

Labor & Benefits are the largest costs in the District's operating budget and are adjusted in accordance with a memorandum of understanding (MOU) with employees – the most recent three-year MOU, which became effective in September 2020. The agreed upon MOU is effective for FY 2021-22, FY 2022-23, and FY 2023-24, and for purposes of forecasting labor expenses for the next four years, a 4% annual increase has been used. 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 and are projected to increase 5% per year.

Staffing levels will increase by 10 full-time positions in FY 2021-22 as the District recruits for operator and maintenance positions at the new SNRC Water Reclamation Plant. Nine full-time employees will be added to operate the facility at an estimated cost of \$1.8 million. Hiring will occur in phases leading up to the expected May 2022 commencement of operations at the SNRC, beginning with the Water Reclamation Manager position which will be filled in July 2021. A full-time position will also be added in Customer Service.

Contracted Wastewater Treatment

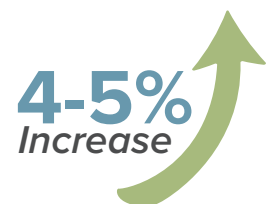
FY 2021-22 will be the final year in which the District pays to send all of its wastewater flows to the SBMWD for treatment. In May 2022 the District will begin a three month startup of the new SNRC Water Reclamation Plant, gradually diverting wastewater to the SNRC until it is handling all of the District's flows in July 2022.

Thereafter, monthly contract payments to the City averaging more than \$550,000 per month, or \$8.6 million annually, will cease and be replaced by operating costs associated with a treatment plant. However, one stipulation of the agreement to terminate contracted treatment services with the SBMWD was that the District will continue to pay the SBMWD \$700,000 annually to assuage the effects of the loss of revenue from the District. Termination payments will continue for 10 years.

Power Costs

The District has tried to insulate ratepayers from significant increases in the cost of electricity by implementing energy conservation measures, installing a hydro-electric generation facility, and constructing digesters at the SNRC to convert gases from treatment processes into energy.

With all of these measures in place the District has still experienced increased power costs at plants without alternative energy sources, or generation capabilities, on site, so the District projects that energy costs will increase between 4% and 5% for the next five years.



Materials and Supplies

Materials and supplies are projected to increase by 5% in FY 2021-22 as the SNRC is brought online and chemicals and other supplies need to be purchased. In the following years cost increases are based on inflation projections of 3% in FY 2022-23, and additional 0.25% increases every year thereafter. These significant inflation percentages are supported by notification from vendors stating that COVID-19 and supply chain interruptions are creating shortages and increasing costs.

Other Contracted Services

Other Contracted Services such as maintenance on existing facilities, consulting, customer bill generation and printing are increasing 22% to \$8 million for FY 2021-22, due primarily to commencement of SNRC operations in May 2022. Thereafter an inflation adjustment factor of 3% has been used to project costs for future as vendors are expected to realize, and pass through, the increased cost of materials for the reasons explained above.

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 project is complete, however, the additional debt related to this project is expected to increase annual debt service from \$3.4 million in FY 2022, to \$10.2 million in FY 2023-24. A schedule of future debt service, including on the State Revolving Fund loan from the SWRCB, is shown on page 55 of this document.

Revenue Funded Capital Expenditures Forecast

Revenue funded capital project 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.

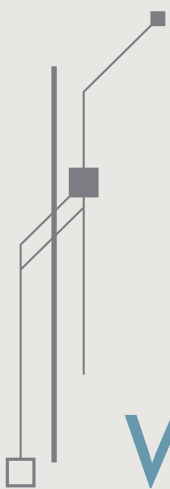
FIVE YEAR FORECAST – FY 2021-22 THROUGH FY 2025-26

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

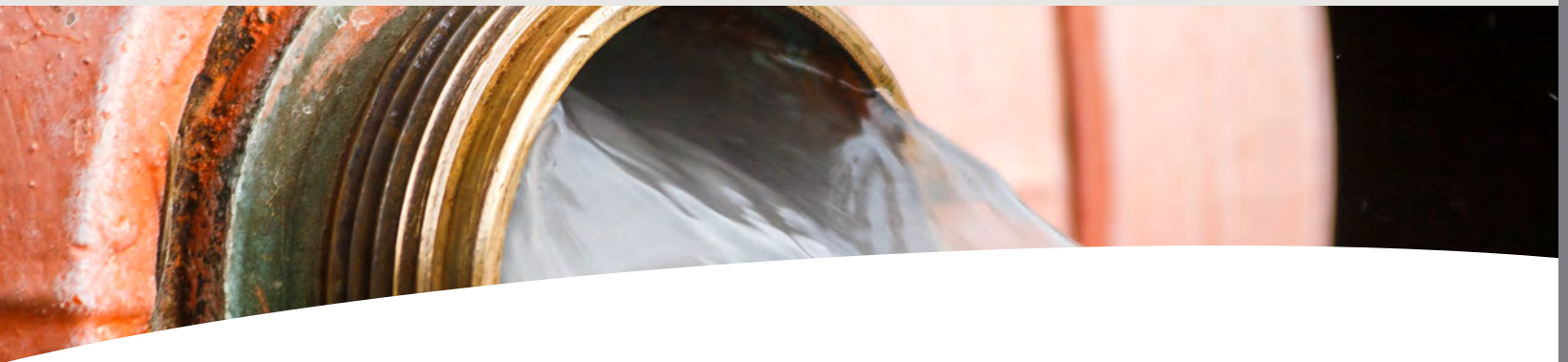
	FORECAST				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
REVENUE					
Water Sales / Wastewater Collect	\$ 22,103,000	\$23,422,000	\$24,390,000	\$24,883,000	\$24,895,000
Wastewater Treatment	8,708,000	9,725,000	10,425,000	10,805,000	10,824,000
LRP Revenue	65,000	1,038,000	1,038,000	1,038,000	1,038,000
Meter Fees	9,280,000	9,671,000	9,826,000	9,854,000	9,881,000
Power Offset, Energy Sales, Tipping Fees	567,000	5,526,955	6,150,955	6,151,634	6,152,315
Other Operating Charges	315,000	565,000	566,000	593,000	594,000
Investment Income	207,000	278,000	539,000	581,000	667,000
Capacity Fees	-	-	-	-	-
Other Income	59,000	60,000	60,000	60,000	60,000
TOTAL REVENUE / SOURCES	\$ 41,304,000	\$50,285,955	\$52,994,955	\$53,965,634	\$ 54,111,315

	FORECAST				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
EXPENDITURES					
Labor & Benefits	\$ 12,123,000	\$ 13,634,080	\$ 14,011,816	\$ 14,307,060	\$ 14,607,855
Water Costs	768,000	826,000	826,000	826,000	826,000
Contracted Wastewater Treatment	7,844,000	700,000	700,000	700,000	700,000
Power Costs	2,160,000	5,829,950	5,929,950	6,030,704	6,131,461
Contract Services	7,977,000	10,091,000	10,176,000	10,263,000	10,352,000
Materials	1,578,000	2,330,000	2,345,000	2,362,000	2,379,000
Other Operating Expenses	443,000	977,138	994,881	1,013,026	1,031,586
Debt Service	3,352,000	3,353,000	10,169,000	9,697,000	9,297,000
Capital Outlay	1,130,000	1,050,000	1,100,000	1,100,000	1,100,000
Capital Improvement Program	3,929,000	4,135,000	3,925,000	4,345,000	4,625,000
TOTAL EXPENDITURES	\$ 41,304,000	\$ 42,926,168	\$ 50,177,647	\$ 50,643,790	\$ 51,049,902
CHANGE IN EQUITY	\$ -	\$ 7,359,787	\$ 2,817,308	\$ 3,321,844	\$ 3,061,413
BEGINNING UNRESTRICTED EQUITY	\$28,896,942	\$28,896,942	\$ 36,256,729	\$ 39,074,037	\$ 42,395,881
ENDING UNRESTRICTED EQUITY	\$28,896,942	\$ 36,256,729	\$ 39,074,037	\$ 42,395,881	\$ 45,457,294

“The SNRC will create a new enterprise activity, and accomplish multiple long range District goals.”



WATER FUND



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

Water Fund

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

It has taken many steps to encourage water use efficiency. The water budget-based rates promote water efficiency and are based on the cost of service; it is equitable and fair; and supports sustainable behavior change. The SWRCB approves the water budget-based rate structure for its ability to produce superior water savings, and the alternative approach is compliant with the California Drought Conservation Regulations. Additionally, water budget-based rates encourage efficient water use and provide security for the District's long-term financial position. The District collects a monthly fixed charge based on meter size serving the property.

RATES

In FY 2020-21, the Board adopted new rates that will increase over a three-year period beginning January 1, 2022. On May 19, 2021 the public hearing was held in accordance with Proposition 218.

Commodity Charges

Rates	FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22	
Tier 1	\$	1.73	\$	1.73	\$	1.83	\$	1.98
Tier 2		2.46		2.46		2.61		2.54
Tier 3		3.44		3.44		3.64		3.93

Monthly Meter Charges

Meter Size	FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22	
5/8 in.	\$	23.06	\$	23.06	\$	23.06	\$	24.01
3/4 in.		29.27		29.27		29.27		30.85
1 in.		41.71		41.71		41.71		44.52
1 1/2 in.		72.81		72.81		72.81		78.69
2 in.		110.13		110.13		110.13		119.70
3 in.		228.30		228.30		228.30		229.05
4 in.		402.44		402.44		402.44		352.07
6 in.		819.14		819.14		819.14		693.79
8 in.		1,503.25		1,503.25		1,503.25		1,923.98

Monthly Fire Line Service Charges

Meter Size	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
1 in.	\$ 8.78	\$ 8.78	\$ 8.78	\$8.78
1.5 in.	13.18	13.18	13.18	13.18
2 in.	17.57	17.57	17.57	17.57
3 in.	26.35	26.35	26.35	26.35
4 in.	35.14	35.14	35.14	35.14
6 in.	52.7	52.7	52.7	52.7
8 in.	70.27	70.27	70.27	70.27
10 in.	87.84	87.84	87.84	87.84

Projected Tier Revenue by Customer Class

Customer Class	Tier 1	Tier 2	Tier 3	Total
Residential	\$ 4,091,000	\$ 3,525,000	\$ 1,977,000	\$ 9,593,000
Multi-Family	1,821,000	1,012,000	882,000	3,715,000
Commercial	987,000	102,000	483,000	1,572,000
Irrigation / Construction	-	1,345,000	1,063,000	2,408,000
TOTAL	\$ 6,899,000	\$ 5,984,000	\$ 4,405,000	\$ 17,288,000

Water Sales (Acre Feet)

CLASS	NO. OF ACCOUNTS	TIER 1	TIER 2	TIER 3	TOTAL	TOTAL SALES
Residential	19,853	4,959	3,297	1,089	9,345	\$ 9,593,000
Multi-Family	463	2,243	908	579	3,730	3,715,000
Commercial	988	1,172	78	250	1,500	1,572,000
Irrigation	275	-	1,036	735	1,771	2,408,000
TOTALS	21,579	8,374	5,319	2,653	16,346	\$ 17,288,000

The table below projects the amount of water to be produced for FY 2021-22. The amount of water produced is more than the amount of water sold to account for unanticipated water demand, state-mandated water reserves, and regular system water loss.

Water Production (Acre Feet)

SOURCE OF SUPPLY	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Projected	FY 2021-22 Budget
Ground Water	12,649	12,649	12,549	12,800	12,826
Surface Water	3,675	3,515	3,647	3,574	3,581
Purchased Water	800	800	800	800	800
TOTAL	17,124	16,964	16,996	17,174	17,207

ASSUMPTIONS AND TRENDS

The development of the revenue projections for FY 2021-22 requires management to estimate customer consumption for the next year. The District will provide water services through approximately 21,576 domestic and irrigation connections in FY 2021-22. In addition, 255 commercial fire services and 21 temporary hydrant meters are connected to the District’s system. Water demand is estimated at 7,121,000 hundred cubic feet of water (HCF = 748 gallons). The estimate is based on the rate study’s selection of FY 2018-19 consumption for the projecting revenue requirements. Staff is confident that the above projection will allow significant funding for program goals and objectives without considerable risk of overstatement.

EVWD considers multiple factors in calculating each customer’s monthly water budget:

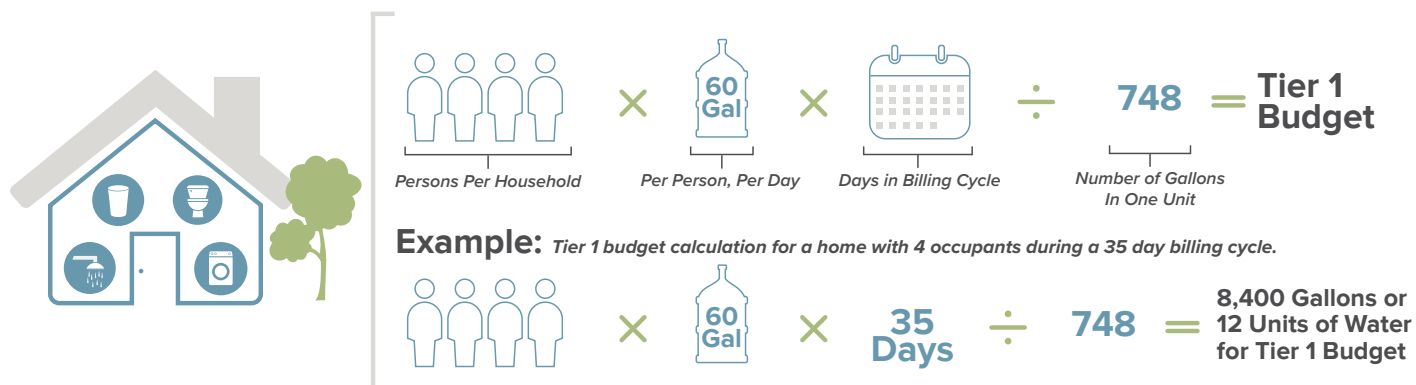
- Number of Occupants
- Number of Dwelling Units
- Medical Needs
- Horses/Livestock
- Business Needs
- Agricultural Needs
- Irrigable Landscape
- Weather
- Meter Size

Since the adoption of water budget-based rates, the District has experienced success in reducing water consumption and stabilizing revenues to ensure our 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 is based on the number of occupants residing in the house. Each occupant is budgeted 60 gallons of water per day (gpd) for efficient indoor use, which 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 it is based on the irrigable landscape. Irrigable landscape represents the square footage of the property’s landscape requiring irrigation (e.g., grass, parkways, trees, bushes, and various plants).

Tier 2 Factors

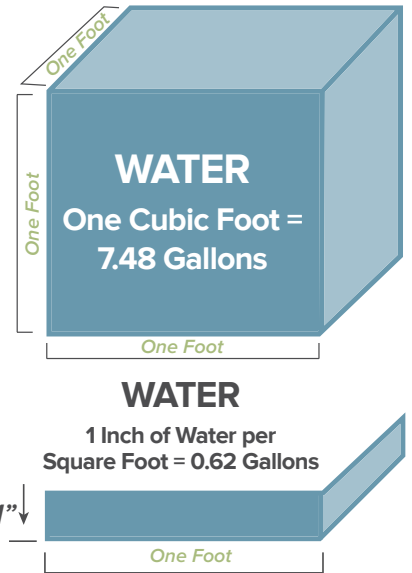
In determining the customer’s outdoor budget, the following factors and conversions are made during each billing cycle.

- **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 square footage.

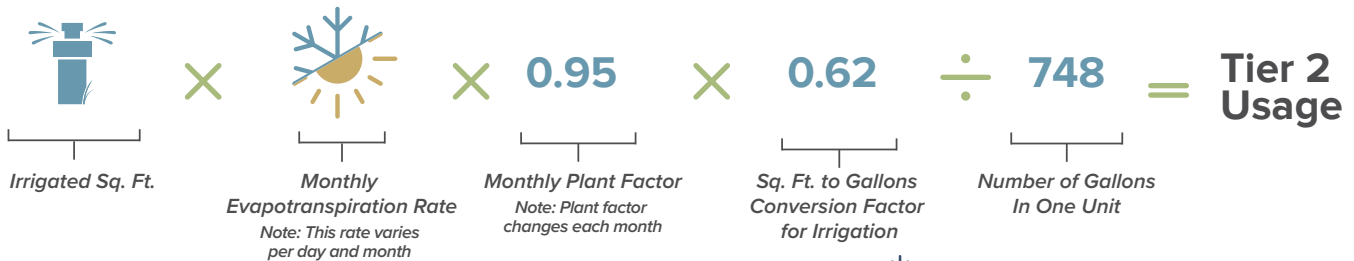
- **Crop Coefficient (Kc)** – Are the properties of plants used in predicting evapotranspiration (ETo). Below is a table listing the values used in each month. The District has elected to use the Cool-Season crop coefficient.

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	0.80
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	0.60

- **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, located at Beattie Middle School, 7800 Orange St, Highland, California 92346. The sum of the daily ETo measurement during the billing period is used in the calculation for efficient outdoor water usage.
- **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 irrigable landscape 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.

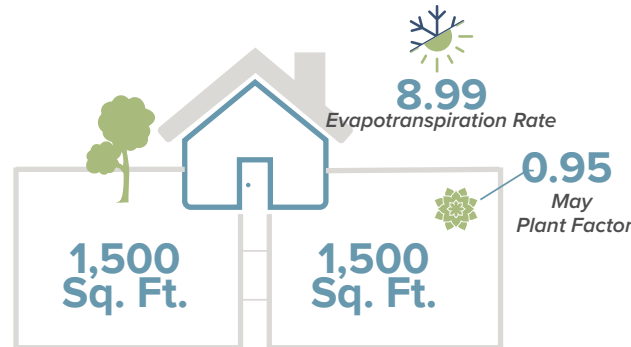


Tier 2 Outdoor Budget Example



Example:

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



$$\underbrace{3,000}_{\text{Irrigated Sq. Ft.}} \times \underbrace{8.99}_{\text{Evapotranspiration Rate}} \times \underbrace{0.95}_{\text{Plant Factor}} \times \underbrace{0.62}_{\text{Sq. Ft. to Gallons Conversion Factor for Irrigation}} \div \underbrace{748}_{\text{Number of Gallons In One Unit}} = \text{15,884 Gallons or 22 Units of Water for Tier 2 Usage}$$

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 agencies alike, to charge customers additional charges for the additional cost incurred by the District, including but not limited to, imported water cost, electricity expenses for pumping and boosting water throughout the distribution system, and chemicals need the treatment process.

HOW WATER BILLS ARE CALCULATED – NON RESIDENTIAL

Non-Residential water budget is calculated differently from residential to ensure water budgets for this customer class are equitable and cover the cost of supplying water to these establishments. The water budgets for this customer class are determined below:

Tier 1 and Tier 2 Water Budgets

The indoor (Tier 1) and outdoor water (Tier 2) budget are calculated by taking the average of the last two years actual HCF consumption for each Tier, then it's multiplied by 90%. Calculating non-residential customers in this manner encourages conservation and shares the cost of operating the District.

Tier 3 Inefficient Use

When a customer exceeds their Tier 1 and Tier 2 budgets, the excess units of water are billed at the Tier 3 rate.

WATER SALES - MONTHLY METER CHARGE

Monthly Meter Charge Revenue by Meter Size

Meter Size	No. of Services	Rate July–Dec	Rate Jan–June	Total
5/8 in.	3,661	\$ 23.06	\$ 24.01	\$ 1,034,000
3/4 in.	12,903	29.27	30.85	4,654,000
1 in.	4,215	41.71	44.52	2,180,000
1 1/2 in.	267	72.81	78.69	243,000
2 in.	299	110.13	119.70	412,000
3 in.	78	228.30	229.05	214,000
4 in.	22	402.44	352.07	99,000
6 in.	17	819.44	693.79	155,000
8 in.	6	1,503.28	1,923.98	123,000
Fire Service 1 1/2 in.	10	13.18	13.18	2,000
Fire Service 4 in.	50	35.14	35.14	22,000
Fire Service 6 in.	125	52.70	52.70	80,000
Fire Service 8 in.	55	70.27	70.27	46,000
Fire Service 10 in.	15	87.84	87.84	16,000
TOTALS	21,576			\$ 9,280,000

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 services 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

This income source is made up of the following:

- Initiation of Service, Delinquent, and Non-Sufficient Funds fees have decreased. The decision to decrease this source is due to the following contributing factors:
 - The process for Discontinuation of Residential Water Service Policy required by SB 998.
 - The impact the pandemic has on Disconnection/Reconnection charges which are normally collected during the delinquency process. The two factors above are revenue-neutral because these are fees, are related to and charged to delinquent customers, the charge is collected for sending the notice and field service worker to turn on/off water services.
 - The LAIF interest rate has trended downwards for the last 12 months, and the lag between SNRC construction payments and depositing SRF loan proceeds and other funding sources.

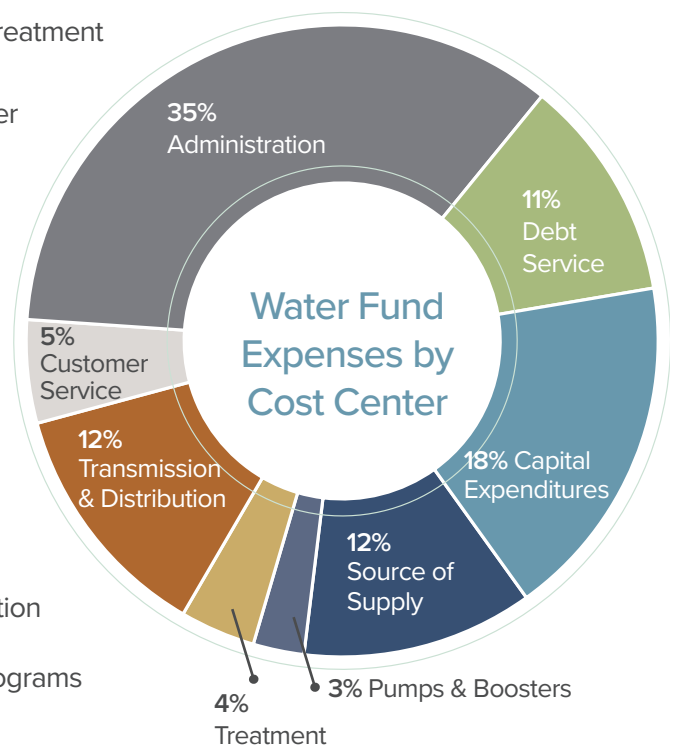
EXPENSES

The Water fund is one of two enterprise funds the District operates. All expenses incurred are for operating and maintaining the distribution system, infrastructure repairs, and replacements. The District has debt service payments due semi-annually. These debts the District has incurred provided full or partial funding for multiple capital improvement projects.

Assumptions and Considerations for Operating Expenses

Expenses are based on the cost of providing water to meet customer demands.

- 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 towards 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.



Debt Service & Capital Expenses

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

CONCLUSION

The Water Fund is balanced, however, in the future a rate study must be conducted to ensure proper rates are charged when considering the issuance of new debt to fund capital improvement projects and the District continues to meet debt service obligations as set forth in debt covenants. District staff will continue to monitor the revenues and expenses and present the progress to the Governing Board on a periodic basis.

FY 2021-22 PROPOSED WATER FUND BUDGET

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
REVENUES							
4100	Water Sales	\$16,899,286	\$16,868,000	\$18,210,000	\$17,288,000	\$420,000	2%
4200	Meter Charges	9,025,766	9,020,000	9,071,000	9,280,000	260,000	3%
4301	Late Fee Payment	233,266	40,000	164,064	40,000	-	0%
4303	Disconnect Notice Charge	287,997	155,000	2,898	95,000	(60,000)	-39%
4605	Other Operating Charges	106,965	56,000	255,470	40,000	(16,000)	-29%
4701	Interest Income	476,500	225,000	33,618	179,000	(46,000)	-20%
4704	Miscellaneous Revenue	34,394	34,000	67,741	50,000	16,000	47%
TOTAL REVENUES		\$27,064,174	\$26,398,000	\$27,804,791	\$26,972,000	\$574,000	2%
OPERATING EXPENSES							
SOURCE OF SUPPLY/WELLS							
5101	Regular Labor	\$411,385	\$295,000	\$392,214	\$303,000	\$8,000	3%
5103	Overtime	20,288	13,000	30,956	13,000	-	0%
5200	Benefits	161,536	148,000	183,834	146,000	(2,000)	-1%
6101	Purchased Water	704,460	400,000	31,295	400,000	-	0%
6102	Groundwater Replenishment	111,625	304,000	138,757	304,000	-	0%
6103	Water Assessment	16,811	122,000	92,598	64,000	(58,000)	-48%
6201	Materials & Supplies	51,644	61,000	56,656	61,000	-	0%
6204	Chemicals	94,902	150,000	85,054	150,000	-	0%
6301	Contract Services	237,396	276,000	287,373	263,000	(13,000)	-5%
6311	Landscape Services	70,974	40,000	77,064	40,000	-	0%
6402	Telephone	-	-	591	-	-	0%
6403	Electricity	\$1,125,816	\$1,250,000	\$1,778,757	\$1,350,000	\$100,000	8%

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
6405	Permits	70,405	100,000	74,845	100,000	-	0%
6504	Meetings	443	1,000	-	1,000	-	0%
SOURCE OF SUPPLY TOTAL		\$ 3,077,685	\$ 3,160,000	\$ 3,229,994	\$ 3,195,000	\$ 35,000	1%
PUMPS & BOOSTERS							
5101	Regular Labor	\$ 14,842	\$ 74,000	\$ -	\$ 103,000	\$ 29,000	39%
5103	Overtime	6,568	4,000	12,651	4,000	-	0%
5200	Benefits	31,258	38,000	29,131	57,000	19,000	50%
6201	Materials & Supplies	10,360	23,000	4,877	23,000	-	0%
6301	Contract Services	12,142	81,000	176,978	81,000	-	0%
6311	Landscape Services	-	35,000	31,375	35,000	-	0%
6403	Electricity	349,651	400,000	521,565	400,000	-	0%
PUMPS & BOOSTERS TOTAL		\$ 424,821	\$ 655,000	\$ 776,577	\$ 703,000	\$ 48,000	7%
TREATMENT							
5101	Regular Labor	\$ 251,332	\$ 252,000	\$ 252,054	\$ 243,000	\$ (9,000)	-4%
5103	Overtime	48,655	39,000	47,555	39,000	-	0%
5200	Benefits	147,321	150,000	146,222	147,000	(3,000)	-2%
6201	Materials & Supplies	27,710	23,000	87,051	30,000	7,000	30%
6204	Chemicals	138,693	150,000	125,206	150,000	-	0%
6301	Contract Services	96,550	249,000	161,332	254,000	5,000	2%
6301	Uniforms	-	2,000	1,235	2,000	-	0%
6311	Landscape Services	30,257	14,000	30,002	14,000	-	0%
6401	Utilities	3,640	10,000	2,247	10,000	-	0%
6402	Telephone	1,830	-	26,740	2,000	2,000	0%
6403	Electricity	112,710	150,000	140,588	150,000	-	0%
6405	Permits	-	-	-	-	-	0%
TREATMENT TOTAL		\$ 858,698	\$ 1,039,000	\$ 1,020,232	\$ 1,041,000	\$ 2,000	0%
TRANSMISSION & DISTRIBUTION							
5101	Regular Labor	\$ 1,355,576	\$ 1,302,000	\$ 1,308,680	\$ 1,248,000	\$ (54,000)	-4%
5103	Overtime	267,813	236,000	319,160	235,000	(1,000)	0%
5200	Benefits	665,934	681,000	601,021	697,000	16,000	2%
6201	Materials & Supplies	290,847	305,000	569,582	340,000	35,000	11%
6202	Tools	35,571	26,000	30,876	26,000	-	0%
6204	Chemicals	23,300	50,000	30,081	50,000	-	0%
6301	Contract Services	248,430	165,000	213,667	178,000	13,000	8%
6307	Uniforms	\$ 32,292	\$ 40,000	\$ 25,442	\$ 40,000	\$ -	0%
6310	Street Services	522,959	325,000	403,776	525,000	200,000	62%

	FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
6405 Permits	18,132	-	23,040	-	-	0%
6406 Postage	-	2,000	-	2,000	-	0%
6502 Professional Development	175	2,000	587	2,000	-	0%
6503 Education Assistance	-	3,000	-	3,000	-	0%
6504 Meetings	-	-	-	-	-	0%
TRANSMISSION & DIST. TOTAL	\$ 3,461,029	\$ 3,137,000	\$ 3,525,912	\$ 3,346,000	\$ 209,000	7%

CUSTOMER SERVICE

5101 Regular Labor	\$ 431,153	\$ 433,500	\$ 446,656	\$ 481,100	\$ 47,600	11%
5102 Temporary Labor	14,194	-	-	-	-	0%
5103 Overtime	5,327	10,900	2,100	10,900	-	0%
5200 Benefits	220,852	266,300	257,747	317,600	51,300	19%
6201 Materials & Supplies	2,276	5,500	5,540	5,500	-	0%
6202 Tools	1,752	3,000	950	3,000	-	0%
6203 Office Supplies	1,930	2,800	1,865	2,800	-	0%
6301 Contract Services	148,457	98,800	132,060	98,800	-	0%
6302 Banking Services	179,769	187,300	169,017	180,300	(7,000)	-4%
6303 Printing & Publishing	4,175	7,000	3,718	7,000	-	0%
6304 Legal Services	-	3,500	-	3,500	-	0%
6306 Rents & Leases	7,873	-	-	-	-	0%
6307 Uniforms	3,364	5,800	5,800	5,800	-	0%
6308 Billing Services	40,158	36,400	38,874	42,000	5,600	15%
6309 Shut Off Notice Services	201,217	195,000	110	50,000	(145,000)	-74%
6402 Telephone	5,935	10,000	12,584	10,000	-	0%
6406 Postage	82,782	107,100	95,732	107,100	-	0%
6502 Membership & Dues	-	700	-	700	-	0%
6502 Professional Development	444	10,500	-	10,500	-	0%
6503 Education Assistance	-	-	-	-	-	0%
6504 Meetings	757	2,000	-	2,000	-	0%
6703 Cash Over/Short	5,076	700	-	700	-	0%
6704 Bad Debt Expense	3,649	11,100	21,594	4,100	(7,000)	-63%
CUSTOMER SERVICE TOTAL	\$ 1,361,140	\$ 1,397,900	\$ 1,194,347	\$ 1,343,400	\$ (54,500)	-4%

ADMINISTRATION

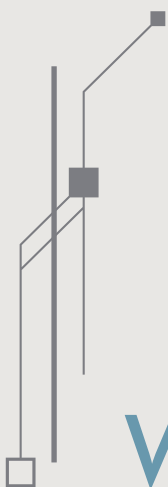
5101 Regular Labor	\$ 2,876,543	\$ 2,977,900	\$ 2,969,198	\$ 3,062,400	\$ 84,500	3%
5102 Temporary Labor	472	-	-	-	-	0%

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
5103	Overtime	25,767	56,300	23,309	56,300	-	0%
5104	Standby	32,364	33,000	37,434	33,000	-	0%
5200	Benefits	1,401,583	1,608,000	1,614,469	1,567,650	(40,350)	-3%
6201	Materials & Supplies	183,875	199,500	207,099	229,850	30,350	15%
6202	Tools	19,203	16,900	12,765	16,900	-	0%
6203	Office Supplies	19,471	28,500	15,337	26,400	(2,100)	-7%
6205	Conservation Rebates	144,259	145,000	62,623	154,000	9,000	6%
6301	Contract Services	1,135,126	1,475,950	1,273,987	1,935,000	459,050	31%
6302	Banking Services	6,291	14,000	8,410	12,600	(1,400)	-10%
6303	Printing & Publishing	100,426	303,400	78,225	323,800	20,400	7%
6304	Legal Services	104,658	127,000	73,500	113,000	(14,000)	-11%
6306	Rents & Leases	12,490	11,250	15,348	15,000	3,750	33%
6307	Uniforms	24,363	31,150	20,114	36,150	5,000	16%
6311	Landscape Services	50,768	42,000	35,842	98,250	56,250	134%
6312	Janitorial Services	97,712	100,400	111,790	107,900	7,500	7%
6314	Litigation Services	-	28,000	15,270	28,000	-	0%
6401	Utilities	24,202	10,500	40,456	10,500	-	0%
6402	Telephone	51,753	119,600	81,196	86,550	(33,050)	-28%
6403	Electricity	56,584	90,000	95,249	82,500	(7,500)	-8%
6404	Fuel	92,397	112,500	124,887	121,500	9,000	8%
6405	Permits	46,316	135,100	61,329	135,800	700	1%
6406	Postage	17,316	74,100	7,653	52,700	(21,400)	-29%
6501	Memberships & Dues	70,119	92,400	109,380	128,700	36,300	39%
6502	Professional Development	56,076	130,650	32,563	112,350	(18,300)	-14%
6503	Education Assistance	1,989	9,100	-	5,600	(3,500)	-38%
6504	Meetings	12,211	30,400	4,968	29,900	(500)	-2%
6505	Employee Recognition	18,001	18,900	6,765	25,900	7,000	37%
6701	General Insurance	205,691	379,300	286,721	562,000	182,700	48%
6702	Insurance Claims	7,445	7,000	50	7,000	-	0%
6704	Bad Debt Expense	-	1,000	-	700	(300)	-30%
6705	OPEB Retirees	216,337	269,300	119,628	291,700	22,400	8%
ADMINISTRATION TOTAL		\$ 7,111,808	\$ 8,678,100	\$ 7,545,565	\$ 9,469,600	\$ 791,500	9%
TOTAL OPERATING EXPENSES		\$ 16,295,181	\$ 18,067,000	\$ 17,292,627	\$ 19,098,000	\$ 1,031,000	6%

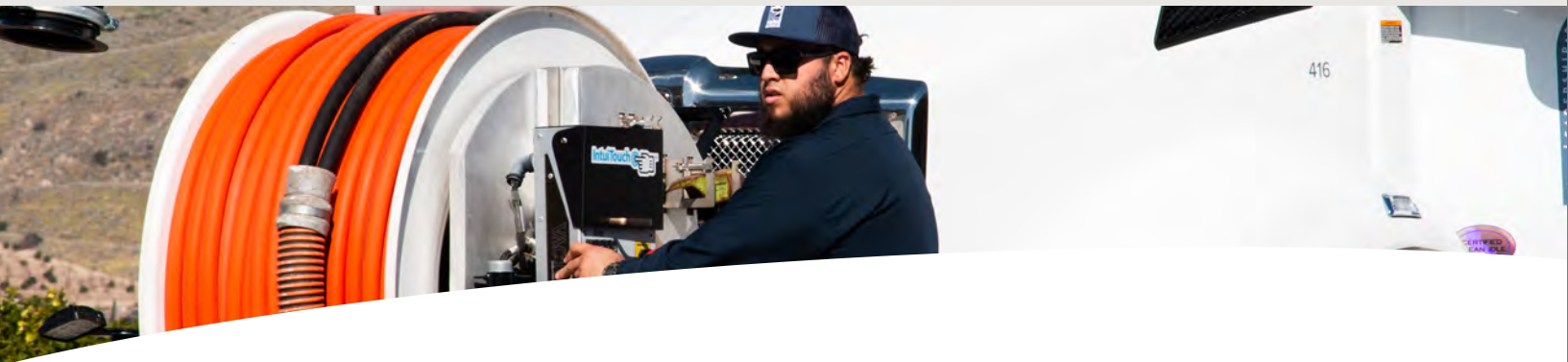
	FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
OTHER USES						
7101 Debt Principal	\$ 2,565,000	\$ 2,639,000	\$ 2,638,556	\$ 2,108,000	\$ (531,000)	-20%
7102 Debt Interest	1,393,639	1,427,000	1,275,152	974,000	(453,000)	-32%
7500 Reserve Contribution	1,946,624	-	1,679,456	-	-	0%
8101 Capital Outlay	930,967	1,195,000	1,321,000	1,080,000	(115,000)	-10%
8999 Capital Improvement Program	3,932,763	3,070,000	3,598,000	3,712,000	642,000	21%
OTHER USES TOTAL	\$ 10,768,993	\$ 8,331,000	\$ 10,512,164	\$ 7,874,000	\$ (457,000)	-5%
SUMMARY						
TOTAL REVENUE	\$ 27,064,174	\$ 26,398,000	\$ 27,804,791	\$ 26,972,000	\$ 574,000	2%
OTHER USES TOTAL	\$ 10,768,993	\$ 8,331,000	\$ 10,512,164	\$ 7,874,000	\$ (457,000)	-5%
Total Operating Expenses	16,295,181	18,067,000	17,292,627	19,098,000	1,031,000	6%
Total Other Uses	10,768,993	8,331,000	10,512,164	7,874,000	(457,000)	-5%
TOTAL EXPENSES/USES	\$ 27,064,174	\$ 26,398,000	\$ 27,804,791	\$ 26,972,000	\$ 574,000	2%
NET	\$ -	\$ -	\$ -	\$ -	\$ -	-

“The District delivers more than 16 million gallons of water daily through 300 miles of water distribution pipeline.”





WASTEWATER FUND




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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 wastewater collection infrastructure as well as the treatment of wastewater.

All treatment charges collected from customers are remitted to the SBMWD until the SNRC becomes operational. On May 19, 2021 the Governing Board adopted new rates effective after January 1, 2022. Due to the effective date of new rates and rate structure, changes require rate and revenue to be calculated for two scenerios.

RATES

There are two sets of rates that make up the Wastewater Charge:

1. East Valley Water District Collection System Charge that includes conveyance and maintenance of the wastewater mains and;
2. SBMWD Wastewater Treatment Charge that includes the treatment and disposal of waste.

Each set of rates has two components:

1. System Charge based on customer type, Residential or Commercial.
2. Service Charge based on the amount and concentration of the wastewater discharged into the wastewater system. Amount and concentration have a direct impact to the entire wastewater system and treatment facility.

The adopted rates by customer class are listed in the rate tables below.

Wastewater Collection System Charges

Customer Type	Units	Monthly Fixed Charge	Usage (HCF)	Charge per HCF	Total
JULY 2021 THROUGH APRIL 2022					
Single-Family Residential	19,229	\$ 15.36			\$ 2,954,000
Multi-Family	458	3.90	1,100,000	\$ 0.55	623,000
Non-Residential	612	3.90	578,000	0.55	342,000
TOTAL	20,299				\$ 3,919,000

The newly adopted rates effective January 1, 2022 have been restructured to charge customers in a manner consistent with the nature of the customer class. The rate restructure adds another layer of equitability because it considers the number of units associated with an account by merging Single-Family and Multi-Family Residential as one customer class since they have a similar impact to the collection system.

Customer Type	Units	Monthly Fixed Charge	Usage (HCF)	Charge per HCF	Total
MAY 1, 2022 THRU JUNE 30, 2022					
Single-Family Residential	19,229	\$ 14.25	-	\$ -	\$ 548,000
Multi-Family Residential	10,654	13.46	-	-	287,000
Non-Residential, Low Strength	471	10.33	65,700	0.35	33,000
Non-Residential, Med Strength	70	10.33	10,300	0.46	6,000
Non-Residential, High Strength	70	10.33	22,400	0.46	10,000
Patton	1	10.33	16,700	0.57	12,000
TOTAL					\$ 896,000
TOTAL WASTEWATER COLLECTION REVENUE					\$ 4,815,000

WASTEWATER TREATMENT CHARGES

May 1, 2022 thru June 30, 2022

The rate study identified and required changes to the calculation of treatment charges. The first is changing the volumetric rates from customer type to strength and concentration of organic materials and suspended solids by customer profile. The second change was reclassifying Multi-Family from commercial to residential.

EVWD Volumetric Reclassification

Customer Type	Classification
Multi-Family	Residential Reclassification
Commercial/Retail/Dry	Non Res - Low Strength
Restaurants/Hotels	Non Res - High Strength
Laundromats/Government/Office	Non Res - Medium Strength
Building/Motels	Non Res - Low Strength
Schools/Churches	Non Res - Low Strength
Convalescent Homes	Non Res - Medium Strength
Office Buildings/Motels	Non Res - Low Strength
Auto Repair/Service/Carwash	Non Res - Low Strength
Patton	Patton

Reclassification Rate Table

Customer Type	Collection Variable	Treatment Variable
Patton	\$ 0.57	\$ 1.79
Non-Res - Low Strength	0.35	0.96
Non-Res - Med Strength	0.46	1.54
Non-Res - High Strength	0.46	3.42

RESIDENTIAL

East Valley Water District bills residential customers a monthly wastewater charge based on the number of dwelling units, up to four units, per single-family property. Properties with four or more units are classified as multi-family. The table below identifies the number of services and the wastewater charges per month.

COMMERCIAL

The District currently bills commercial customers on a monthly basis for wastewater. The charge consists of four components—two flat rates and two consumption based rates. The two flat rates are EVWD’s system charge and the SBMWD’s treatment charge. The two consumption based rates are for EVWD’s Collection Charge per hundred cubic feet (HCF) and the SBMWD’s Treatment Charge per HCF.

Additionally, the consumption based rates are calculated using the following formula $[(\$0.55/\text{HCF EVWD Collection Charge} + \text{SBMWD Treatment Charge}) \times \text{HCF used}]$. Shown below is a schedule of commercial wastewater rates for FY 2021-22.

Wastewater Treatment Revenue

Customer Type	Units	Monthly Fixed Charge	Usage (HCF)	Charge per HCF	Total
JULY 2021 THROUGH APRIL 2022					
Single-Family Residential	19,229	\$ 21.55	-	\$ -	4,144,000
Multi-Family (accounts)	458	1.97	1,100,000	1.53	1,692,000
Non-Residential	612	3.52	578,000	Various	1,330,000
TOTAL	20,299			\$	7,166,000
MAY 1, 2022 THRU JUNE 30, 2022					
Single-Family Residential	19,229	\$ 23.37	-	\$ -	899,000
Multi-Family Residential (units)	10,654	20.86	-	-	444,000
Non-Residential, Low Strength	471	10.83	65,700	0.96	74,000
Non-Residential, Med Strength	70	10.83	10,300	1.53	17,000
Non-Residential, High Strength	70	10.83	22,400	3.42	78,000
Patton	1	10.83	16,700	1.79	30,000
TOTAL	30,495			\$	1,542,000
TOTAL WASTEWATER TREATMENT REVENUE				\$	8,708,000

Wastewater Treatment Revenue - Non Rate SNRC

Revenue Type	Unit of Measure	Volume FY 2021-22	Fee Per Unit	Amount
Tipping Fees	Gallon	7.084 MG	\$ 0.08	\$ 567,000
LRIP	Acre Foot	375 AF	173.00	65,000
Power Generation	kWh		0.13	-
TOTAL				\$ 632,000

Wastewater Treatment Revenue - Other Income

Revenue Type	Amount
Miscellaneous Revenue	\$ 6,000
Facility Rental Fee	3,000
Returned Payment Fee	2,500
Disconnect/Reconnect Fee	40,000
Disconnection Notice Charge	-
Delinquent Fee	57,500
Service Initiation Charge	40,000
Interest Revenue	28,000
TOTAL	\$ 177,000

Wastewater Treatment Revenue - Summary

Revenue Type	Wastewater
System Charges	\$ 4,815,000
Wastewater Treatment (SBMWD)	7,166,000
Wastewater Treatment (SNRC)	1,542,000
Non Rate Revenue - SNRC	632,000
Other Income	177,000
TOTAL	\$ 14,332,000

REVENUES

Wastewater revenues consist of collection charges, treatment charges, and miscellaneous revenues such as interest income and capacity charges for new services. The District anticipates a small increase in revenue related to the assessment of wastewater collection charges to vacant homes. Those revenues will be remitted to the SBMWD, therefore having no impact on District Operations.

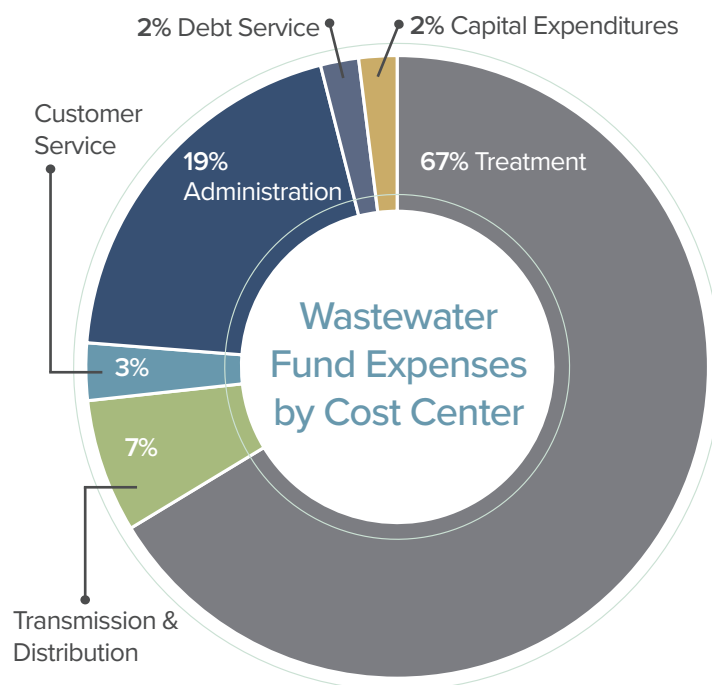
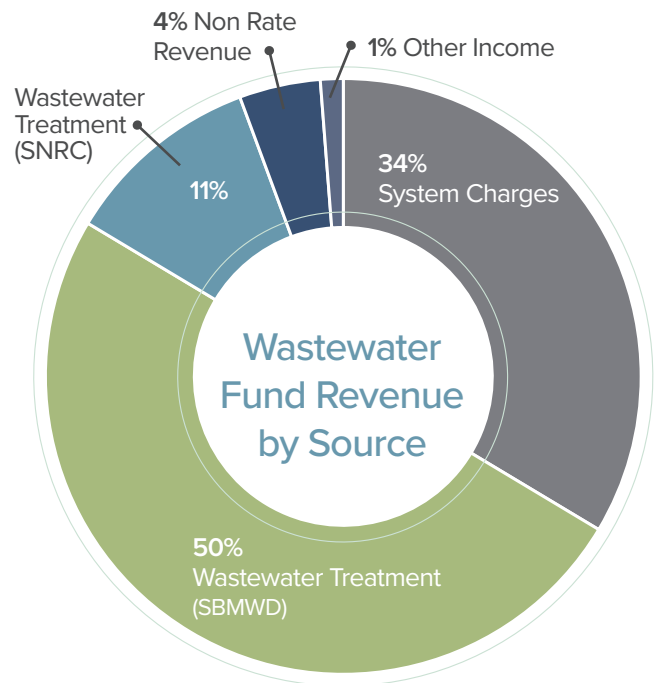
EXPENSES

Operating expenses have remained the same overall in the Wastewater Fund. The District continues to conduct preventative maintenance programs on the wastewater mains such as videoing the lines and cleaning the lines on a regular schedule. Additionally, staff has invested more time and efforts into the spot repairs of the mains when sags and cracks are found in the lines when reviewing video tapes of the wastewater system.

With the implementation of Water Budget Based Rates, costs associated with Customer Service and Information Technology were shifted to the Water Fund because of increased efforts to administer the new tiered rates. The District plans to begin wastewater treatment at the SNRC in May 2022. Completion of the SNRC will mitigate the impacts of future droughts by providing a long-term reliable water supply.

CONCLUSION

The Wastewater Fund is balanced, however, a rate study will need to be conducted prior to new debt issuance to ensure proper rates are charged to fund future capital improvement projects and that the District continues to meet debt service obligations as set forth in the bond covenants. District staff will continue to monitor the revenues and expenses and present the progress to the Governing Board on a quarterly basis.



FY 2021-22 PROPOSED WASTEWATER FUND BUDGET

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
REVENUES							
4301	Late Payment Fee	\$ 44,837	\$ 193,000	\$ 72,636	\$ 100,000	\$ (93,000)	-48%
4400	Wastewater Collection Charges	4,647,347	4,656,000	4,641,835	4,815,000	159,000	3%
4500	Wastewater Treatment Charges	8,496,012	8,586,000	8,524,162	8,708,000	122,000	1%
4605	Other Operating Charge	44,149	2,000	23,460	681,000	679,000	33950%
4701	Interest Income	48,161	30,000	16,135	28,000	(2,000)	-7%
TOTAL REVENUES		\$13,280,506	\$ 13,467,000	\$ 13,278,228	\$14,332,000	\$ 865,000	6%
OPERATING EXPENSES							
TREATMENT							
5101	Regular Labor	\$ -	\$ -	\$ -	\$ 563,000	\$ 563,000	0%
5103	Overtime	-	-	-	3,000	3,000	0%
5200	Benefits	-	-	-	287,000	287,000	0%
6201	Materials & Supplies	-	-	-	35,000	35,000	0%
6202	Tools	-	-	-	12,000	12,000	0%
6203	Office Supplies	-	-	-	10,000	10,000	0%
6204	Chemicals	-	-	-	131,000	131,000	0%
6301	Contract Services	-	-	-	367,000	367,000	0%
6303	Printing & Publishing	-	-	-	1,000	1,000	0%
6304	Legal Services	-	-	-	5,000	5,000	0%
6305	Treatment Services	8,496,012	8,586,000	8,524,162	7,844,000	(742,000)	-9%
6307	Uniforms	-	-	-	8,000	8,000	0%
6401	Utilities	-	-	-	1,000	1,000	0%
6402	Telephone	-	-	-	3,000	3,000	0%
6403	Electricity	-	-	-	260,000	260,000	0%
6404	Fuel	-	-	-	12,000	12,000	0%
6406	Postage	-	-	-	1,000	1,000	0%
6501	Membership & Dues	-	-	-	4,000	4,000	0%
6502	Professional Development	-	-	-	5,000	5,000	0%
6504	Meetings	-	-	-	2,000	2,000	0%
6505	Employee Recognition	-	-	-	1,000	1,000	0%
TREATMENT TOTAL		\$ 8,496,012	\$ 8,586,000	\$ 8,524,162	\$ 9,555,000	\$ 969,000	11%

WASTEWATER FUND

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
TRANSMISSION & DISTRIBUTION							
5101	Regular Labor	\$ 303,374	\$ 335,000	\$ 339,688	\$ 419,000	\$ 84,000	25%
5103	Overtime	4,674	9,000	9,805	9,000	-	0%
5200	Benefits	154,259	176,000	166,304	209,000	33,000	19%
6201	Materials & Supplies	21,009	31,000	14,036	31,000	-	0%
6202	Tools	695	5,000	12,111	5,000	-	0%
6301	Contract Services	281,281	243,000	140,356	273,000	30,000	12%
6307	Uniforms	2,155	4,000	2,234	4,000	-	0%
6310	Street Services	-	-	-	-	-	0%
TRANSMISSION & DIST. TOTAL		\$ 767,447	\$ 803,000	\$ 684,534	\$ 950,000	\$ 147,000	18%
CUSTOMER SERVICE							
5101	Regular Labor	\$ 103,555	\$ 178,500	\$ 137,892	\$ 195,900	\$ 17,400	10%
5102	Temporary Labor	6,083	-	-	-	-	0%
5103	Overtime	1,622	2,100	-	2,100	-	0%
5200	Benefits	64,095	47,700	89,108	59,400	11,700	25%
6201	Materials & Supplies	745	1,500	2,374	1,500	-	0%
6202	Tools	-	-	-	-	-	0%
6203	Office Supplies	827	1,200	799	1,200	-	0%
6301	Contract Services	62,335	40,200	53,383	40,200	-	0%
6302	Banking Services	77,044	51,700	72,436	48,700	(3,000)	-6%
6303	Printing & Publishing	1,789	3,000	1,593	3,000	-	0%
6304	Legal Services	-	1,500	-	1,500	-	0%
6306	Rents & Leases	3,374	-	-	-	-	0%
6307	Uniforms	561	1,200	1,431	1,200	-	0%
6308	Billing Services	17,211	15,600	16,660	18,000	2,400	15%
6309	Shut Off Notice Services	-	-	-	-	-	0%
6402	Telephone	2,009	-	4,586	-	-	0%
6406	Postage	35,478	45,900	41,000	45,900	-	0%
6501	Membership & Dues	-	300	-	300	-	0%
6502	Professional Development	190	4,500	-	4,500	-	0%
6503	Education Assistance	-	-	-	-	-	0%
6703	Cash Over/Short	2,175	300	-	300	-	0%
6704	Bad Debt Expense	1,564	3,900	-	900	(3,000)	-77%
CUSTOMER SERVICE TOTAL		\$ 380,657	\$ 399,100	\$ 421,262	\$ 424,600	\$ 25,500	6%

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
ADMINISTRATION							
5101	Regular Labor	\$ 1,072,024	\$ 1,029,100	\$ 1,051,563	\$ 1,061,600	\$ 32,500	3%
5102	Temporary Labor	202	-	-	-	-	0%
5103	Overtime	10,520	17,700	8,454	17,700	-	0%
5104	Standby	7,206	2,000	6,701	2,000	-	0%
5200	Benefits	515,793	526,000	523,157	530,350	4,350	1%
6201	Materials & Supplies	75,883	65,500	61,637	78,150	12,650	19%
6202	Tools	5,068	3,100	1,757	3,100	-	0%
6203	Office Supplies	5,941	8,500	3,714	7,600	(900)	-11%
6301	Contract Services	443,792	388,050	502,146	579,000	190,950	49%
6302	Banking Services	2,696	6,000	3,653	5,400	(600)	-10%
6303	Printing & Publishing	31,668	44,600	56,618	51,200	6,600	15%
6304	Legal Services	43,555	54,000	32,298	48,000	(6,000)	-11%
6306	Rents & Leases	5,353	3,750	5,116	5,000	1,250	33%
6307	Uniforms	4,343	5,850	3,370	5,850	-	0%
6311	Landscape Services	21,758	14,000	11,680	32,750	18,750	134%
6312	Janitorial Services	41,877	33,600	37,263	36,100	2,500	7%
6314	Litigation Services	-	12,000	6,544	12,000	-	0%
6401	Utilities	10,372	3,500	8,653	3,500	-	0%
6402	Telephone	18,372	27,400	18,059	16,450	(10,950)	-40%
6403	Electricity	24,250	30,000	27,961	27,500	(2,500)	-8%
6404	Fuel	39,599	12,500	13,876	13,500	1,000	8%
6405	Permits	19,850	57,900	18,815	58,200	300	1%
6406	Postage	5,010	15,900	5,868	12,300	(3,600)	-23%
6501	Memberships & Dues	28,778	32,600	42,308	35,300	2,700	8%
6502	Professional Development	20,502	46,350	6,349	37,650	(8,700)	-19%
6503	Education Assistance	853	3,900	-	2,400	(1,500)	-38%
6504	Meetings	4,953	11,600	1,837	11,100	(500)	-4%
6505	Employee Recognition	7,715	8,100	2,899	11,100	3,000	37%
6701	General Insurance	88,153	19,700	122,880	98,000	78,300	397%
6702	Insurance Claims	3,191	3,000	22	3,000	-	0%
6702	Bad Debt Expense	-	-	-	300	300	0%
6705	OPEB Retirees	92,716	49,700	45,924	59,300	9,600	19%
ADMINISTRATION TOTAL		\$ 2,651,993	\$ 2,535,900	\$ 2,631,122	\$ 2,865,400	\$ 329,500	13%
TOTAL OPERATING EXPENSES		\$ 12,296,109	\$12,324,000	\$12,261,080	\$13,795,000	\$ 1,471,000	12%

	FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
OTHER USES						
7101 Debt Principal	\$ 105,000	\$ 110,000	\$ 110,000	\$ 170,000	\$ 60,000	55%
7102 Debt Interest	185,465	203,000	158,476	100,000	(103,000)	-51%
7500 Reserve Contribution	443,338	-	(196,328)	-	-	0%
8101 Capital Outlay	64,667	435,000	550,000	50,000	(385,000)	-89%
8999 Capital Improvement Program	185,927	395,000	395,000	217,000	(178,000)	-45%
OTHER USES TOTAL	\$ 984,397	\$ 1,143,000	\$ 1,017,148	\$ 537,000	\$(606,000)	-53%
SUMMARY						
TOTAL REVENUE	\$13,280,506	\$ 13,467,000	\$ 13,278,228	\$14,332,000	\$ 865,000	6%
Total Operating Expenses	12,296,109	12,324,000	12,261,080	13,795,000	1,471,000	12%
Total Other Uses	984,397	1,143,000	1,017,148	537,000	(606,000)	-53%
TOTAL EXPENSES/USES	\$13,280,506	\$ 13,467,000	\$ 13,278,228	\$14,332,000	\$ 865,000	6%
NET	\$ -	\$ -	\$ -	\$ -	\$ -	0%

“The budget document demonstrates accountability and responsibility in our fiscal management practices.”





CONSOLIDATED FINANCIAL SCHEDULES




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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.

DISTRICT-WIDE SUMMARY

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
REVENUES							
4100	Water Sales	\$ 16,899,286	\$ 16,868,000	\$ 18,210,000	\$ 17,288,000	\$ 420,000	2%
4200	Meter Charges	9,025,766	9,020,000	9,071,000	9,280,000	260,000	3%
4301	Late Fee Payment	566,100	388,000	239,598	235,000	(153,000)	-39%
4400	Wastewater Collection Charges	4,647,347	4,656,000	4,641,835	4,815,000	159,000	3%
4500	Wastewater Treatment Charges	8,496,012	8,586,000	8,524,162	8,708,000	122,000	1%
4605	Other Operating Charges	151,114	58,000	278,930	721,000	663,000	1143%
4701	Interest Income	524,661	255,000	49,753	207,000	(48,000)	-19%
4704	Miscellaneous Revenue	34,394	34,000	67,741	50,000	16,000	47%
TOTAL REVENUES		\$ 40,344,680	\$ 39,865,000	\$ 41,083,019	\$ 41,304,000	\$ 1,439,000	4%
EXPENSES – OPERATING BY PROGRAM							
1000	Governing Board	\$ 200,199	\$ 257,000	\$ 235,496	\$ 244,000	\$ (13,000)	-5%
2000	General Administration	1,197,386	1,302,000	1,244,469	1,329,000	27,000	2%
2100	HR/Risk Management	1,135,217	1,325,000	1,137,994	1,672,000	347,000	26%
2200	Public Affairs	1,245,116	1,589,000	1,295,695	1,844,000	255,000	16%
2300	Conservation	390,599	624,000	287,561	614,000	(10,000)	-2%
3000	Finance	1,191,230	1,272,000	1,267,267	1,271,000	(1,000)	0%

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
3200	Information Technology	\$ 764,586	\$ 973,000	\$ 813,361	\$ 1,237,000	\$ 264,000	27%
3300	Customer Service	1,450,324	1,507,000	1,329,544	1,447,000	(60,000)	-4%
3400	Meter Services	270,964	290,000	286,064	321,000	31,000	11%
4000	Engineering	1,180,831	1,544,000	1,126,459	1,592,000	48,000	3%
5000	Water Production Admin	533,389	600,000	521,521	568,000	(32,000)	-5%
5000-51	Source of Supply	2,718,145	2,834,000	2,922,037	2,861,000	27,000	1%
5000-52	Pumps & Boosters	417,021	611,000	739,994	659,000	48,000	8%
5000-54	Trans & Distribution	391,918	448,000	471,009	451,000	3,000	1%
5100	Water Treatment	816,777	905,000	952,159	900,000	(5,000)	-1%
5200	Water Quality	463,689	480,000	425,318	521,000	41,000	9%
6000	Maintenance Admin	391,156	434,000	510,984	420,000	(14,000)	-3%
6100	Water Maintenance	2,891,673	2,485,000	2,844,896	2,658,000	173,000	7%
6200	Wastewater Maintenance	9,263,459	9,389,000	684,536	950,000	(8,439,000)	-90%
6300	Wastewater Treatment (SBMWD/SNRC)	-	-	8,524,162	9,555,000	9,555,000	0%
7000	Facilities Maintenance	1,081,687	1,022,000	1,253,957	1,216,000	194,000	19%
7100	Fleet Maintenance	595,924	500,000	679,224	563,000	63,000	13%
SUBTOTAL OPERATING EXPENSES		\$ 28,591,290	\$30,391,000	\$ 29,553,707	\$ 32,893,000	\$2,502,000	8%
EXPENSES – OTHER							
	Debt Service	\$ 4,249,104	\$ 4,379,000	\$ 4,182,184	\$ 3,352,000	\$ (1,027,000)	-23%
	Capital Outlay	995,634	1,630,000	1,871,000	1,130,000	(500,000)	-31%
	Capital Improvement	4,118,690	3,465,000	3,993,000	3,929,000	464,000	13%
	Transfer to Reserves	2,389,962	-	1,483,128	-	-	0%
	Transfer from Reserves	-	-	-	-	-	0%
SUBTOTAL OTHER EXPENSES		\$ 11,753,390	\$ 9,474,000	\$ 11,529,312	\$ 8,411,000	\$(1,063,000)	-11%
TOTAL		\$ 40,344,680	\$ 39,865,000	\$ 41,083,019	\$ 41,304,000	\$ 1,439,000	4%
NET		\$ -	\$ -	\$ -	\$ -	-	-

ITEMIZED OPERATING EXPENSE SUMMARY

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 6,819,784	\$ 6,877,000	\$ 6,897,945	\$ 7,680,000	\$ 803,000	12%
5102	Temporary Labor	20,951	-	-	-	-	0%
5103	Overtime	391,234	388,000	453,990	390,000	2,000	1%
5104	Standby	39,570	35,000	44,135	35,000	-	0%
5200	Benefits	3,362,631	3,641,000	3,610,993	4,018,000	377,000	10%
PERSONNEL TOTAL		\$ 10,634,170	\$ 10,941,000	\$ 11,007,063	\$ 12,123,000	\$ 1,182,000	11%
WATER SUPPLY							
6101	Purchased Water	\$ 704,460	\$ 400,000	\$ 31,295	\$ 400,000	\$ -	0%
6102	Replenishment	111,625	304,000	138,757	304,000	-	0%
6103	Water Assessment	16,811	122,000	92,598	64,000	(58,000)	-48%
WATER SUPPLY TOTAL		\$ 832,896	\$ 826,000	\$ 262,650	\$ 768,000	\$ (58,000)	-7%
OTHER OPERATING EXPENSES							
6201	Materials & Supplies	\$ 664,349	\$ 715,000	\$ 1,008,852	\$ 835,000	\$ 120,000	17%
6202	Tools	62,289	54,000	58,459	66,000	12,000	22%
6203	Office Supplies	28,169	41,000	21,715	48,000	7,000	17%
6204	Chemicals	256,895	350,000	240,341	481,000	131,000	37%
6205	Conservation Rebates	144,259	145,000	62,623	154,000	9,000	6%
6301	Contract Services	2,665,509	3,017,000	2,941,282	4,069,000	1,052,000	35%
6302	Banking Services	265,800	259,000	253,516	247,000	(12,000)	-5%
6303	Printing & Publishing	138,058	358,000	140,154	386,000	28,000	8%
6304	Legal Services	148,213	186,000	105,798	171,000	(15,000)	-8%
6305	Treatment Services	8,496,012	8,586,000	8,524,162	7,844,000	(742,000)	-9%
6306	Rents & Leases	29,090	15,000	20,464	20,000	5,000	33%
6307	Uniforms	67,078	90,000	59,626	103,000	13,000	14%
6308	Billing Services	57,369	52,000	55,534	60,000	8,000	15%
6309	Shut Off Notice Services	201,217	195,000	110	50,000	(145,000)	-74%
6310	Street Services	522,959	325,000	403,776	525,000	200,000	62%
6311	Landscape Services	173,757	145,000	185,963	220,000	75,000	52%
6312	Janitorial Services	139,589	134,000	149,053	144,000	10,000	7%
6314	Litigation Services	-	40,000	21,814	40,000	-	0%
6401	Utilities	38,214	24,000	51,356	25,000	1,000	4%
6402	Telephone	79,899	157,000	143,756	118,000	(39,000)	-25%

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
6403	Electricity	\$ 1,669,011	\$ 1,920,000	\$ 2,564,120	\$ 2,270,000	\$ 350,000	18%
6404	Fuel	131,996	125,000	138,763	147,000	22,000	18%
6405	Permits	154,703	293,000	178,029	294,000	1,000	0%
6406	Postage	140,586	245,000	150,253	221,000	(24,000)	-10%
6501	Memberships	98,897	126,000	151,688	169,000	43,000	34%
6502	Professional Development	77,387	194,000	39,499	172,000	(22,000)	-11%
6503	Education Assistance	2,842	16,000	-	11,000	(5,000)	-31%
6504	Meetings	18,364	45,000	6,805	46,000	1,000	2%
6505	Employee Recognition	25,716	27,000	9,664	38,000	11,000	41%
6701	General Insurance	293,844	399,000	409,601	660,000	261,000	65%
6702	Insurance Claims	10,636	10,000	72	10,000	-	0%
6703	Cash Over/Short	7,251	1,000	-	1,000	-	0%
6704	Bad Debt	5,213	16,000	21,594	6,000	(10,000)	-63%
6705	OPEB Retirees	309,053	319,000	165,552	351,000	32,000	10%
OTHER OPERATING EXPENSES		\$ 17,124,224	\$ 18,624,000	\$ 18,283,994	\$ 20,002,000	\$ 1,378,000	7%
TOTAL OPERATING EXPENSES		\$ 28,591,290	\$ 30,391,000	\$ 29,553,707	\$ 32,893,000	\$ 2,502,000	8%

“Operating expenses are identified and accounted for at the Program level.”



PROGRAM SUMMARIES



PROGRAM DESCRIPTIONS

POSITION SUMMARY SCHEDULE

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 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, and with the District-wide (agency) Goals for the upcoming fiscal year. KPIs 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.

Some KPIs are included to notate industry benchmarks to help staff understand the District’s performance in comparison to the water and wastewater industry. AWWA standards help improve both operational efficiency and managerial effectiveness.

The FY 2021-22 Budget is organized into the following summary programs:

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

POSITION SUMMARY SCHEDULE

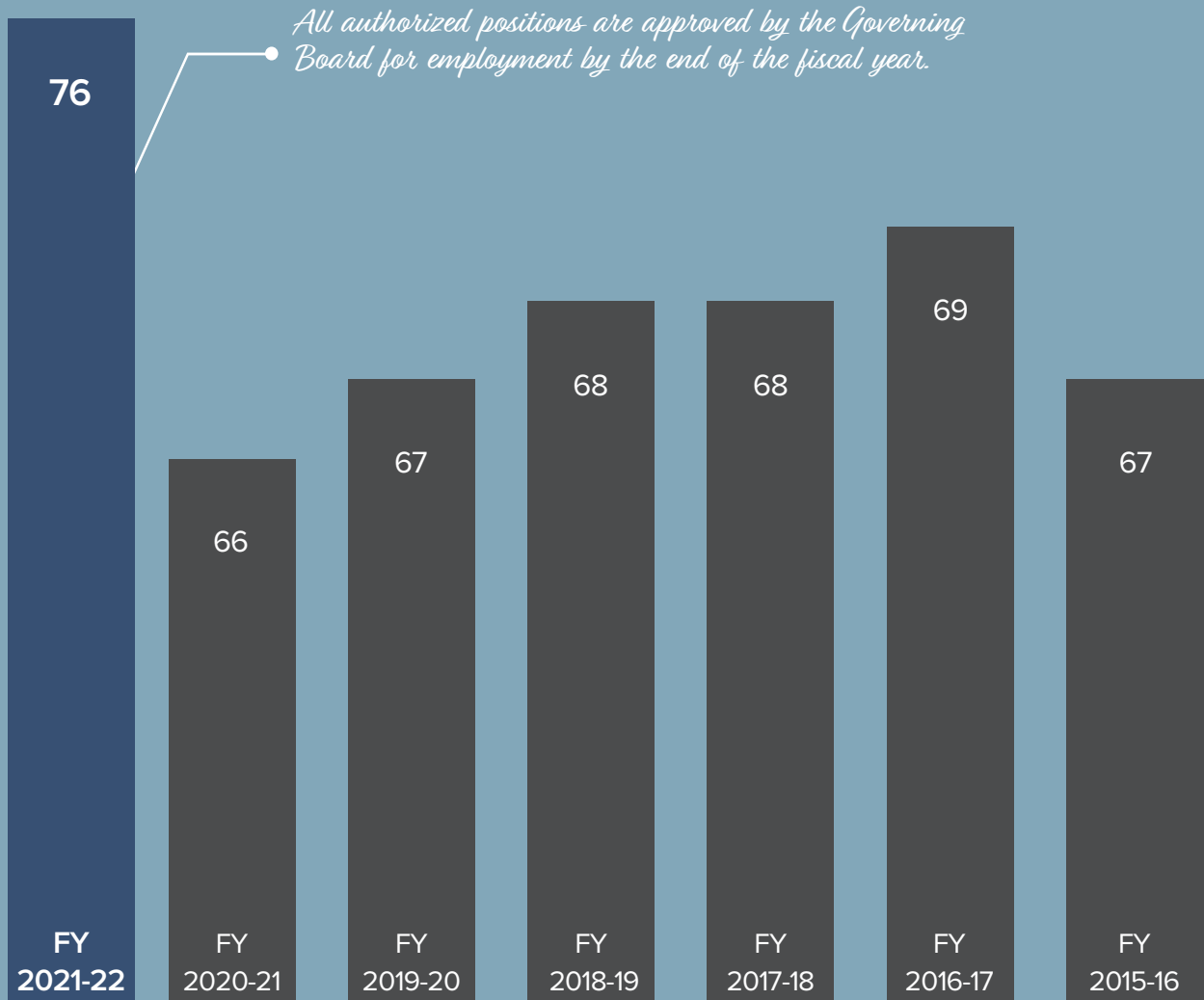
East Valley Water District continues to evaluate staffing needs to ensure all services are addressed by a high-quality workforce. This process is supported by the strategic direction and succession planning efforts previously approved by the Governing Board. The position changes for FY 2021-22 include nine Plant Operators, Technicians and Administrative staff for the new Sterling Natural Resource Center, and an additional Customer Service Representative.

The table below summarizes the number of full-time personnel by Program. All authorized positions are funded in the proposed budget for FY 2021-22. Part-time positions are included in the program descriptions and not shown below.

Full-Time Staffing Summary by Program

Program	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Budget
2000 General Administration	3	3	3
2100 Human Resources	2	2	2
2200 Public Affairs	5	4	4
2300 Conservation	1	1	1
3000 Finance & Accounting	6	6	6
3200 Information Technology	3	3	3
3300 Customer Service	5	6	7
3400 Meter Services	3	3	3
4000 Engineering	6	5	5
5000 Water Production	7	7	7
5100 Water Treatment	2	2	2
5200 Water Quality	2	2	2
6100 Water Maintenance	15	15	15
6200 Wastewater Maintenance	4	4	4
6300 Water Reclamation	0	0	9
7000 Facilities Maintenance	2	2	2
7100 Fleet Maintenance	1	1	1
TOTAL	67	66	76

Total Authorized Positions



“East Valley Water District
continues to evaluate staffing needs to ensure all
services are addressed by a high-quality workforce.”





Governing Board

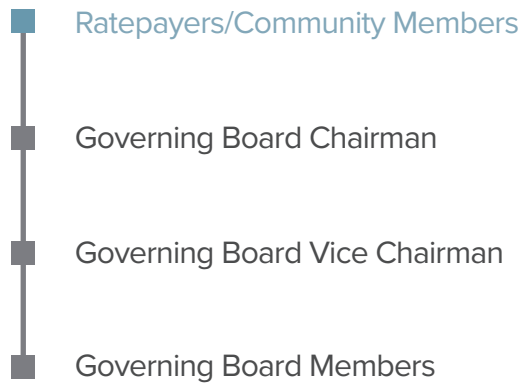


Program Personnel

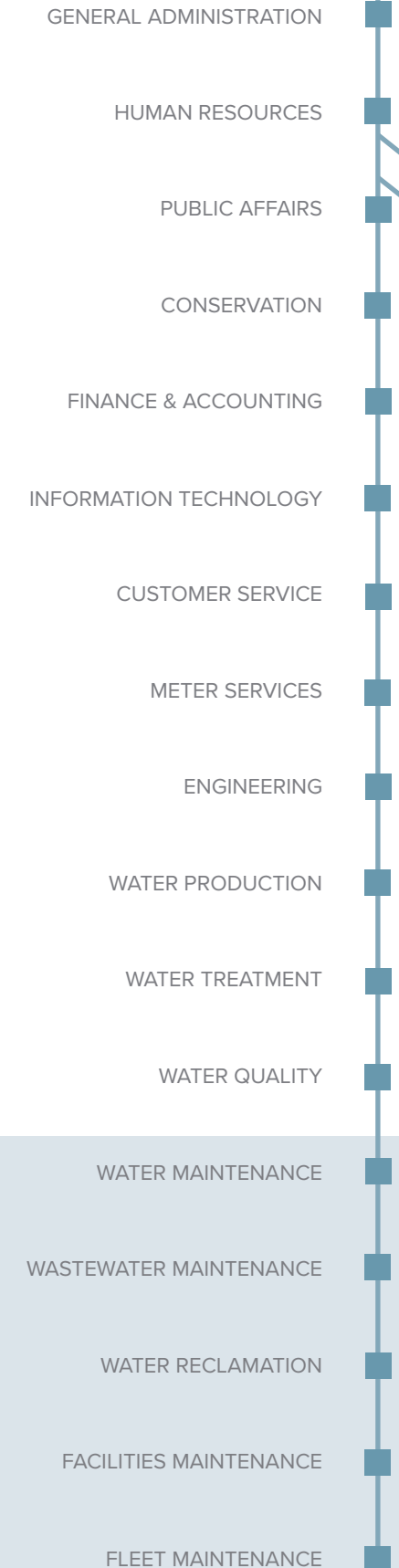
Governing Board Members 5

Elected Officials 5

Program Structure



Governing Board



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



Governing Board

FUNCTION

The Governing Board is the legislative body of the organization. Comprised of five members elected at-large to four-year staggered terms of office. Board members are responsible for providing leadership, direction and serving as the organizational policy makers. The Governing Board appoints the General Manager/CEO to carry out the day-to-day District operations and implementation of adopted policies.



GOALS

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

#2 Address Policy Decisions Related to the SNRC

#3 Update the District-Wide Succession Plan

OBJECTIVES

1. Evaluate COVID-19 short and long-term impacts that may need policy or board action for operational changes.
 2. Conduct General Manager/CEO annual evaluation, including establishment of FY 2022-23 Goals.
 3. Consider actions related to the NFWC.
-
1. Consider agenda items related to project completion and commencement of the SNRC.
 2. Consider and approve operational and staffing plans related to SNRC business activities.
 3. Participate in activities that encourage community engagement for the SNRC.
-
1. Consider taking action on the District's Succession Plan.
 2. Establish an Ad-Hoc Committee to participate in the District's Succession Planning process.
 3. Consider agenda items related to the District's staffing plan.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Provide Organizational Direction and Set Expectations through Policy Decisions

- Adopted and implemented protocols and polices related to COVID-19 pandemic.
- Conducted General Manager/CEO Annual Evaluation and established FY 2020-21 goals.
- Established Board leadership positions.

Goal 02

Address Policy Related Decisions Related to the SNRC

- Participated in activities that encouraged community engagement for the SNRC.
- Approved agreement with Valley District for the regional recycled water pipeline and Weaver Recharge Basins.

Goal 03

Make Financial Decisions that Result in Stability and Understanding Operational Complexities

- Approved agenda items related to Community Facilities Districts.
- Approved refunding of District revenue bonds resulting in \$390,000 in annual savings.
- Evaluated and considered agenda items related to water/wastewater rate studies.

Goal 04

Conduct all Activities Required for the Governing Board Election

- Coordinated with the San Bernardino County Registrar of Voters for the 2020 elections.
- Updated and posted electoral information on the District’s website.
- Updated the Candidate Orientation Program.

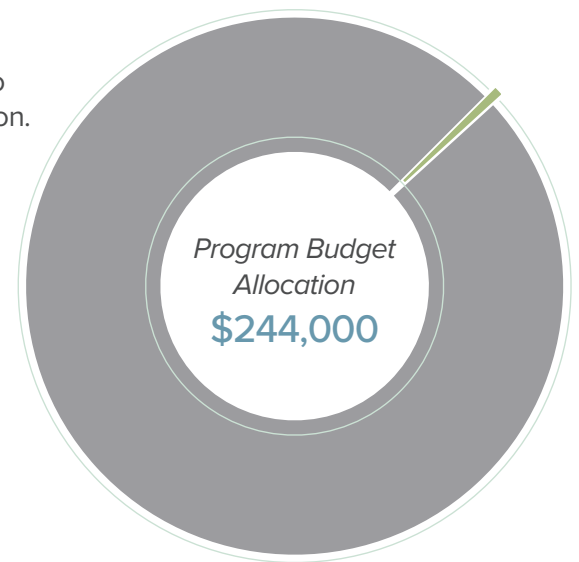
Significant Changes

Professional development is experiencing a temporary cost savings due to Board members attending leadership trainings virtually rather than in person. The District also conducted board meetings virtually due to COVID-19.

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 2018-19	FY 2019-20	FY 2020-21
I-A	Act on project related agenda items presented by staff	100%	100%	100%	100%
I-B	Average number of professional development hours per Board Member	6	12	11	10
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 EVWD	160	217	165	205

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 76,146	\$ 105,000	\$ 88,200	\$ 105,000	\$ -	0%
5200	Benefits	83,833	85,000	81,827	88,000	3,000	4%
OPERATING EXPENSES							
6201	Materials & Supplies	1,684	1,000	261	2,000	1,000	100%
6301	Contract Services	17,500	10,000	63,063	18,000	8,000	80%
6307	Uniforms	-	1,000	-	1,000	-	0%
6502	Professional Development	21,036	55,000	2,145	30,000	(25,000)	-45%
GOVERNING BOARD TOTAL		\$ 200,199	\$ 257,000	\$ 235,496	\$ 244,000	\$ (13,000)	-5%





General Administration

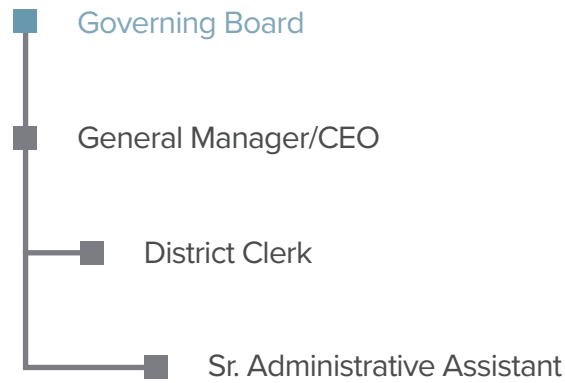


Program Personnel

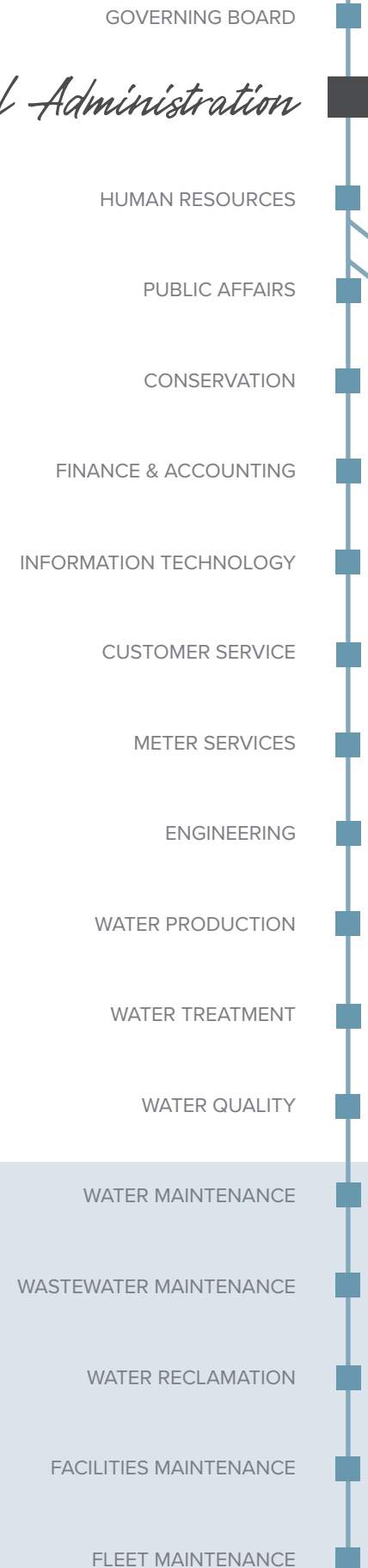
General Manager/CEO	1
District Clerk	1
Sr. Administrative Assistant	1

Total Full-Time **3**

Program Structure



General Administration



General Administration is responsible for overseeing the day-to-day operations.



General Administration

FUNCTION

General Administration is responsible for ensuring the District’s business and daily activities are performed following Federal, State, and District board approved policies. The General Manager/CEO provides daily oversight for interagency relations for advancing the District’s initiatives. Additionally, the General Manager implement’s strategic planning for future operations and capital improvement funding requirements and resource allocation. Lastly, Administration is responsible for implementing the District’s Vision, maintaining official records, promoting public trust, and ensuring transparency compliance.



GOALS

**#1 Complete Consolidation/
Dissolution of NFWC**

**#2 Develop Document
Management Process**

**#3 Implement Agenda
Management Platform**

OBJECTIVES

1. Continue to acquire remaining 24 shares of NFWC not owned by the District.
 2. Develop NFWC agreement tracking procedure that includes an annual compliance review.
 3. Coordinate with Finance and Operations to track activity of NFWC agreements and establish an alert in the District’s utility billing system.
-
1. Enhance the District’s electronic document repository by developing a naming convention for efficient document retrieval.
 2. Identify and prioritize unscanned vital documents and incorporate them into the electronic document repository.
 3. Coordinate and train District staff to ensure the document repository system is used consistently.
-
1. Coordinate with Public Affairs to develop agenda, staff report, and minute templates.
 2. Facilitate training sessions for staff, Community Advisory Commissioner’s, and the Governing Board.
 3. Complete parallel testing of new platform to ensure continuity in public noticing requirements.
 4. Complete transition to new agenda management platform by December 2021.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Complete Reaccreditation Process for Special District Leadership Foundation's (SDLF) District Transparency Certificate of Excellence and District of Distinction Accreditation

- Completed reaccreditation process and received SDLF District Transparency Certificate of Excellence and District of Distinction Certificate.

Goal 02

Complete Consolidation/ Dissolution of NFWC

- Increased the District's stock ownership of the NFWC to 99.8%.
- Held public hearing to initiate eminent domain proceedings to acquire remaining issued shares.

Goal 03

Develop agenda policy and procedures to standardize business processes

- Identified industry best practices to be included in the agenda policy handbook.
- Prepared draft policy and distributed to staff for comments and suggestions.

Other Accomplishments

- Implemented protocols for holding virtual meetings due to COVID-19.
- Conducted candidate orientations for 2020 Governing Board Elections.
- Updated the District's Conflict of Interest Code.
- The Adopt-A-School program supported by the District's Employee Events Association, increased donations which included gift cards, distance learning supplies, and other school requested items.

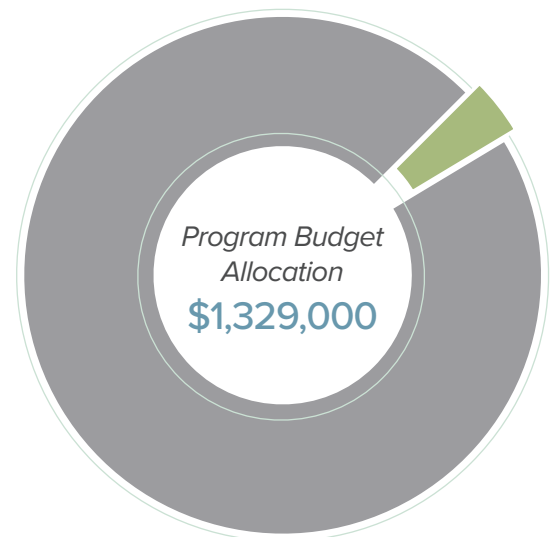
Significant Changes

None.

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 2018-19	FY 2019-20	FY 2020-21
II-A	Make administrative documents available online	50	61	55	51
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	2,000	3,083	2,770	2,770*
I-B	Participate in Professional Development Opportunities	6	9	8	20

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

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 549,112	\$ 525,000	\$ 571,248	\$ 553,000	\$ 28,000	5%
5103	Overtime	3,218	3,000	1,862	3,000	-	0%
5200	Benefits	294,560	332,000	343,209	339,000	7,000	2%
OPERATING EXPENSES							
6201	Materials & Supplies	3,477	2,000	679	2,000	-	0%
6203	Office Supplies	2,587	3,000	1,270	3,000	-	0%
6301	Contract Services	141,415	166,000	121,500	167,000	1,000	1%
6303	Printing & Publishing	1,239	1,000	1,070	1,000	-	0%
6304	Legal Services	106,048	100,000	66,464	90,000	(10,000)	-10%
6307	Uniforms	174	1,000	346	1,000	-	0%
6314	Litigation Services	-	40,000	21,815	40,000	-	0%
6402	Telephone	4,453	3,000	2,639	3,000	-	0%
6406	Postage	20	-	34	1,000	1,000	100%
6501	Memberships & Dues	79,855	91,000	108,583	95,000	4,000	4%
6502	Professional Development	10,934	20,000	1,447	16,000	(4,000)	-20%
6504	Meetings	-	15,000	2,303	15,000	-	0%
GENERAL ADMIN TOTAL		\$ 1,197,092	\$1,302,000	\$1,244,469	\$1,329,000	\$ 27,000	2%





Human Resources

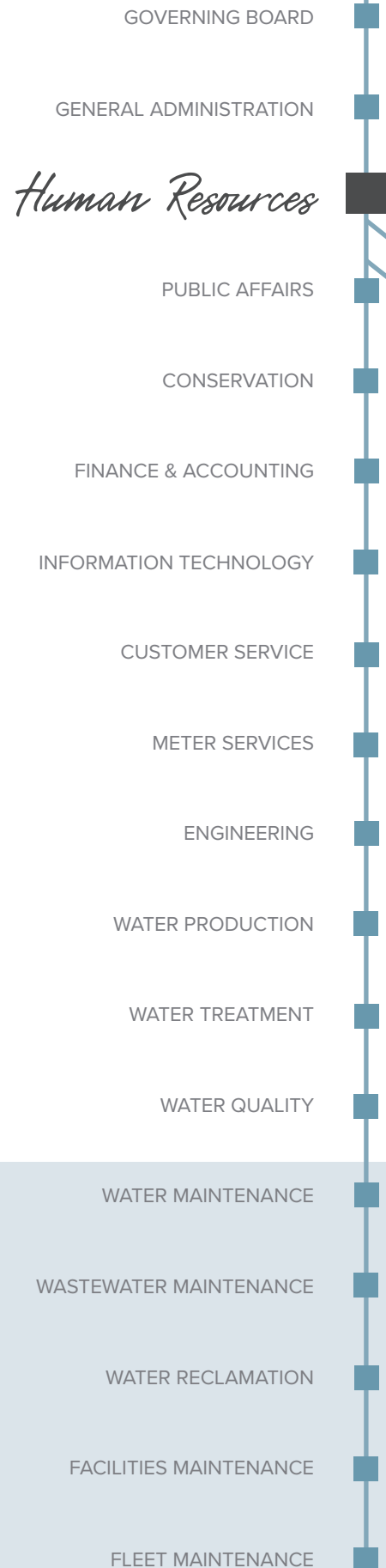
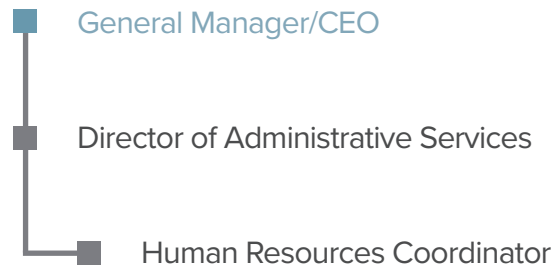


Program Personnel

Director of Administrative Services 1
 Human Resources Coordinator 1

Total Full-Time 2

Program Structure



Human Resources is responsible for personnel-related programs.



Human Resources

FUNCTION

Human Resources is responsible for administering programs to attract and retain a diverse and qualified workforce. To remain an industry leader, the program analyzes the 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 creates programs focused on the health and wellness of all employees. Additionally, HR administers the Risk Management Program to mitigate personnel injuries, property damage and financial loss for the District.



GOALS

#1 Implement Workforce Programs in Support of the SNRC

Directly Supports a District-Wide Goal

#2 Promote a Positive Organizational Culture that Maintains a Supportive and Encouraging Work Environment

#3 Promote Regional Involvement and Provide Workforce Experience and Educational Opportunities

Directly Supports a District-Wide Goal

OBJECTIVES

1. Develop and execute a marketing strategy to attract quality candidates to apply for SNRC employment opportunities.
2. Recruit and onboard new SNRC treatment plant staff.
3. Coordinate with Balfour Beatty and Engineering on treatment plant commissioning and training of treatment plant staff.

1. Update the District's Succession Plan to identify organizational growth and provide training and development opportunities for staff.
2. Develop an action plan for the retirement of five leadership positions identified in the District's succession plan and prepare for internal and/or external recruitments.
3. Engage staff in post-pandemic work scheduling discussions and create a policy that maintains District work expectations while allowing scheduling flexibility.

1. Promote the Water and Resource Management Pathway's value to local industry employers.
2. Develop and implement a paid internship program for local youth to encourage work experience opportunities and prepare a pipeline of talent for the water industry.
3. Create a marketing campaign to educate the community about SNRC volunteer opportunities.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Initiate Programs in Support of the SNRC Workforce Needs

- Created new job classifications and generated job descriptions and pay scales for the SNRC classifications.
- Developed a marketing strategy to attract quality candidates to apply for SNRC employment opportunities.

Goal 02

Promote a Positive Organizational Culture that Maintains a Supportive and Encouraging Work Environment

- Identified staffing needs over the next three years including the addition of SNRC operations and administrative staff as well as preparing for approaching retirements of those in leadership roles.
- Conducted a comprehensive compensation analysis and updated District salary schedule accordingly.

Goal 03

Promote Regional Involvement and Provide Workforce Experience and Educational Opportunities

- Elevated the Water and Resource Management Pathway Program by opening to all SBCUSD high school students and partnering with San Bernardino Valley College and Tomorrow's Talent.
- Partner with the Harbor Freight Fellowship Program to provide internship opportunities to Water and Resource Management Pathway students.

Other Accomplishments

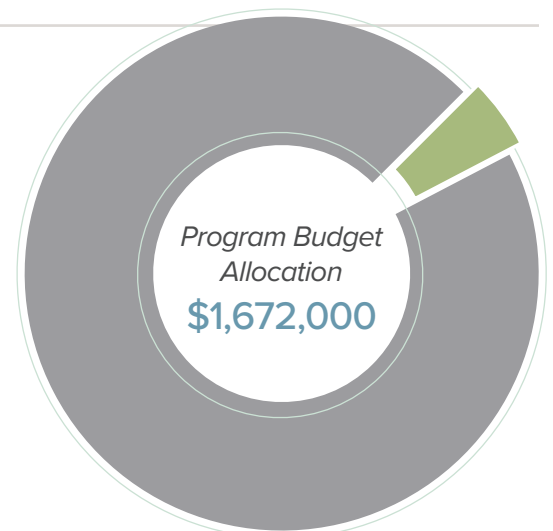
- The District was recognized as the Top Workplace in the Inland Empire for the small employer category. This is the District's 6th consecutive year being recognized as a Top Workplace.
- Created and implemented COVID-19 related policies and procedures addressing individual responsibility, screening and testing for symptoms, cleaning and disinfecting, as well as managing adjusted staffing schedules.
- Negotiated a 3-year MOU considering long-term financial commitments and employee morale. *(Carryover from FY 2019-20; postponed due to COVID-19)*

Significant Changes

Meetings have decreased 40% due to the COVID-19 pandemic.

Employee recognition increased 35% due to anticipated retirements.

Contract services increased 10% for SNRC recruitment, Educational Partnership (Pathway Internship Program) and NEOGOV Onboarding Programs.



Levels of Service

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

- Encourage Performance Based Results through Staff Empowerment (I-D)
- Provide Quality Information to Encourage Community Engagement (II-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 2018-19	FY 2019-20	FY 2020-21
I-D	Percentage of annual non-retirement employee turnover	<7%	3%	3%	3%
I-D	Annual performance appraisals completed in a timely manner	95%	100%	100%	100%
II-D	Enrollment in District volunteer program	5	7	3	0*
III-C	Maintain high level of employee participation in annual employee engagement survey	90%	96%	95%	100%
III-D	Utilization rate of District’s Employee Assistance Program	>10%	20%	24%	19%

*Not able to complete due to COVID-19 restrictions.

“Human Resources focuses on the management and development of employees in an organization.”

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 256,268	\$ 243,000	\$ 265,294	\$ 296,000	\$ 53,000	22%
5102	Temporary Labor	674	-	-	-	-	0%
5103	Overtime	1,477	3,000	551	3,000	-	0%
5200	Benefits	158,220	151,000	146,288	172,000	21,000	14%
OPERATING EXPENSES							
6201	Materials & Supplies	1,697	8,000	4,630	6,000	(2,000)	-25%
6203	Office Supplies	830	2,000	1,250	1,000	(1,000)	-50%
6301	Contract Services	50,748	125,000	125,369	100,000	(25,000)	-20%
6303	Printing & Publishing	182	1,000	566	1,000	-	0%
6304	Legal Services	4,826	15,000	5,943	15,000	-	0%
6402	Telephone	553	-	877	-		
6406	Postage	48	1,000	221	1,000	-	0%
6501	Memberships & Dues	4,540	5,000	12,593	5,000	-	0%
6502	Professional Development	11,056	11,000	223	11,000	-	0%
6504	Meetings	4,850	5,000	1,771	3,000	(2,000)	-40%
6505	Employee Recognition	25,716	27,000	9,664	37,000	10,000	37%
6701	General Insurance	293,844	399,000	409,601	660,000	261,000	65%
6702	Insurance Claims	10,636	10,000	72	10,000	-	0%
6705	Retiree Benefits	309,052	319,000	153,081	351,000	32,000	10%
HUMAN RESOURCES TOTAL		\$ 1,135,217	\$ 1,325,000	\$ 1,137,994	\$ 1,672,000	\$ 347,000	26%



Public Affairs



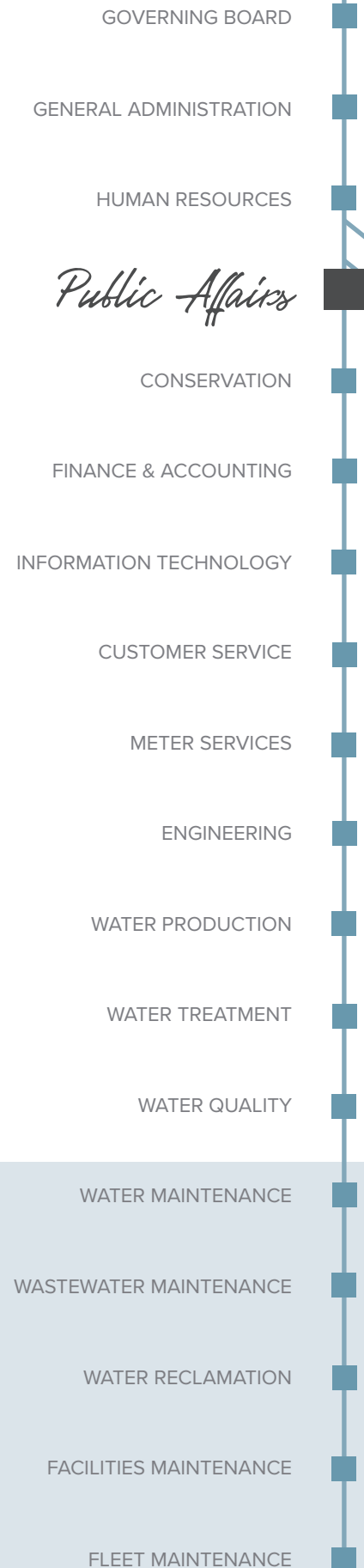
Program Personnel

Director of Strategic Services	1
Conservation/Public Affairs Manager	1
Public Affairs Specialist	1
Public Affairs Coordinator	1
Total Full-Time	4
Part-Time	
Community Relations Representative	1
Total Part-Time	1

Program Structure



Public Affairs oversees internal and external communication programs.





Public Affairs

FUNCTION

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, emergency preparedness, and facility rental programs.



GOALS

#1 Advance Construction of the SNRC and Prepare for Facility Operations

Directly Supports a District-Wide Goal

#2 Utilize Communication Methods that Enhance the District’s Brand

#3 Advance the District’s Emergency Preparedness Program

OBJECTIVES

1. Develop and complete Administration Center Facility Use Plan including rentals, site safety considerations, and hosted events.
 2. Coordinate with San Bernardino International Airport Authority to obtain approval for the updates to the Wildlife Management Plan and obtain approval for remaining non-wastewater treatment approvals.
 3. Identify and engage community stakeholders around the SNRC to maximize participation for one public event to foster community involvement.
-
1. Develop English and Spanish community outreach materials for customers impacted by District capital projects.
 2. Highlight the District premier agency status with presentation and engagements with national and regional organizations including ACWA, CMUA, CSDA, CAPIO, and PRSA.
 3. Develop internal and external educational material for the 2022 rate change.
 4. Develop, implement, and measure digital outreach tools to increase customer engagement and the digital presence of the District.
-
1. Hold bi-annual reviews of the Emergency Response and Hazard Mitigation Plans and ensure the SNRC is included.
 2. Ensure compliance with State and local COVID-19 reporting requirements.
 3. Conduct quarterly training events focused on emergency preparedness and Incident Command System (ICS) protocol, hold monthly Integrated Public Alert and Warning System (IPAWS) training for platform users.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Advance Construction of the SNRC and Prepare for Facility Operations

- Created outreach materials, social media content and community updates/ notifications to promote the construction status and future programs of the SNRC.
- Coordinated with outside government agencies for necessary approvals and review of relevant subject matter relating to the SNRC.
- Oversaw construction of the Administration Center and was within allocated scope of the Guaranteed Maximum Price (GMP).

Goal 02

Utilize Communication Methods that Enhance the District's Brand

- Developed Proposition 218 notice and outreach campaign to inform customers of proposed rate changes.
- Developed a campaign to educate customers on the value of reliable utility and water quality services provided by the District.
- Created community notices for CIP programs impacting residents.

Goal 03

Advance the District's Emergency Preparedness Program to Effectively Respond in an Emergency

- Established community alert program utilizing the FEMA IPAWS system.
- Updated the District's Hazard Mitigation Plan and received FEMA approval.
- Completed the Vulnerability Assessment and EPA Risk and Resiliency Assessment.

Other Accomplishments

- Developed outreach material for the AMI project completion.
- Developed script, filmed, and edited educational videos for the Pathways program.
- Updated the District's branding style guide to modernized stylistic approach and enhance branding efforts.

Significant Changes

Additional contract services relating to the construction and preparation for operations of the SNRC have been incorporated in the Public Affairs budget.

The COVID-19 health emergency limited the number of presentations completed due to the cancellation of events.



Levels of Service

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

- Advance Emergency Preparedness Efforts (III-A)
- 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 2018-19	FY 2019-20	FY 2020-21
III-A	Update Emergency Response Plan	100%	25%	100%	100%
III-A	Number of Emergency Response training hours per FTE	16	13	15	15
II-D	Number of community event presentations	15	9	15	0
I-C	Number of Community Advisory Commission meetings conducted	6	6	6	6
II-B	Number of followers on social media	100	943	1,399	1,638

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

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 506,865	\$ 532,000	\$ 502,939	\$ 569,000	\$ 37,000	7%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	4,057	17,000	10,137	17,000	-	0%
5200	Benefits	202,649	269,000	204,645	265,000	(4,000)	-1%
OPERATING EXPENSES							
6201	Materials & Supplies	43,025	113,000	38,447	149,000	36,000	32%
6203	Office Supplies	2,557	3,000	899	2,000	(1,000)	-33%
6301	Contract Services	352,363	329,000	393,452	508,000	179,000	54%
6303	Printing & Publishing	100,914	223,000	102,387	245,000	22,000	10%
6304	Legal Services	420	5,000	3,333	5,000	-	0%
6307	Uniforms	421	2,000	745	2,000	-	0%
6312	Janitorial Services	-	2,000	-	2,000	-	0%
6402	Telephone	2,503	5,000	3,291	5,000	-	0%
6406	Postage	15,752	50,000	12,031	37,000	(13,000)	-26%
6501	Memberships & Dues	3,061	6,000	21,469	9,000	3,000	50%
6502	Professional Development	2,088	15,000	1,920	16,000	1,000	7%
6503	Education Assistance	2,842	8,000	-	3,000	(5,000)	-63%
6504	Meetings	5,599	10,000	-	10,000	-	0%
PUBLIC AFFAIRS TOTAL		\$ 1,245,116	\$ 1,589,000	\$ 1,295,695	\$ 1,844,000	\$ 255,000	16%



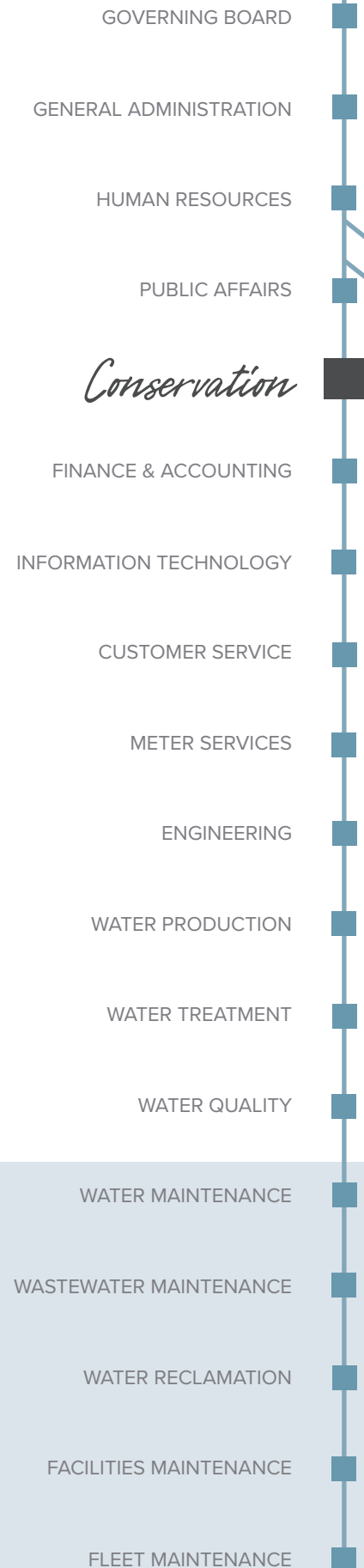
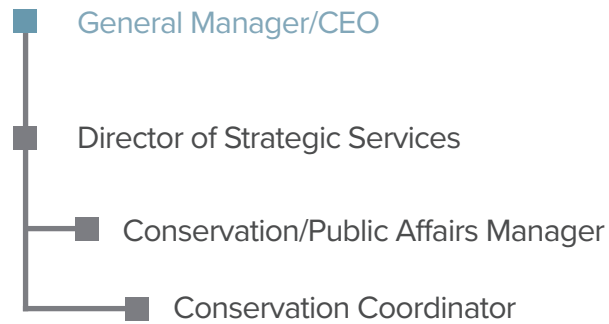
Conservation



Program Personnel

Conservation Coordinator	1
Total Full-Time	1

Program Structure



Conservation encourages sustainable water use.



Conservation

FUNCTION

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.



GOALS

#1 Coordinate Necessary Program Working Groups to Complete Conservation Reports

#2 Evaluate Rebate Program Success and Implement Program Enhancements

#3 Participate in the Legislative Process as it Relates to Changes in Conservation Regulations

OBJECTIVES

1. Facilitate working group meetings for the purpose of tracking informational data requests for State mandated reports.
 2. Complete and submit the District’s Drought Risk Assessment report to comply with the State’s new reporting requirements.
-
1. Coordinate with the Information Technology to develop a geographical rebate tool for strategic outreach.
 2. Develop and implement a community Parkway Turf Removal rebate program.
 3. Leverage digital communication platforms to enhance Conservation educational efforts and produce three conservation videos.
-
1. Actively participate in the legislative and regulatory process, and update District stakeholders on relevant impacts to District’s conservation programs.
 2. Continue monitoring legislation related to low-income rate assistance, non-payment disconnections, and bond funding and communicate changes affecting District operations.
 3. Complete semi-annual updates on Conservation legislation to the Governing Board, and quarterly updates to the Legislative and Public Outreach Committee.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Coordinate with District Programs to Complete Necessary Conservation Reporting

- Completed the information gathering for the District’s Drought Risk Assessment.
- Completed the Water Shortage Contingency Plan and Regional Urban Water Management Plan.
- Submitted completed State monthly reports as required by the SWRCB.

Goal 02

Evaluate Rebate Program Success and Implement Program Enhancements

- Developed a Parkway Turf Replacement Pilot program to enhance the District’s offered rebates.
- Hosted virtual Conservation workshop via Facebook Live and distributed water saving tips in English and Spanish.

Goal 03

Engage in the Legislative Process as it Relates to Changes in Conservation Regulations

- Actively participated in the regulatory and legislative process as new conservation guidelines were considered.
- Created legislative tracking matrix to monitor changing legislation on affordable-rate regulations and impacts to District operations.
- Provided quarterly updates to Legislative and Public Outreach Committee and semi-annual updates to the Governing Board.

Significant Changes

The amount of educational materials distributed this year was less than the target. All outreach events planned during the spring were canceled due to the COVID-19 pandemic.

The development of technical tools to track conservation participation or to minimize water losses will be carried over to next fiscal year due to COVID-19 impacts.

An increase in contract services was made in the budget to cover the cost of a contractor to assist with the development and submittal of the Drought Risk Assessment which is due in July 2021.

Due to the challenges in virtual learning, the District postponed the bi-annual conservation student poster contest.



Levels of Service

The Conservation Program has four 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)
- Pursue Alternative Funding Sources (II-C)

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

Key Performance Indicators Changes

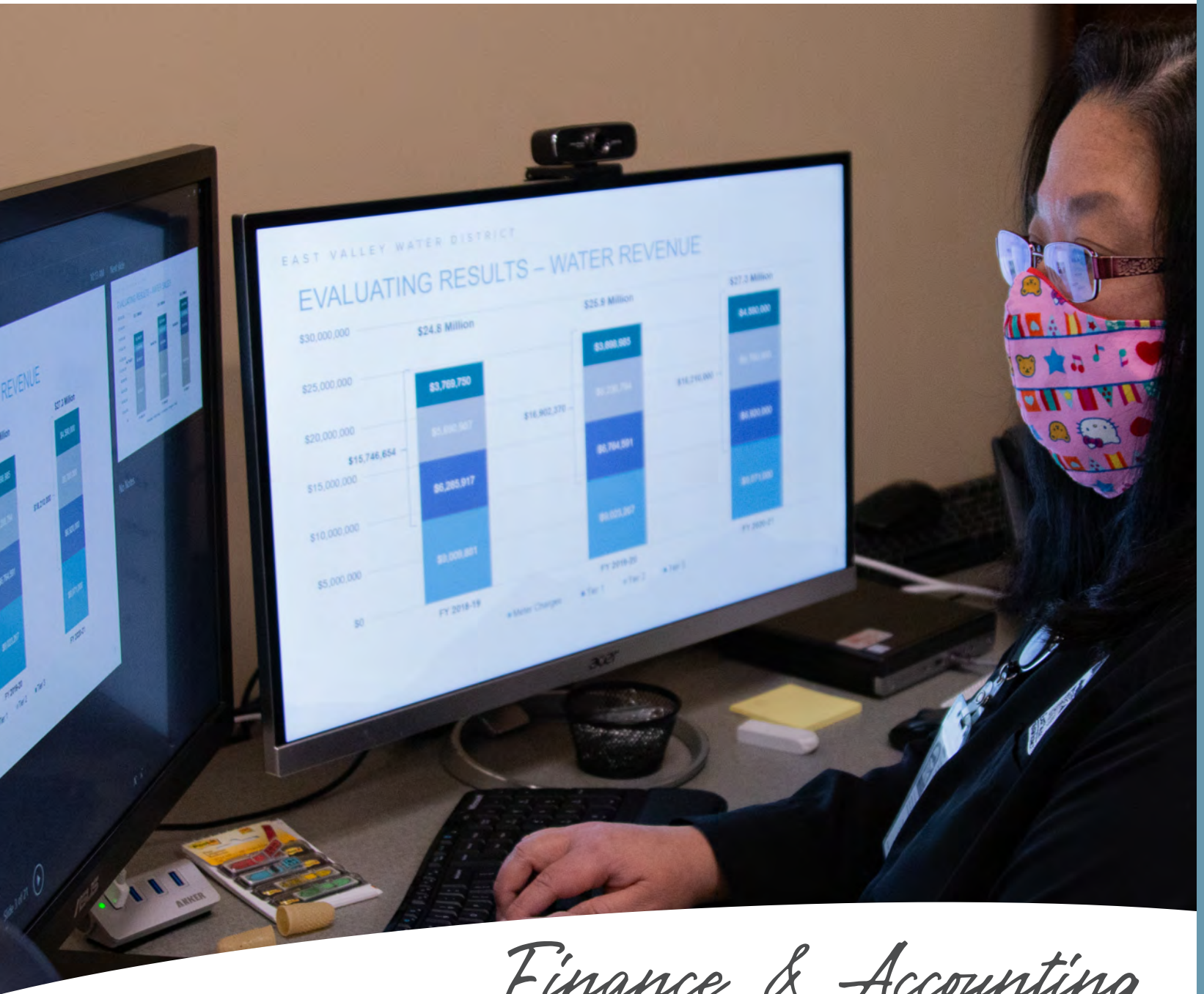
Agency Goal	Key Performance Indicator	Target	FY 2018-19	FY 2019-20	FY 2020-21
I-A	Meet SWRCB conservation goal	Yes	Yes	Yes	Yes
I-A	Maintain significant level of participation in annual conservation rebate programs	300	468	344	430
II-D	Number of educational materials created	100	175	97	100
II-C	External conservation funding received	\$25,000	\$43,212	\$34,000	\$32,000

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

CONSERVATION CONT.

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 142,411	\$ 107,000	\$ 123,828	\$ 111,000	\$ 4,000	4%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	1,196	7,000	97	7,000	-	0%
5200	Benefits	34,841	36,000	39,737	40,000	4,000	11%
OPERATING EXPENSES							
6201	Materials & Supplies	5,340	20,000	675	20,000	-	0%
6203	Office Supplies	559	2,000	191	2,000	-	0%
6205	Conservation Rebates	144,259	145,000	62,623	154,000	9,000	6%
6301	Contract Services	24,778	140,000	24,061	90,000	(50,000)	-36%
6303	Printing & Publishing	26,534	116,000	30,224	121,000	5,000	4%
6304	Legal Services	-	1,000	-	1,000	-	0%
6307	Uniforms	46	1,000	321	1,000	-	0%
6402	Telephone	1,441	2,000	1,532	2,000	-	0%
6406	Postage	5,626	37,000	-	24,000	(13,000)	-35%
6501	Memberships & Dues	2,660	6,000	4,079	36,000	30,000	500%
6502	Professional Development	908	3,000	193	4,000	1,000	33%
6504	Meetings	-	1,000	-	1,000	-	0%
CONSERVATION TOTAL		\$ 390,599	\$ 624,000	\$ 287,561	\$ 614,000	\$ (10,000)	-2%



Finance & Accounting



Program Personnel

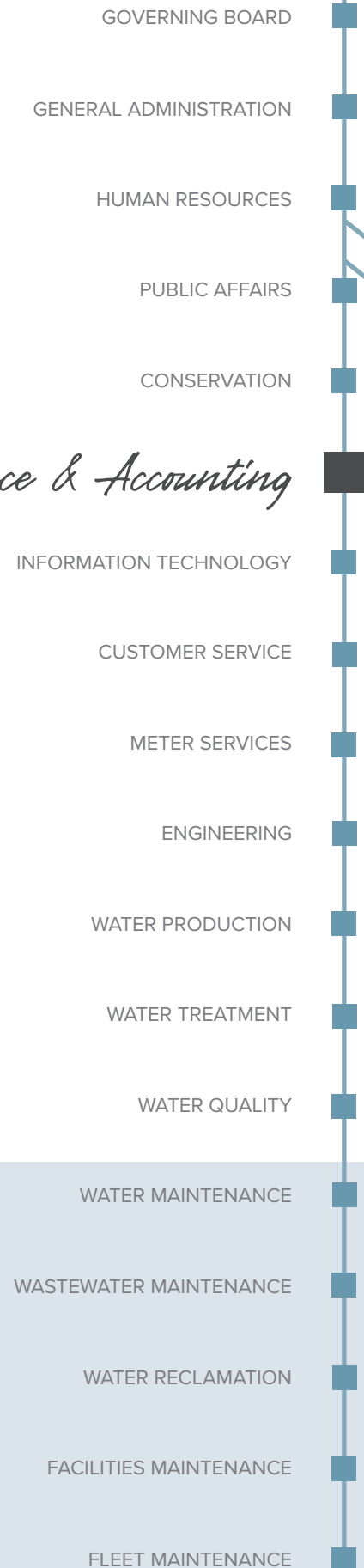
Chief Financial Officer	1
Finance Manager	1
Accountant	1
Sr. Accounting Technician	1
Accounting Technician	1
Sr. Administrative Assistant	1

Total Full-Time **6**

Program Structure



Finance & Accounting



Finance and Accounting provides transparent and responsible oversight of District funds.



Finance & Accounting

FUNCTION

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

Staff downloads meter read data, audits data, and submits data files to a third-party vendor for bill printing and mailing. Staff also maintains the financial systems and records in accordance with Generally Accepted Accounting Principles (GAAP) as well as applicable laws, regulations, and District policies.



GOALS

#1 Financial Stability with Full Understanding of Operational Complexities

Directly Supports a District-Wide Goal

#2 Fully Understand the Cost Associated with the SNRC Operations

Directly Supports a District-Wide Goal

#3 Link Fixed Asset Information in Tyler Accounting System to Digitized Maps in Geographical Information System (GIS) Program

OBJECTIVES

1. Assist Public Affairs with grant applications and financial reporting requirements to support District initiatives.
2. In coordination with Customer Service develop a NFWC agreement tracking system to protect the District's water and financial position.

1. Develop a comprehensive salaries and benefits analysis based on recommendations provided by a third-party consultant.
2. Coordinate with Engineering and wastewater treatment stakeholders to develop a District-wide comprehensive financial plan for fund allocation alignment with the SNRC operations.

1. In coordination with Information Technology, implement a geographical map of FY 2021-22 capital improvement projects.
2. Evaluate the current method of projects linking in Tyler and develop a standard operating procedure manual.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Maintain Financial Stability with Full Understanding of Operational Complexities

- Finalized the Bond restructuring and achieved \$390,000 annually.
- Prepared analysis for the Water and Wastewater Rate Study and Proposition 218 public hearing.

Goal 02

Fully Understand the Cost Associated with the SNRC Operations

- Prepared and completed SRF claims within 14 days to protect the District's liquidity during construction.
- Participated in SNRC meeting to ensure construction billing aligned with funding.

Goal 03

Link Fixed Asset Information in Tyler Accounting System to Digitized Maps in GIS Program

- Held meeting with Engineering staff and consultant to develop and utilize the GIS to improve accounting records.

Other Accomplishments

- Received awards from both the GFOA and the CSMFO for the District's FY 2020-21 Budget.
- Issued and received GFOA Awards for Outstanding Achievement for the District's June 2020 Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR).

Significant Changes

Analyzed and reported on the financial impact caused by the COVID-19 pandemic with a focus on past due utility accounts.

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.

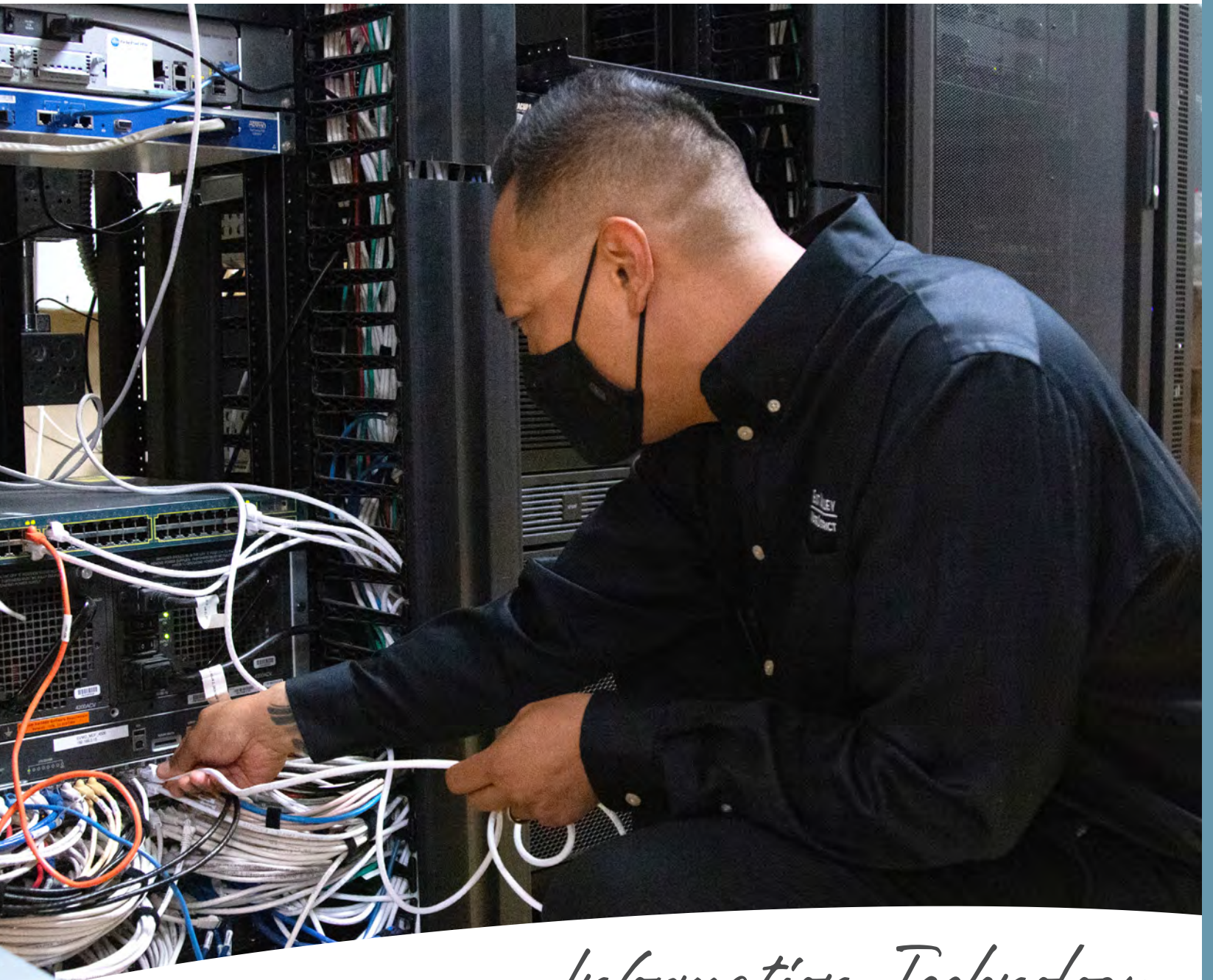
Key Performance Indicators Changes

Agency Goal	Key Performance Indicator	Target	FY 2018-19	FY 2019-20	FY 2020-21
II-A	Days to prepare and present CAFR after fiscal year end	135 days	102	102	102
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 Board	4	3	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 CAFR	9	7	8	9
II-A	Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for PAFR	4	2	3	4

“Finance and Accounting,”
manage, plan, and direct financial resources.”

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 735,679	\$ 716,000	\$ 780,792	\$ 742,000	\$ 26,000	-10%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	5,538	13,000	8,415	13,000	-	0%
5200	Benefits	358,783	385,000	390,606	375,000	(10,000)	-6%
OPERATING EXPENSES							
6203	Office Supplies	8,233	11,000	8,626	11,000	-	0%
6301	Contract Services	37,136	67,000	43,332	65,000	(2,000)	-3%
6302	Banking Services	8,987	20,000	12,062	18,000	(2,000)	-10%
6303	Printing & Publishing	2,479	1,000	595	1,000	-	0%
6304	Legal Services	17,600	20,000	12,320	10,000	(10,000)	-50%
6307	Uniforms	1,499	2,000	335	2,000	-	0%
6402	Telephone	1,616	3,000	2,478	3,000	-	0%
6406	Postage	881	1,000	1,236	1,000	-	0%
6501	Memberships & Dues	3,839	4,000	3,104	5,000	1,000	25%
6502	Professional Development	5,882	19,000	3,272	15,000	(4,000)	-21%
6503	Education Assistance	-	5,000	-	5,000	-	0%
6504	Meetings	2,263	4,000	94	4,000	-	0%
6704	Bad Debt	815	1,000	-	1,000	-	0%
FINANCE & ACCT. TOTAL		\$ 1,191,230	\$ 1,272,000	\$ 1,267,267	\$ 1,271,000	\$ (1,000)	0%



Information Technology

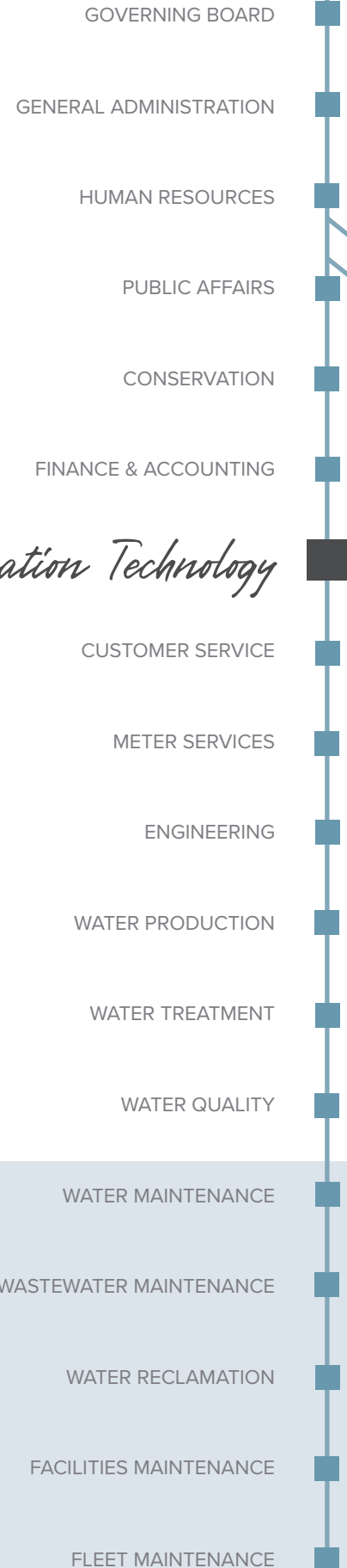


Program Personnel

Information Technology Manager	1
Network Administrator	1
Information Technology Analyst	1

Total Full-Time **3**

Program Structure



IT is responsible for District technology and software programs.



Information Technology

FUNCTION

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. Lastly, the Program coordinates and implements agency-wide technology by facilitating vendor access and support for technology focused projects.



GOALS

#1 Ensure Reliability of Technology Infrastructure for Primary Business and Operation requirements

Directly Supports a District-Wide Goal

#2 Improve Systems and Cybersecurity Measures for Response Functions

#3 Analyze Current Systems to Enhance Reporting and Automate Processes

OBJECTIVES

1. Install and configure Network Infrastructure and Technology to establish operating and business functions at SNRC.
 2. Complete transition of direct fiber connection for headquarters (HQ) and SNRC to mitigate business disruption.
 3. Upgrade End-of-Life CISCO servers to strengthen network infrastructure.
 4. Coordinate the installation of Modern SCADA radios with Operations and contractor to increase communication reliability.
-
1. Continue monthly email phishing campaign to reduce click rate and educate staff on security risk.
 2. Develop an inventory of new and existing information technology systems and cross-train IT staff on standard operating procedures.
 3. Identify and create a business continuity plan to respond to emergencies efficiently.
-
1. Enhance Microsoft Business Intelligence reporting capabilities to address Conservation and Human Resource’s reporting requirements.
 2. Complete a comprehensive Cityworks and GIS infrastructure assessment with Engineering to align with the organization’s needs recommended through the IT strategic plan.
 3. Assist Operations and Maintenance on identifying requirement for an asset management system.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Fortify IT Infrastructure for Reliability and Expanded Services for HQ, the SNRC and Plant 134

- Upgraded VMWare licenses to expand Network Infrastructure for the SNRC and Headquarters.
- Expanded hardware needs for office and Field staff through mobile devices and laptops.

Goal 02

Proactively Improve Systems and Cybersecurity Measures for Internal and Emergency Response Functions

- Engaged staff with monthly phishing emails to improve cybersecurity to mitigate security risks.
- Assessed and enhanced remote capabilities for staff and Emergency Operations Center (EOC) operations.
- Implemented imaging software to allow image and recovery of computer systems to minimize downtime.

Other Accomplishments

- Fully transitioned staff for remote work through COVID-19 Pandemic.
- Implemented New Deployment Software for existing and new hardware.
- Provided additional staff with mobile devices for field use.
- Assisted Administration with implementation of PrimeGov - New Agenda Management Software.

Significant Changes

Funding to contract services increased due to SNRC services (support expansion, Spectrum fiber).

IT Services were established to support remote working capabilities and implement VPN enhancements for new remote environment.

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.

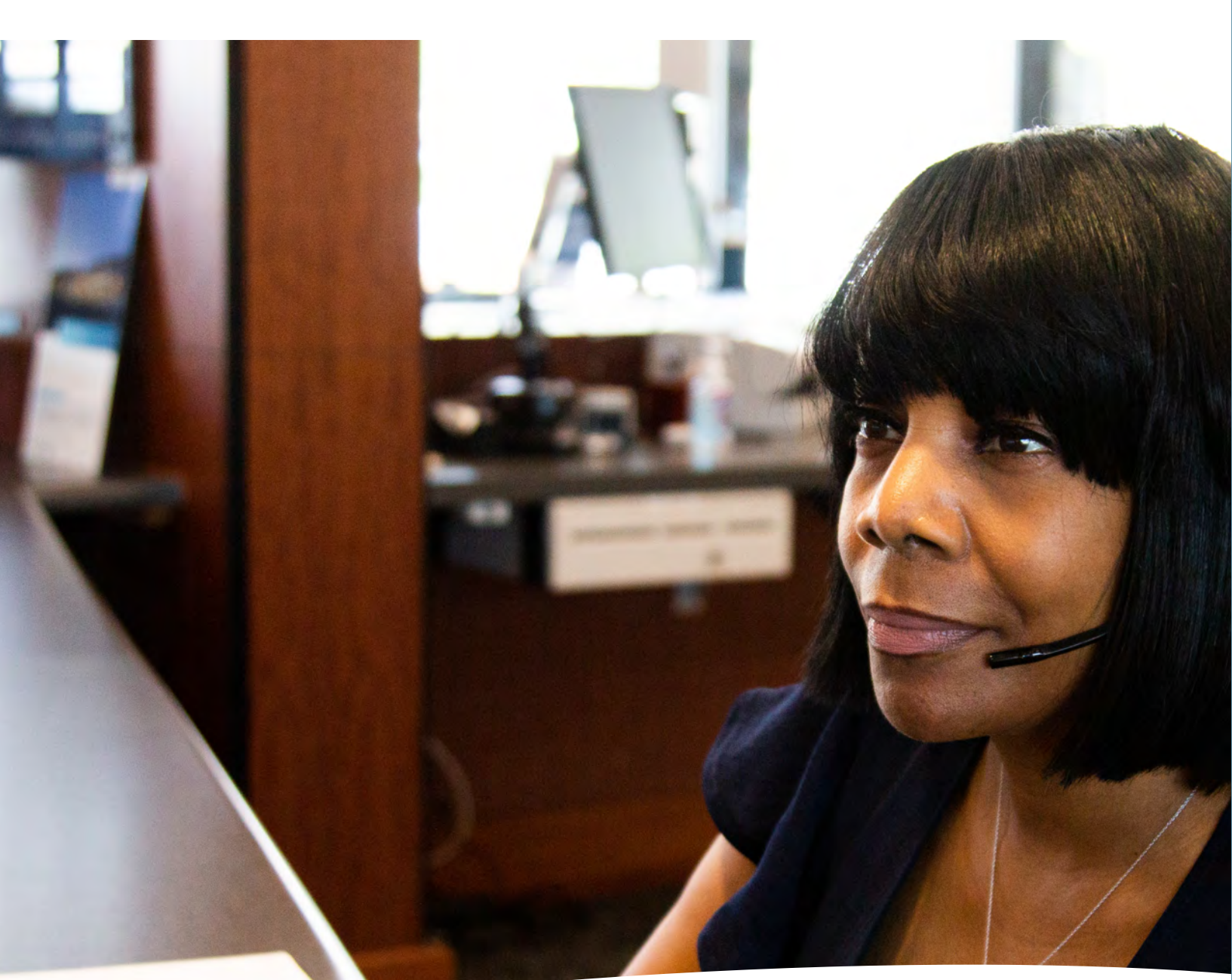
Key Performance Indicators Changes

Agency Goal	Key Performance Indicator	Target	FY 2018-19	FY 2019-20	FY 2020-21
IV-A	Elevate Cybersecurity awareness by sending out test 'phishing' emails	800	844	862	1,019
IV-A	Maximize system availability	99%	99%	99%	99%
IV-A	Cybersecurity awareness results for phishing email click rate	<7%	5%	7.4%	6%
IV-A	Complete disaster recovery drill (system restoration, power outages, emergency notifications)	2	1	1	2
III-B	Receive 'Excellent' scores on IT satisfaction surveys submitted by staff	>95%	88%	98%	96%
III-B	Minimize resolution time for help desk issues submitted by staff	24 Hrs.	23.3	16.4	24

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 262,147	\$ 338,000	\$ 305,550	\$ 366,000	\$ 28,000	8%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	-	-	-	-	-	0%
5200	Benefits	78,865	120,000	104,849	199,000	79,000	66%
OPERATING EXPENSES							
6201	Materials & Supplies	53,723	42,000	54,376	45,000	3,000	7%
6203	Office Supplies	56	1,000	188	1,000	-	0%
6301	Contract Services	359,485	449,000	331,041	606,000	157,000	35%
6307	Uniforms	872	1,000	436	1,000	-	0%
6402	Telephone	5,769	6,000	10,666	7,000	1,000	17%
6501	Memberships & Dues	2,554	1,000	720	1,000	-	0%
6502	Professional Development	393	14,000	5,535	10,000	(4,000)	-29%
6503	Education Assistance	-	-	-	-	-	0%
6504	Meetings	722	1,000	-	1,000	-	0%
IT TOTAL		\$ 764,586	\$ 973,000	\$ 813,361	\$1,237,000	\$ 264,000	27%





Customer Service

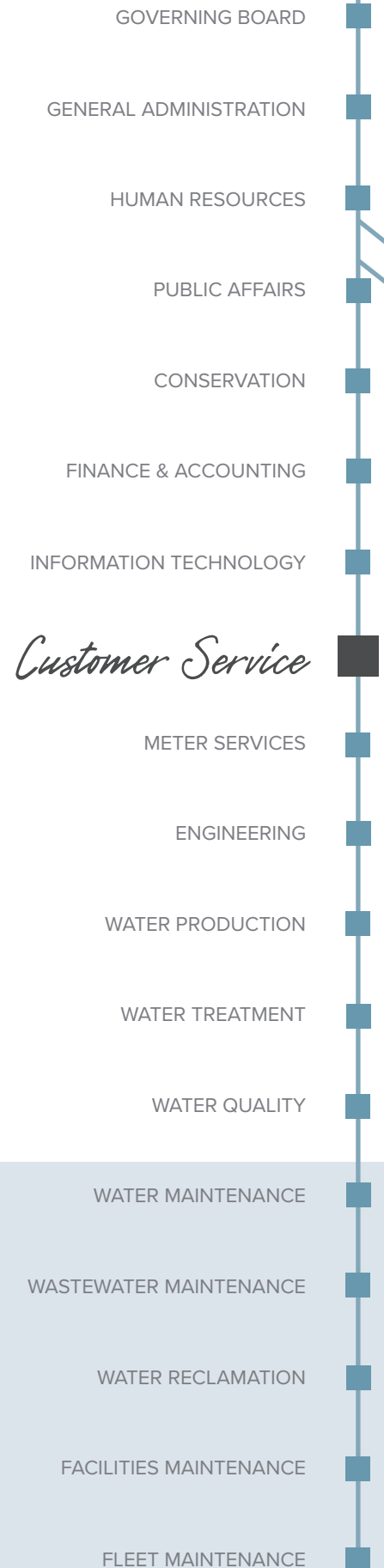
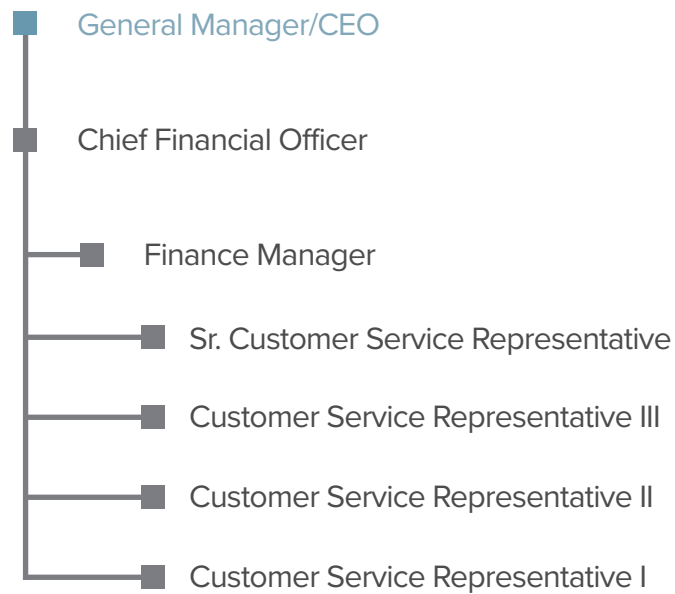


Program Personnel

Sr. Customer Service Rep	1
Customer Service Rep III	1
Customer Service Rep II	3
Customer Service Rep I	2

Total Full-Time **7**

Program Structure



Customer Service provides customers with world class community relations.



Customer Service

FUNCTION

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 field personnel, and then following up with customers regarding the resolution to their concern.



GOALS

#1 Develop Strategies to Address Organizational Service Needs

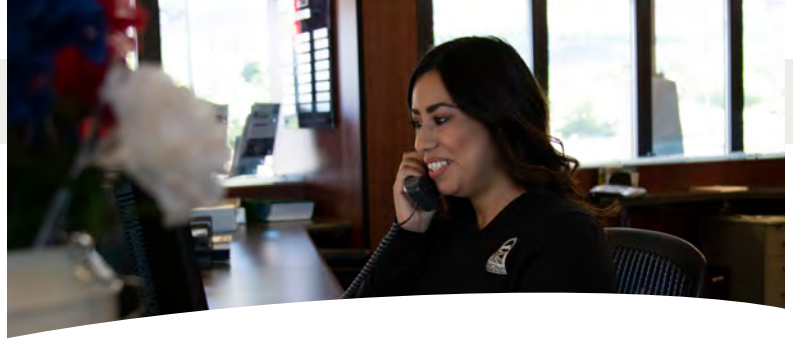
Directly Supports a District-Wide Goal

#2 Modify Processes to Comply with Changes in Legislation While Maintaining Financial Stability

#3 Fully Understand and Utilize Smart Meter Capabilities

OBJECTIVES

1. Work with Field and IT in Re-Evaluation of Cityworks and attend product demonstrations for alternate work order system if scheduled.
 2. Develop SNRC action plan and prepare justification for additional full-time employee if necessary.
 3. Work with IT to activate autopay with credit card while remaining Payment Card Industry (PCI) compliant.
 4. Work with Business Services Manager to update physical/digital access where needed.
-
1. Meet quarterly with Public Affairs for updates on proposed/pending legislation.
 2. Address and implement lock-off procedures to ensure customers are educated and noticed in accordance with the lifting of emergency orders.
-
1. Coordinate training session on how to analyze Neptune reports to target and communicate with high consumption customers.
 2. Coordinate with Public Affairs to increase the use of AMI data to support conservation efforts.
 3. Review routes and billing dates for possible changes to accommodate timing of bills to customers on fixed incomes.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Develop Strategies to Address Organizational Service Needs

- Provided customer service insight for re-evaluation of the work order system.
- Worked with Facilities maintenance to address COVID-19 concerns and addressed safety issues for opening the doors to the public.

Goal 02

Modify Processes to Comply with Changes in Legislation while Maintaining Financial Stability

- Met with Public Affairs to discuss COVID-19 related topics impacting District customers and the Program.

Other Accomplishments

- Successfully transitioned to working from home during an emergency.
- Resolved ongoing issues with automated phone check payments.

Significant Changes

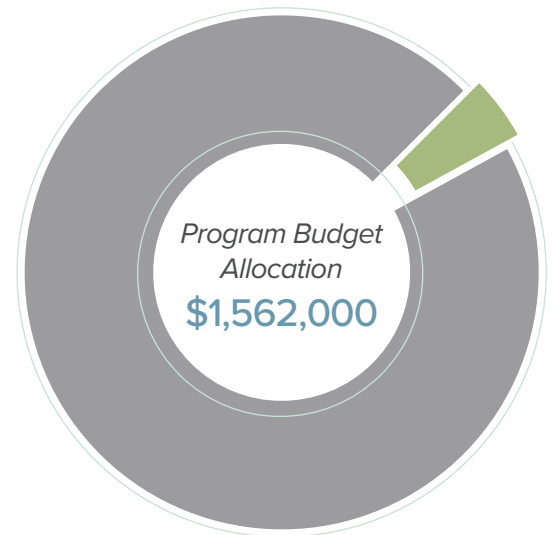
Due to the Emergency Order in place, the District has not been able to disconnect customers for nonpayment.

Developed a tracking system for delinquent accounts due to the COVID-19 pandemic.

Levels of Service

The Customer Service Program has six 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 2018-19	FY 2019-20	FY 2020-21
III-B	Reduce number of customers disconnected for non-payment each year	1,800	1,000	930	0*
III-B	Encourage completion of Customer Satisfaction Surveys to better understand customer concerns	120	75	65	54
III-B	Number of customer payments received through convenient off-site locations	10,000	6,652	5,000	5,346
I-B	Number of customer service training hours per employee	16	14	11	13
IV-C	Customers enrolled in paperless billing	2,000	2,259	1,998	2,049
IV-C	Customers enrolled in the Pre-Authorized Payment Plan (auto-debit)	2,000	2,233	2,528	2,762

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

“Customer Service spans,”
 across all programs within the District.

CUSTOMER SERVICE CONT.

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 345,183	\$ 415,000	\$ 385,782	\$ 473,000	\$ 58,000	38%
5102	Temporary Labor	20,278	-	-	-	-	0%
5103	Overtime	5,405	7,000	1,354	7,000	-	0%
5200	Benefits	213,650	242,000	265,727	281,000	39,000	23%
OPERATING EXPENSES							
6201	Materials & Supplies	2,484	5,000	7,914	5,000	-	0%
6203	Office Supplies	2,757	4,000	2,664	4,000	-	0%
6301	Contract Services	187,762	134,000	185,443	134,000	-	0%
6302	Banking Services	256,814	239,000	241,454	229,000	(10,000)	-4%
6303	Printing & Publishing	5,964	10,000	5,311	10,000	-	0%
6304	Legal Services	-	5,000	-	5,000	-	0%
6306	Rents & Leases	11,248	-	-	-	-	0%
6307	Uniforms	1,869	4,000	4,638	4,000	-	0%
6308	Billing Services	57,369	52,000	55,534	60,000	8,000	15%
6309	Shut Off Notice Services	201,217	195,000	110	50,000	(145,000)	-74%
6402	Telephone	6,698	8,000	15,288	8,000	-	0%
6406	Postage	118,260	153,000	136,760	153,000	-	0%
6501	Memberships & Dues	-	1,000	-	1,000	-	0%
6502	Professional Development	634	15,000	-	15,000	-	0%
6503	Education Assistance	-	-	-	-	-	0%
6504	Meetings	1,082	2,000	-	2,000	-	0%
6703	Cash Over/Short	6,436	1,000	(30)	1,000	-	0%
6704	Bad Debt	5,214	15,000	\$21,595	5,000	(10,000)	-67%
CUSTOMER SERVICE TOTAL		\$1,450,324	\$1,507,000	\$1,329,544	\$1,447,000	\$ (60,000)	-4%



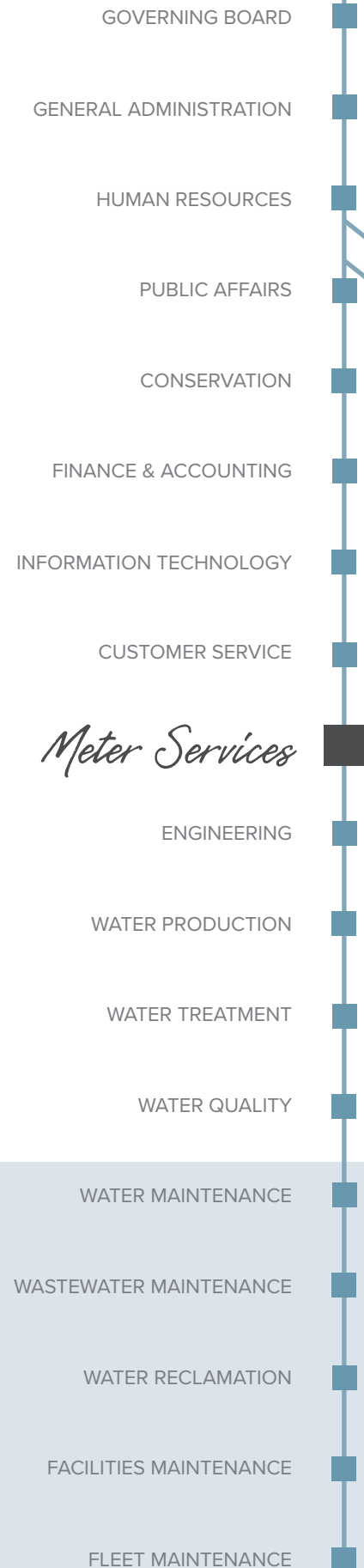
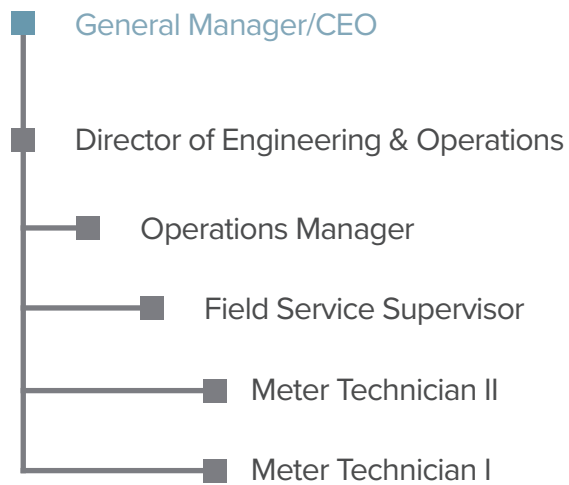
Meter Services



Program Personnel

Meter Technician II	1
Meter Technician I	2
Total Full-Time	3

Program Structure



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



Meter Services

FUNCTION

The Meter Services program maintains a network of approximately 23,000 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

#1 Implement Inspection Program for AMI Meters

#2 Work with Engineering to Address Coverage Issues with AMI Network

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

OBJECTIVES

1. Train meter service workers how to use the R-900 Belt Clip Transceiver to diagnose issues with problem AMI meters.
 2. Identify needed vault lid replacements – create prioritized replacement schedule.
 3. Visually inspect all meter boxes in routes where read problems are occurring.
1. Install data collectors in northwest and eastern sections of the District's service area.
 2. Confirm MIU (meter interface unit) and meter numbers where reads cannot be collected.
1. Conduct an audit of 10% of large meters for accuracy to ensure compliance with AWWA standards.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Develop Inspection Program for Facilities in AMI Areas that Are No Longer Read Manually

- Conducted large meter testing to ensure accuracy meets AWWA standards for 10% of meters 3-inches and greater.
- Started first year of AMI meter box inspections, making sure the first round of AMI meters installed are still at District standards.

Goal 02

Collect Information on Remaining Manual-Read Meters to Facilitate Early Completion of AMI Implementation Project

- Supported and assisted with the fifth and final year of the AMI project.

Significant Changes

One staff member to move from Meter Services to Water Maintenance.

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 2018-19	FY 2019-20	FY 2020-21
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 AMI project	4	3	3	3

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 189,524	\$ 197,000	\$ 198,765	\$ 204,000	\$ 7,000	4%
5103	Overtime	1,543	6,000	746	6,000	-	0%
5200	Benefits	71,296	72,000	81,128	96,000	24,000	33%
OPERATING EXPENSES							
6201	Materials & Supplies	537	2,000	-	2,000	-	0%
6202	Tools	1,752	3,000	950	3,000	-	0%
6301	Contract Services	3,010	5,000	-	5,000	-	0%
6307	Uniforms	2,056	3,000	2,593	3,000	-	0%
6402	Telephone	1,246	2,000	1,882	2,000	-	0%
6502	Professional Development	-	-	-	-	-	0%
METER SERVICES TOTAL		\$ 270,964	\$ 290,000	\$ 286,064	\$ 321,000	\$ 31,000	11%





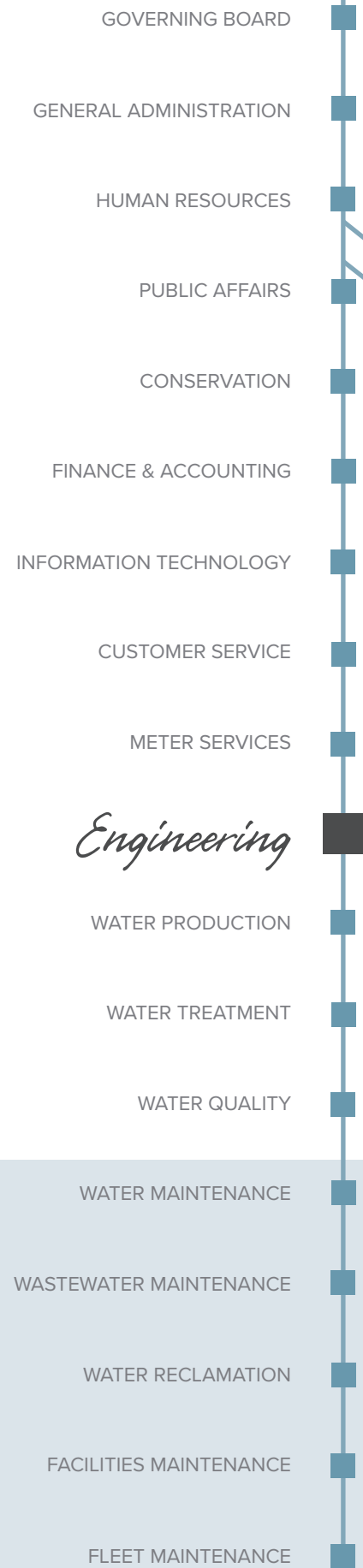
Engineering



Program Personnel

Director of Engineering and Operations	1
Sr. Engineer	3
Associate Engineer	1
<hr/>	
Total Full-Time	5

Program Structure



Engineering implements infrastructure projects needed to provide safe and reliable services.



Engineering

FUNCTION

The Engineering Program responsibilities include infrastructure planning, maintaining a safe and reliable water supply, and ensuring compliance with Federal and State regulations. This Program oversees wastewater collection and treatment capital projects. Engineering coordinates and supports new development within the District's service area by streamlining plan checking and inspection efforts.

GOALS

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

Directly Supports a District-Wide Goal

#2 Develop Plans to Optimize District Utilization of Local and Imported Surface Water

Directly Supports a District-Wide Goal

#3 Support the Steps Necessary for Advancement of the SNRC

Directly Supports a District-Wide Goal

OBJECTIVES

1. Complete construction work for rehabilitation of reservoir at Plant 108.
2. Facilitate completion of design for main replacement projects identified in CIP for FY 2021-22.
3. Support the development of CFD for the Mediterra development.
4. Facilitate expansion of water storage capacity to support the Highland Hills and Mediterra developments.

1. Finalize pre-design report for the Water Treatment Plant at the east-end of the District's service area.
2. Coordinate and manage the construction of the process improvements related to GAC at Plant 134.
3. Initiate groundwater master planning efforts to consider short-term and long-term actions related to groundwater production capacity.

1. Lead planning efforts for the facility start-up activity.
2. Design and construct the emergency storage basin at the Weaver Basins site.
3. Continue working with regulatory agencies to receive needed approvals and permits.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

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

- Issued the design and construction contracts for the rehabilitation of reservoir at Plant 108.
- Completed the design for rehabilitation of Plant 101.
- Completed the design and construction of the Elm Street water main replacement.
- Supported the development of the Community Facilities District (CFD) for the Highland Hills development.
- Managed the AMI Project through its completion.

Goal 02

Develop Plans to Optimize District Utilization of Local and Imported Surface Water

- Made substantial progress toward completing the pre-design report for the Water Treatment Plant at the east end of the District's service area.
- Initiated a design-build contract for a Granular Activated Carbon (GAC) system at Plant 134 to address disinfection by-product control.
- Completed installation of metering facilities and reporting tools to document NFWC going to surface spreading.

Goal 03

Support the Steps Necessary for Advancement of the SNRC

- Led development of facility start-up plans.
- Ensured prompt decision making to support construction efforts.
- Continued work to receive needed approvals and permits.

Significant Changes

None.

Levels of Service

The Engineering 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 Services (IV-A)
- Dedicate Efforts towards System Maintenance and Modernization (IV-C)
- 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 2018-19	FY 2019-20	FY 2020-21
IV-A	Initiate fully funded projects included in the current year CIP	100%	90%	90%	90%
III-B	Complete development infrastructure plan reviews in < 14 days	100%	100%	100%	100%
III-B	Issue development impact fee costs estimates in < 2 days	100%	100%	100%	100%

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 719,365	\$ 735,000	\$ 678,611	\$ 666,000	\$ (69,000)	-9%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	917	3,000	-	3,000	-	0%
5200	Benefits	277,668	263,000	310,422	186,000	(77,000)	-29%
OPERATING EXPENSES							
6201	Materials & Supplies	4,645	9,000	671	9,000	-	0%
6202	Tools	-	7,000	2,239	7,000	-	0%
6203	Office Supplies	3,285	7,000	207	6,000	(1,000)	-14%
6301	Contract Services	79,721	240,000	28,526	441,000	201,000	84%
6303	Printing & Publishing	747	6,000	-	6,000	-	0%
6304	Legal Services	16,290	40,000	17,737	40,000	-	0%
6307	Uniforms	2,851	3,000	1,868	3,000	-	0%
6402	Telephone	2,185	2,000	4,310	2,000	-	0%
6405	Permits	66,166	193,000	80,143	194,000	1,000	1%
6406	Postage	-	1,000	-	1,000	-	0%
6501	Memberships & Dues	1,220	4,000	419	5,000	1,000	25%
6502	Professional Development	5,316	28,000	923	20,000	(8,000)	-29%
6504	Meetings	455	3,000	383	3,000	-	0%
ENGINEERING TOTAL		\$ 1,180,831	\$1,544,000	\$ 1,126,459	\$1,592,000	\$ 48,000	3%





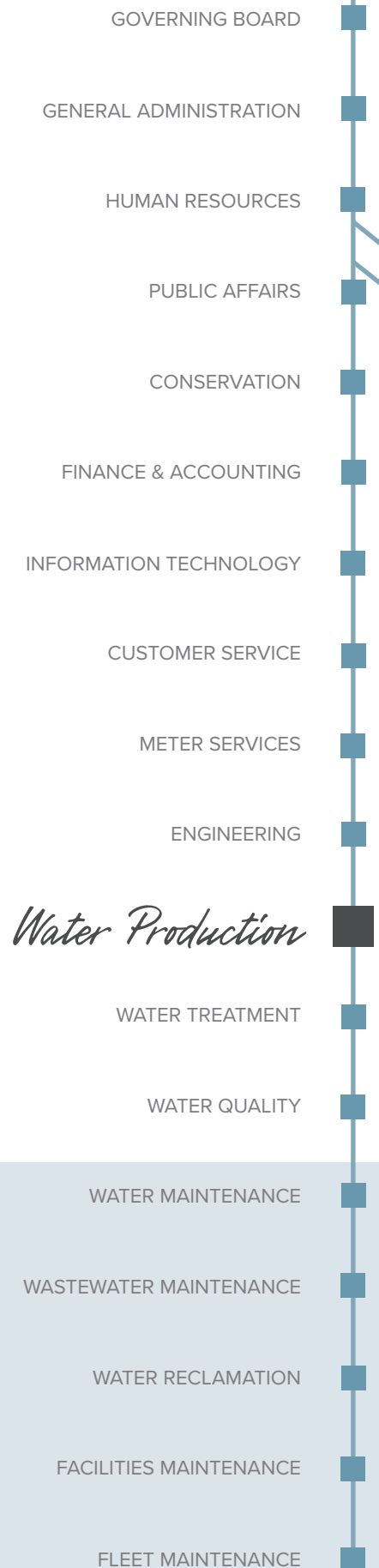
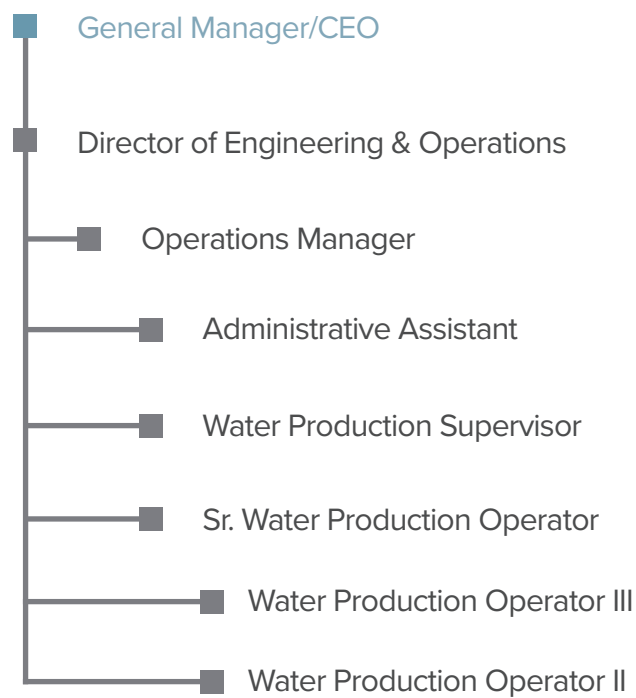
Water Production



Program Personnel

Operations Manager	1
Sr. Water Production Operator	1
Water Production Operator III	3
Water Production Operator II	1
Administrative Assistant	1
Total Full-Time	7

Program Structure



Water Production is responsible for monitoring and operating the entire water system.



Water Production

FUNCTION

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 responsible for the delivery of NFWC.



GOALS

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

Directly Supports a District-Wide Goal

#2 Support Engineering and Contractor Assigned to Plant 56 Tank/Reservoir Rehabilitation Projects

#3 Enhance the SCADA System to Achieve Water Productions Requirements

#4 Rehabilitate Plant Site Equipment to Ensure Water Production and Mitigate Production Inefficiencies

Directly Supports a District-Wide Goal

OBJECTIVES

1. Coordinate with contractor to rehabilitate Wells 11, 125, and 142 to accommodate water loss source water.
2. Identify and prioritize making Well 120 operational with electrical, SCADA, and required permitting.
3. Upgrade and rehabilitate Plant 40 boosters 1 through 4.
4. Support efforts with consulting firm to locate future well sites.

1. Develop a pumping plan to have Plant 56 out of service for rehabilitation.
2. Identify and isolate all valves required to drain and rehabilitate tank.
3. After construction fill, sample and bring the tank back online.

1. Identify SCADA system limitations or configuration changes needed for water production due to SNRC's source water reduction.
2. Hire consultant and support the SCADA masterplan and work with IT to identify scope of work and complete phase three to upgrade SCADA radios.

1. Coordinate with Water Maintenance to repair and replace booster pumps, pipes, and critical valves at Plants 33 and 131.
2. Replace meter at Plants 33 and 108 and complete six Cla-Val repairs and maintenance.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Support the Engineering and Contractor Assigned to Plant 108 Tank/Reservoir Rehabilitation Project

- Developed Plant 108 shut down plan in preparation for tank rehabilitation.

Goal 02

Implement Improvements to Enhance the SCADA System

- Continued to work with contractor and IT to improve SCADA and radio communications at multiple plants.

Goal 03

Transition the NFWC and Bear Valley Mutual Water Company Shareholders from the North Fork Canal/Pipeline to Alternative Metered Connections

- Assisted with the purchase of NFWC shares.

Goal 04

Bring Plant 120 Online to Produce 600-800 Gallons per Minute

- Began preparation to bring Plant 120 online.

Other Accomplishments

- Rehabilitated 2 wells and 5 booster pumps.
- Completed the rebuild of a well, four booster pumps, and tank 39-1 interior coating for Plant 39.
- Completed Cla-Val pressure regulating valve maintenance and inspections.
- Completed tank rehabilitation prioritization report.
- Completed annual pump testing with SCE.

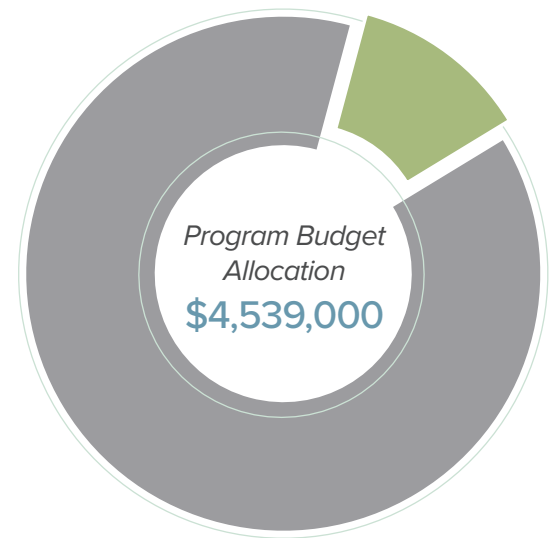
Significant Changes

Groundwater production locations will need to be modified in preparation for the SNRC groundwater recharge requirements.

Levels of Service

The Water Production 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 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 2018-19	FY 2019-20	FY 2020-21
IV-A	Perform upgrades to SCADA radios as recommended by consultant	10/Yr	N/A	N/A	6
IV-C	Perform or schedule repairs recommended by reservoir inspection report	1/Yr	N/A	1	1
IV-D	Implement available SCADA software updates	100%	100%	100%	100%
IV-A	Perform repairs recommended from the electrical inspection report	100%	100%	100%	100%

Program Budget Detail

Administration

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 234,249	\$ 248,000	\$ 234,076	\$ 251,000	\$ 3,000	1%
5103	Overtime	25	1,000	205	1,000	-	0%
5104	Standby	15,550	15,000	16,377	15,000	-	0%
5200	Benefits	163,226	191,000	156,657	150,000	(41,000)	-21%

WATER PRODUCTION CONT.

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
OPERATING EXPENSES							
6201	Materials & Supplies	\$ 1,475	\$ -	1,536	\$ -	\$ -	0%
6202	Tools	7,378	6,000	2,567	6,000	-	0%
6203	Office Supplies	5,051	4,000	6,205	4,000	-	0%
6301	Contract Services	74,833	101,000	78,805	101,000	-	0%
6304	Legal Services	3,030	-	-	-	-	0%
6307	Uniforms	12,834	10,000	8,677	15,000	5,000	50%
6402	Telephone	7,444	14,000	10,655	14,000	-	0%
6405	Permits	-	-	-	-	-	0%
6501	Memberships & Dues	310	3,000	467	3,000	-	0%
6502	Professional Development	7,331	6,000	4,865	7,000	1,000	17%
6503	Education Assistance	-	-	-	-	-	0%
6504	Meetings	653	1,000	429	1,000	-	0%
ADMINISTRATION TOTAL		\$ 533,389	\$ 600,000	\$ 521,521	\$ 568,000	\$ (32,000)	-5%

Source of Supply/Wells

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 322,074	\$ 203,000	\$ 295,500	\$ 195,000	\$ (8,000)	-4%
5103	Overtime	19,195	7,000	30,019	7,000	-	0%
5200	Benefits	117,710	103,000	127,812	96,000	(7,000)	-7%
OPERATING EXPENSES							
6101	Purchased Water	704,460	400,000	31,295	400,000	-	0%
6102	Groundwater Replenishment	111,625	304,000	138,757	304,000	-	0%
6103	Water Assessment	16,811	122,000	92,598	64,000	(58,000)	-48%
6201	Materials & Supplies	36,196	45,000	41,761	45,000	-	0%
6204	Chemicals	94,902	150,000	85,054	150,000	-	0%
6301	Contract Services	98,951	150,000	225,639	150,000	-	0%
6402	Telephone	-	-	-	-	-	0%
6403	Electricity	1,125,816	1,250,000	1,778,757	1,350,000	100,000	8%
6405	Permits	70,405	100,000	74,845	100,000	-	0%
SOURCE OF SUPPLY/WELLS TOTAL		\$ 2,718,145	\$ 2,834,000	\$ 2,922,037	\$ 2,861,000	\$ 27,000	1%

Boosting and Pumping

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 14,842	\$ 74,000	\$ -	\$ 103,000	\$ 29,000	39%
5103	Overtime	6,568	4,000	12,651	4,000	-	0%
5200	Benefits	31,258	38,000	25,670	57,000	19,000	50%
OPERATING EXPENSES							
6201	Materials & Supplies	10,327	20,000	4,752	20,000	-	0%
6301	Contract Services	4,375	75,000	175,356	75,000	-	0%
6403	Electricity	349,651	400,000	521,565	400,000	-	0%
BOOSTING & PUMPING TOTAL		\$ 417,021	\$ 611,000	\$ 739,994	\$ 659,000	\$ 48,000	8%

Transmission And Distribution

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 159,916	\$ 198,000	\$ 195,404	\$ 183,000	\$ (15,000)	-8%
5103	Overtime	9,202	10,000	13,222	10,000	-	0%
5200	Benefits	97,311	120,000	102,469	103,000	(17,000)	-14%
OPERATING EXPENSES							
6201	Materials & Supplies	65,436	25,000	56,153	60,000	35,000	140%
6204	Chemicals	23,300	50,000	30,081	50,000	-	0%
6301	Contract Services	36,753	45,000	73,680	45,000	-	0%
TRANSMISSION & DISTRIBUTION TOTAL		\$ 391,918	\$ 448,000	\$ 471,009	\$ 451,000	\$ 3,000	1%
TOTAL WATER PRODUCTION		\$4,060,473	\$4,493,000	\$4,654,561	\$4,539,000	\$ 46,000	1%

“Water Production specializes”
in managing the overall water distribution system.”





Water Treatment

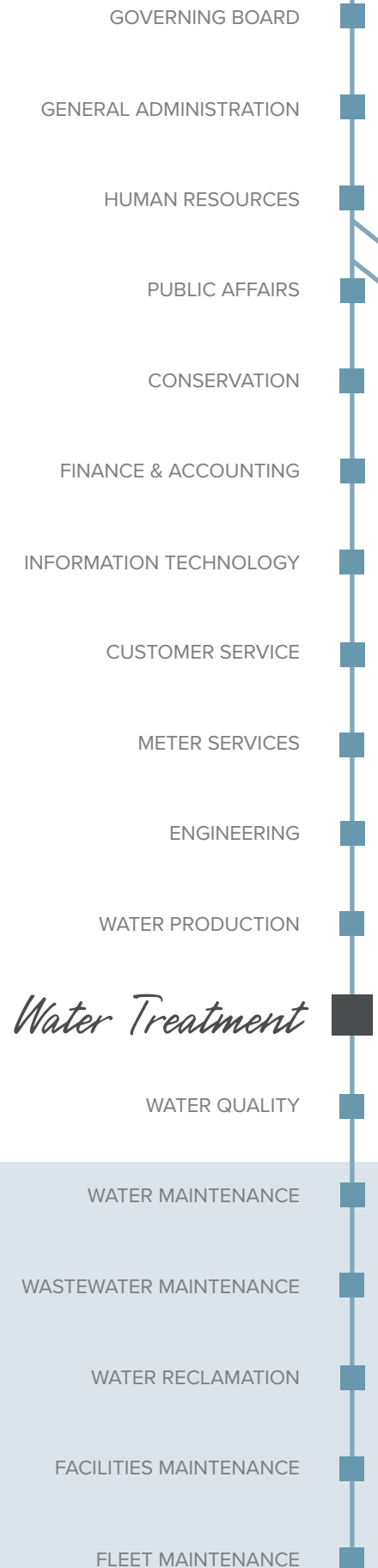
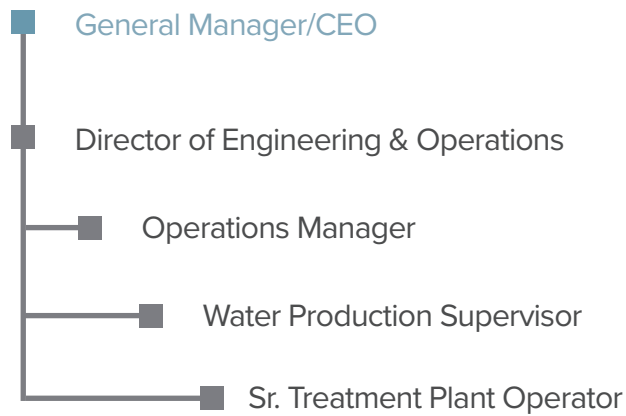


Program Personnel

Water Production Supervisor	1
Sr. Treatment Plant Operator	1

Total Full-Time **2**

Program Structure



Water Treatment is responsible for treating the three sources of supply.



Water Treatment

FUNCTION

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



GOALS

#1 Support Construction of GAC Facilities and Sludge Removal Projects

Directly Supports a District-Wide Goal

#2 Complete Plant 134 Membrane Replacements Using a 5-Phase Replacement

Directly Supports a District-Wide Goal

#3 Evaluate and Rehabilitate Existing Clean-in-Place Equipment at Plant 134 and Hire a Tank Diving Firm to Evaluate Plant 134 Tank Repair Recommendations

OBJECTIVES

1. Coordinate with Finance for completing GAC SRF funding or alternate funding sources.
2. Develop a construction timeline aligning funding with project expenditures.
3. Implement Prefiltration to increase water production.

1. Identify the modules to be replaced in Phase 5.
2. Procure the needed membrane modules from the manufacturer in accordance with the District's purchasing policy.
3. Coordinate and schedule the in-house installation of the new membranes.

1. Evaluate and determine which pumps need replacement versus maintenance and repair.
2. Hire tank diving firm and evaluate recommendations.
3. Modernize and automate the uses of clean-in-place equipment.
4. Purchase necessary parts and materials to complete clean-in-place equipment project.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Support Anticipated Design Build Efforts at Plant 134 for Capital Projects Per SWRCB Recommendations

- Began working with a consultant to implement GAC installation per SWRCB recommendations.

Goal 02

Complete Plant 134 Membrane Replacements Using a 5-Phase Replacement Plan

- Received and installed the new membrane filters at Plant 134.

Goal 03

Replace All Five Chlorine Generation Cells at Plant 134

- All five chlorine generation cells were replaced at Plant 134.

Other Accomplishments

- Increased two employees' level of Treatment Certifications.
- Assisted contractor and Facilities with Plant 134 office remodel.
- Worked with Engineering and consultant planning for GAC installation.
- Assisted contractor with Plant 134 office remodel.

Significant Changes

None.

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 2018-19	FY 2019-20	FY 2020-21
IV-A	Meet all regulatory requirements	100%	100%	100%	100%
IV-A	Maximize utilization of plant capacity through minimization of downtime and monitoring of raw water	7.5 MGD	4.0	3.5	3.5
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	3	5	5

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 251,332	\$ 252,000	\$ 252,054	\$ 243,000	\$ (9,000)	-4%
5103	Overtime	48,655	39,000	47,555	39,000	-	0%
5200	Benefits	147,321	150,000	146,222	147,000	(3,000)	-2%
OPERATING EXPENSES							
6201	Materials & Supplies	18,168	15,000	84,607	20,000	5,000	33%
6204	Chemicals	138,693	150,000	125,206	150,000	-	0%
6301	Contract Services	96,550	147,000	152,005	147,000	-	0%
6307	Uniforms	1,518	2,000	1,235	2,000	-	0%
6402	Telephone	1,830	-	2,687	2,000	2,000	100%
6403	Electricity	112,710	150,000	140,588	150,000	-	0%
6405	Permits	-	-	-	-	-	0%
WATER TREATMENT TOTAL		\$ 816,777	\$ 905,000	\$ 952,159	\$ 900,000	\$ (5,000)	-1%



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Water Quality

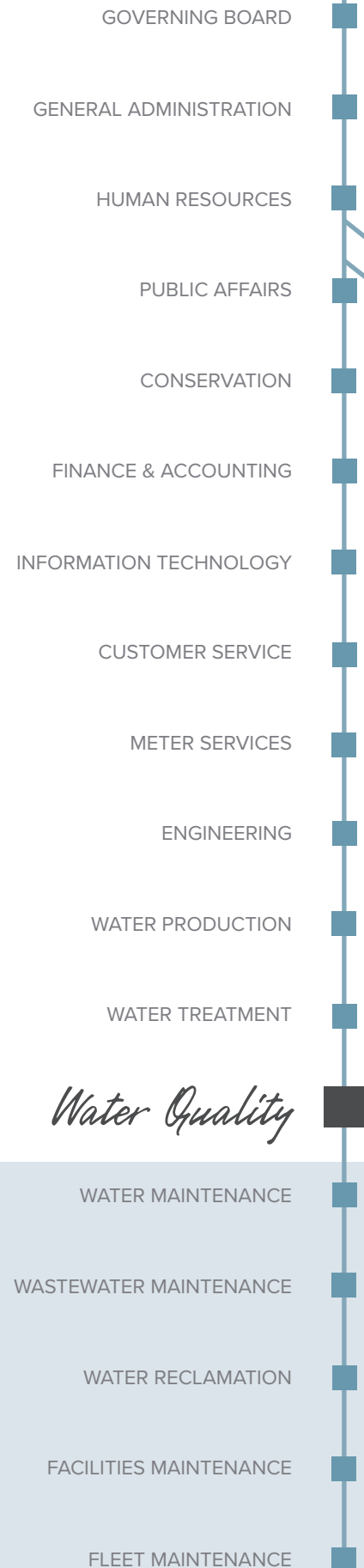
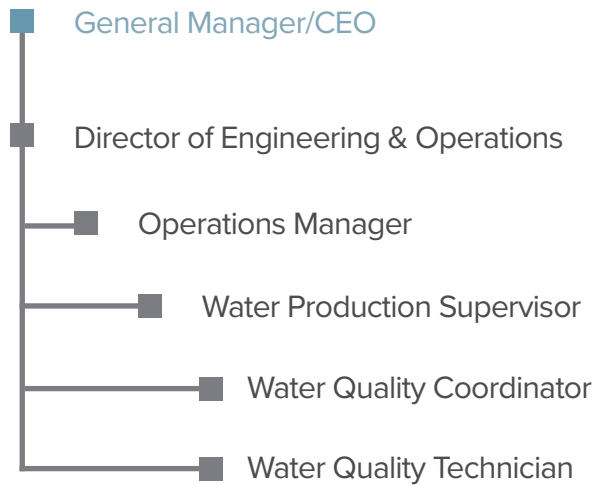


Program Personnel

Water Quality Coordinator	1
Water Quality Technician	1

Total Full-Time **2**

Program Structure



Water Quality complies with all required drinking water regulations.



Water Quality

FUNCTION

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

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

#2 Repair/Replace Outdated and Unsafe Fire Service Connections

#3 Assist in Launching FOG Program Transition and Software Procurement

Directly Supports a District-Wide Goal

OBJECTIVES

1. Develop sampling programs to maximize treatment process efficiencies.
 2. Provide special source water sampling data to support preliminary East-End Treatment Plant Design.
 3. Contract for installation of tank mixing equipment in District reservoirs at Plants 56 and 59.
 4. Complete Tri-Annual Lead and Copper sampling in accordance with the EPA's Revised Lead and Copper Rule.
 5. Complete and submit the Santa Ana River Sanitary Watershed Survey.
-
1. Identify outdated/unsafe Fire Service Connections for potential rehabilitation.
 2. Partner with Field Services to replace failed devices and abandon unsafe vaults where possible.
-
1. Work with Engineering and Information Technology for software implementation.
 2. Assist with program transition and compliance.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

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

- Installed two tank mixers at Plant 129.
- Completed initial sampling for Perfluoroalkyl and polyfluoroalkyl substances (PFAS)/Perfluorooctanoic Acid (PFOA) as required by State regulations.
- Evaluated GAC system design for Plant 134 and provided recommendations.

Goal 02

Implement In-House Environmental Controls and Compliance Program

- Increased customer participation in the backflow testing program by an additional 5%.
- Evaluated various FOG based program software for program transition.

Other Accomplishments

- One employee received their Cross-Connection Control Specialist certification.
- Completed Tri-Annual Haz-Mat inspections at all sites with San Bernardino County Fire.
- Assumed Fire Flow testing responsibilities.
- Kicked off Santa Ana River Watershed Sanitary Survey, required every five years.
- Participated in the Districts success of Water/Wastewater career pathway program.
- Provided annual water quality data for Consumer Confidence Report (CCR) reported to SWRCB.

Significant Changes

Increased Contract Services to comply with Lead and Copper expanded sampling.

Increased Contract Services for fire service backflow replacement.

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)
- 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 2018-19	FY 2019-20	FY 2020-21
IV-A	Conduct all water quality sampling required by SWRCB and EPA	100%	100%	100%	100%
IV-A	Promote Customer Participation in District's Backflow Testing Program	5%/Yr	10%	8%	5%
III-B	Response time to water quality complaints by customers (avg)	2.0 Hrs	1.5	1.5	1.5
I-B	Number of Water Quality program staff with D-4 certification or higher	2	2	2	2

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 89,311	\$ 92,000	\$ 96,713	\$ 108,000	\$ 16,000	17%
5103	Overtime	1,092	6,000	937	6,000	-	0%
5200	Benefits	43,826	45,000	59,484	50,000	5,000	11%
SOURCE OF SUPPLY/WELLS OPERATING EXPENSES							
6201	Materials & Supplies	13,303	13,000	14,828	13,000	-	0%
6301	Contract Services	138,445	115,000	41,666	102,000	(13,000)	-11%
6307	Uniforms	1,349	4,000	1,681	4,000	-	0%
6504	Meetings	443	1,000	-	1,000	-	0%
TRANSMISSION AND DISTRIBUTION PERSONNEL EXPENSES							
5101	Regular Labor	105,892	92,000	96,713	108,000	16,000	17%
5103	Overtime	1,031	7,000	937	6,000	(1,000)	-14%
5200	Benefits	38,172	45,000	70,135	50,000	5,000	11%
TRANSMISSION AND DISTRIBUTION OPERATING EXPENSES							
6201	Materials & Supplies	-	-	147	-	-	0%
6202	Tools	1,999	5,000	1,771	5,000	-	0%
6301	Contract Services	28,651	48,000	39,719	61,000	13,000	27%
6406	Postage	-	2,000	-	2,000	-	0%
6502	Professional Development	175	2,000	587	2,000	-	0%
6503	Education Assistance	-	3,000	-	3,000	-	0%
WATER QUALITY TOTAL		\$ 463,689	\$ 480,000	\$ 425,318	\$ 521,000	\$ 41,000	9%



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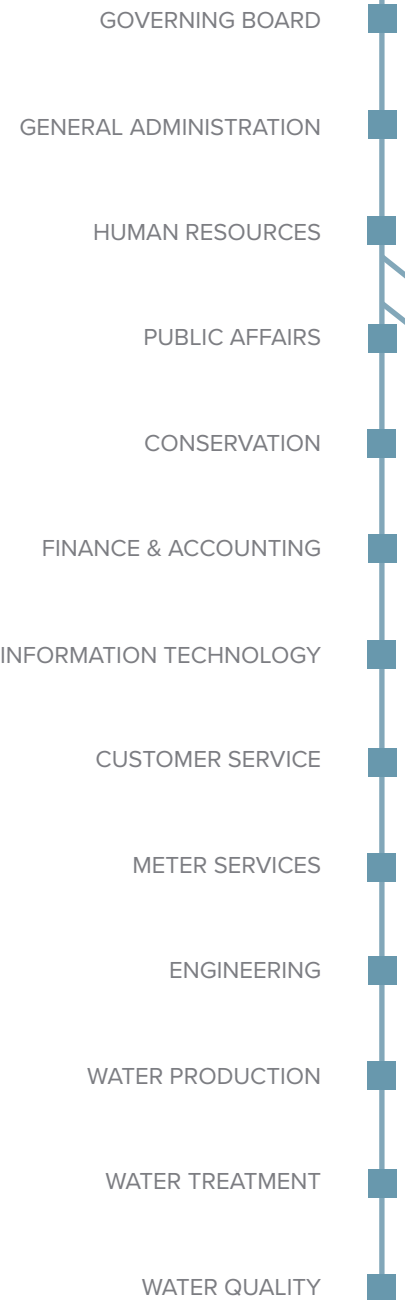
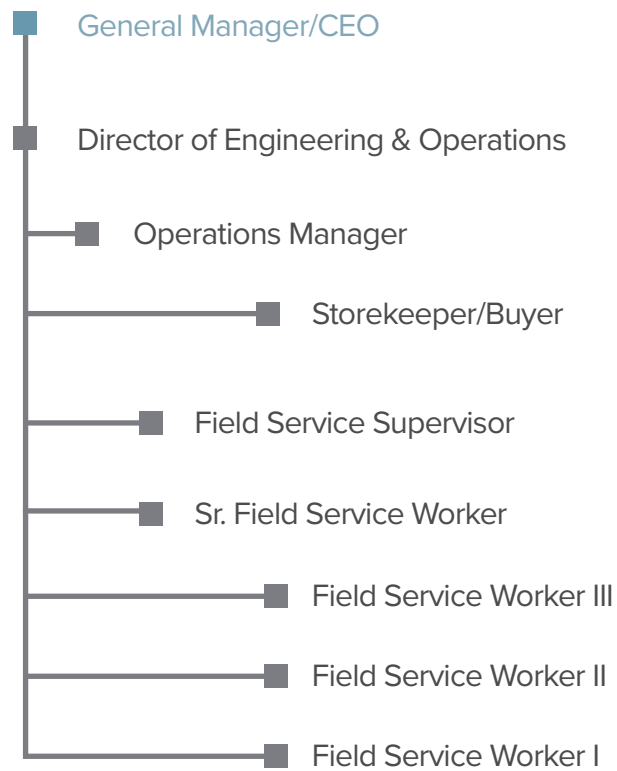
Water Maintenance



Program Personnel

Field Service Supervisor	1
Sr. Field Service Worker	2
Field Service Worker III	5
Field Service Worker II	2
Field Service Worker I	4
Storekeeper/Buyer	1
Total Full-Time	15

Program Structure



Water Maintenance



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



Water Maintenance

FUNCTION

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. The crew members remain on standby during non-business hours to respond to customer afterhours requests and emergencies.



GOALS

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

#2 Complete Evaluation of Existing Technology/ Software and Requisition Upgrades/Replacements if Necessary

#3 Develop a Replacement Program for Inground Fire Services to N-Shaped Aboveground Devices

OBJECTIVES

1. Continue planned exercise program between Boulder Avenue on the east, and Central Avenue on the west.
 2. Coordinate with Production to perform inspection of critical valves at Plants 33 and 131.
 3. Inspect, maintain, and replace (as needed) 3,000 hydrants on a three-year cycle.
-
1. Identify weaknesses of existing software programs.
 2. Conduct needs-assessment.
 3. Work with IT to hold product demonstrations.
-
1. Coordinate with the Water Quality Program on developing a replacement schedule and identify three fire services per year.
 2. Procure the N-shaped devices and install the three identified for replacement.
 3. Install service line and meter for three NFWC shareholders and abandonment of existing weirs.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Prioritize Preventative Maintenance Schedules to Ensure Equipment Readiness for Emergency Response

- Replaced booster pump piping at Plant 39.
- Replaced booster pump piping at Plant 24.

Goal 02

Complete Two In-House Water Main Replacements

- Completed in-house water main replacements on Barton Road and 28th Street; installed approximately 1,500 linear feet of new water main and 37 new services.

Goal 03

Complete Evaluation of Existing Technology/Software and Requisition Upgrades/Replacements if Necessary

- Reviewed existing technology and provided feedback to IT services.

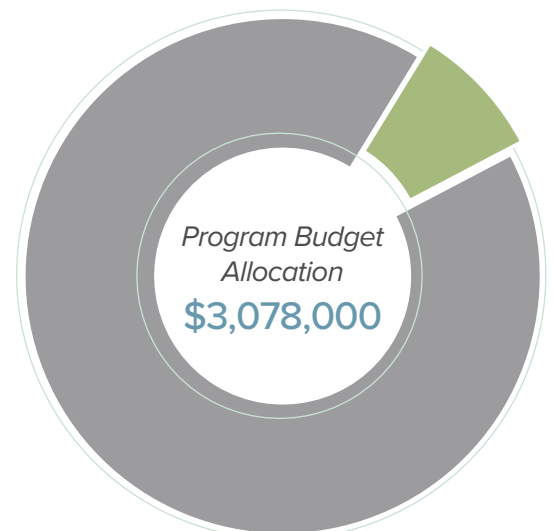
Other Accomplishments

- Completed year three of leak survey and collected data that feeds into the water audit.
- Repaired 285 water leaks.
- Installed three new water services for North Fork ditch and added meters.
- One employee received their Distribution III Certification.
- Six employees received their Class A Driver's License.
- Over 1,600 AMI meters replaced by in-house staff within the last five years.
- Installed three new water services for the SNRC.

Significant Changes

Due to COVID-19 Water Distribution Certification testing is conducted online.

The District lowered the number of gate valves excised to 600 due to the emergency staffing reduction.



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 2018-19	FY 2019-20	FY 2020-21
I-B	Number of Water Maintenance staff with D-3 certification or higher	5	6	5	5
III-A	Annual equipment and safety training hours per staff member	16	16	16	16
IV-A	Number of gate valves exercised	1,200	1,400	0	570
IV-C	Respond to, and assess, customer leak concerns within reasonable time frame	98%	95%	100%	100%
IV-C	Number of main leaks repaired	<70	85	78	78
IV-C	Estimate of water losses from main leaks (MG)	<10 MG	1 MG	0.54 MG	0.54 MG

Program Budget Detail

Field Maintenance

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 196,488	\$ 200,000	\$ 204,161	\$ 200,000	\$ -	0%
5103	Overtime	967	2,000	-	2,000	-	0%
5104	Standby	24,020	20,000	27,759	20,000	-	0%
5200	Benefits	120,430	144,000	210,602	129,000	(15,000)	-10%

WATER MAINTENANCE CONT.

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
OPERATING EXPENSES							
6203	Office Supplies	\$ 1,794	\$ 3,000	\$ 124	\$ 3,000	\$ -	0%
6303	Printing & Publishing	-	-	-	-	-	0%
6307	Uniforms	1,874	1,000	2,342	1,000	-	0%
6402	Telephone	25,046	41,000	45,527	41,000	-	0%
6501	Memberships & Dues	858	2,000	256	2,000	-	0%
6502	Professional Development	17,056	19,000	18,389	19,000	-	0%
6503	Education Assistance	-	-	-	-	-	0%
6504	Meetings	2,623	2,000	1,824	3,000	1,000	50%
ADMINISTRATION TOTAL		\$ 391,156	\$ 434,000	\$ 510,984	\$ 420,000	\$ (14,000)	-3%

Water Maintenance

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 1,089,769	\$ 1,012,000	\$ 1,016,562	\$ 957,000	\$ (55,000)	-5%
5103	Overtime	257,580	219,000	305,002	219,000	-	0%
5200	Benefits	530,450	516,000	428,418	544,000	28,000	5%
OPERATING EXPENSES							
6201	Materials & Supplies	225,412	280,000	513,282	280,000	-	0%
6202	Tools	33,572	21,000	29,106	21,000	-	0%
6301	Contract Services	183,025	72,000	100,268	72,000	-	0%
6307	Uniforms	30,774	40,000	25,442	40,000	-	0%
6310	Street Services	522,959	325,000	403,776	525,000	200,000	62%
6405	Permits	18,132	-	23,040	-	-	0%
TRANSMISSION & DISTRIBUTION TOTAL		\$ 2,891,673	\$ 2,485,000	\$ 2,844,896	\$ 2,658,000	\$ 173,000	7%
TOTAL WATER MAINTENANCE		\$3,282,829	\$2,919,000	\$3,355,880	\$3,078,000	\$ 159,000	5%



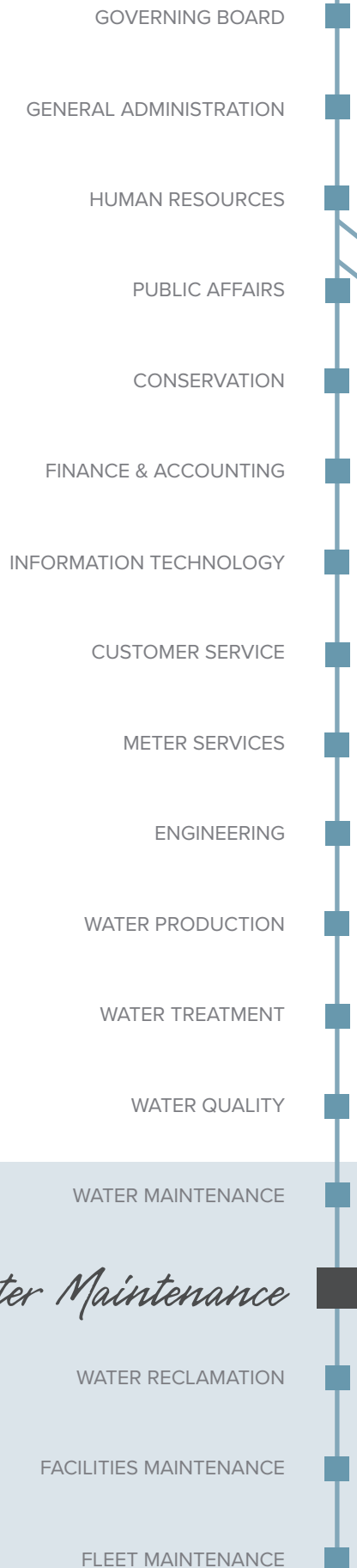
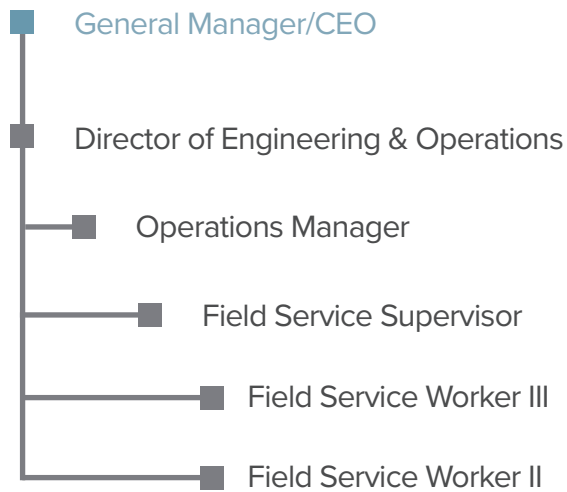
Wastewater Maintenance



Program Personnel

Field Service Worker III	2
Field Service Worker II	2
Total Full-Time	4

Program Structure



Wastewater Maintenance maintains the District's wastewater conveyance system.

Wastewater Maintenance



Wastewater Maintenance

FUNCTION

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 220 miles of collection pipelines. The District collection system has been engineered to use best practice gravity flow conveyance prior to treatment. California public health code mandates the District, and agencies alike, responsible inspection of wastewater collection systems.

The pipeline inspection program uses a sewer inspection camera 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 Program conducts a weekly sewer cleaning program using specialized equipment. The jetting program ensures the whole system is cleaned within 24 months, and high maintenance areas are cleaned more regularly.



GOALS

#1 Continue Wastewater Collection System Maintenance and Management

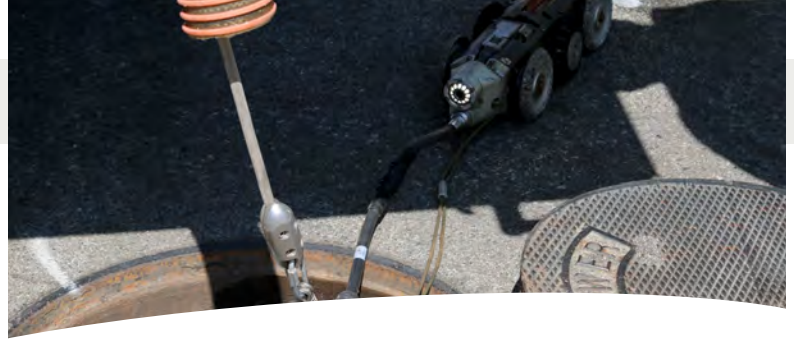
#2 Develop and Implement Operating Procedures for Enhanced Monitoring of High-Flow Sewer Mains

Directly Supports a District-Wide Goal

#3 Cross-Train Staff on Enhanced Functions of New Wastewater Inspection Equipment

OBJECTIVES

1. Video inspect and assess all District mains between the northern and southern District boundaries, and between Del Rosa and Victoria. Approximately 150 miles.
 2. Clean a minimum of 110 miles of wastewater main.
-
1. Create a flow sensor procedure manual and train wastewater operators on the using and maintaining the equipment.
 2. Work with FOG consultant for compliance and administration of the FOG program. Staff will report high maintenance areas within the collection system to contracted FOG inspector.
-
1. Create a procedure manual on the using and maintain the CCTV truck and equipment.
 2. Cross-train all water and wastewater field-crew members on the use and operation of the new CCTV truck.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Continue Wastewater Collection System Maintenance and Management

- Updated Sanitary Sewer Management Plan (SSMP).
- Cleaned 125 miles of sewer main and video inspected 52 miles of sewer main.
- Worked with contractor on numerous main and lateral repairs.

Goal 02

Implement Procedures to Enhance Monitoring of High-Flow Sewer Mains

- Purchased sewer overflow alarms to install on sewer high flow manholes.

Goal 03

Update Staff Training to Include Enhanced Functions of New Equipment

- Provided staff training for new sewer equipment and jetting trailer.

Other Accomplishments

- Started maintaining the East Trunk Sewer Pipeline, formerly owned by the SBMWD.

Significant Changes

The District purchased a new CCTV truck for wastewater pipeline inspections.

Wastewater treatment contract services have been relocated to the new Water Reclamation Program.

Levels of Service

The Wastewater Maintenance Program has five 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 2018-19	FY 2019-20	FY 2020-21
I-B	Number of staff holding CWEA certifications	4	5	6	6
IV-A	Miles of wastewater mains inspected by video	55	74	65	52
IV-A	Category 1 Sanitary System Overflows reportable to SWRCB	0	0	0	0
IV-C	Miles of wastewater mains jetted / cleaned	110	177	125	93
IV-C	Spot repairs identified and completed	100%	100%	100%	100%

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 303,374	\$ 335,000	\$ 339,689	\$ 419,000	\$ 84,000	25%
5103	Overtime	4,674	9,000	9,805	9,000	-	0%
5200	Benefits	154,259	176,000	166,304	209,000	33,000	19%
OPERATING EXPENSES							
6201	Materials & Supplies	21,009	31,000	2,234	31,000	-	0%
6202	Tools	695	5,000	14,000	5,000	-	0%
6301	Contract Services	281,281	243,000	115,000	273,000	30,000	12%
6305	Treatment Services	8,496,012	8,586,000	7,715,000	-	(8,586,000)	-100%
6307	Uniforms	2,155	4,000	2,000	4,000	-	0%
WASTEWATER MAINTENANCE TOTAL		\$ 9,263,459	\$ 9,389,000	\$ 684,536	\$ 950,000	\$(8,439,000)	-90%





Water Reclamation

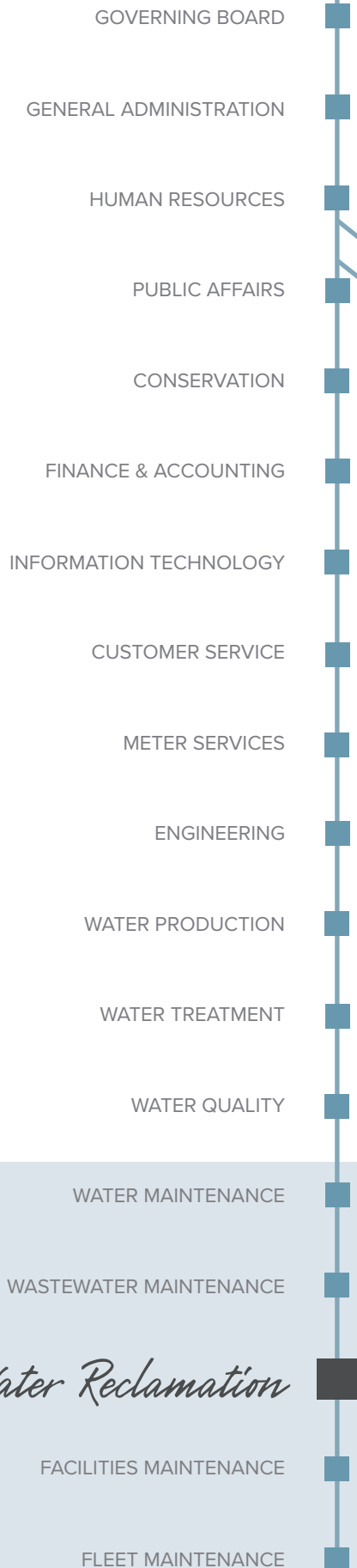
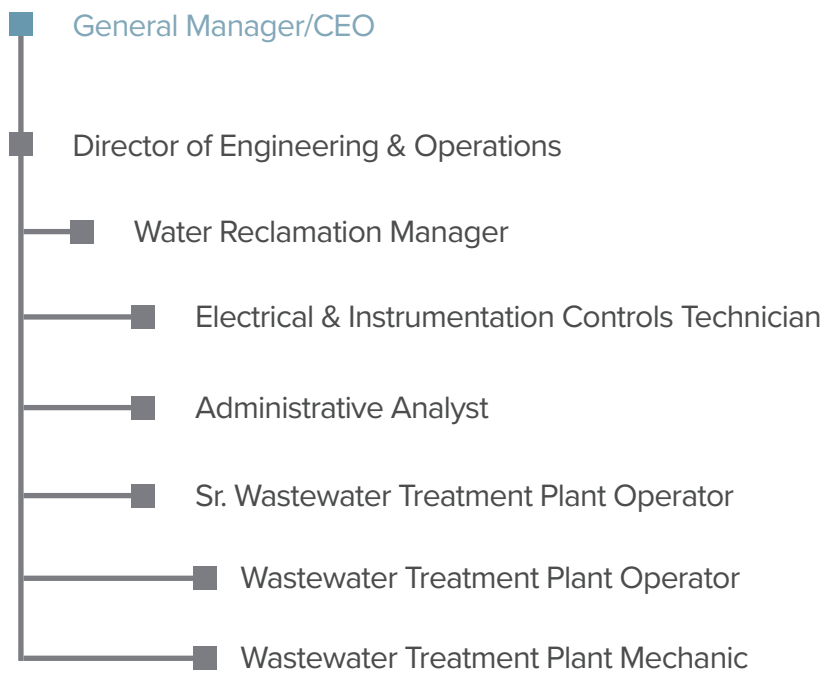


Program Personnel

Water Reclamation Manager	1
Sr. Wastewater Treatment Plant Operator	1
Wastewater Treatment Plant Operator I-III	4
Wastewater Treatment Plant Mechanic I-II	1
Electrical & Instrumentation Controls Technician	1
Administrative Analyst	1

Total Full-Time **9**

Program Structure



Recycled water provides a new drought-proof supply for groundwater replenishment.

Water Reclamation



Water Reclamation

FUNCTION

The Water Reclamation Program is responsible for treating and disinfecting 8.0 million gallons of wastewater per day (MGD). Reclamation of wastewater generated by District customers will transition from a service contracted with the SBMWD, to in-house operations at the newly completed SNRC during FY 2021-22.

The SNRC operations include anaerobic digestion for energy generation in order to offset the cost of power needed to operate the plant.



GOALS

#1 Complete Staffing and Staff Training for New Wastewater Treatment Operations

Directly Supports a District-Wide Goal

#2 Finalize Vendor Selection, Contracts and Other Agreements Needed to Operate the SNRC

Directly Supports a District-Wide Goal

#3 Commence Operations at the SNRC

Directly Supports a District-Wide Goal

OBJECTIVES

1. Hire staff in accordance with staffing plan finalized by Human Resources.
 2. Ensure new employees are trained on automation and control.
-
1. Complete list of all vendors and contractors needed to support SNRC operations and maintenance.
 2. Enter into agreements for services with all vendors identified above.
 3. Establish contract for food waste for increased energy generation used by the Digesters.
-
1. Participate in negotiations for the financial transition away from the SBMWD.
 2. Complete phased approach to diverting wastewater to the SNRC over a three-month period.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Revise Budgeting to Account for Operational Needs of New Water Reclamation Program for FY 2021-22

- Completed Cost of Service Analysis to establish rates for Wastewater Treatment.
- Budgeted for equipment and other capital items not covered by Contractor or other District programs.

Goal 02

Identify Operational Changes Needed to Accommodate Planned Development within the District

- Initiated development of required documentation in preparation for the in-house FOG Program.
- Sent out letters to FOG generating businesses/customers.

Significant Changes

District will transition from contracting with the SBMWD for wastewater treatment, to in-house treatment by commencing operations at the SNRC.

Between eight and ten employees will be added to operate the SNRC.

Levels of Service

The Water Reclamation Program has five 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 2018-19	FY 2019-20	FY 2020-21
I-B	Number of staff holding CWEA certifications	6	N/A	N/A	2
IV-A	Exceed NPDES Requirements (85%) for Removal of BOD and TSS at the SNRC	95%	N/A	N/A	N/A
IV-A	Deliver recycled water to SBVMWD for groundwater recharge	98%	N/A	N/A	N/A
IV-C	Tipping Fees collected from outside haulers	\$3.2M	N/A	N/A	N/A
IV-C	Complaints about noise / odor / congestion by surrounding neighbors	0	N/A	N/A	5

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ -	\$ -	\$ -	\$ 563,000	\$ 563,000	100%
5103	Overtime	-	-	-	3,000	3,000	100%
5200	Benefits	-	-	-	287,000	287,000	100%
OPERATING EXPENSES							
6201	Materials & Supplies	-	-	-	35,000	-	-
6202	Tools	-	-	-	12,000	-	-
6203	Office Supplies	-	-	-	10,000	-	-
6204	Chemicals	-	-	-	131,000	-	-
6301	Contract Services	-	-	-	367,000	-	-
6303	Printing & Publishing	-	-	-	1,000	-	-
6304	Legal Services	-	-	-	5,000	-	-
6305	Treatment Services	-	-	8,524,162	7,844,000	-	-
6307	Uniforms	-	-	-	8,000	-	-
6401	Utilities	-	-	-	1,000	-	-
6402	Telephone	-	-	-	3,000	-	-
6403	Electricity	-	-	-	260,000	-	-
6404	Fuel	-	-	-	12,000	-	-
6406	Postage	-	-	-	1,000	-	-
6501	Membership & Dues	-	-	-	4,000	-	-
6502	Professional Development	-	-	-	5,000	-	-
6504	Meetings	-	-	-	2,000	-	-
6505	Employee Recognition	-	-	-	1,000	-	-
WATER RECLAMATION TOTAL		\$ -	\$ -	\$ 8,524,162	\$ 9,555,000	\$ -	-



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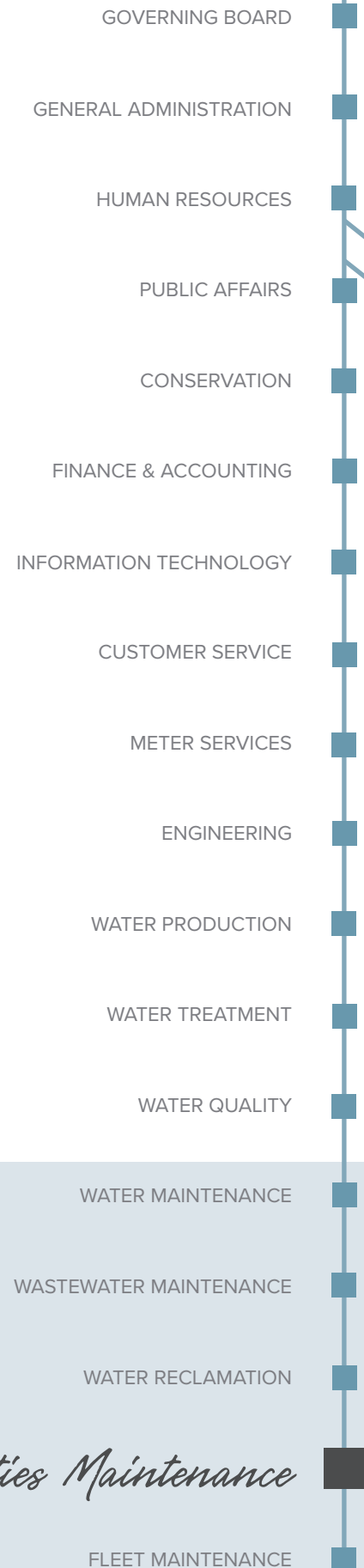
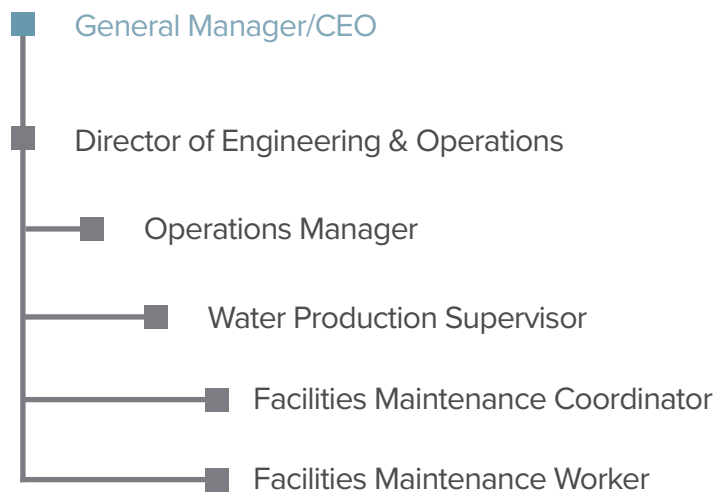
Facilities Maintenance



Program Personnel

Facilities Maintenance Coordinator	1
Facilities Maintenance Worker	1
Total Full-Time	2

Program Structure



Facilities Maintenance repairs and maintains all district facilities.

Facilities Maintenance



Facilities Maintenance

FUNCTION

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, District-owned vacant properties, and easements. The purpose of the program is to mitigate expenses by maintaining a complex facilities management system to achieve Program goals.



GOALS

#1 Complete Long-Term Site Improvements at Plant 134

#2 Continue Phased Upgrades and Rehabilitation of District Facilities

#3 Evaluate the Current Facilities Maintenance Tracking Software

OBJECTIVES

1. Continue security system and digital access improvements at Plant 134 and coordinate with Information Technology for technical support.
2. Coordinate with Engineering and Water Treatment to evaluate current pavement to accommodate the new GAC operation (Slurry Seal).
3. Upgrade access road’s fencing to eliminate unauthorized foot traffic inside the District property line.

1. Develop a comprehensive site improvement project list.
2. Coordinate with contractor for painting existing building at Plant 33.
3. Research the most cost-efficient way to insulate Plant 59 Building.
4. Develop a funding plan with Finance for fence and gate improvements at Plant 39.
5. Upgrade and install HVAC systems and seal old penetration points from swamp coolers at plants.
6. Continue the energy efficiency program for scheduled production sites needing upgrades.

1. Gain access to and use the database developed by a consultant to determine if the software meets the program’s requirements.
2. Coordinate and host an Asset Management Software meeting to identify District needs and evaluate existing software solution and create an action plan.
3. Work with IT and other Program stakeholders in selecting an asset management program that suits maintenance program needs.
4. Complete incorporating facilities data into selected Facilities Maintenance Program.
5. Implement a consistent tracking program and help provide training to staff.

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GOALS

#4 Ensure Funding Requirements for Facility Contract Services for SNRC Meeting Program Expenditures

Directly Supports a District-Wide Goal

OBJECTIVES

1. Work with Finance on the costs of yearly contracts for SNRC to help with budgeting in the future and to determine what is needed to run the facility efficiently.
2. Develop a needs assessment and timeline for the SNRC facility contract services.
3. Promote and host two pre-bid contractors' event at the SNRC, one for landscaping and HVAC maintenance.
4. Coordinate with Finance for funding requirements.
5. Work with Engineering to determine number of porter teams [Anthesis] needed at the SNRC.

FY 2020-21 ACCOMPLISHMENTS

Goal 01

Complete Long-Term Site Improvements for Plant 134

- Worked with contractor for Plant 134 office and lab remodel.

Goal 02

Complete Systematic Upgrades and Rehabilitation of District Facilities

- Completed security fencing around Plants 141 and 34.
- Finished lighting upgrades at the District headquarters.
- Resurfaced parking lots at the headquarters facility.
- Installed emergency exit gate and sidewalk from patio area to the front parking lot.
- Upgraded plants in the District's Demonstration Garden and around the outside of the headquarters facility.
- Installed new HVAC units and upgraded to LED lighting at Plants 56, 59, 129 and 142.
- Installed new driveway paving at Plant 34.
- Removed swamp cooling units from facilities with upgraded HVAC systems.

Goal 03

Develop a Facilities Maintenance Program to Track and Anticipate Future Costs Associated with All District Facilities

- Implemented City Works for current tracking purposes.
- Began working with IT to identify a more viable asset management tracking software.

Other Accomplishments

- Coordinated lunch deliveries at Highland Senior Center during the COVID-19 pandemic.
- Identified and implemented building safety measures in response to the COVID-19 pandemic.

Significant Changes

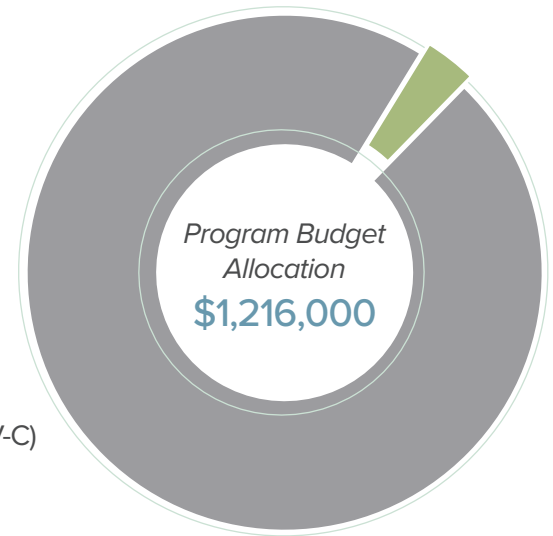
SNRC related contract service increase.

Additional financial resources required to respond to supplies for the COVID-19 pandemic.

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 2018-19	FY 2019-20	FY 2020-21
IV-C	Close all service work orders timely	<30 Days	<30 Days	<30 Days	<30 Days
IV-C	Reduce the number of reworks on service work orders	<10%	N/A	N/A	N/A
IV-C	Ensure preventative maintenance is completed on time	100%	100%	100%	100%
I-A	Reduce energy consumption for each facility site (air conditioning and lighting)	>20%	30%	60%	60%

FACILITIES MAINTENANCE CONT.

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 170,376	\$ 168,000	\$ 175,248	\$ 174,000	\$ 6,000	4%
5103	Overtime	17,326	22,000	7,430	22,000	-	0%
5200	Benefits	96,777	102,000	99,201	102,000	-	0%
ADMINISTRATION OPERATING EXPENSES							
6201	Materials & Supplies	79,239	40,000	42,205	47,000	7,000	18%
6202	Tools	525	2,000	1,954	2,000	-	0%
6301	Contract Services	123,056	37,000	306,080	183,000	146,000	395%
6306	Rents & Leases	17,843	15,000	20,464	20,000	5,000	33%
6307	Uniforms	4,752	1,000	7,684	11,000	10,000	1000%
6311	Landscape Services	119,847	56,000	47,523	131,000	75,000	134%
6312	Janitorial Services	139,588	132,000	149,653	142,000	10,000	8%
6313	Facilities Repair	-	-	-	-	-	0%
6401	Utilities	38,214	24,000	49,109	14,000	(10,000)	-42%
6402	Telephone	18,763	70,000	52,135	25,000	(45,000)	-64%
6403	Electricity	80,835	120,000	123,211	110,000	(10,000)	-8%
6403	Professional Development	46	1,000	-	1,000	-	0%
SOURCE OF SUPPLY/WELLS OPERATING EXPENSES							
6201	Materials & Supplies	3,103	3,000	67	3,000	-	0%
6301	Contract Services	70,851	11,000	18,386	11,000	-	0%
6311	Landscape Services	-	40,000	77,064	40,000	-	0%
PUMPS AND BOOSTERS OPERATING EXPENSES							
6201	Materials & Supplies	2,083	3,000	125	3,000	-	0%
6301	Contract Services	8,630	6,000	1,622	6,000	-	0%
6311	Landscape Services	29,812	35,000	31,375	35,000	-	0%
TREATMENT OPERATING EXPENSES							
6201	Materials & Supplies	4,055	8,000	2,444	8,000	-	0%
6301	Contract Services	30,604	102,000	8,727	102,000	-	0%
6311	Landscape Services	24,097	14,000	30,002	14,000	-	0%
6401	Utilities	1,265	10,000	2,248	10,000	-	0%
FACILITIES MAINTENANCE TOTAL		\$ 1,081,687	\$1,022,000	\$1,253,957	\$ 1,216,000	\$ 194,000	19%



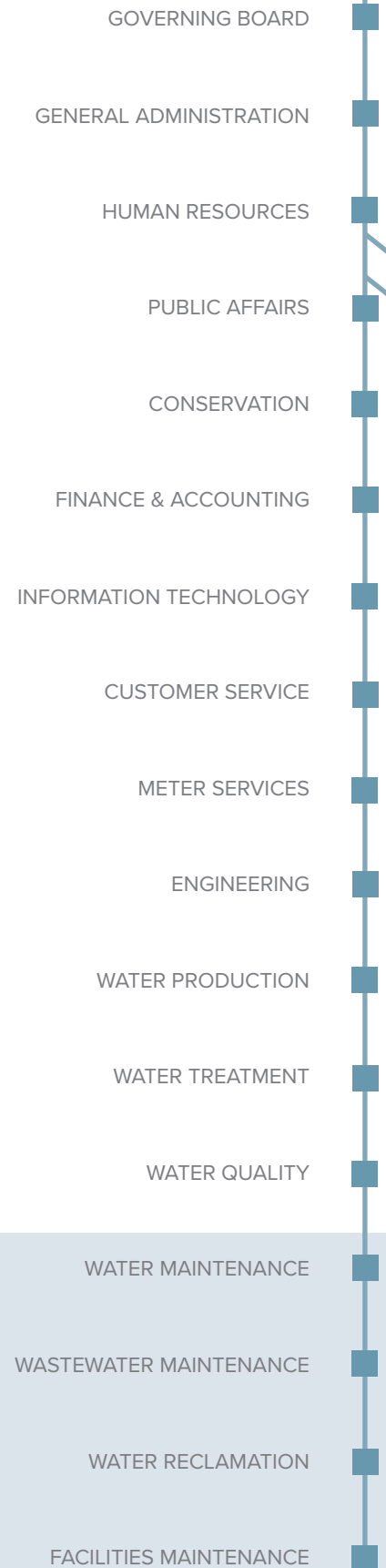
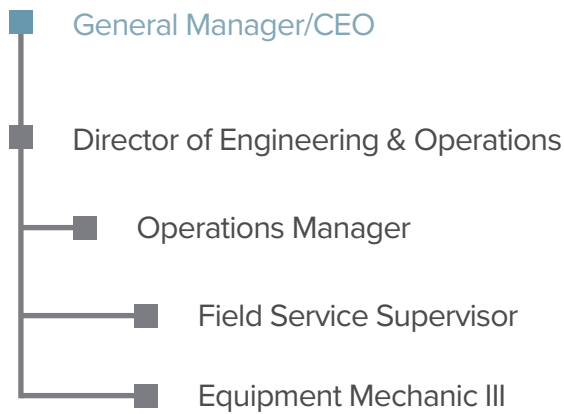
Fleet Maintenance



Program Personnel

Equipment Mechanic III	1
Total Full-Time	1

Program Structure



Fleet Maintenance is responsible for care of the District's vehicles and heavy equipment.

Fleet Maintenance



Fleet Maintenance

FUNCTION

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. This program includes the 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 or wastewater collection systems.



GOALS

#1 Continue to Implement the Air Quality Management Program

#2 Enhance Vendor-Managed Fleet Maintenance Program

OBJECTIVES

1. Continue quarterly inspections with air quality consultant for Air Quality Management District (AQMD) and California Air Resources Board (CARB).
 2. Schedule semi-annual field-crew site training for vehicles and equipment.
 3. Transmit emissions data to the Bureau of Automotive Repair (BAR) using new Network Fleet devices.
-
1. Schedule software demo meeting with vendor for reporting capabilities.
 2. Develop a pre-approved safety repairs and replacement list to mitigate delays.
 3. Contract with vendor to provide detailing for specialized equipment.



FY 2020-21 ACCOMPLISHMENTS

Goal 01

Ensure Air Quality and Highway Safety Regulations are Current

- Completed annual smog check report to BAR.

Goal 02

Enhance Vendor-Managed Fleet Maintenance Program

- Renewed three-year contract with San Bernardino County allowing the District to access County fueling sites during emergencies.

Other Accomplishments

- Donated three trucks to non-profit organizations.
- Purchased a new backhoe to support Water Maintenance activity.
- Ordered six new trucks.

Significant Changes

Increased contract services for maintaining specialized equipment.

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.

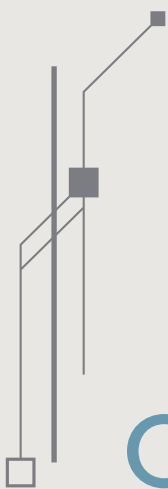
Key Performance Indicators Changes

Agency Goal	Key Performance Indicator	Target	FY 2018-19	FY 2019-20	FY 2020-21
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%	100%
IV-A	Number of vehicle/equipment units replaced	4	4	4	4

Program Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Budget	FY 2020-21 Projected	FY 2021-22 Budget	Amount Changed	% Changed
PERSONNEL EXPENSES							
5101	Regular Labor	\$ 96,909	\$ 90,000	\$ 90,813	\$ 91,000	\$ 1,000	1%
5103	Overtime	1,567	3,000	3,066	3,000	-	0%
5200	Benefits	47,524	61,000	49,580	53,000	(8,000)	-13%
OPERATING EXPENSES							
6201	Materials & Supplies	67,930	30,000	125,256	30,000	-	0%
6202	Tools	16,368	5,000	7,762	5,000	-	0%
6203	Office Supplies	460	1,000	90	1,000	-	0%
6301	Contract Services	232,178	180,000	261,016	240,000	60,000	33%
6307	Uniforms	639	-	619	-	-	0%
6402	Telephone	353	1,000	2,259	1,000	-	0%
6404	Fuel	131,996	125,000	138,763	135,000	10,000	8%
6501	Memberships & Dues	-	3,000	-	3,000	-	0%
6502	Professional Development	-	1,000	-	1,000	-	0%
FLEET MAINTENANCE TOTAL		\$ 595,924	\$ 500,000	\$ 679,224	\$ 563,000	\$ 63,000	13%





CAPITAL BUDGET




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CAPITAL BUDGET OVERVIEW

CAPITAL IMPROVEMENT PROJECTS

INFRASTRUCTURE ACCOMPLISHMENTS

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

Capital Budget

East Valley Water District includes two types of capital expenditures in its Capital Budget.

The two types of capital expenditures categories are within, 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 2021-22 Capital Budget contains \$48,536,000 in total capital expenditures. Of this amount, \$1,130,000 are Capital Outlay, which typically include requests to replace vehicles, computer and office equipment, and to conduct infrastructure planning and rate studies. The remaining proposed capital expenditures of \$47,356,000 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.

As the District prepares to commence operations at the new SNRC water reclamation plant in May 2022, care has been taken to not overextend financial and human resources by committing to starting a long list of projects, important as they are, 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 2021-22 Capital Budget is shown below.

Capital Budget Summary

Capital Outlay (Routine)		Capital Improvement Program	
Computer Hardware / Software	\$ 160,000	Plant 134 Process Improvements	\$2,000,000
Storage Tank Mixers	40,000	Storage Tank/Reservoir Rehabilitation	990,000
SCADA Master Plan / Radio Upgrades	150,000	Plant 101 - Rehabilitation Hydro System	300,000
Service Trucks, Crew Truck	90,000	General Facilities Rehabilitation/Relocation	312,000
SNRC Equipment	500,000	Well & Booster Improvements	50,000
Spectrum Fiberoptic Build (SNRC/HQ/PL 134)	190,000	Wastewater Main Rehabilitations	150,000
		SNRC Water Recycling Plant	43,553,764
TOTAL CAPITAL OUTLAY	\$ 1,130,000	TOTAL CIP EXPENDITURES	\$ 47,355,764

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 cost of \$5,000 or more. This threshold is applied at the individual asset level.

Each year as part of the budget process the District's Program Managers and Supervisors compile and submit a list of Capital Outlay requests for consideration. The requests are reviewed and prioritized by the Finance Program 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 or wastewater) that will benefit from use of the capital item. Items that benefit both the Water and Wastewater Funds are allocated accordingly.

FY 2021-22 Capital Outlay

	Water	Wastewater	Total
FUNDED BY OPERATING REVENUE			
<i>SNRC</i>			
SNRC Equipment (Forklift, Golf Cart, CS Free-Standing Safe, etc.)	\$ 450,000	\$ 50,000	\$ 500,000
<i>Hardware & Software</i>			
Spectrum Fiberoptic Build (SNRC/HQ/PL 134)	190,000	-	190,000
Hardware Replacements (PCs,Laptops, Desktop Phones, SNRC)	35,000	-	35,000
CISCO End-of-Life Replacements	105,000	-	105,000
Web Conferencing District including SNRC (Webcams, TVs)	20,000	-	20,000
<i>Facilities</i>			
Tank Mixers	40,000	-	40,000
<i>SCADA</i>			
SCADA Master Plan	150,000	-	150,000
<i>Fleet</i>			
Light Duty Trucks (2) - SNRC	90,000	-	90,000
TOTAL CAPITAL OUTLAY	\$ 1,080,000	\$ 50,000	\$ 1,130,000

CAPITAL IMPROVEMENT PROGRAM (CIP)

The District's Capital Improvement Program (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 2021-22, 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 \$58,508,000—total project costs for the projects in process are approximately \$83.9 million over the next five years. Projects funded for the current year include:

- **Plant 134 Process Improvements and Membrane Replacement** – There are three ongoing projects at the District’s Surface Water Treatment Plant. The first is the installation of GAC filtration as a solution to source water quality issues. The second is to enhance/increase capacity to the sludge removal process so the plant can begin to operate at or near its full capacity of 8 million gallons per day. The final is to continue the process of replacing treatment modules a full train at a time; there are five trains, and the District has recently replaced the modules in four of the five. The current year budget includes \$2,000,000 to move into the construction phase of the GAC project, to be paid with State Revolving Fund grants or loans, when approved.
- **Storage Tank Rehabilitation** – This includes an engineering seismic study to propose tank upgrades that will mitigate damage incurred in the event of an earthquake, and the systematic rehabilitation of existing tanks (Plant 108) in order to ensure their dependability and years of future service. Current year costs are \$990,000 to be paid out of water operating revenue and a grant toward the seismic study.
- **Plant 101** – The District has received grant funding to install an emergency generator as backup power for a hydropneumatic tank that serves residents living at an elevation where water cannot be delivered by gravity. Once the generator is installed, rehabilitation of the tank and boosters at the Plant can proceed. Current year costs include \$300,000 to be funded by the grant.
- **Wastewater Main Replacements** – The District has scheduled the rehabilitation of a sewer main pipeline, rated as high priority due to the number of structural defects noted during video logging of the pipeline. Planned expenditures during FY 2021-22 on this main are \$150,000 to be funded by wastewater operating revenue.
- **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 2021-22 are \$362,000 to be funded by water operating revenue.
- **SNRC Water Recycling Facility** – This project will capture and treat all District wastewater flows, recycle the water, and release at an elevation high enough to recharge the Bunker Hill Groundwater Basin, rather than releasing treated water into the Santa Ana River for use downstream. Planned expenditures in FY 2021-22 are \$43,554,000, of which \$39,494,000 will be funded by State Revolving Fund low interest loans, \$1,493,000 by grant, and \$2,567,000 by water and wastewater operating revenues.

The following pages include the District’s current Capital Improvement Program, a summary of project funding, and detailed descriptions of each project.

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 Districts Surface Water Treatment Plant (Plant 134) will allow the District to run the plant at higher capacity and more fully utilize hydroelectric generation equipment and offset power costs.

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
Plant 134 Treatment Modifications	\$ 30,000	Increased Power Costs
Plant 134 Treatment Modifications	50,000	Increased Filter Media Cost
SNRC Water Recycling Plant	(5,080,000)	New Revenue Sources (Tipping Fees, Power Sales, Recycled Water)
SNRC Water Recycling Plant	(8,650,000)	Decrease Contracted Treatment
SNRC Water Recycling Plant	1,200,000	Increased Labor Costs
SNRC Water Recycling Plant	1,010,000	Increased Materials & Consumables
SNRC Water Recycling Plant	2,450,000	Increased Contract Services
SNRC Water Recycling Plant	520,000	Increased Other Costs
TOTAL CIP EXPENDITURES	\$ (8,470,000)	

CIP Five-Year Program Schedule (FY 2022-26)

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
GENERAL						
AMI Meter Replacement Program	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000
GENERAL SUBTOTAL	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000
WATER						
Canal Zone Storage Reservoir (Pending Highland Hills and Mediterra)	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 3,300,000
Transmission Main Plant 134 to Canal Zone	-	-	-	500,000	-	500,000
Plant 134 Process Improvements (THMS and Sludge Management)	2,000,000	1,500,000	-	-	-	3,500,000
Plant 134 Membrane Replacement	-	250,000	-	-	250,000	500,000
Tank/Reservoir Rehabilitation	825,000	650,000	900,000	650,000	650,000	3,675,000
Engineering Seismic Study for Reservoirs	165,000	-	-	-	-	165,000

CAPITAL BUDGET

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
Plant 101 - Rehabilitate Hydro System/Install Generator	\$ 300,000	\$ 880,000	\$ -	-\$ -	-\$ -	\$ 1,180,000
East End Surface Water Treatment Plant	-	3,000,000	6,000,000	6,000,000	3,000,000	18,000,000
Water Mains Dwight & Glasgow	-	800,000	800,000	-	-	1,600,000
Water Mains Fisher & Stratford	-	-	-	920,000	-	920,000
Water Mains 14th, Seine, Messina	-	-	-	-	1,800,000	1,800,000
Facility Relocations	100,000	100,000	100,000	100,000	-	400,000
Facility Relocation Baseline Bridge Water Main	-	730,000	-	-	-	730,000
Facility Rehabilitations	212,000	75,000	75,000	75,000	75,000	512,000
SNRC - Holding Basin, Landscape/Hardscape	7,500,000	-	-	-	-	7,500,000
Well & Booster Improvements/Rehabilitations	50,000	50,000	50,000	50,000	50,000	250,000
WATER SUBTOTAL	\$11,152,000	\$8,035,000	\$9,025,000	9,395,000	\$6,925,000	\$44,532,000
WASTEWATER						
Wastewater Main Rehab 11th St	\$ 150,000	\$ 650,000	\$ 700,000	\$ 750,000	\$ 750,000	\$ 3,000,000
SNRC Compliance, Mgt	60,000	-	-	-	-	60,000
SNRC	34,494,000	-	-	-	-	34,494,000
SNRC Landscaping	1,500,000	-	-	-	-	1,500,000
WASTEWATER SUBTOTAL	\$36,204,000	\$ 650,000	\$ 700,000	\$ 750,000	\$ 750,000	\$ 39,054,000
TOTAL	\$ 47,356,000	\$ 8,885,000	\$ 9,925,000	\$ 10,345,000	\$ 7,875,000	\$ 84,386,000

CIP Five-Year Funding Schedule (FY 2022-26)

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
Water Operating Revenue	\$ 3,712,000	\$ 3,485,000	\$ 3,225,000	\$ 3,595,000	\$ 3,875,000	\$ 17,892,000
Water Replacement Reserve	-	250,000	-	-	250,000	500,000
Water Capacity Fees	-	-	-	-	-	-
Water Revenue Bonds/SRF	7,000,000	4,500,000	6,000,000	6,000,000	3,000,000	26,500,000
Wastewater Operating Revenue	217,000	650,000	700,000	750,000	750,000	3,067,000
Wastewater Replacement Reserve	-	-	-	-	-	-
Wastewater Capacity Fees	-	-	-	-	-	-
Wastewater Revenue Bonds	-	-	-	-	-	-
Grants / Loans	36,427,000	-	-	-	-	36,427,000
TOTAL	\$ 47,356,000	\$ 8,885,000	\$ 9,925,000	\$ 10,345,000	\$ 7,875,000	\$ 84,386,000

CIP FY 2021-22 Proposed Funding

	Water Fund Operating Revenue	Wastewater Fund Operating Revenue	Grants/ Loans Other Fund	Project Total
WATER				
Plant 134 - Process Improvements (THMS and Sludge Management)	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
Tank/Reservoir Rehabilitation Plant 108 and Seismic Study	850,000	-	140,000	990,000
Plant 101 - Rehabilitate Hydro System/Install Generator	-	-	300,000	300,000
Facility Relocations	100,000	-	-	100,000
Facility Rehabilitations - Plant 39	212,000	-	-	212,000
SNRC - Holding Basin, Landscaping, and Compliance Management	2,500,000	-	5,000,000	7,500,000
Well & Booster Improvements/Rehabilitations	50,000	-	-	50,000
WATER SUBTOTAL	\$ 3,712,000	\$ -	\$ 7,440,000	\$ 11,152,000
WASTEWATER				
Wastewater Main Rehab - 11th St	\$ -	\$ 150,000	\$ -	\$ 150,000
SNRC - Construction	-	-	35,987,000	35,987,000
SNRC - Holding Basin, Landscaping, and Compliance Management	-	67,000	-	67,000
WASTEWATER SUBTOTAL	\$ -	\$ 217,000	\$ 35,987,000	\$ 36,204,000
TOTAL	\$ 3,712,000	\$ 217,000	\$ 43,427,000	\$ 47,356,000



Capital Improvement Projects



- PLANT 134 PROCESS IMPROVEMENTS
- TANK/RESERVOIR REHABILITATION PLANT 108 AND SEISMIC STUDY
- PLANT 101 HYDRO TANK REHABILITATION
- FACILITY RELOCATIONS
- FACILITY REHABILITATIONS
- WELL & BOOSTER IMPROVEMENTS/REHABILITATIONS
- WASTEWATER MAIN 11TH STREET REHABILITATION
- STERLING NATURAL RESOURCE CENTER
- EAST END SURFACE WATER TREATMENT PLANT

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.



Plant 134

Process Improvements (THMs and Sludge Management)



Start Date: July 2019 // Estimated Completion: June 2022

Project Description

Plant 134 is currently the District’s only Surface Water Treatment Plant and is the primary source for delivering water to three of the District’s higher elevation pressure zones. The organic content of source water treated at Plant 134 (i.e., water from the Santa Ana River and State Water Project) varies due to seasonal and other effects. When the organic content in the water is high, it interacts with chlorine added during treatment processes, and the by-product Trihalomethane (THM) can reach unacceptable levels leading to water quality concerns. The District has determined that filtration utilizing GAC will remove organics and mitigate the possibility of high THM levels, accordingly, the District has entered into a design-build contract for the installation of GAC at Plant 134 and the estimated cost of the GAC system is \$3.7 million.

During the same period, the District will explore methods for disposal of higher levels of sludge removed from surface water, which has increased due to the conversion to membrane filtration and the expansion of Plant 134 capacity from 4 to 8 million gallons per day. The estimated cost to increase sludge management capacity is \$800,000.

Operating Budget Impact

Additional Staff Salaries

N/A

Debt Service

This District has applied for a 0% loan from the State Water Resources Control Board State Revolving Fund to finance the GAC filtration system. Annual debt service on the estimated project cost of \$3.7 million would be \$124,000.

Maintenance

The installation of GAC filters would increase maintenance costs by approximately \$50,000 annually for replacement of filter media.

Utilities

An additional treatment process will increase power costs by approximately \$30,000 annually.

PROJECT TYPE	Water
LOCATION	Treatment Plant 134 Highland
PROJECT MANAGER	Operations
TOTAL PROJECT COST	\$4,500,000
PRIOR YEARS BUDGET	\$300,000
CAPITAL REQUESTS	New Project

PLANT 134 PROCESS IMPROVEMENTS (THMS AND SLUDGE MANAGEMENT)



Project Cost

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
ESTIMATED COST ITEMIZATION						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	2,000,000	1,500,000	-	-	-	3,500,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
ANNUAL TOTAL	\$2,000,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 3,500,000

Project Funding

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
FINANCING SOURCES						
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	2,000,000	1,500,000	-	-	-	3,500,000
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
ANNUAL TOTAL	\$2,000,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 3,500,000

Benefits to the Community



Maintain the quality and safety of water provided to the community.



Allows EVWD to continue to meet local, State, and Federal water quality requirements.



Enhance the surface water treatment process.

Tank/Reservoir Rehabilitation

Plant 108 and Seismic Study



Start Date: November 2021 // Estimated Completion: March 2022

Project Description

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 distributions of water to sections of the affected service area.

In December 2020, the District awarded a contract to Crosno Construction for the rehabilitation of the tank at Plant 108, a 2 MG reservoir serving the District's Foothill zone. It was originally anticipated that the rehabilitation of the tank would occur during the winter of 2021, but the extent of structural work inside the tank caused the District to postpone the project until FY 2021-22 so the tank could be taken offline during the low-demand period of November through April. Cost for rehabilitation work on Plant 108 is estimated at \$825,000.

In addition, the District has received a grant from the California Governor's Office of Emergency Services (Cal OES) to conduct an engineering study on District reservoirs, the purpose of which is to present recommendations for reservoir upgrades that will mitigate damage in the event of an earthquake. The cost of the study is \$165,000, of which \$140,000 will be grant funded.

Operating Budget Impact

Additional Staff Salaries

N/A

Debt Service

N/A

Maintenance

N/A

Utilities

N/A

PROJECT TYPE

Water Replacement / Rehabilitation Project

LOCATION

Highland

PROJECT MANAGER

Engineering

TOTAL PROJECT COST

\$990,000

PRIOR YEARS BUDGET

N/A

CAPITAL REQUESTS

New Project

TANK/RESERVOIR REHABILITATION PLANT 108 AND SEISMIC STUDY



Project Cost

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
ESTIMATED COST ITEMIZATION						
Planning and Design	\$ 165,000	\$ 50,000	\$ 60,000	\$ 15,000	\$ -	\$ 290,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	815,000	590,000	830,000	630,000	-	2,865,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	10,000	10,000	10,000	5,000	-	35,000
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
ANNUAL TOTAL	\$ 990,000	\$ 650,000	\$ 900,000	\$ 650,000	\$ -	\$ 3,190,000

Project Funding

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
FINANCING SOURCES						
Operating Revenue	\$ 850,000	\$ 650,000	\$ 900,000	\$ 650,000	\$ -	\$ 3,050,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	140,000	-	-	-	-	140,000
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
ANNUAL TOTAL	\$ 990,000	\$ 650,000	\$ 900,000	\$ 650,000	\$ -	\$ 3,190,000

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



Start Date: July 2021 // Estimated Completion: June 2023

Project Description

The Hydropneumatic tank (hydro) at Plant 101 boosts water to 35 homes that are situated at elevations above the plant site, and therefore cannot be gravity fed by the plant's 1.4 million gallon reservoir; the Hydro tank is the only means of serving these customers. An inspection of Plant 101 revealed that the Hydro Tank and booster pumps need to be replaced, and that an onsite generator should be installed to provide backup power in the event of an emergency.

The District recently secured a \$300,000 grant for the purchase of the generator. The grant has a limited period of availability, so installation of the on-site generator has become the priority for FY 2021-22. The replacement of the tank will occur in the following year.

Operating Budget Impact

Additional Staff Salaries

N/A

Debt Service

N/A

Maintenance

N/A

Utilities

N/A

PROJECT TYPE

Water

LOCATION

Highland

PROJECT MANAGER

Engineering

TOTAL PROJECT COST

\$1,180,000

PRIOR YEARS BUDGET

N/A

CAPITAL REQUESTS

New Project

PLANT 101 HYDRO TANK REHABILITATION



Project Cost

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
ESTIMATED COST ITEMIZATION						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	300,000	880,000	-	-	-	1,180,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
ANNUAL TOTAL	\$ 300,000	\$ 880,000	\$ -	\$ -	\$ -	\$ 1,180,000

Project Funding

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
FINANCING SOURCES						
Operating Revenue	\$ -	\$ 880,000	\$ -	\$ -	\$ -	\$ 880,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	300,000	-	-	-	-	300,000
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
ANNUAL TOTAL	\$ 300,000	\$ 880,000	\$ -	\$ -	\$ -	\$ 1,180,000

Benefits to the Community



Enhance plant operations to maintain service reliability.



Installation of a backup generator will help maintain service during an emergency.



Allows EVWD to continue to meet local, State, and Federal system requirements.

Facility Relocations



Start Date: July 2021 // Estimated Completion: June 2022

Project Description

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 obliged to relocate its facilities. This project budget serves to fund relocation costs as they arise.

Operating Budget Impact

Additional Staff Salaries

N/A

Debt Service

N/A

Maintenance

N/A

Utilities

N/A

PROJECT TYPE

Replacement Water Distribution System

LOCATION

District-wide

PROJECT MANAGER

Engineering

TOTAL PROJECT COST

\$100,000 for FY 2021-22
Budgeted Annually

PRIOR YEARS BUDGET

N/A

CAPITAL REQUESTS

Annual Budget Request

FACILITY RELOCATIONS



Project Cost

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
ESTIMATED COST ITEMIZATION						
Planning and Design	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	85,000	85,000	85,000	85,000	85,000	425,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	5,000	5,000	5,000	5,000	5,000	25,000
Other (Legal)	-	-	-	-	-	-
ANNUAL TOTAL	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000

Project Funding

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
FINANCING SOURCES						
Operating Revenue	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
ANNUAL TOTAL	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000

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



Start Date: July 2021 // Estimated Completion: June 2022

Project Description

This project involves scheduled capital improvements to District facilities that can be performed within a single fiscal year. Improvements planned for FY 2021-22 include upgrades to wrought iron security fencing at the District's Plant 39.

Operating Budget Impact

Additional Staff Salaries

N/A

Debt Service

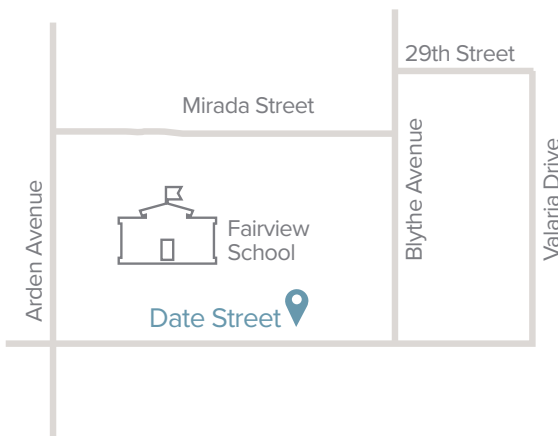
N/A

Maintenance

N/A

Utilities

N/A



PROJECT TYPE

Water

LOCATION

Date Street, East of Arden Avenue
San Bernardino

PROJECT MANAGER

Operations

TOTAL PROJECT COST

\$212,000 for FY 2021-22
Budgeted Annually

PRIOR YEARS BUDGET

\$245,000 for FY 2020-21. Completed security fencing and repairs to access road at Plant 34.

CAPITAL REQUESTS

Annual Budget Request

FACILITY REHABILITATIONS



Project Cost

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
ESTIMATED COST ITEMIZATION						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	212,000	75,000	75,000	75,000	75,000	512,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
ANNUAL TOTAL	\$ 212,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 512,000

Project Funding

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
FINANCING SOURCES						
Operating Revenue	\$ 212,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 512,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
ANNUAL TOTAL	\$ 212,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 512,000

Benefits to the Community



Enhance the security of water facilitates.



Prevent unauthorized access.



Extend the useful life of water facilities.

Well & Booster

Improvements/Rehabilitations



Start Date: July 2021 // Estimated Completion: June 2022

Project Description

The District has approximately 65 booster pumps, and 16 wells in the water distribution system. In order to ensure that these facilities operate properly and provide reliable service, this budget item will provide funding to rehabilitate existing booster pumps and wells prior to failure or major reductions in performance. This pro-active approach will reduce the cost of repairs done in an emergency or reactive mode.

Operating Budget Impact

Additional Staff Salaries

N/A

Debt Service

N/A

Maintenance

Maintenance costs will be reduced by allowing work to be scheduled in proactive mode rather than emergency reactive modes, which can incur overtime charges in addition to the cost of the repairs.

Utilities

Improving pump and well performance through scheduled repairs and rehabilitation will result in improved efficiency and lower energy costs.

PROJECT TYPE

Water

LOCATION

TBD

PROJECT MANAGER

Operations

TOTAL PROJECT COST

\$50,000 for FY 2021-22
Budgeted Annually

PRIOR YEARS BUDGET

\$50,000 for FY 2020-21

CAPITAL REQUESTS

Annual Budget Request

WELL & BOOSTER IMPROVEMENTS/ REHABILITATIONS



Project Cost

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
ESTIMATED COST ITEMIZATION						
Planning and Design	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	40,000	40,000	40,000	40,000	40,000	200,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	5,000	5,000	5,000	5,000	5,000	25,000
Other (Legal)	-	-	-	-	-	-
ANNUAL TOTAL	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000

Project Funding

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
FINANCING SOURCES						
Operating Revenue	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
ANNUAL TOTAL	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000

Benefits to the Community



Enhance service reliability to the community.



Extend the useful life of the water distribution system.



Allows EVWD to continue to meet the community's water needs.

Wastewater Main

11th Street Rehabilitation



Start Date: July 2021 // Estimated Completion: June 2022

Project Description

The District's CCTV inspections set out to regularly inspect the condition of wastewater pipelines in an effort to proactively replace weakened sections. Recent observations have identified a segment of 6-inch diameter sewer main with cracks in the vitrified clay pipe. This 390 linear foot segment must be replaced and is located on 11th Street.

Operating Budget Impact

Additional Staff Salaries

N/A

Debt Service

N/A

Maintenance

N/A

Utilities

N/A



PROJECT TYPE

Replacement - Wastewater

LOCATION

11th Street (East of Cole Avenue, West of Palm Avenue), Highland

PROJECT MANAGER

Engineering

TOTAL PROJECT COST

\$150,000

PRIOR YEARS BUDGET

None

CAPITAL REQUESTS

New Project

WASTEWATER MAIN 11TH STREET REHABILITATION



Project Cost

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
ESTIMATED COST ITEMIZATION						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	140,000	350,000	350,000	350,000	350,000	1,540,000
Project Mgmt/Inspection	7,500	-	-	-	-	7,500
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	2,500	-	-	-	-	2,500
Other (Legal)	-	-	-	-	-	-
ANNUAL TOTAL	\$ 150,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$1,550,000

Project Funding

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
FINANCING SOURCES						
Operating Revenue	\$ 150,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,550,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
ANNUAL TOTAL	\$ 150,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,550,000

Benefits to the Community



Enhance wastewater service reliability to the community.



Replaces sewer main to prevent a future break.



Protects community health and safety of the community.

Start Date: January 2014 // Estimated Completion: May 2022

Project Description

The District is building a wastewater reclamation facility known as the SNRC. The plant will have the capability to treat all wastewater flows currently generated by District customers. The facility will allow the District to treat wastewater to a point that it can be recharged back into the groundwater basin and reused for domestic purposes. Initially the facility will treat approximately 6 million gallons per day and will be expandable to be able to treat ultimate build out of approximately 10 million gallons per day. Plant construction is being funded by grants and low interest State Revolving Fund (SRF) loans from the State Water Resources Control Board.

Through June 2021, the District has issued contracts totaling \$182.9 million and incurred approximately \$142.2 million of those contract costs. During FY 2020-21 the District identified a more effective location for discharge of recycled water. This shift resulted in additional costs for construction of the recycled water pipeline and for the construction of an emergency storage basin in case of an SNRC shut down. Costs for the recycled water pipeline and recharge basins will be included within the reimbursement agreement with Valley District. The emergency storage basin, with an approximate cost of \$6 million, will be paid with additional SRF loan funding.

Operating Budget Impact

Additional Staff Salaries

\$1,800,000

Debt Service

\$6,820,000 annually on 1.8% interest, State Revolving Fund loan

Maintenance

\$3,220,000 (estimated) for contract services and supplies. Contracted wastewater treatment currently paid to a third-party agency of \$8,600,000 annually, would be eliminated

Utilities

Anaerobic digesters at the plant will convert wastewater solids, along with high grade food waste offloaded by waste haulers, to produce enough energy to power SNRC operation.

PROJECT TYPE

New Wastewater Recycling Plant

LOCATION

25318 and 25376 5th Street, Highland

PROJECT MANAGER

Engineering

TOTAL PROJECT COST

\$182,917,000

PRIOR YEARS BUDGET

\$148,425,000

CAPITAL REQUESTS

Previously Programmed Project

STERLING NATURAL RESOURCE CENTER



Project Cost

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
ESTIMATED COST ITEMIZATION						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	9,000,000	-	-	-	-	9,000,000
Construction (Contract)	34,494,000	-	-	-	-	34,494,000
Project Mgmt/Inspection	60,000	-	-	-	-	60,000
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
ANNUAL TOTAL	\$43,554,000	\$ -	\$ -	\$ -	\$ -	\$43,554,000

Project Funding

	Year 1 FY 2021-22	Year 2 FY 2022-23	Year 3 FY 2023-24	Year 4 FY 2024-25	Year 5 FY 2025-26	5-Year Project Total
FINANCING SOURCES						
Operating Revenue	\$ 2,567,000	\$ -	\$ -	\$ -	\$ -	\$ 2,567,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	40,987,000	-	-	-	-	40,987,000
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
ANNUAL TOTAL	\$43,554,000	\$ -	\$ -	\$ -	\$ -	\$43,554,000

Benefits to the Community



Water treated at the SNRC will recharge the local Bunker Hill Groundwater Basin.



Picnic area, demonstration garden, walking paths, workshop space, and special events area.



Hands-on training and career experiences in wastewater treatment available to students and residents.

East End Surface Water Treatment Plant



Funding for the East End Surface Water Treatment Plant is currently not allocated within the FY 2021-22 Capital Expenditures. Should funding be made available through external grants or funding sources, the project timeline will shift and allow East Valley Water District to advance the construction schedule.

Project Description

The District’s current Surface Water Treatment Plant (Plant 134) is located on the northern area, and at about mid-point east to west, within the District’s service area. Source water for Plant 134 is a pressurized water line for the State Water Project and gravity-fed intake from the Santa Ana River on the east end of the District.

Rights to Santa Ana River water were obtained through the purchase of shares in the NFWC. The NFWC was established in 1885 to provide water for citrus farmers, whose groves once covered the entire eastern half of the District.

Two circumstances now make continued operations of the NFWC pipeline less than optimal. First, almost all of the citrus groves have been replaced by homes, and treated water is now pumped uphill to serve those homes from Plant 134. Second, the District State Water Project turnout at Plant 134 is capable of supplying enough water for the Plant to run at full capacity. For these reasons the District is exploring alternative methods for supplying customers in the eastern end of the District. A new Surface Water Treatment Plant at the east end of the service area, near the intake for Santa Ana River water, was determined to be a viable option by an independent feasibility study.

The purpose of this project is to complete a preliminary design report for an East End Surface Water Treatment Plant, and develop construction estimates for the facility. The District will pursue low-cost financing for the plant through Clean Water State Revolving Fund grants and loans.

Operating Budget Impact

Additional Staff Salaries

N/A

Debt Service

This District will apply for a low interest loan from the State Water Resources Control Board State Revolving Fund. Annual debt service on the estimated project cost of \$18.2 million would be approximately \$840,000.

PROJECT TYPE	Water
LOCATION	Santa Ana River Intake
PROJECT MANAGER	Engineering
TOTAL PROJECT COST	\$18,200,000
PRIOR YEARS BUDGET	\$25,000
CAPITAL REQUESTS	N/A

EAST END SURFACE WATER TREATMENT PLANT



Maintenance

The annual operating costs, including funding of replacement reserves such as treatment membranes, would be approximately \$1 million.

Utilities

An additional treatment process will increase power costs by approximately \$30,000 annually.

Benefits to the Community



Maintain the quality and safety of water provided to the community.



Allows EVWD to continue to meet local, State, and Federal water quality requirements.



Enhance the surface water treatment process.



Infrastructure Accomplishments





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 East Valley Water District.

Several Capital Improvement Projects were completed under budget in FY 2020-21 that focused on system improvements for both water and wastewater systems.

FY 2020-21 Accomplishments

Elm Street Water Main Replacement

- Project Budget: \$450,000
- Actual Cost: \$418,049
- Completed: April 2021

AMI Meter Replacement Final Phase

- Project Budget: \$1,850,000
- Actual Cost: \$1,921,604
- Completed: May 2021

Plant 134, HQ Boardroom, and CS Remodel

- Project Budget: \$550,000
- Actual Cost: \$547,517
- Completed: June 2021

Lillian Lane Wastewater Main Rehabilitation

- Project Budget: \$258,056
- Actual Cost: \$289,876
- Completed: June 2021



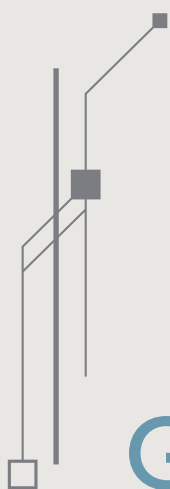
The District completed the process of upgrading customers' existing water meter to an AMI device, with more than 20,000 new meters installed during this six-year project.





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GLOSSARY




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DEFINITIONS

ACRONYMS

CHART OF ACCOUNTS

The budget is formally reviewed each quarter, allowing for an opportunity to take formal budget adjustments to the Governing Board for consideration.

Definitions

Technical terms found in the budget document.

A

- **Acre Foot:** A water measurement equal to 325,851 gallons. - pg. 73
- **Advanced Metering Infrastructure:** The technology of collecting meter reads via a network. - pg. 12
- **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. 239
- **American Water Works Association:** Established in 1881 and is the largest nonprofit, scientific, and educational association dedicated to managing and treating water. - pg. 35
- **Closed Circuit TV:** The use of video cameras to transmit a signal to a limited set of monitors. - pg. 221
- **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. 56

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. 56
- **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. 12
- **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. 56
- **Cityworks:** This platform is designed to help local governments and utilities manage public assets and their associated data, work activities, and business processes. - pg. 171

- **Comprehensive Annual Financial 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. 166
- **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. 100

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. 50

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. 56

F

- **Federal Emergency Management Agency:** A Federal agency whose mission is to support citizens and first responders in their efforts to improve capabilities to prepare for, respond to, and recover from emergencies and hazards. - pg. 154
- **Fees:** Charges for service that are based upon the cost of providing the service. - pg. 47
- **Fiscal Year:** The time frame in which the budget applies. This period is from July 1 through June 30. - pg. 3
- **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. 71
- **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. 6
- **Fund Equity:** The excess of an entity's assets over its liabilities; a negative Fund Equity is sometimes called a deficit. - pg. 84

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. 56

- **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. 165
- **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. 56
- **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. 56
- **Government Finance Officers Association:** Represents public finance officials throughout the United States and Canada. - pg. 12
- **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. 190
- **Groundwater:** Water that occurs below the surface of Earth. - pg. 20

H

- **Hundred Cubic Feet:** Water billing measurement equal to 748 gallons. - pg. 62

I

- **Interest Payments:** Related to financing for the cost of a capital asset during construction are capitalized on the Generally Accepted Accounting Principle basis but are reported as a current expense on a budget basis. - pg. 56

K

- **Key Performance Indicator:** Monitors progress towards meeting program objectives. - pg. 9

L

- **Linear Feet:** A 12-inch measurement of length. - pg. 216
- **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. 80

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. 11

P

- **Payment Card Industry:** Data security requirements for any organization that accepts credit card payments. - pg. 177
- **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. 56
- **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. 56
- **Purchased Water:** Imported water purchased from the California State Water Project. - pg. 73

R

- **Revenue:** Income generated by assessments, investments, connection fees, stand-by fees, and user charges. - pg. 3
- **Reserve:** An account set aside to meet unexpected costs. - pg. 6

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. 20
- **Section Sign (§):** Typographical glyph for referencing numbered sections of a document. - pg. 48
- **Single-Family Residential:** A stand-alone residential building. - pg. 62
- **Sterling Natural Resource Center:** The District is planning and constructing a water recycling center called the Sterling Natural Resource Center. - pg. 3
- **Supervisory Control and Data Acquisition:** Generally refers to an industrial computer system that monitors and controls a process. - pg. 30
- **Surface Water:** Found in large bodies like the oceans or lakes or which flows overland in streams. - pg. 11

T

- **Total Trihalomethanes:** A disinfectant by product when chlorine used to treat water reacts with organic materials in the water. - pg. 10
- **Tyler Accounting System:** The District's enterprise resource planning software that integrates across all business processes and activities. - pg. 165

V

- **VMware:** A software company that provides cloud computing and virtualization software and services. - pg. 172

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. 10
- **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. 10



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Acronyms





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

- **ACWA:** Association of California Water Agencies - pg. 153
- **AF:** Acre Foot - pg. 73
- **AMI:** Advanced Metering Infrastructure - pg. 9
- **AQMD or SCAQMD:** Air Quality Management District or South Coast Air Quality Management District - pg. 239
- **AWWA:** American Water Works Association - pg. 35

B

- **BAR:** Bureau of Automotive Repair - pg. 239
- **BOD:** Biochemical Oxygen Demand - pg. 229

C

- **CAFR:** Comprehensive Annual Financial Report - pg. 166
- **CalFire:** California Department of Forestry and Fire and Protection - pg. 23
- **CalPERS:** California Public Employees' Retirement System - pg. 56
- **Cal OES:** California Governor's Office of Emergency Services - pg. 255
- **CAPIO:** California Public Information Officials - pg. 153
- **CARB:** California Air Resources Board - pg. 239
- **CCR:** Consumer Confidence Report - pg. 210
- **CCTV:** Closed-Circuit Television - pg. 239
- **CEO:** Chief Executive Officer - pg. 5
- **CFD:** Community Facilities District - pg. 12
- **CGC:** California Government Code - pg. 47
- **CIP:** Capital Improvement Program - pg. 10
- **CISCO:** Computer Information System Company - pg. 171

- **CMUA:** California Municipal Utilities Association - pg. 153
- **COLA:** Cost of Living Adjustment - pg. 71
- **CSDA:** California Special Districts Association - pg. 12
- **CSMFO:** California Society of Municipal Officers - pg. 12
- **CWEA:** California Water Environment Association - pg. 223

D

- **DWR:** Department of Water Resources - pg. 82

E

- **EOC:** Emergency Operations Center - pg. 172
- **EPA:** Environmental Protection Agency - pg. 154
- **EVWD:** East Valley Water District - pg. 3

F

- **FEMA:** Federal Emergency Management Agency - pg. 154
- **FY:** Fiscal Year - pg. 3
- **FOG:** Fats, Oils, and Grease - pg. 209

G

- **GAC:** Granular Activated Carbon - pg. 190
- **GASB:** Governmental Accounting Standards Board - pg. 56
- **GAAP:** Generally Accepted Accounting Principles - pg. 56
- **GC:** San Bernardino Basin Area Groundwater Council - pg. 73
- **GIS:** Geographic Information System - pg. 165
- **GFOA:** The Government Finance Officers Association - pg. 12
- **GMP:** Guranteed Maximum Price - pg. 154

H

- **HCF:** Hundred Cubic Feet - pg. 62
- **HQ:** Headquarters - pg. 171
- **HVAC:** Heating, Ventilation, and Air Conditioning - pg. 233

I

- **ICS:** Incident Command System - pg. 153
- **IPAWS:** Integrated Public Alert and Warning System - pg. 153

K

- **KPI:** Key Performance Indicator - pg. 9

L

- **LAIF:** Local Agency Investment Fund - pg. 80

M

- **MG:** Million Gallon - pg. 30
- **MGD:** Million Gallons Per Day - pg. 30
- **MOU:** Memorandum of Understanding - pg. 71

N

- **NFWC:** North Fork Water Company - pg. 11
- **NPDES:** National Pollutant Discharge Elimination System - pg. 229

P

- **PAFR:** Popular Annual Financial Report - pg. 166
- **PCI:** Payment Card Industry - pg. 177
- **PFAS:** Polyfluoroalkyl Substances - pg. 210
- **PFOA:** Perfluorooctanoic Acid or Perfluorooctanoate - pg. 210
- **PRSA:** Public Relations Society of America - pg. 153
- **PRV:** Pressure Regulating Valve - pg. 30

R

- **RUSD:** Redlands Unified School District - pg. 22

S

- **SAR:** Santa Ana River - pg. 20
- **SBCUSD:** San Bernardino City Unified School District - pg. 22
- **SCADA:** Supervisory Control and Data Acquisition - pg. 30
- **SCE:** Southern California Edison - pg. 75
- **SFR:** Single-Family Residential - pg. 62
- **SNRC:** Sterling Natural Resource Center - pg. 3
- **SWP:** State Water Project - pg. 80
- **SWRCB:** State Water Resources Control Board - pg. 79

T

- **TSS:** Total Suspended Solids - pg. 229
- **TTHM/THM:** Total Trihalomethanes - pg. 10
- **Tyler Accounting System:** - pg. 165



Chart of Accounts





The District actively enhances communication methods to reach a variety of stakeholders.

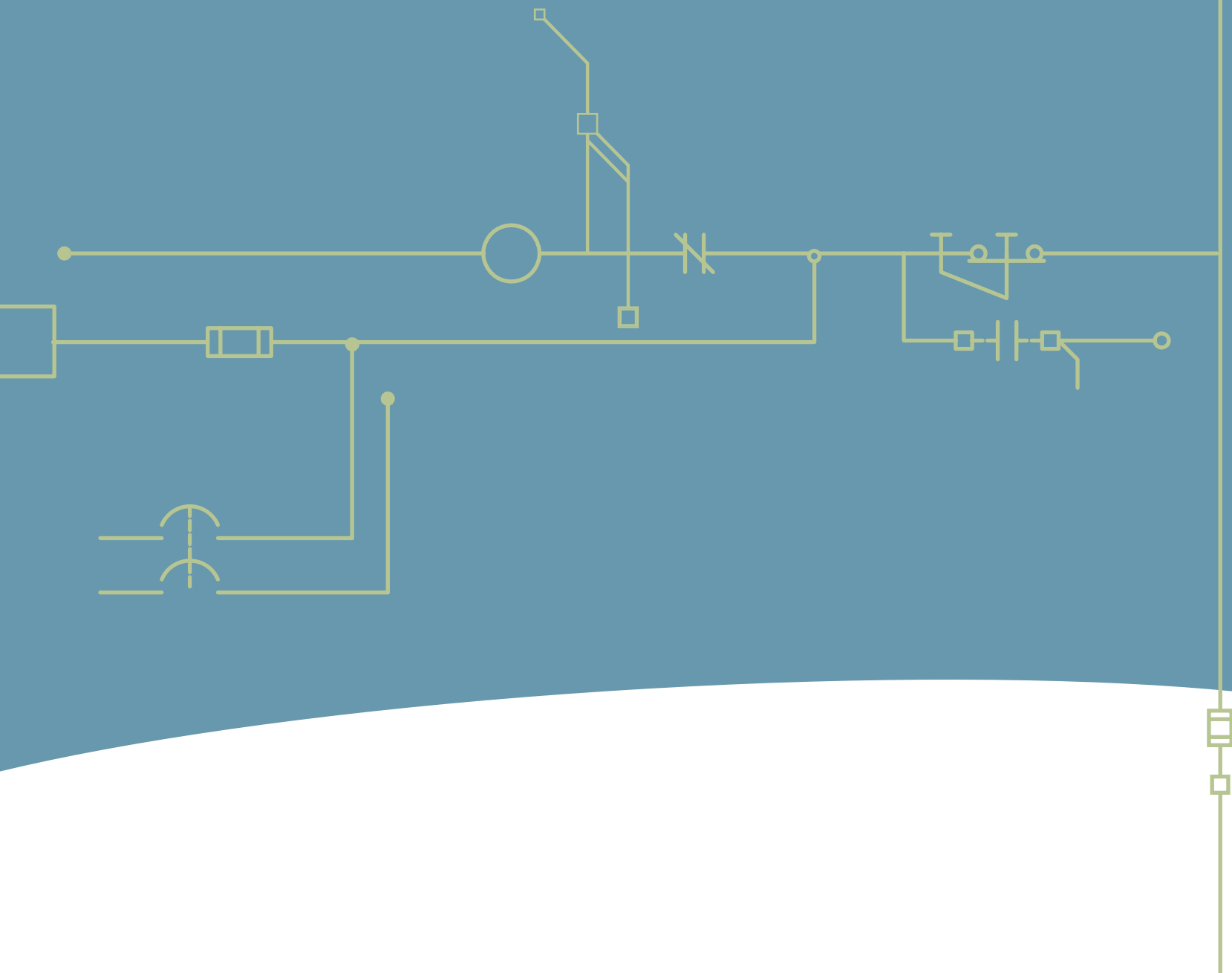
Chart of Accounts

A complete listing of every account used in the accounting system.

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 Assessment:** 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

- **6403 - Electricity:** Electricity usage costs
- **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



DISTRICT HEADQUARTERS

31111 Greenspot Road
Highland, California 92346

Budget Adopted June 23, 2021



District Board Meetings

Second and Fourth Wednesday of Each Month at 5:30pm

District Headquarters Board Room
31111 Greenspot Road
Highland, CA 92346

Virtual Board Meetings (Temporary COVID Measure)

Second and Fourth Wednesday

To attend online or telephonically visit www.eastvalley.org/AgendaCenter
for details and login information.

