

LEADERSHIP | PARTNERSHIP | STEWARDSHIP



[2022-23]

# *Fiscal Year Budget*

HIGHLAND, CALIFORNIA



[THE ANNUAL BUDGET]

**STRIVING TO BE A  
WORLD-CLASS ORGANIZATION**  
BY DELIVERING CONSISTENCY AND  
QUALITY IN EVERYTHING WE DO.

*John M. ...*

# How to Read the Budget

East Valley Water District's Fiscal Year 2022-23 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** – An overview of East Valley Water District, the financial plan and operating guide.
3. **Financial Summary** – Methodology and principles to provide guidelines for the formulation and consideration of the comprehensive annual budget.
4. **Water, Wastewater and Water Reclamation Funds** – Financial projections, assumptions and considerations for revenue, expenses, and operations.
5. **Consolidated Financial Summary** – A snapshot of the District's revenues and expenses.
6. **Program Summaries** – Descriptions 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, acronyms and chart of accounts 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 budget details.

**Department Name**

**Function**

**Goals & Objectives**

**Accomplishments**

**Program Budget Allocation**

**Program Budget Detail**

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2022-23	Amount	%
	Actual	Actual	Proposed	2022-23	Change	Change
<b>PERSONNEL EXPENSES</b>						
5001 Regular Labor	\$ 83,225	\$ 105,000	\$ 93,940	\$ 135,000	\$ 30,000	29%
5000 Benefits	74,160	88,000	72,912	88,000	-	0%
<b>OPERATING EXPENSES</b>						
6301 Materials & Supplies	196	2,000	1,844	2,000	-	0%
6304 Contract Services	47,297	88,000	5,377	220,000	206,000	100%
6307 Uniforms	(75)	1,000	1,243	4,000	-	0%
6502 Professional Development	2,427	30,000	4,880	23,000	8,000	1%
<b>GOVERNING BOARD TOTAL</b>	<b>\$ 206,579</b>	<b>\$ 244,000</b>	<b>\$ 227,296</b>	<b>\$ 474,000</b>	<b>\$ 230,000</b>	<b>94%</b>

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*Transmittal Letter*



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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.

[TRANSMITTAL LETTER CONTENTS]

- FY 2022-23 ACCOMPLISHMENTS
- DISTRICT MANAGEMENT
- RESOLUTION 2022.11



*Honorable Chairman,*

Governing Board, District Ratepayers, and Community Members,

East Valley Water District (District, EVWD) is proud to present the Fiscal Year (FY) 2022-23 Operating and Capital Budgets (Budget) serving as a foundational guide and tool for our employees, stakeholders, and community. This document has been designed to provide an insight an understanding into the District's strategies, operations, and goals.

The development of the Budget have been through a collaborative strategic planning process, which actively engaged the District's Governing 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 several years of development and construction, the Sterling Natural Resource Center (SNRC) will come online and begin treatment operations in FY 2022-23. With the additional service, the District has developed a comprehensive commissioning strategy and will work to implement the facility's staffing plan to ensure a safe and functioning facility.

*The District invites community members to engage in the discussions and decisions impacting 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 based on the Five-Year Workplan. District staff will then develop the plans and projects needed to meet the goals within the District financial forecasts. The effort allows for a strategic planning process through goal setting, while considering ongoing operational needs in the development of the program and capital expenses.

## STRATEGIC PLANNING EFFORTS

*With a vision to become a world-class organization, East Valley Water District has focused on providing safe and reliable drinking water while enhancing and preserving the quality of life for our community.*

The Governing Board, staff, and community have developed the District's Guiding Principles, including the 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 valuing results. Also established in the Guiding Principles are the Core Values and Goals & Objectives. These three pillars of the District's strategic planning process provide the framework for the Five-Year Workplan and subsequently the District-wide Goals, Budget, and Individual Performance Goals.

## Guiding Principals

- District Vision
- Core Values
- Goals & Objectives



## Bridge Measures

- Five-Year Workplan



## Performance Measures

- District-wide Goals
- FY 2022-23 Operating and Capital Budgets
- Individual Performance Goals



With the strategic foundation in place, staff uses the framework to develop the FY 2022-23 Budget outlining the financial steps needed to achieve the goals and maintain the world-class operations. Given the high standards of the District, it is important to showcase the strategic value of key projects outlined in the Five-Year Work Plan, including the required planning steps, environmental awareness, and clear prioritization to allow staff to accomplish the set goals. As a performance and operations-based organization, the FY 2022-23 Budget also account for on-going daily operations while maintaining the world-class standards set by the community.

## PROGRAMMATIC GOALS AND OBJECTIVES

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

## REVENUE AND PROJECTIONS

Anticipated rate and non-rate revenues are projected to estimate 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, inflation, 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 actual revenue trends at quarterly intervals throughout the year and ultimately reported in the Comprehensive Annual Financial Report.

## EXPENDITURE PROJECTIONS

Expenditure projections are cost estimates developed to achieve Program Goals and objectives along with daily operational needs. This information is presented from multiple levels, 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 2022-23 is balanced and reflects East Valley Water District's commitment to maximizing resources to meet or exceed the expectations of District stakeholders. Operating expenses incurred by the District's programs are allocated to the Water, Wastewater and Water Reclamation Funds based on the assumed benefit of services to each fund. The Water, Wastewater, and Water Reclamation Funds are self-supporting based on rates received for services provided. Total projected revenues for FY 2022-23 are \$46,050,000.

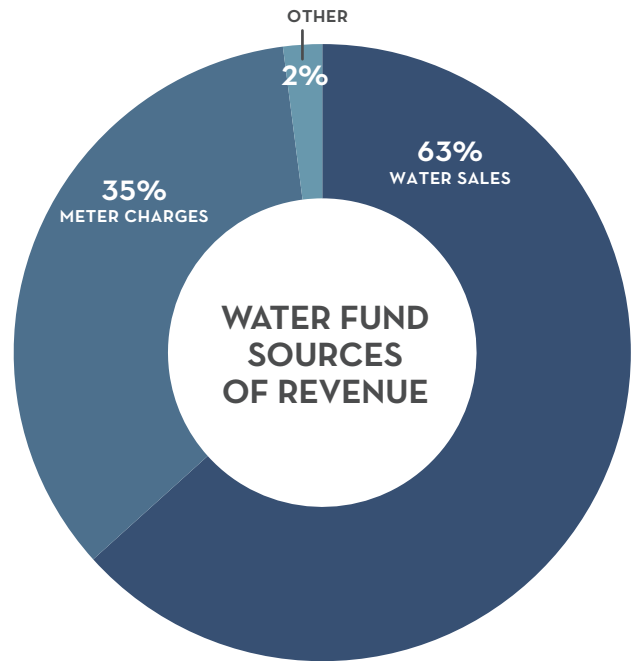
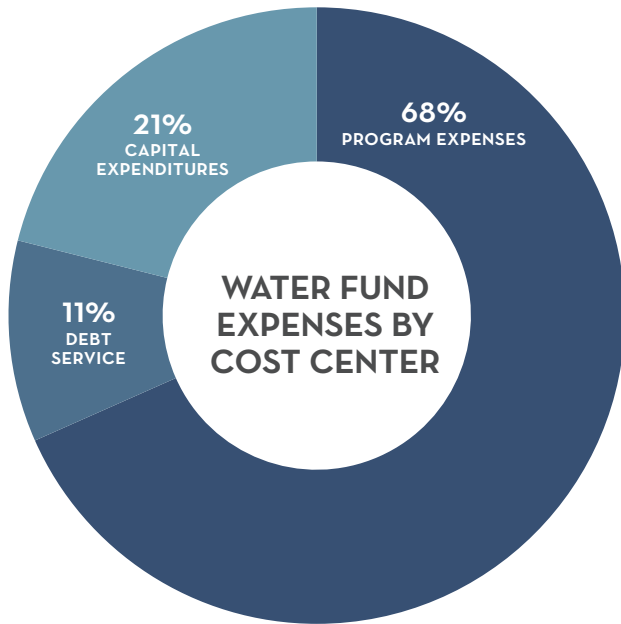
	FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	% Change
<b>REVENUE</b>					
Operating Revenue	\$ 41,932,162	\$ 40,322,000	\$ 42,345,305	\$ 44,112,000	9%
Non-Operating Revenue	(6,367,358)	1,802,000	2,206,132	1,938,000	7%
<b>TOTAL REVENUE</b>	<b>\$ 35,564,804</b>	<b>\$ 42,124,000</b>	<b>\$ 44,551,437</b>	<b>\$ 46,050,000</b>	<b>9%</b>
<b>EXPENDITURES</b>					
Operating & Maintenance	\$ 29,354,354	\$ 31,833,000	\$ 30,001,369	\$ 33,261,000	4%
Debt Service	1,113,734	3,352,000	3,352,000	3,354,000	0%
Capital Expenditures	3,784,743	6,939,000	6,939,000	6,935,000	0%
Contracted Treatment Services	-	-	-	700,000	0%
Reserve Transfer To/(From)	1,038,595	-	4,259,068	1,800,000	100%
<b>TOTAL EXPENDITURES</b>	<b>\$ 35,291,426</b>	<b>\$ 42,124,000</b>	<b>\$ 44,551,437</b>	<b>\$ 46,050,000</b>	<b>9%</b>

## WATER FUND

The Water Fund has identified \$27,955,000 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 conservation regulations, water quality solutions, and preventative maintenance programs.

Revenue projections are developed with source assumptions being 63% water sales, 35% 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. East Valley Water District conducted a rate analysis in FY 2020-21 with the Governing Board adopting a water rate adjustment to take effect January 1, 2023.

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 68% program, 21% capital, and 11% debt service.

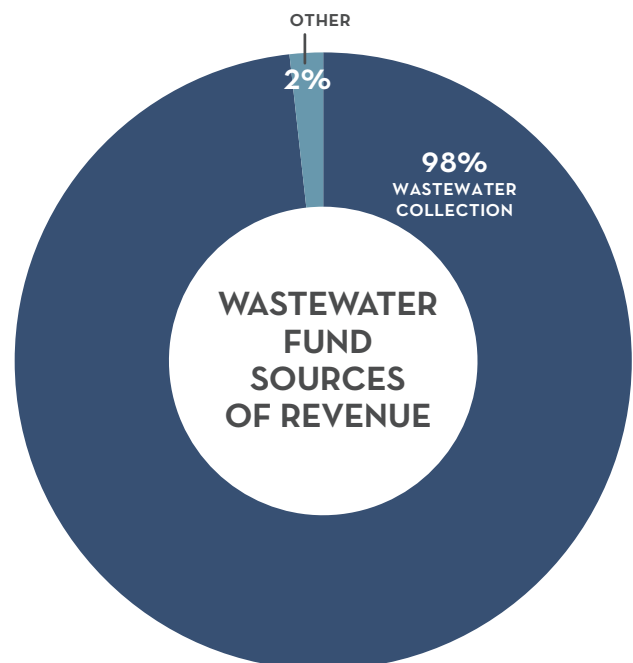
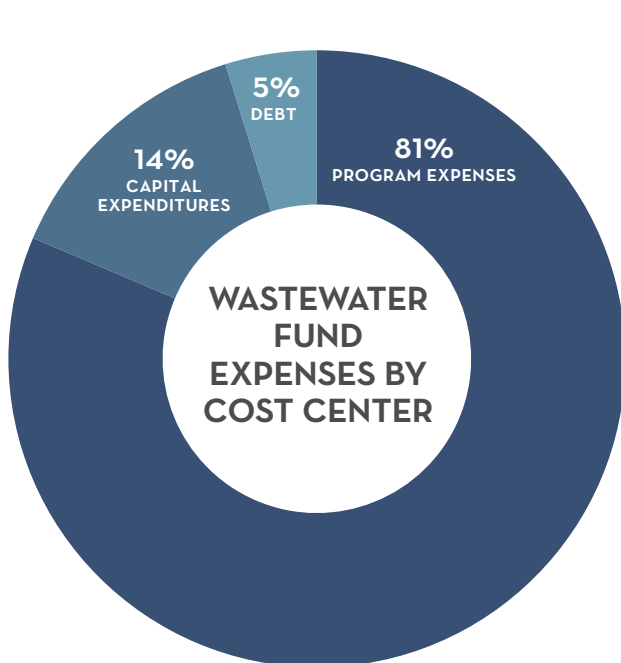


## WASTEWATER FUND

The Wastewater Fund has identified \$5,721,000 in both revenues and expenses. When developing the budget for this fund, key considerations included the repair of the collection system and equipment investments for system maintenance.

Wastewater Fund revenue projections have been developed based on historical revenues with source projections including 98% program, and 2% 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, with wastewater rate increases scheduled for January 1, 2023.

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 81% program, 14% capital expenditures, and 5% Debt Service.

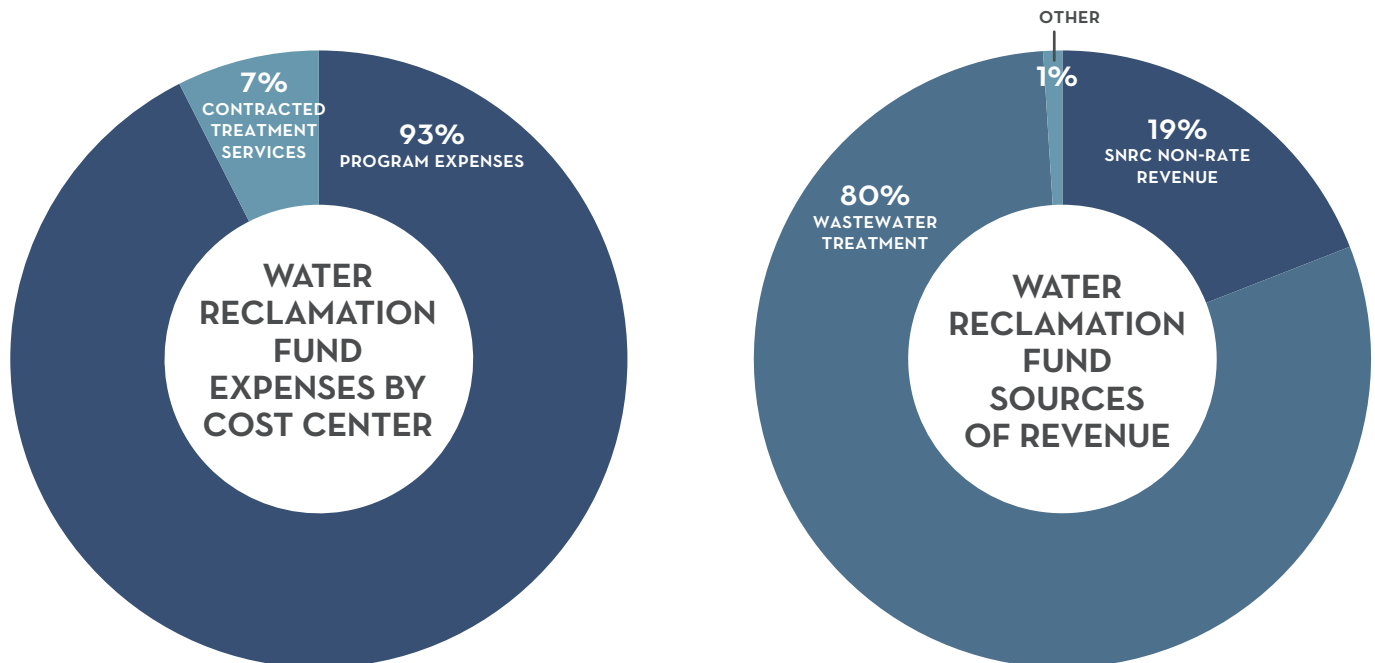


## WATER RECLAMATION FUND

The new Water Reclamation Fund has been established to pay for all activities related to the wastewater treatment and SNRC facility operations. The Water Reclamation Fund has identified \$12,374,000 in both revenues and expenses.

Water Reclamation Fund revenue projections have been developed based on a comprehensive study with projections including 80% wastewater treatment, 19% SNRC non-rate revenue, and 1% other. The District reviews rates on a three to five year cycle and adjusts accordingly to continue providing reliable services to the community.

Projected expenses have been developed through the budget process to support the commissioning and operations of the Sterling Natural Resource Center and remain within projected revenues. Expenditures for the Water Reclamation Fund 93% program expenses and 7% contracted treatment 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.

- **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 Advanced Metering Infrastructure (AMI) meters.
- **Engineering** implements infrastructure projects needed to provide safe and reliable services.

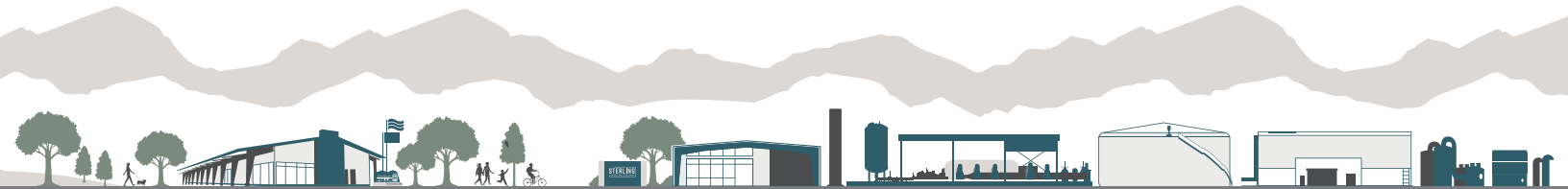
- **Water Production** is responsible for monitoring and operating the entire water system.
- **Water Treatment** is responsible for treating the three sources of supply.
- **Water Quality** complies with all required drinking water regulations.
- **Water Reclamation** responsible for treating and disinfecting 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 2022-23 Budget has identified 76 authorized full-time positions along with two part-time positions. 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.

## STERLING NATURAL RESOURCE CENTER

The Sterling Natural Resource Center (SNRC) has presented a new opportunity for East Valley Water District to begin treating wastewater for the community. As staff begins working towards commissioning the facility operations, the startup of operations will be a fundamental shift in the District's operational approach. Within the outlined budget, this shift will include the onboarding of new staff, start of operations and the implementation of the new Wastewater Reclamation program.



## 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 2022-23 budget, the world was facing global supply chain disruptions resulting from the coronavirus (COVID-19), a pandemic. The impacts have been seen and felt within every aspect of the economy and have impacted the timeline to which the District secures material to maintain operations. These disruptions will continue to manifest in multiple shortages and require the District to focus on securing materials early in project timelines.

The current economic inflation rate is also a consideration in the development of this document, both from an investment revenue perspective and when estimating operational costs such as construction, labor and materials. When calculating the Capital Budget, these factors were incorporated in project cost considerations; however, inflation continues to rise, setting historic records. With the Great Resignation making the labor markets more competitive, the price of fuel at record heights, and scarcity of goods increasing prices, expenses associated with these factors will have an impact on District's operations.

In 2022, the State of California is experiencing its third year of a drought with 59% of the State classified as being in an extreme drought. If the State continues to experience the dry conditions and subsequently mandate specific water savings actions, the requirements will have a significant impact to the daily operations of multiple Programs within the District.

Additional regulations regarding water conservation, climate change and Capital Project funding continue to be topics of discussion that could 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.

## 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 2022-23 total \$41,341,000 for water, wastewater and water reclamation projects, and include:

- Canal Zone Storage Reservoir (pending Highland Hills and Mediterra)
- Plant 134 – Process Improvements (TTHMs)
- Tank/Reservoir Rehabilitation
- Plant 101 – Rehabilitate Hydro System/Install Generator
- Water Main – Elmwood North of Lynwood Drive to Dogwood Street
- Water Main – Pleasant Hill Drive
- Facility Relocations
- Facility Rehabilitations
- Well & Booster Improvements / Rehabilitations
- SNRC

## DEBT

East Valley Water District utilizes debt funding to finance large capital projects. For FY 2022-23, 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 2022-23 on all outstanding debt is \$3,354,000.




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*Capital planning involves identifying current and future needs and prioritizing them through an assessment process.*

## FY 2021-22 ACCOMPLISHMENTS

East Valley Water District made significant progress on strategic projects and planning efforts throughout FY 2021-22. Even while navigating a complex operational environment, caused by the COVID-19 pandemic, the organization accomplished and completed a number of meaningful achievements for the District. Overall, East Valley Water District maintained a dedication to public service and continued to innovate throughout these unique times.

### Optimize Infrastructure



#### ***Capital Improvement Projects***

The District completed critical planning and design efforts for the addition of granular activated carbon (GAC) filtration system at Plant 134, a Seismic Study of the District's reservoirs and water main relocation to support the City of Highland's new Baseline Bridge over City Creek. In addition to the designing efforts, East Valley Water District completed a sewer pipeline replacement, reservoir tank mixer installation and several upgrades across the system.

#### ***Sterling Natural Resource Center***

In preparation of the SNRC becoming operational in 2022, the District adopted new wastewater treatment rates, implemented a service agreement with the City of Highland and the San Bernardino County Sheriff's Department, began building the Water Reclamation team. East Valley Water District worked in partnership with San Bernardino Valley Municipal Water District to construct the Weaver Basins for the regional recharge of the Bunker Hill Groundwater Basin.

### Financial Stability with Full Understanding of Operational Complexities



#### ***Impacts of COVID-19 on District Operations***

Throughout the COVID-19 pandemic, the District continued to provide valuable public services and maintain operations using amended workplace practices and schedules. This has included virtual internal and external meetings to facilitate on-going communication, while maintaining a safe work environment.

COVID-19 has severely impacted the supply chain, with the need to adapt processes and procedures to ensure there are enough materials on-hand to complete repairs, and continue regular maintenance, while having emergency supplies accessible for future emergencies. Not every shortage can be predicted, but staff took an active role in pre-ordering key supplies and materials to maintain safe operations.

### Protect Organizational Investments



#### ***Staffing Analyses***

As a performance-based organization, the District takes an active role maintaining staffing levels to performance-based objectives. Over this past year, staff developed job descriptions for the newly created SNRC positions and outlined specific duties required for these key positions. Additionally, a Succession Planning Ad Hoc Committee was created as part of the upcoming General Manager/CEO recruitment effort.

#### ***Educational Programs***

The District once again partnered with Claremont McKenna College allowing students and staff to work together to develop data modeling for Water Production efforts. Seeking to foster student engagement and serve as an industry leader, the District adopted a paid internship program, which has already seen student participation from the San Bernardino City Unified School District's Water and Resource Management Pathway and California State University San Bernardino.



## Have Others See the District as a Premier Agency



### *Regional and Industry Involvement*

The District continued to engage in regional activities and maintain active participation in industry groups. Staff provided informational presentations on topics including the SNRC, Pathway Program, Pressure Transient Study, and general District activities.

Additionally, the District received all three financial awards from the Governmental Finance Officers Association (GFOA) and was voted a Top Workplace in the Inland Empire- small business category.

## AWARDS

1. Government Finance Officers Association (GFOA) Award for FY 2021-22 Budget
2. California Society of Municipal Finance Officers (CSMFO) Excellence Award for FY 2021-22 Budget
3. Top Workplace Award by the Inland News Group in Small Company Category
4. Special District Leadership Foundation's (SDLF) District of Distinction Accreditation Gold Level
5. SDLF's District Transparency Certificate of Excellence




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

## SUMMARY

East Valley Water District staff have continued to move the District forward and provide world-class service for our community. The team is proud to launch operations at the new Sterling Natural Resource Center and begin providing a new wastewater service within our District. With staff taking an active role to embrace the District's vision, we will continue to enhance the quality of life within the community and provide essential public services.

Developing this budget continues to be a collaborative and open 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 2022-23 Budget.



Yours in Service,

A handwritten signature in blue ink that reads "John Mura".

John Mura  
General Manager/CEO

DISTRICT MANAGEMENT

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

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

**Justine Hendricksen**  
*District Clerk*

**Brian Tompkins**  
*Chief Financial Officer*

**Kelly Malloy**  
*Director of Strategic Services*

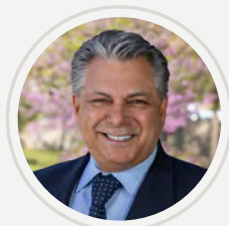
**Rocky Welborn**  
*Water Reclamation Manager*

**Patrick Milroy**  
*Operations Manager*

## BOARD OF DIRECTORS



**Phillip R. Goodrich**  
*Chairman of  
the Board*



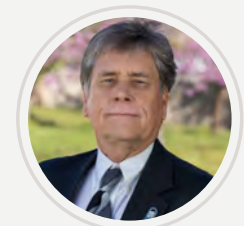
**James Morales, Jr.**  
*Vice Chairman of  
the Board*



**Chris Carrillo**  
*Governing Board  
Member*



**Ronald L. Coats**  
*Governing Board  
Member*



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

# Resolution 2022.11

## A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST VALLEY WATER DISTRICT APPROVING THE OPERATING AND CAPITAL BUDGETS FOR FY 2022-23

**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 2022-23, 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 2022-23; and

**Section 2.** The provisions of this Resolution shall take effect on July 1, 2022.

**ADOPTED** this 22nd day of June 2022.

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

Noes: None

Abstain: None

Absent: None

ATTEST:



John Mura  
Secretary, Board of Directors



Phillip R. Goodrich  
Board President

June 22, 2022

**I HEREBY CERTIFY** that the foregoing is a full, true and correct copy of Resolution 2022.11 adopted by the Board of Directors of East Valley Water District at its Regular Meeting held June 22, 2022.



John Mura  
Secretary, Board of Directors

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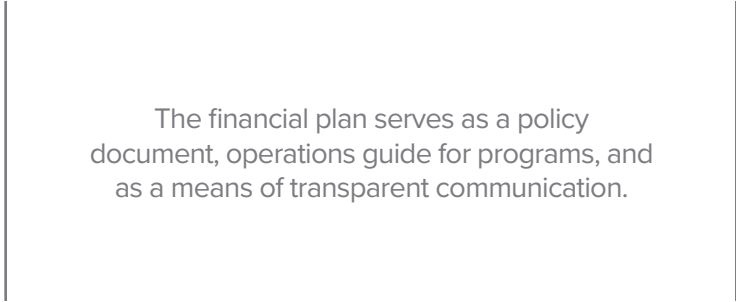
# *Introduction*



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



[INTRODUCTION CONTENTS]

- BUDGET GUIDE
- STATISTICAL/SUPPLEMENTAL INFORMATION
- DISTRICT VISION
- ORGANIZATIONAL STRUCTURE
- INDUSTRY BENCHMARKS

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:

1

### *Transmittal Letter*

This section includes the District Officials, General Manager/CEO’s Budget Transmittal Letter, Strategic Plan, District-Wide Goals, and FY 2021-22 accomplishments.

2

### *Introduction*

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

3

### *Financial Summary*

This section presents an in-depth District-wide overview of the FY 2022-23 Budget.

4

### *Consolidated Financial Schedules*

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

5

### *Program Summaries*

This section provides comprehensive information for each functional program within the District including their operational budget. The FY 2022-23 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

Each program section includes:

- **Program Personnel:** Explanation of authorized personnel allocated to each program including an organization chart.
- **Program Structure:** Organization chart displaying the reporting for program personnel since supervisors may be allocated to different program funding.
- **Function:** A basic description of the responsibilities of each program.
- **Goals & Objectives:** Articulates the expectations for FY 2022-23 through specific goals and objectives.
- **Accomplishments:** Highlights and milestones from FY 2021-22.
- **Significant Changes:** Clarification of funding request differences compared to the previous year.
- **Levels of Service:** Key Performance Indicators to measure program operations and achievement of the District's Goals and Objectives.
- **Key Performance Indicators:** These tables present measures that help the District define and evaluate a program's performance.
- **Program Budget Detail:** A detailed breakdown of the program expenditures by category or line item.

6

### Capital Budget

This section presents the Capital Outlay expenditures and Capital Improvement Projects for the FY 2022-23 Budget.

7

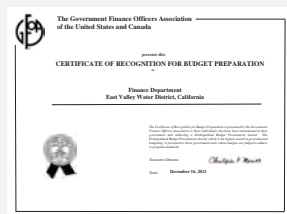
### Glossary

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, 2021. 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 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
-----------------------	----------------------	-------------------------	----------------------	-------------------	-----------

### FY 2020-21 Actuals

Actual financial information for FY 2020-21 as reported in the Comprehensive Annual Financial Report. The actual financial information is reported in the budget document on a budgetary basis.

### FY 2021-22 Budget

The FY 2021-22 Budget was adopted by the Governing Board on June 23, 2021 and may also include any adjustments approved by the Governing Board at the Mid-Year Budget Review.

### FY 2021-22 Projected

The FY 2021-22 Projected column reflects the adopted budget in addition to any amendments approved by the Governing Board during the fiscal year. The FY 2021-22 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 2022-23 Budget

This column initially reflects the FY 2022-23 "Proposed" Budget submitted by the General Manager/CEO. After the Governing Board reviews and approves the FY 2022-23 Budget, the information in the FY 2022-23 column changes, if necessary, to reflect the Governing Board's actions.

### Amount Changed and % Change

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

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

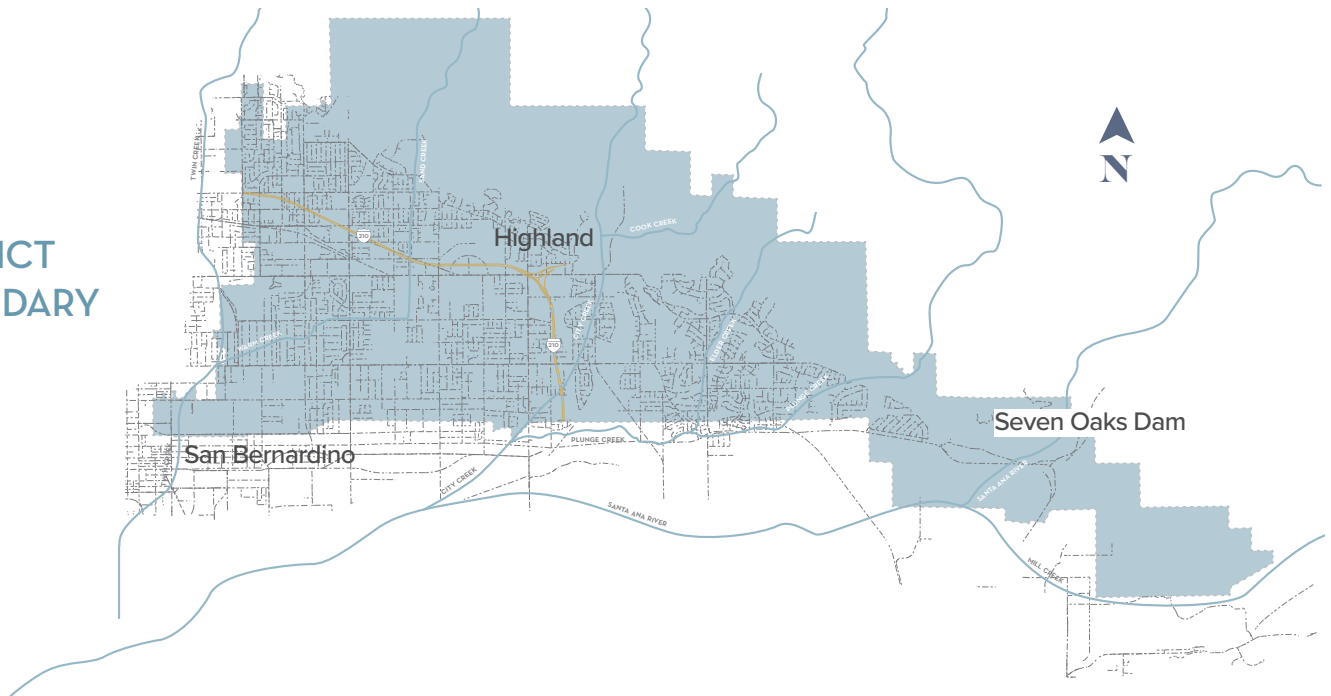
# Statistical / Supplemental Information

East Valley Water District provides water and wastewater services to residents within its 30.1 Square mile area.

This includes over 104,000 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.

## DISTRICT BOUNDARY MAP



## 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.

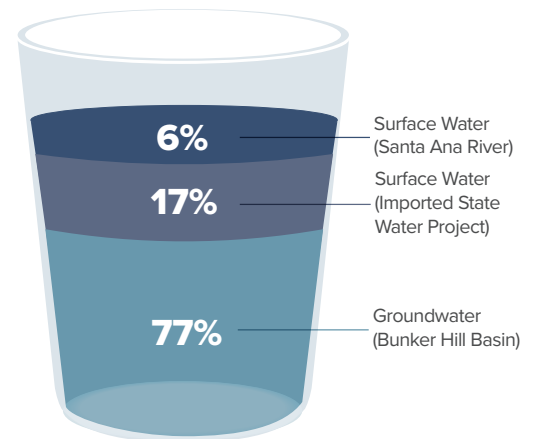
## WATER SOURCES

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 (Bunker Hill Basin), and the State Water Project (SWP).

The SAR starts with natural springs and snow melt high in the San Bernardino Mountains.

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

A portion of the District's water is imported from Northern California through the State Water Project. East Valley Water District has access to this water through San Bernardino Valley Municipal Water District (Valley District). The District anticipates using the allocated North Fork Water Company (NFWC) shares for groundwater replenishment rather than treating for use 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 San Bernardino Basin Groundwater Council (GC).



## 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.

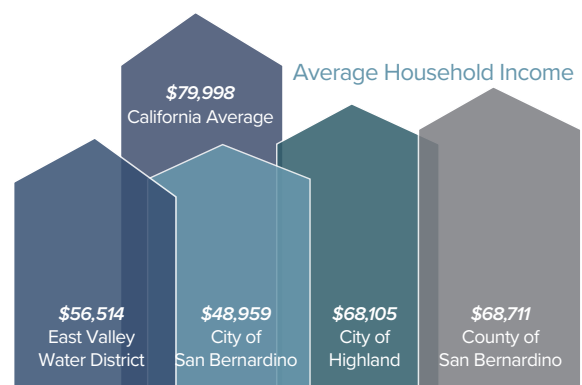
In 2018, East Valley Water District successfully received authorization for reorganization to include wastewater treatment authority by the Local Agency Formation Commission (LAFCO). This allows for the District to construct and ultimately operate facilities to treat wastewater collected from within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

East Valley Water District is finalizing construction of the SNRC in the City of Highland that will treat up to eight million gallons of wastewater daily for recharge into the Bunker Hill 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 operations beginning in FY 2022-23. Once the facility is commissioned, East Valley Water District will be responsible for treating the wastewater generated within its service area.

## POPULATION GROWTH

Population growth projections vary within East Valley Water District'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 District service area including:

- **Unit development offering a variety of housing opportunities.** The development density identified by land use agencies allows for a minimum of 250 housing units and a maximum of 800 house units. The anticipated new construction 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.



\*Income information retrieved from census.gov.

## CLIMATE

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

## EDUCATION

Residents within 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

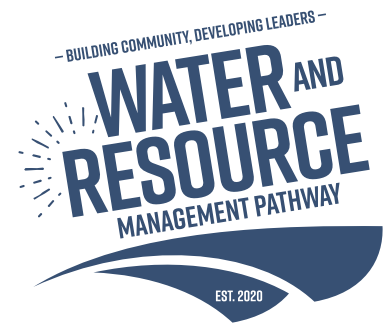
Hospital and medical facilities located in or near the East Valley Water District service area include Arrowhead Regional Medical Center, Loma Linda University Medical Center, Kaiser Foundation Hospital, Redlands Community Hospital, Community Hospital of San Bernardino, J. Pettis Veteran's Administration 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.

## 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.



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

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

## MAJOR EMPLOYERS

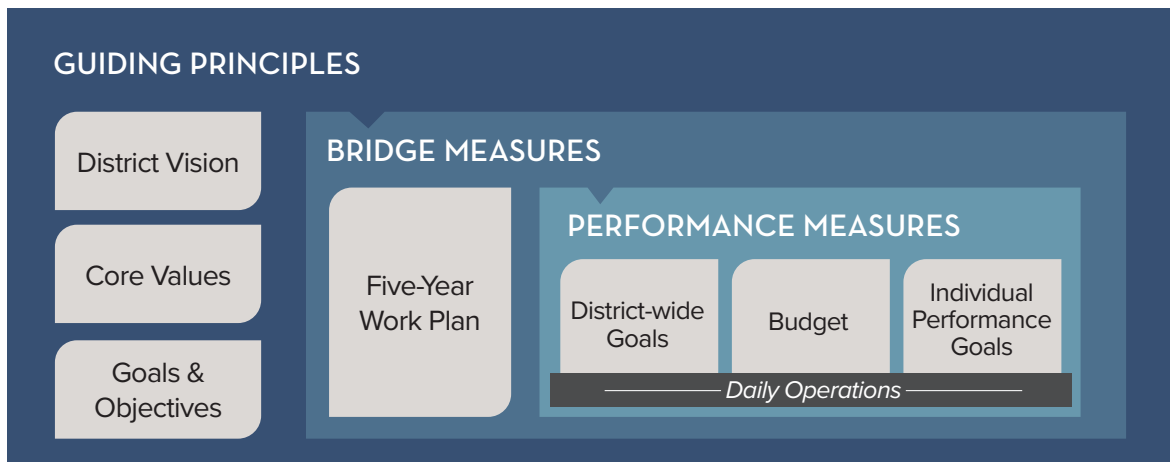
Major employment industries within the cities of Highland and San Bernardino include education, mental health services, public administration, rail, health care, public safety, casinos, transportation, and construction.

## STRATEGIC PLANNING WORKFLOW

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

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



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

## DISTRICT VISION

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

## CORE VALUES

### Leadership

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

### Partnership

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

### Stewardship

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

## GOALS AND OBJECTIVES

---

I.

### *Implement Effective Solutions Through Visionary Leadership*

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

II.

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

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

III.

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

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

IV.

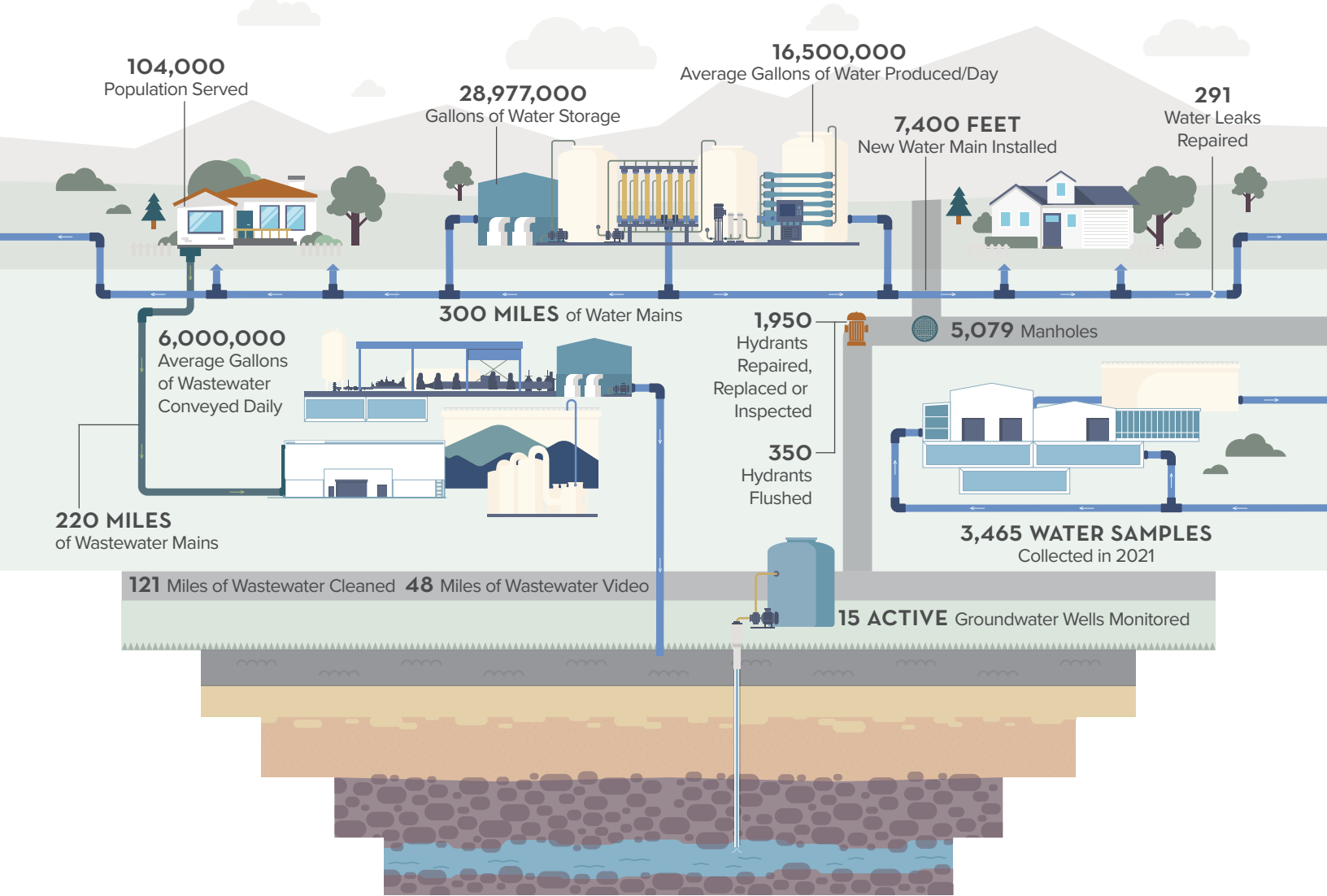
### *Promote Planning, Maintenance and Preservation of District Resources*

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

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

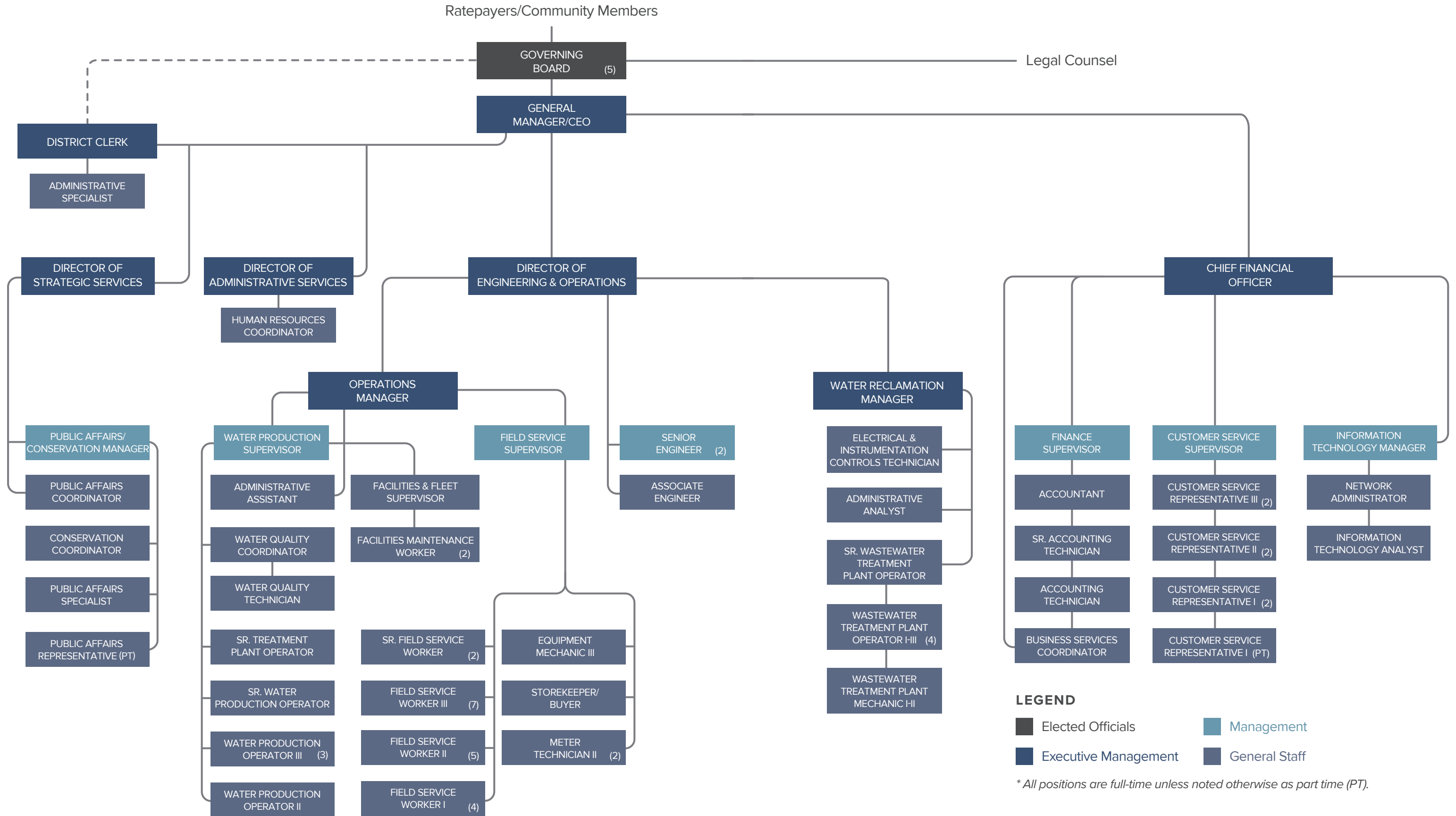
# DISTRICT SPOTLIGHT

[30.1 SQUARE MILE SERVICE AREA]



*The District takes a proactive role in maintaining the water supply and supporting infrastructure by identifying key projects throughout the service area needed to keep a reliable service.*

ORGANIZATIONAL STRUCTURE



**LEGEND**

- Elected Officials
- Management
- Executive Management
- General Staff

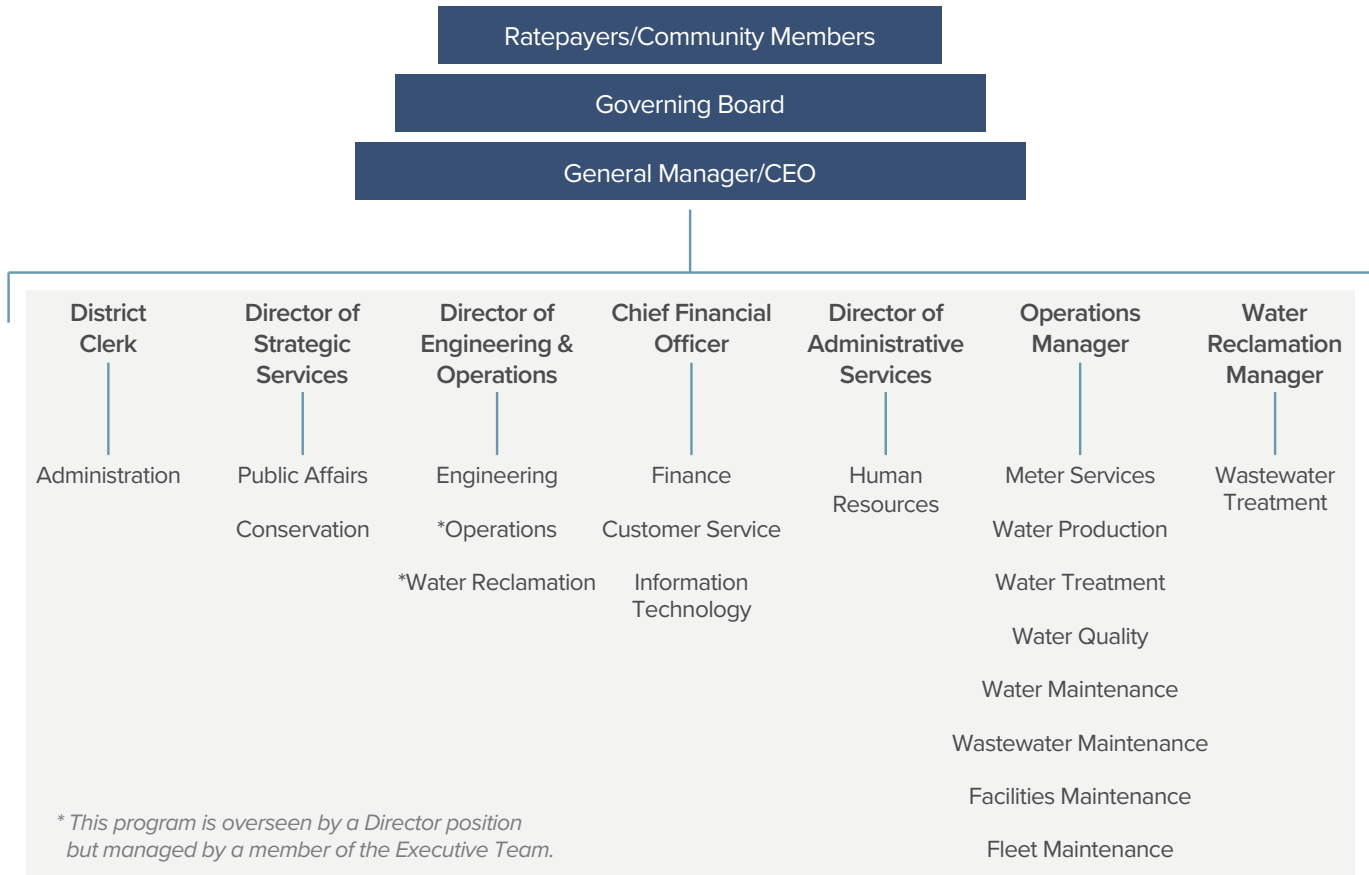
*\* All positions are full-time unless noted otherwise as part time (PT).*



## 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 Governing Board approved policies. The General Manager/CEO provides daily oversight for interagency relations for advancing the District's initiatives.

---

**Director of Administrative Services****Human Resources**

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 and risk management programs.

---

**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.

**Information Technology**

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

**Customer Service**

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

---

---

*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 water, wastewater and water reclamation capital projects.

---

### Water Reclamation



The Water Reclamation Program is responsible for treating and disinfecting eight million gallons of wastewater per day (MGD). Reclamation of wastewater generated by District customers will transition from a service contracted with the SBMWD, to in-house operations at the newly completed SNRC during FY 2022-23.

---

## 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.

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### 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 Program oversees administration buildings, water facilities, District-Owned vacant properties, and easements.

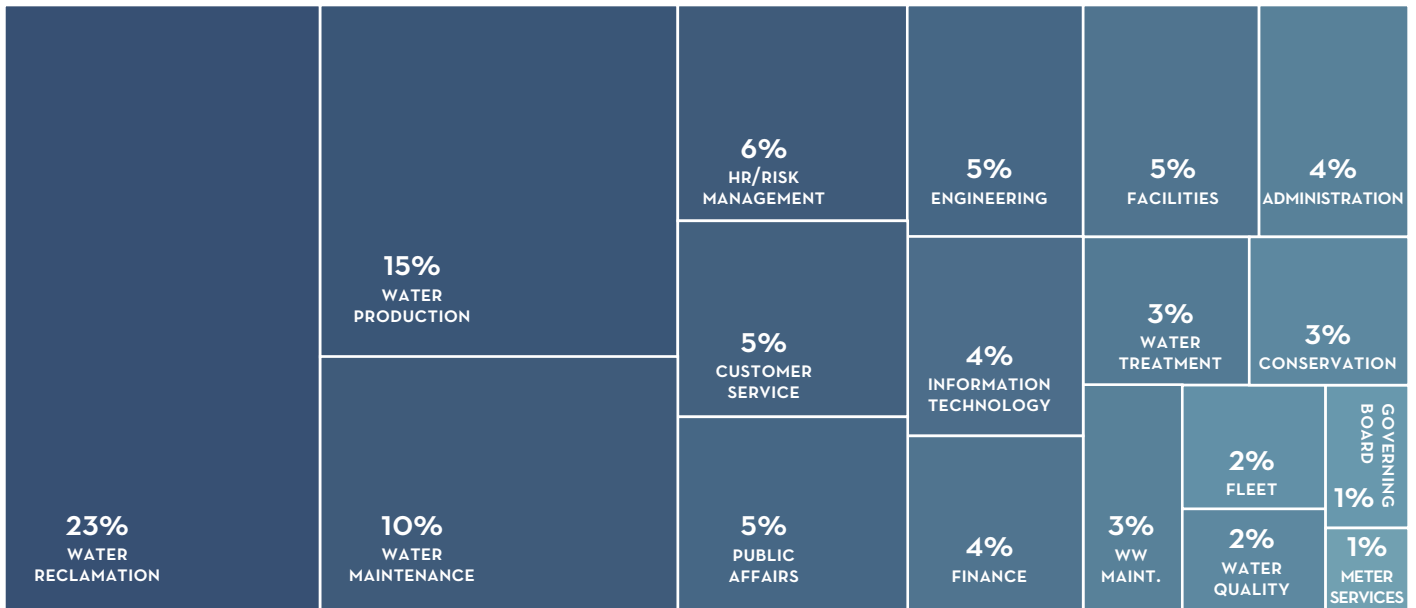
**Fleet Maintenance**



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

**BUDGET SUMMARY BY PROGRAM**

The sum of many pieces makes the whole, and through 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 2022-23 Operating and Capital Budgets.




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*Intentionally*

# INDUSTRY BENCHMARKS

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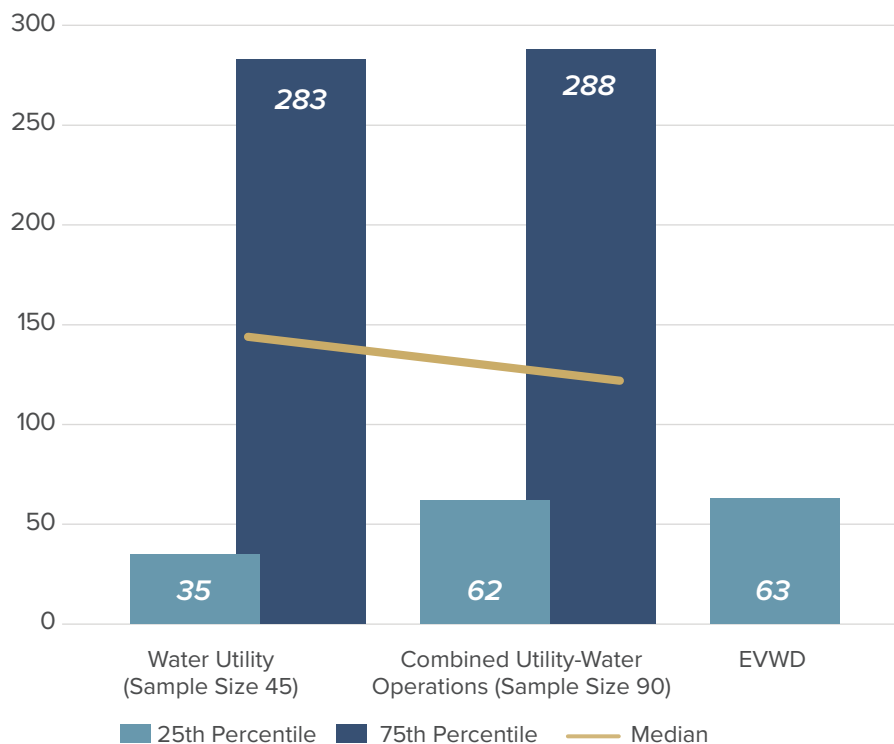
Industry Benchmarks allow East Valley Water District to examine itself in comparison with other utilities across the United States.

# Industry Benchmarks

East Valley Water District strives to provide world-class service to the community, customers and stakeholders. As part of the District's desire to continue to improve, East Valley Water District began reviewing industry data and metrics to establish benchmarks for services across programs. The following tables pull data from the American Water Works Association (AWWA) 2021 Utility Benchmarking Program and represent a snapshot of over 158 water and wastewater utilities across the United States. The survey was taken in 2021 and pulled performance results from the fiscal year 2020. For additional information about the industry data used, visit [www.awwa.org](http://www.awwa.org).

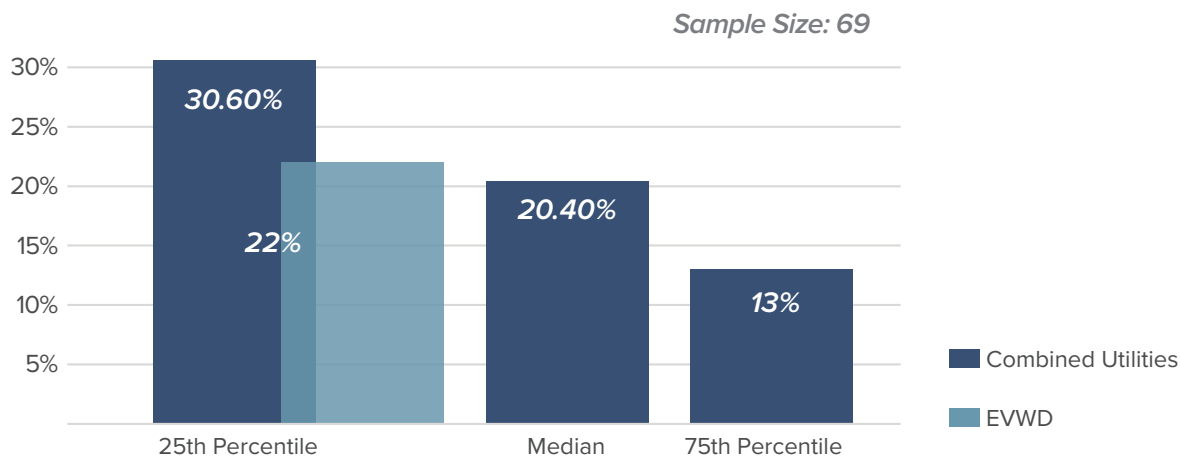
## STAFFING LEVELS

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



## RETIREMENT ELIGIBILITY

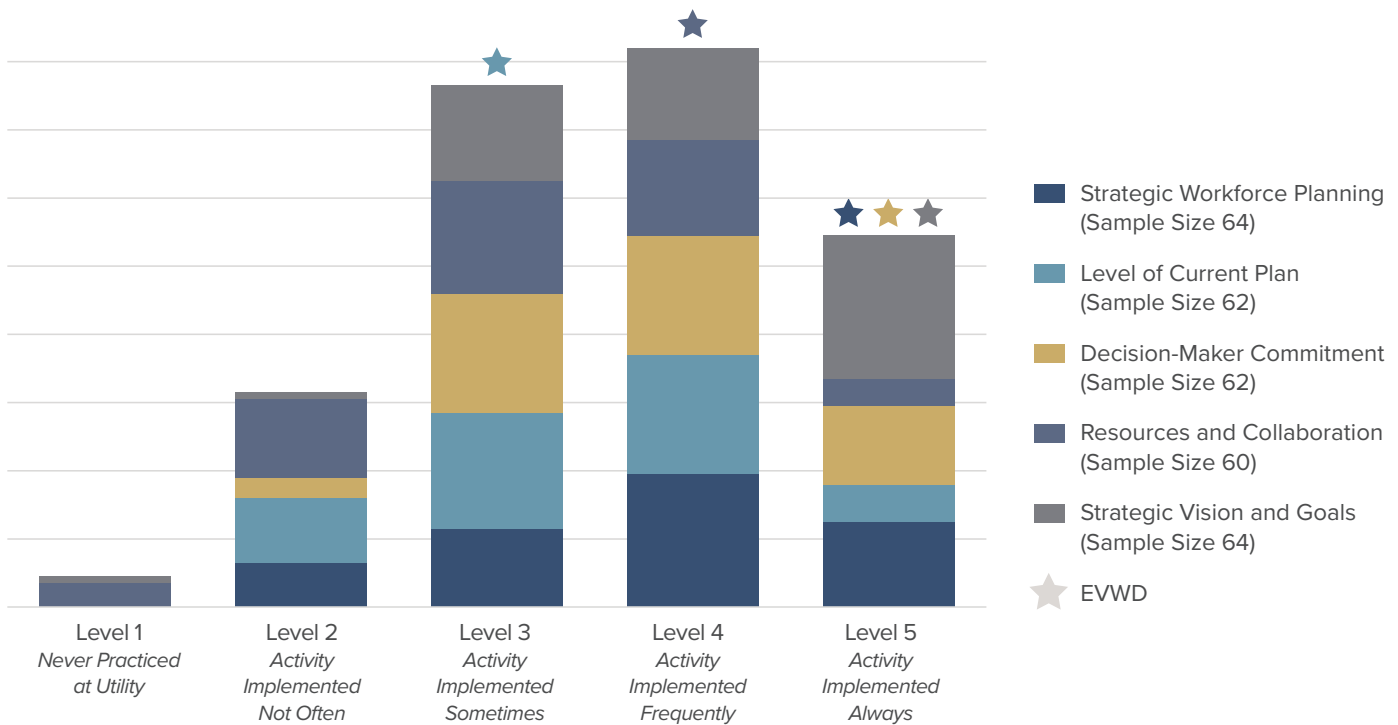
This indicator provides a measure of the number of regular employees eligible for retirement.





## STRATEGIC WORKFORCE PLANNING

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

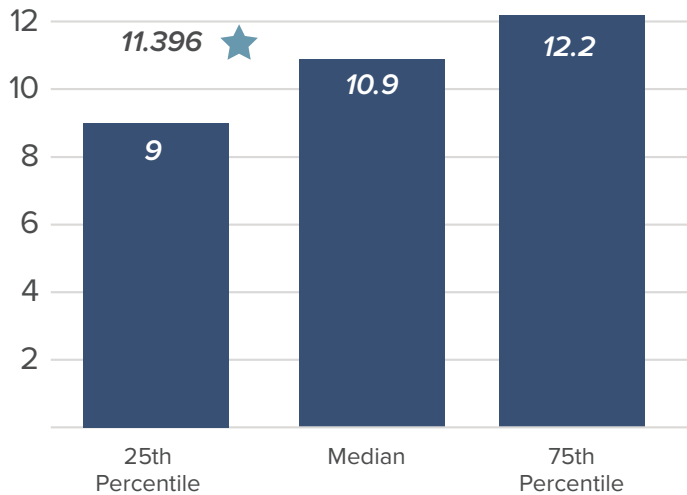


- **Level of Strategic Workforce Planning:** Succession planning is an integral part of our organization's comprehensive strategic plan.
- **Level of Current Plan Implemented:** Knowledge management process is up to date and one of our most important staffing tools.
- **Level of Decision-Maker Commitment:** There is a commitment from decision makers on succession planning.
- **Level of Resources and Collaboration:** Gather resources 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

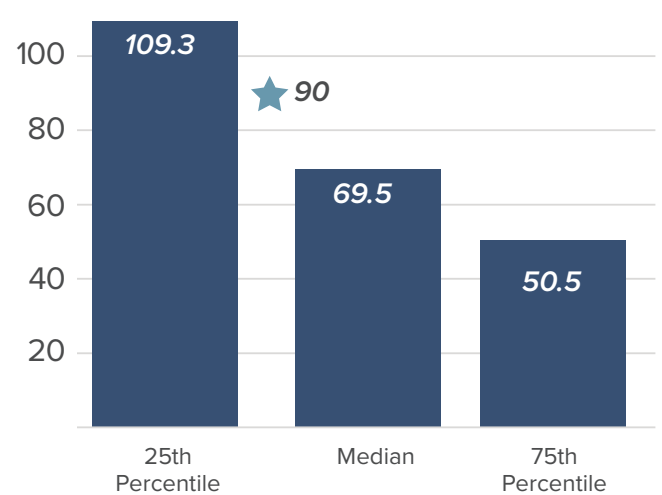
The following indicators evaluate how well the organization has established, incorporated and maintained an effective workforce succession plan.

*Average Employee Tenure (Years)*



★ EVWD ■ Combined Utilities (Sample Size 60)

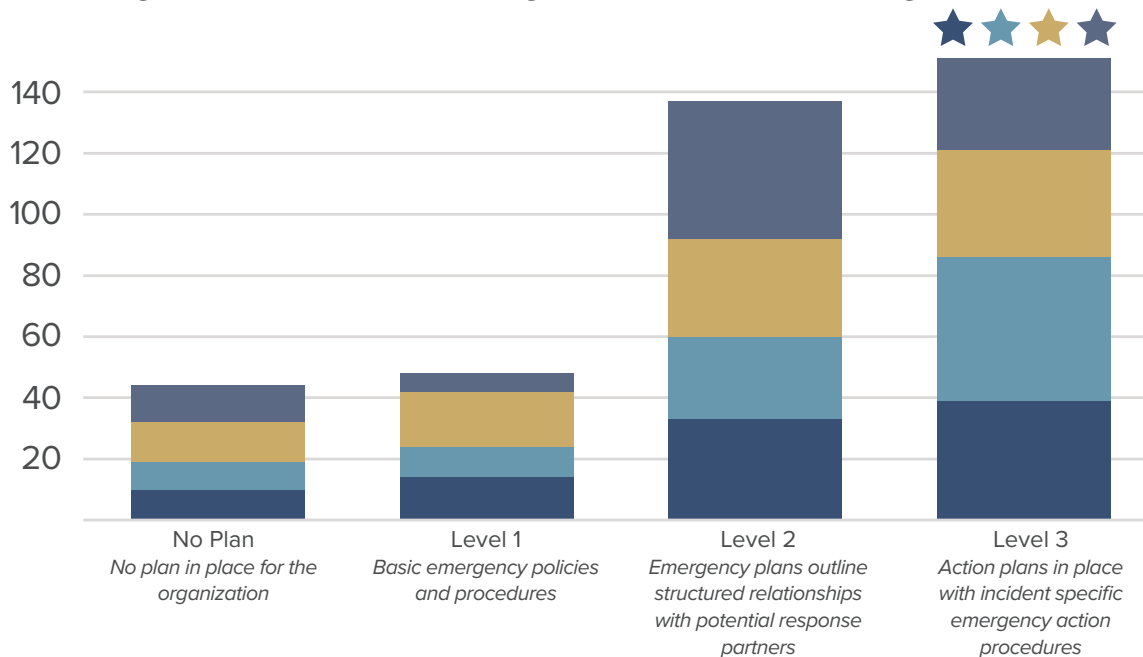
*Average Length of Position Vacancies (Days)*



★ EVWD ■ Combined Utilities (Sample Size 42)

## RISK AND RESILIENCY

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



★ EVWD

■ Risk Assessment and Response Preparedness (Sample Size 68)

■ Emergency Response Planning (Sample Size 70)

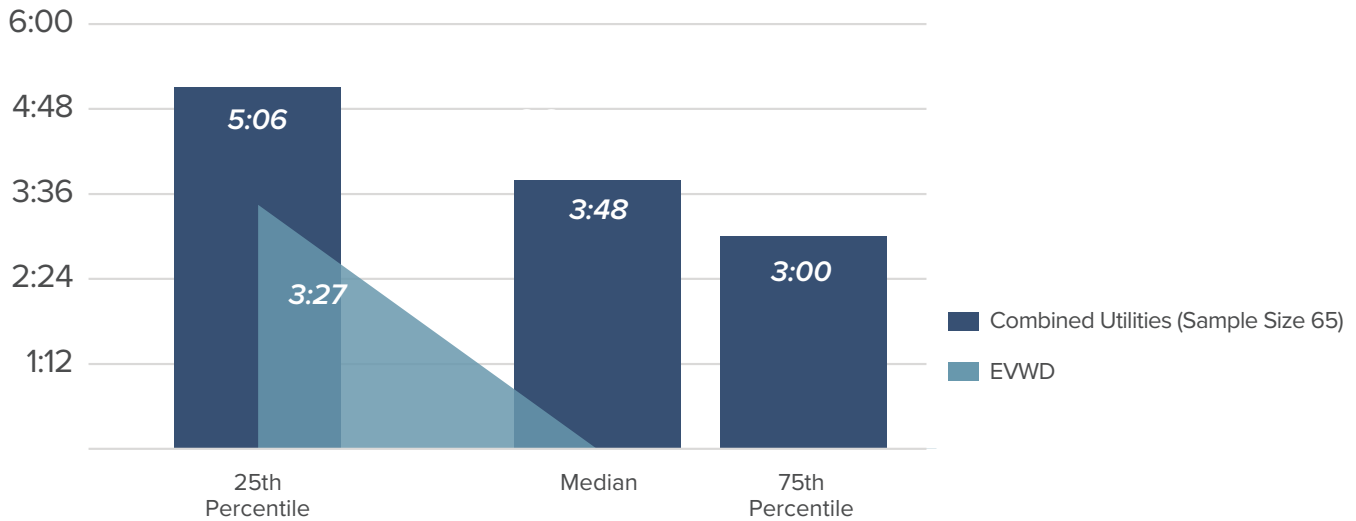
■ Recovery and Mitigation Plan (Sample Size 68)

■ Cybersecurity Preparedness (Sample Size 66)

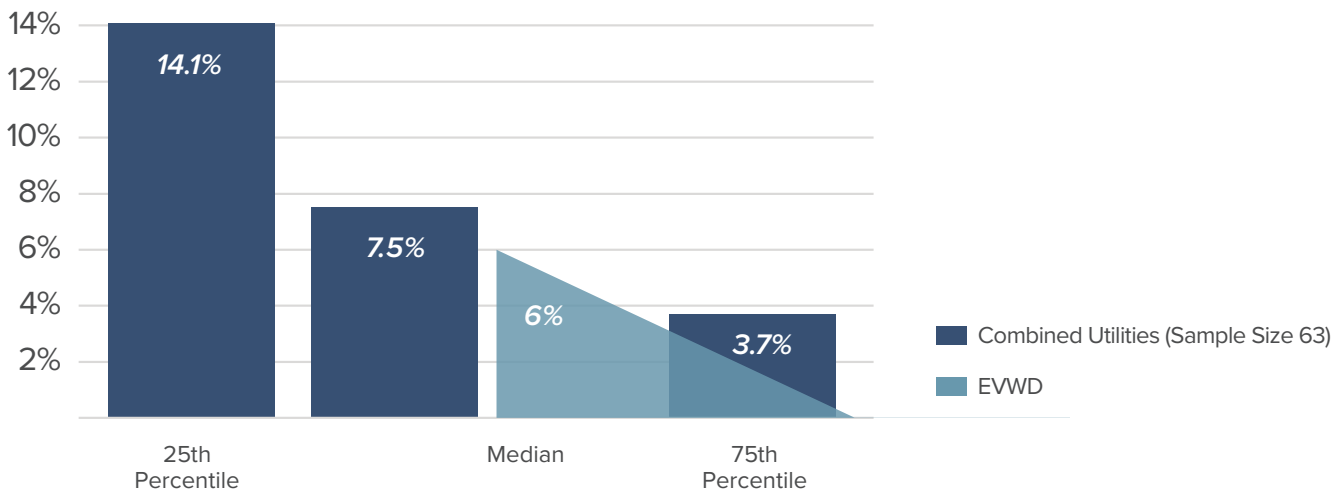
## CALL CENTER INDICATORS

Average time spent by a customer service representative with a customer of East Valley Water District.

*Average Total Talk Time (Minutes)*

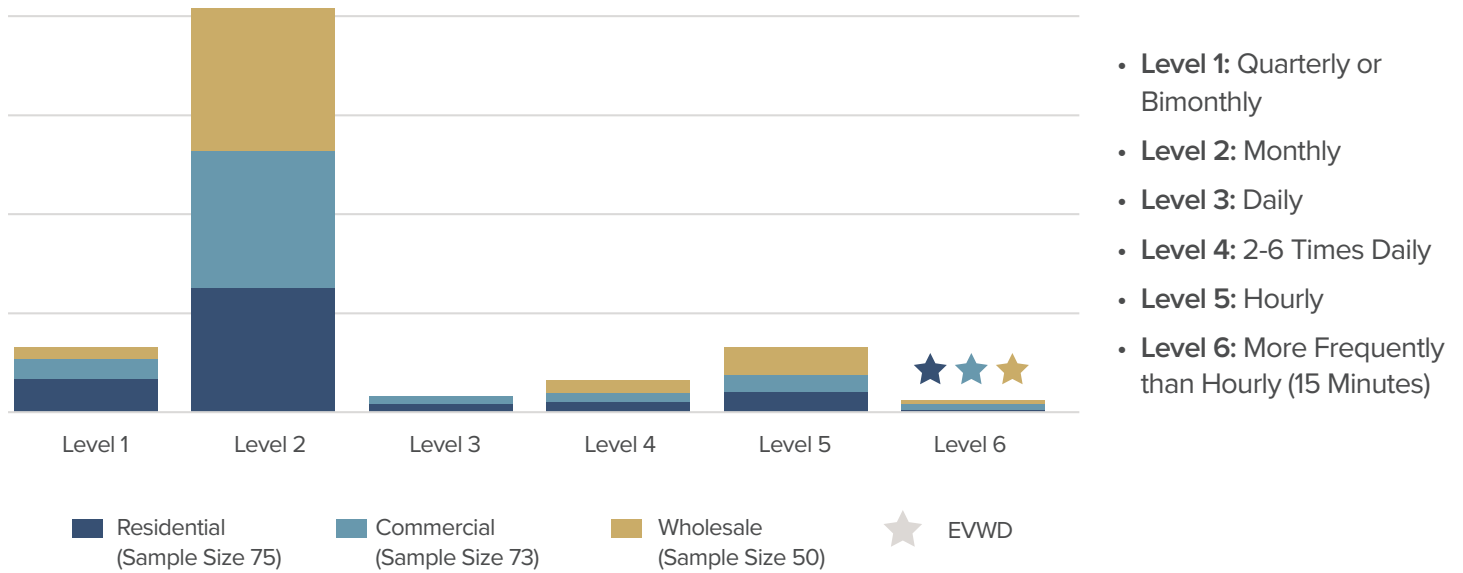


*Percentage of Total Calls Abandoned from the Total Number of Calls Received*



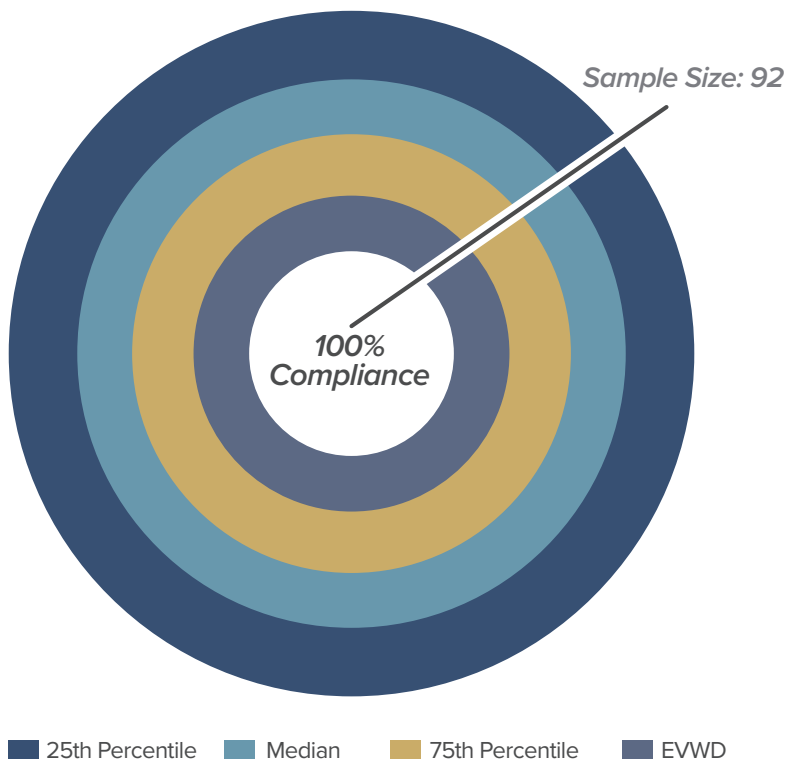
## METERING PREVALENCE

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



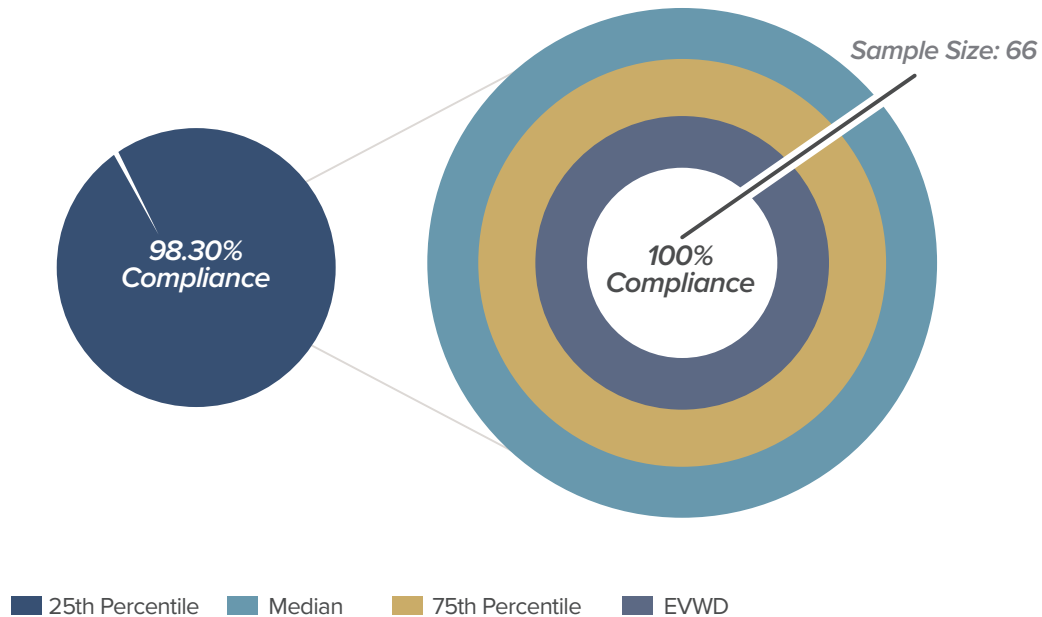
## REGULATORY COMPLIANCE - WATER

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



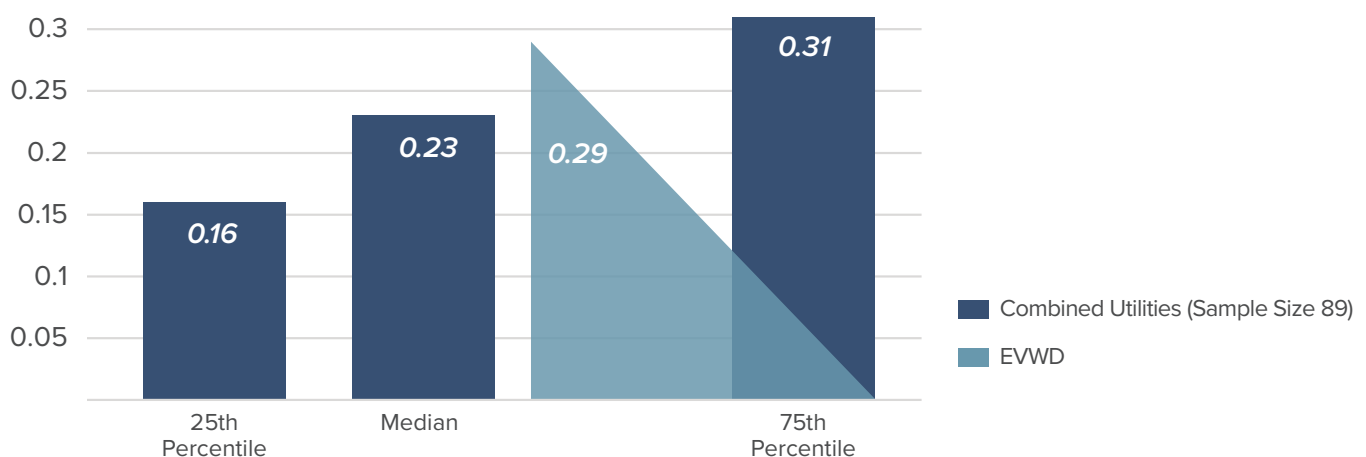
## REGULATORY COMPLIANCE - WASTEWATER (COLLECTION SYSTEM OPERATIONS)

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.



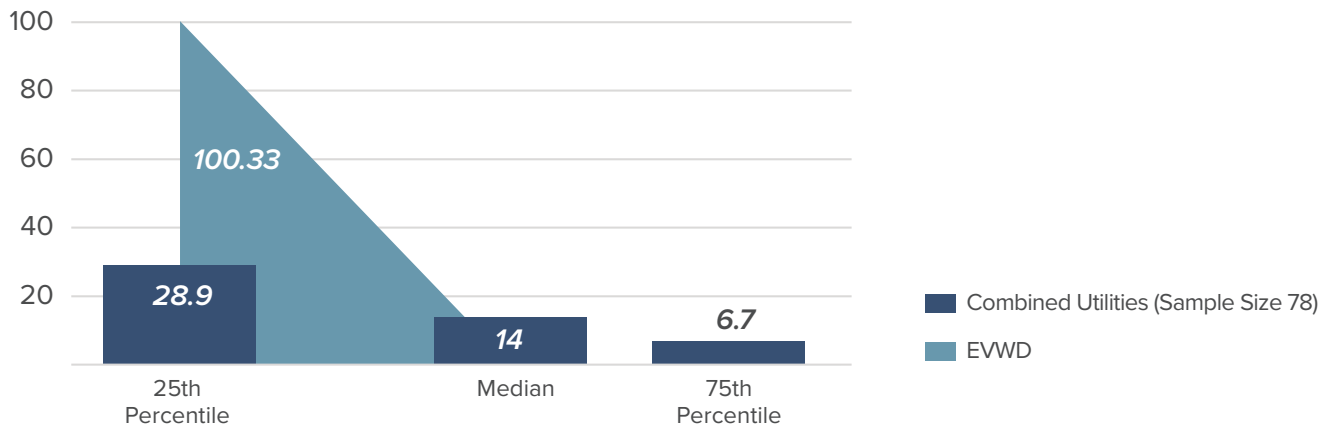
## MILLION GALLONS PER DAY (MGD) OF WATER PRODUCED PER EMPLOYEE

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 2020.



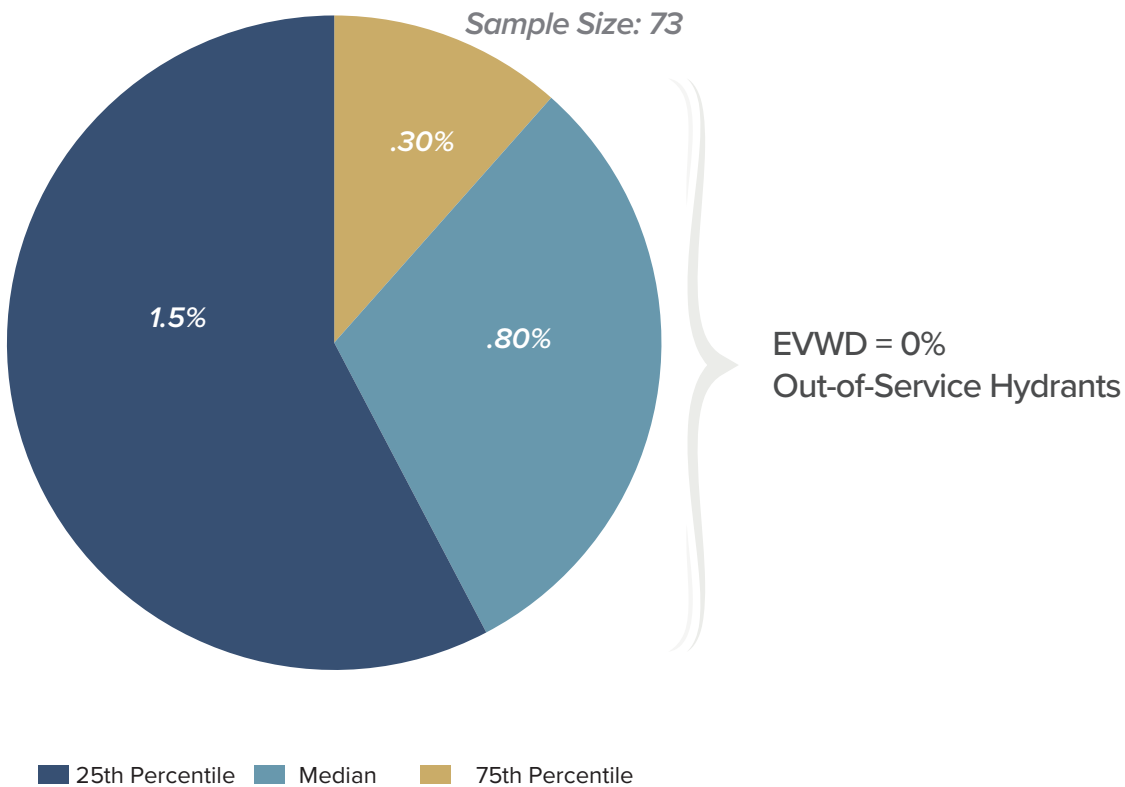
## WATER DISTRIBUTION SYSTEM INTEGRITY: LEAKS AND BREAKS

These indicators quantify the condition of water distribution system, expressed as the annual number of leaks or pipeline breaks per 100 miles of distribution piping.



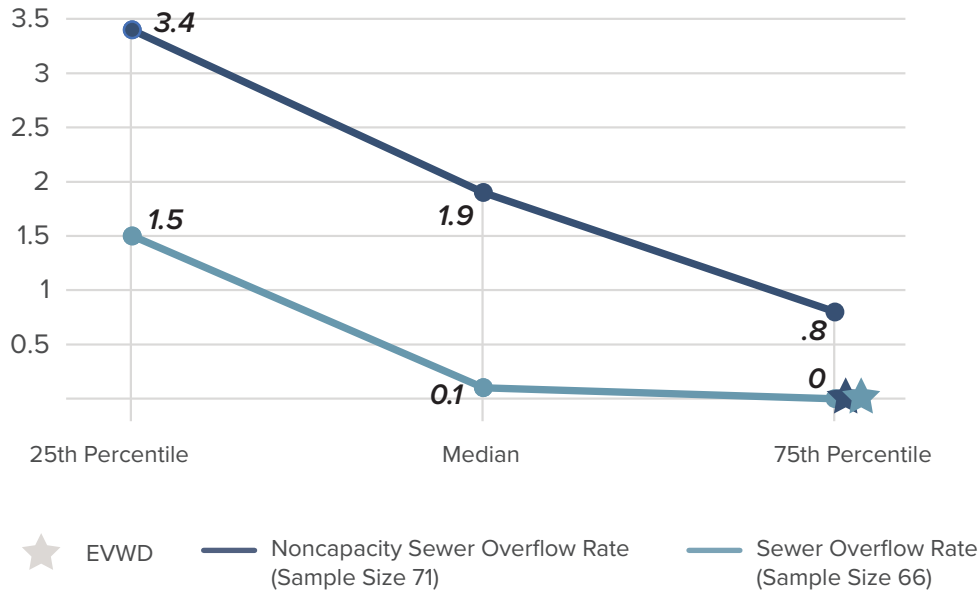
## HYDRANT EFFECTIVENESS - OUT OF SERVICE INDICATOR

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



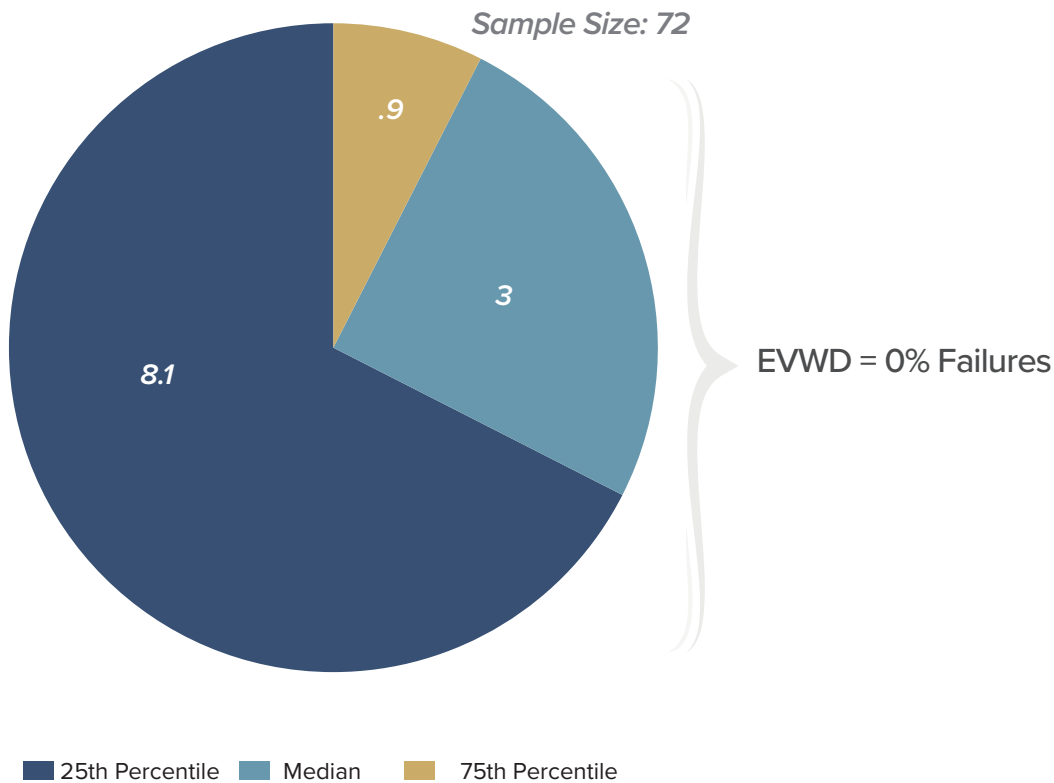
## NONCAPACITY AND CAPACITY SEWER OVERFLOW

These indicators measure the total number of noncapacity and capacity sewer overflow events expressed 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*




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

[ FINANCIAL SUMMARY CONTENTS ]

- FINANCIAL POLICIES
- BUDGET PROCESS
- 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 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 (CIP), which assist in completing financial planning cycles that deliver efficient and effective public services. This policy applies to all funds under the budgetary and fiscal control of the Governing Board.

### Balanced Budget

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

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

The budget development process is outlined on pages 50-53.

## INVESTMENT POLICY

### Purpose and Scope

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

## Objectives

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

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

## Delegation of Authority

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

## Authorized Investments

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

## Safekeeping and Internal Control

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

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

## Reporting

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

## RESERVE 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

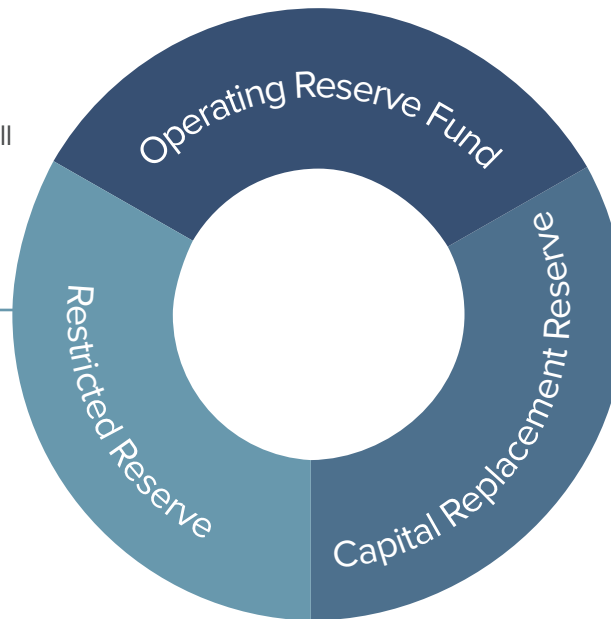
The following provisions and principles are established for building and utilizing reserve funds:

- **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:

Includes debt proceeds, customer deposits and developer fees.



## Operating Reserve Fund

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

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

## Capital Replacement Reserve

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

1. **Target Level** – The minimum target level should be equal to one year of 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 Governing Board during the preparation and approval of the annual budget.

## Restricted Reserve

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

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

## DEBT POLICY

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

### Standards for Use of Debt Financing

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

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

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

## Methods of Financing

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

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

- **Inter-Fund Borrowing** – 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.

## Governing 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.

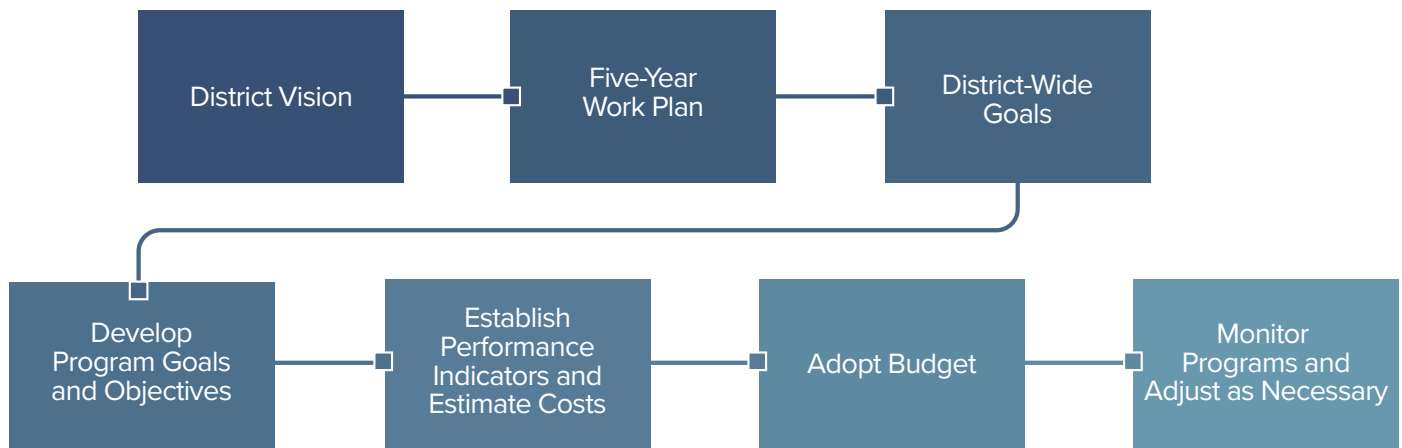
# Budget Process

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 2022-23 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 2022-23 Budget will allow the District to deliver reliable, high-quality water, wastewater collection, and water reclamation services to its customers in a prudent and sustainable manner.

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

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



## STAKEHOLDER INPUT

The District has established a Community Advisory Commission (CAC) which meets regularly at publicly noticed meetings and Governing Board workshops, to discuss significant activities of the District, including development of the 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. The District Vision includes the District's Vision statement, Core Values, and Agency Goals and Objectives.

## FIVE-YEAR WORKPLAN

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

## 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 are also referred to as GM goals as they are part of the General Manager/CEO's annual performance evaluation. They were presented to the Governing Board in March, then adopted as Program Goals in relevant Programs and Capital Budgets.

## DEVELOP PROGRAM GOALS AND OBJECTIVES

Each program manager is tasked with developing achievable and measurable goals and objectives to be implemented in a single fiscal year. This endeavor clearly identifies the planned efforts of the program for the given period, links the program's efforts to the 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 2022.

## ESTABLISH KEY PERFORMANCE INDICATORS & ESTIMATE COSTS

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

## ADOPT BUDGET

The final budget document is assembled, including projected revenues, expenditures, and funding of all Goals and Objectives proposed by Program Managers if possible. The document is 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 digitally on the District website.



*Maintaining a Five-Year Work Plan is designed to provide general policy direction to support prioritization and development of tasks necessary for implementation beyond the annual budget cycle.*



## 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

<b>JUNE 22, 2022</b> <b>FY 2022-23</b> Budget Adoption	<b>NOVEMBER 10, 2022</b> First Quarter <b>FY 2022-23</b> Budget Review at Public Board Meeting	<b>JANUARY 26, 2023</b> Budget Meeting to Distribute <b>FY 2023-24</b> Worksheets to Program Managers	<b>FEBRUARY 8, 2023</b> <b>FY 2022-23</b> Mid-Year Budget Review at Public Board Meeting
<b>MARCH 14, 2023</b> <b>FY 2023-24</b> Capital Outlay and Capital Improvement Program Planning Meeting	<b>MARCH 31, 2023</b> <b>FY 2023-24</b> New Position Requests, Program Goals and Objectives Due to Finance	<b>MARCH 31, 2023</b> <b>FY 2023-24</b> Capital Outlay and Capital Improvement Project Requests Due to Finance	<b>APRIL 14, 2023</b> <b>FY 2023-24</b> Program Budget Requests Due to Finance
<b>APRIL 19, 2023</b> <b>FY 2023-24</b> Proposed Goals and Objectives Workshop at Public Board Meeting	<b>APRIL 24-27, 2023</b> <b>FY 2023-24</b> Capital Outlay and Capital Improvement Program Budget Review with Executive Managers and General Manager/CEO	<b>MAY 18, 2023</b> Meet with CAC to present and discuss proposed Program Goals and Objectives and Revenue Projections for <b>FY FY 2023-24</b>	<b>MAY 10, 2023</b> <b>FY 2023-24</b> Revenue Projection Workshop at Public Board Meeting
<b>MAY 26, 2023</b> <b>FY 2023-24</b> Budget Complete with all Revisions	<b>JUNE 5, 2023</b> Meet with CAC to Present Draft Budget for <b>FY 2023-24</b>	<b>JUNE 14, 2023</b> <b>FY 2023-24</b> Budget Presentation at Public Board Meeting	<b>JUNE 28, 2023</b> <b>FY 2023-24</b> Budget Adoption at Public Board Meeting

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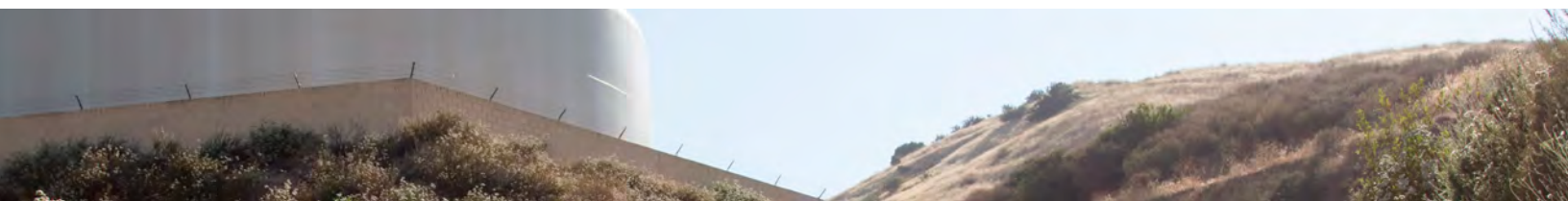
# Basis of Budgeting

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.
- Pension expense is budgeted based on employer contribution rates assigned by the California Public Employee's Retirement System (CalPERS). For financial statement reporting, pension expense is recorded based on the change to the net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.
- Other Post Employment Benefits (OPEB) expense (retiree health insurance) is budgeted based on stipulated reimbursements to retirees toward the cost of health insurance until they reach age 65. For financial statement reporting, OPEB expense is recorded based on the change to net OPEB liability in accordance with Governmental Accounting Standards Board Statement No. 75.
- Interest payments related to financing of the cost of a capital asset during construction are capitalized on the GAAP basis; shown as a current expenditure on a Budget basis.



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

# Fund Structure

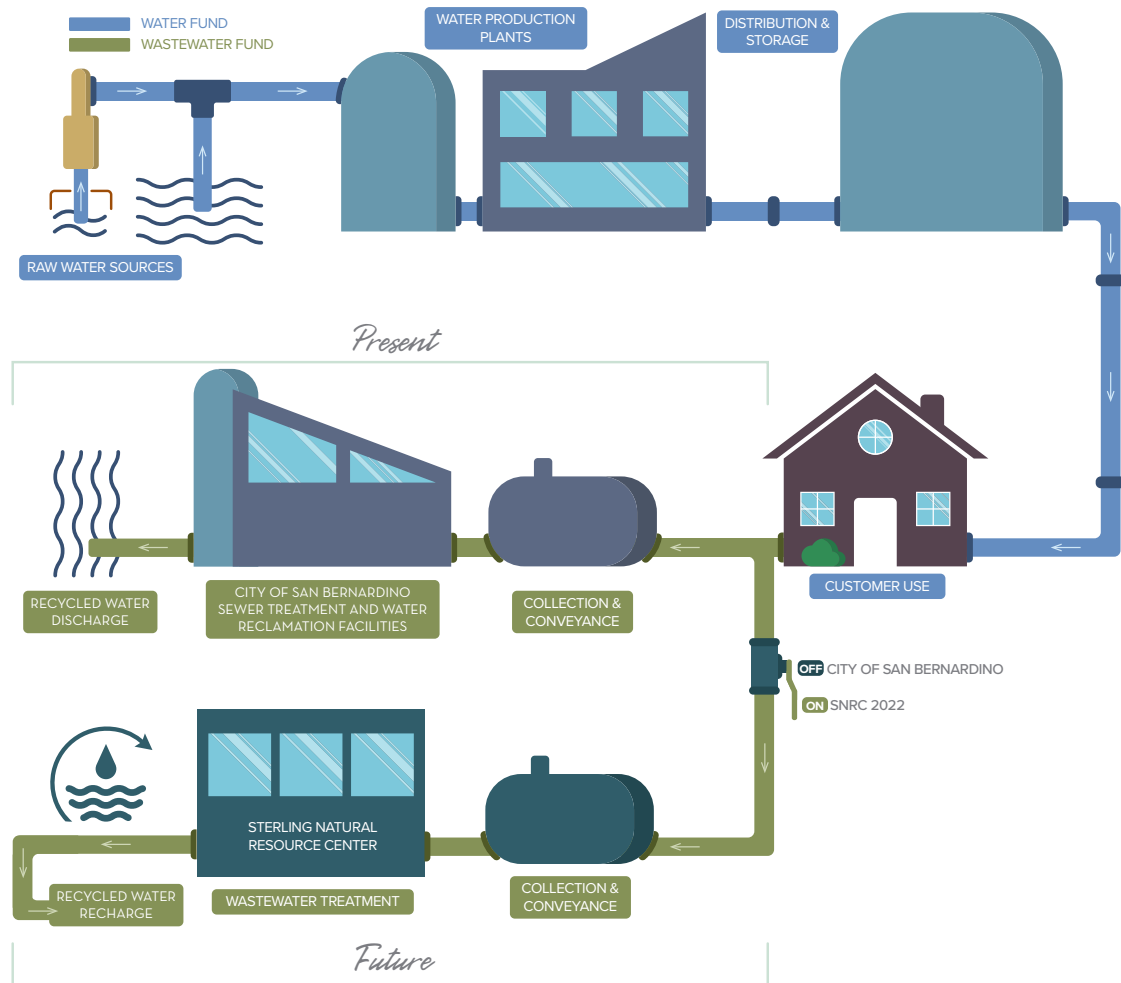
GAAP requires that East Valley Water District, a California Special District, account for its activities as a single, governmental Enterprise Fund.

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

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

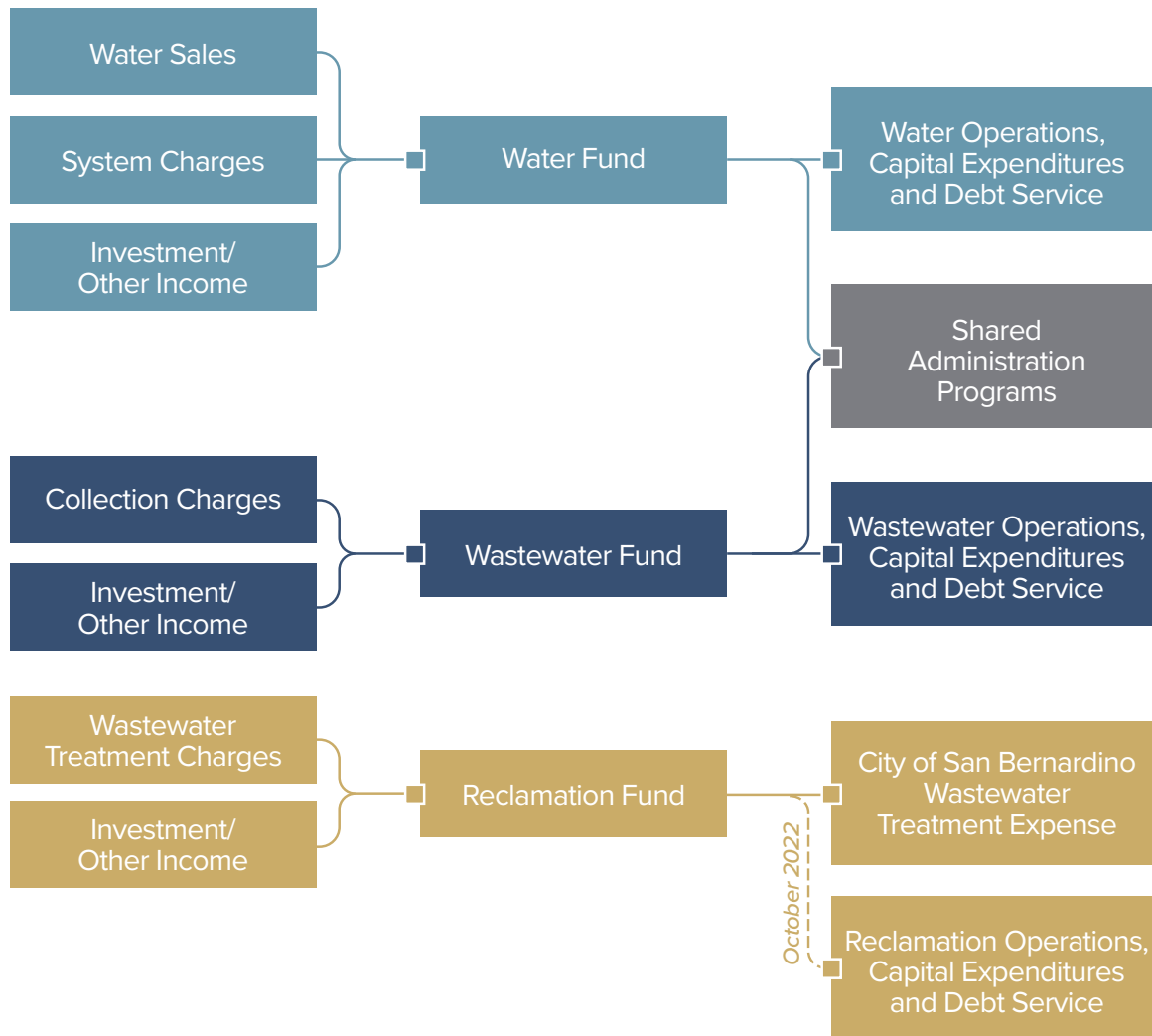
Currently, wastewater flows are collected by a large interceptor line and sent to the SBMWD Treatment Plant where the wastewater is treated and released into the Santa Ana River. However, beginning in FY 2022-23, the District will begin operating its own reclamation facility known as the Sterling Natural Resource Center. Recycled water will be sent to the Weaver Basins, owned by the San Bernardino Valley Municipal Water District, for recharge into the Bunker Hill Basin.



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

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

## FLOW OF FUNDS



Additional detail about the activities and budgets of each fund are included at the Water Fund, Wastewater Fund, and Water Reclamation 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 are then allocated to the water, wastewater and water reclamation funds based on the assessed benefit of Program services to each fund. The benefit assessment entails the evaluation of each program and the services provided through activity based costing. Programs with activities fully aligned with the purpose of one fund or the other, are charged fully to the appropriate fund, while programs with general and administrative type functions are allocated proportionally.

In the upcoming year, all funds, including the new Water Reclamation Fund, will share in the cost of the customer service and facilities maintenance functions, while the remaining centralized function costs (Administration, Engineering, etc.) are allocated between the Water and Wastewater funds, usually by a 70% - 30% split. The Water Reclamation fund will also share in the future costs of these functions once fund reserves have been established and operating costs for the Water Reclamation Fund are better known and predictable.

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

Below is a table illustrating the Fund/Program relationship for the 2022-23 Fiscal Year:

Program	Water Fund	Wastewater Fund	Reclamation Fund	Total
1000 Governing Board	\$ 331,800	\$ 142,200	\$ -	\$ 474,000
2000 General Administration	961,800	412,200	-	1,374,000
2100 Human Resources/Risk Mgmt.	1,178,600	492,400	267,000	1,938,000
2200 Public Affairs	1,216,600	521,400	-	1,738,000
2300 Conservation	917,000	-	-	917,000
3000 Finance	834,400	357,600	-	1,192,000
3200 Information Technology	949,200	406,800	-	1,356,000
3300 Customer Service	702,000	526,500	526,500	1,755,000
3400 Meter Services	278,000	-	-	278,000
4000 Engineering	1,126,300	482,700	-	1,609,000
5000 Water Production Administration	587,000	-	-	587,000
5000-51 Source of Supply	2,866,000	-	-	2,866,000
5000-52 Pumps & Boosters	986,000	-	-	986,000
5000-54 Transmission & Distribution	488,000	-	-	488,000
5100 Water Treatment	960,000	-	-	960,000
5200 Water Quality	557,000	-	-	557,000
6000 Maintenance Administration	388,800	43,200	-	432,000
6100 Water Maintenance	3,082,000	-	-	3,082,000
6200 Wastewater Maintenance	-	880,000	-	880,000
6300 Water Reclamation	-	-	7,480,000	7,480,000
7000 Facilities Maintenance	888,600	321,900	400,500	1,611,000
7100 Fleet Maintenance	630,900	70,100	-	701,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 19,930,000</b>	<b>\$ 4,657,000</b>	<b>\$ 8,674,000</b>	<b>\$ 33,261,000</b>

# Budget Summary

The budget for FY 2022-23 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 \$46,050,000 in revenue during FY 2022-23 and has developed a budget plan to allocate \$33,261,000 toward funding of program operations, \$3,354,000 toward the amortization of outstanding debt, a \$700,000 settlement installment to the City of San Bernardino, and \$6,935,000 toward capital asset improvement and replacement. In addition, a \$1,200,000 draw from Water Reserves is needed to fund and complete water capital projects scheduled for the year, and a \$3,000,000 transfer to Water Reclamation Reserves will help build a reserve due to required funding agreements with the State Water Resource Control Board, which funded the SNRC.

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

	Water Fund	Wastewater Fund	Reclamation Fund	FY 2022-23 Total
<b>REVENUE / SOURCES</b>				
Water Sales / Wastewater Collection Charges	\$ 17,700,000	\$ 5,621,000	\$ -	\$ 23,321,000
Wastewater Treatment Charges	-	-	9,851,000	9,851,000
Water System (Meter) Charges	9,685,000	-	-	9,685,000
Other Operating Income	-	-	2,512,000	2,512,000
Other Charges and Income	570,000	100,000	11,000	681,000
<b>TOTAL REVENUE / SOURCES</b>	<b>\$ 27,955,000</b>	<b>\$ 5,721,000</b>	<b>\$ 12,374,000</b>	<b>\$ 46,050,000</b>
<b>OPERATING EXPENSES</b>				
Employment Expenses	\$ 9,156,600	\$ 2,526,200	\$ 1,648,200	\$ 13,331,000
Water Costs	286,000	-	-	286,000
Contracted Wastewater Treatment	-	-	3,000,000	3,000,000
Power Costs	2,630,000	-	260,000	2,890,000
Materials & Supplies	1,348,800	127,500	671,700	2,148,000
Contract Services	5,973,200	1,887,500	3,074,300	10,935,000
Other Operating Expenses	535,400	115,800	19,800	671,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 19,930,000</b>	<b>\$ 4,657,000</b>	<b>\$ 8,674,000</b>	<b>\$ 33,261,000</b>
<b>OTHER USES</b>				
Debt Service	\$ 3,080,000	\$ 274,000	\$ -	\$ 3,354,000
Capital Outlay	720,000	475,000	-	1,195,000
Capital Improvement Program Contribution	5,425,000	315,000	-	5,740,000
Contracted Treatment Services	-	-	700,000	700,000
Reserve Transfers	(1,200,000)	-	3,000,000	1,800,000
<b>TOTAL OTHER USES</b>	<b>8,025,000</b>	<b>1,064,000</b>	<b>3,700,000</b>	<b>12,789,000</b>
<b>TOTAL OPERATING EXPENSES/ OTHER USES</b>	<b>27,955,000</b>	<b>5,721,000</b>	<b>12,374,000</b>	<b>46,050,000</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

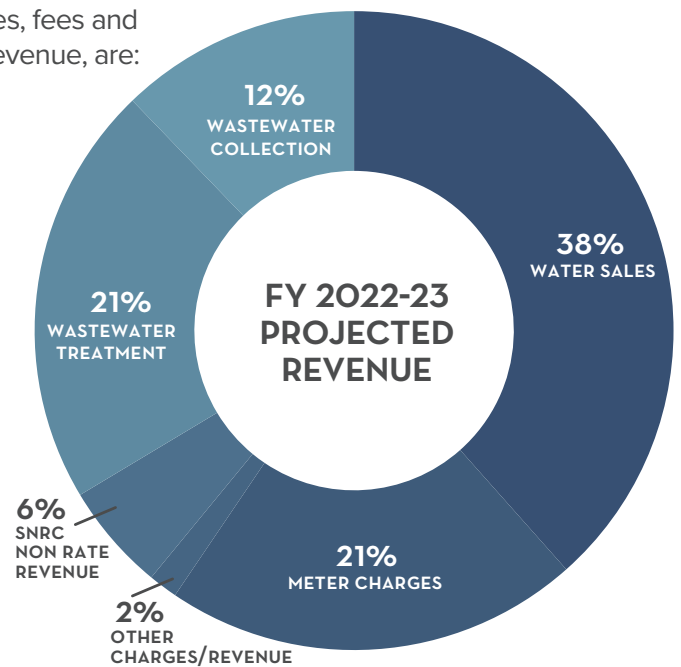
# Revenue Summary

Revenue projections are key to determining the extent of financial resources available to support District programs and other obligations. Therefore, projections are developed early in the budget process and then presented to the District's Governing Board in May. East Valley Water District receives 97% of its revenue from user rates and fees; the District receives no increment from property or sales taxes.

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

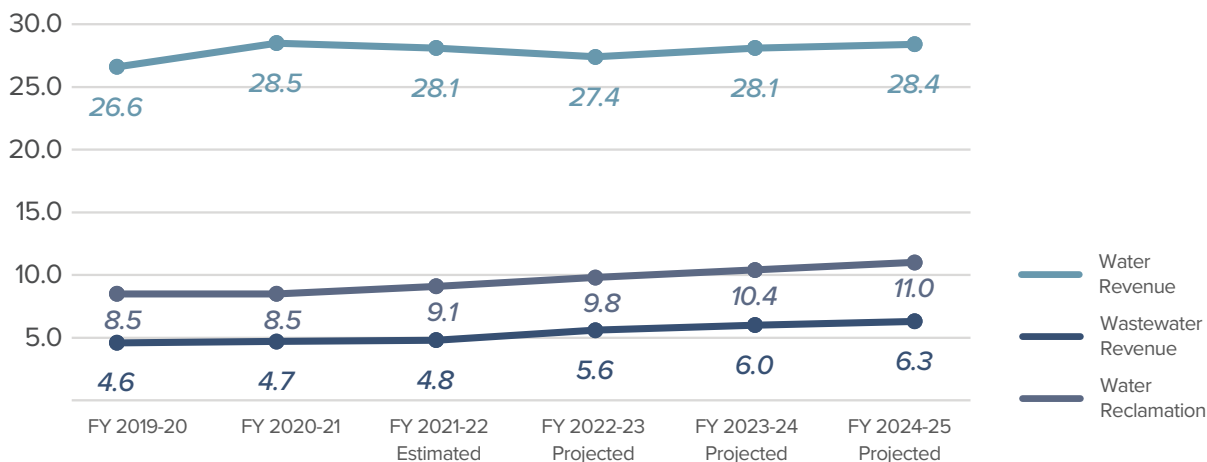
The District has six revenue categories based on established rates, fees and charges. The six categories and the fund which recognizes the revenue, are:

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



Forecasting revenue projections requires consideration of external factors that could impact the demand for water services. Elements factored into the FY 2022-23 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 recent 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. An end to that drought was declared in April 2017, but after three years of average rain and snowfall, the State slipped into another drought, now in its third year. In response to reduced rain and snow pack, the State will likely legislate strict conservation measures that will reduce consumption and suppress water sales.

Construction within the region has been picking up over the last two to three years. Multiple moderate sized developments of between 200 and 300 units have requested District assistance with the formation of Community Facilities Districts (CFD), and one of the CFDs has new homes under construction and for sale early in FY 2022-23. However, the announcement of several interest rate hikes in the near future could slow market absorption of new homes and in turn, slow new development plans.

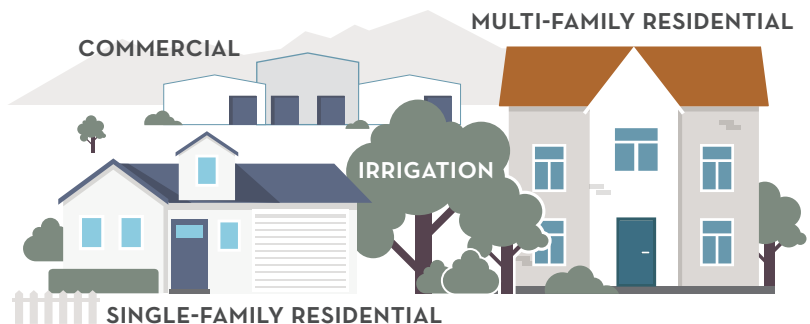
The most significant factor affecting District revenue in FY 2022-23 will be the opening of the SNRC Water Reclamation facility. With this plant online, the District will no longer send wastewater to the SBMWD for treatment but will treat and recycle wastewater for groundwater recharge. Anaerobic digesters 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 Valley District Local Resource Investment Program for recycled water used for recharge;
2. Tipping fees from liquid waste haulers; and
3. Energy produced by digesters will offset the facility's power operating costs. There is a potential to sell excess power produced by the digesters to the Southern California Edison (SCE) power grid.

A more detailed description of the District's major revenue sources, and related trends, is provided in the following sections, including a discussion of new revenue streams under Other SNRC Income. In addition, the Water Fund, Wastewater Fund, and Water Reclamation Fund sections of this document include a detailed discussion of the rates used to calculate FY 2022-23 revenue projections.

## Water Sales

The District produces potable water for sale to four customer classes: single-family residential, multi-family residential, commercial and irrigation. All customers are billed on a monthly cycle based on their amount of water usage, which is metered and measured in hundred cubic feet (HCF) where 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 lose moisture during the month being billed. The Tier 2 budget is intended to allocate sufficient water for efficient irrigation of the landscaped square footage. Tier 3 is billed for water use in excess of the Tier 1 and 2 budgets and is deemed to be inefficient use.



Irrigation customers receive only a Tier 2 budget as described above, with usage in excess of the budget billed at the Tier 3 rate. Finally, commercial customers, having neither occupants 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 2022-23.

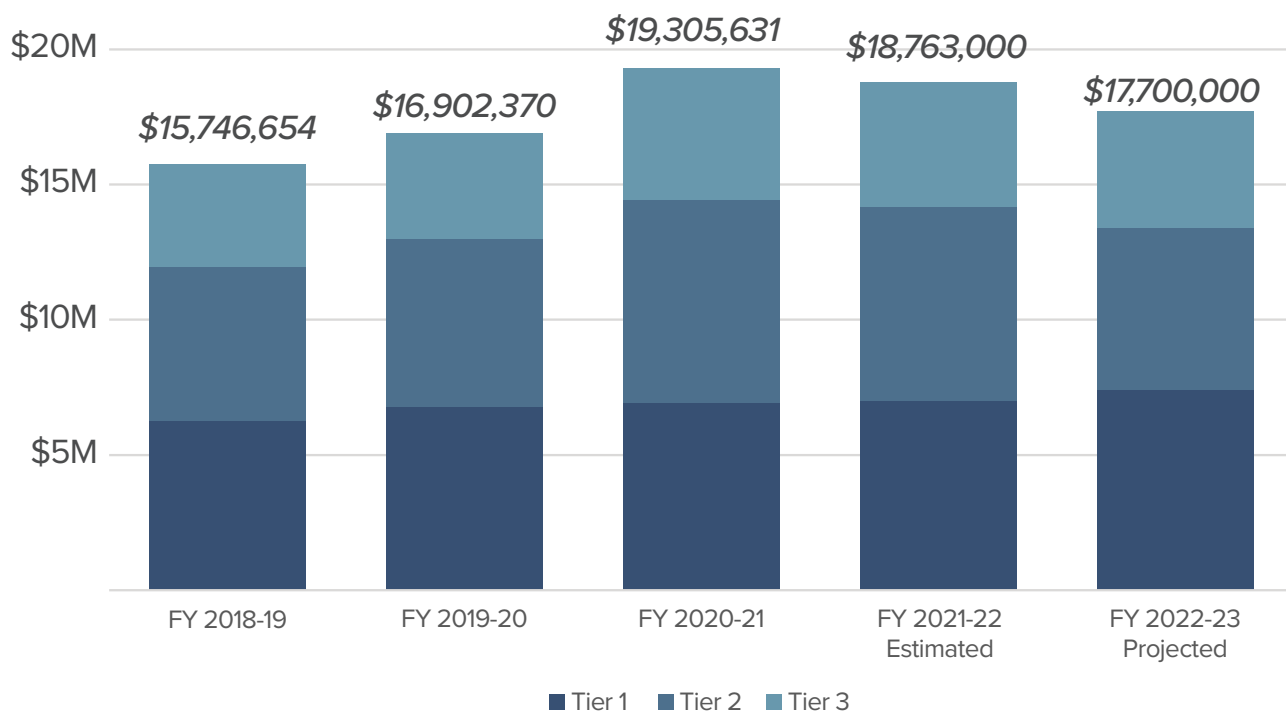
### Customer Consumption in Hundred Cubic Feet

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Estimated	FY 2022-23 Budget
Tier 1	3,777,126	3,696,721	3,705,991	3,631,000
Tier 2	2,406,396	2,659,770	2,759,974	2,355,000
Tier 3	1,096,457	1,237,088	1,247,988	1,135,000
<b>TOTAL</b>	<b>7,279,979</b>	<b>7,593,579</b>	<b>7,713,953</b>	<b>7,121,000</b>

Water consumption is expected to decrease in FY 2022-23 due to rate adjustments, adopted in May 2021 and effective January 2023, 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 have two remaining phases, each taking effect on January 1, 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 \$17.7 million for FY 2022-23. The graph below shows water sales trends for four years and the current year projection. Additional information about water rates is available in the Water Fund section of this document.

### Water Sales Trends



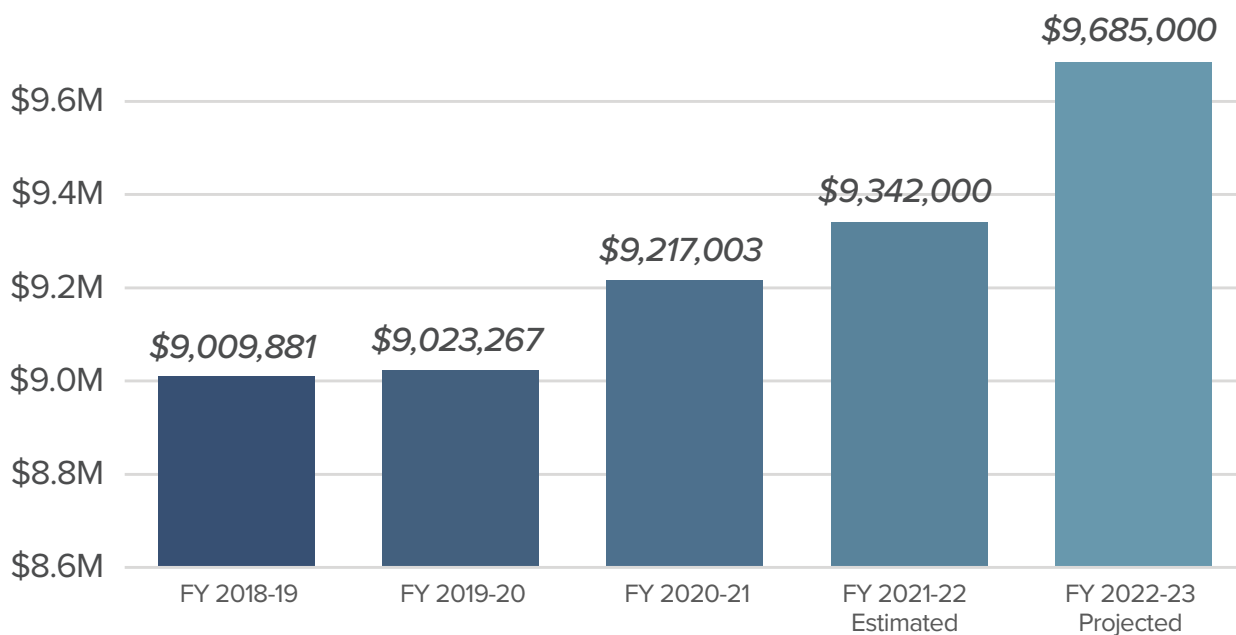
## WATER SYSTEM CHARGES

Also referred to as Meter Charges, water system charge rate revenue consists of a fixed monthly rate assessed to customers based on the size of the meter serving their property. 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 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 the first of three adjustments became effective in January of 2022. The remaining adjustments become effective in January of 2023 and 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. Development could add 50 new homes consistently over the next ten years, but those new customers have not been counted and factored into projections. Only rate adjustments scheduled for January 2023 have been included in Meter Charge projections which are \$9,685,000 for FY 2022-23.

### Meter Charges



## WASTEWATER COLLECTION (SYSTEM) CHARGES

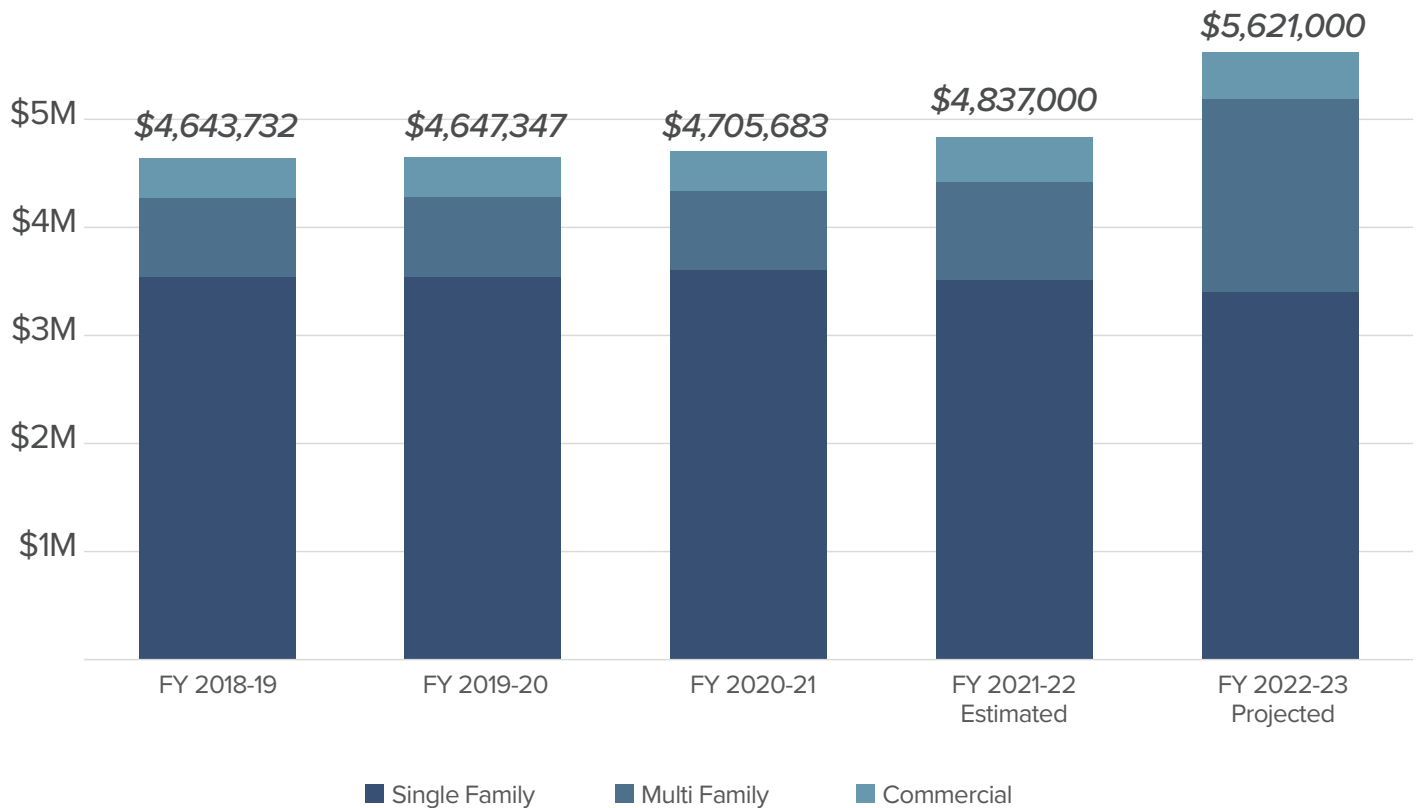
Wastewater Collection charges are assessed to District customers to fund the maintenance and replacement of wastewater collection pipelines, make wastewater debt service payments, and fund program services associated with the Wastewater Fund.

Wastewater collection rates were included in the Cost of Service Analysis and Rate Study completed in January 2021, and then were adopted at a public hearing in May 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. This change brings billing for multi-family residential accounts into alignment with the methodology in place for single-family residential accounts. There are currently 19,230 single-family units and 10,654 multi-family units, and these unit counts multiplied by the fixed charges were used to project revenue.

There are 612 commercial accounts that will continue to be billed a monthly flat rate plus a volumetric charge based on water usage (measured in HCF). The volumetric rate varies according to the strength of wastewater a customer type typically discharges into the collection system.

Phase one of rate adjustments were implemented in May 2022 and will be followed by adjustments in 2023 and 2024. Projected wastewater collection revenue for FY 2022-23 is \$5,621,000. A more thorough discussion of the calculation of projected wastewater collection revenue can be found in the Wastewater Fund section of this document.

### Wastewater Collection Charges



### WASTEWATER TREATMENT REVENUE

Wastewater generated by District customers is currently delivered to and treated by City of San Bernardino Municipal Water Department (City) facilities in accordance with a Joint Powers Agreement (JPA). Under the JPA, the City establishes wastewater treatment rates to be paid for services provided to District customers.

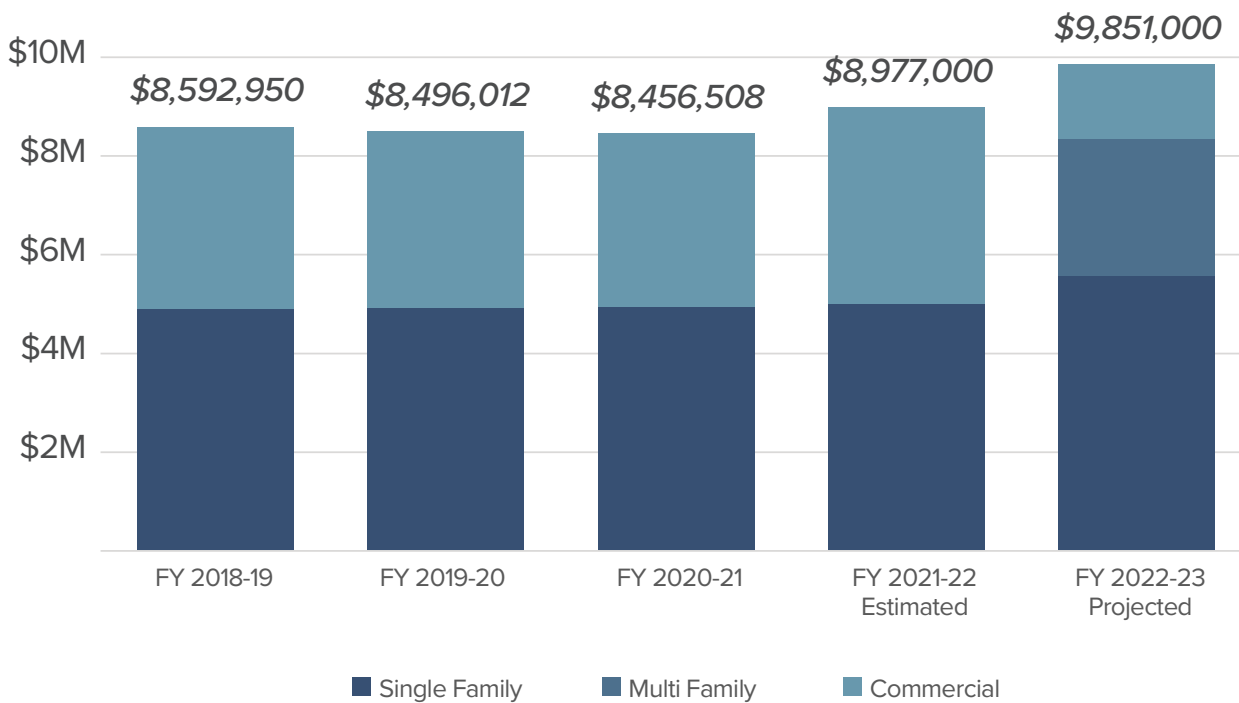
However, the District is nearing completion on construction of its own water reclamation facility known as the Sterling Natural Resource Center (SNRC) that, when operational, will allow the District to treat its own wastewater and no longer contract with the City. The SNRC is scheduled for completion in November 2022.

In anticipation of SNRC operations, the District adopted its own wastewater treatment rates which became effective in May 2022. Accordingly, FY 2022-23 treatment revenue projections are based on rates established by the District.

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

Wastewater Treatment Charges are a revenue of the new Reclamation Fund, and total charges projected for FY 2022-23 are \$9,851,000.

### Wastewater Treatment Revenue



### SNRC NON-RATE REVENUE

Commencement of operations at the Sterling Natural Resource Center on or around November 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. Explanation of those revenues and projections for FY 2022-23 are presented below.

#### 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 the San Bernardino Valley Municipal Water District (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 with November of 2022 as the target date for the SNRC to be in full operation, the District estimates that a reduced yield of 4,000 acre feet of recycled water will be produced and recharged for which it will receive an LRIP Contribution from Valley District of \$692,000.

## Waste Hauler Tipping Fees

In order to maximize the power generation capacity of the SNRC digesters, activated wastewater sludge from the SNRC will be supplemented by attracting disposal high grade food waste at the SNRC. The District anticipates that up to 130,000 gallons of liquid waste per day will be discharged by haulers at the SNRC for a fee of \$.08 per gallon. The District projects that during nine months of operation in fiscal year 2022-23, approximately 22.75 million gallons of liquid waste will be accepted at the SNRC generating tipping fees of approximately \$1,820,000.

## Electrical Power Generation

Gases released and burned by the anaerobic digesters will be used to generate electrical power to help offset the cost of supplying the SNRC with power. The District has also installed a two-way electric meter for situations where the digesters are generating surplus power which can be sold to the power grid at \$.127 per kilowatt hour. The District does not anticipate any net revenue from power sales during the SNRC's startup year.

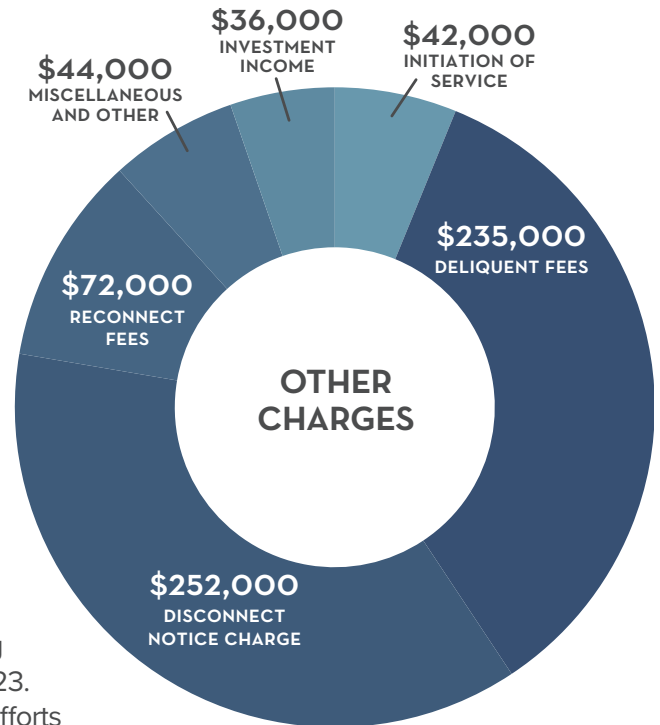
The table below provides a summary of all projected non rate revenue from the SNRC for FY 2022-23.

Revenue Type	Unit of Measure	Volume FY 2022-23	Fee Per Unit	Non-Rate Revenue Total
LRIP Contribution	Acre Foot (AF)	4,000 AF	\$ 173.00	\$ 692,000
Tipping Fees	Gallon	22.75 MG	0.08	1,820,000
Power Sales	kWh	0	0.13	-
				<b>\$ 2,512,000</b>

## OTHER CHARGES AND INCOME

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

In prior years, revenue from charges related to collection of delinquent customer payments (delinquent fees, notice charges, disconnect/reconnect fees) have been significant, so the District was successfully implemented procedures to work closely with customers to reduce the number of service disconnections for non-payment. However, in March 2020 an Executive Order from the California Governor put a moratorium on service disconnections for non-payment, due to COVID-19, so collection procedures that incurred costs but could not be recovered through the disconnection process, were put on hold. The moratorium was allowed to sunset on December 31, 2021, so collection efforts, including notices and disconnection, will again be utilized in FY 2022-23. For this reason, revenue related to fees charges for collection efforts have been projected at \$556,000 in the upcoming year.



Other Income included in FY 2022-23 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 the construction costs of the SNRC and then must wait 30 to 60 days for reimbursement from the State Water Resources Control Board.

In total, the FY 2022-23 projection for Other Charges and Income is \$681,000, which is calculated using adopted fees and an estimate of the number of occurrences for each type of fee based on historical trends.

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

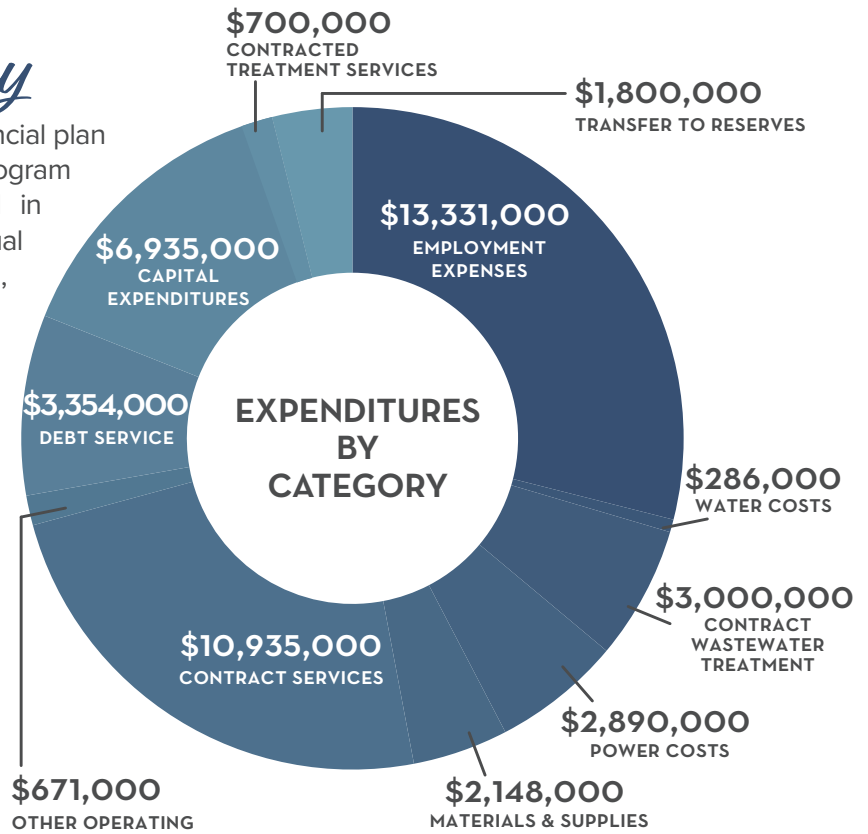


# Expenditure Summary

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, Wastewater and Water Reclamation 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, Wastewater and Water Reclamation Fund Sections, and again, by Program in the Program Summaries.



## EMPLOYMENT EXPENSES

Budgeted Employment Expenses include salaries and benefits paid for 76 full time employees (FTEs) and 2 part-time employees, and also includes District contributions toward health insurance for current retirees. Ten of these budgeted positions are vacant at the beginning of FY 2022-23, either recently vacated by an existing employee and the search for a replacement is under way, or a new position related to the Sterling Natural Resource Center which will be filled early in the fiscal year as the District prepares the plant for commencement of operations.

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 2023-24.

Salaries include regular wages, overtime and on-call pay, paid leave time, incentives, and differential payments which are awarded upon attainment of designated certifications. Per an agreement with employees at adoption of the current MOU, salaries were adjusted to market median based on a survey conducted by an independent consultant. Some adjustments were made in FY 2021-22, up to 10%, but if a 10% adjustment did not achieve market median, the balance of the recommended adjustment will be given in FY 2022-23. A 2% COLA will also take effect in FY 2022-23 and pay scale step increases of 2.5% are available for 36 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 2022-23 is \$8,714,000.

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

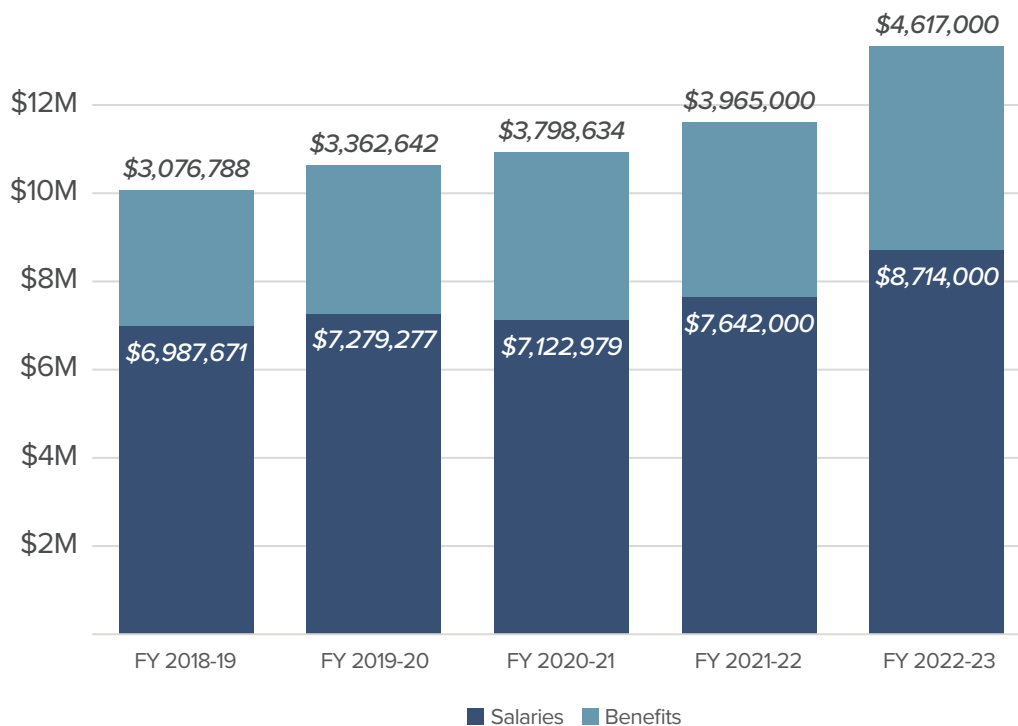
The most significant of employee benefits is the CalPERS retirement plan. Funding requirements for the plan are determined through actuarial valuations conducted by CalPERS and include contributions from both the District and the employees. In recent years, unfunded pension liabilities have risen significantly 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 to the plan, in an attempt to ensure that the plan is ultimately fully funded. However, instead of relying on the administrator plans for funding, the District has implemented an aggressive 15 year level-pay plan to amortize unfunded pension liabilities in order to reduce the cost of this liability. While the 15-year plan requires higher initial annual contributions, 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 equal to the designated 'benchmark' insurance plan, with employees paying the balance. Premiums for the benchmark plan decreased for 2022, therefore a similar decrease for the cost of healthcare benefits is expected. Contributions toward retiree health insurance premiums are capped at \$850 per month for FY 2022-23. Payments continue until the retiree reaches the age of 65, or Medicare age, 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 6.1% to \$4,266,000 for FY 2022-23, while contributions toward retiree health insurance were determined by an actuary to be \$351,000.

## Salaries and Benefits



## WATER COSTS

The District anticipates customer demand for approximately 16,346 acre-feet, or 5.33 billion gallons, of water during the 2022-23 Fiscal Year. This is approximately 7% lower than total water sold in FY 2021-22. Included in this projection are scheduled rate adjustments and stronger messaging in response to the new drought, which tend to apply downward pressure on water demand.

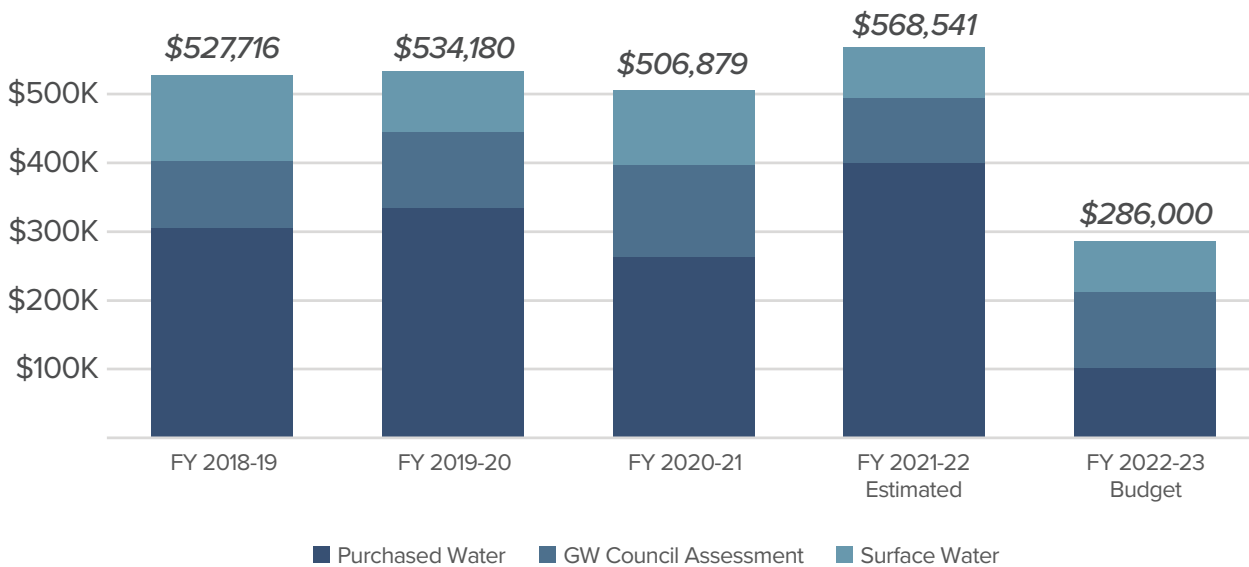


The District meets customer demand by procuring water from three different raw water sources – groundwater, surface water, and the purchase of imported water. Each of these sources have associated rates, fees or assessments charged by other agencies/companies as explained below:

- Groundwater:** The District obtains approximately 74% of its water supply through its wells by pumping water from the Bunker Hill Groundwater Basin. The fee associated with pumping groundwater is paid to the GC. This is a collaborative effort formed in January 2018 for the purpose of purchasing imported water to restore and maintain sustainable groundwater levels. The Groundwater Council has two components – a water cost assessment that is based on historical pumping levels by each of the signers to the GC Framework Agreement, and an Operations and Maintenance component to fund the operations of the GC. The District’s total assessment for FY 2022-23 is projected to be \$416,000. The District also receives credit against the water cost assessment for Santa Ana River surface water that it allows to flow past the District’s intake into groundwater recharge basins. The credit will offset the entire water cost assessment leaving only the O&M assessment of approximately \$110,000.
- 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 \$10 per share and has budgeted \$71,400 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 pack and rainfall in Northern California last winter, only 5% of the normal allocation of water is available from the State Water Project, with no water available to EVWD for purchase through the end of calendar year 2022. In spite of drought conditions, the District has budgeted \$102,000 for up to 810 acre feet of water should the State Water Project benefit from normal rainfall in the winter of 2023.

Total water costs associated with these three sources are projected to be \$286,000 for FY 2022-23.

### Water Costs

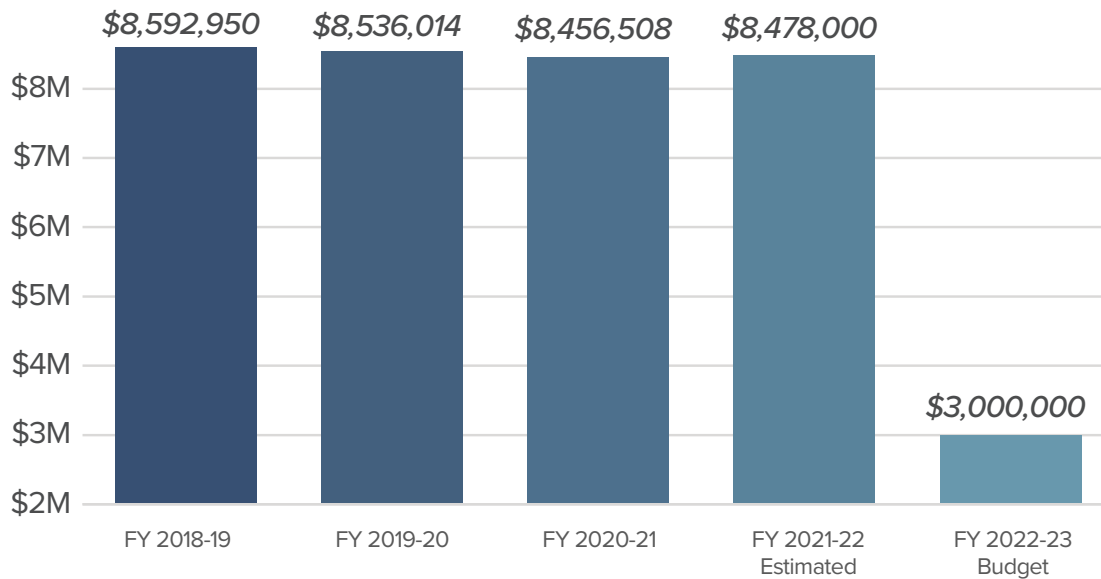


### CONTRACTED WASTEWATER TREATMENT

As outlined in the discussion about wastewater treatment revenue, the District will transition from contracting with the City of San Bernardino Municipal Water Department (City), to commencing its own wastewater treatment operations at the new Sterling Natural Resource Center in November of FY 2022-23. The transition will begin in September by

diverting approximately a quarter of wastewater flows to the new plant. Every two weeks another quarter of the flows will be diverted until full flows received at the SNRC at the end of November 2022. While this phased approach to diverting flows is taking place in September and October 2022, some flows will continue going to the City's treatment facilities and the District will be charged for those scaled down treatment services. Projected payments to the City in FY 2022-23 for approximately 3.5 to 4 months of treatment services are \$3,000,000.

## Wastewater Treatment Costs



Annual payments to the SBMWD for wastewater treatment services has represented approximately 22% of the District's annual budget in past years. Going forward, however, contracted treatment payments will be replaced by new debt service payments, SNRC treatment staff salaries, and other operating costs displayed in other sections of this budget, and also summarized in the Water Reclamation Fund. In this year of transition, the SNRC will only be operational for approximately nine months, 'in-house' costs are expected to include contract services, power, salaries and benefits, and materials and supplies.

## POWER COSTS

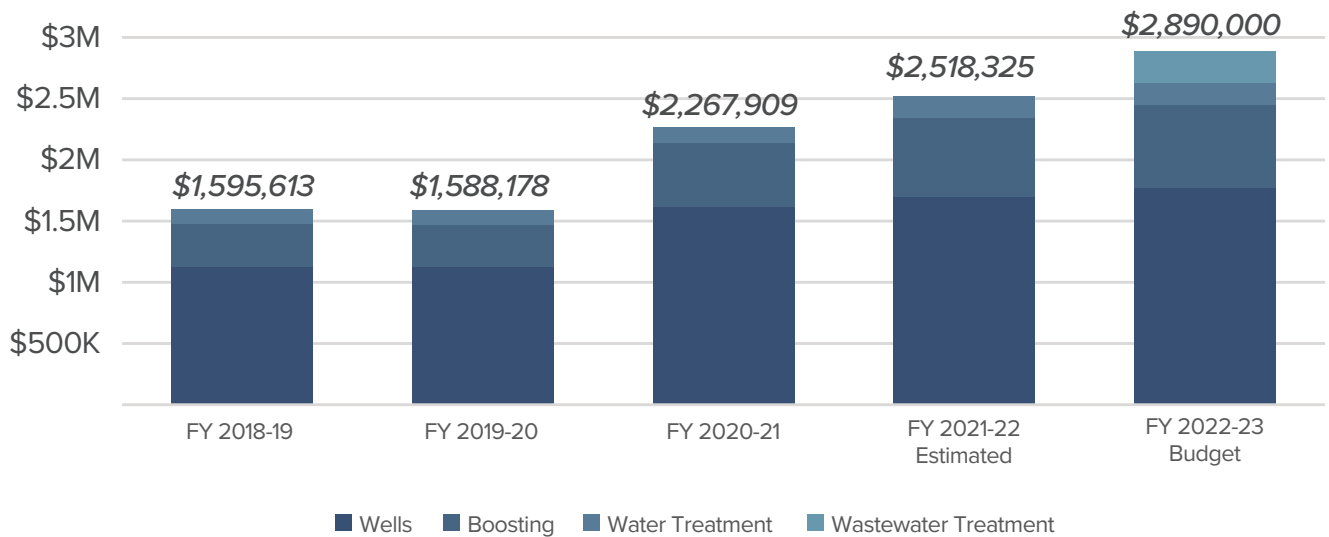
Power costs include the electrical power for extracting groundwater through wells, treating imported water, surface water, and groundwater when necessary, and distributing water throughout nine pressure zones within the District. Significant power costs will also be incurred for the SNRC in FY 2022-23 as the new plant commences operations in November, gradually increasing capacity until all wastewater generated by District customers is being converted to recycled water.

Although rates for electrical power have been increasing, the District has implemented various energy conservation measures over the last several years including the installation of high efficiency pumps at several plants, and construction of a hydroelectric generation facility at the District's surface water treatment plant (Plant 134), to help mitigate rising power costs. In addition, District operations staff works closely with representatives from Southern California Edison (SCE) to try to ensure that water production facilities are assigned Time-of-Use (TOU) rates wherever possible, encouraging staff to operate facilities to take advantage of the off-peak rates. In spite of these efforts to control costs, electricity rate pressures have resulted in steadily increasing power costs. The addition of the SNRC had the potential to more than double the District's power demand. This increased the District's decision to add anaerobic digesters to the SNRC project in order to convert wastewater sludge, supplemented with imported liquid

food waste, into energy. The District contracted with SCE to install a two way meter at the plant, so any excess energy produced by the digesters in the future can be sold on the power grid. During startup, and at least for the FY 2022-23, the District expects to use all power generated to run the plant and that the SNRC will be a net user of power. A budget of \$260,000 has been established for net power costs at the SNRC for FY 2022-23.

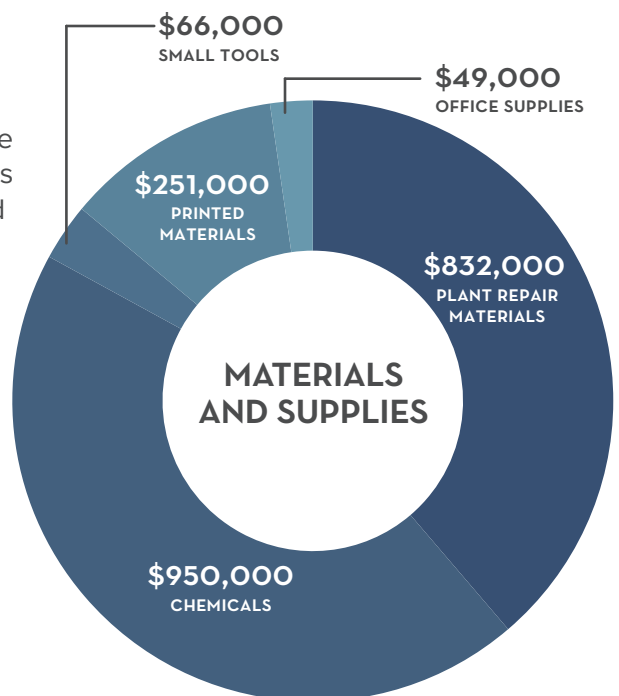
Power costs for water production were \$2.5 million in FY 2021-22, due to rate increases and higher than anticipated demand for water. For FY 2022-23 the District is projecting lower demand for water, as explained under Water Costs, but increased power costs as worsening drought conditions will force the District increase well production to meet customer demand due to the unavailability of Santa Ana River Water. Accordingly, the proposed power budget for water production in FY 2022-23 is \$2,630,000.

### 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 36% to \$2,148,000 for FY 2022-23. Significant variances between prior year Contract Services costs and projections for the upcoming year is due to Water Reclamation’s budget of \$600,000 for chemicals, a new program expense.

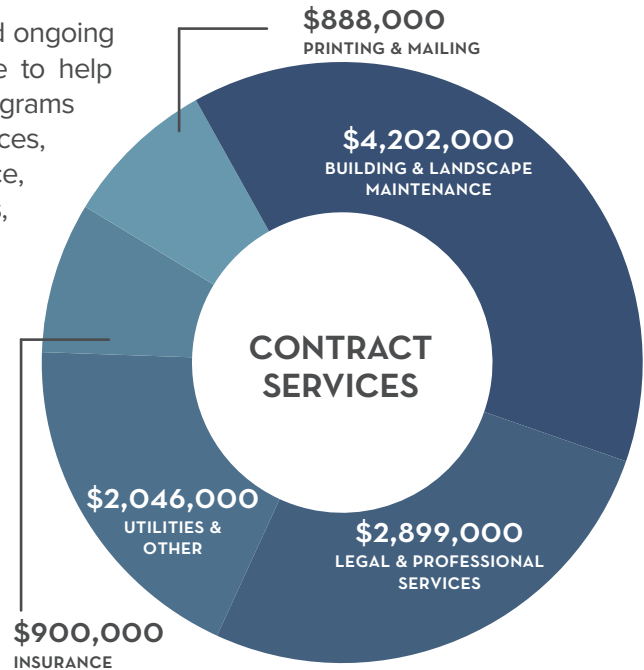


## CONTRACT SERVICES

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

The budget for contract services is expected to increase 37% to \$10,935,000 for FY 2022-23. Significant variances between prior year contract services costs and projections for the upcoming year include:

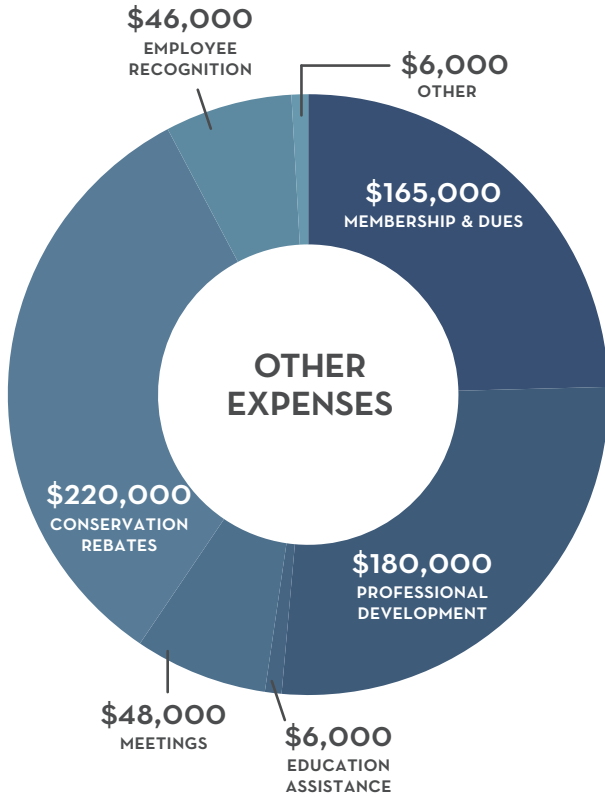
- The Governing Board's contract services budget increased by over \$210,000 as elections will be held and a consultant for strategic planning will help the District refresh its long term planning.
- The Conservation program budget includes significant increases in services that can help the District enhance water use efficiency response as California enters its third year of drought. These include increases in rebates, for customers who buy water efficient appliances and remove turf, and in landscape services where a direct installation program will help customers replace leaky fixtures. The District will also match federal funding to contract for development of a Drought Contingency Plan.
- Information Technology has added nearly \$100,000 to its contract services budget to account for the cost of maintenance and support of new IT infrastructure and upgrades at the SNRC and Headquarters campuses.
- Startup of operations at the new SNRC water reclamation facility will add over \$2.2 million in additional contract services, including solids hauling and disposal, SCADA support, and new laboratory services.
- Facilities Maintenance has budgeted an increase of over \$300,000 in contract services to address security and landscaping needs at the SNRC.



*Materials, supplies, and contract expenses are necessary elements for managing each Program's budget.*

## OTHER OPERATING EXPENSES

Other Operating Expenses budgeted for FY 2022-23 total \$671,000 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.



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*Other operating expenses represent the investment East Valley Water District makes into its employee programs.*

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# Debt Overview

East Valley Water District's debt service payments in FY 2022-23 will be \$3,354,000 on total outstanding debt of \$37,621,000 as of June 30, 2022. Not included in this amount is \$136,489,000 in loan funding borrowed from the State Water Resources Control Board for the ongoing construction of the SNRC water reclamation plant. This project will be complete in November 2022, with debt service of approximately \$7.5 million annually due to begin one year after filing of a Notice of Completion.

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

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

## TYPES OF DEBT

### Revenue Bonds

Revenue bonds are issued to finance the construction or upgrade of water and wastewater facilities. Debt service 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. The 2020A bonds outstanding total is \$15,990,000, and bear (tax-exempt) 3.0% to 5.0% interest.
- **2020B Refunding Revenue Bonds:** Issued to refund outstanding 2013 Revenue bonds, which had been issued to finance the construction of a new administration and operations headquarters. The 2020B bonds outstanding total is \$13,340,000, 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 \$5,368,000 bearing interest at 0%.
- **SNRC:** Borrowed as primary funding for the Water Reclamation Plant known as the SNRC. The total loan amount approved is \$150.3 million, with a request to increase loan funding to \$168.3 million currently under review. Through June 2022, approximately \$136.5 million has been drawn down to date. Interest on the loan is 1.8% and annual debt service on the full loan will be approximately \$7.6 million annually. The debt service on this loan is not included in the tables on the following pages since the facility is still under construction.

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

**Assessment Districts**

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

- **U.S. Bank Loans:** Borrowed to finance construction and implementation of several energy conservation measures. The total loan outstanding is \$879,000 at an interest rate of 2.3%.
- **Valley District Loan:** Borrowed from the San Bernardino Valley Municipal Water 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 \$1,704,000 bears interest at the Local Agency Investment Fund (LAIF) apportionment rate, currently 0.32%. 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 2022-23 debt service payments, by debt issue, is shown in the following schedule.

**Debt Service Payments**

Debt Issue	WATER FUND		WASTEWATER FUND		Total
	Principal	Interest	Principal	Interest	
2020A Refunding Revenue Bonds	\$ 940,000	\$ 664,000	\$ -	\$ -	\$ 1,604,000
2020B Refunding Revenue Bonds	105,000	225,000	175,000	99,000	604,000
SWRCB Loan Treatment Plant 134	234,000	-	-	-	234,000
SWRCB Loans Assessment Districts	19,000	-	-	-	19,000
US Bank Loans	435,000	18,000	-	-	453,000
Valley District Loan	430,000	10,000	-	-	440,000
<b>TOTAL</b>	<b>\$ 2,163,000</b>	<b>\$ 917,000</b>	<b>\$ 175,000</b>	<b>\$ 99,000</b>	<b>\$ 3,354,000</b>

As detailed above, debt service for FY 2022-23 on all outstanding District debt is \$3,354,000. This amount represents 7.3% of the District’s total budget for FY 2022-23. This level of debt service does not affect utility services provided to District ratepayers but does directly impact the number of Capital Projects that can be funded by operating revenues.

The following table presents District debt level ratios compared to 2015 Southwest Regional medians reported by Fitch ratings. District debt used for the calculations includes loan funds borrowed for the SNRC through June 2022, but for which debt service is not yet being paid.

Ratio	Fitch Median	EVWD
Outstanding debt per customer (21,576 accts)	\$ 1,634	\$ 8,070
All-in debt service as % of gross revenue	26%	2.3%

### Total Debt Service Through Maturity

Fiscal Year	WATER FUND		WASTEWATER FUND		Total
	Principal	Interest	Principal	Interest	
2022-23	\$ 2,163,000	\$ 917,000	\$ 175,000	\$ 99,000	\$ 3,354,000
2023-24	2,223,000	886,000	175,000	98,000	3,382,000
2024-25	1,813,000	815,000	175,000	97,000	2,900,000
2025-26	1,458,000	761,000	175,000	96,000	2,490,000
2026-27	1,063,000	715,000	180,000	94,000	2,052,000
2028-32	5,845,000	3,030,000	925,000	424,000	10,224,000
2033-37	6,802,000	2,033,000	1,040,000	319,000	10,194,000
2038-42	7,817,000	1,029,000	1,180,000	165,000	10,191,000
2043-47	3,882,000	97,000	530,000	16,000	4,525,000
2048-53	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 33,066,000</b>	<b>\$ 10,283,000</b>	<b>\$ 4,555,000</b>	<b>\$ 1,408,000</b>	<b>\$ 49,312,000</b>



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

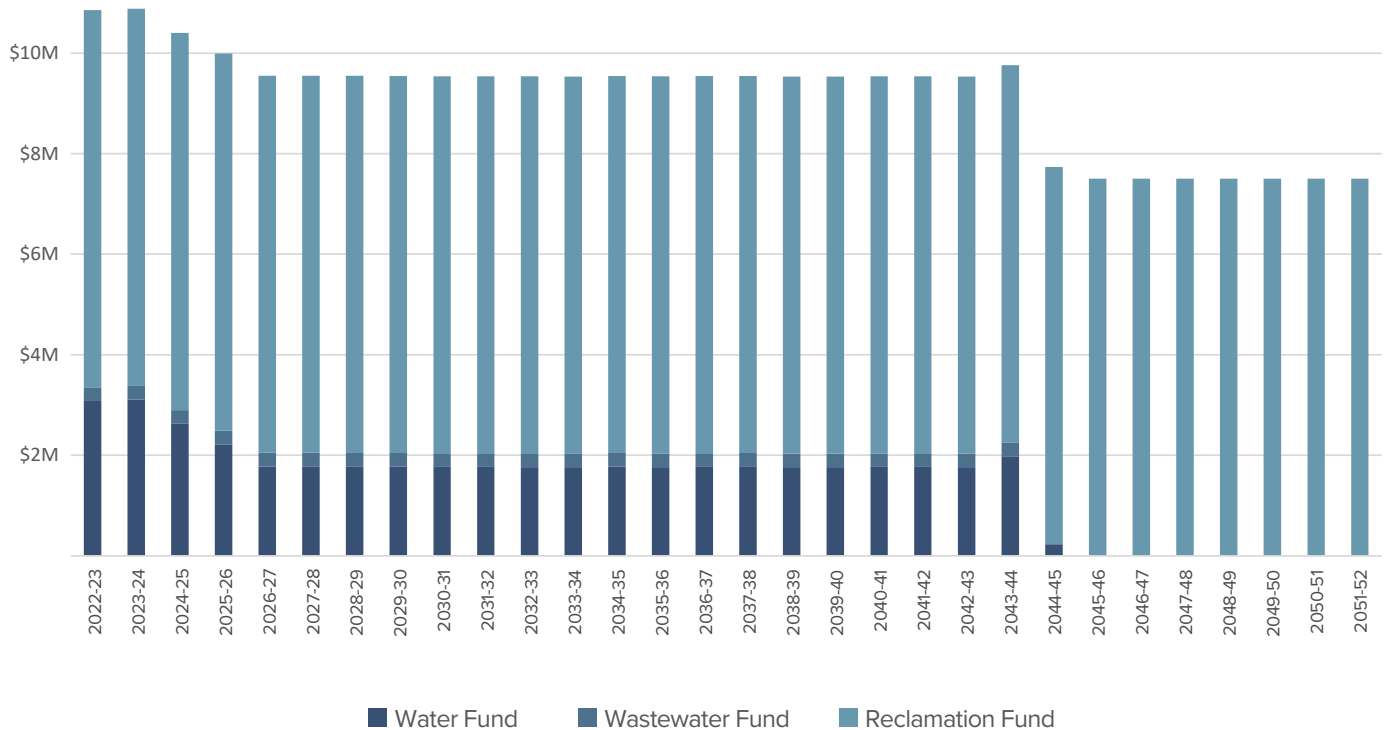


## FUTURE DEBT LEVELS

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 December 2023. 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 are 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.

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



## DEBT CAPACITY AND DEBT SERVICE COVERAGE

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

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

The FY 2022-23 proposed Budget provides the net revenue to debt ratios shown in the table below.

### Debt Service Coverage

	Water Fund	Wastewater Fund	Reclamation Fund	Total
<b>REVENUE</b>				
Sales and Services	\$ 27,385,000	\$ 5,621,000	\$ 9,851,000	\$ 42,857,000
Other Charges	605,000	95,000	2,512,000	3,212,000
Interest & Miscellaneous Revenue	60,000	5,000	11,000	76,000
<b>TOTAL REVENUES</b>	<b>\$ 28,050,000</b>	<b>\$ 5,721,000</b>	<b>\$ 12,374,000</b>	<b>\$ 46,145,000</b>
<b>OPERATING EXPENSES</b>				
Programs	\$ 19,930,000	\$ 4,657,000	\$ 8,674,000	\$ 33,261,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 19,930,000</b>	<b>\$ 4,657,000</b>	<b>\$ 8,674,000</b>	<b>\$ 33,261,000</b>
<b>NET REVENUE</b>	<b>\$ 8,120,000</b>	<b>\$ 1,064,000</b>	<b>\$ 3,700,000</b>	<b>\$ 12,884,000</b>
<b>ANNUAL DEBT SERVICE</b>	<b>\$ 3,080,000</b>	<b>\$ 274,000</b>	<b>\$ -</b>	<b>\$ 3,354,000</b>
<b>DEBT COVERAGE RATIO</b>	<b>2.64</b>	<b>3.88</b>	<b>0.00</b>	<b>3.84</b>

## OTHER USES - CONTRACTED TREATMENT SERVICES

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

One of the terms of the Agreement is that the District will pay ten annual installments of \$700,000 to the City to help alleviate the loss of revenue resulting from the District's departure. Accordingly, a \$700,000 expenditure is shown under Other Uses in the Budget Summary and budget detail.

# Fund Equity & Reserves

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

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

- *Invested in Capital Assets*
- *Restricted*
- *Unrestricted*

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

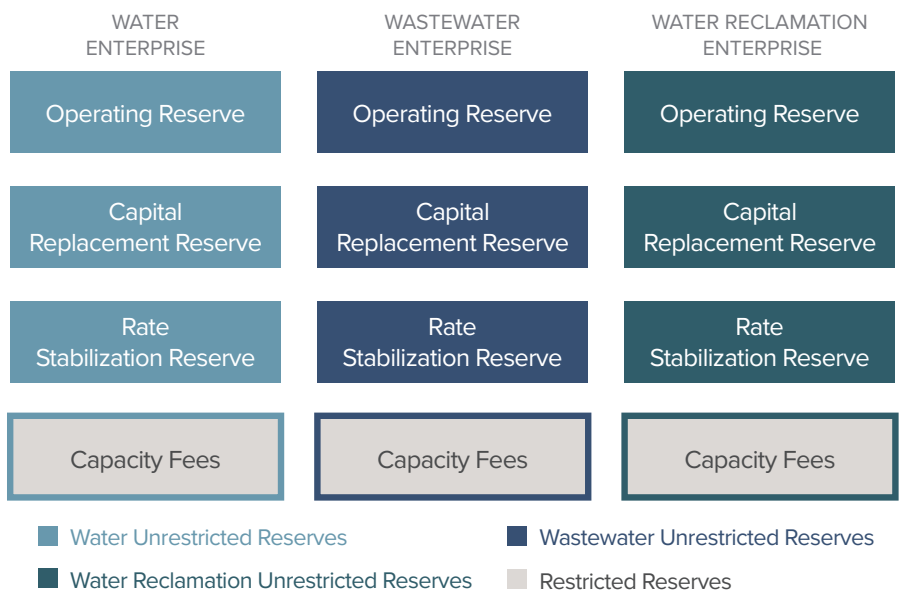
Restricted and unrestricted equity are spendable reserves, Equity Invested in Capital Assets is not. Equity Invested in Capital Assets maintains a running balance of resources previously spent on the acquisition and construction of capital assets, less outstanding long-term debt, and net of depreciation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

Restricted Net Position 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 79-84. 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*

## Enterprise Reserves



The Operating Reserve has the highest priority and is funded first out of any excess of revenue over expenditures at the end of each fiscal year. When the Operating Reserve has reached its target level of 120 days operating expenses, excess funds are applied to the Capital Replacement Reserve 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 Water Fund is projected to have \$7,355,277 in Operating Reserves, \$10,338,648 in Capital Replacement, and \$3,289,833 in Restricted Reserves. Only Capital Replacement will have a different balance than FY 2021-22, due to the use of funds for capital improvement projects. The Water Reserves table presents changes to the Water Fund unrestricted and restricted equity, broken down by reserve designation, over a five year period, and includes beginning balances, annual activity, and ending balances. Target levels for each of the reserve designations, in accordance with the District's reserve policy, are also shown.

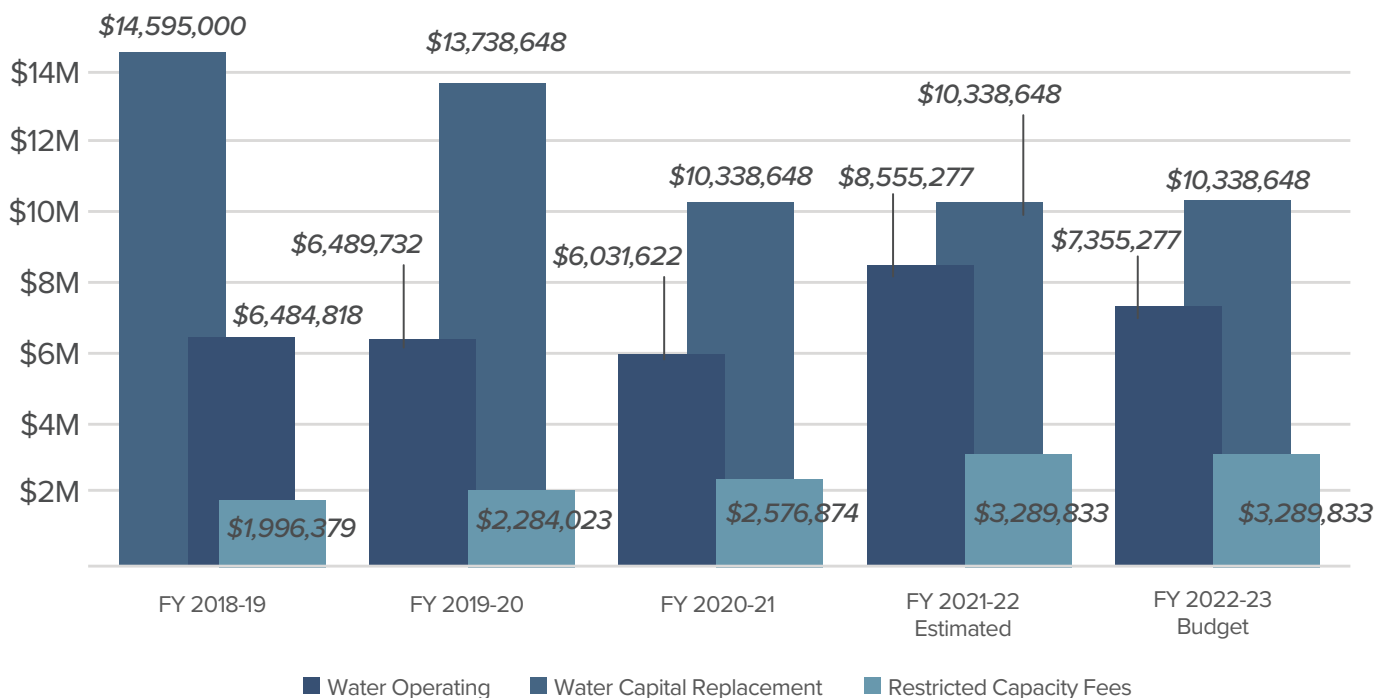
### Unrestricted Reserves

Funding for unrestricted reserves is built into rates when the District conducts a Cost-of-Service Analysis; this occurs approximately every five years. Rate adjustments were adopted in May 2021 and become effective in three phases, phase one was in January 2022, and the next two phases will follow in January of 2023 and 2024. Modeling for the new rates continued to focus on collecting at least 35% of revenue from the fixed system (meter) charges as California continues living with droughts and mandatory conservation, which reduces water sales. Both Unrestricted Reserves, Capital Replacement and Operating Reserves continue to stay around target levels and the budget for FY 2022-23 anticipates the use of \$1.2 million from reserves on water infrastructure projects.

### Restricted Reserves

Restricted Reserves are from the collection of water capacity fees from new development. Although the receipt of capacity fees is not included in revenue projections and budgeted, accumulated fees are available for appropriation for certain capital improvement projects. Restricted reserve balances are budgeted to remain at \$3,289,833. Changes in this fund during the year will be reported at the mid-year budget review.

### Water Reserves



## Unrestricted and Restricted Equity - Water

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Projected	FY 2022-23 Budget
<b>WATER OPERATING RESERVE (UNRESTRICTED)</b>					
<i>Maximum Target Level 120 Days Operations</i>	<b>\$ 5,505,000</b>	<b>\$ 5,850,000</b>	<b>\$ 6,025,000</b>	<b>\$ 6,366,000</b>	<b>\$ 6,645,000</b>
Beginning Fund Balance	8,141,879	6,484,818	6,489,732	6,031,622	8,555,277
Revenue	26,754,320	27,179,063	29,145,482	29,706,061	27,955,000
Operating/Non-Operating Expenditures	(18,098,700)	(18,717,810)	(20,132,623)	(19,377,406)	(20,847,000)
Capital Expenditures	(2,938,973)	(4,132,028)	(4,179,287)	(5,697,000)	(6,145,000)
Debt Principal Payments	(2,924,244)	(2,564,311)	(2,393,628)	(2,108,000)	(2,163,000)
Land Sale / Transfer CIP From Wastewater	7,550,536	-	(6,298,054)	-	-
Transfer to Capital Replacement Fund	(12,000,000)	(1,760,000)	3,400,000	-	-
<b>ENDING WATER OPERATING RESERVE</b>	<b>\$ 6,484,818</b>	<b>\$ 6,489,732</b>	<b>\$ 6,031,622</b>	<b>\$ 8,555,277</b>	<b>\$ 7,355,277</b>
<b>WATER CAPITAL REPLACEMENT FUND (UNRESTRICTED)</b>					
<i>Minimum Target Level</i>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>
Beginning Fund Balance	3,000,000	14,595,000	13,738,648	10,338,648	10,338,648
Transfer from Operating Fund	12,000,000	1,760,000	(3,400,000)	-	-
Capital Expenditures	(405,000)	(2,616,352)	-	-	-
<b>ENDING WATER CAPITAL REPLACEMENT FUND</b>	<b>\$ 14,595,000</b>	<b>\$ 13,738,648</b>	<b>\$ 10,338,648</b>	<b>\$ 10,338,648</b>	<b>\$ 10,338,648</b>
<b>TOTAL UNRESTRICTED EQUITY - WATER</b>	<b>\$ 21,079,818</b>	<b>\$ 20,228,380</b>	<b>\$ 16,370,270</b>	<b>\$ 18,893,925</b>	<b>\$ 17,693,925</b>
<b>RESTRICTED RESERVES</b>					
<i>No Target Level</i>	-	-	-	-	-
Beginning Fund Balance	\$ 2,171,212	\$ 1,996,379	\$ 2,284,023	\$ 2,576,874	\$ 3,289,833
Fees Collected	310,946	287,644	292,851	712,959	-
Capital Expenditures	(485,779)	-	-	-	-
<b>ENDING WATER CAPACITY FEES</b>	<b>\$ 1,996,379</b>	<b>\$ 2,284,023</b>	<b>\$ 2,576,874</b>	<b>\$ 3,289,833</b>	<b>\$ 3,289,833</b>
<b>TOTAL RESTRICTED EQUITY - WATER</b>	<b>\$ 1,996,379</b>	<b>\$ 2,284,023</b>	<b>\$ 2,576,874</b>	<b>\$ 3,289,833</b>	<b>\$ 3,289,833</b>

## WASTEWATER FUND RESERVES

The Wastewater Fund is projected to have \$2,700,370 in Operating Reserves, and \$2,105,426 in Restricted Reserves. The following table presents changes to the Wastewater Fund unrestricted and restricted equity, broken down by reserve designation, over a five year period, and includes beginning balances, annual activity, and ending balances—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 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Projected	FY 2022-23 Budget
<b>WASTEWATER OPERATING RESERVE</b>					
<i>Maximum Target Level 120 Days Operations</i>	\$ 1,310,000	\$ 1,250,000	\$ 1,250,000	\$ 1,980,000	\$ 1,555,000
Beginning Fund Balance	1,706,085	3,306,271	2,311,575	2,540,325	2,700,370
Revenue	5,540,293	4,784,495	4,846,067	5,774,750	5,721,000
Operating/Non Operating Expenditures	(4,203,757)	(4,698,424)	(4,920,069)	(4,609,705)	(4,657,000)
Capital Expenditures	(341,350)	(980,767)	(5,885,302)	(895,000)	(790,000)
Debt Principal Payments	(95,000)	(100,000)	(110,000)	(110,000)	(274,000)
Land Sale/Transfer CIP To Water	700,000	-	6,298,054	-	-
<b>ENDING WASTEWATER OPERATING RESERVE</b>	<b>\$ 3,306,271</b>	<b>\$ 2,311,575</b>	<b>\$ 2,540,325</b>	<b>\$ 2,700,370</b>	<b>\$ 2,700,370</b>
<b>TOTAL UNRESTRICTED EQUITY - WASTEWATER</b>	<b>\$ 3,306,271</b>	<b>\$ 2,311,575</b>	<b>\$ 2,540,325</b>	<b>\$ 2,700,370</b>	<b>\$ 2,700,370</b>
<b>RESTRICTED WASTEWATER CAPACITY FEES</b>					
<i>No Target Level</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	528,291	636,995	1,696,736	1,837,888	2,105,426
Fees Collected	108,704	1,059,741	141,152	267,538	-
Debt Issued	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
<b>ENDING WASTEWATER CAPACITY FEES</b>	<b>\$ 636,995</b>	<b>\$ 1,696,736</b>	<b>\$ 1,837,888</b>	<b>\$ 2,105,426</b>	<b>\$ 2,105,426</b>
<b>TOTAL RESTRICTED EQUITY - WASTEWATER</b>	<b>\$ 636,995</b>	<b>\$ 1,696,736</b>	<b>\$ 1,837,888</b>	<b>\$ 2,105,426</b>	<b>\$ 2,105,426</b>

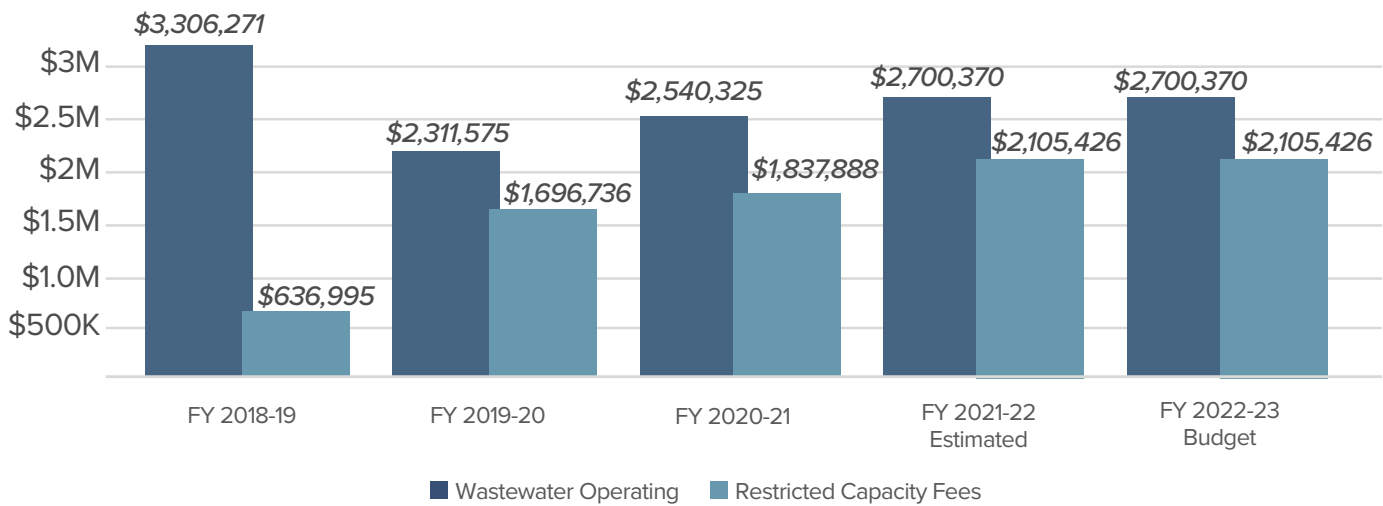
## Unrestricted Reserves

The accumulation of wastewater Operating and Capital Replacement reserves have been limited due to the investment in construction of the SNRC, a water reclamation facility for which the Water Reclamation Fund has been established beginning in FY 2022-23. Prior to establishing the Water Reclamation Fund, the Wastewater Fund funded costs not covered by a grant/loan agreement provided by the State Water Resources Control Board. These costs included preliminary studies and design, and defending litigation. New rate adjustments were adopted in May 2021, including rates for the new water reclamation plant nearing completion, and became effective in May 2022. The new rates, which includes three phases, should allow for building towards reserve targets over the next three years.

## Restricted Reserves

Restricted Reserves are primarily from the collection of wastewater capacity fees from new development. The table also includes balances and activity for restricted Wastewater capacity fees. Although the receipt of capacity fees is not included in revenue projections and budgeted, accumulated fees are available for appropriation for certain capital improvement projects.

## Wastewater Reserves



## WATER RECLAMATION FUND RESERVES

The Water Reclamation Fund is a new fund established to account for the revenues and expenditures related to the Sterling Natural Resource Center water reclamation plant which will begin operation around November of 2022. Target levels will be established as they are for other funds, in accordance with the District’s Reserve Policy.



*Setting aside reserve funding enhances organizational flexibility to prioritize and respond to capital needs.*



## Unrestricted and Restricted Reserves - Reclamation

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Projected	FY 2022-23 Budget
<b>RECLAMATION OPERATING RESERVE UNRESTRICTED</b>					
<i>Maximum Target Level 120 Days Operations</i>	\$ -	\$ -	\$ -	\$ -	\$ 4,200,000
Beginning Fund Balance	-	-	-	-	-
Revenue	8,592,950	8,496,012	8,456,508	-	12,374,000
Operating/Non Operating Expenditures	(8,592,950)	(8,496,012)	(8,456,508)	-	(8,674,000)
Capital Expenditures	-	-	-	-	-
Contracted Treatment Services	-	-	-	-	(700,000)
Transfer to Debt Service Reserve	-	-	-	-	(3,000,000)
<b>ENDING RECLAMATION OPERATING RESERVE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL UNRESTRICTED RESERVES - RECLAMATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>DEBT SERVICE RESERVE (RESTRICTED)</b>					
<i>Target - One Years Annual Debt Service</i>	\$ -	\$ -	\$ -	\$ -	\$ 7,500,000
Beginning Fund Balance	-	-	-	-	-
Transfer From Operating Reserve	-	-	-	-	3,000,000
Debt Service Expenditures	-	-	-	-	-
<b>ENDING RECLAMATION DEBT SERVICE RESERVE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000,000</b>
<b>RECLAMATION CAPACITY FEES (RESTRICTED)</b>					
<i>No Target Level</i>	-	-	-	-	-
Beginning Balance	\$ 454,560	\$ 646,583	\$ 2,518,595	\$ 1,860,609	\$ 2,128,144
Capacity Fees Received	192,023	1,872,012	143,182	267,535	-
Expenditures	-	-	(801,168)	-	-
<b>ENDING RECLAMATION CAPACITY FEES</b>	<b>\$ 646,583</b>	<b>\$ 2,518,595</b>	<b>\$ 1,860,609</b>	<b>\$ 2,128,144</b>	<b>\$ 2,128,144</b>
<b>TOTAL RESTRICTED RESERVES - RECLAMATION</b>	<b>\$ 646,583</b>	<b>\$ 2,518,595</b>	<b>\$ 1,860,609</b>	<b>\$ 2,128,144</b>	<b>\$ 5,128,144</b>



## Unrestricted Reserves

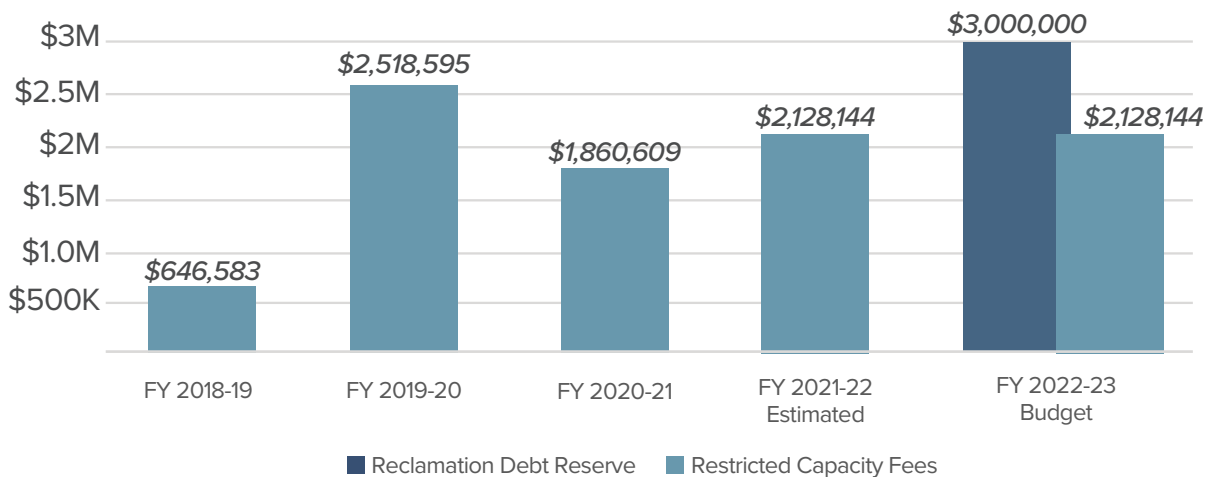
Prior to the SNRC, the District contracted with the City of San Bernardino for Wastewater Treatment, and all revenue billed and received was remitted to the City. Given this agreement, there was no opportunity or reason to build a reserve for wastewater treatment operations.

The Water Reclamation Fund will establish unrestricted operating and capital replacement reserves, but unlike other funds, the Water Reclamation Fund must first establish a Debt Service reserve. As with other reserve funds, there is a clear prioritization and target for all types. The FY 2022-23 activity shown in the previous table is based on budget and projections.

## Restricted Reserves

The table includes balances and activity for restricted Wastewater Treatment capacity fees, which belong to the Water Reclamation Fund and the accumulation of a Debt Service reserve. The District began collecting wastewater treatment capacity fees when construction began on the SNRC, for this reason the accumulation of restricted funds began occurring prior to the creation of the Water Reclamation Fund. The debt service reserve, which is required by section 3.7(a) of the SNRC loan funding agreement with the State Water Resources Control Board, must have a balance equal to one year's debt service on the loan from the SWRCB (the Target Level). For this reason, funding of the Debt Service reserve will take priority over funding of the Operating Reserve until the required target level is reached.

## Reclamation Reserves



# Long-Range Financial Plan

The Long-Range Financial Plan provides a forward-looking view of the District’s three different funds, allowing leadership along with stakeholders to evaluate the long-term sustainability of the District’s Budget.

Looking to the future needs of the organization helps determine whether financial resources will be available to achieve the District’s long-term goals and objectives while contributing to capital programs and maintaining healthy reserve levels. It serves as a tool for future decision making regarding the District’s spending and projected revenues.

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

- Cost recovery through user rates and development fees, as applicable;
- Construction of a water recycling plant (SNRC);
- Identify alternative water supplies;
- Meet all water quality standards; and
- Replace aging pipelines and increase 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.

<i>Cost Driver</i>	<i>Assumption</i>	<i>Link to District Goals &amp; Objectives</i>
Utility User Rates Support Reasonable Costs Related to Existing Customers; Development Fees Pay for New Infrastructure	<ul style="list-style-type: none"> <li>• Water Usage Per capita will not increase due to Conservation efforts</li> <li>• Development will add 50 customers annually to District service area</li> </ul>	<ul style="list-style-type: none"> <li>• Practice Transparent and Accountable Fiscal Management</li> <li>• Pursue Alternative Funding Sources</li> </ul>
Construct SNRC for Recycled Water Supply	<ul style="list-style-type: none"> <li>• Digesters at SNRC will provide non-rate revenue streams (energy sales, tipping fees) that will help ensure fiscal sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Identify Opportunities to Optimize Natural Resources</li> <li>• Enhance Planning Efforts that respond to Future Demand</li> <li>• Pursue Alternative Funding Sources</li> </ul>
Find/Utilize Additional Water Supply	<ul style="list-style-type: none"> <li>• Reduced State Project Water (SWP) will be available to purchase for delivery to District use</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance Planning Efforts that respond to Future Demand</li> <li>• Strengthen Regional, State and National Partnerships</li> </ul>

<i>Cost Driver</i>	<i>Assumption</i>	<i>Link to District Goals &amp; Objectives</i>
Replace Aging Pipelines	<ul style="list-style-type: none"> <li>District's rate structure will provide revenue stability and adequate funding for pipeline replacement program</li> </ul>	<ul style="list-style-type: none"> <li>Develop Projects and Programs to Ensure Safe and Reliable Services</li> <li>Dedicate Effort Toward System Maintenance and Modernization</li> </ul>
Meet Water Quality Standards	<ul style="list-style-type: none"> <li>Revenues and Reserves will be Adequate to Upgrade Treatment Processes for Imported Water High in Organics</li> </ul>	<ul style="list-style-type: none"> <li>Develop Projects and Programs to Ensure Safe and Reliable Services</li> </ul>

## USER RATES & DEVELOPMENT FEES FROM RESERVES

The District has updated all water and wastewater user rates, development capacity fees, and miscellaneous fees and charges within the last three fiscal years.

Capacity Fees were updated 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 capital improvement projects including the construction of a new surface water treatment plant at the east end of the District. Remaining rate adjustments will occur in two phases on January 1 of each year 2023 and 2024. Utility rates established in May 2021 should support District operations for a five year period with updates to be presented to the Governing Board for consideration in 2025.

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

## CONSTRUCTION OF THE SNRC

Construction on the SNRC will be completed during FY 2022-23, 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 the groundwater basin and allow the District to take delivery of, and treat, water at a high elevation, using gravity to assist with water distribution to customers. The alternative is to incur significant pumping costs by extracting water with wells and then pumping it uphill for distribution.

Unfortunately, California, is experiencing a declared drought, in which State Water Project deliveries are unreliable. For FY 2022-23, State Water Project contractor agencies, the source for the District's imported water, have been told their annual allocation of imported water will be cut to 5%. As a result, EVWD will likely incur increasingly higher power costs to pump groundwater over the next five years to offset the reduced availability of imported water.

## 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 reacting to reports of system leaks will save on labor and water losses.

## FY 2022-27 FORECAST

### Revenue Forecast

Water and wastewater rates are expected to slightly increase over the next five years due to modest building development and approved rate adjustments. Rate adjustments were adopted in May 2021 and implemented in May of 2022. Additional approved rate adjustments become becoming effective in January 2023 and 2024.

Water Revenue projections include approved 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 200 plus units that are expected to complete construction on initial units in July 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.

Wastewater revenue projections also include rate adjustments in January 2023 and 2024, for both collection and treatment charges, of about 7.0%. For years subsequent to 2024, a 3.0% escalation factor was used to account for potential future rate increases and/or growth related to new development.

Other operating revenues, such as LRIP contributions from Valley District for releasing recycled water for recharge, and tipping fees from waste haulers, will increase while the SNRC is scaling up to reach full capacity. At full capacity the SNRC is expected to produce 6,000 acre feet of recycled water and receive \$173 per acre foot for a total annual contribution from Valley District of \$1,038,000. In addition, food waste haulers are projected to pay \$.08 per gallon to offload their waste at the SNRC digesters and haulers could deliver as much as 130,000 gallons per day for estimated revenue of \$2,704,000 annually.

### Operating Cost Forecast

Operating costs for the District include salaries and benefits, maintenance and operation of the water distribution, wastewater collection systems, water reclamation, contract services and materials and supplies. Costs also include monthly payments to the SBMWD for wastewater treatment services through October 2022. Toward the end of calendar year 2022 the SNRC will begin operations and contract payments to SBMWD will be phased out 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 Budget and are adjusted in accordance with a memorandum of understanding (MOU) with employees – the current three-year MOU became effective in September 2020 and remains in effect through FY 2022-23 and the average increase for the three years was 5% due to the results of a salary survey. Labor/benefits projections for years subsequent to the MOU are based on an estimated 4% increase annually. Retirement plan contributions make up two-thirds of total benefit costs and are expected to increase 1% per year, and other benefit costs including medical are projected to increase 5% per year.

Staffing levels will increase to 76 full-time positions in FY 2022-23 as the District recruits for operator and maintenance positions at the new SNRC water reclamation plant and the associated administration building.

## **Wastewater Treatment**

Due to supply chain delays, FY 2022-23 will be the final year in which the District contracts with the SBMWD for the treatment of all its wastewater flows. While commissioning is underway, the District will continue to pay for these contract services until the SNRC is fully permitted for operation. The phased transition will take place over three months in late 2022, systematically diverting wastewater to the SNRC until it is handling all of the District's flows in January 2023.

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 the SNRC.

## **Power Costs**

The District has taken steps 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 generate electricity.

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

## **Materials and Supplies**

Materials and supplies are projected to increase by 5% in FY 2022-23 as the SNRC completes commissioning transitioning the facility to regularly purchase chemicals and other supplies. In the following years cost increases are based on inflation projections of 3% for FY 2022-23 through 2026-27. These significant inflation percentages are supported by notification from vendors stating that supply chain interruptions are creating shortages and increasing costs.

## **Other Contracted Services**

Other Contracted Services such as facilities maintenance, professional consulting, security, customer bill generation and printing are increasing 37% to \$10.9 million for FY 2022-23, due to the commencement of SNRC operations in late 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 in the Material and Supplies Section.

## **Debt Service Forecast**

Debt service costs include principal and interest on Revenue Bonds and Loans issued to finance system improvements. Future debt service cost projections include an additional loan from the State Revolving Fund issued to finance the construction of the SNRC. The final loan amount will not be determined until the project is complete, however, the additional debt related to this project is expected to increase annual debt service from \$3.4 million in FY 2022-23, to \$10.8 million in FY 2023-24.

FY 2022-23 will be the year in which the first of ten annual installments of \$700,000 will be made to the SBMWD to help offset the loss of revenue from the District treatment facility. Termination payments will continue for 10 years. A schedule of future debt service, including the State Revolving Fund loan from the SWRCB, is shown on page 76 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 2022-23 THROUGH FY 2026-27

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 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>REVENUE</b>					
Water Sales / Wastewater Collect	\$ 23,321,000	\$ 24,310,000	\$24,975,000	\$ 25,430,000	\$ 25,732,000
Wastewater Treatment	9,851,000	10,420,000	10,968,000	11,320,000	11,650,000
Meter Fees	9,685,000	9,975,000	10,145,000	10,255,000	10,365,000
LRIP Revenue	692,000	1,038,000	1,038,000	1,038,000	1,038,000
GW Assessment Offset	-	396,000	396,000	396,000	396,000
Other Operating Charges	2,425,000	3,594,000	3,589,000	3,584,000	3,579,000
Investment Income	36,000	173,000	436,000	480,000	563,000
Capacity Fees	-	-	-	-	-
Other Income	40,000	50,000	50,000	50,000	50,000
<b>TOTAL REVENUE / SOURCES</b>	<b>\$ 46,050,000</b>	<b>\$ 49,956,000</b>	<b>\$ 51,597,000</b>	<b>\$ 52,553,000</b>	<b>\$ 53,373,000</b>
<b>EXPENDITURES</b>					
Labor & Benefits	\$ 13,331,000	\$ 13,517,370	\$ 13,804,834	\$ 14,097,856	\$ 14,397,504
Water Costs	286,000	486,000	826,000	826,000	826,000
Contracted Wastewater Treatment	3,700,000	700,000	700,000	700,000	700,000
Power Costs	2,890,000	3,010,000	3,110,000	3,215,000	3,325,000
Contract Services	10,935,000	11,263,050	11,600,942	11,948,970	12,307,439
Materials	2,148,000	2,225,874	2,306,756	2,390,770	2,478,044
Other Operating Expenses	671,000	675,246	679,558	683,938	688,389
Debt Service	3,354,000	10,962,500	10,486,500	10,088,500	9,649,500
Capital Outlay	1,195,000	1,200,000	1,200,000	1,200,000	1,200,000
Capital Improvement Program	5,740,000	5,730,000	5,745,000	3,625,000	5,125,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 44,250,000</b>	<b>\$ 49,770,040</b>	<b>\$ 50,459,589</b>	<b>\$ 48,776,034</b>	<b>\$ 50,696,876</b>
<b>CHANGE IN EQUITY</b>	<b>\$ 1,800,000</b>	<b>\$ 185,960</b>	<b>\$ 1,137,411</b>	<b>\$ 3,776,966</b>	<b>\$ 2,676,124</b>
<b>BEGINNING UNRESTRICTED EQUITY</b>	<b>\$ 21,594,295</b>	<b>\$ 23,394,295</b>	<b>\$ 23,580,255</b>	<b>\$ 24,717,666</b>	<b>\$ 28,494,632</b>
<b>ENDING UNRESTRICTED EQUITY</b>	<b>\$ 23,394,295</b>	<b>\$ 23,580,255</b>	<b>\$ 24,717,666</b>	<b>\$ 28,494,632</b>	<b>\$ 31,170,757</b>

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*Intentionally*




# *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.



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

The District has taken many steps to encourage water use efficiency and water supply reliability. 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, 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 May 2021, a public hearing was held in accordance with Proposition 218, at the hearing the Governing Board adopted rates that would adjust over a three-year period beginning January 1, 2022.

### Commodity Charges

Rates	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Tier 1	\$ 1.73	\$ 1.83	\$ 1.98	\$ 2.04
Tier 2	2.46	2.61	2.54	2.62
Tier 3	3.44	3.64	3.93	4.05

### Monthly Meter Charges

Meter Size	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
5/8 inch	\$ 23.06	\$ 23.06	\$ 24.01	\$ 24.74
3/4 inch	29.27	29.27	30.85	31.78
1 inch	41.71	41.71	44.52	45.86
1 1/2 inch	72.81	72.81	78.69	81.06
2 inch	110.13	110.13	119.70	123.30
3 inch	228.30	228.30	229.05	235.93
4 inch	402.44	402.44	352.07	362.64
6 inch	819.14	819.14	693.79	714.61
8 inch	1,503.25	1,503.25	1,923.98	1,981.70

## Monthly Fire Line Service Charges

Meter Size	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
1 inch	\$ 8.78	\$ 8.78	\$ 8.78	\$ 8.78
1.5 inch	13.18	13.18	13.18	13.18
2 inch	17.57	17.57	17.57	17.57
3 inch	26.35	26.35	26.35	26.35
4 inch	35.14	35.14	35.14	35.14
6 inch	52.7	52.7	52.7	52.7
8 inch	70.27	70.27	70.27	70.27
10 inch	87.84	87.84	87.84	87.84

## Projected Tier Revenue by Customer Class

Customer Class	Tier 1	Tier 2	Tier 3	Total
Residential	\$ 4,425,000	\$ 3,728,000	\$ 2,072,000	\$ 10,225,000
Multi-Family	1,998,000	993,000	921,000	3,912,000
Commercial	980,000	77,000	347,000	1,404,000
Irrigation / Construction	-	1,193,000	966,000	2,159,000
<b>TOTAL</b>	<b>\$ 7,403,000</b>	<b>\$ 5,991,000</b>	<b>\$ 4,306,000</b>	<b>\$ 17,700,000</b>

## Water Sales

CLASS	NO. OF ACCOUNTS	TIER 1 (ACRE FEET)	TIER 2 (ACRE FEET)	TIER 3 (ACRE FEET)	TOTAL (ACRE FEET)	TOTAL SALES
Residential	19,876	\$ 5,027	\$ 3,329	\$ 1,182	\$ 9,538	\$ 10,225,000
Multi-Family	474	2,151	792	452	3,395	3,912,000
Commercial	715	1,157	158	161	1,476	1,404,000
Irrigation / Construction	354	-	1,035	902	1,937	2,159,000
<b>TOTALS</b>	<b>21,419</b>	<b>\$ 8,335</b>	<b>\$ 5,314</b>	<b>\$ 2,697</b>	<b>\$ 16,346</b>	<b>\$ 17,700,000</b>

The table below projects the amount of water to be produced for FY 2022-23. 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 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Projected	FY 2022-23 Budget
Ground Water	12,649	12,549	12,800	12,826	14,590
Surface Water	3,515	3,647	3,574	3,581	2,575
Purchased Water	800	800	800	800	0
<b>TOTAL</b>	<b>16,964</b>	<b>16,996</b>	<b>17,174</b>	<b>17,207</b>	<b>17,165</b>

## ASSUMPTIONS AND TRENDS

The development of the revenue projections for FY 2022-23 requires management to estimate customer consumption for the next year. The District will provide water services through approximately 21,407 domestic and irrigation connections in FY 2022-23. In addition, 260 commercial fire services and 12 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 baseline year consumption established for rate modeling, actual consumption history for the last five years, and an adjustment for expected conservation resulting from State communication regarding the current drought. Staff is confident projections will allow adequate funding for Program Goals and objectives without considerable risk of overstatement.

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

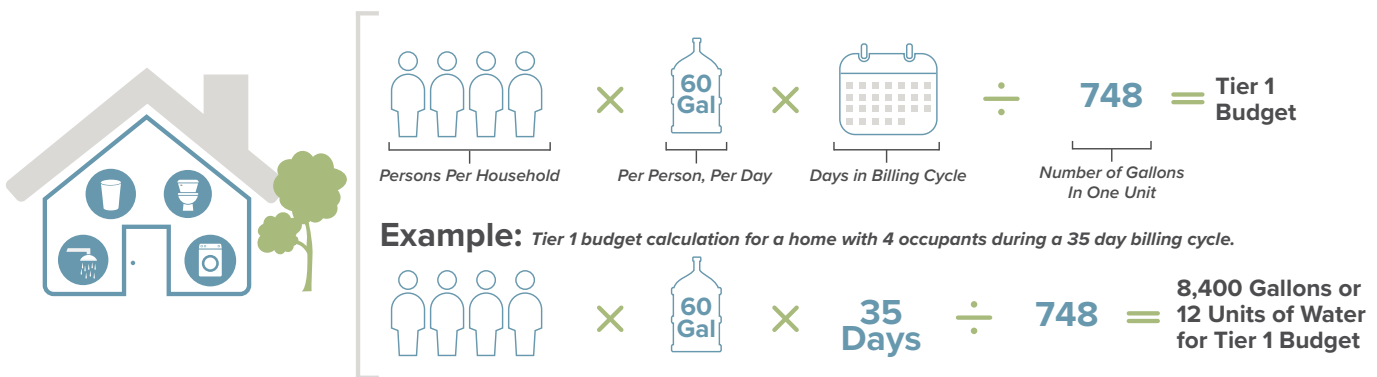
- Number of Occupants
- Horses/Livestock
- Irrigable Landscape
- Number of Dwelling Units
- Business Needs
- Weather
- Medical Needs
- Agricultural Needs
- Meter Size

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

## HOW WATER BILLS ARE CALCULATED – RESIDENTIAL

**Indoor Water Budgets** are unique to each customer and are based on the number of occupants residing in the house. Each occupant is budgeted 55 gallons of water per day (gpd) for efficient indoor use, 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 are based on the landscape area. Landscape area represents the square footage of the property’s landscape requiring irrigation (e.g., grass, parkways, trees, bushes, and various plants).

### Tier 2 Factors

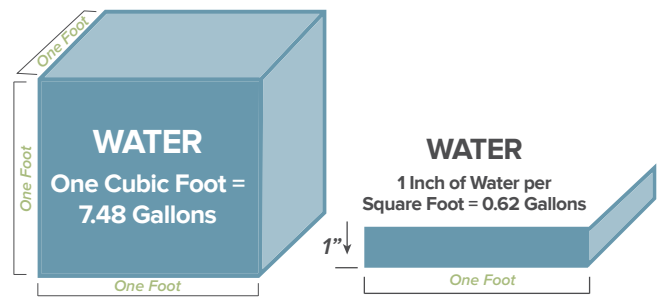
In determining the customer’s outdoor budget, the following factors and conversions are made during each billing cycle.

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

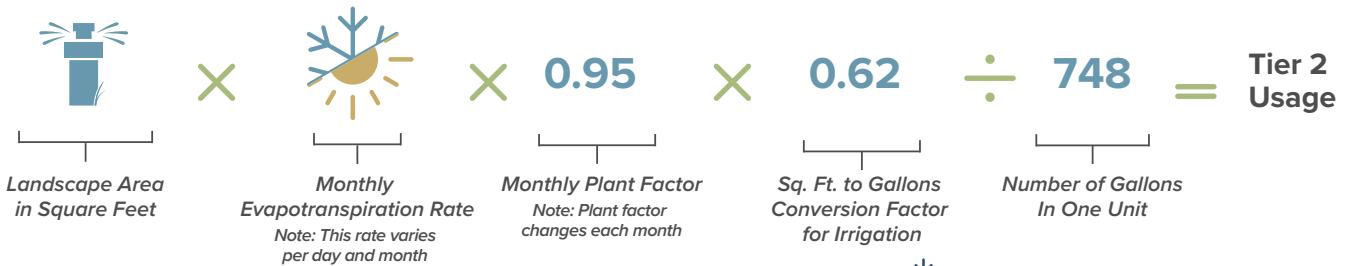
- Evapotranspiration (ETo):** The process by which water is transferred from the land to the atmosphere by evaporation from the soil and other surfaces and by transpiration from plants. ETo is measured in inches, which is captured and recorded by a State-Certified weather station. The District received ETo data from the California Irrigation Management Information System (CIMIS) Station ID 251, located at Beattie Middle School, 7800 Orange St, Highland, California 92346. The sum of daily ETo measurement during the billing period is used in the calculation for efficient outdoor water usage.
- Crop Coefficient (Kc):** The properties of plants used in predicting evapotranspiration (ETo). Below is a table listing the values used in each month. The District has elected to use the Cool-Season Crop Coefficient.

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL AVERAGE
Cool Season Plant Factor	0.61	0.64	0.75	1.04	0.95	0.88	0.94	0.86	0.74	0.75	0.69	0.60	<b>0.80</b>
Warm Season Plant Factor	0.55	0.54	0.76	0.72	0.79	0.68	0.71	0.71	0.62	0.54	0.58	0.55	<b>0.60</b>

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

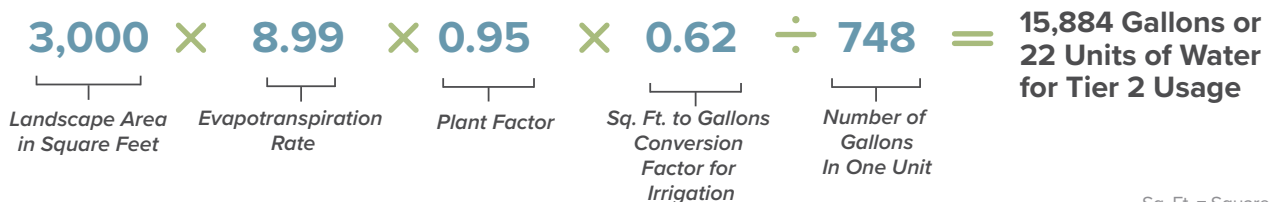
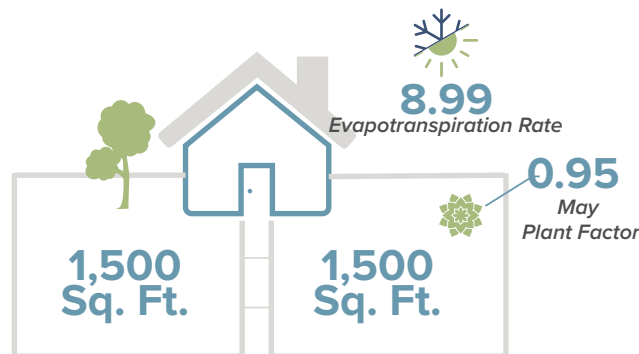


### Tier 2 Outdoor Budget Example



#### Example:

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



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 the highest rate due to the additional cost incurred by the District for delivering inefficient water, including but not limited to, imported water cost, electricity expenses for pumping and boosting water throughout the system, and chemicals needed for the treatment process.

## HOW WATER BILLS ARE CALCULATED - NON RESIDENTIAL

Non-Residential 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.

### 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 multiplying 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.	3,517	\$ 24.01	\$ 24.74	\$ 1,029,000
3/4 in.	12,974	30.85	31.78	4,875,000
1 in.	4,237	44.52	45.86	2,298,000
1 1/2 in.	271	78.69	81.06	260,000
2 in.	303	119.70	123.30	442,000
3 in.	74	229.05	235.93	207,000
4 in.	22	352.07	362.64	94,000
6 in.	12	693.79	714.61	101,000
8 in.	9	1,923.98	1,981.70	211,000
Fire Service 1 1/2 in.	6	13.18	13.18	1,000
Fire Service 4 in.	50	35.14	35.14	21,000
Fire Service 6 in.	135	52.70	52.70	85,000
Fire Service 8 in.	57	70.27	70.27	48,000
Fire Service 10 in.	12	87.84	87.84	13,000
<b>TOTALS</b>	<b>21,679</b>			<b>\$ 9,685,000</b>

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

- Delinquent fees, final notice charges, and disconnect/reconnect fees will increase as the State moratorium on service disconnections for non-payment has expired and collection efforts will resume in FY 2022-23.
- The LAIF interest rate, which is paid on District funds invested with LAIF, lags behind adjustments to the federal rate but should trend upward over the next year, and investment earnings with it.

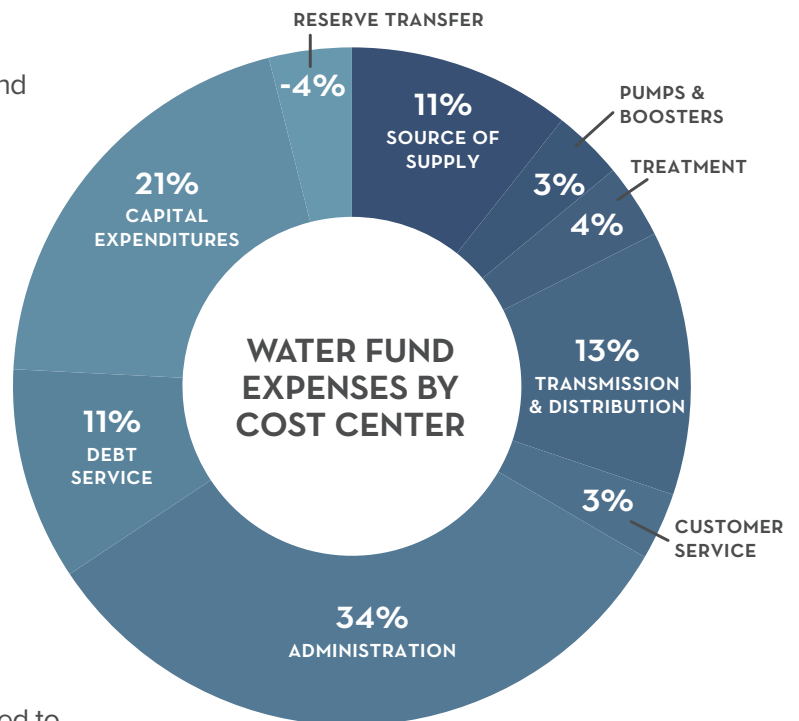
## EXPENSES

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

### Assumptions and Considerations for Operating Expenses

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

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



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

- Customer Account costs are related to reading meters, billing and payment collection, and responding to customer inquiries.

- Administration costs are incurred in various programs, including, but not limited to Human Resources, Public Affairs, Engineering and Finance.

## Debt Service & Capital Expenses

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

## CONCLUSIONS

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

## FY 2022-23 PROPOSED WATER FUND BUDGET

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>REVENUES</b>							
4100	Water Sales	\$ 19,305,631	\$ 17,288,000	\$ 18,748,346	\$ 17,700,000	\$ 412,000	2%
4200	Meter Charges	9,217,003	9,310,000	9,342,000	9,685,000	375,000	4%
4300	Penalties	172,918	134,000	244,872	468,000	334,000	249%
4605	Other Operating Charges	(5,008,880)	56,000	971,071	62,000	6,000	11%
4700	Miscellaneous Revenue	409,617	114,000	89,952	40,000	(74,000)	-65%
4801	Gain on Disposal of Assets	(1,234,309)	735,000	309,820	-	(735,000)	-100%
<b>TOTAL REVENUES</b>		<b>\$22,861,980</b>	<b>\$ 27,637,000</b>	<b>\$ 29,706,061</b>	<b>\$ 27,955,000</b>	<b>\$ 318,000</b>	<b>1%</b>
<b>OPERATING EXPENSES</b>							
<b>ADMINISTRATION</b>							
5101	Regular Labor	\$ 3,210,175	\$ 3,019,000	\$ 2,894,069	\$ 3,046,100	\$ 27,100	1%
5102	Temporary Labor	-	-	-	21,000	21,000	0%
5103	Overtime	19,889	49,600	33,590	47,500	(2,100)	-4%
5104	Standby	34,455	33,000	33,971	33,000	-	0%
5200	Benefits	1,544,614	1,534,450	1,602,144	1,527,500	(6,950)	0%
6201	Materials & Supplies	195,776	284,200	212,056	301,800	17,600	6%
6202	Tools	13,296	16,900	17,773	16,400	(500)	-3%
6203	Office Supplies	15,950	26,400	12,460	25,000	(1,400)	-5%
6205	Conservation Rebates	80,214	78,000	92,344	220,000	142,000	182%
6301	Contract Services	1,248,970	1,685,600	1,588,463	2,336,500	650,900	39%
6302	Banking Services	9,200	12,600	13,162	12,600	-	0%
6303	Printing & Publishing	90,332	243,800	93,271	293,800	50,000	21%
6304	Legal Services	71,803	113,000	106,807	134,000	21,000	19%
6306	Rents & Leases	13,572	15,000	13,804	10,000	(5,000)	-33%
6307	Uniforms	\$ 19,779	\$ 32,150	\$ 21,607	\$ 30,300	\$ (1,850)	-6%



		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
6311	Landscape Services	40,617	98,250	37,731	65,500	(32,750)	-33%
6312	Janitorial Services	111,667	106,500	109,983	72,000	(34,500)	-32%
6313	Facilities Maintenance	-	-	-	-	-	0%
6314	Litigation Expense	21,007	28,000	4,140	28,000	-	0%
6401	Utilities	36,789	10,500	45,819	13,500	3,000	29%
6402	Telephone	80,236	76,650	69,201	83,800	7,150	9%
6403	Electricity	87,568	82,500	90,883	55,000	(27,500)	-33%
6404	Fuel	122,629	121,500	141,233	180,000	58,500	48%
6405	Permits	62,115	135,800	59,497	128,800	(7,000)	-5%
6406	Postage	11,836	52,700	13,266	51,300	(1,400)	-3%
6501	Memberships & Dues	87,109	126,200	90,043	117,200	(9,000)	-7%
6502	Professional Development	36,498	92,250	93,461	118,000	25,750	28%
6503	Education Assistance	-	2,600	-	2,100	(500)	-19%
6504	Meetings	6,106	29,900	11,293	30,600	700	2%
6505	Employee Recognition	5,449	25,900	11,034	31,500	5,600	22%
6701	General Insurance	287,191	562,000	723,886	445,000	(117,000)	-21%
6702	Insurance Claims	38	7,000	2,682	7,000	-	0%
6704	Bad Debt Expense	-	700	-	-	(700)	-100%
6705	OPEB Retirees	218,411	291,700	93,345	245,700	(46,000)	-16%
6706	Inventory Over/Short	3,975	-	-	-	-	0%
<b>ADMINISTRATION TOTAL</b>		<b>\$ 7,787,266</b>	<b>\$8,994,350</b>	<b>\$ 8,333,018</b>	<b>\$ 9,730,500</b>	<b>\$ 791,550</b>	<b>9%</b>

#### SOURCE OF SUPPLY/WELLS

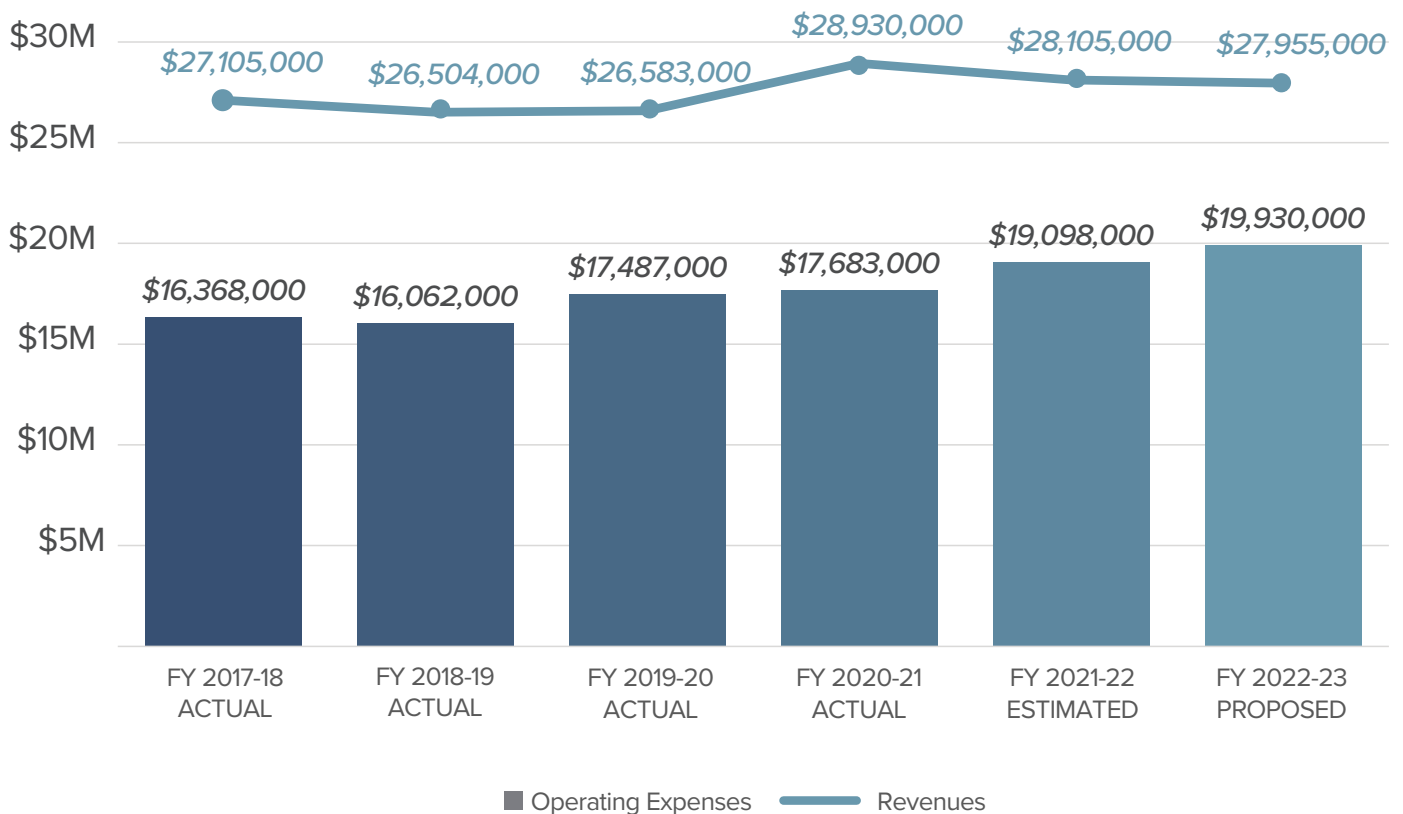
5101	Regular Labor	\$ 537,391	\$ 303,000	\$ 393,767	\$ 319,000	\$ 16,000	5%
5103	Overtime	28,368	43,000	34,412	43,000	-	0%
5200	Benefits	177,227	146,000	191,678	130,000	(16,000)	-11%
6101	Purchased Water	263,645	400,000	480,000	102,000	(298,000)	-75%
6102	Groundwater Replenishment	133,980	104,000	114,409	110,000	6,000	6%
6103	Water Assessment	190,254	64,000	171	74,000	10,000	16%
6201	Materials & Supplies	54,400	61,000	55,630	61,000	-	0%
6204	Chemicals	87,198	64,000	95,586	150,000	86,000	134%
6301	Contract Services	88,481	386,000	408,411	334,000	(52,000)	-13%
6307	Uniforms	1,417	4,000	1,620	4,000	-	0%
6311	Landscape Services	69,124	40,000	63,224	40,000	-	0%
6402	Telephone	570	-	603	1,000	1,000	0%
6403	Electricity	1,618,531	1,570,000	1,695,800	1,775,000	205,000	13%

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
6405	Permits	56,134	100,000	84,852	100,000		
6504	Meetings	-	1,000	253	1,000	-	0%
<b>SOURCE OF SUPPLY TOTAL</b>		<b>\$ 3,306,720</b>	<b>\$ 3,286,000</b>	<b>\$ 3,620,416</b>	<b>3,244,000</b>	<b>(42,000)</b>	<b>-1%</b>
<b>PUMPS AND BOOSTERS</b>							
5101	Regular Labor	\$ -	\$ 103,000	\$ -	\$ 114,000	\$ 11,000	11%
5103	Overtime	11,605	14,000	11,325	14,000	-	0%
5200	Benefits	25,634	47,000	29,280	63,000	16,000	34%
6201	Materials & Supplies	4,186	23,000	14,705	23,000	-	0%
6301	Contract Services	5,615	123,000	113,571	105,000	(18,000)	-15%
6311	Landscape Services	28,224	35,000	24,699	35,000	-	0%
6403	Electricity	518,725	454,000	647,025	675,000	221,000	49%
<b>PUMPS AND BOOSTERS TOTAL</b>		<b>\$ 593,989</b>	<b>\$ 799,000</b>	<b>\$ 840,605</b>	<b>1,029,000</b>	<b>230,000</b>	<b>29%</b>
<b>TREATMENT</b>							
5101	Regular Labor	\$ 277,072	\$ 243,000	\$ 255,757	\$ 261,000	\$ 18,000	7%
5103	Overtime	42,838	39,000	39,296	39,000	-	0%
5200	Benefits	142,026	147,000	155,233	159,000	12,000	8%
6201	Materials & Supplies	106,250	159,750	106,866	30,000	(129,750)	-81%
6204	Chemicals	124,149	150,000	172,317	150,000	-	0%
6301	Contract Services	130,523	254,000	150,985	254,000	-	0%
6307	Uniforms	1,483	2,000	1,130	2,000	-	0%
6311	Landscape Services	27,539	14,000	23,839	27,000	13,000	93%
6401	Utilities	600	-	1,440	2,000	2,000	0%
6402	Telephone	1,993	10,000	1,524	10,000	-	0%
6403	Electricity	23,002	2,000	22,417	2,000	-	0%
6405	Permits	130,653	150,000	175,500	180,000	30,000	20%
<b>TREATMENT TOTAL</b>		<b>\$ 1,008,128</b>	<b>\$ 1,170,750</b>	<b>\$ 1,106,304</b>	<b>1,116,000</b>	<b>(54,750)</b>	<b>-5%</b>
<b>TRANSMISSION AND DISTRIBUTION</b>							
5101	Regular Labor	\$ 1,404,251	\$ 1,248,000	\$ 1,285,484	\$ 1,477,000	\$ 229,000	18%
5103	Overtime	300,865	243,000	284,189	243,000	-	0%
5200	Benefits	576,756	649,000	590,187	769,000	120,000	18%
6201	Materials & Supplies	356,690	340,000	758,529	512,000	172,000	51%
6202	Tools	28,154	26,000	32,268	26,000	-	0%
6204	Chemicals	22,561	1,000	874	50,000	49,000	4900%
6301	Contract Services	176,806	178,000	151,798	178,000	-	0%
6307	Uniforms	26,980	40,000	32,937	40,000	-	0%

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
6310	Street Services	341,414	525,000	270,349	525,000	-	0%
6405	Permits	17,980	-	6,804	-	-	0%
6406	Postage	-	2,000	-	2,000	-	0%
6502	Professional Development	719	2,000	628	2,000	-	0%
6503	Education Assistance	-	3,000	-	3,000	-	0%
<b>TRANSMISSION &amp; DIST. TOTAL</b>		<b>\$ 3,253,176</b>	<b>\$ 3,257,000</b>	<b>\$ 3,414,047</b>	<b>\$ 3,827,000</b>	<b>\$570,000</b>	<b>18%</b>
<b>CUSTOMER SERVICE</b>							
5101	Regular Labor	\$ 452,671	\$ 505,000	\$ 387,045	\$ 377,200	\$ (127,800)	-25%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	2,458	10,900	13,010	8,800	(2,100)	-19%
5200	Benefits	248,722	273,100	271,101	218,800	(54,300)	-20%
6201	Materials & Supplies	4,326	5,500	10,505	1,000	(4,500)	-82%
6202	Tools	1,602	3,000	3,589	3,000	-	0%
6203	Office Supplies	1,513	2,800	830	2,800	-	0%
6301	Contract Services	151,628	98,800	78,006	77,800	(21,000)	-21%
6302	Banking Services	143,041	180,300	151,420	91,600	(88,700)	-49%
6303	Printing & Publishing	4,126	7,000	1,401	4,000	(3,000)	-43%
6304	Legal Services	-	3,500	-	2,000	(1,500)	-43%
6307	Uniforms	5,072	5,800	3,492	3,600	(2,200)	-38%
6308	Billing Services	45,998	42,000	33,322	24,000	(18,000)	-43%
6309	Shut Off Notice Services	83	50,000	-	90,000	40,000	80%
6402	Telephone	12,042	10,000	9,635	4,200	(5,800)	-58%
6406	Postage	94,632	107,100	78,394	61,200	(45,900)	-43%
6502	Membership & Dues	-	700	-	400	(300)	-43%
6502	Professional Development	-	10,500	11,522	6,000	(4,500)	-43%
6504	Meetings	100	2,000	563	1,200	(800)	-40%
6703	Cash Over/Short	-	700	57	400	(300)	-43%
6704	Bad Debt Expense	17,950	30,800	32,708	2,000	(28,800)	-94%
<b>CUSTOMER SERVICE TOTAL</b>		<b>\$ 1,185,964</b>	<b>\$ 1,349,500</b>	<b>\$ 1,086,600</b>	<b>\$ 980,000</b>	<b>\$(369,500)</b>	<b>-27%</b>
<b>FACILITIES RENTAL</b>							
6201	Materials & Supplies	\$ -	\$ -	\$ 311	\$ -	-	0%
6301	Contract Services	-	-	914	2,100	2,100	0%
6312	Janitorial Services	-	1,400	672	1,400	-	0%
<b>FACILITIES RENTAL TOTAL</b>		<b>\$ -</b>	<b>\$ 1,400</b>	<b>\$ 1,897</b>	<b>\$ 3,500</b>	<b>\$ 2,100</b>	<b>150%</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 17,135,243</b>	<b>\$ 18,858,000</b>	<b>\$ 18,402,886</b>	<b>\$ 19,930,000</b>	<b>\$ 1,072,000</b>	<b>6%</b>

	FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>EXPENSES - OTHER</b>						
7101 Debt Principal	\$ -	\$ 2,108,000	\$ 2,108,000	\$ 2,163,000	\$ 55,000	3%
7102 Debt Interest Expense	981,067	974,000	974,000	917,000	(57,000)	-6%
7500 Other Non Operating Expense	233,393	-	-	-	-	0%
8101 Capital Outlay	1,243,894	1,105,000	1,105,000	720,000	(385,000)	-35%
8999 Capital Improvement Program	2,540,849	4,592,000	4,592,000	5,425,000	833,000	18%
Transfer to Reserves	727,534	-	2,524,175	-	-	0%
Transfer from Reserves	-	-	-	(1,200,000)	(1,200,000)	0%
<b>TOTAL OTHER EXPENSES</b>	<b>\$ 5,726,737</b>	<b>\$ 8,779,000</b>	<b>\$ 11,303,175</b>	<b>\$ 8,025,000</b>	<b>\$ (754,000)</b>	<b>-9%</b>
<b>SUMMARY</b>						
Total Revenue	\$ 22,861,980	\$ 27,637,000	\$ 29,706,061	\$ 27,955,000	\$ 318,000	1%
Total Operating Expenses	17,135,243	18,858,000	18,402,886	19,930,000	1,072,000	6%
Total Other Expenses	5,726,737	8,779,000	11,303,175	8,025,000	(754,000)	-9%
<b>TOTAL EXPENSES/USES</b>	<b>\$ 22,861,980</b>	<b>\$ 27,637,000</b>	<b>\$ 29,706,061</b>	<b>\$ 27,955,000</b>	<b>\$ 318,000</b>	<b>1%</b>
<b>NET</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

### Water Fund Revenues vs. Expenses



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*Intentionally*




# *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 District's wastewater collection system.

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

## REVENUES

The Wastewater Fund relies primarily on revenue from Wastewater System charges, which are supplemented by miscellaneous revenue, interest income, and capacity charges for new services. On May 19, 2021 the District adopted new wastewater rates with three adjustment phases. The first phase became effective May 1, 2022 with the next phases effective January 1, 2023 and 2024. Since an adjustment does become effective at the midpoint of FY 2022-23, it is necessary to show the calculation of projected wastewater revenue in two steps, one for each six month period.

### Residential

Revenue Type	Wastewater
System Charges	\$ 5,621,000
Non Rate Revenue - SNRC	95,000
Other Income	5,000
<b>TOTAL</b>	<b>\$ 5,721,000</b>

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

### Non-Residential

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



Additionally, the consumption based rate varies depending on the strength of wastewater discharged into the collection system. There are four strength categories: low strength, medium strength, high strength, and Patton – a rate developed specifically for Patton State Hospital.

Shown below are the calculations for projected wastewater system charge revenue from all customer classes for FY 2022-23.

Customer Type	Units	Monthly Fixed Charge	Usage (HCF)	Charge per HCF	Total
<b>JULY 2022 THROUGH DECEMBER 2022</b>					
Single-Family Residential	19,230	\$ 14.25			\$ 1,644,100
Multi-Family	10,654	13.46			860,400
Commercial Low Strenght	471	10.33	222,000	\$ 0.35	107,000
Commercial Medium Strenght	70	10.33	33,000	0.46	19,500
Commercial High Strength	70	10.33	90,000	0.46	45,700
Commercial - Patton	1	10.33	90,000	0.57	51,300
<b>TOTAL</b>	<b>30,496</b>				<b>\$ 2,728,000</b>
<b>JANUARY 2023 / JUNE 2023</b>					
Single-Family Residential	19,230	\$ 15.25			\$ 1,761,000
Multi-Family	10,654	14.41			921,000
Commercial Low Strenght	471	11.06	166,000	\$ 0.38	94,200
Commercial Medium Strenght	70	11.06	35,000	0.50	22,000
Commercial High Strength	70	11.06	88,000	0.50	49,000
Commercial - Patton	1	11.06	75,000	0.61	45,800
<b>TOTAL</b>	<b>30,496</b>				<b>\$ 2,893,000</b>
<b>TOTAL WASTEWATER COLLECTION REVENUE</b>					<b>\$ 5,621,000</b>

## EXPENSES

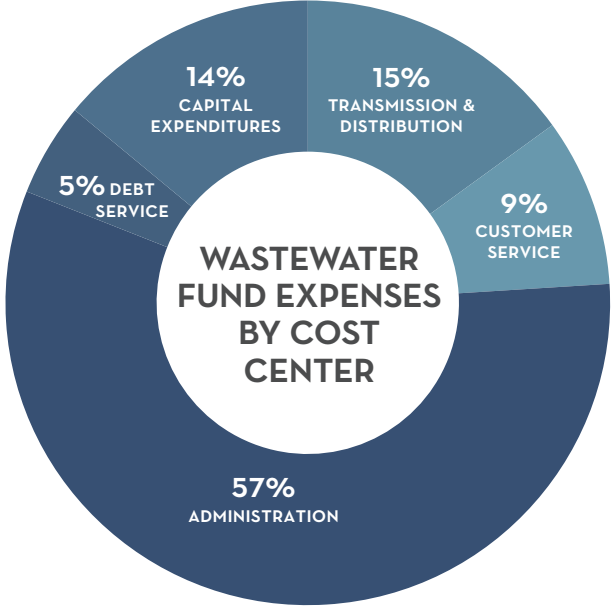
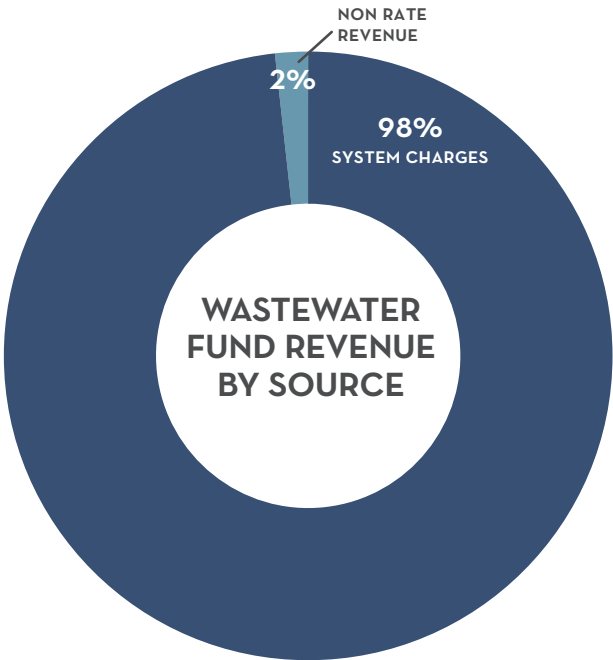
Operating expenses have remained the same overall in the Wastewater Fund. The District continues to conduct preventative maintenance programs on the wastewater pipelines such as monitoring and cleaning the lines on a regular schedule. Additionally, staff has invested more time and efforts into the spot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

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

Cost Center	Amount
Transmission & Distribution	\$ 880,000
Customer Service	526,500
Administration	3,250,500
Debt Service	274,000
Capital Expenditures	790,000
<b>TOTAL</b>	<b>\$ 5,721,000</b>

### CONCLUSIONS

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



## FY 2022-23 PROPOSED WASTEWATER FUND BUDGET

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>REVENUES</b>							
4300	Penalties	\$ 74,419	\$ 100,000	\$ 102,461	\$ 95,000	\$ (5,000)	-5%
4400	WW System Charges	4,705,683	4,874,000	4,837,000	5,621,000	747,000	15%
4500	WW Treatment Charges	8,456,508	8,616,000	9,070,626	-	(8,616,000)	-100%
4600	Other Operating Revenue	(527,493)	47,000	544,067	-	(47,000)	-100%
4700	Miscellaneous Revenue	(4,002)	15,000	9,058	5,000	(10,000)	-67%
4801	Gain on Disposal of Assets	(2,291)	835,000	282,164	-	(835,000)	-100%
<b>TOTAL REVENUES</b>		<b>\$ 12,702,824</b>	<b>\$ 14,487,000</b>	<b>\$ 14,845,376</b>	<b>\$ 5,721,000</b>	<b>\$(8,766,000)</b>	<b>-61%</b>
<b>OPERATING EXPENSES</b>							
<b>ADMINISTRATION</b>							
5101	Regular Labor	\$ 1,042,972	\$ 1,043,000	\$ 982,857	\$ 1,061,000	\$ 18,000	2%
5102	Temporary Labor	-	-	-	9,000	9,000	0%
5103	Overtime	7,462	16,400	15,014	15,300	(1,100)	-7%
5104	Standby	5,626	2,000	3,148	2,000	-	0%
5200	Benefits	500,153	507,550	510,718	512,500	4,950	1%
6201	Materials & Supplies	73,220	95,550	72,968	76,200	(19,350)	-20%
6202	Tools	1,822	3,100	2,173	3,000	(100)	-3%
6203	Office Supplies	3,968	7,600	2,893	7,000	(600)	-8%
6301	Contract Services	459,466	477,400	383,157	764,300	286,900	60%
6302	Banking Services	4,321	5,400	5,377	5,400	-	0%
6303	Printing & Publishing	59,025	51,200	49,844	79,200	28,000	55%
6304	Legal Services	31,356	48,000	44,549	57,000	9,000	19%
6306	Rents & Leases	4,524	5,000	3,451	4,000	(1,000)	-20%
6307	Uniforms	3,524	5,850	2,986	5,400	(450)	-8%
6311	Landscape Services	13,247	32,750	9,433	26,200	(6,550)	-20%
6312	Janitorial Services	36,515	35,500	27,496	28,500	(7,000)	-20%
6314	Litigation Expense	9,003	12,000	1,774	12,000	-	0%
6401	Utilities	7,195	3,500	11,408	5,400	1,900	54%
6402	Telephone	17,296	15,350	14,551	16,700	1,350	9%
6403	Electricity	25,414	27,500	22,586	22,000	(5,500)	-20%
6404	Fuel	13,625	13,500	15,693	20,000	6,500	48%
6405	Permits	14,286	58,200	35,476	55,200	(3,000)	-5%
6406	Postage	5,768	12,300	4,917	11,700	(600)	-5%
6501	Memberships & Dues	32,144	35,300	31,112	42,800	7,500	21%
6502	Professional Development	7,913	35,250	33,161	39,700	4,450	13%

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
6503	Education Assistance	\$ -	\$ 900	\$ -	\$ 900	\$ -	0%
6504	Meetings	2,284	11,100	3,978	11,400	300	3%
6505	Employee Recognition	2,335	11,100	2,759	13,500	2,400	22%
6701	General Insurance	123,009	98,000	180,972	178,000	80,000	82%
6702	Insurance Claims	16	3,000	670	3,000	-	0%
6704	Bad Debt Expense	-	300	-	-	(300)	-100%
6705	OPEB Retirees	93,605	59,300	23,336	105,300	46,000	78%
<b>ADMINISTRATION TOTAL</b>		<b>\$ 2,601,094</b>	<b>\$ 2,732,900</b>	<b>\$ 2,498,457</b>	<b>\$ 3,193,600</b>	<b>\$ 460,700</b>	<b>17%</b>

**SOURCE OF SUPPLY/WELLS**

6201	Materials & Supplies	\$ -	\$ -	\$ -	\$ 600	\$ 600	0%
6204	Chemicals	-	-	-	-	-	0%
6301	Contract Services	-	-	-	6,800	6,800	0%
6307	Uniforms	-	-	-	-	-	0%
6311	Landscape Services	-	-	-	8,000	8,000	0%
6402	Telephone	-	-	-	200	200	0%
<b>SOURCE OF SUPPLY TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,600</b>	<b>\$ 15,600</b>	<b>0%</b>

**PUMPS AND BOOSTERS**

6201	Materials & Supplies	\$ -	\$ -	\$ -	\$ 600	\$ 600	0%
6301	Contract Services	-	-	-	1,000	1,000	0%
6311	Landscape Services	-	-	-	7,000	7,000	0%
<b>PUMPS AND BOOSTERS TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,600</b>	<b>\$ 8,600</b>	<b>0%</b>

**TREATMENT**

5101	Regular Labor	\$ -	\$ 197,000	\$ -	\$ -	\$(197,000)	-100%
5103	Overtime	-	3,000	-	-	(3,000)	-100%
5200	Benefits	-	114,000	-	-	(114,000)	-100%
6201	Materials & Supplies	-	28,000	-	2,000	(26,000)	-93%
6202	Tools	-	12,000	-	-	(12,000)	-100%
6203	Office Supplies	-	10,000	-	-	(10,000)	-100%
6204	Chemicals	-	-	-	-	-	0%
6301	Contract Services	-	6,000	-	21,400	15,400	257%
6303	Printing & Publishing	-	1,000	-	-	(1,000)	-100%
6304	Legal Services	-	5,000	-	-	(5,000)	-100%
6305	Treatment Services	8,456,508	8,616,000	8,088,957	-	\$(8,616,000)	-100%
6307	Uniforms	-	8,000	-	-	(8,000)	-100%
6311	Landscape Services	-	-	-	5,400	5,400	0%
6312	Janitorial Services	-	-	-	400	400	0%

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
6401	Utilities	\$ -	\$ 1,000	\$ -	\$ 2,000	\$ 1,000	100%
6402	Telephone	-	3,000	-	-	(3,000)	-100%
6403	Electricity	-	33,000	-	-	(33,000)	-100%
6404	Fuel	-	12,000	-	-	(12,000)	-100%
6405	Permits	-	-	-	-	-	0%
6406	Postage	-	1,000	-	-	(1,000)	-100%
6501	Memberships & Dues	-	4,000	-	-	(4,000)	-100%
6502	Professional Development	-	18,000	-	-	(18,000)	-100%
6504	Meetings	-	2,000	-	-	(2,000)	-100%
6505	Employee Recognition	-	1,000	-	-	(1,000)	-100%
<b>TREATMENT TOTAL</b>		<b>\$ 8,456,508</b>	<b>\$ 9,075,000</b>	<b>\$ 8,088,957</b>	<b>\$ 31,200</b>	<b>\$(9,043,800)</b>	<b>-100%</b>
<b>TRANSMISSION AND DISTRIBUTION</b>							
5101	Regular Labor	\$ 370,369	\$ 329,000	\$ 306,502	\$ 362,000	\$ 33,000	10%
5103	Overtime	10,330	9,000	4,285	9,000	-	0%
5200	Benefits	160,257	169,000	165,876	196,000	27,000	16%
6201	Materials & Supplies	11,213	31,000	5,534	31,000	-	0%
6202	Tools	1,966	5,000	5,388	5,000	-	0%
6301	Contract Services	166,574	233,000	92,876	273,000	40,000	17%
6307	Uniforms	1,972	4,000	2,593	4,000	-	0%
<b>TRANSMISSION &amp; DIST. TOTAL</b>		<b>\$ 722,681</b>	<b>\$ 780,000</b>	<b>\$ 583,054</b>	<b>\$ 880,000</b>	<b>\$ 100,000</b>	<b>13%</b>
<b>CUSTOMER SERVICE</b>							
5101	Regular Labor	\$ 139,336	\$ 129,000	\$ 155,476	\$ 159,900	\$ 30,900	24%
5103	Overtime	1,185	2,100	8,745	2,100	-	0%
5200	Benefits	86,614	75,900	98,376	92,100	16,200	21%
6201	Materials & Supplies	1,843	1,500	445	-	(1,500)	-100%
6202	Tools	-	-	74	-	-	0%
6203	Office Supplies	648	1,200	356	2,100	900	75%
6301	Contract Services	80,372	40,200	31,755	54,600	14,400	36%
6302	Banking Services	61,303	48,700	62,840	68,700	20,000	41%
6303	Printing & Publishing	1,768	3,000	600	3,000	-	0%
6304	Legal Services	-	1,500	-	1,500	-	0%
6307	Uniforms	1,074	1,200	770	1,200	-	0%
6308	Billing Services	19,714	18,000	14,281	18,000	-	0%
6309	Shut Off Notice Services	-	-	-	67,500	67,500	0%
6402	Telephone	4,409	-	3,230	2,400	2,400	0%

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
6406	Postage	\$ 40,556	\$ 45,900	\$ 33,598	\$ 45,900	\$ -	0%
6502	Membership & Dues	-	300	-	300	-	0%
6502	Professional Development	-	4,500	4,938	4,500	-	0%
6504	Meetings	-	-	-	900	900	0%
6703	Cash Over/Short	-	300	4	300	-	0%
6704	Bad Debt Expense	-	13,200	12,527	1,500	(11,700)	-89%
<b>CUSTOMER SERVICE TOTAL</b>		<b>\$ 438,822</b>	<b>\$ 386,500</b>	<b>\$ 428,015</b>	<b>\$ 526,500</b>	<b>\$ 140,000</b>	<b>36%</b>
<b>FACILITIES RENTAL</b>							
6301	Contract Services	\$ -	\$ -	\$ -	\$ 900	\$ 900	0%
6312	Janitorial Services	-	600	-	600	-	0%
<b>FACILITIES RENTAL TOTAL</b>		<b>\$ -</b>	<b>\$ 600</b>	<b>\$ -</b>	<b>\$ 1,500</b>	<b>\$ 900</b>	<b>150%</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 12,219,105</b>	<b>\$ 12,975,000</b>	<b>\$ 11,598,483</b>	<b>\$ 4,657,000</b>	<b>\$(8,318,000)</b>	<b>-64%</b>
<b>EXPENSES - OTHER</b>							
7101	Debt Principal	\$ -	\$ 170,000	\$ 170,000	\$ 175,000	\$ 5,000	3%
7102	Debt Interest Expense	132,667	100,000	100,000	99,000	(1,000)	-1%
7500	Other Non Operating Expense	39,985	-	-	-	-	0%
8101	Capital Outlay	451,274	50,000	50,000	475,000	425,000	850%
8999	Capital Improvement Program	(451,274)	1,192,000	1,192,000	315,000	(877,000)	-74%
Transfer to Reserves		311,067	-	1,734,893	-	-	0%
Transfer from Reserves		-	-	-	-	-	0%
<b>TOTAL OTHER EXPENSES</b>		<b>\$ 483,719</b>	<b>\$ 1,512,000</b>	<b>\$ 3,246,893</b>	<b>\$ 1,064,000</b>	<b>\$(448,000)</b>	<b>-30%</b>
<b>SUMMARY</b>							
Total Revenue		\$ 12,702,824	\$ 14,487,000	\$ 14,845,376	\$ 5,721,000	\$(8,766,000)	-61%
Total Operating Expenses		12,219,105	12,975,000	11,598,483	4,657,000	(8,318,000)	-64%
Total Other Expenses		483,719	1,512,000	3,246,893	1,064,000	(448,000)	-30%
<b>TOTAL EXPENSES/USES</b>		<b>\$ 12,702,824</b>	<b>\$ 14,487,000</b>	<b>\$ 14,845,376</b>	<b>\$ 5,721,000</b>	<b>\$(8,766,000)</b>	<b>-61%</b>
<b>NET</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

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# *Water Reclamation Fund*

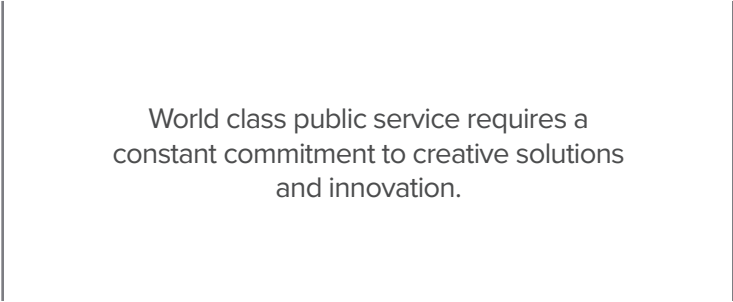


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World class public service requires a  
constant commitment to creative solutions  
and innovation.



# Water Reclamation Fund

The Water Reclamation Fund pays for all activities related to the operation of the Sterling Natural Resource Center and the treatment of the District's wastewater.

All treatment charges collected from customers are remitted to the SBMWD until the SNRC becomes operational. On May 1, 2022, the District's newly adopted rates went into effect.

## WASTEWATER TREATMENT CHARGES

East Valley Water District has studied and identified a specific calculation for charging customers for the treatment process. The District is charging based upon the strength and concentration of organic materials and suspended solids by customer profile. Below is a breakdown of the District's Volumetric Classification and the current rate table.

### Volumetric Reclassification

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

### Reclassification Rate Table

Customer Type	Collection Variable	Treatment Variable
Patton	\$ 0.57	\$ 1.79
Non-Residential Low Strength	0.35	0.96
Non-Residential Med Strength	0.46	1.54
Non-Residential 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.

## NON-RESIDENTIAL

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

## MISCELLANEOUS REVENUES

Wastewater revenues consist of treatment charges, tipping fees, electrical generation from the SNRC Digesters, and miscellaneous revenues such as interest income and capacity charges for new services.

## EXPENSES

With the startup of operations at the SNRC, this fund has seen an anticipated increase in expenses as commissioning and treatment of operations nears. The District has forecasted these types of expenses and planned for these operations through the District's wastewater rates.

## CONCLUSION

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

## FY 2022-23 PROPOSED WATER RECLAMATION FUND BUDGET

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>REVENUES</b>							
4100	Water Sales	\$ -	\$ -	\$ -	\$ 692,000	\$ 692,000	0%
4500	WW Treatment Charges	-	-	-	9,851,000	9,851,000	0%
4605	Other Operating Charges	-	-	-	1,820,000	1,820,000	0%
4700	Miscellaneous Revenue	-	-	-	11,000	11,000	0%
<b>TOTAL REVENUES</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,374,000</b>	<b>\$ 12,374,000</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>							
<b>ADMINISTRATION</b>							
5101	Regular Labor	\$ -	\$ -	\$ -	\$ 60,900	\$ 60,900	0%
5103	Overtime	-	-	-	4,200	4,200	0%
5200	Benefits	-	-	-	33,000	33,000	0%
6201	Materials & Supplies	-	-	-	12,000	12,000	0%
6202	Tools	-	-	-	600	600	0%
6301	Contract Services	-	-	-	148,800	148,800	0%
6306	Rents & Leases	-	-	-	6,000	6,000	0%
6307	Uniforms	-	-	-	3,300	3,300	0%
6311	Landscape Services	-	-	-	39,300	39,300	0%
6312	Janitorial Services	-	-	-	43,500	43,500	0%
6401	Utilities	-	-	-	8,100	8,100	0%
6402	Telephone	-	-	-	7,500	7,500	0%
6403	Electricity	-	-	-	33,000	33,000	0%
6502	Professional Development	-	-	-	300	300	0%
6701	General Insurance	-	-	-	267,000	267,000	0%
<b>ADMINISTRATION TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 667,500</b>	<b>\$ 667,500</b>	<b>0%</b>

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>TREATMENT</b>							
5101	Regular Labor	\$ -	\$ -	\$ -	\$ 820,000	\$ 820,000	0%
5103	Overtime	-	-	-	3,000	3,000	0%
5200	Benefits	-	-	-	473,000	473,000	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	-	-	-	600,000	600,000	0%
6301	Contract Services	-	-	-	2,221,000	2,221,000	0%
6303	Printing & Publishing	-	-	-	1,000	1,000	0%
6304	Legal Services	-	-	-	5,000	5,000	0%
6305	Treatment Services	-	-	-	3,000,000	3,000,000	0%
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	-	-	-	15,000	15,000	0%
6406	Postage	-	-	-	1,000	1,000	0%
6501	Memberships & 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%
<b>TREATMENT TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,480,000</b>	<b>\$ 7,480,000</b>	<b>0%</b>
<b>CUSTOMER SERVICE</b>							
5101	Regular Labor	\$ -	\$ -	\$ -	\$ 159,900	\$ 159,900	0%
5103	Overtime	-	-	-	2,100	2,100	0%
5200	Benefits	-	-	-	92,100	92,100	0%
6203	Office Supplies	-	-	-	2,100	2,100	0%
6301	Contract Services	-	-	-	54,600	54,600	0%
6302	Banking Services	-	-	-	68,700	68,700	0%
6303	Printing & Publishing	-	-	-	3,000	3,000	0%
6304	Legal Services	-	-	-	1,500	1,500	0%
6307	Uniforms	-	-	-	1,200	1,200	0%
6308	Billing Services	-	-	-	18,000	18,000	0%
6309	Shut Off Notice Services	-	-	-	67,500	67,500	0%
6402	Telephone	-	-	-	2,400	2,400	0%

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
6406	Postage	\$ -	\$ -	\$ -	45,900	\$ 45,900	0%
6502	Membership & Dues	-	-	-	300	300	0%
6502	Professional Development	-	-	-	4,500	4,500	0%
6504	Meetings	-	-	-	900	900	0%
6703	Cash Over/Short	-	-	-	300	300	0%
6704	Bad Debt Expense	-	-	-	1,500	1,500	0%
<b>CUSTOMER SERVICE TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>526,500</b>	<b>\$ 526,500</b>	<b>0%</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>8,674,000</b>	<b>\$8,674,000</b>	<b>0%</b>
<b>EXPENSES - OTHER</b>							
7101	Debt Principal	\$ -	\$ -	\$ -	-	-	0%
7102	Debt Interest Expense	-	-	-	-	-	0%
7500	Other Non Operating Expense	-	-	-	-	-	0%
8101	Capital Outlay	-	-	-	-	-	0%
8999	Capital Improvement Program	-	-	-	-	-	0%
Contracted Treatment Services		-	-	-	700,000	700,000	0%
Transfer from Reserves		-	-	-	3,000,000	3,000,000	0%
<b>TOTAL OTHER EXPENSES</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>3,700,000</b>	<b>\$3,700,000</b>	<b>0%</b>
<b>SUMMARY</b>							
Total Revenue		\$ -	\$ -	\$ -	12,374,000	\$12,374,000	0%
Total Operating Expenses		-	-	-	8,674,000	8,674,000	0%
Total Other Expenses		-	-	-	3,700,000	3,700,000	0%
<b>TOTAL EXPENSES/USES</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>12,374,000</b>	<b>\$12,374,000</b>	<b>0%</b>
<b>NET</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>




# *Consolidated Financial Schedules*

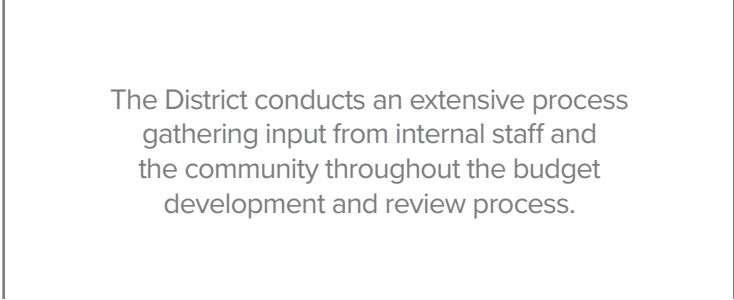
CONSOLIDATED  
FINANCIAL SCHEDULES



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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 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>REVENUES</b>							
4100	Water Sales	\$ 19,305,631	\$ 17,288,000	\$ 18,748,346	\$ 18,392,000	\$ 1,104,000	6%
4200	Meter Charges	9,217,003	9,310,000	9,342,000	9,685,000	375,000	4%
4301	Penalties	247,337	234,000	347,333	563,000	329,000	141%
4400	Wastewater Collection Charges	4,705,683	4,874,000	4,837,000	5,621,000	747,000	15%
4500	Wastewater Treatment Charges	8,456,508	8,616,000	9,070,626	9,851,000	1,235,000	14%
4605	Other Operating Charges	(5,536,373)	103,000	1,515,138	1,882,000	1,779,000	1727%
4700	Miscellaneous Revenue	405,615	129,000	99,010	56,000	(73,000)	-57%
4801	Gain on Disposal of Assets	(1,236,600)	1,570,000	591,984	-	(1,570,000)	-100%
<b>TOTAL REVENUES</b>		<b>\$ 35,564,804</b>	<b>\$ 42,124,000</b>	<b>\$ 44,551,437</b>	<b>\$46,050,000</b>	<b>\$3,926,000</b>	<b>9%</b>
<b>EXPENSES – OPERATING BY PROGRAM</b>							
1000	Governing Board	\$ 206,580	\$ 244,000	\$ 227,296	\$ 474,000	\$ 230,000	94%
2000	General Administration	1,218,878	1,305,000	1,235,598	1,374,000	69,000	5%
2100	HR/Risk Management	1,311,461	1,644,000	1,504,006	1,938,000	294,000	18%
2200	Public Affairs	1,316,311	1,844,000	1,326,559	1,738,000	(106,000)	-6%
2300	Conservation	366,158	414,000	354,848	917,000	503,000	121%
3000	Finance	1,319,323	1,200,000	1,169,836	1,192,000	(8,000)	-1%



		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
3200	Information Technology	\$ 809,721	\$ 1,165,000	\$ 1,063,090	\$ 1,356,000	\$ 191,000	16%
3300	Customer Service	1,339,873	1,415,000	1,265,877	1,755,000	340,000	24%
3400	Meter Services	284,913	321,000	248,736	278,000	(43,000)	-13%
4000	Engineering	1,165,232	1,274,000	1,190,030	1,609,000	335,000	26%
5000	Water Production Admin	532,294	566,500	561,539	587,000	20,500	4%
5000-51	Source of Supply	3,011,324	2,948,000	3,297,321	2,866,000	(82,000)	-3%
5000-52	Pumps & Boosters	564,404	755,000	805,418	986,000	231,000	31%
5000-54	Trans & Distribution	423,635	362,000	399,170	488,000	126,000	35%
5100	Water Treatment	942,244	1,033,000	1,045,528	960,000	(73,000)	-7%
5200	Water Quality	437,562	521,000	444,079	557,000	36,000	7%
6000	Maintenance Admin	491,280	469,000	485,114	432,000	(37,000)	-8%
6100	Water Maintenance	2,600,727	2,658,000	2,796,965	3,082,000	424,000	16%
6200	Wastewater Maintenance	9,179,189	780,000	583,054	880,000	100,000	13%
6300	Water Reclamation	-	9,075,000	8,088,957	7,480,000	(1,595,000)	-18%
7000	Facilities Maintenance	1,195,974	1,205,000	1,237,632	1,611,000	406,000	34%
7100	Fleet Maintenance	637,271	634,500	670,716	701,000	66,500	10%
<b>SUBTOTAL OPERATING EXPENSES</b>		<b>\$29,354,354</b>	<b>\$31,833,000</b>	<b>\$30,001,369</b>	<b>\$ 33,261,000</b>	<b>\$ 1,428,000</b>	<b>4%</b>
<b>EXPENSES – OTHER</b>							
Debt Service		\$ 1,113,734	\$ 3,352,000	\$ 3,352,000	\$ 3,354,000	\$ 2,000	0%
Other Non Operating Expense		273,378	-	-	-	-	0%
Capital Outlay		1,695,168	1,155,000	1,155,000	1,895,000	740,000	64%
Capital Improvement		2,089,575	5,784,000	5,784,000	5,740,000	(44,000)	-1%
Contracted Treatment Services		-	-	-	700,000	700,000	0%
Transfer to Reserves		1,038,595	-	4,259,068	-	-	0%
Transfer from Reserves		-	-	-	1,800,000	1,800,000	0%
<b>SUBTOTAL OTHER EXPENSES</b>		<b>\$ 6,210,450</b>	<b>\$10,291,000</b>	<b>\$ 14,550,068</b>	<b>\$ 12,789,000</b>	<b>\$2,498,000</b>	<b>24%</b>
<b>TOTAL EXPENSES/USES</b>		<b>\$ 35,564,804</b>	<b>\$ 42,124,000</b>	<b>\$44,551,437</b>	<b>\$ 46,050,000</b>	<b>\$ 3,926,000</b>	<b>9%</b>
<b>NET</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

## ITEMIZED OPERATING EXPENSE SUMMARY

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 7,434,237	\$ 7,119,000	\$ 6,660,957	\$ 8,218,000	\$1,099,000	15%
5102	Temporary Labor	-	-	-	30,000	30,000	0%
5103	Overtime	425,000	430,000	443,866	431,000	1,000	0%
5104	Standby	40,081	35,000	37,119	35,000	-	0%
5200	Benefits	3,462,009	3,663,000	3,614,593	4,266,000	603,000	16%
<b>PERSONNEL TOTAL</b>		<b>\$ 11,361,327</b>	<b>\$11,247,000</b>	<b>\$ 10,756,535</b>	<b>\$ 12,980,000</b>	<b>\$ 1,733,000</b>	<b>15%</b>
<b>WATER SUPPLY</b>							
6101	Purchased Water	\$ 263,645	\$ 400,000	\$ 480,000	\$ 102,000	\$ (298,000)	-75%
6102	Replenishment	133,980	104,000	114,409	110,000	6,000	6%
6103	Water Assessment	190,254	64,000	171	74,000	10,000	16%
<b>WATER SUPPLY TOTAL</b>		<b>\$ 587,879</b>	<b>\$ 568,000</b>	<b>\$ 594,580</b>	<b>\$ 286,000</b>	<b>\$(282,000)</b>	<b>-50%</b>
<b>OTHER OPERATING EXPENSES</b>							
6201	Materials & Supplies	\$ 807,904	\$ 1,029,500	\$ 1,237,549	\$ 1,083,000	\$ 53,500	5%
6202	Tools	46,840	66,000	61,264	66,000	-	0%
6203	Office Supplies	22,079	48,000	16,539	49,000	1,000	2%
6204	Chemicals	233,908	215,000	268,777	950,000	735,000	342%
6205	Conservation Rebates	80,214	78,000	92,344	220,000	142,000	182%
6301	Contract Services	2,508,435	3,482,000	2,999,936	6,860,000	3,378,000	97%
6302	Banking Services	217,865	247,000	232,799	247,000	-	0%
6303	Printing & Publishing	155,251	306,000	145,116	384,000	78,000	25%
6304	Legal Services	103,159	171,000	151,356	201,000	30,000	18%
6305	Treatment Services	8,456,508	8,616,000	8,088,957	3,000,000	(5,616,000)	-65%
6306	Rents & Leases	18,096	20,000	17,255	20,000	-	0%
6307	Uniforms	61,301	103,000	67,135	103,000	-	0%
6308	Billing Services	65,712	60,000	47,603	60,000	-	0%
6309	Shut Off Notice Services	83	50,000	-	225,000	175,000	350%
6310	Street Services	341,414	525,000	270,349	525,000	-	0%
6311	Landscape Services	178,751	220,000	158,926	233,000	13,000	6%
6312	Janitorial Services	148,782	144,000	139,591	148,000	4,000	3%
6313	Facilities Maintenance	-	-	-	-	-	0%
6314	Litigation Services	30,010	40,000	5,914	40,000	-	0%
6401	Utilities	45,977	25,000	58,751	38,000	13,000	52%
6402	Telephone	137,555	107,000	119,637	123,000	16,000	15%

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
6403	Electricity	\$ 2,380,891	\$ 2,317,000	\$ 2,631,794	\$ 3,000,000	\$ 683,000	29%
6404	Fuel	136,254	147,000	156,926	215,000	68,000	46%
6405	Permits	150,515	294,000	186,629	284,000	(10,000)	-3%
6406	Postage	152,792	221,000	130,175	219,000	(2,000)	-1%
6501	Memberships & Dues	119,253	166,500	121,155	165,000	(1,500)	-1%
6502	Professional Development	45,130	162,500	143,710	180,000	17,500	11%
6503	Education Assistance	-	6,500	-	6,000	(500)	-8%
6504	Meetings	8,490	46,000	16,087	48,000	2,000	4%
6505	Employee Recognition	7,784	38,000	13,793	46,000	8,000	21%
6701	General Insurance	410,200	660,000	904,858	890,000	230,000	35%
6702	Insurance Claims	54	10,000	3,352	10,000	-	0%
6703	Cash Over/Short	-	1,000	61	1,000	-	0%
6704	Bad Debt	17,950	45,000	45,235	5,000	(40,000)	-89%
6705	OPEB Retirees	312,016	351,000	116,681	351,000	-	0%
6706	Inventory Over/Short	3,975	-	-	-	-	0%
<b>OTHER OPERATING EXPENSES</b>		<b>\$ 17,405,148</b>	<b>\$ 20,018,000</b>	<b>\$ 18,650,254</b>	<b>\$ 19,995,000</b>	<b>\$ (23,000)</b>	<b>0%</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 29,354,354</b>	<b>\$ 31,833,000</b>	<b>\$ 30,001,369</b>	<b>\$ 33,261,000</b>	<b>\$ 1,428,000</b>	<b>4%</b>

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



# *Program Summaries*



Return to  
Table of Contents

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 SUMMARIES CONTENTS]

- PROGRAM DESCRIPTIONS
- POSITION SUMMARY SCHEDULE
- PROGRAM SUMMARIES

# Program Descriptions

Comprehensive information for each functional program within the District provides a higher degree of operational detail.

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

Program Goals and Objectives have been designed to correlate directly with the District's adopted Vision and Five-Year Work Plan, and with the District-wide (agency) Goals for the upcoming fiscal year. Key Performance Indicator (KPI) 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 2022-23 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## POSITION SUMMARY SCHEDULE

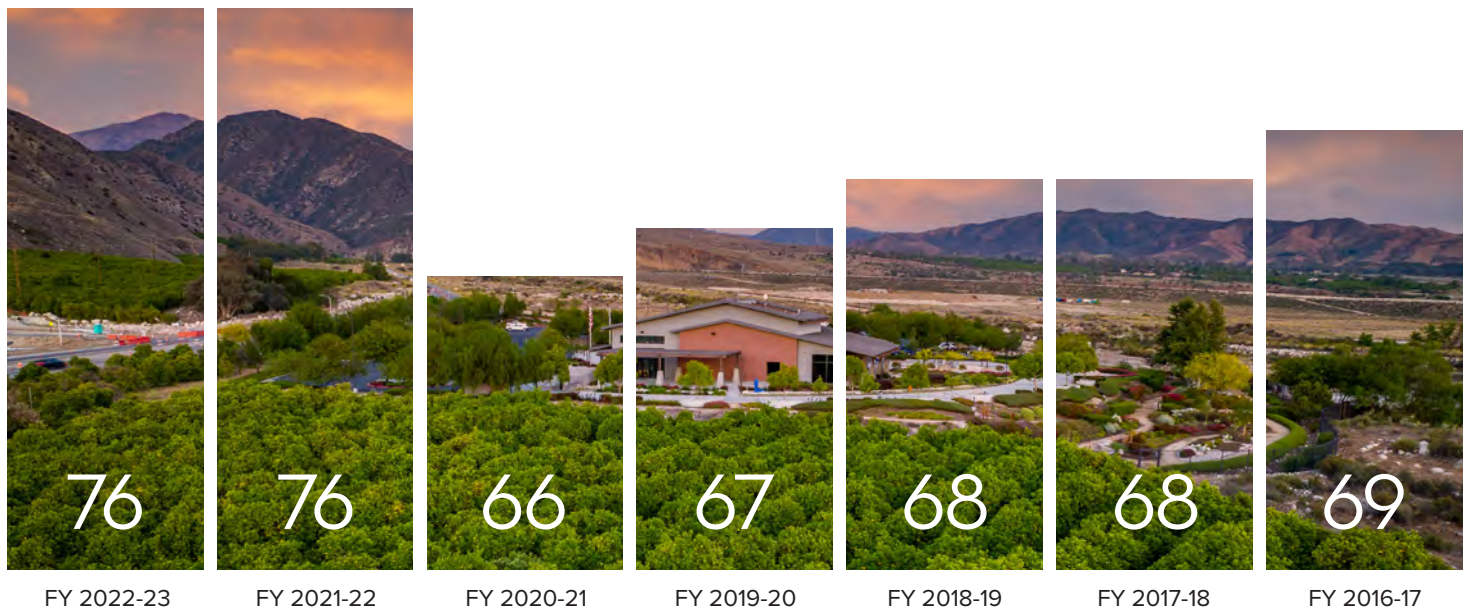
East Valley Water District continues to evaluate staffing needs to ensure all services are addressed by a high-quality workforce. This process is supported by the strategic direction and succession planning efforts previously approved by the Governing Board.

The table below summarizes the number of full-time personnel by Program. All authorized positions are funded in the proposed budget for FY 2022-23. Part-time positions are included in the program descriptions and not shown below.

### Full-Time Staffing Summary by Program

Program	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Budget
2000 General Administration	3	3	3
2100 Human Resources	2	2	2
2200 Public Affairs	4	4	4
2300 Conservation	1	1	1
3000 Finance & Accounting	6	6	6
3200 Information Technology	3	3	3
3300 Customer Service	6	7	7
3400 Meter Services	3	3	2
4000 Engineering	5	5	4
5000 Water Production	7	7	7
5100 Water Treatment	2	2	2
5200 Water Quality	2	2	2
6000 Maintenance Administration	2	2	2
6100 Water Maintenance	13	13	14
6200 Wastewater Maintenance	4	4	4
6300 Water Reclamation	-	9	9
7000 Facilities Maintenance	2	2	3
7100 Fleet Maintenance	1	1	1
<b>TOTAL</b>	<b>66</b>	<b>76</b>	<b>76</b>

### Total Authorized Positions



# GOVERNING BOARD

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[PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

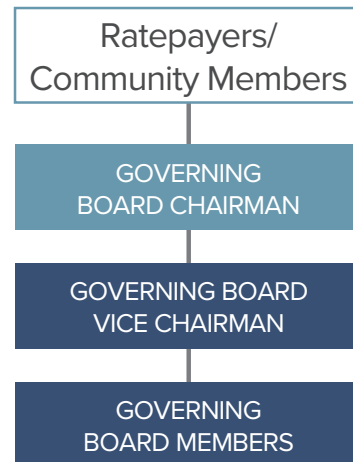
## PROGRAM PERSONNEL

Governing Board Members 5

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**Elected Officials 5**

## PROGRAM STRUCTURE





# Governing Board

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



## GOALS

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

Conduct all Activities Required for the Board of Directors Election

## OBJECTIVES

1. Complete a professional recruitment campaign for the General Manager/CEO.
  2. Evaluate Flexible Work Schedule pilot program that may need policy or board action for operational changes.
  3. Consider actions related to the North Fork Water Company.
  4. Conduct General Manager/CEO annual evaluation, including establishment of FY 2023-24 Goals.
- 
1. Consider agenda items related to project completion and commencement of the SNRC.
  2. Participate in activities that encourage community engagement for the SNRC.
- 
1. Coordinate with the San Bernardino County Registrar of Voters to hold the 2022 elections.
  2. Update and post electoral information on the District's website in accordance with statutory requirements.
  3. Review and update the Candidate Orientation Program.

*The Governing Board appoints the General Manager/CEO to carry out the day-to-day District operations and implementation of adopted policies.*

FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

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

- Updated protocols and policies related to the COVID-19 pandemic.
- Conducted General Manager/CEO annual evaluation and established FY 2022-23 goals.
- Established Governing Board leadership positions.

**GOAL TWO**

*Addressed Policy Decisions Related to the SNRC*

- Participated in activities that encouraged community engagement for the SNRC.
- Approved agreements/policies related to the SNRC.

**GOAL THREE**

*Updated the District-Wide Succession Plan*

- Established an Ad-Hoc Succession Planning Committee.
- Adopted the updated District-Wide Succession Plan.

**OTHER ACCOMPLISHMENTS**

- Completed boardroom renovations.
- Completed formation of Community Facilities District 2021-1 (Mediterra) to facilitate development.

SIGNIFICANT CHANGES

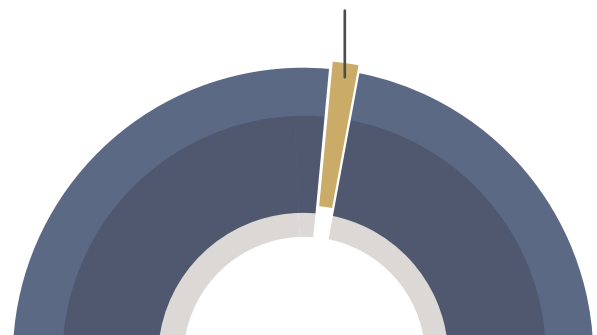
- Increased Contract Services to cover costs associated with the 2022 Governing Board elections.

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)

**PROGRAM BUDGET ALLOCATION**  
**\$474,000**



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 2019-20	FY 2020-21	FY 2021-22
I-A	Act on project related agenda items presented by staff	100%	100%	100%	100%
I-B	Average number of professional development hours per Governing Board Member	6	11	10	6
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	165	205	236

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 81,725	\$ 105,000	\$ 92,940	\$ 135,000	\$ 30,000	29%
5200	Benefits	74,110	88,000	77,912	88,000	-	0%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	196	2,000	1,944	2,000	-	0%
6301	Contract Services	47,297	18,000	9,377	223,000	205,000	1139%
6307	Uniforms	(175)	1,000	1,243	1,000	-	0%
6502	Professional Development	3,427	30,000	43,880	25,000	(5,000)	-17%
<b>GOVERNING BOARD TOTAL</b>		<b>\$ 206,579</b>	<b>\$ 244,000</b>	<b>\$ 227,296</b>	<b>\$ 474,000</b>	<b>\$ 230,000</b>	<b>94%</b>

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# GENERAL ADMINISTRATION

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## [PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

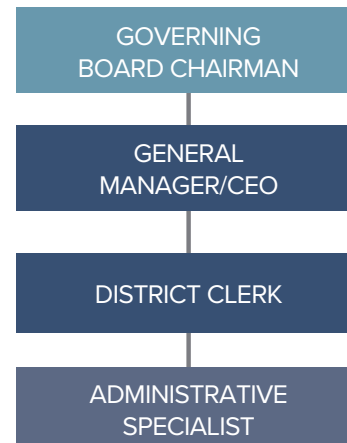
## PROGRAM PERSONNEL

General Manager/CEO	1
District Clerk	1
Administrative Specialist	1

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<b>Total Full-Time</b>	<b>3</b>
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## PROGRAM STRUCTURE





# General Administration

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



## GOALS

1

Complete Consolidation/Dissolution of North Fork Water Company (NFWC)

2

Develop Document Management Process

3

Develop District Clerk Handbook

4

Community Heritage Education Foundation (CHEF)

## OBJECTIVES

1. Continue to acquire remaining nine shares of NFWC not owned by the District.
2. Maintain NFWC annual compliance review.
3. Consult with legal counsel to determine how the NFWC will operate in the future.

1. Enhance the District's electronic document repository by developing a naming convention for efficient document retrieval.
2. Scan 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.
4. Continue destruction of documents in compliance with the Records Retention Policy.

1. Evaluate and identify best practices to be included in the new Handbook.
2. Coordinate with relevant staff and incorporate comments and suggestions into the Handbook.
3. Prepare a draft Handbook.

1. Coordinate at least one meeting with committee members to discuss long-term action priorities.
2. Develop an action plan that considers activities and functions of the non-profit operations.

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



FY 2021-22

## ACCOMPLISHMENTS

### GOAL ONE

*Completed Consolidation/  
Dissolution of the NFWC*

- Acquired 15 additional shares of NFWC not owned by the District.
- Developed NFWC agreement tracking procedures that include annual compliance review.
- Coordinated with Finance and Operations to track activity of NFWC agreements.

### GOAL TWO

*Developed Document  
Management Process*

- Identified vital documents that need to be scanned into the District's electronic document repository.

### GOAL THREE

*Implemented Agenda  
Management Platform*

- Developed and implemented new agenda, staff reports, and minute templates in line with the District's branding efforts.
- Completed parallel testing of new platform to ensure continuity in public noticing requirements.
- Held training sessions for staff.
- Completed transition and implemented new agenda management platform.

### OTHER ACCOMPLISHMENTS

- Successfully conducted virtual meetings during COVID-19.
- The District's Employee Events Association increased donations to the Veteran's Association, Sheriff's Department, and the Adopt A-School Program.

## SIGNIFICANT CHANGES

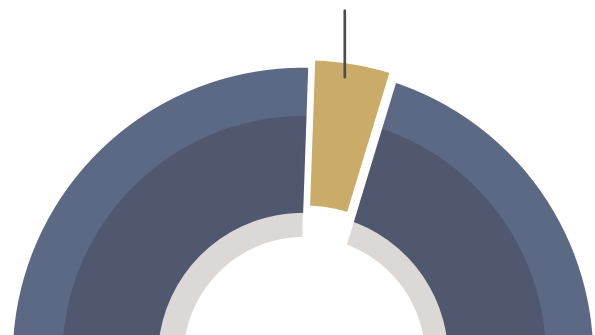
- Legal Services increased to continue eminent domain proceeding for the NFWC.
- Increased Memberships and Dues to join the California Association of Sanitation Agencies (CASA).
- Hired temporary staff to scan vital documents into the District's electronic repository.
- Senior Administrative Assistant promoted to Executive Assistant.

## 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)

**PROGRAM BUDGET ALLOCATION**  
\$1,374,000



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 2019-20	FY 2020-21	FY 2021-22
II-A	Make administrative documents available online	50	55	51	53
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	2,770	2,770*	2,770*
I-B	Participate in Professional Development Opportunities	6	8	20	9

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

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 584,965	\$ 553,000	\$ 527,771	\$ 525,000	\$ (28,000)	-5%
5102	Temporary Labor	-	-	-	30,000	30,000	100%
5103	Overtime	1,955	3,000	4,382	4,000	1,000	33%
5200	Benefits	321,543	339,000	334,265	339,000	-	0%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	1,059	2,000	820	4,000	2,000	100%
6203	Office Supplies	1,041	3,000	2,347	3,000	-	0%
6301	Contract Services	113,700	143,000	112,634	152,000	9,000	6%
6303	Printing & Publishing	3,395	1,000	1,200	3,000	2,000	200%
6304	Legal Services	65,958	90,000	106,293	120,000	30,000	33%
6307	Uniforms	259	1,000	-	1,000	-	0%
6314	Litigation Services	30,011	40,000	5,914	40,000	-	0%
6402	Telephone	3,258	3,000	2,748	5,000	2,000	67%
6406	Postage	26	1,000	350	1,000	-	0%
6501	Memberships & Dues	85,562	95,000	99,680	116,000	21,000	22%
6502	Professional Development	2,507	16,000	28,908	16,000	-	0%
6503	Education Assistance	-	-	-	-	-	0%
6504	Meetings	3,639	15,000	8,286	15,000	-	0%
<b>GENERAL ADMIN TOTAL</b>		<b>\$ 1,218,875</b>	<b>\$ 1,305,000</b>	<b>\$ 1,235,595</b>	<b>\$ 1,374,000</b>	<b>\$ 69,000</b>	<b>5%</b>

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# HUMAN RESOURCES

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## [PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Director of Administrative Services	1
Human Resources Coordinator	1

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

## PROGRAM STRUCTURE



# Human Resources

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

## OBJECTIVES

1

Implement Workforce Programs in Support of the SNRC

1. Continue to recruit and onboard quality candidates to join the SNRC team.
2. Facilitate a transition plan for current staff relocating to the SNRC site.
3. Create administrative policies regarding work schedules and standby responsibilities for SNRC maintenance and operations.

2

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

1. Update the District's Succession Plan to identify organizational growth and provide training and development opportunities for staff.
2. Identify opportunities to connect the new General Manager/CEO with staff across the organization in order to foster relationships, solicit feedback, and maintain a positive culture.
3. Evaluate post-pandemic work scheduling to create a policy that maintains District work expectations while allowing scheduling flexibility.

*Directly Supports a District-Wide Goal*

3

Promote Regional Involvement and Provide Workforce Experience and Educational Opportunities

1. Engage in local industry partnerships to share the Water and Resource Management Pathway's value to local industry employers.
2. Enhance 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.

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

FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

*Implemented Workforce Programs in Support of the SNRC*

- Developed and executed a marketing strategy to attract quality candidates to apply for SNRC employment opportunities.
- Recruited and onboarded new SNRC Treatment Plant staff.

**GOAL TWO**

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

- Developed a plan for the retirement of leadership positions identified in the District’s succession plan, and prepared for internal and/or external recruitments, including the executive-level General Manager/ CEO recruitment.
- Engaged staff in post-pandemic work scheduling discussions and implemented a scheduling pilot program that meets District work expectations while allowing scheduling flexibility.

**GOAL THREE**

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

- Promoted the Water and Resource Management Pathway’s value to local industry employers.
- Developed and implemented a paid internship program for local youth to encourage work experience opportunities and prepare a pipeline of talent for the water industry.

**OTHER ACCOMPLISHMENTS**

- The District was named a Top Workplace in the Inland Empire for the 7th consecutive year.

SIGNIFICANT CHANGES

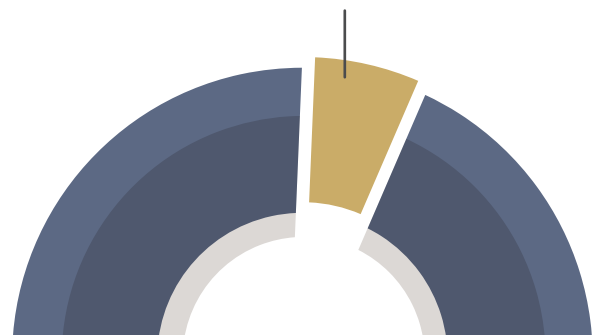
- Professional Development increased due to addition of leadership training and development programs.
- Employee Recognition increased due to additional retirement planning and inflated costs.
- The District’s insurance premiums increased due to a combination of cost increases and the addition of the SNRC.

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)

**PROGRAM BUDGET ALLOCATION**  
\$1,938,000



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 2019-20	FY 2020-21	FY 2021-22
I-D	Percentage of annual non-retirement employee turnover	<7%	3%	3%	1%
I-D	Annual performance appraisals completed in a timely manner	95%	100%	100%	100%
II-D	Enrollment in District volunteer program	5	3	0*	1
III-C	Maintain high level of employee participation in annual employee engagement survey	90%	95%	100%	100%
III-D	Utilization rate of District's Employee Assistance Program	>10%	24%	19%	13.43%

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

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 290,872	\$ 296,000	\$ 270,211	\$ 307,000	\$ 11,000	4%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	413	3,000	669	3,000	-	0%
5200	Benefits	141,374	144,000	78,521	177,000	33,000	23%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	3,488	6,000	6,555	6,000	-	0%
6203	Office Supplies	1,164	1,000	194	1,000	-	0%
6301	Contract Services	127,026	100,000	93,481	109,000	9,000	9%
6303	Printing & Publishing	425	1,000	396	1,000	-	0%
6304	Legal Services	8,708	15,000	8,577	15,000	-	0%
6307	Uniforms	84	-	-	-	-	0%
6402	Telephone	858	-	695	-	-	0%
6406	Postage	208	1,000	12	1,000	-	0%
6501	Memberships & Dues	4,337	5,000	216	5,000	-	0%
6502	Professional Development	793	11,000	4,704	14,000	3,000	27%
6504	Meetings	1,656	3,000	1,091	3,000	-	0%
6505	Employee Recognition	7,784	37,000	13,793	45,000	8,000	22%
6701	General Insurance	410,201	660,000	904,858	890,000	230,000	35%
6702	Insurance Claims	54	10,000	3,352	10,000	-	0%
6705	Retiree Benefits	312,016	351,000	116,681	351,000	-	0%
<b>HUMAN RESOURCES TOTAL</b>		<b>\$ 1,311,459</b>	<b>\$1,644,000</b>	<b>\$1,504,008</b>	<b>\$1,938,000</b>	<b>\$ 294,000</b>	<b>18%</b>



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# PUBLIC AFFAIRS



LEY  
TRICT

[PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

**PROGRAM PERSONNEL**

Director of Strategic Services	1
Public Affairs/Conservation Manager	1
Public Affairs Specialist	1
Public Affairs Coordinator	1

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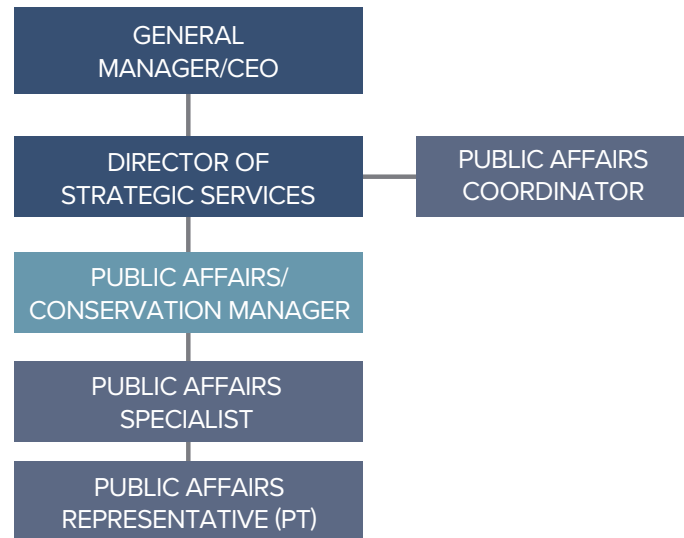
**Total Full-Time** **4**

**Part-Time**  
Public Affairs Representative 1

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**Total Part-Time** **1**

**PROGRAM STRUCTURE**





# 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.



## GOALS

**1** Advance Construction of the SNRC and Implement Facility Operations

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

*Directly Supports a District-Wide Goal*

**3** Advance the District's Emergency Preparedness Program

## OBJECTIVES

1. Develop quarterly community activities to maximize the SNRC public space including facility rentals and hosted events.
  2. Implement the Wildlife Management Plan training and monitoring program.
  3. Identify and engage community stakeholders regarding SNRC construction and commissioning.
- 
1. Re-engage with community members and organizations as post COVID-19 activities resume in-person.
  2. Highlight the District's premier agency standards through presentations/engagements with national and regional organizations such as ACWA, CMUA, WaterReuse, CSDA, and PRSA.
  3. Continue enhancing digital outreach tools to increase customer engagement and online presence of the District.
- 
1. Hold bi-annual reviews of the Emergency Response and Hazard Mitigation Plans.
  2. Implement the updated emergency response training program following plans established by the District, including hosting a tabletop exercise.
  3. Monitor grant funding opportunities to construct mitigation measures identified in the District's emergency plans.

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

FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

*Advanced Construction of the SNRC and Prepared for Facility Operations*

- Created outreach materials, videos, social media content, and community update/notifications to promote the construction status and future programs of the SNRC.
- Coordinated with local agencies to receive necessary approvals, including City of Highland and San Bernardino International Airport Authority.
- Updated District’s Facility-Use Policy to reflect the community hosted events at the SNRC.

**GOAL TWO**

*Utilized Communication Methods that Enhance the District’s Brand*

- Developed a campaign to educate customers on the value of reliable water service and water quality services provided by the District.
- Redesigned the customer Utility Bill to enhance the information provided to customers.
- Produced District videos showcasing the District’s programs, operations, and opportunities available.
- Participated in various international conferences to showcase the District’s world-class culture.

**GOAL THREE**

*Advanced the District’s Emergency Preparedness Program*

- Executed a MOU with FEMA for use of the IPAWS Emergency Notification System and conducted monthly training for staff.
- Updated the Emergency Response Plan to include information related to the SNRC’s emergency response plan.
- Conducted monthly and quarterly emergency preparedness trainings to follow established best practices.

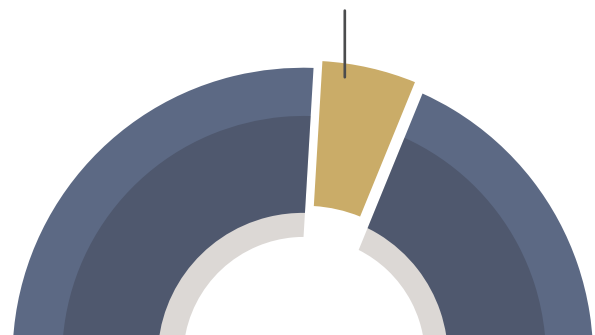
**OTHER ACCOMPLISHMENTS**

- Coordinated outreach effort and groundbreaking ceremony for the construction of the Weaver Basins Recharge Facility.
- Enhanced the District’s website with a new water allocation estimator.
- Provided assistance to support the District’s recruitment efforts, including a statewide mailer and video.

SIGNIFICANT CHANGES

- Additional contract services relating to the administrative operations of the SNRC have been incorporated into the Public Affairs budget.
- The COVID-19 pandemic adjusted the number of presentations completed due to cancellation of events. Staff is working to reengage with the community over the upcoming year and anticipate an increase in funding allocation due to the restart of many community events.
- Sheriff’s Deputy contract has been moved to Facilities to be in line with other security contracts.

**PROGRAM BUDGET ALLOCATION**  
\$1,738,000



## 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 2019-20	FY 2020-21	FY 2021-22
III-A	Update Emergency Response Plan	100%	100%	100%	100%
III-A	Number of Emergency Response training hours per FTE	16	15	15	14
II-D	Number of community event presentations	15	15	0*	11
I-C	Number of Community Advisory Commission meetings conducted	6	6	6	5
II-B	Number of followers on social media	100	1,399	1,638	2,062

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

**THE DISTRICT IS COMMITTED TO FOSTERING A WELL-INFORMED COMMUNITY THROUGH ONGOING COMMUNICATION EFFORTS.**

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 568,770	\$ 569,000	\$ 509,279	\$ 589,000	\$ 20,000	4%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	8,476	17,000	4,199	17,000	-	0%
5200	Benefits	196,843	265,000	215,839	243,000	(22,000)	-8%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	49,825	149,000	44,449	128,000	(21,000)	-14%
6203	Office Supplies	849	2,000	628	2,000	-	0%
6301	Contract Services	341,121	508,000	412,529	417,000	(91,000)	-18%
6303	Printing & Publishing	107,718	245,000	100,215	253,000	8,000	3%
6304	Legal Services	2,560	5,000	1,692	5,000	-	0%
6307	Uniforms	1,445	2,000	652	2,000	-	0%
6402	Telephone	3,155	5,000	2,719	3,000	(2,000)	-40%
6406	Postage	12,861	37,000	10,691	35,000	(2,000)	-5%
6501	Memberships & Dues	18,107	9,000	3,127	9,000	-	0%
6502	Professional Development	4,035	16,000	17,211	17,000	1,000	6%
6503	Education Assistance	-	3,000	-	3,000	-	0%
6504	Meetings	546	10,000	1,432	10,000	-	0%
<b>FACILITIES RENTAL EXPENSES</b>							
6201	Materials & Supplies	-	-	311	-	-	0%
6301	Contract Services	-	-	914	3,000	3,000	100%
6312	Janitorial Services	-	2,000	672	2,000	-	0%
<b>PUBLIC AFFAIRS TOTAL</b>		<b>\$ 1,316,311</b>	<b>\$1,844,000</b>	<b>\$ 1,326,560</b>	<b>\$ 1,738,000</b>	<b>\$ (106,000)</b>	<b>-6%</b>

# CONSERVATION

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## [PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Conservation Coordinator	1
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<b>Total Full-Time</b>	<b>1</b>
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## PROGRAM STRUCTURE





# Conservation

Conservation is responsible for overseeing programs that facilitate and encourage sustainable water use throughout the District.

Additionally, this program is responsible for communicating conservation benchmarks to various regulatory agencies, preparing regulatory compliance documents, and monitoring legislative affairs.



## 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. Prepare and submit required regulatory reports such as the Supply and Demand Assessment, Drought Risk Assessment, and Urban Water Use Objectives.
1. Enhance rebate programs to maximize customer water savings through the development of new rebate opportunities focusing on inefficient outdoor use.
  2. Develop digital material and other educational elements to provide customers with conservation resources, free community events, and four workshops.
1. Actively participate in the legislative and regulatory process, and update District stakeholders on relevant impacts to the District's programs.
  2. Continue monitoring legislation related to low-income rate assistance, residential water use standards, and communicate changes affecting District operations.
  3. Complete semi-annual Conservation and legislative updates to staff, the Governing Board, and quarterly updates to the Legislative and Public Outreach Committee and Community Advisory Commission.

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

FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

*Coordinated Necessary Program Working Groups to Complete Conservation Reports*

- Completed and submitted the regulatory 2020 Water Loss Audit validation.
- Developed a new workgroup to develop the Supply and Demand Assessment and the Water Shortage Assessment Report.

**GOAL TWO**

*Evaluated Rebate Program Success and Implemented Program Enhancements*

- Developed a new campaign reminding customers to turn off irrigation system when it rains, saving over 78,530,000 gallons of water for one month.
- Completed the analysis of past rebate participation to plan future outreach opportunities.
- Completed the parkway turf removal pilot program with Immanuel Baptist Church.

**GOAL THREE**

*Participated in the Legislative Process as it Related to Changes in Conservation Regulations*

- Tracked and monitored legislation aimed at reducing indoor residential usage targets.
- Worked in partnership with the District’s legislative organizations to take positions on legislative conservation bills.
- Provided quarterly updates to District stakeholders regarding conservation regulation and legislative impacts to operations.

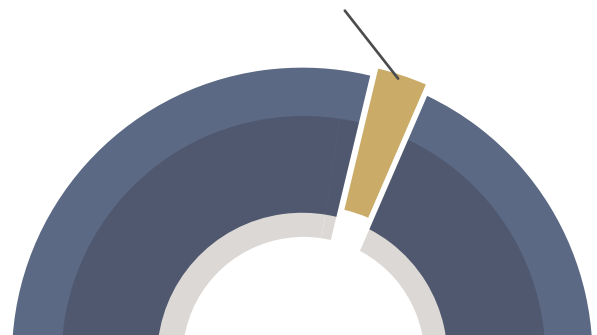
**OTHER ACCOMPLISHMENTS**

- Successfully lobbied to have Septic-to-Sewer funding incorporated in the State’s 2021 budget.
- Participated in California Water and Wastewater Arrearage Payment program development providing COVID-19 assistance to customers.
- Hosted two in-person conservation workshops for District customers.
- District was awarded a Bureau of Reclamation grant funding the development of a Drought Contingency Plan.

SIGNIFICANT CHANGES

- The District was recently awarded a grant to develop the Drought Contingency Plan. Following the grant guidelines, East Valley Water District must match the grant award of \$200,000 for the development of the plan.
- Valley District is currently working to adjust the rebate reimbursement program. Staff is anticipating a reduction in funding support from Valley District due to changes in the program.
- Increased rebates for turf replacement and new irrigation controller program.

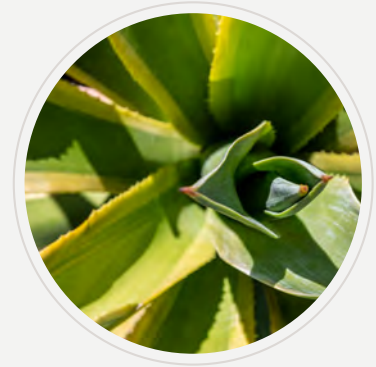
**PROGRAM BUDGET ALLOCATION**  
**\$917,000**



## 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 2019-20	FY 2020-21	FY 2021-22
I-A	Meet SWRCB conservation goal	Yes	Yes	Yes	Yes
I-A	Maintain significant level of participation in annual conservation rebate programs	300	344	430	200
II-D	Number of educational materials created	100	97	100	78
II-C	External conservation funding received	\$25,000	\$34,000	\$32,000	\$15,000

**EAST VALLEY WATER DISTRICT IS MORE THAN A UTILITY PROVIDER. WE ARE A FAMILY OF DEDICATED EMPLOYEES, NEIGHBORS, AND COMMUNITY PARTNERS.**

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 134,590	\$ 111,000	\$ 133,819	\$ 107,000	\$ (4,000)	-4%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	73	7,000	568	7,000	-	0%
5200	Benefits	37,844	40,000	37,503	40,000	-	0%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	1,169	20,000	476	56,000	36,000	180%
6203	Office Supplies	652	2,000	617	2,000	-	0%
6205	Conservation Rebates	80,214	78,000	92,344	220,000	142,000	182%
6301	Contract Services	60,635	46,000	26,850	331,000	285,000	620%
6303	Printing & Publishing	36,952	41,000	40,781	109,000	68,000	166%
6304	Legal Services	-	1,000	-	1,000	-	0%
6307	Uniforms	241	1,000	-	1,000	-	0%
6402	Telephone	1,280	2,000	453	2,000	-	0%
6406	Postage	3,461	24,000	6,688	24,000	-	0%
6501	Memberships & Dues	7,126	36,000	8,975	11,000	(25,000)	-69%
6502	Professional Development	1,910	4,000	5,774	5,000	1,000	25%
6504	Meetings	11	1,000	-	1,000	-	0%
<b>CONSERVATION TOTAL</b>		<b>\$ 366,158</b>	<b>\$ 414,000</b>	<b>\$ 354,849</b>	<b>\$ 917,000</b>	<b>\$ 503,000</b>	<b>121%</b>

A hand is shown using a calculator. The calculator's display shows the number 64556. The word 'MON' is visible on the calculator's face. The entire image is overlaid with a semi-transparent blue filter. The text 'FINANCE & ACCOUNTING' is centered over the calculator.

# FINANCE & ACCOUNTING

[PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

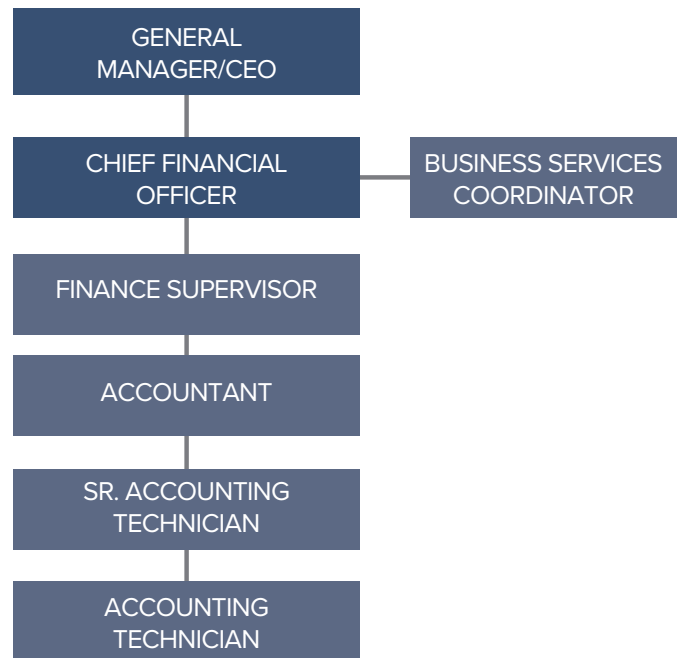
**PROGRAM PERSONNEL**

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

---

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

**PROGRAM STRUCTURE**





# Finance & Accounting

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

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

Ensure Financial Stability with Full Understanding of Operational Complexities

2

Fully Understand the Cost and Accounting Associated with new Funds

3

Maximize the Utility and Security of Financial Software and Data

## OBJECTIVES

1. Establish SNRC debt service and other reserves required to comply with agreements and ensure fiscal sustainability.
  2. Complete final billings/reconciliations for various SNRC external funding sources.
  3. Meet monthly with Water Reclamation and other management to discuss sufficiency of established rates to cover the cost of SNRC operations.
- 
1. Complete setup of Water Reclamation Fund in District's financial accounting software.
  2. Complete setup of CFD 2021-1 (Mediterra) in financial software.
  3. Work with consultant to place property assessments on tax rolls for Mediterra.
- 
1. Develop standard procedures for linking capital improvements in the Tyler accounting software to the GIS mapping software.
  2. Work with IT to link projects closed in FY 2021-22 between Tyler and Geographic Information System (GIS).
  3. Work with IT and Environmental Systems Research Institute (ESRI) to establish a naming convention for links between accounting system and GIS to apply to map.
  4. Consider moving the Tyler ERP to a hosted environment.

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



FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

*Ensured Financial Stability with Full Understanding of Operational Complexities*

- Worked with Mediterra to form CFD 2021-1.
- Prepared and submitted the SRF funding application for Plant 134 Granular Activated Carbon (GAC).
- Completed the application for California Water and Wastewater Arrearage Payment Program (CWWAPP) for submission by Public Affairs.
- Worked with IT, Customer Service, and Public Affairs to develop the method for identifying and applying State funds to customer accounts that qualified for CWWAPP relief.

**GOAL TWO**

*Fully Understood the Cost Associated with the SNRC Operations*

- Prepared and submitted the updated application for increased SRF funding for the SNRC.

**OTHER ACCOMPLISHMENTS**

- Completed the procurement process for a new audit firm and CFD Administration Consultant.
- Received GFOA awards for the 2021-22 Budget, 2021 Annual Financial Report, and the 2021 Popular Annual Financial Report (Triple Crown).

SIGNIFICANT CHANGES

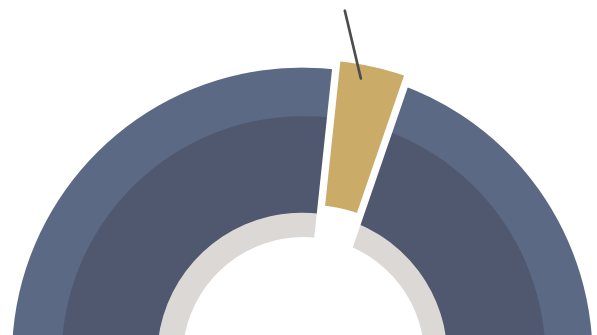
- Increased Contract Services due to increased Audit/Accounting fees.
- Increased Professional Development to provide additional training for new staff.

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)

PROGRAM BUDGET ALLOCATION  
\$1,192,000



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 2019-20	FY 2020-21	FY 2021-22
II-A	Days to prepare and present Annual Report after fiscal year end	135 days	133	160	104
II-A	Enhance District bond rating through strong reserves and fiscal policies	AA	AA-	AA-	AA-
II-A	Number of fiscal policies updated / enhanced and reviewed with the Governing Board	4	3	3	2
II-A	Provide program managers monthly budget variance reports	12	12	12	12
II-A	Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for Annual Report	9	8	9	10
II-A	Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for PAFR	4	3	4	5

**THE DISTRICT MAINTAINS CRITICAL INFRASTRUCTURE AND PROTECTS THE RELIABILITY OF THE WATER SERVICE FOR THE FAMILIES AND COMMUNITIES WE SERVE.**

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 840,774	\$ 680,000	\$ 650,269	\$ 700,000	\$ 20,000	3%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	8,261	13,000	23,178	13,000	-	0%
5200	Benefits	378,952	375,000	382,901	318,000	(57,000)	-15%
<b>OPERATING EXPENSES</b>							
6203	Office Supplies	8,380	11,000	5,699	12,000	1,000	9%
6301	Contract Services	48,092	65,000	62,601	84,000	19,000	29%
6302	Banking Services	13,521	18,000	18,539	18,000	-	0%
6303	Printing & Publishing	447	1,000	523	1,000	-	0%
6304	Legal Services	11,550	10,000	6,804	10,000	-	0%
6307	Uniforms	585	2,000	-	2,000	-	0%
6402	Telephone	2,404	3,000	1,842	3,000	-	0%
6406	Postage	1,048	1,000	417	1,000	-	0%
6501	Memberships & Dues	2,500	5,000	3,706	5,000	-	0%
6502	Professional Development	2,739	10,500	11,218	20,000	9,500	90%
6503	Education Assistance	-	500	-	-	(500)	-100%
6504	Meetings	70	4,000	2,139	5,000	1,000	25%
6704	Bad Debt	-	1,000	-	-	(1,000)	-100%
<b>FINANCE &amp; ACCT. TOTAL</b>		<b>\$ 1,319,323</b>	<b>\$ 1,200,000</b>	<b>\$ 1,169,836</b>	<b>\$ 1,192,000</b>	<b>\$ (8,000)</b>	<b>-1%</b>

# INFORMATION TECHNOLOGY



## [PROGRAM SUMMARIES CONTENTS]

- Governing Board
- General Administration
- Human Resources
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- Conservation
- Finance & Accounting
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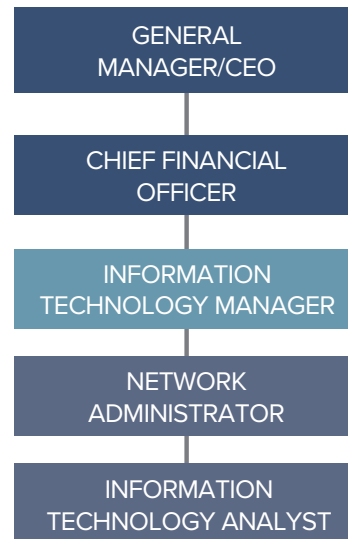
## PROGRAM PERSONNEL

Information Technology Manager	1
Network Administrator	1
Information Technology Analyst	1

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<b>Total Full-Time</b>	<b>3</b>
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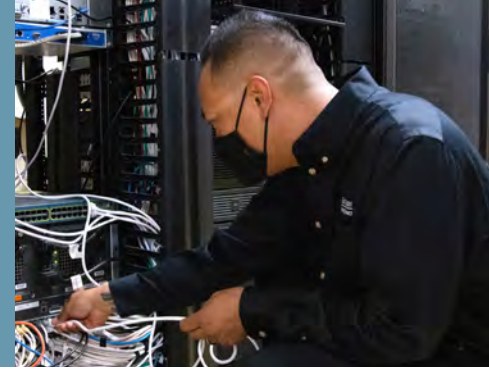
## PROGRAM STRUCTURE





# Information Technology

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



## GOALS

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

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

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

## OBJECTIVES

1. Upgrade software and SCADA radios at Plants 25, 131, and 132.
  2. Replace remaining end-of-life servers and switches at the SNRC and Headquarters.
  3. Work with Field staff to replace valve exercise equipment software.
  4. Implement CCleaner software to assist in cleaning malware and bloatware on staff computers
- 
1. Continue monthly email phishing campaign to reduce click rate and educate staff on security risk.
  2. Establish and equip an Emergency Operations Center (EOC) at the SNRC.
  3. Replace current email security with email cloud security.
  4. Implement CISCO umbrella DNS security to add a layer of security to the District network.
- 
1. Continue to support Operations and Maintenance on identifying requirement for an asset management system.
  2. Finalize transition from Cityworks to new software solution.
  3. Assist Administration with naming convention for Laserfiche.
  4. Review pros and cons for transitioning Tyler Incode from On-Premise to hosted solution.

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

FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

*Ensured Reliability of Technology Infrastructure for Primary Business and Operation Requirements*

- Replaced and upgraded Physical Security Server, both primary and secondary voice servers, and SAN (Storage-Area-Network).
- Upgraded VMware licensing to support virtual environment for Headquarters, SNRC, and SCADA environment for Headquarters and Plant 134.
- Upgraded SCADA radios at Plants 37, 38, 39, and 99.

**GOAL TWO**

*Improved Systems and Cybersecurity Measures for Response Functions*

- Enhanced mobile device management software – Intune, to implement District business portal and streamline software installations.
- Heightened IT staff knowledge through professional training within GIS, VMware, and CISCO.
- Implemented CatTools software to begin backup schedule of all network devices.

**GOAL THREE**

*Analyzed Current Systems to Enhance Reporting and Automate Processes*

- Expanded electronic forms and documents to Adobe to streamline internal processes for customer/organization engagement.
- Assessed Cityworks and current GIS infrastructure to implement system availability and streamline the work order process for both Field and Customer Service requests.
- Recognized new asset management software to begin implementation.

**OTHER ACCOMPLISHMENTS**

- Upgraded access control readers at Headquarters, and Plants 134 and 141 to align with the SNRC.
- Installed 1G fiber optic internet service at both SNRC sites, Plant 134, and Headquarters with redundancy.
- Upgraded ARC GIS physical servers and software to Enterprise Pro.

SIGNIFICANT CHANGES

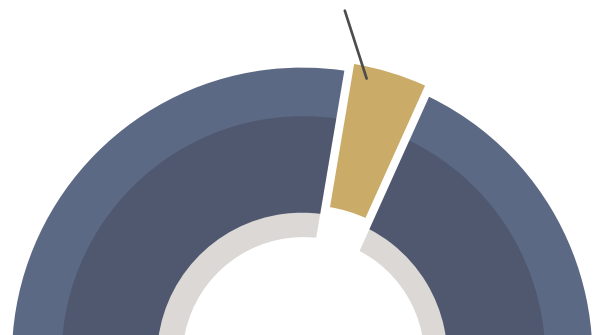
- Increased Telephone budget to support the Flexible Work Program.
- Increased Contract Services to support Primary (Headquarters) and Redundant (Plant 134) servers to include current SCADA Server licenses and Virtual server license.
- Installed Lansweeper software for real-time inventory and software deployment.

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)

PROGRAM BUDGET ALLOCATION  
\$1,356,000



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 2019-20	FY 2020-21	FY 2021-22
IV-A	Elevate Cybersecurity awareness by sending out test 'phishing' emails	800	862	1,019	1,080
IV-A	Maximize system availability	99%	99%	99%	99%
IV-A	Cybersecurity awareness results for phishing email click rate	<7%	7.4%	6%	7.8%
IV-A	Complete disaster recovery drill (system restoration, power outages, emergency notifications)	2	1	2	4
III-B	Receive 'Excellent' scores on IT satisfaction surveys submitted by staff	>95%	98%	96%	100%
III-B	Minimize resolution time for help desk issues submitted by staff	24 Hrs.	16.4	24	17.2

## PROGRAM BUDGET DETAIL

	FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>						
5101 Regular Labor	\$ 304,784	\$ 366,000	\$ 324,538	\$ 380,000	\$ 14,000	4%
5102 Temporary Labor	-	-	-	-	-	0%
5103 Overtime	-	-	-	-	-	0%
5200 Benefits	97,049	127,000	116,454	212,000	85,000	67%
<b>OPERATING EXPENSES</b>						
6201 Materials & Supplies	51,581	45,000	56,542	45,000	-	0%
6203 Office Supplies	1,568	1,000	423	1,000	-	0%
6301 Contract Services	335,379	606,000	549,991	690,000	84,000	14%
6307 Uniforms	799	1,000	418	1,000	-	0%
6402 Telephone	10,069	7,000	11,438	12,000	5,000	71%
6501 Memberships & Dues	579	1,000	785	1,000	-	0%
6502 Professional Development	7,846	10,000	2,398	13,000	3,000	30%
6504 Meetings	67	1,000	103	1,000	-	0%
<b>IT TOTAL</b>	<b>\$ 809,722</b>	<b>\$ 1,165,000</b>	<b>\$ 1,063,089</b>	<b>\$ 1,356,000</b>	<b>\$ 191,000</b>	<b>16%</b>



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# CUSTOMER SERVICE

[PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

**PROGRAM PERSONNEL**

Customer Service Supervisor	1
Customer Service Representative III	2
Customer Service Representative II	2
Customer Service Representative I	2

---

**Total Full-Time** **7**

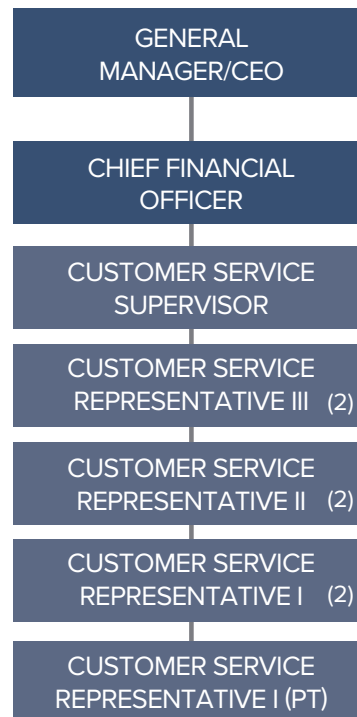
**Part-Time**

Customer Service Rep I	1
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**Total Part-Time** **1**

**PROGRAM STRUCTURE**

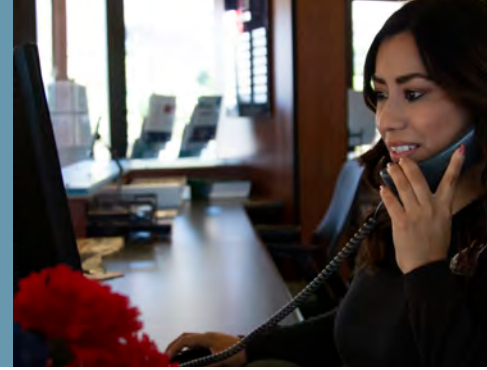




# Customer Service

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

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



## GOALS

1

**Develop Strategies to Address Organizational Service Needs**

2

**Modify Processes to Comply with Changes in Legislation and Agreements While Maintaining Financial Stability**

3

**Fully Understand and Utilize Smart Meter Capabilities**

## OBJECTIVES

1. Implement Tyler's mobile work order application to replace Cityworks service order program.
  2. Review vendor contracts for the purpose of expanding capabilities or consolidating relationships where possible (PayNearMe, Online Utility Exchange).
  3. Give Customer Service Supervisor administrative permissions to provide staff access to transaction processing tools.
- 
1. Meet quarterly with Conservation to assist with changing drought regulations mandated by the State of California.
  2. Understand and propose use of collection procedures (in practice at other agencies) that avoid service disconnection as a tool for collection of delinquent account balances.
  3. Continue to run wastewater billing under both SNRC and City rates until SNRC is taking 100% of flow.
- 
1. Coordinate with Public Affairs to increase the use of AMI data to support conservation efforts.
  2. Review routes and billing dates for possible changes to accommodate timing of bills to customers on fixed incomes.

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

FY 2021-22

## ACCOMPLISHMENTS

### GOAL ONE

*Developed Strategies to Address Organizational Service Needs*

- Completed a staffing action plan for the SNRC and Headquarters.
- Worked with the Chief Financial Officer to grant digital access to Customer Service Representative as needed.

### GOAL TWO

*Modified Processes to Comply with Changes in Legislation While Maintaining Financial Stability*

- Applied state funds to all customer accounts that qualified for CWWAPP relief.
- Worked with Finance and Public Affairs to provide data needed for outreach to customers who received CWWAPP relief.

### GOAL THREE

*Fully Understood and Utilized Smart Meter Capabilities*

- Department completed training for the Neptune 360 software.

### OTHER ACCOMPLISHMENTS

- Worked with Public Affairs on the new bill redesign.
- Assisted Public Affairs with implementation of the new water allocation calculator that will be launched on the District’s website.

## SIGNIFICANT CHANGES

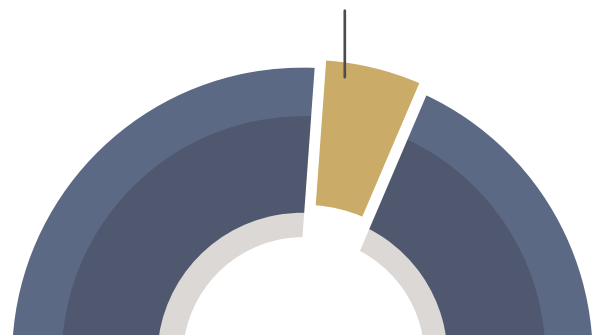
- Hire a part-time Customer Service Representative.
- Increased Contract Services for Smart Meter Portal.

## 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)

PROGRAM BUDGET ALLOCATION  
\$1,755,000



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 2019-20	FY 2020-21	FY 2021-22
III-B	Reduce number of customers disconnected for non-payment each year	1,800	930	0*	0*
III-B	Encourage completion of Customer Satisfaction Surveys to better understand customer concerns	120	65	54	5
III-B	Number of customer payments received through convenient off-site locations	10,000	5,000	5,346	3,198
I-B	Number of customer service training hours per employee	16	11	13	4
IV-C	Customers enrolled in paperless billing	2,000	1,998	2,049	1,411
IV-C	Customers enrolled in the Pre-Authorized Payment Plan (auto-debit)	2,000	2,528	2,762	3,663

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

**THE DISTRICT CONTINUES TO EVALUATE THE STAFFING NEEDS TO ENSURE ALL SERVICES ARE ADDRESSED BY A HIGH-QUALITY WORKFORCE.**

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 391,657	\$ 430,000	\$ 398,466	\$ 533,000	\$ 103,000	24%
5103	Overtime	3,084	7,000	21,098	7,000	-	0%
5200	Benefits	257,482	253,000	286,403	307,000	54,000	21%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	6,144	5,000	1,485	-	(5,000)	-100%
6203	Office Supplies	2,162	4,000	1,186	7,000	3,000	75%
6301	Contract Services	231,899	134,000	105,849	182,000	48,000	36%
6302	Banking Services	204,344	229,000	214,261	229,000	-	0%
6303	Printing & Publishing	5,894	10,000	2,001	10,000	-	0%
6304	Legal Services	-	5,000	-	5,000	-	0%
6307	Uniforms	3,478	4,000	2,447	4,000	-	0%
6308	Billing Services	65,712	60,000	47,602	60,000	-	0%
6309	Shut Off Notice Services	83	50,000	-	225,000	175,000	350%
6402	Telephone	14,696	8,000	10,768	8,000	-	0%
6406	Postage	135,188	153,000	111,992	153,000	-	0%
6501	Memberships & Dues	-	1,000	-	1,000	-	0%
6502	Professional Development	-	15,000	16,460	15,000	-	0%
6504	Meetings	100	2,000	563	3,000	1,000	50%
6703	Cash Over/Short	(0)	1,000	61	1,000	-	0%
6704	Bad Debt	17,950	44,000	45,235	5,000	(39,000)	-89%
<b>CUSTOMER SERVICE TOTAL</b>		<b>\$1,339,873</b>	<b>\$1,415,000</b>	<b>\$1,265,878</b>	<b>\$1,755,000</b>	<b>\$ 340,000</b>	<b>24%</b>



# METER SERVICES



## [PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

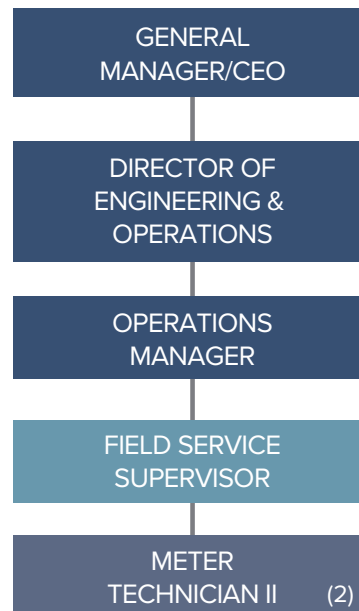
## PROGRAM PERSONNEL

Meter Technician II	2
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<b>Total Full-Time</b>	<b>2</b>
------------------------	----------

## PROGRAM STRUCTURE



# Meter Services

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



## GOALS

1

Implement Inspection Program for AMI Meters

2

Work with Customer Service to Address Coverage Issues with AMI Network

3

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

## OBJECTIVES

1. Identify needed vault lid replacements – create prioritized replacement schedule.
2. Visually inspect all meter boxes in routes where read problems are occurring.
1. Confirm MIU (meter interface unit) and meter numbers on meters that are not transmitting reliable read data.
2. Install registers that utilize cell towers for data transmission on meters in routes 44 and 123.
1. Conduct an audit of 10% of large meters for accuracy to ensure compliance with AWWA standards.

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

FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

*Implemented Inspection Program for AMI Meters*

- Continued AMI meter box inspection, and ensured the first and second phase of AMI meters installed were up to District standards.

**GOAL TWO**

*Worked with Engineering to Address Coverage Issues with the AMI Network*

- Staff completed 1,500 AMI meter replacements.

**GOAL THREE**

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

- Conducted large meter testing and ensured accuracy met AWWA standards for 10% of meters, 3-inches and greater.

**OTHER ACCOMPLISHMENTS**

- Completed Pilot Program of 65 water meters with cellular antennas in coordination with the District’s vendor.

SIGNIFICANT CHANGES

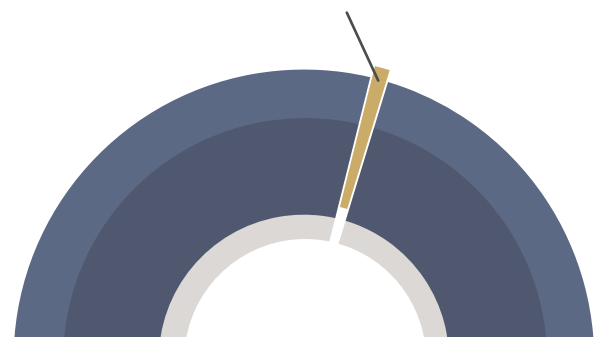
- Eliminated Meter Technician I position due to completion of AMI implementation project.

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)

PROGRAM BUDGET ALLOCATION  
\$278,000



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 2019-20	FY 2020-21	FY 2021-22
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 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>						
5101	Regular Labor	\$ 200,351	\$ 204,000	\$ 144,055	\$ 164,000	\$ (40,000) -20%
5103	Overtime	559	6,000	656	6,000	- 0%
5200	Benefits	77,853	96,000	83,074	96,000	- 0%
<b>OPERATING EXPENSES</b>						
6201	Materials & Supplies	25	2,000	9,466	1,000	(1,000) -50%
6202	Tools	1,602	3,000	3,662	3,000	- 0%
6301	Contract Services	101	5,000	3,912	5,000	- 0%
6307	Uniforms	2,667	3,000	1,814	2,000	(1,000) -33%
6402	Telephone	1,755	2,000	2,097	1,000	(1,000) -50%
<b>METER SERVICES TOTAL</b>		<b>\$ 284,914</b>	<b>\$ 321,000</b>	<b>\$ 248,737</b>	<b>\$ 278,000</b>	<b>\$ (43,000) -13%</b>

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A person wearing a dark face mask and a grey safety vest is shown in profile, looking down at a handheld electronic device. The background features a park-like setting with trees, a fence, and a building. The entire image is overlaid with a semi-transparent blue filter.

# ENGINEERING

## [PROGRAM SUMMARIES CONTENTS]

- 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
  - Water Reclamation
  - Facilities Maintenance
  - Fleet Maintenance

## PROGRAM PERSONNEL

Director of Engineering and Operations	1
Senior Engineer	2
Associate Engineer	1

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<b>Total Full-Time</b>	<b>4</b>
------------------------	----------

## PROGRAM STRUCTURE



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.



## GOALS

### 1

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

### 2

Develop Plans to Optimize District Utilization of Surface Water and Groundwater Sources

### 3

Complete Construction and Commissioning of the SNRC

## OBJECTIVES

1. Complete construction work for rehabilitation of reservoir at Plant 108.
2. Complete construction work for rehabilitation of booster pump system at Plant 101.
3. Facilitate expansion of water storage capacity to support upcoming development.

1. Coordinate and manage construction of process improvements related to Granular Activated Carbon at Plant 134.
2. Complete groundwater master planning efforts to consider short-term and long-term actions related to groundwater production capacity.

1. Lead facility start-up activity.
2. Complete construction of the emergency storage basin at the Weaver Basins Recharge Facility site.

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



FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

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

- Supported the development of CFD for the Mediterra development.
- Facilitated the completion of the investigation to define the water storage requirements for the Highland Hills and Mediterra developments.

**GOAL TWO**

*Developed Plans to Optimize District Utilization of Local and Imported Surface Water*

- Finalized the pre-design report for the Water Treatment Plant at the east-end of the District's service area.
- Managed the design and environmental approvals of the process improvements related to GAC at Plant 134.
- Initiated groundwater master planning efforts to consider short-term and long-term actions related to groundwater production capacity.

**GOAL THREE**

*Supported the Steps Necessary for Advancement of the SNRC*

- Led planning efforts for the facility start-up activity.
- Designed and initiated construction of the emergency storage basin at the Weaver Basins Recharge Facility site.
- Continued working with regulatory agencies to receive needed approvals and permits.

**OTHER ACCOMPLISHMENTS**

- Completed the design and construction of a battery energy storage system for District Headquarters and Plant 140.

SIGNIFICANT CHANGES

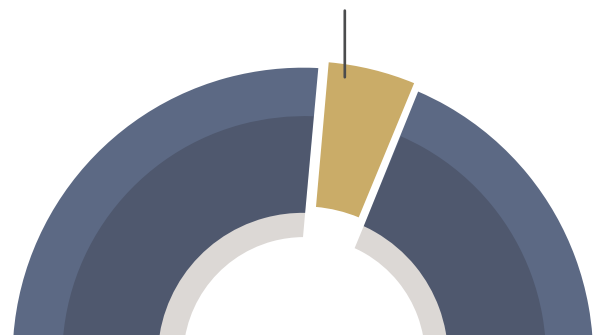
- One staff member transferred from Engineering to Water Reclamation.
- Increased Contract Services due to additional projects requiring Consulting.

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)
- Strive to Provide World-Class Customer Relations (III-B)

PROGRAM BUDGET ALLOCATION  
\$1,609,000



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 2019-20	FY 2020-21	FY 2021-22
IV-A	Initiate fully funded projects included in the current year CIP	100%	90%	90%	100%
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 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 732,651	\$ 666,000	\$ 673,342	\$ 668,000	\$ 2,000	0%
5102	Temporary Labor	-	-	-	-	-	0%
5103	Overtime	-	3,000	2,926	3,000	-	0%
5200	Benefits	297,730	186,000	322,656	193,000	7,000	4%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	503	9,000	534	9,000	-	0%
6202	Tools	1,679	7,000	2,336	7,000	-	0%
6203	Office Supplies	319	6,000	249	3,000	(3,000)	-50%
6301	Contract Services	33,800	123,000	51,199	462,000	339,000	276%
6303	Printing & Publishing	422	6,000	-	6,000	-	0%
6304	Legal Services	14,383	40,000	27,990	40,000	-	0%
6307	Uniforms	1,760	3,000	1,431	3,000	-	0%
6402	Telephone	3,966	2,000	2,662	2,000	-	0%
6405	Permits	76,401	194,000	94,973	184,000	(10,000)	-5%
6406	Postage	-	1,000	26	1,000	-	0%
6501	Memberships & Dues	458	5,000	2,225	5,000	-	0%
6502	Professional Development	872	20,000	7,126	20,000	-	0%
6504	Meetings	288	3,000	355	3,000	-	0%
<b>ENGINEERING TOTAL</b>		<b>\$ 1,165,233</b>	<b>\$ 1,274,000</b>	<b>\$ 1,190,030</b>	<b>\$ 1,609,000</b>	<b>\$ 335,000</b>	<b>26%</b>

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A photograph of a water production facility, featuring large cylindrical tanks and a network of pipes. The scene is viewed through a gap between two tanks, showing a dry, hilly landscape in the background. The entire image is overlaid with a semi-transparent blue filter.

# WATER PRODUCTION

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WATER  
PRODUCTION

[PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

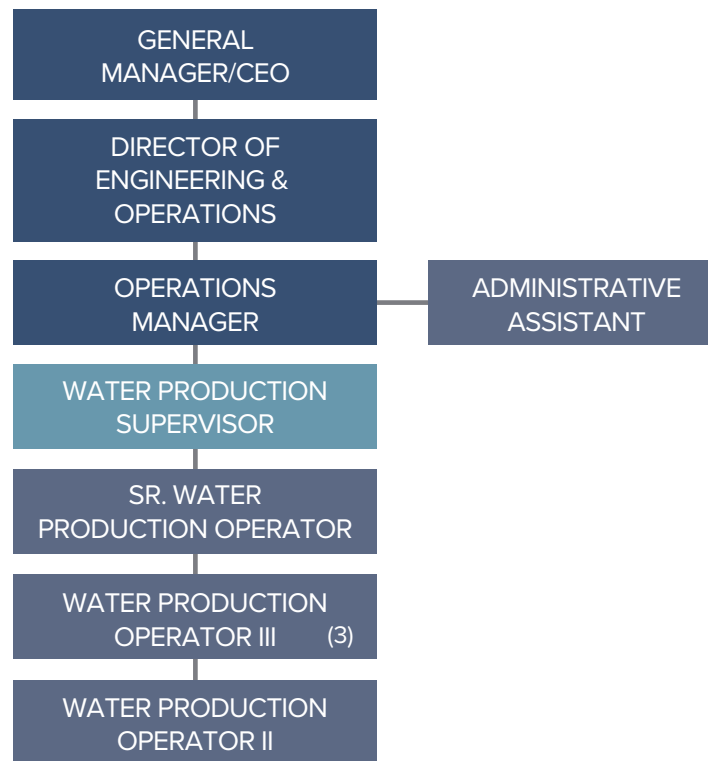
**PROGRAM PERSONNEL**

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

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 Water Sources' Requirements Due to the SNRC Discharge Location

2

Enhance the SCADA System to Achieve Water Production Requirements

3

Rehabilitate Plant Components to Ensure Water Production

## OBJECTIVES

1. Coordinate with contractor to rehabilitate booster at Plant 125 to accommodate increased well capacity.
  2. Work with Engineering to determine best utilization of water produced by Well 120.
  3. Identify and prioritize making Well 120 operational with electrical, SCADA, and required permitting.
1. Work with IT to install SCADA tower to improve radio communications at Headquarters.
  2. Work with IT to upgrade ClearScada software.
  3. Work with IT to upgrade SCADA radios at Plants 37, 38, 131, and Del Rosa.
1. Coordinate with Water Maintenance for replacement of isolation valves to repair critical PRV (Baseline/Sterling, N Church, and Central/Mansfield) Stations 309, 305, and 325.
  2. Reschedule Plant 108 rehabilitation project.

*Water Production specializes in managing the overall water distribution system.*

## FY 2021-22 ACCOMPLISHMENTS

### GOAL ONE

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

- Completed annual exterior reservoir inspections.

### GOAL TWO

*Supported Engineering and Contractor Assigned to Plant 56 Tank/Reservoir Rehabilitation Projects*

- Rehabilitated motors for Wells 24B, 25, and 143.
- Rehabilitated well and motor for Wells 125 and 142.
- Rehabilitated booster pumps at Plants 40, 56, 131, and 142.

### GOAL THREE

*Rehabilitated Plant Site Equipment to Ensure Water Production and Mitigate Production Inefficiencies*

- Performed maintenance and inspections on 33 pressure regulating valves and 11 Cla-Vals.
- Replaced NFWC intake turbidimeter.
- Installed voltage protection devices on six wells to prevent motor failures.

### OTHER ACCOMPLISHMENTS

- Worked with the Engineering Department and Tesla to install backup batteries at Plant 140.
- Replaced 18 meters for wells and boosters.
- Completed sanitary survey inspections with SWRCB Engineer.
- Completed annual pump testing with SCE.

## SIGNIFICANT CHANGES

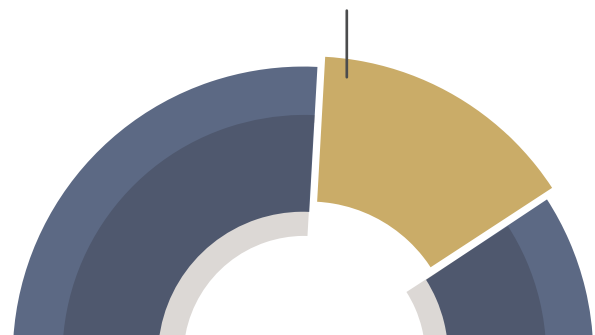
- Increased Contract Services and Electricity for Wells and Boosters due to inflation.
- Purchased water decreased due to a lack of SWP allocation.

## 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)

### PROGRAM BUDGET ALLOCATION \$4,957,000



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 2019-20	FY 2020-21	FY 2021-22
IV-A	Perform upgrades to SCADA radios as recommended by consultant	10/Yr	N/A	6	5
IV-C	Perform or schedule repairs recommended by reservoir inspection report	1/Yr	1	1	0
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 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 237,603	\$ 251,000	\$ 241,519	\$ 262,000	\$ 11,000	4%
5103	Overtime	153	1,000	-	1,000	-	0%
5104	Standby	15,053	15,000	14,531	15,000	-	0%
5200	Benefits	149,536	122,000	163,150	158,000	36,000	30%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	1,226	-	204	-	-	0%
6202	Tools	2,018	6,000	715	6,000	-	0%
6203	Office Supplies	5,704	4,000	3,458	4,000	-	0%
6301	Contract Services	94,116	136,000	115,124	101,000	(35,000)	-26%
6307	Uniforms	8,091	15,000	9,607	15,000	-	0%
6402	Telephone	11,810	14,000	8,264	14,000	-	0%
6501	Memberships & Dues	392	500	619	3,000	2,500	500%
6502	Professional Development	6,221	1,000	4,228	7,000	6,000	600%
6504	Meetings	371	1,000	120	1,000	-	0%
<b>ADMINISTRATION TOTAL</b>		<b>\$ 532,295</b>	<b>\$ 566,500</b>	<b>\$ 561,540</b>	<b>\$ 587,000</b>	<b>\$ 20,500</b>	<b>4%</b>



## Source of Supply/Wells

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 444,020	\$ 195,000	\$ 293,619	\$ 200,000	\$ 5,000	3%
5103	Overtime	27,588	37,000	33,251	37,000	-	0%
5200	Benefits	123,411	96,000	132,347	73,000	(23,000)	-24%
<b>OPERATING EXPENSES</b>							
6101	Purchased Water	263,645	400,000	480,000	102,000	(298,000)	-75%
6102	Groundwater Replenishment	133,980	104,000	114,409	110,000	6,000	6%
6103	Water Assessment	190,254	64,000	171	74,000	10,000	16%
6201	Materials & Supplies	38,931	45,000	30,341	45,000	-	0%
6204	Chemicals	87,198	64,000	95,586	150,000	86,000	134%
6301	Contract Services	27,632	273,000	336,945	200,000	(73,000)	-27%
6403	Electricity	1,618,531	1,570,000	1,695,800	1,775,000	205,000	13%
6405	Permits	56,134	100,000	84,852	100,000	-	0%
<b>SOURCE OF SUPPLY/WELLS TOTAL</b>		<b>\$ 3,011,323</b>	<b>\$ 2,948,000</b>	<b>\$ 3,297,321</b>	<b>\$ 2,866,000</b>	<b>\$ (82,000)</b>	<b>-3%</b>

## Boosting and Pumping

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ -	\$ 103,000	\$ -	\$ 114,000	\$ 11,000	11%
5103	Overtime	11,605	14,000	11,325	14,000	-	0%
5200	Benefits	25,634	47,000	29,280	63,000	16,000	34%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	4,041	20,000	13,877	20,000	-	0%
6301	Contract Services	4,399	117,000	103,911	100,000	(17,000)	-15%
6403	Electricity	518,725	454,000	647,025	675,000	221,000	49%
<b>BOOSTING &amp; PUMPING TOTAL</b>		<b>\$ 564,403</b>	<b>\$ 755,000</b>	<b>\$ 805,419</b>	<b>\$ 986,000</b>	<b>\$ 231,000</b>	<b>31%</b>

## Transmission And Distribution

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 189,143	\$ 183,000	\$ 174,147	\$ 205,000	\$ 22,000	12%
5103	Overtime	12,097	18,000	15,886	18,000	-	0%
5200	Benefits	100,314	55,000	100,893	110,000	55,000	100%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	45,561	60,000	67,472	60,000	-	0%
6204	Chemicals	22,561	1,000	874	50,000	49,000	4900%
6301	Contract Services	53,959	45,000	39,898	45,000	-	0%
<b>TRANSMISSION &amp; DISTRIBUTION TOTAL</b>		<b>\$ 423,634</b>	<b>\$ 362,000</b>	<b>\$ 399,169</b>	<b>\$ 488,000</b>	<b>\$ 126,000</b>	<b>35%</b>
<b>TOTAL WATER PRODUCTION</b>		<b>\$ 4,531,654</b>	<b>\$ 4,631,500</b>	<b>\$ 5,063,449</b>	<b>\$ 4,927,000</b>	<b>\$ 295,500</b>	<b>6%</b>

**THE DISTRICT TAKES A PROACTIVE ROLE**  
 IN MAINTAINING THE WATER SUPPLY AND SUPPORTING  
 INFRASTRUCTURE TO KEEP THE WATER FLOWING.

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A blue-tinted photograph of a water treatment plant. The image shows a complex network of pipes, valves, and machinery. In the foreground, a large pipe with an arrow pointing right is visible. To the right, there are vertical metal racks or structures. The background shows more industrial equipment and a building with horizontal slats. The overall scene is industrial and technical.

# WATER TREATMENT

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## [PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

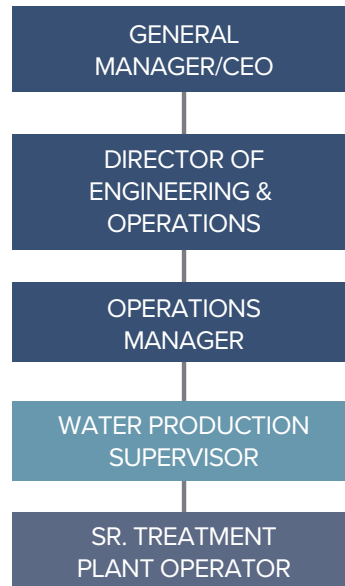
## PROGRAM PERSONNEL

Water Production Supervisor	1
Sr. Treatment Plant Operator	1

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<b>Total Full-Time</b>	<b>2</b>
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## PROGRAM STRUCTURE



# Water Treatment

Water Treatment is responsible for management of three different sources of supply used by the District. 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 at Plant 134

## OBJECTIVES

1. Develop an operating plan for Plant 134 while construction is ongoing.
2. Amend Permit with the State Water Resources Control Board (SWRCB).
3. Provide final performance data to the SWRCB and close-out compliance order.

2

Complete Plant 134 Membrane Replacements Using a Five-Phase Replacement Schedule

1. Procure the needed membrane modules from the manufacturer in accordance with the District's Purchasing Policy.
2. Coordinate and schedule in-house installation of the new membranes in the fifth and final train.

3

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

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

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

FY 2021-22

## ACCOMPLISHMENTS

### GOAL ONE

*Supported Construction of GAC Facilities and Sludge Removal Projects*

- Continued to work with Engineering and Consultant for GAC installation.

### GOAL TWO

*Completed Plant 134 Membrane Replacements Using a 5-Phase Replacement Schedule*

- Installed three new strainers at Plant 134.

### GOAL THREE

*Evaluated and Rehabilitated Existing Clean-in-Place Equipment at Plant 134 and Hired a Tank Diving Firm to Evaluate Plant 134 Tank Repair Recommendations*

- Completed tank diving.

### OTHER ACCOMPLISHMENTS

- Replaced three 18-inch actuating butterfly valves on influent pipes for the trains.
- Replaced two backup batteries in the SCADA cabinet.

## SIGNIFICANT CHANGES

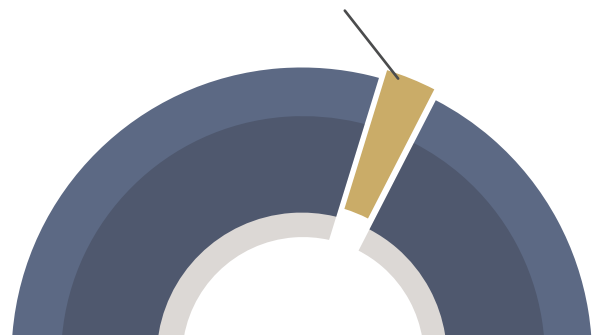
- Materials & Supplies increased \$133,000 at mid-year, due to additional materials needed for Plant 134 repairs. Additional costs are not expected for this fiscal year.

## 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)

### PROGRAM BUDGET ALLOCATION \$930,000



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 2019-20	FY 2020-21	FY 2021-22
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	3.5	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	5	5	5

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 277,072	\$ 243,000	\$ 255,757	\$ 261,000	\$ 18,000	7%
5103	Overtime	42,838	39,000	39,296	39,000	-	0%
5200	Benefits	142,026	147,000	155,233	159,000	12,000	8%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	104,055	153,000	103,234	20,000	(133,000)	-87%
6204	Chemicals	124,149	150,000	172,317	150,000	-	0%
6301	Contract Services	116,925	147,000	140,418	147,000	-	0%
6307	Uniforms	1,483	2,000	1,130	2,000	-	0%
6402	Telephone	3,043	2,000	2,643	2,000	-	0%
6403	Electricity	130,653	150,000	175,500	180,000	30,000	20%
<b>WATER TREATMENT TOTAL</b>		<b>\$ 942,245</b>	<b>\$ 1,033,000</b>	<b>\$ 1,045,527</b>	<b>\$ 960,000</b>	<b>\$ (73,000)</b>	<b>-7%</b>



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# WATER QUALITY

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## [PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Water Quality Coordinator	1
Water Quality Technician	1

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<b>Total Full-Time</b>	<b>2</b>
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## PROGRAM STRUCTURE





# Water Quality

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

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



## GOALS

1

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

2

Re-Route Outdated Fire Service Backflows to Aboveground

3

Assist in Launching FOG Program Transition and Software Procurement

## OBJECTIVES

1. Implement sampling programs to maximize surface water treatment process efficiencies.
2. Monitor EPA requirements for Unregulated Contaminant Monitoring Rule 5 (UCMR5) sampling.
1. Identify at least three outdated Fire Service backflows per year.
2. Procure the N-shaped devices and install the three identified for replacement.
3. Partner with Water Maintenance to complete construction of outdated vaults.
4. Work with Public Affairs on potential grant funding for increased device replacement.
1. Work with Engineering and IT for software implementation.
2. Assist with program transition and compliance.

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

## FY 2021-22 ACCOMPLISHMENTS

### GOAL ONE

*Evaluated Water Quality Regulations and Improved Process Efficiencies to Enhance Water Quality Compliance*

- Completed tank mixer installations at Plants 56 and 59.
- Increased customer backflow testing program participation by 6%.
- Initiated Santa Ana River Sanitary Watershed Survey for compliance with SWRCB.
- Worked with Water Maintenance to replace three outdated/unsafe below ground backflow devices.

### GOAL TWO

*Repaired/Replaced Outdated and Unsafe Fire Service Connections*

- Completed three outdated backflow device replacements and vault abandonments.

### GOAL THREE

*Assisted in Launching FOG Program Transition and Software Procurement*

- Completed software demonstrations from multiple vendors for FOG program management.
- Shadowed environmental compliance inspector from neighboring agency to better understand program processes.

### OTHER ACCOMPLISHMENTS

- Provided annual water quality data for Consumer Confidence Report (CCR) reported to the SWRCB.
- Completed Tri-Annual Lead and Copper sampling in accordance with the EPA Rule.

## SIGNIFICANT CHANGES

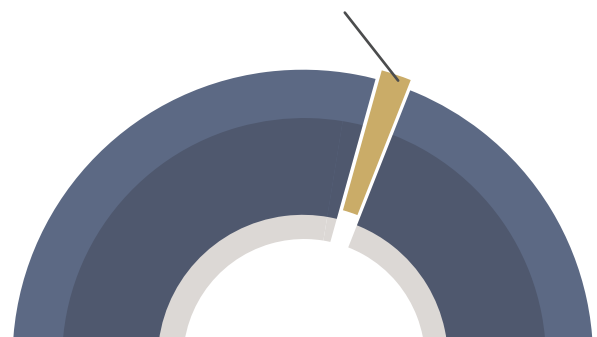
- Transferred Annual CUPA Permit Fees (\$10,000) from Engineering to Water Quality.
- Increased laboratory fees in Contract Services to cover EPA's Unregulated Contaminant Monitoring Rule-Round 5 (UCMR5) samples.

## 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)

### PROGRAM BUDGET ALLOCATION \$557,000



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 2019-20	FY 2020-21	FY 2021-22
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	8%	5%	6%
III-B	Response time to water quality complaints by customers (avg)	2.0 Hrs	1.5	1.5	1.5
IV-A	Number of underground fire services to be re-routed above-ground annually	3	N/A	N/A	3

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 93,371	\$ 108,000	\$ 100,148	\$ 119,000	\$ 11,000	10%
5103	Overtime	780	6,000	1,161	6,000	-	0%
5200	Benefits	53,816	50,000	59,331	57,000	7,000	14%
<b>SOURCE OF SUPPLY WELLS OPERATING EXPENSES</b>							
6201	Materials & Supplies	15,283	13,000	24,641	13,000	-	0%
6301	Contract Services	44,081	102,000	39,013	100,000	(2,000)	-2%
6307	Uniforms	1,417	4,000	1,620	4,000	-	0%
6504	Meetings	-	1,000	253	1,000	-	0%
<b>TRANSMISSION AND DISTRIBUTION PERSONNEL EXPENSES</b>							
5101	Regular Labor	112,072	108,000	95,559	119,000	11,000	10%
5103	Overtime	780	6,000	1,161	6,000	-	0%
5200	Benefits	68,817	50,000	77,529	57,000	7,000	14%
<b>TRANSMISSION AND DISTRIBUTION OPERATING EXPENSES</b>							
6201	Materials & Supplies	160	-	4,622	2,000	2,000	100%
6202	Tools	1,752	5,000	5,995	5,000	-	0%
6301	Contract Services	44,514	61,000	32,418	61,000	-	0%
6406	Postage	-	2,000	-	2,000	-	0%
6502	Professional Development	719	2,000	628	2,000	-	0%
6503	Education Assistance	-	3,000	-	3,000	-	0%
<b>WATER QUALITY TOTAL</b>		<b>\$ 437,561</b>	<b>\$ 521,000</b>	<b>\$ 444,079</b>	<b>\$ 557,000</b>	<b>\$ 36,000</b>	<b>7%</b>

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# WATER MAINTENANCE



[ PROGRAM SUMMARIES CONTENTS ]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

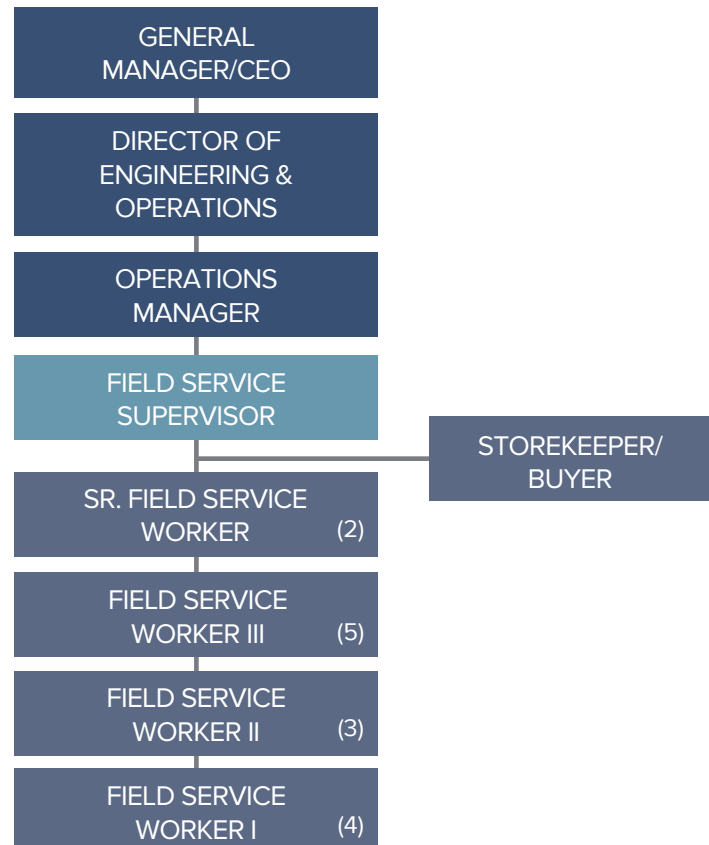
**PROGRAM PERSONNEL**

Field Service Supervisor	1
Sr. Field Service Worker	2
Field Service Worker III	5
Field Service Worker II	3
Field Service Worker I	4
Storekeeper/Buyer	1

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**Total Full-Time** **16**

**PROGRAM STRUCTURE**



# 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. 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 Service Order/ Asset Management Software**

3

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

## OBJECTIVES

1. Replace valve exercise equipment and software.
  2. Coordinate with Production to perform valve replacements to isolate crucial PRV stations in Baseline/Sterling, North Church, and Central/Mansfield.
  3. Inspect, maintain, and replace (as needed) 3,000 hydrants on a three-year cycle.
1. Work with IT to hold product demonstrations.
  2. Incorporate feedback from staff to finalize decision and procure new Asset Management software.
  3. Provide training for staff on use of new software.
1. Replace undersized main in Pleasant Hill Drive, west of Palm Avenue.
  2. Coordinate with Water Quality to develop a replacement schedule for outdated fire services; and replace three fire services per year.

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

## FY 2021-22 ACCOMPLISHMENTS

### GOAL ONE

*Prioritized Preventative Maintenance Schedules to Ensure Equipment Readiness for Emergency Response*

- Worked with Contractor on Greenspot Road to remove 190 linear feet of 24-inch water main; built a temporary water bypass line so storm drains for the Mediterra project could be safely installed; and reinstalled the original water main.
- Relocated all service lines, meters, and fire hydrants on McKinley from 9th Street to Baseline for City curb, gutter, and sidewalk project.
- Performed trenching activities at the Weaver Basins Recharge Facility for Artifact study.

### GOAL TWO

*Developed a Replacement Program for Inground Fire Services to N-Shaped Aboveground Devices*

- Procured and installed three N-shaped devices.

### OTHER ACCOMPLISHMENTS

- Inspected and repaired 291 water leaks.
- Operated 643 valves and 1,950 fire hydrants.
- Assisted Production with Plant 142 tank cleaning and valve replacements.
- Replaced 18-inch valve at North Fork intake box.
- Completed water main extension, water service, and fire hydrant installations for Administration side of SNRC.

## SIGNIFICANT CHANGES

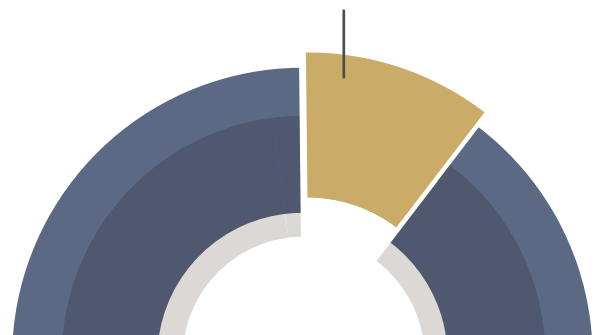
- Increased Materials and Supplies due to inflation.
- Reduction in Benefits due to decrease of UAL annual payment for Field Service Supervisor.

## 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)

### PROGRAM BUDGET ALLOCATION \$3,514,000



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 2019-20	FY 2020-21	FY 2021-22
I-B	Number of Water Maintenance staff with D-3 certification or higher	5	5	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	0	570	643
IV-C	Respond to, and assess, customer leak concerns within reasonable time frame	98%	100%	100%	100%
IV-C	Number of main leaks repaired	<70	78	78	92
IV-C	Estimate of water losses from main leaks (MG)	<10 MG	0.54 MG	0.54 MG	0.54 MG

## PROGRAM BUDGET DETAIL

### Field Maintenance

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 203,701	\$ 200,000	\$ 193,572	\$ 201,000	\$ 1,000	1%
5103	Overtime	-	2,000	-	2,000	-	0%
5104	Standby	25,028	20,000	22,588	20,000	-	0%
5200	Benefits	206,440	201,000	230,905	140,000	(61,000)	-30%
<b>OPERATING EXPENSES</b>							
6203	Office Supplies	93	3,000	1,706	3,000	-	0%
6307	Uniforms	2,278	1,000	2,799	1,000	-	0%
6402	Telephone	33,769	30,000	28,800	41,000	11,000	37%
6501	Memberships & Dues	192	2,000	1,823	2,000	-	0%
6502	Professional Development	14,061	7,000	1,176	19,000	12,000	171%
6504	Meetings	1,743	3,000	1,745	3,000	-	0%
6706	Inventory Over/Short	3,975	-	-	-	-	0%
<b>ADMINISTRATION TOTAL</b>		<b>\$ 491,280</b>	<b>\$ 469,000</b>	<b>\$ 485,114</b>	<b>\$ 432,000</b>	<b>\$ (37,000)</b>	<b>-8%</b>

## Water Maintenance

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 1,103,036	\$ 957,000	\$ 1,015,778	\$ 1,153,000	\$ 196,000	20%
5103	Overtime	287,988	219,000	267,142	219,000	-	0%
5200	Benefits	407,625	544,000	411,765	602,000	58,000	11%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	310,969	280,000	686,435	450,000	170,000	61%
6202	Tools	26,402	21,000	26,273	21,000	-	0%
6301	Contract Services	78,333	72,000	79,482	72,000	-	0%
6307	Uniforms	26,980	40,000	32,937	40,000	-	0%
6310	Street Services	341,414	525,000	270,349	525,000	-	0%
6405	Permits	17,980	-	6,804	-	-	0%
<b>TRANSMISSION &amp; DISTRIBUTION TOTAL</b>		<b>\$ 2,600,727</b>	<b>\$ 2,658,000</b>	<b>\$ 2,796,966</b>	<b>\$ 3,082,000</b>	<b>\$ 424,000</b>	<b>16%</b>
<b>TOTAL WATER MAINTENANCE</b>		<b>\$3,092,007</b>	<b>\$ 3,127,000</b>	<b>\$ 3,282,080</b>	<b>\$ 3,514,000</b>	<b>\$ 387,000</b>	<b>12%</b>



# WASTEWATER MAINTENANCE

[ PROGRAM SUMMARIES CONTENTS ]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

### PROGRAM PERSONNEL

Field Service Worker III	2
Field Service Worker II	2

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<b>Total Full-Time</b>	<b>4</b>
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### PROGRAM STRUCTURE





# Wastewater Maintenance

The Wastewater Maintenance program performs routine inspections, cleaning, repairs, and replacement of the District's 220 miles of collection pipelines. The District's collection system has been engineered to use best practice gravity flow conveyance prior to treatment. California public health code mandates the District, 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

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

3

Assist with Updating the Sewer System Management Plan (SSMP)

## OBJECTIVES

1. Video inspect and assess all District mains between the northern and southern District boundaries, and east of Victoria. Approximately 100 miles.
  2. Clean 220 miles of wastewater main.
  3. Develop communication protocols for collection staff to notify the SNRC staff of specialized maintenance activities (tree root chemicals, insects, etc).
1. Identify high maintenance areas within the collection system for the new contracted FOG inspector.
  2. Assist FOG inspector in prioritizing correction efforts.
1. Provide collections data for the SSMP once the SNRC is operational.
  2. Update collections system assets listed in the next SSMP.

*Wastewater Maintenance prevents wastewater spillage and leaks by monitoring and maintaining wastewater pipelines.*



FY 2021-22

## ACCOMPLISHMENTS

### GOAL ONE

*Continued Wastewater Collection System Maintenance and Management*

- Proactive maintenance program with no major sewer issues includes cleaning 211 miles of sewer main and video inspection of 71 miles.
- Worked with Contractor to perform root control maintenance on 12,500 linear feet of sewer main.
- Worked with contractor to spray 2,036 manholes for insect control.

### GOAL TWO

*Developed and Implemented Operating Procedures for Enhanced Monitoring of High-Flow Sewer Mains*

- Implemented new CCTV truck operations.
- Investigated sewer laterals on Baseline, west of Del Rosa for SNRC flow change over.

### GOAL THREE

*Cross-Trained Staff on Enhanced Functions of New Wastewater Inspection Equipment*

- Cross-Trained staff on enhanced functions of new wastewater inspection equipment.

### OTHER ACCOMPLISHMENTS

- Worked with contractor on sewer main extension for new San Manuel guard shack located on Piedmont and Belvedere.
- Worked with a contractor to complete the Lillian Wastewater Main project.

## SIGNIFICANT CHANGES

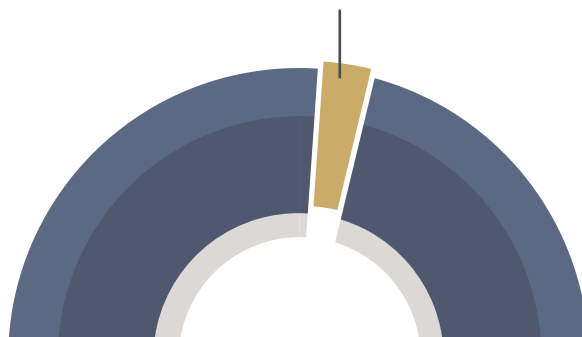
- Decreased Contract Services due to no sewer main repairs needed.

## 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)

### PROGRAM BUDGET ALLOCATION \$880,000



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 2019-20	FY 2020-21	FY 2021-22
I-B	Number of staff holding CWEA certifications	4	6	6	6
IV-A	Miles of wastewater mains inspected by video	55	65	52	71
IV-A	Category 1 Sanitary System Overflows reportable to SWRCB	0	0	0	0
IV-C	Miles of wastewater mains jetted / cleaned	110	125	93	211
IV-C	Spot repairs identified and completed	100%	100%	100%	100%

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 370,369	\$ 329,000	\$ 306,502	\$ 362,000	\$ 33,000	10%
5103	Overtime	10,330	9,000	4,285	9,000	-	0%
5200	Benefits	160,257	169,000	165,876	196,000	27,000	16%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	11,213	31,000	5,534	31,000	-	0%
6202	Tools	1,966	5,000	5,388	5,000	-	0%
6301	Contract Services	166,574	233,000	92,876	273,000	40,000	17%
6305	Treatment Services	8,456,508	-	8,088,957	-	-	0%
6307	Uniforms	1,972	4,000	2,593	4,000	-	0%
<b>WASTEWATER MAINTENANCE TOTAL</b>		<b>\$ 9,179,188</b>	<b>\$ 780,000</b>	<b>\$ 8,672,011</b>	<b>\$ 880,000</b>	<b>\$ 100,000</b>	<b>13%</b>

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*Intentionally*

A photograph of a water treatment facility, featuring several large, cylindrical tanks and a network of pipes. The image is overlaid with a semi-transparent blue filter. The tanks are arranged in rows, and a prominent pipe curves upwards in the center. The background shows a building with vertical siding.

# WATER RECLAMATION

[PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

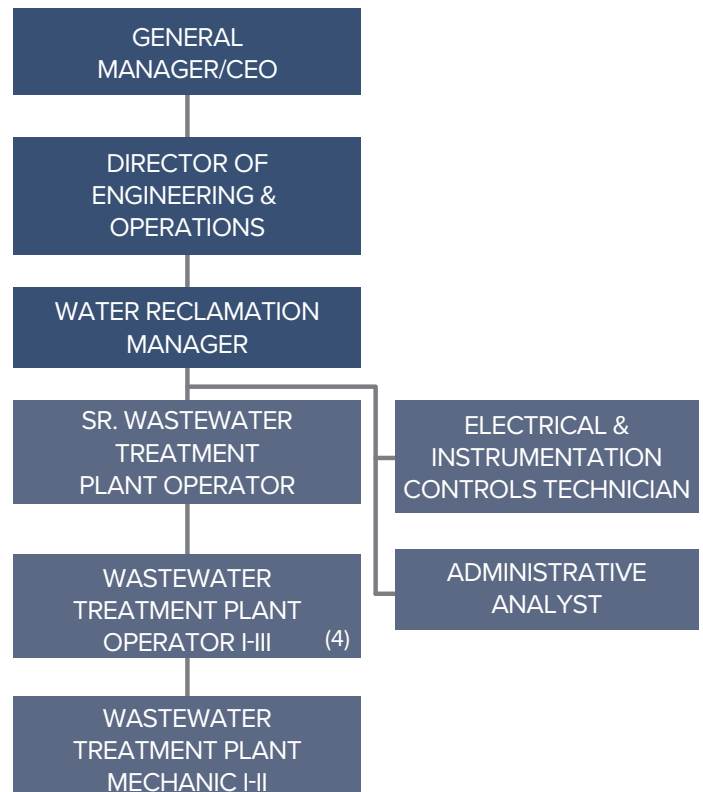
PROGRAM PERSONNEL

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

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**Total Full-Time** **9**

PROGRAM STRUCTURE





# Water Reclamation

The Water Reclamation Program is responsible for treating and disinfecting eight million gallons of wastewater per day (MGD). Reclamation of wastewater generated by District customers will transition from a service contracted with the SBMWD, to in-house operations at the newly completed SNRC during FY 2022-23. 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**

## OBJECTIVES

1. Continue to hire staff in accordance with staffing plan finalized by Human Resources.
2. Ensure new employees are trained for operations and maintenance for the SNRC.
3. Contract for FOG program compliance inspector.

2

**Meet and Exceed Compliance Requirements for the SNRC**

1. Adopt new sewer-use ordinance and implement source control program.
2. Comply with Air Quality Management District (AQMD) emissions requirements.
3. Comply with recycled water quality requirements.

3

**Commence Operations at the SNRC**

1. Complete phased approach to diverting wastewater to the SNRC over a three-month period.
2. Support effort for long-term Solid Residual Management for the SNRC.
3. Perform optimization of the Aeration system.
4. Implement preventative maintenance program.

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

## FY 2021-22 ACCOMPLISHMENTS

### GOAL ONE

*Completed Staffing and Staff Training for New Wastewater Treatment Operations*

- The Senior Wastewater Treatment Operator Position was filled.
- Staff hired two Wastewater Treatment Operators.

### GOAL TWO

*Finalized Vendor Selection, Contracts and Other Agreements Needed to Operate the SNRC*

- The District completed the Operations Support Agreement with Anaergia for high strength organics deliveries and solids systems operational and maintenance support.
- Staff finalized a Memorandum of Understanding with San Bernardino Municipal Water Department to detail the transition of sewer flows to the SNRC.

### GOAL THREE

*Commenced Operations at the SNRC*

- Staff has participated in equipment startups and commissioning testing in preparation for operations once construction is complete.

### OTHER ACCOMPLISHMENTS

- Staff selected and implemented two software-based solutions to support SNRC operations for compliance reporting and industrial discharger compliance programs.

## SIGNIFICANT CHANGES

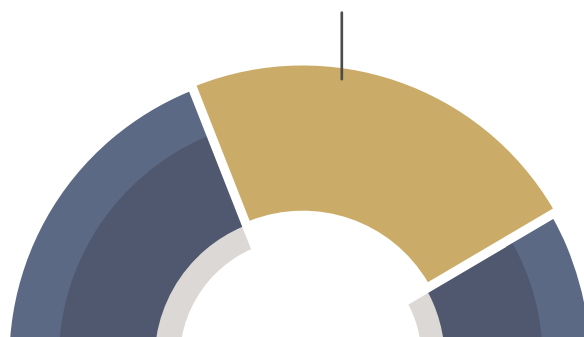
- The startup date for the SNRC has been pushed out to November 2022 to accommodate the construction schedule.
- Increased Regular Labor to hire remaining staff once the SNRC is operational.
- Increased Contract Services for Solids Hauling and Disposal.
- Treatment costs transferred from the Wastewater Maintenance program.

## 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)

### PROGRAM BUDGET ALLOCATION \$7,480,000



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 2019-20	FY 2020-21	FY 2021-22
I-B	Number of staff holding Wastewater Treatment certifications	6	N/A	2	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	5	N/A

*\*Pursuant to Division 7, Chapter 9, Section 13627 of the Water Code an Operator with a water treatment certification may operate a wastewater treatment plant of the appropriate grade, the District has hired two Water Treatment certified operator/s for SNRC Operator positions.*

**THE SNRC WILL HELP CREATE  
CLEANER AIR, DEVELOP FUTURE WATER  
LEADERS, AND USE RESOURCES EFFICIENTLY.**



## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ -	\$ 197,000	\$ -	\$ 820,000	\$ 623,000	316%
5103	Overtime	-	3,000	-	3,000	-	0%
5200	Benefits	-	114,000	-	473,000	359,000	315%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	-	28,000	-	35,000	7,000	25%
6202	Tools	-	12,000	-	12,000	-	0%
6203	Office Supplies	-	10,000	-	10,000	-	0%
6204	Chemicals	-	-	-	600,000	600,000	100%
6301	Contract Services	-	6,000	-	2,221,000	2,215,000	36917%
6303	Printing & Publishing	-	1,000	-	1,000	-	0%
6304	Legal Services	-	5,000	-	5,000	-	0%
6305	Treatment Services	-	8,616,000	8,088,957	3,000,000	(5,616,000)	-65%
6307	Uniforms	-	8,000	-	8,000	-	0%
6401	Utilities	-	1,000	-	1,000	-	0%
6402	Telephone	-	3,000	-	3,000	-	0%
6403	Electricity	-	33,000	-	260,000	227,000	688%
6404	Fuel	-	12,000	-	15,000	3,000	25%
6406	Postage	-	1,000	-	1,000	-	0%
6501	Membership & Dues	-	4,000	-	4,000	-	0%
6502	Professional Development	-	18,000	-	5,000	(13,000)	-72%
6504	Meetings	-	2,000	-	2,000	-	0%
6505	Employee Recognition	-	1,000	-	1,000	-	0%
<b>WATER RECLAMATION TOTAL</b>		<b>\$ -</b>	<b>\$ 9,075,000</b>	<b>\$ 8,088,957</b>	<b>\$ 7,480,000</b>	<b>\$(1,595,000)</b>	<b>-18%</b>



# FACILITIES MAINTENANCE

## [PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Facilities and Fleet Supervisor	1
Facilities Maintenance Worker	2
<hr/>	
<b>Total Full-Time</b>	<b>3</b>

## PROGRAM STRUCTURE





# Facilities Maintenance

Facilities Maintenance is responsible for the maintenance of all District facilities. The District has several locations throughout the 30.1 square mile service area for operating the utility systems. The Program's oversight includes administration buildings, water facilities, water reclamation facility (SNRC), 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

## OBJECTIVES

1

Complete Long-Term Site Improvements at Plant 39

1. Upgrade asphalt roads around storage tanks.
2. Build restroom for staff use.
3. Paint and re-roof the pump house.

2

Continue Phased Upgrades and Rehabilitation of District Facilities

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

3

Track Inventory at Del Rosa Location

1. Install second inventory scanner at Del Rosa.
2. Label inventory with barcodes at Del Rosa.
3. Assess storage needs (shelving, floor space, etc) for relocation of inventory.

4

Implement New Facilities Maintenance Tracking Software

1. Work with IT and other Program stakeholders in selecting an Asset Management program that suits maintenance program needs.
2. Transfer existing Facilities' data into new software.
3. Implement a consistent tracking program and help provide training to staff.

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

FY 2021-22

## ACCOMPLISHMENTS

### GOAL ONE

*Completed Long-Term Site Improvements at Plant 134*

- Worked with IT on new entry badge system for Plants 134, 141, and Headquarters.

### GOAL TWO

*Continued Phased Upgrades and Rehabilitation of District Facilities*

- Finished Boardroom remodel with Balfour Beatty.
- Worked with Engineering and Tesla to install back-up batteries at Headquarters.
- Installed new drinking fountain in front of Headquarters.
- Installed new 220-volt electrical outlets in the wash bay at Headquarters.
- Painted exterior gates of Plants 108, 120, 129, 142, and 149.
- Performed enhancements at Plant 39 including, installation of wall around the tank; fence around the Plant's perimeter; and regraded entire site to improve drainage.

### GOAL THREE

*Evaluated the Current Facilities Maintenance Tracking Software*

- Evaluated options for current Facilities Maintenance software needs and discussed options with IT.

### GOAL FOUR

*Ensured Funding Requirements for Facility Contract Services for SNRC Meeting Program Expenditures*

- Determined current landscaping and HVAC contract options are to remain in place until Fiscal Year 2023-24.

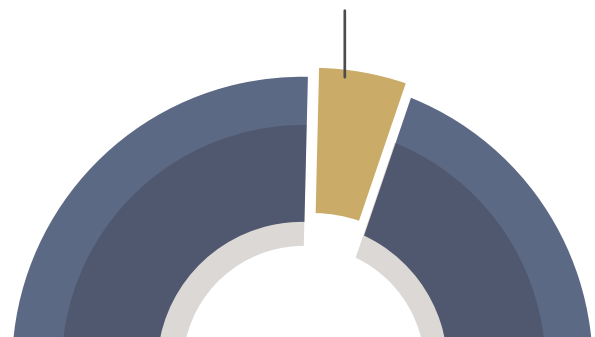
### OTHER ACCOMPLISHMENTS

- Aggressive property cleanup program at Plants.
- Cleaned carpets throughout the Headquarters building and polished VCP tiles.
- Completed regular yearly fence repairs.
- Installed new heavy-duty doors at Plant 24.
- Completed maintenance on the HVAC system at Headquarters and all Plants.

## SIGNIFICANT CHANGES

- Once the SNRC is fully operational, there will be increases to Contract Services for HVAC, Landscape Services, and Janitorial Services.
- Received bids for new wrought-iron fence installation at Plant 107.
- Completed retaining wall around lower tank area at Plant 39.

PROGRAM BUDGET ALLOCATION  
\$1,611,000



## 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 2019-20	FY 2020-21	FY 2021-22
IV-C	Close all service work orders timely	<30 Days	<30 Days	<30 Days	<30 Days
IV-C	Systematically rehabilitate buildings at Plant sites (paint, roof, general repairs)*	2	N/A	N/A	3
IV-C	Complete security fencing upgrades at Plant sites*	1	N/A	N/A	1
I-A	Identify and conduct energy efficiency measures at Plant facilities*	2	N/A	N/A	1

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

## THE DISTRICT'S HEADQUARTERS

IS A COMMUNITY RESOURCE WHERE RESIDENTS CAN GET ASSISTANCE, ATTEND FREE WORKSHOPS, AND GET INSPIRED ON WAYS TO BE MORE WATER EFFICIENT.

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 174,766	\$ 174,000	\$ 175,927	\$ 203,000	\$ 29,000	17%
5103	Overtime	5,721	14,000	12,419	14,000	-	0%
5200	Benefits	95,508	102,000	100,500	110,000	8,000	8%
<b>ADMINISTRATION OPERATING EXPENSES</b>							
6201	Materials & Supplies	41,442	45,250	51,761	40,000	(5,250)	-12%
6202	Tools	2,072	2,000	1,522	2,000	-	0%
6301	Contract Services	285,565	178,000	298,956	496,000	318,000	179%
6306	Rents & Leases	18,096	20,000	17,255	20,000	-	0%
6307	Uniforms	7,257	11,000	7,389	11,000	-	0%
6311	Landscape Services	53,864	131,000	47,164	131,000	-	0%
6312	Janitorial Services	148,182	142,000	137,478	144,000	2,000	1%
6401	Utilities	43,984	14,000	57,227	27,000	13,000	93%
6402	Telephone	24,417	25,000	23,673	25,000	-	0%
6403	Electricity	112,983	110,000	113,470	110,000	-	0%
6403	Professional Development	-	1,000	-	1,000	-	0%
<b>SOURCE OF SUPPLY/WELLS OPERATING EXPENSES</b>							
6201	Materials & Supplies	186	3,000	648	3,000	-	0%
6301	Contract Services	16,768	11,000	32,453	34,000	23,000	209%
6311	Landscape Services	69,124	40,000	63,224	40,000	-	0%
6402	Telephone	570	-	603	1,000	1,000	100%
<b>PUMPS AND BOOSTERS OPERATING EXPENSES</b>							
6201	Materials & Supplies	145	3,000	828	3,000	-	0%
6301	Contract Services	1,216	6,000	9,660	5,000	(1,000)	-17%
6311	Landscape Services	28,224	35,000	24,699	35,000	-	0%
<b>TREATMENT OPERATING EXPENSES</b>							
6201	Materials & Supplies	2,195	6,750	3,632	10,000	3,250	48%
6301	Contract Services	13,598	107,000	10,567	107,000	-	0%
6311	Landscape Services	27,539	14,000	23,839	27,000	13,000	93%
6312	Janitorial Services	600	-	1,440	2,000	2,000	100%
6401	Utilities	1,993	10,000	1,524	10,000	-	0%
6402	Telephone	19,959	-	19,774	-	-	0%
<b>FACILITIES</b>							
<b>MAINTENANCE TOTAL</b>		<b>\$ 1,195,973</b>	<b>\$ 1,205,000</b>	<b>\$ 1,237,634</b>	<b>\$ 1,611,000</b>	<b>\$ 406,000</b>	<b>34%</b>



# FLEET MAINTENANCE



## [PROGRAM SUMMARIES CONTENTS]

- 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
- Water Reclamation
- Facilities Maintenance
- Fleet Maintenance

## PROGRAM PERSONNEL

Equipment Mechanic III	1
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<b>Total Full-Time</b>	<b>1</b>
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## PROGRAM STRUCTURE





# Fleet Maintenance

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

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



## GOALS

### 1 Assess Future Operations of Fleet Management

## OBJECTIVES

1. Transfer Fleet Maintenance reporting to new Facilities/Fleet/Warehouse Supervisor when appropriate.
2. Define staff position needed to run a comprehensive compliance and training program; transition Mechanic position to Compliance position.
3. Work with Human Resources to fill the position.

### 2 Continue to Implement the Air Quality Management Program

1. Hire consultant to manage all air quality regulations for 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.

### 3 Enhance Vendor-Managed Fleet Maintenance Program

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.

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

FY 2021-22  
ACCOMPLISHMENTS

**GOAL ONE**

*Continue to Implement the Air Quality Management Program*

- Completed annual smog check report to Bureau of Automotive Repair (BAR).

**OTHER ACCOMPLISHMENTS**

- Ordered and received small new dump truck for field crews.
- Ordered two new trucks for SNRC.

SIGNIFICANT CHANGES

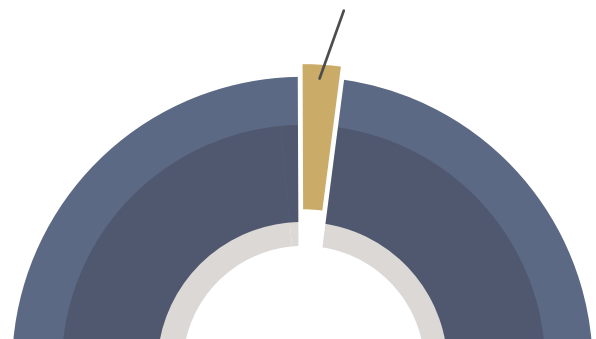
- Increased fuel costs due to recent elevated cost.

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)

PROGRAM BUDGET ALLOCATION  
\$701,000



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

## KEY PERFORMANCE INDICATORS CHANGES

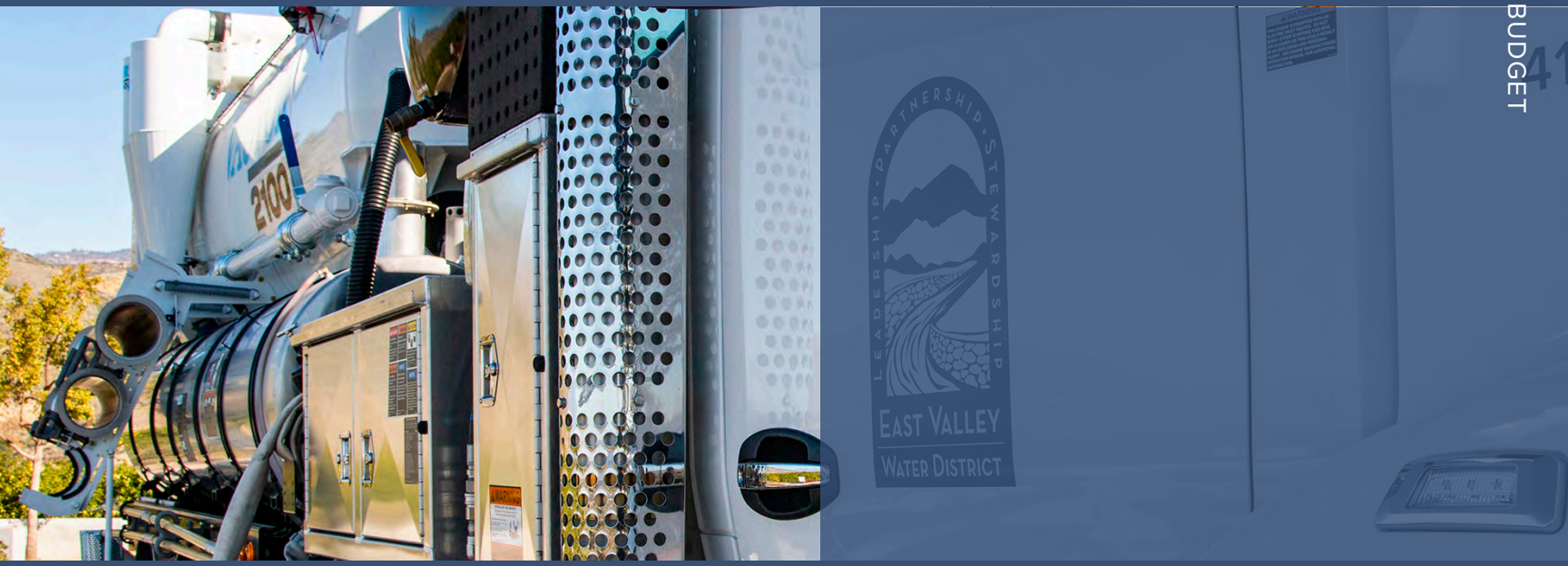
Agency Goal	Key Performance Indicator	Target	FY 2019-20	FY 2020-21	FY 2021-22
IV-A	Ensure vehicles and equipment are evaluated and replaced on schedule	80% of Net Asset Value	100%	100%	100%
IV-C	Percent of vehicles pass annual D.O.T. inspection	100%	100%	100%	100%
IV-A	Number of vehicle/equipment units replaced	4	4	4	2

## PROGRAM BUDGET DETAIL

		FY 2020-21 Actuals	FY 2021-22 Budget	FY 2021-22 Projected	FY 2022-23 Budget	Amount Changed	% Changed
<b>PERSONNEL EXPENSES</b>							
5101	Regular Labor	\$ 97,946	\$ 91,000	\$ 83,739	\$ 91,000	\$ -	0%
5103	Overtime	2,299	3,000	260	3,000	-	0%
5200	Benefits	47,838	53,000	52,254	55,000	2,000	4%
<b>OPERATING EXPENSES</b>							
6201	Materials & Supplies	118,508	101,500	121,741	100,000	(1,500)	-1%
6202	Tools	9,349	5,000	15,373	5,000	-	0%
6203	Office Supplies	146	1,000	32	1,000	-	0%
6301	Contract Services	221,705	240,000	238,880	240,000	-	0%
6307	Uniforms	679	-	1,055	1,000	1,000	100%
6402	Telephone	2,547	1,000	457	1,000	-	0%
6404	Fuel	136,254	135,000	156,925	200,000	65,000	48%
6501	Memberships & Dues	-	3,000	-	3,000	-	0%
6502	Professional Development	-	1,000	-	1,000	-	0%
<b>FLEET MAINTENANCE TOTAL</b>		<b>\$ 637,271</b>	<b>\$ 634,500</b>	<b>\$ 670,714</b>	<b>\$ 701,000</b>	<b>\$ 66,500</b>	<b>10%</b>

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# Capital Budget



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

[ CAPITAL BUDGET CONTENTS ]

- CAPITAL BUDGET OVERVIEW
- CAPITAL IMPROVEMENT PROJECTS
- INFRASTRUCTURE ACCOMPLISHMENTS

# Capital Budget

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 2022-23 Capital Budget contains \$42,536,000 in total capital expenditures. Of this amount, \$1,195,000 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 \$41,341,000 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 November 2022, care has been taken to not overextend financial and human resources by committing to starting multiple new projects in the upcoming Fiscal Year. Projects with external funding or regulatory requirements, or that are 'shovel ready', are moving forward, but the successful startup of the SNRC is a top priority. A summary of the proposed FY 2022-23 Capital Budget is shown below.

## Capital Budget Summary

Capital Outlay (Routine)		Capital Improvement Program	
Computer Hardware / Software	\$ 215,000	Plant 134 Process Improvements	\$ 1,900,000
Valve Exercise Equipment	200,000	Storage Tank / Reservoir Rehabilitation	1,400,000
SCADA Master Plan / Radio Upgrades	80,000	Plant 101 - Rehab Hydro System	1,200,000
Service Trucks, Crew Truck	250,000	General Facilities Rehab / Relocation	375,000
SNRC Equipment	450,000	Well & Booster Improvements	50,000
		Water Main Rehabilitations	500,000
		SNRC Water Recycling Plant	35,916,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 1,195,000</b>	<b>TOTAL CIP EXPENDITURES</b>	<b>\$41,341,000</b>

## CAPITAL OUTLAY

The District defines Capital Outlay expenditures as an individually significant acquisition of capital assets (not involving construction) that have expected useful lives of more than two years and have a 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 or water reclamation) that will benefit from use of the capital item. Items that benefit the Water and Wastewater Funds are allocated accordingly.

## FY 2022-23 Capital Outlay

	Water	Wastewater	Total
<b>FUNDED BY OPERATING REVENUE</b>			
<i>SNRC</i>			
SNRC Technology Equipment (Storage Rack, CISCO Switches)	\$ 0	\$ 150,000	\$ 150,000
SNRC Admin Portable Generator	100,000	-	100,000
SNRC Equipment (tools, community events)	100,000	100,000	200,000
<i>Hardware &amp; Software</i>			
Cityworks Replacement (Tyler Technology's EnerGov Asset Management Software)	75,000	75,000	150,000
Hardware Replacements (PCs, Laptops, Desktop Phones, SNRC)	35,000	-	35,000
Web Conferencing District Including SNRC (Webcams, TVs)	30,000	-	30,000
<i>Facilities</i>			
Valve Exercise Equipment	200,000	-	200,000
<i>SCADA</i>			
SCADA System Improvements (Hardware/Software)	80,000	-	80,000
<i>Fleet</i>			
Forklift	-	50,000	50,000
Light Duty Trucks (4) - SNRC/Operations	100,000	100,000	200,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 720,000</b>	<b>\$ 475,000</b>	<b>\$ 1,195,000</b>

## 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 2022-23, 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 \$41,341,000—total project costs for the projects in process are approximately \$62.6 million over the next five years. Projects funded for the current year include:

- **Canal Zone Storage Reservoir** – This project is to design and build additional water storage in the District’s Canal Pressure Zone. If approved, the District will design and install two 1.5 million gallon storage reservoirs which were recommended in the District’s Water System Master Plan. Planned expenditures for FY 2022-23 are for design only and estimated at \$200,000.
- **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 to reliably support the plant’s full capacity of 8 million gallons per day. The final is to continue the process of replacing membrane modules a full train at a time; there are five trains. The District has recently completed the replacement of all five cycles and is considering when to begin the next replacement cycle. The current year budget includes \$1,900,000 to move into the construction phase of the GAC project, to be paid with water operating revenue.
- **Storage Tank Rehabilitation** – With the completion of an engineering seismic study to propose tank upgrades that mitigated damage incurred in the event of an earthquake, and the systematic rehabilitation of existing tanks to ensure their dependability and years of future service, we now have an estimate of cost to rehabilitate Plant 108. Planned expenditures during FY 2022-23 are \$1,200,000 to be funded by water operating revenue.
- **Plant 101** – During FY 2021-22 the District received grant funding to order and 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. With the generator expected to be delivered during FY 2022-23, rehabilitation of the tank and boosters at the Plant can begin. Planned expenditures for FY 2022-23 are \$1,200,000 to be funded by water replacement reserves.
- **Water Main Replacements** – The District has scheduled the rehabilitation of two water main pipelines, rated as high priority due to the fact that, although consistent with the District’s standards at the time of installation, the existing main for the project is less than the District’s current minimum water main size. Planned expenditures during FY 2022-23 on this main are \$500,000 to be funded by water 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 2022-23 are \$425,000 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 2022-23 are \$35,916,000, of which \$34,108,000 will be funded by State Revolving Fund low interest loans, \$1,493,000 by grant, and \$315,000 by 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 District's 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
<b>TOTAL CIP EXPENDITURES</b>	<b>\$ (8,470,000)</b>	

### CIP Five-Year Program Schedule (FY 2023-27)

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>GENERAL</b>						
Meter Program	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000
<b>GENERAL SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 800,000</b>

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>WATER</b>						
Canal Zone Storage Reservoir	\$ 200,000	\$2,200,000	\$2,200,000	\$ -	\$ -	\$ 4,600,000
Transmission Main Plant 134 to Upper Zone	-	-	-	-	500,000	500,000
Plant 134 GAC Process Improvements (THMS)	1,900,000	-	-	-	-	1,900,000
Plant 134 Membrane Replacement	-	250,000	250,000	250,000	250,000	1,000,000
Tank/Reservoir Rehabilitation	1,200,000	900,000	650,000	650,000	650,000	4,050,000
Plant 101 - Rehabilitate Hydro System / Install Generator	1,200,000	-	-	-	-	1,200,000
East Surface Water Treatment Plant	-	-	-	-	1,000,000	1,000,000
Water Mains - Elmwood North of Lynwood Drive to Dogwood Street	300,000	-	-	-	-	300,000
Water Mains - Pleasanthill	200,000	-	-	-	-	200,000
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	3,600,000
Facility Relocations	100,000	100,000	100,000	100,000	100,000	500,000
Facility Relocation - Baseline Bridge Water Main	-	730,000	-	-	-	730,000
Facility Rehabilitations	275,000	75,000	75,000	75,000	75,000	575,000
SNRC - Holding Basin Landscape/Hardscape	-	-	-	-	-	-
Well & Booster Improvements/Rehabilitations	50,000	50,000	50,000	50,000	50,000	250,000
<b>WATER SUBTOTAL</b>	<b>\$ 5,425,000</b>	<b>\$ 5,105,000</b>	<b>\$ 5,045,000</b>	<b>\$ 2,925,000</b>	<b>\$ 4,425,000</b>	<b>\$ 22,925,000</b>

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>WASTEWATER</b>						
Wastewater Main Rehab	\$ -	\$ 700,000	\$ 750,000	\$ 750,000	\$ 750,000	2,950,000
Sterling Natural Resources Center (SNRC) - Inspections, Project Mgt and Compliance Mgt	308,000	-	-	-	-	308,000
Sterling Natural Resources Center (SNRC) - Construction	35,608,000	-	-	-	-	35,608,000
<b>WASTEWATER SUBTOTAL</b>	<b>\$ 35,916,000</b>	<b>\$ 700,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 38,866,000</b>
<b>TOTAL</b>	<b>\$ 41,341,000</b>	<b>\$ 6,005,000</b>	<b>\$ 5,995,000</b>	<b>\$ 3,875,000</b>	<b>\$ 5,375,000</b>	<b>\$ 62,591,000</b>

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

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
Water Operating Revenue	\$ 4,225,000	\$ 5,305,000	\$ 5,245,000	\$ 3,125,000	\$ 4,625,000	\$ 22,525,000
Water Replacement Reserve	1,200,000	-	-	-	-	1,200,000
Water Capacity Fees	-	-	-	-	-	-
New SRF Funding	-	-	-	-	-	-
Wastewater Operating Revenue	315,000	700,000	750,000	750,000	750,000	3,265,000
Wastewater Replacement Reserve	-	-	-	-	-	-
Wastewater Capacity Fees	-	-	-	-	-	-
Wastewater Revenue Bonds	-	-	-	-	-	-
Existing Grants / Loans	35,601,000	-	-	-	-	35,601,000
<b>TOTAL</b>	<b>\$ 41,341,000</b>	<b>\$ 6,005,000</b>	<b>\$ 5,995,000</b>	<b>\$ 3,875,000</b>	<b>\$ 5,375,000</b>	<b>\$ 62,591,000</b>

## CIP FY 2022-23 Proposed Funding

	Water Fund Operating Revenue	Wastewater Fund Operating Revenue	Grants/ Loans Other Fund	Project Total
<b>WATER</b>				
Canal Zone Storage Reservoir	\$ 200,000	\$ -	\$ -	\$ 200,000
Plant 134 - Process Improvements (THMS and Sludge Management)	1,900,000	-	-	1,900,000
Tank/Reservoir Rehabilitation - Plant 108 and Seismic Study	1,200,000	-	-	1,200,000
Plant 101 - Rehabilitate Hydro System / Install Generator	-	-	1,200,000	1,200,000
Water Main Rehabilitation - Elmwood north of Lynwood Dr.	300,000	-	-	300,000
Water Main Rehabilitation - Pleasanthill	200,000	-	-	200,000
Facility Relocations	100,000	-	-	100,000
Facility Rehabilitations - Plant 39	275,000	-	-	275,000
Well & Booster Improvements / Rehabilitations	50,000	-	-	50,000
<b>WATER SUBTOTAL</b>	<b>\$4,225,000</b>	<b>\$ -</b>	<b>\$ 1,200,000</b>	<b>\$ 5,425,000</b>
<b>WASTEWATER</b>				
SNRC - Construction	\$ -	\$ 7,000	\$ 35,601,000	\$ 35,608,000
SNRC - Inspections, Project Mgt, Compliance Mgt	-	308,000	-	308,000
<b>WASTEWATER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 315,000</b>	<b>\$ 35,601,000</b>	<b>\$ 35,916,000</b>
<b>TOTAL</b>	<b>\$ 4,225,000</b>	<b>\$ 315,000</b>	<b>\$ 36,801,000</b>	<b>\$ 41,341,000</b>

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# CAPITAL IMPROVEMENT PROJECTS



## [ CAPITAL IMPROVEMENT PROJECTS ]

- Canal Zone Storage Reservoir
- Plant 134 – Process Improvements (THMs)
- Tank/Reservoir Rehabilitation
- Plant 101 – Rehabilitate Hydro System/  
Install Generator
- Water Main – Elmwood North of Lynwood  
Drive to Dogwood Street
- Water Main – Pleasant Hill Drive
- Facility Relocations
- Facility Rehabilitations
- Well & Booster  
Improvements/Rehabilitations
- SNRC

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.

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## CANAL ZONE STORAGE RESERVOIR

Start Date: July 2022

Estimated Completion:  
June 2025

Project Type:  
Water

Location:  
Applewood Street  
Highland

Project Manager:  
Engineering

Total Project Cost:  
\$4,600,000 to be  
Funded by Development

Prior Years Budget:  
\$0

Capital Requests:  
New Project



### *Project Description*

The purpose of this project is to design and build additional water storage in the District's Canal Pressure Zone. The District purchased a property for this purpose in 2019 that is anticipated to accommodate two 1.5-million-gallon storage reservoirs. The District's Water System Master Plan determined that the Canal Zone does not currently have capacity available for new development.

Consequently, one 1.5-million-gallon storage reservoir will be constructed to provide the 0.8 million gallons of additional storage that is expected to be needed in the Canal Zone in the next 5 years, and 0.7 million gallons of storage for development beyond 5 years.

### OPERATING BUDGET IMPACT

#### Additional Staff Salaries

N/A

#### Debt Service

N/A

#### Maintenance

The annualized maintenance cost is estimated to be \$60,000.

#### Utilities

No additional power costs are anticipated.

# Canal Zone Storage Reservoir

## PROJECT COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	-	2,000,000	2,000,000	-	-	4,000,000
Project Mgmt/Inspection	-	200,000	200,000	-	-	400,000
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 200,000</b>	<b>\$ 2,200,000</b>	<b>\$ 2,200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,600,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 200,000	\$2,200,000	\$2,200,000	\$ -	\$ -	\$ 4,600,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 200,000</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,600,000</b>

### Benefits to the Community



Enhance plant operations to maintain a reliable service.



Provide additional water storage capacity.



Allow the District to continue to meet the community's water needs.



## PLANT 134 PROCESS IMPROVEMENTS (THMS)

Start Date: July 2019

Estimated Completion:  
June 2023

Project Type:  
Water

Location:  
Treatment Plant 134  
Highland

Project Manager:  
Operations

Total Project Cost:  
\$3,700,000

Prior Years Budget:  
\$1,800,000

Capital Requests:  
Previously  
Programmed Project



### *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 Granular Activated Carbon (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 four to eight million gallons per day.

### OPERATING BUDGET IMPACT

#### Additional Staff Salaries

N/A

#### Debt Service

N/A

#### 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.

# Plant 134 Process Improvements (THMs)

## PROJECT COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	1,900,000	-	-	-	-	1,900,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 1,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,900,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 1,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,900,000</b>

### 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

Start Date: October 2022

Estimated Completion:  
June 2027

Project Type:  
Water Replacement/  
Rehabilitation Project

Location:  
Crest View Lane  
Highland

Project Manager:  
Engineering

Total Project Cost:  
\$5,040,000

Prior Years Budget:  
\$990,000

Capital Requests:  
Previously  
Programmed Project



### *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.

The District has pre-qualified a list of three contractors to provide bids as the reservoir/plant to be rehabilitated in the upcoming year has been identified. In October 2019 the District awarded a contract to Crosno Construction for the rehabilitations of Tank 39-1; that project was completed in May 2020. In FY 2020-21, the District entered into a contract for the rehabilitation of the tank at Plant 108, a 2 million gallon reservoir serving the District's Foothill zone. The preliminary sand blasting work revealed the need for more structural repairs than anticipated, and it was determined to defer the rehabilitation work to FY 2022-23. The estimated FY 2022-23 cost for this project is \$1,200,000.

### OPERATING BUDGET IMPACT

#### Additional Staff Salaries

N/A

#### Debt Service

N/A

#### Maintenance

N/A

#### Utilities

N/A

# Tank Reservoir Rehabilitation

## PROJECT COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ 60,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 105,000
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	1,100,000	830,000	630,000	630,000	630,000	3,820,000
Project Mgmt/Inspection	100,000	-	-	-	-	100,000
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	10,000	5,000	5,000	5,000	25,000
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 1,200,000</b>	<b>\$ 900,000</b>	<b>\$ 650,000</b>	<b>\$ 650,000</b>	<b>\$ 650,000</b>	<b>\$ 4,050,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 1,200,000	\$ 900,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 4,050,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 1,200,000</b>	<b>\$ 900,000</b>	<b>\$ 650,000</b>	<b>\$ 650,000</b>	<b>\$ 650,000</b>	<b>\$ 4,050,000</b>

## Benefits to the Community



Help prolong the tank's life to continue serving the community.



Install anti-corrosion system and make repairs to maintain tank reliability.



Identify and assess structural concerns to protect the Plant during an earthquake.





## PLANT 101 HYDRO TANK REHABILITATION

Start Date: July 2021

Estimated Completion:  
June 2023

Project Type:  
Water

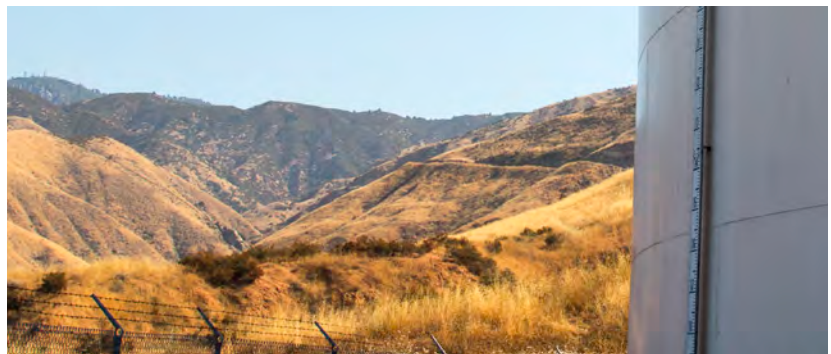
Location:  
Mountain Top Drive  
Highland

Project Manager:  
Engineering

Total Project Cost:  
\$1,500,000

Prior Years Budget:  
\$300,000

Capital Requests:  
Previously  
Programmed Project



### *Project Description*

The Hydro-pneumatic tank at Plant 101 boosts water to 35 homes that are situated at elevations that cannot be provided sufficient pressure by gravity from the Plant's 1.4 million gallon reservoir. 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 was the priority for FY 2021-22. The replacement of the hydro tank, booster pumps, and ancillary equipment will occur in FY 2022-23.

### OPERATING BUDGET IMPACT

#### Additional Staff Salaries

N/A

#### Debt Service

N/A

#### Maintenance

N/A

#### Utilities

N/A

# Plant 101 Hydro Tank Rehabilitation

## PROJECT COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	1,200,000	-	-	-	-	1,200,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 1,200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,200,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Reserve	1,200,000	-	-	-	-	1,200,000
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$1,200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,200,000</b>

### 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.



## WATER MAIN REHABILITATION ELMWOOD ROAD

Start Date: July 2022

Estimated Completion:  
June 2023

Project Type:  
Water

Location:  
Elmwood Road  
Highland

Project Manager:  
Operations

Total Project Cost:  
\$300,000

Prior Years Budget:  
N/A

Capital Requests:  
New Project



### *Project Description*

This project will replace 1,100 linear feet of aging water main in Lynwood Drive to Marshall Blvd. While consistent with District's standards at the time of installation, the existing main for the project is less than the District's current minimum water main size. Installing new 6-inch ductile iron pipe will enhance fire flow capacity while contributing to more efficient system circulation. Work will be performed in-house by District Water Maintenance crews and will take approximately eight weeks to complete.

### OPERATING BUDGET IMPACT

#### Additional Staff Salaries

N/A

#### Debt Service

N/A

#### Maintenance

N/A

#### Utilities

N/A

# Water Main Rehabilitation Elmwood Road

## PROJECT COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	125,000	-	-	-	-	125,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	75,000	-	-	-	-	75,000
EVWD Labor	100,000	-	-	-	-	100,000
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>

### Benefits to the Community



Protects community health and safety of the community.



Replaces water main to prevent a future break.



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



## WATER MAIN REHABILITATION PLEASANT HILL DRIVE

Start Date: July 2022

Estimated Completion:  
June 2023

Project Type:  
Water

Location:  
Pleasant Hill Drive  
Highland

Project Manager:  
Operations

Total Project Cost:  
\$200,000

Prior Years Budget:  
N/A

Capital Requests:  
New Project



### *Project Description*

This project will replace 675 linear feet of aging water main in Pleasant Hill Drive west of Palm Avenue. While consistent with District's standards at the time of installation, the existing main for the project is less than the District's current minimum water main size. Installing new 6-inch ductile iron pipe will enhance fire flow capacity while contributing to more efficient system circulation. Work will be performed in-house by District Water Maintenance crews and will take approximately six weeks to complete.

### OPERATING BUDGET IMPACT

#### Additional Staff Salaries

N/A

#### Debt Service

N/A

#### Maintenance

N/A

#### Utilities

N/A

# Water Main Rehabilitation Pleasant Hill Drive

## PROJECT COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	85,000	-	-	-	-	85,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	45,000	-	-	-	-	45,000
EVWD Labor	70,000	-	-	-	-	70,000
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>

### Benefits to the Community



Protects community health and safety of the community.



Replaces water main to prevent a future break.



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



## FACILITY RELOCATIONS

Start Date: July 2022

Estimated Completion:  
June 2023

Project Type:  
Replacement Water  
Distribution System

Location:  
District-wide

Project Manager:  
Engineering

Total Project Cost:  
\$100,000 for FY 2022-23  
Budgeted Annually

Prior Years Budget:  
\$100,000 for FY 2021-22

Capital Requests:  
Annual Budget Request



### *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 COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
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)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 500,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 500,000</b>

### Benefits to the Community



Relocate system facilities to maintain service reliability.



Work with local agencies to ensure a smooth transition with minimal service interruptions.



Extend the useful life of the distribution system.





## FACILITY REHABILITATIONS

Start Date: July 2022

Estimated Completion:  
June 2023

Project Type:  
Water

Location:  
Date Street  
San Bernardino

Project Manager:  
Operations

Total Project Cost:  
\$275,000 for FY 2022-23  
Budgeted Annually

Prior Years Budget:  
\$512,000 for FY 2021-22

Capital Requests:  
Annual Budget Request



### *Project Description*

This project involves scheduled capital improvements to District facilities that can be performed within a single fiscal year. Improvements planned for FY 2022-23 include upgrade 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 COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	-	-	-	-	-	-
Construction (Contract)	275,000	75,000	75,000	75,000	75,000	575,000
Project Mgmt/Inspection	-	-	-	-	-	-
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 275,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 575,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 275,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 575,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 275,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 575,000</b>

### 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 2022

Estimated Completion:  
June 2023

Project Type:  
Water

Location:  
TBD

Project Manager:  
Operations

Total Project Cost:  
\$50,000 for FY 2022-23  
Budgeted Annually

Prior Years Budget:  
\$50,000 for FY 2021-22

Capital Requests:  
Annual Budget Request



### *Project Description*

The District has approximately 65 booster pumps, and 16 wells in the water distribution system. 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 proactive 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.

# Well & Booster Improvements/Rehabilitations

## PROJECT COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
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)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 250,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 250,000</b>

### 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.



## STERLING NATURAL RESOURCE CENTER

Start Date: January 2014

Estimated Completion:  
July 2022

Project Type:  
New Wastewater  
Recycling Plant

Location:  
5th Street  
Highland

Project Manager:  
Engineering

Total Project Cost:  
\$182,917,000

Prior Years Budget:  
\$148,425,000

Capital Requests:  
Previously  
Programmed Project



### *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. Initially the facility will treat approximately six 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 2022, 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

\$7,600,000 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 COST

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>ESTIMATED COST ITEMIZATION</b>						
Planning and Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Preparation	1,500,000	-	-	-	-	1,500,000
Construction (Contract)	34,108,000	-	-	-	-	34,108,000
Project Mgmt/Inspection	308,000	-	-	-	-	308,000
Equipment/Furnishings	-	-	-	-	-	-
Materials	-	-	-	-	-	-
EVWD Labor	-	-	-	-	-	-
Other (Legal)	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$35,916,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$35,916,000</b>

## PROJECT FUNDING

	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>FINANCING SOURCES</b>						
Operating Revenue	\$ 315,000	\$ -	\$ -	\$ -	\$ -	\$ 315,000
Replacement Reserve	-	-	-	-	-	-
Grants/Loans	35,601,000	-	-	-	-	35,601,000
Bond Proceeds	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>ANNUAL TOTAL</b>	<b>\$35,916,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$35,916,000</b>

## 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.

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*Intentionally*

# 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 2021-22 that focused on system improvements for both water and wastewater systems.



## FY 2021-22 ACCOMPLISHMENTS

### Engineering Seismic Study for Reservoirs

- Project Budget: \$165,000 (\$140,000 Cal OES Grant Funding)
- Actual Cost: \$10,931
- Completed: April 2022

### Battery Energy Storage System at Headquarters and Plant 140

- Project Budget: \$0
- Actual Cost: Funded by Self-Generation Incentive Program (SGIP) Incentives
- Completed: January 2022

### Plant 39 Grading and Drainage Improvements

- Project Budget: \$512,000
- Actual Cost: \$406,982
- Completed: June 2022

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*Intentionally*



GLOSSARY

# *Glossary*



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Table of Contents



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

[GLOSSARY CONTENTS]

- DEFINITIONS
- ACRONYMS
- CHART OF ACCOUNTS

# Definitions

Technical terms found in the budget document.

## A

- **Acre Foot:** A water measurement equal to 325,851 gallons. - pg. 64
- **Advanced Metering Infrastructure:** The technology of collecting meter reads via a network. - pg. 7
- **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. 5
- **American Water Works Association:** Established in 1881 and is the largest nonprofit, scientific, and educational association dedicated to managing and treating water. - pg. 35
- **Annual Report:** A set of U.S. government financial statements comprising of the financial report of a state, municipal, or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board. - pg. 165

## 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. 53
- **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. 20

- **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. 53
- **Cityworks:** This platform is designed to help local governments and utilities manage public assets and their associated data, work activities, and business processes. - pg. 169
- **Closed Circuit TV:** The use of video cameras to transmit a signal to a limited set of monitors. - pg. 219
- **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. 53
- **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. 96

## 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. 48

## 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. 53

## 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. 152
- **Fees:** Charges for service that are based upon the cost of providing the service. - pg. 45
- **Fiscal Year:** The time frame in which the budget applies. This period is from July 1 through June 30.- pg. i
- **Full-Time Employee:** A measure of effective authorized positions, indicating the percentage of time a position or group of positions is funded. It is calculated by equating 2,080 hours of work per year with the full-time equivalent of one position. - pg. 66
- **Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives. - pg. i
- **Fund Equity:** The excess of an entity's assets over its liabilities; a negative Fund Equity is sometimes called a deficit. - pg. 78

## 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. 53

- **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. 163
- **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. 53
- **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. 53
- **Government Finance Officers Association:** Represents public finance officials throughout the United States and Canada. - pg. 11
- **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. 10
- **Groundwater:** Water that occurs below the surface of Earth. - pg. 20

## H

- **Hundred Cubic Feet:** Water billing measurement equal to 748 gallons. - pg. 59

## K

- **Key Performance Indicator:** Monitors progress towards meeting program objectives. - pg. 7

## L

- **Linear Feet:** A 12-inch measurement of length. - pg. 214
- **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. 74

## 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. 21

## P

- **Pension Expense:** Budgeted based on employer contribution rates assigned by the California Public Employees' Retirement System. For financial statement reportion, pension expense is recorded based on the change to the net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68. - pg. 53
- **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. 53
- **Purchased Water:** Imported water purchased from the California State Water Project. - pg. 68

## R

- **Revenue:** Income generated by assessments, investments, connection fees, stand-by fees, and user charges. - pg. i
- **Reserve:** An account set aside to meet unexpected costs. - pg. 5

## 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. 21
- **Section Sign (§):** Typographical glyph for referencing numbered sections of a document. - pg. 46
- **Single-Family Residential:** A stand-alone residential building. - pg. 59
- **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. 21

## T

- **Total Trihalomethanes:** A disinfectant by product when chlorine used to treat water reacts with organic materials in the water. - pg. 9
- **Tyler Accounting System:** The District's enterprise resource planning software that integrates across all business processes and activities. - pg. 163

## V

- **VMware:** A software company that provides cloud computing and virtualization software and services. - pg. 170

## W

- **Wastewater Collection Sytem Master Plan:** Outlines existing deficiencies and facility requirements to meet increasing demands. It provides a general assessment to creat a comprehensive CIP for the wastewater collection system. - pg. 9
- **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. 9




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*Intentionally*

# ACRONYMS

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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. 151
- **AF:** Acre Foot - pg. 64
- **AMI:** Advanced Metering Infrastructure - pg. 7
- **AQMD or SCAQMD:** Air Quality Management District or South Coast Air Quality Management District - pg. 225
- **AWWA:** American Water Works Association - pg. 35

## B

- **BAR:** Bureau of Automotive Repair - pg. 237

## C

- **CalFire:** California Department of Forestry and Fire and Protection - pg. 22
- **CalPERS:** California Public Employees' Retirement System - pg. 53
- **Cal OES:** California Governor's Office of Emergency Services - pg. 277
- **CARB:** California Air Resources Board - pg. 237
- **CCR:** Consumer Confidence Report - pg. 208
- **CCTV:** Closed-Circuit Television - pg. 219
- **CEO:** Chief Executive Officer - pg. i
- **CFD:** Community Facilities District - pg. 59
- **CGC:** California Government Code - pg. 45
- **CHEF:** Community Heritage Education Foundation - pg. 139
- **CIP:** Capital Improvement Program - pg. 45
- **CISCO:** Computer Information System Company - pg. 169

- **CMUA:** California Municipal Utilities Association - pg. 151
- **COLA:** Cost of Living Adjustment - pg. 66
- **CSDA:** California Special Districts Association - pg. 20
- **CSMFO:** California Society of Municipal Officers - pg. 11
- **CWEA:** California Water Environment Association - pg. 221
- **CWWAPP:** California Water and Wastewater Arrearage Payment Program - pg. 164

## D

- **DWR:** Department of Water Resources - pg. 245

## E

- **EOC:** Emergency Operations Center - pg. 169
- **EPA:** Environmental Protection Agency - pg. 207
- **ERP:** Enterprise Resource Planning - pg. 163
- **EVWD:** East Valley Water District - pg. 1

## F

- **FEMA:** Federal Emergency Management Agency - pg. 152
- **FY:** Fiscal Year - pg. 1
- **FOG:** Fats, Oils, and Grease - pg. 207

## G

- **GAC:** Granular Activated Carbon - pg. 10
- **GASB:** Governmental Accounting Standards Board - pg. 53
- **GAAP:** Generally Accepted Accounting Principles - pg. 53

- **GC:** San Bernardino Basin Area Groundwater Council - pg. 21
- **GIS:** Geographic Information System - pg. 163
- **GFOA:** The Government Finance Officers Association - pg. 11

## H

- **HCF:** Hundred Cubic Feet - pg. 59
- **HVAC:** Heating, Ventilation, and Air Conditioning - pg. 231

## I

- **IPAWS:** Integrated Public Alert and Warning System - pg. 152

## K

- **KPI:** Key Performance Indicator - pg. 7

## L

- **LAIF:** Local Agency Investment Fund - pg. 74

## M

- **MG:** Million Gallon - pg. 21
- **MGD:** Million Gallons Per Day - pg. 30
- **MOU:** Memorandum of Understanding - pg. 66

## N

- **NFWC:** North Fork Water Company - pg. 21
- **NPDES:** National Pollutant Discharge Elimination System - pg. 227

## O

- **OPEB:** Other Post Employment Benefits - pg. 53

## P

- **PAFR:** Popular Annual Financial Report - pg. 165

- **PRSA:** Public Relations Society of America - pg. 151
- **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. 59
- **SFR:** Single-Family Residential - pg. 59
- **SGIP:** Self-Generation Incentive Program - pg. 277
- **SNRC:** Sterling Natural Resource Center - pg. 1
- **SSMP:** Sewer System Management Plan - pg. 219
- **SWP:** State Water Project - pg. 20
- **SWRCB:** State Water Resources Control Board - pg. 73


## T

- **TSS:** Total Suspended Solids - pg. 227
- **TTHM/THM:** Total Trihalomethanes - pg. 9
- **Tyler Accounting System:** - pg. 163

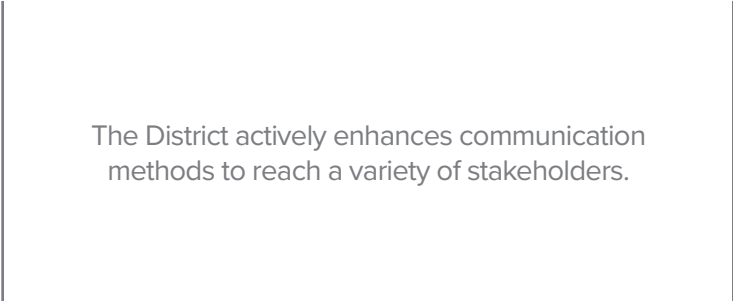
## U

- **UCMR5:** Unregulated Contaminant Monitoring Rule 5 - pg. 207

# 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



# EAST VALLEY WATER DISTRICT



# EAST VALLEY WATER DISTRICT



[JUNE 22, 2022]

*Budget Adopted*



#### District Headquarters

3111 Greenspot Road  
Highland, California 92346

#### Sterling Natural Resource Center

25318 5th Street  
Highland, California 92410

[eastvalley.org](http://eastvalley.org)

[f](#) [i](#) [t](#) [v](#) @eastvalleywater

#### District Board Meetings

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

District Headquarters Board Room  
3111 Greenspot Road  
Highland, CA 92346