



# BUDGET

FISCAL YEAR 2023-2024



Greg Young  
President  
Division 5

Dan Jenkins  
Vice President  
Division 2

Angela Garcia  
Director  
Division 1

Kelvin Moore  
Director  
Division 3

Channing Hawkins  
Director  
Division 4



# **West Valley Water District Budget Fiscal Year 2023- 2024**



**Adopted Version - 6/21/2023**

Last updated 12/01/23

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# INTRODUCTION

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## Budget Awards



GOVERNMENT FINANCE OFFICERS ASSOCIATION

### *Distinguished Budget Presentation Award*

PRESENTED TO

**West Valley Water District  
California**

For the Fiscal Year Beginning

**July 01, 2022**

*Christopher P. Morill*

Executive Director



## General Manager's Message

### **Honorable Board of Directors, District Ratepayers, and Community Members,**

On behalf of the West Valley Water District (District), I am pleased to present Fiscal Year (FY) 2023-24 Operating and Capital Budgets. The Budget is the District's financial plan for the next fiscal year and shows a continuing commitment to operational excellence and maximizing efficiencies. The annual Budget represents the District's mission of providing our customers with safe, reliable, sustainable, and cost-effective drinking water services while maintaining a strong financial position.

Each year, the District goes through an extensive review and analysis of the operational needs, along with projecting the long-term financing of capital improvement projects to support the replacement and development of infrastructure. The Budget focuses on identifying and estimating financial resources and spending. The District approaches the Budget with a thoughtful and strategic mindset to meet our community's needs while being fiscally responsible and forward-thinking. The District has meticulously analyzed each department's needs and allocated resources to ensure superior customer service, effective day-to-day operations, and the long-term reliability of operations.

The District has a responsibility to deliver safe and reliable drinking water in the most cost-effective manner by maximizing operational efficiencies despite all the short and long-term issues impacting the region. Concurrently, we recognize the significance of prudent financial management and the allocation of resources to drive long-term value. Hence, the capital budget has been allocated to strategic initiatives that will upgrade and optimize our infrastructure, improve water conservation efforts, implement advanced technologies, and address long-standing water supply and infrastructure challenges. These investments will further bolster our ability to serve our customers effectively while ensuring the sustainability and reliability of our operations.

### ***Factors Impacting the District***

#### *Short-Term*

The water industry is affected by various factors including economic pressures, legislative action, regulatory requirements, climate impacts, technology, labor force skill and availability. Four major factors that affect the District are (1) water source availability and cost of imported water, (2) electricity, materials, and construction costs (3) changing customer demands, and (4) continued property development.

The District continues to face high inflation and historical supply-chain delays and shortages which started during the COVID-19 pandemic. Conservative estimates for water sales volumes have been used in projecting budgeted revenues and expenses. The District has developed and secured multiple sources of water to ensure adequate water for customers' needs, even when faced with unknown factors such as drought and state regulations.

#### *Long-Term*

The District places tremendous effort on capital improvement planning. The Water Facilities Master Plan dated July 2020 is used as a master planning document to evaluate, prioritize, and schedule projects. The planned capital improvement budget for fiscal year 2023-24 is \$27.78 million, utilizing various funding sources such as operating revenue, capacity charges, SRF Loan, and use of available restricted capacity fee funds.

The District faces the ongoing challenge of replacing aging infrastructure and building new improvements to support continued growth and improve water deliveries. The Budget prioritizes timely replacement and rehabilitation of aging assets, investment in expansion and improvement of facilities to meet anticipated growth and regulatory compliance requirements.

#### *Conclusion*



This budget demonstrates our continued commitment to providing quality water services to protect public health and the environment at the most sustainable cost. Despite continued growth in the customer base within our service area, rising costs of labor and materials, aging infrastructure, and new environmental regulations, the budget allows the District to meet customers' expectations, supports economic development, and preserve and enhance the environment.

The success of the District as an organization is vastly enhanced by the practices and policies put in place by the Board of Directors to ensure the strength and stability of the Agency. This budget accurately reflects the policies, priorities, and direction of the Board of Directors, and provides a sound financial plan for FY 2023-24.

This document also demonstrates WVWD's commitment to completing critical capital projects for current and future customers as well as WVWD's commitment to meet its financial obligations. Staff is confident that the financial framework outlined in the budget will allow WVWD to provide safe and reliable drinking water to its customers and communities.

# Board Adoption

## RESOLUTION NO. 2023-11

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST VALLEY WATER DISTRICT ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR 2023-2024

**WHEREAS**, West Valley Water District is a public agency of the State of California, established under Division 12 of the Water Code of the State of California; and

**WHEREAS**, it has been the practice of West Valley Water District to adopt a budget for each fiscal year to serve as the annual financial plan; and

**WHEREAS**, it is the task of the General Manager to submit a budget for adoption by the Board of Directors:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the West Valley Water District does hereby resolve, determine and order as follows:

- Section 1** The Board of Directors desires to have a budget review process, which provides for Board of Directors participation and includes executive staff member comments in the development of the budget.
- Section 2** The Board of Directors desires to adopt a budget for each fiscal year that provides for adequate maintenance of infrastructure and orderly replacement of equipment.
- Section 3** The Board of Directors desires to adopt a budget where revenues are sufficient to meet expenses.
- Section 4** The Board of Directors hereby authorized the General Manager to present a budget to the Board of Directors for adoption prior to the beginning of each fiscal year.
- Section 5** The Board of Directors authorizes the General Manager, if the revenue of the proposed budget is not sufficient to meet expenses, to propose alternatives to balance the budget, including use of reserves or other methods, with Board approval.
- Section 6** The Board of Directors hereby establishes that additional funds may be considered for use during the fiscal year as needs arise with approval of the Board of Directors.
- Section 7** The Board of Directors hereby establishes that quarterly financial reports will be prepared by the Chief Financial Officer comparing actual revenues and expenses to budget amounts.

**Section 8**

The Board of Directors of the West Valley Water District does hereby adopt the Operations and Capital Improvement Budget for 2023-2024.

**BE IT FURTHER RESOLVED** that said Resolution shall be effective July 1, 2023.

**APPROVED, PASSED, and ADOPTED** this 21<sup>st</sup> day of June, 2023.

BOARD OF DIRECTORS

BY:

  
GREGORY YOUNG  
President

**CERTIFICATION**

I, Elvia Dominguez, Board Secretary of the West Valley Water District, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the West Valley Water District at a regular meeting held on the 21<sup>st</sup> day of June 2023, by the following vote:

AYES:	BOARD MEMBERS:	Garcia, Hawkins, Moore, Jenkins and Young.
NOES:	BOARD MEMBERS:	None.
ABSENT:	BOARD MEMBERS:	None.
ABSTAIN:	BOARD MEMBERS:	None.

Dated: June 21, 2023

  
ELVIA DOMINGUEZ  
Board Secretary



## History & Profile

West Valley Water District serves over 98,000 people, spanning two counties in Southern California in a 32 square-mile area, including portions of the communities of Bloomington, Colton, Fontana, Rialto, San Bernardino, and Jurupa Valley.

Our history began on February 28, 1952, when our forebear, West San Bernardino County Water District, became the owner and operator of three local mutual water companies. This friendly acquisition saved the communities' water rights and assets from condemnation. It was in this acquisition that the District became the owner of water rights dating back to 1897. During those early years, the District supplied more water for agricultural purposes than for domestic use.



During the 1970's and 1980's, the District grew and homes, businesses and schools soon surpassed agricultural water use. There were other mergers where smaller water companies became a part of the District. By the end of the 1980's, our water facilities included 180 miles of pipeline, 12 reservoirs and 15 water wells. It was during this time that the District built its office and maintenance yard on Base Line Road in Rialto, where we are still located today.

In 1992, the District was a partner in building five miles of new pipeline to bring much needed water from the Bunker Hill Basin in San Bernardino to our area. Continuing the trend of working with our neighbors, in 1993, the District partnered with the City of Rialto to build a treatment facility for the water flowing from Lytle Creek. The Oliver P. Roemer Water Filtration Facility has been expanded twice and also accepts and treats State Project Water, which increases the amount of water available for our customers. In 2003, we changed our name to West Valley Water District.



Currently, we have eight treatment plants, 360 miles of pipeline, 25 reservoirs, 17 wells, and approximately 24,000 service connections. Our customers continue to enjoy safe, affordable drinking water that is still less than a penny a gallon. The District looks forward to serving its customers and the community for many years to come.



# Board of Directors



**Greg Young**  
President, Division 5



**Dan Jenkins**  
Vice President, Division 2



**Angela Garcia**  
Director, Division 1

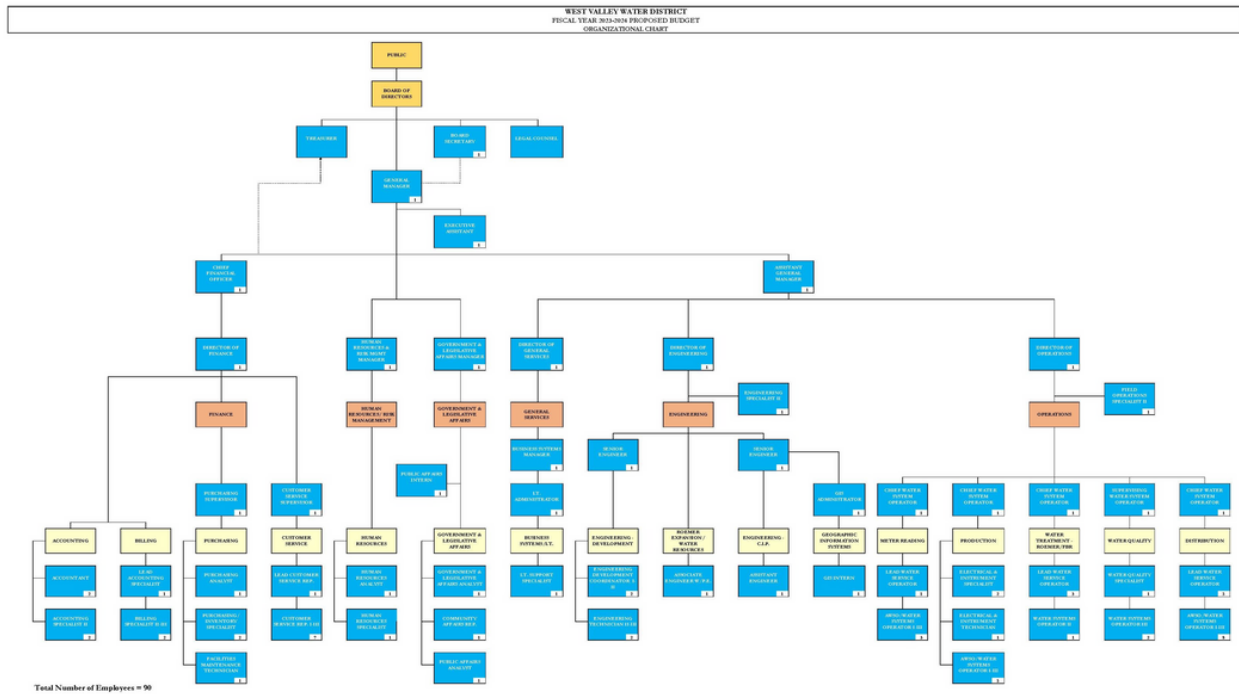


**Kelvin Moore**  
Director, Division 3



**Channing Hawkins**  
Director, Division 4

## Organization Chart





# Vision, Mission & Statement of Values

## **Mission Statement**

West Valley Water District provides our customers with safe, high quality and reliable water service at a reasonable rate and in a sustainable manner.

## **Vision Statement**

West Valley Water District will continue to be a national model in the water industry for innovation, fiscal responsibility, sound conservation practices, and a relentless commitment to our employees and the communities we serve.

## **Statement of Values**

### **Innovation**

West Valley Water District encourages innovation, creativity and ingenuity as we constantly seek to strengthen our services, programs and practices to ensure our customers receive clean, high quality and reliable water service at a competitive rate.

### **Exceptional Customer Service**

West Valley Water District demonstrates its daily commitment to exceptional service through respectful and courteous interactions with our customers and by engaging in partnerships with the community and other agencies that further the public good.

### **Employee Development**

As an agency that offers a diverse and transparent work environment, West Valley Water District encourages the personal and professional growth of our employees so that each can thrive and achieve their potential while earning a competitive compensation package.

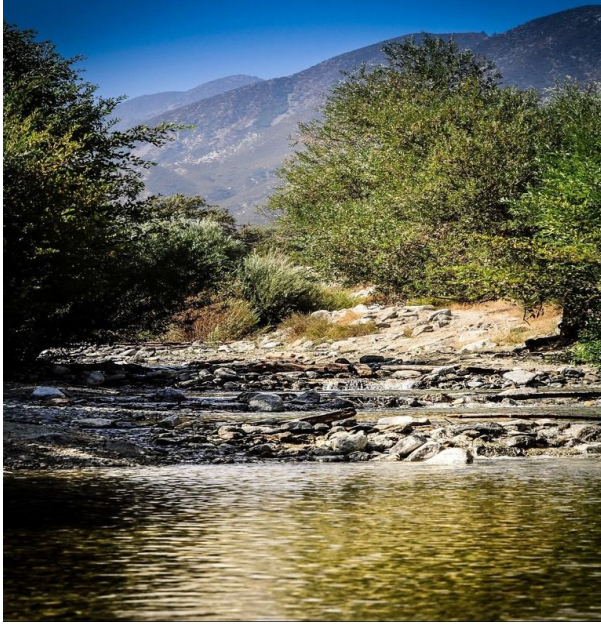
### **Integrity & Transparency**

West Valley Water District will maintain the highest standards of ethical and honest business practices in all our operations. We embrace transparency, openness and accountability to ensure clear communications with our customers and the public we have the privilege of serving.

### **Environmental Stewardship**

West Valley Water District is dedicated to preserving and enhancing the environment by complying with all regulations and following sound environmental practices. West Valley Water District will continue to educate the public on the role and importance of conservation in protecting nature's most precious resource, water.

## Sources of Water



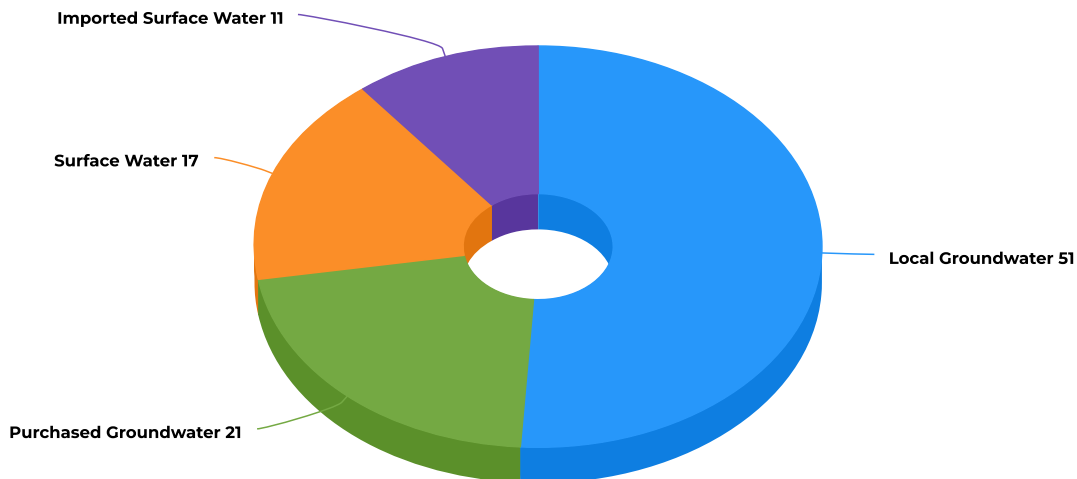
West Valley Water District obtains water from both local and imported sources to serve its customers and routinely tests for contaminants from these sources in accordance with Federal and State Regulations.

Local sources are divided into two categories; groundwater and surface water. Groundwater makes 51% of the District's water supply, the four local basins being used are: Bunker Hill Basin, Lytle Creek Basin, North Riverside Basin, and Rialto-Colton Basin. Also, 21.4% of groundwater is purchased from San Bernardino Valley Municipal Water District (Valley District) through the Baseline Feeder Project and from local wells in the Bunker Hill Basin.

Local surface water accounts for 17% of water supply, the source is Lytle Creek in the San Bernardino Mountains. This water is treated through WVWD's Oliver P. Roemer Water Filtration Facility.

Imported water consists of 10.6% of water supply, the source is surface water purchased from the State Water Project through Valley District. This water is also treated through WVWD's Oliver P. Roemer Water Filtration Facility.

### Sources Breakdown



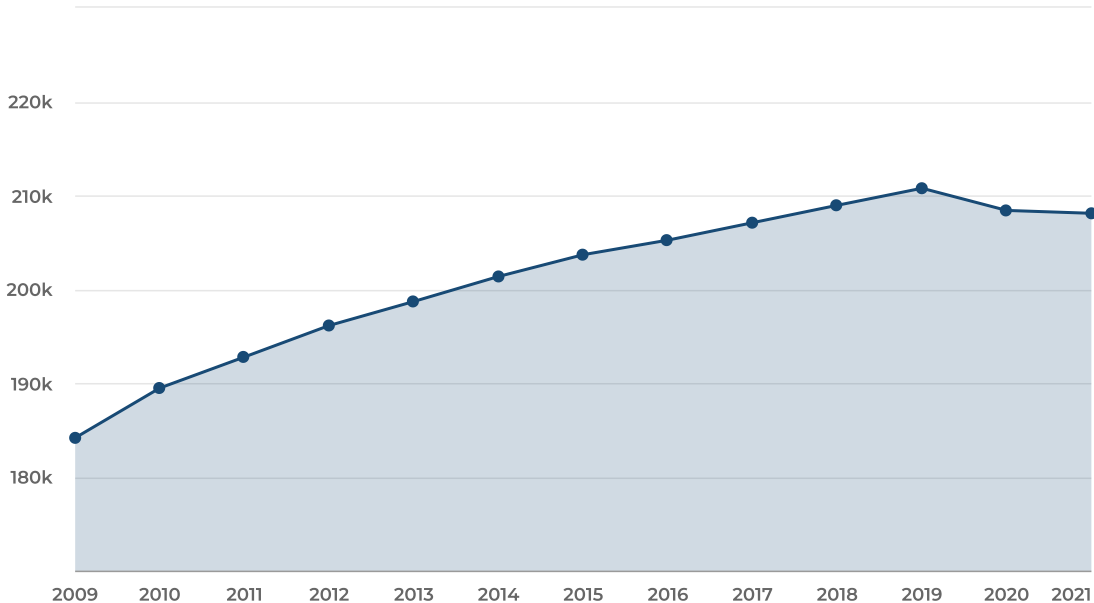
# Population Overview



TOTAL POPULATION  
**208,087**

▼ **.1%**  
vs. 2020

GROWTH RANK  
**264** out of **497**  
Municipalities in California



*\* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses*

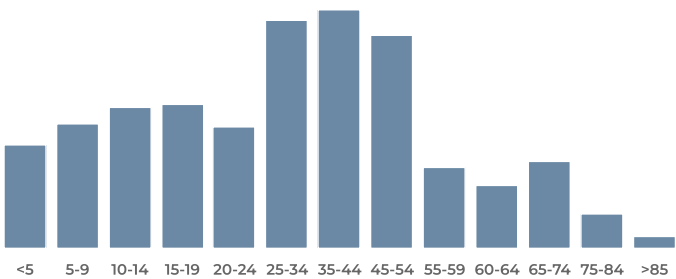


DAYTIME POPULATION  
**192,718**

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

*\* Data Source: American Community Survey 5-year estimates*

## POPULATION BY AGE GROUP



*Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.*

*\* Data Source: American Community Survey 5-year estimates*

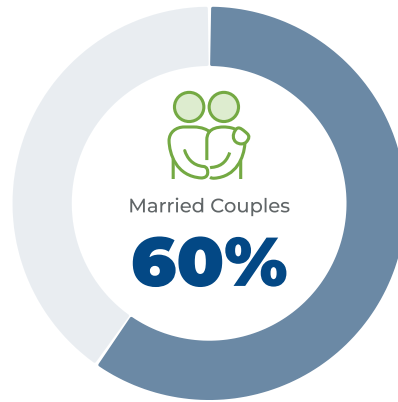
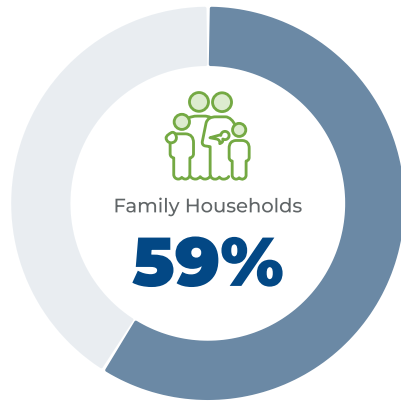


## Household Analysis

TOTAL HOUSEHOLDS

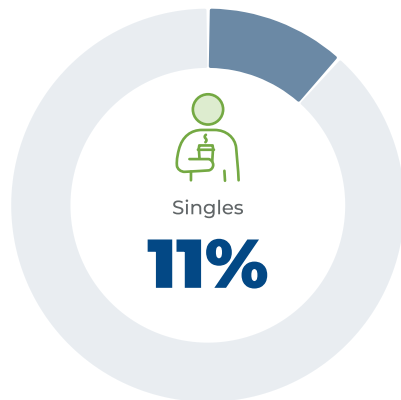
**55,307**

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



▲ 20%

higher than state average



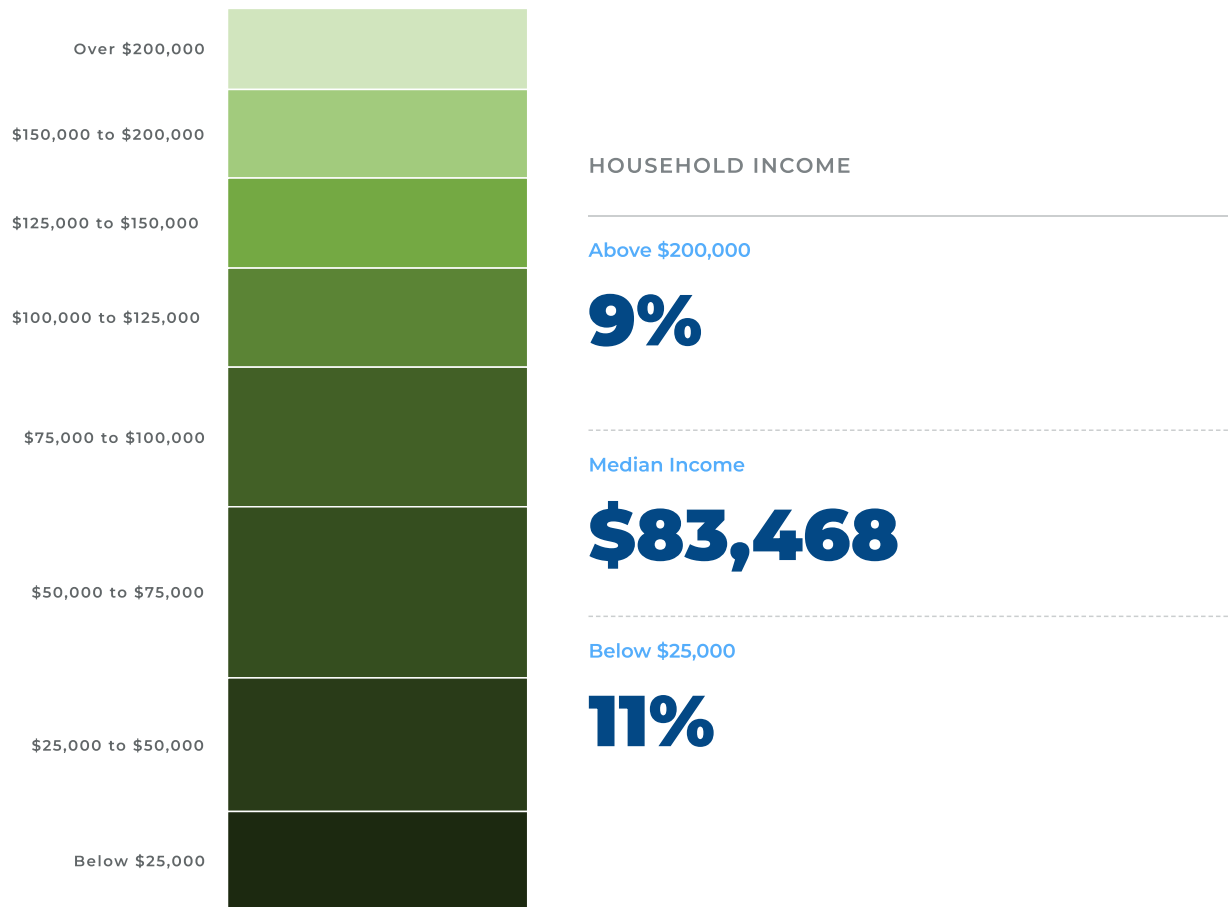
▼ 53%

lower than state average

*\* Data Source: American Community Survey 5-year estimates*

## Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



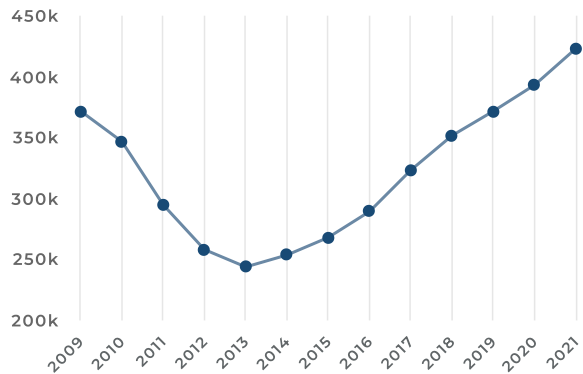
\* Data Source: American Community Survey 5-year estimates

# Housing Overview



2021 MEDIAN HOME VALUE

**\$423,100**



\* Data Source: 2021 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

## HOME OWNERS VS RENTERS

West Valley Water District

State Avg.

**34%**  
Rent

**45%**  
Rent

**66%**  
Own

**55%**  
Own

## HOME VALUE DISTRIBUTION



\* Data Source: 2021 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

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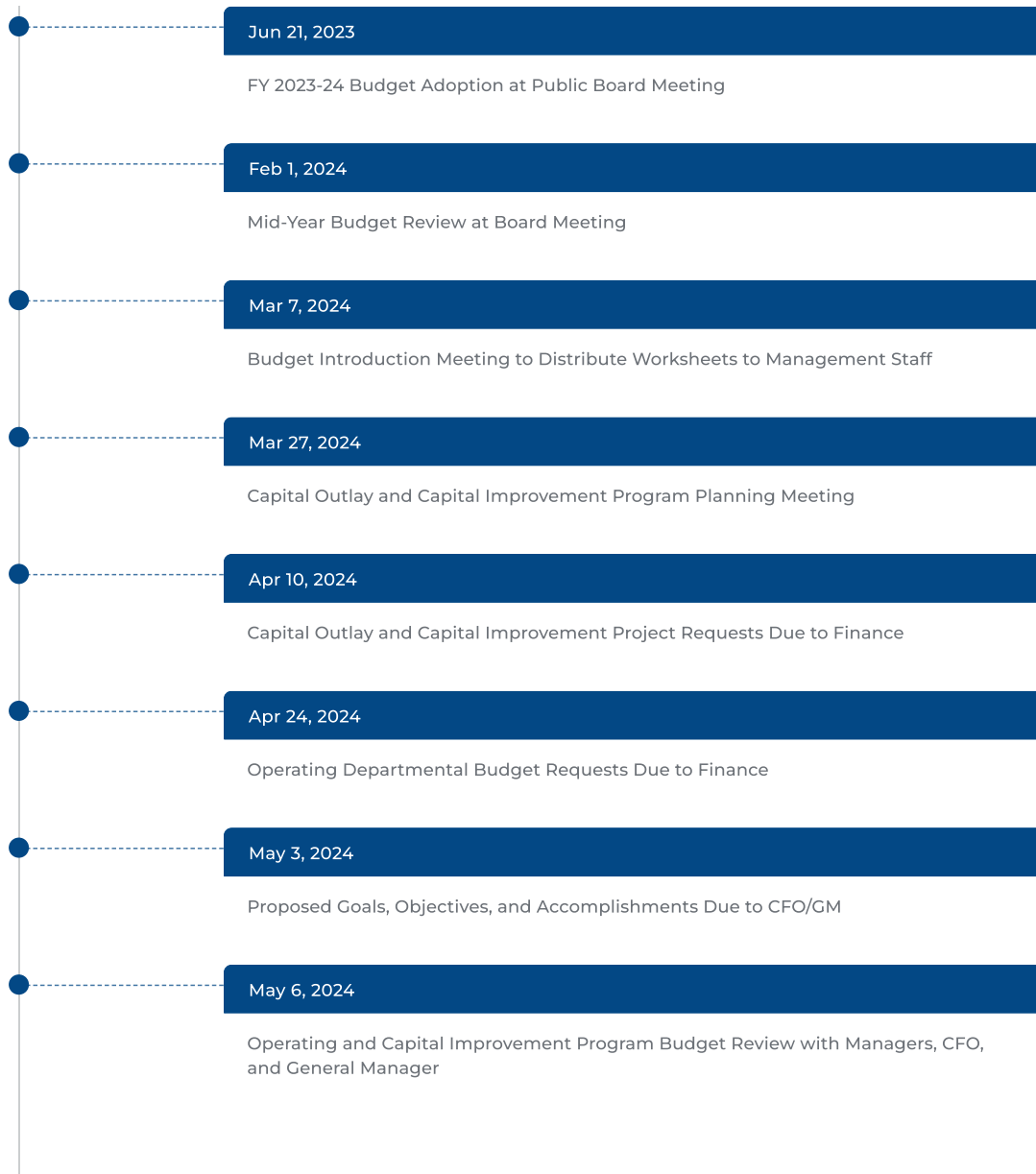
## Budget Process & Timeline

Each year the budget process initiates in January. The process begins with each department determining what their requirements are for the following year. Based upon those requirements the budget is designed and presented. Appropriate budget amounts are determined by using the historical data of operations, new growth projections, and economic outlook.

To assure reliable and high-quality service to the growing customer base, the District has committed to a number of strategies that drive the budgeting process. The strategies and assumptions used to develop the District's integrated budget are:

- Accurate projections of capital budget needs, including maintenance and replacement.
- Reserve funding in accordance with the Reserve Policy to meet future growth demands and maintain financial stability.
- Pursue low interest loans for capital development projects.
- Not projecting water rates increases over a six-year period.

The Finance Department prepares the budget with the impute of department managers. This is done using estimated changes in costs and volume levels. The significant factors in the budget development include estimated water volumes, water cost projections, debt coverage for current and future debt issuances, reserve levels, projected growth in customer accounts, and weather. Revenue and expense budgets are calculated using trend analysis and any external factors that may affect these items.





## **Budget Control & Adjustments**

In January of each year, District management meets to analyze revenues and spending to determine whether realized revenue has exceeded revenue projections to 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 department managers to Executive Management for review, who then forward the requested adjustments to the Finance Department for incorporation into proposed budget amendments to be presented to the Governing Board at a Mid-Year Budget Review in February.

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.

## **Amendments to the Budget**

The budget is amended when expenditures are anticipated to significantly exceed estimates. Budget amendments can also take place for expenditures seen as appropriate charges but were not anticipated in the budget process. Any amendments adding to the original budget are brought to the Board of Directors through staff reports at the appropriate committee meeting. The staff is to describe why, how much, and what program budget requires an amendment to the original budget. These approvals are discussed at both the appropriate committee and Board meetings and require a majority vote of the Board of Directors to be incorporated. Upon approval, staff updates the budget and financial system to reflect the approved change.



## Basis of Budgeting

The District's financial reporting structure is fund-based. A fund is defined as a separate, self-balancing set of accounts, used to account for resources that are segregated for specific purposes in accordance with special regulations, restrictions, or limitations. All District funds are categorized as proprietary funds, which are used to account for a government's business-type activity. There are two types of proprietary funds – enterprise funds and internal service funds. Both fund types use the same Generally Accepted Accounting Principles (GAAP), similar to businesses in the private sector. GAAP requires full accrual accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the accounting period incurred. Both enterprise and internal service funds recover the full cost of providing services (including capital costs) through fees and other revenues, and charges on those who use their services.

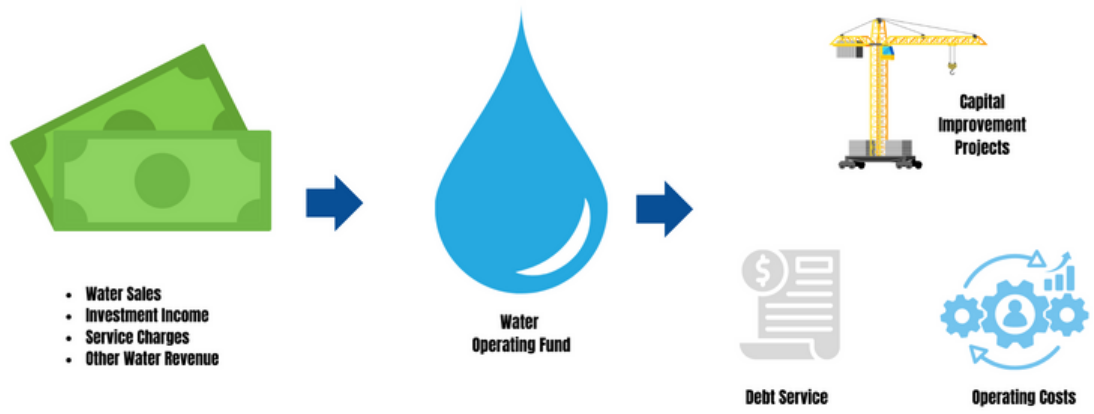
However, for budget purposes, the accrual basis is not the most effective since it does not allow discrete presentation of some significant uses of current financial resources. In these cases, GAAP is not followed, and instead those uses of current resources are shown as expenditures rather than as a reduction to a previously recorded liability, or a capitalized cost. The cases where GAAP is not followed are listed below:

- Capital outlay is budgeted as an expenditure.
- Contributions towards the unfunded liabilities for CalPERS and other post-employment benefits are budgeted as part of the employment expenses.
- Depreciation and amortization are not budgeted.
- Principal and interest payments are reported as a current expense.

# Fund Structure

GAAP requires special districts to account 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 fund the cost of operations and capital needs.

West Valley Water District, uses a single Enterprise Fund that engages in a single business-type activity, the distributions of potable water. The District budgets services in a single business segment: Water. The Water Fund categorizes revenue and expenditures as a function of the Operating Budget, Capital Improvement Budget, or Developer Capacity Fees.



## What is a Budget?

The budget document is the District's annual financial plan prepared by the District Staff and approved by the Board of Directors. The budget is presented as a policy document, an operational tool, a financial planning tool, and a link to the Strategic plan. The budget communicates how investments will be used by providing detailed information on specific resource allocations and expenditures. It also provides significant policy direction from the Board to District staff. The intended audience of the budget document are citizens, local businesses, creditors, governmental agencies, and other stakeholders.

# Budget Guide

The budget is a comprehensive and balanced financial plan that features District services, resources and their allocation, financial policies, and other useful information to allow the users to gain a general understanding of the District's financial status and future plans. The budget is an essential tool for proper financial management. The District develops its annual financial plan with input from each department of the organization and is set prior to the start of each fiscal year. The budget document is prepared by the District staff and approved by the governing board.

## BUDGET OVERVIEW

General information about the District such as: mission statement, vision, statement of values, District history, and organizational chart. This section also includes the demographics of the District along with current and projected economic conditions. It also includes statistics on the District's customers and future development.

## FINANCIAL SUMMARY

Information about the District such as: budget process, budget calendar, fund structure, positions, and employee compensation. It includes an overview of the District's revenues and expenditures for the current budgeted fiscal year. The District prepares a long-term financial plan based on budget input, trends, new programs, and requirements. The Long-Term Financial Plan is located at the end of this section.

## DIVISION SUMMARIES

This section provides a summary of each division's operating expenditures and comprehensive information. The FY 2023-24 Budget is organized into the following divisions:

- BOARD OF DIRECTORS
- ACCOUNTING
- ADMINISTRATION
- BILLING
- CUSTOMER SERVICE
- ENGINEERING
- GEOGRAPHIC INFORMATION SYSTEM
- HUMAN RESOURCES
- INFORMATION TECHNOLOGY
- METER READING
- PUBLIC AFFAIRS
- PURCHASING
- SOURCE OF SUPPLY & PRODUCTION
- TRANSMISSION & DISTRIBUTION
- WATER QUALITY
- WATER TREATMENT

## **EACH DIVISION SECTION INCLUDES:**

- *SERVICE WE PROVIDE*: THIS SECTION INCLUDES A BASIC DESCRIPTION OF THE RESPONSIBILITIES OF EACH DIVISION.
- *PERSONNEL*: THIS SECTION IS THE CHAIN OF COMMAND FOR DIVISION PERSONNEL.
- *SIGNIFICANT CHANGES*: THIS SECTION IDENTIFIES CAUSES OF SIGNIFICANT CHANGES TO DIVISION FUNDING.
- *ACCOMPLISHMENTS*: THIS SECTION INCLUDES HIGHLIGHTS FROM FY 2021-22.
- *GOALS & OBJECTIVES*: THIS SECTION IDENTIFIES SPECIFIC GOALS AND OBJECTIVES FOR FY 2022-23.
- *KEY PERFORMANCE INDICATORS*: THESE TABLES PRESENT MEASURES THAT HELP THE DISTRICT DEFINE AND EVALUATE A DIVISION'S PERFORMANCE.
- *DIVISION BUDGET DETAIL*: THIS SECTION IS A BREAKDOWN OF THE PROGRAM EXPENDITURES BY CATEGORY OR LINE ITEM.

## CAPITAL BUDGET & DEBT MANAGEMENT

This section is an overview of the District's Capital Improvement Projects for the FY 2022-23 Budget. It also includes a summary of the District's outstanding debt.

## FINANCIAL POLICIES

This section includes a summary of the District's financial policies and practices, including the Investment Policy, Carryover Policy, Budget Policy, Reserve Policy, Debt Management Policy, and Procurement Policies and Procedures.

#### GLOSSARY

This final section provides definitions for general terms and acronyms used throughout the budget document.

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# BUDGET OVERVIEW

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## Executive Overview

The budget has two major components: The Operating Budget, and the Non-Operating (Capital) Budget. The Operating Budget includes costs to operate, maintain, treat, and supply safe drinking water to customers. The Non-Operating (Capital) Budget includes Capital Improvement Projects needed to improve existing infrastructure and construct new facilities to support future water needs. Also, it includes annual principal and interest payments to service long-term debt.

The District accounts for both the Operating Budget and Non-Operating (Capital) Budget in a single fund, since WVWD, only engages in one business-type activity. The Water Fund, accounts for potable water operations, debt service payments (principal and interest), and long-term water related capital improvement projects.

The total budget for FY 2023-24 is \$37.7 million with \$32.5 million (86%) in operating and \$5.2 million (14%) in capital and debt. The Operating Budget increased by \$800,000 (3%) and the Non-Operating Budget increased by \$1.5 million (41%) as compared to the FY 2022 - 23 budget.

### Operating Expenses

Operating Expenses consists of operating costs for water. These operating costs are primarily funded through user fees, general property taxes, rental income, and other revenue sources.

About 48.71% of the operating expenses are related to water production, treatment, and distribution. Water treatment (17.38%), Pumping (15.77%), Transmission & Distribution (7.83%), and Source of Supply (7.73%).

### SALARIES & BENEFITS

Personnel related costs represent the largest portion of the Operating Budget. The District continuously works to improve operational efficiencies throughout all areas. Several organizational assessments have been completed to control staffing levels, ensure high quality service to the community, and manage growth within the District's boundaries. For FY 2023 - 24, an increase of 5% in salaries and benefits is included in the adopted budget. Merit (Step) increases for employees who have not reached the top step in their pay range, subject to annual performance evaluations drives this increase. Salaries and benefits for the fiscal year are also based on the current Memorandum of Understanding (MOU).

### Electricity

Electrical power is used to extract groundwater through wells, to treat imported water, surface water, and groundwater when necessary, and to distribute water throughout nine pressure zones within the District using booster pumps.

The electricity rate increases from calendar year 2021 and 2022, which totaled 20% and higher electricity demand has led to an increase in allocated funds. An increase of 15% in electricity is included in the FY 2023-24 adopted budget, from \$4.2 million to \$4.8 million.

### Conclusion

Long-term financial planning and mitigating future increases in expenditures is key for the stability of the District. This budget demonstrates our continued commitment to providing quality water services to protect public health and the environment at the most sustainable cost. As the District grows, more challenges and obstacles will be present. Therefore, conducting strategic planning is very important for the success of the District.

## Budget Summary

The budget for FY 2024 is balanced and reflects the District's commitment to sustainable cost containment and fiscal responsibility. The District projects that it will receive \$37,675,546 in revenues and other funding sources during FY 2024. For expenditures, it projects a total of \$37,675,546, which means the District has a balanced budget for FY 2024. The District projects to fund \$3.3 million of its Capital Improvement Projects from its revenue sources. The table below presents a summary of revenue by type, and expenditures by division except for interest, and is followed by a discussion of revenue and expenditures.

	FY 2021-22 Budget	FY 2022-23 Budget	FY 2023-24 Budget
<b>Revenues</b>			
Water Consumption Sales	18,387,996	19,701,887	19,665,777
Monthly Service Charges	7,572,515	8,218,747	8,504,277
Other Operating Revenue	4,087,998	3,917,196	4,177,477
Other Non-Operating Revenue	2,794,807	3,599,544	5,328,015
<b>Total Revenues</b>	<b>32,843,316</b>	<b>35,437,374</b>	<b>37,675,546</b>
<b>Expenditures</b>			
Source of Supply	1,406,000	2,530,789	2,508,463
Production - Pumping	3,593,450	4,403,550	5,119,150
Water Quality Department	643,130	772,375	801,025
Water Treatment - Perchlorate	280,000	550,000	830,000
Water Treatment - FBR/FXB	1,824,240	2,204,600	1,977,245
Water Treatment - Roemer/Arsenic	2,121,850	1,944,210	2,032,185
Maintenance - Transmission and Distribution	2,490,500	2,545,250	2,541,200
Customer Service	1,236,300	1,323,600	1,368,400
Meter Reading	1,049,700	1,154,500	1,041,100
Billing	498,100	537,700	575,400
Administration	2,305,325	2,512,301	2,412,380
General Operations	3,446,536	3,378,372	3,540,189
Accounting	877,035	974,443	1,039,100
Engineering	1,688,985	1,793,120	1,834,595
Information Technology	1,204,675	1,369,630	1,423,250
GIS	252,550	285,830	262,040
Board of Directors	276,900	304,900	309,700
Human Resources/Risk Management	1,019,030	964,580	874,050
Purchasing	541,400	667,300	677,500
Public Affairs	1,255,136	1,362,912	1,269,200
Grants & Rebates	30,500	80,000	30,000
Interest Expense - Long-Term Debt	951,350	854,298	843,598
<b>Total Expenditures</b>	<b>28,992,692</b>	<b>32,514,260</b>	<b>33,309,770</b>
<b>Debt Service</b>	<b>1,082,629</b>	<b>1,092,629</b>	<b>1,107,629</b>
<b>Operating Revenue to Fund CIP</b>	<b>2,747,000</b>	<b>1,830,485</b>	<b>3,258,147</b>
<b>Net Surplus (Deficit)*</b>	<b>20,995</b>	<b>-</b>	<b>-</b>

\*The net surplus amount is the amount that gets transfer to/(from) the reserve.

# District Wide Priorities and Goals

## PRIORITIES

1. Continue to deliver safe, reliable, high-quality water at an affordable price.
2. Nurture a culture that values our employees, customer service, innovation, integrity, excellence, transparency, and conservation.
3. Implement technologies that increase efficiency and enhance safety
4. Plan and be prepared for anticipated significant housing growth in the District.
5. Further refine procedures to ensure the District safeguards ratepayer funds, operates efficiently, enhances transparency, and protects employees and District assets.

The following table provides a list of the Districts' priorities and goals being implemented in the Fiscal Year 2022-23, including the department(s) responsible for them

Priorities	Department	Goals
1	Operations/ Engineering/ Administration	Successfully complete the Residential Lead and Copper Rule Sampling
		Built four effluent booster pumps to increase the treatment capacity from 12 MDG to 14.4 MGD
		Repaired and or replaced 280 water services
		Develop projects and programs to ensure safe and reliable services
		Effectively locate and continue to replace worn out and inoperable valves
		Continue with the AMI project and ensure its completion
2	Human Resources & Risk Management/ Public Affairs/ Finance	Cultivate strong working relationships with all departments
		Keep ratepayers engaged by communicating successes and ongoing changes
		Educate the public about the benefits of WVWD via various communication strategies and tactics
		Improve communication between internal/external customers
		Strive to provide top-tier customer service
		Promote an environment of active learning and knowledge sharing
3	General Services/ Engineering	Integrate District Technology services to provide a uniform Access control and maximize productivity
		Work with staff to develop video Security surveillance system to meet District needs
		Develop a real time monitoring program
		Update the Emergency Action Plan to ensure safety
		Use standardized technologies and techniques to increase the efficiency in editing GIS
		Develop a Portal on premises to increase system security and speed
4	Engineering/ Operations	Identifying facilities required to support upcoming development for the 5-year CIP
		Explore new water supply projects and options to ensure a reliable water supply for the future
		Support and assist with the Oliver P. Roemer Expansion Project
		Oversee the replacement of Zone 2 & 3 Transmission Main
		Manage the capital improvement projects for Fiscal Year 2023-24
		Dedicate efforts toward system maintenance and modernization
5	Finance	Provide accurate, reliable, and timely financial reporting to all District's stakeholders
		Maintain strong financial policies and management practices
		Continue implementing effective investment strategies

## Long-Term Financial Plan Narrative

The long-term financial plan provides a forward-looking view of the District's operating funds, allowing district management and others to evaluate the long-term sustainability of the District's operating budget. It helps determine whether financial resources will be available to achieve the District's long-term goals and objectives, and to contribute to capital programs and reserve levels. The District's long-term planning efforts have always included consideration of the age, condition, and efficiency of infrastructure used to deliver services to District customers, along with compliance with water quality regulations. But in recent years, the drought in California has raised the preservation and sustainability of water supplies, and water quality, as prominent issues in the planning of future operations. Based on these identified priorities, the District has developed goals that will have a significant impact on the District's operating budget over the next few years, including:

- *Cost recovery through development fees*
- *Expansion of the Oliver P. Roemer Water Filtration Facility*
- *Meet water quality standards*
- *Replacement of aging pipelines and increased water storage capacity*

The achievement of these goals is subject to certain assumptions but will remain a priority as they support the District Vision and Strategic Plan. To build the budget for the upcoming fiscal year and to forecast 4 subsequent years, FY 2024 to FY2028. This financial forecast is designed to provide a general understanding of how revenues and expenditures are expected to affect the District. This forecast also highlights the funding of capital projects and expense amounts each year. General inflators and historical trends were used for the estimates and the graph has footnotes.

## General Fund Forecast

The District must replace existing aging infrastructure to service the needs of its customers. The Engineering Division looks at the service needs of all customers over the next five years and at the betterment, replacement, and expansion needs from now until ultimate build-out. The impact of the CIPs on the Operating Budget is addressed in the CIP section of this budget.

This forecast incorporates both cost increases for expenditures and growth projections for revenues. It also incorporates a projection of capacity charges of \$3 million annually. This plan outlines the water infrastructure needs until the District reaches build-out. The District also uses a long-term wage and benefit model as well as detailed cost of service studies. An analysis of long-term obligations has been completed in order to find the best fit for the District to balance current cash flow while stabilizing costs. Some of the cost saving measures include the advance funding of OPEB and inventory acquisition plan due to inflation and scarcity of materials. The CIP shown in the forecast will be funded by capacity charges, reimbursement agreements, and revenues from operations.

### West Valley Water District Forecast Fiscal Years 2023- 2028

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenue</b>						
Water Consumption Sales <sup>1</sup>	\$ 17,318,707	\$ 20,135,330	\$ 20,578,307	\$ 21,031,030	\$ 21,493,712	\$ 21,923,586
Water Service Charges	8,300,964	8,398,906	8,583,682	8,772,523	8,965,519	9,144,829
Other Operating Revenue	5,043,013	4,004,025	4,092,114	4,182,140	4,274,147	4,359,630
Property Taxes <sup>2</sup>	3,738,696	3,315,132	3,580,343	3,866,770	4,176,112	4,259,634
Grants and Reimbursements	267,953	50,501	50,754	51,008	51,008	51,518
Interest and Investment Earnings <sup>3</sup>	3,230,512	3,200,000	357,035	364,211	364,211	382,422
Rental Revenue <sup>4</sup>	38,457	39,226	40,011	40,811	41,627	42,460
Capacity Charges	6,483,012	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Gain on Sales of Capital Assets	735,494	-	-	-	-	-
Other Non-Operating Revenues	10,420,619	19,382	19,576	19,771	20,167	20,570
<b>Total Revenue/ Sources</b>	<b>\$ 55,577,427</b>	<b>\$ 42,162,502</b>	<b>\$ 40,301,822</b>	<b>\$ 41,328,264</b>	<b>\$ 42,386,503</b>	<b>\$ 43,184,649</b>
<b>Expenditures</b>						
Source of Supply <sup>5</sup>	\$ 1,996,352	\$ 2,036,279	\$ 2,077,005	\$ 2,118,545	\$ 2,160,916	\$ 2,204,134
Pumping	4,673,072	4,766,533	4,861,864	4,959,101	5,058,283	5,159,449
Water Treatment	4,678,970	4,772,549	4,868,000	4,965,360	5,064,668	5,165,961
Transmission and Distribution	2,568,261	2,619,626	2,672,019	2,725,459	2,779,968	2,835,568
Customer Accounts	2,663,587	2,690,223	2,717,125	2,744,296	2,771,739	2,799,457
Public Affairs	939,913	958,711	977,885	997,443	1,017,392	1,037,740
General and Administrative	10,293,477	10,499,347	10,709,333	10,923,520	11,141,991	11,364,830
Debt Service <sup>6</sup>	2,090,000	4,011,129	4,011,129	4,010,129	4,010,129	4,010,129
Capital Expenditures/Replacement & Outlay	4,023,500	5,600,000	5,800,000	9,335,000	4,500,000	10,000,000
<b>Total Expenditures</b>	<b>\$ 33,927,132</b>	<b>\$ 37,954,398</b>	<b>\$ 38,694,361</b>	<b>\$ 42,778,854</b>	<b>\$ 38,505,086</b>	<b>\$ 44,577,268</b>
Unrestricted Funds	36,805,255	51,972,538	53,180,643	51,788,103	47,337,513	48,218,930
Restricted Funds	17,564,802	24,047,814	27,047,814	30,047,814	33,047,814	36,047,814
<b>Change in Equity</b>	<b>\$ 21,650,295</b>	<b>\$ 4,208,105</b>	<b>\$ 1,607,461</b>	<b>\$ (1,450,590)</b>	<b>\$ 3,881,417</b>	<b>\$ (1,392,618)</b>
<b>Beginning Fund Equity</b>	<b>\$ 54,370,057</b>	<b>\$ 76,020,352</b>	<b>\$ 80,228,457</b>	<b>\$ 81,835,917</b>	<b>\$ 80,385,327</b>	<b>\$ 84,266,744</b>
<b>Ending Fund Equity</b>	<b>\$ 76,020,352</b>	<b>\$ 80,228,457</b>	<b>\$ 81,835,917</b>	<b>\$ 80,385,327</b>	<b>\$ 84,266,744</b>	<b>\$ 82,874,126</b>

1. Based on historic revenue growth trends. Also including an average customer growth rate of approximately 2.2% based on historical growth.

2. Based on an average historic growth rate of approximately 8% and district's service area expansion.

3. Earnings depend on the market performance and interest rates.

4. Based on an average historic growth rate of approximately 2.5%.

5. Operating expenses were based on historic expenditure growth trends. Also including an average customer growth rate of approximately 2.2% and inflation.

6. Amounts are derived from the District's current debt amortization schedules. Debt may change in the future.

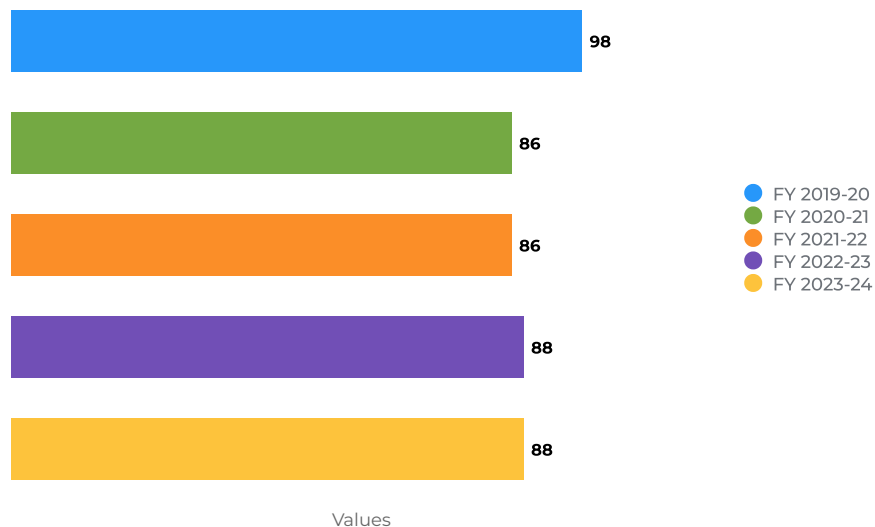
## Position Summary Schedule

West Valley Water District continues to evaluate staffing needs to ensure all services are addressed by first-class personnel. This process is supported by the strategic direction and succession planning efforts approved by the Board of Directors. There are no position changes for FY2023-24 as of the budget approval date.

The table below summarizes the number of full-time personnel by Division. All authorized positions are funded in the proposed budget for FY 2023-24. There were no part-time positions and two intern positions for the division of Geographic Information System and Public Affairs that were excluded from the total positions.

Department		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
5210	Water Production	10	10	9	9	9
5310	Water Quality	4	4	4	4	4
5350	FBR Water Treatment Plant	4	4	4	4	4
5390	Roemer Water Treatment Plant	5	3	3	3	3
5410	Transmission & Distribution	12	10	11	12	12
5420	Asset Management	3	0	0	0	0
5510	Customer Service	9	9	9	9	9
5520	Meter Reading	8	7	7	7	7
5530	Billing	3	3	3	3	3
5610	Administration	7	7	5	5	5
5620	Accounting	5	5	5	5	5
5630	Engineering	12	8	10	10	10
5640	Business Systems/IT	4	4	4	4	4
5645	Geographic Information System	1	1	1	1	1
5660	Human Resources	3	3	3	3	3
5680	Purchasing	4	5	4	5	5
5710	Public Affairs	4	3	4	4	4
<b>TOTAL</b>		<b>98</b>	<b>86</b>	<b>86</b>	<b>88</b>	<b>88</b>

### Total Authorized Positions



Values



# Employee Compensation

In accordance with the Board's Strategic Vision, the District is committed to paying a fair and sustainable wage with the dual purpose of attracting and retaining a talented workforce.

## EMPLOYEE BENEFITS

**Healthcare Benefits** – All new, full-time, regular employees of the District on initial probationary status are provided membership in an approved group health insurance plan at the earliest opportunity of inclusion. The District pays 100% of employee's medical premium to all employees.

**Vacation Time** – Vacation leave accrues per complete pay period and is credited each pay period. Below is a table with the vacation accruals.

Length of Continuous Service	Annual Vacation Allowance	Per Pay Period Accrual	Maximum Allowed Accrued Vacation
After 1 Year	80 Work Hours	3.1 Work Hours	120 Work Hours
After 4 Years	120 Work Hours	4.6 Work Hours	180 Work Hours
After 9 Years	160 Work Hours	6.2 Work Hours	240 Work Hours
After 14 Years	200 Work Hours	7.7 Work Hours	300 Work Hours

**Sick Leave** – Employees are entitled to 96.2 hours per year with unrestricted accumulation.

**CalPERS** – Regular District employees hired on or after January 1, 2013, and who has no prior membership in any California public retirement system are enrolled under the 2% @ 62 retirement program. Regular District employees hired before January 1, 2013, are considered Classic Members with a 2% @ 55% program and the District pays the total cost of the member (employee) and employer contributions.

**Deferred Compensation** – Deferred Compensation Plan is available to those who wish to participate. The District will match the following contributions per pay period based on the employee's contribution as follows:

Employee Contributions	Employer Match
\$50 =	\$25.00
\$100 =	\$50.00
\$150 =	\$75.00

**Holidays** – Full-time employees are entitled to 12 designated holidays and 2 personal days per year.

**Life Insurance** – The benefit becomes effective after 30 days of employment on the first of the following month. The District pays the total cost, including dependents. The plan coverage includes \$175,000 (employees), \$225,000 (middle managers) and \$300,000 (directors).

**Tuition Loan Program** – Full-time, regular employees are eligible to receive up to \$5,000 per year through the loan program, which may be used for registration, books, and other related school expenses.

**Additional Benefits** – Other benefits available to eligible District employees include Short-Term & Long-Term Disability, and an alternative work schedule.

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# FUND SUMMARIES

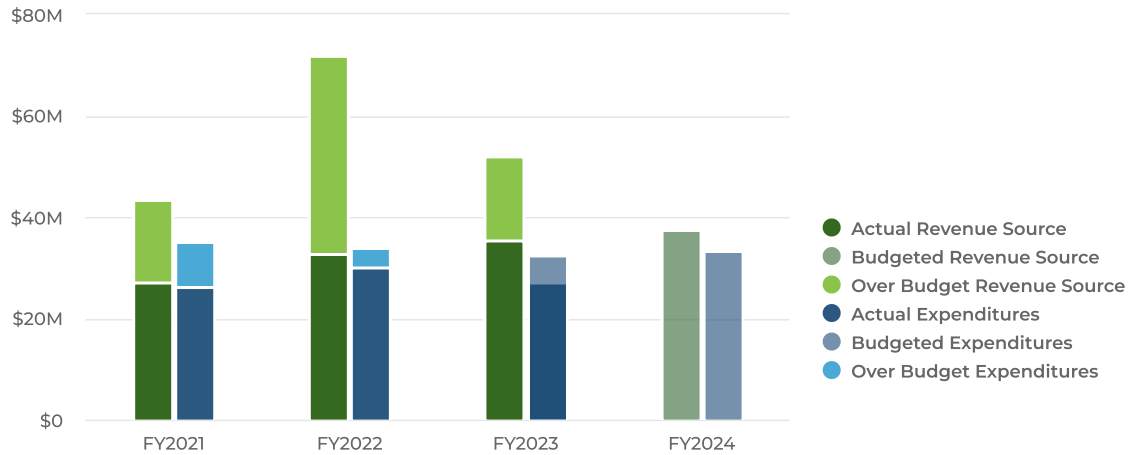
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## Water Operations Fund

West Valley Water District is a special purpose government that has enterprise activity and follows the reporting requirement for enterprise funds. The District, uses a single Enterprise Fund that engages in a single business-type activity, the distribution of potable water. The District budgets services in a single business segment: Water. The Water Fund categorizes revenue and expenditures as a function of the Operating Budget, Capital Improvement Budget, or Developer Capacity Fees.

### Summary

West Valley Water District is projecting \$37.68M of revenue in FY2024, which represents a 6.3% increase over the prior year. Budgeted expenditures are projected to increase by 2.4% or \$796.51K to \$33.35M in FY2024.



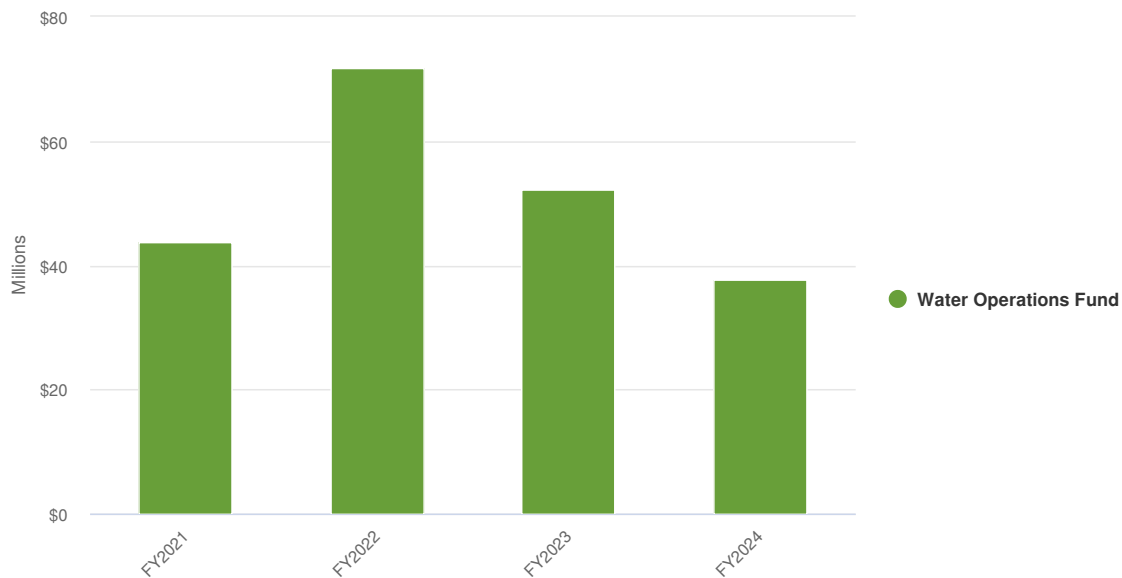
### Water Operations Fund Comprehensive Summary

Name	FY2023 Budget	FY2023 Actual	FY2024 Budgeted
<b>Beginning Fund Balance:</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Revenues</b>			
Sales - Water Consumption	\$19,701,888.00	\$17,303,481.47	\$19,665,777.00
Sales - Water Service Charges	\$8,168,023.00	\$8,302,407.92	\$8,458,277.00
Other Operating Revenue	\$3,967,920.00	\$3,376,801.34	\$4,223,477.00
Property Taxes	\$3,069,566.00	\$3,746,577.84	\$3,147,135.00
Grants and Reimbursements	\$127,892.00	\$267,953.19	\$102,704.33
Interest & Investment Earnings	\$350,000.00	\$3,305,326.05	\$2,020,626.49
Rental Revenue	\$36,303.00	\$38,457.45	\$40,835.61
Gain on Sale of Capital Assets	\$0.00	\$735,493.68	\$0.00
Other Non-Operating	\$15,783.00	\$10,420,618.71	\$16,713.82
Capacity Charges	\$0.00	\$4,676,168.00	\$0.00
<b>Total Revenues:</b>	<b>\$35,437,375.00</b>	<b>\$52,173,285.65</b>	<b>\$37,675,546.25</b>
<b>Expenditures</b>			
Labor	\$9,207,100.00	\$8,012,021.15	\$9,651,100.00

Name	FY2023 Budget	FY2023 Actual	FY2024 Budgeted
Benefits	\$6,226,195.00	\$5,024,057.38	\$6,363,245.00
Professional Development	\$325,868.00	\$216,928.41	\$363,090.00
Source of Supply	\$2,475,485.00	\$1,703,766.62	\$2,508,463.00
Contract Services	\$1,813,080.00	\$1,211,870.71	\$1,822,980.00
Legal Services	\$500,000.00	\$620,605.13	\$400,000.00
Rentals	\$20,000.00	\$23,164.43	\$20,000.00
Materials and Supplies	\$1,363,400.00	\$1,025,545.77	\$1,490,820.00
Miscellaneous	\$1,822,300.00	\$1,463,146.93	\$1,808,369.00
Community Outreach	\$179,900.00	\$125,724.40	\$176,000.00
Repair and Maintenance	\$3,065,574.00	\$2,556,289.00	\$2,921,800.00
Utilities	\$4,661,060.00	\$3,867,857.90	\$4,941,305.00
Interest Expense	\$888,300.00	\$640,577.04	\$877,600.00
Board Approved - Rate Rebate	\$0.00	-\$264.93	\$0.00
Debt Issuance Cost	\$6,615.00	\$0.00	\$6,615.00
Change in Contingent Liability	\$0.00	\$712,500.00	\$0.00
<b>Total Expenditures:</b>	<b>\$32,554,877.00</b>	<b>\$27,203,789.94</b>	<b>\$33,351,387.00</b>
<b>Total Revenues Less Expenditures:</b>	<b>\$2,882,498.00</b>	<b>\$24,969,495.71</b>	<b>\$4,324,159.25</b>
<b>Ending Fund Balance:</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

## Revenue by Fund

### Budgeted and Historical 2024 Revenue by Fund



Name	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)
Water Operations Fund	\$35,437,375.00	\$52,173,285.65	\$37,675,546.25	6.3%
<b>Total Water Operations Fund:</b>	<b>\$35,437,375.00</b>	<b>\$52,173,285.65</b>	<b>\$37,675,546.25</b>	<b>6.3%</b>

## Revenues by Source

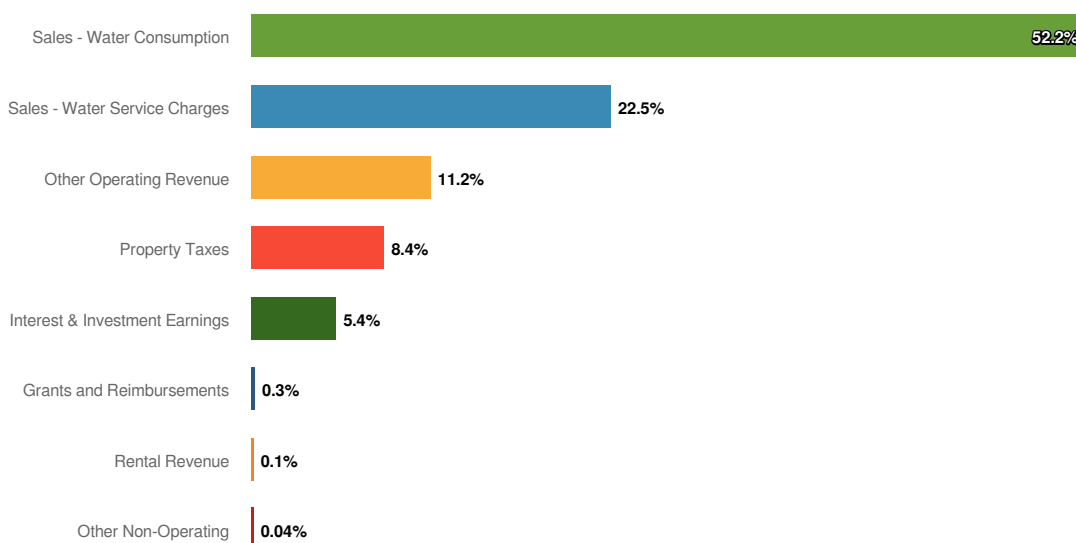
The District receives funding from a variety of sources: domestic water sales, property taxes, monthly domestic water service charges, investment income, rental income, assessments that support future development, and charges for miscellaneous services.

For Fiscal Year 2023-24, the projected revenue total is \$37,675,546. Water consumption sales are 52.2% of total revenues. In addition, proceeds from monthly service charges are 22.5%. Other operating revenue proceeds are 11.2%, with other non-operating revenue at 14.1% of total revenues.

The District has three revenue categories based on rates:

- *Water Consumption Sales*
- *Monthly Service Charges*
- *Other Charges*

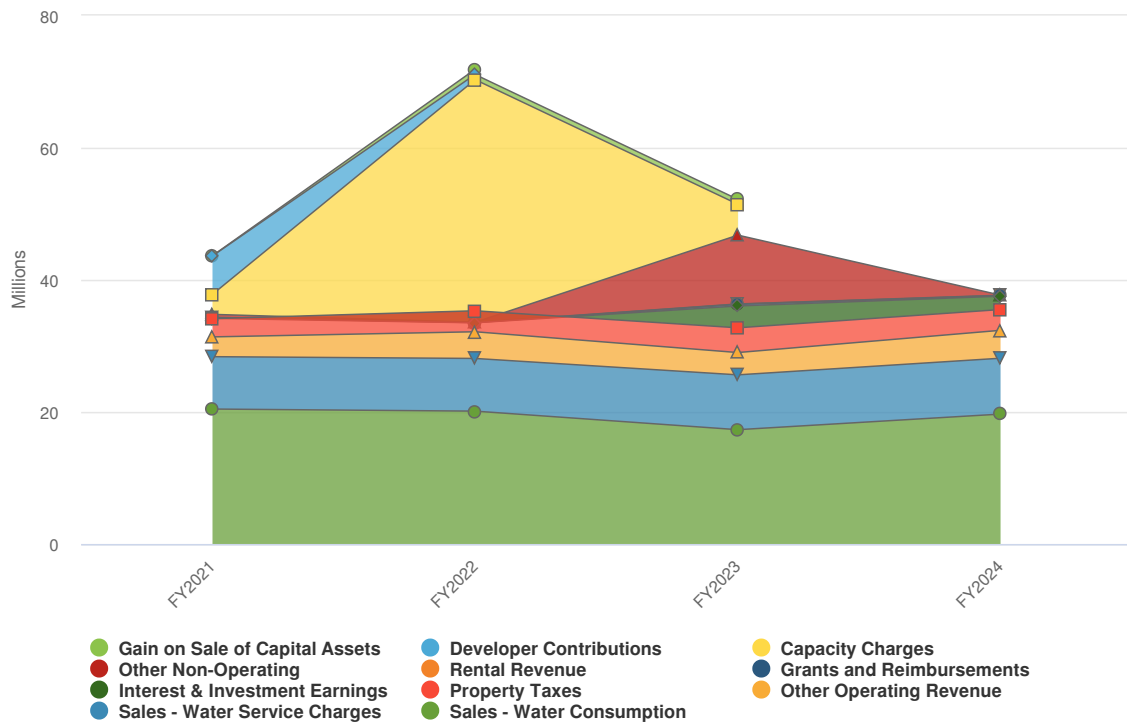
### Projected 2024 Revenues by Source



All customers are required to pay fixed monthly fees, service charges, based on the meter size. Also, penalties are charged to the District customer accounts when payments are delinquent.

The District will provide water service to approximately 24,000 potable customers by the end of FY 2024. An estimated 93 percent of the potable customers are residential and the remaining 7 percent are comprised of fire service, business, commercial, and agricultural.

## Budgeted and Historical 2024 Revenues by Source



Name	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)
Revenue Source				
Sales - Water Consumption	\$19,701,888.00	\$17,303,481.47	\$19,665,777.00	-0.2%
Sales - Water Service Charges	\$8,168,023.00	\$8,302,407.92	\$8,458,277.00	3.6%
Other Operating Revenue	\$3,967,920.00	\$3,376,801.34	\$4,223,477.00	6.4%
Property Taxes	\$3,069,566.00	\$3,746,577.84	\$3,147,135.00	2.5%
Grants and Reimbursements	\$127,892.00	\$267,953.19	\$102,704.33	-19.7%
Interest & Investment Earnings	\$350,000.00	\$3,305,326.05	\$2,020,626.49	477.3%
Rental Revenue	\$36,303.00	\$38,457.45	\$40,835.61	12.5%
Gain on Sale of Capital Assets	\$0.00	\$735,493.68	\$0.00	0%
Other Non-Operating	\$15,783.00	\$10,420,618.71	\$16,713.82	5.9%
Capacity Charges	\$0.00	\$4,676,168.00	\$0.00	0%
<b>Total Revenue Source:</b>	<b>\$35,437,375.00</b>	<b>\$52,173,285.65</b>	<b>\$37,675,546.25</b>	<b>6.3%</b>

## Revenue Major Changes

West Valley Water District utilizes historical information and input directly from retail customers to determine the budgeted water sales for the next Fiscal Year. The District uses delivery estimates, historical information along with projected water demand based on production and consumption trends. Projected demands in each of the three billing tiers are based on the actual monthly indoor and outdoor consumption from the previous year, weather assumptions measured in inches of Evapotranspiration (ET), and the impact of water consumption, outreach, conservation messaging, and water use efficiency programs.

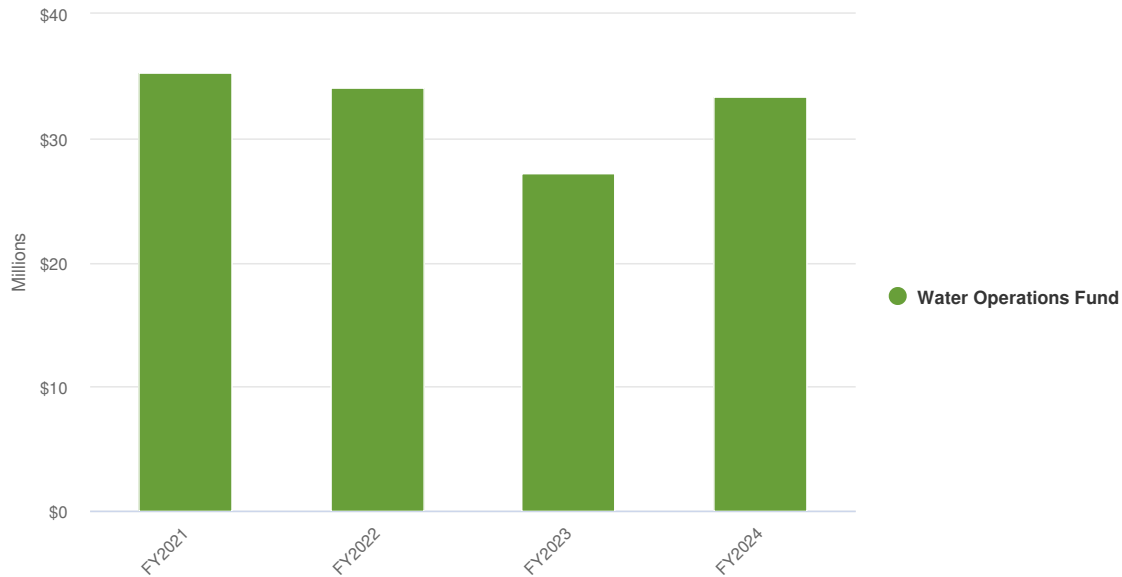


## Expenditures by Fund

The District prepares its annual budget based on operating expenses proposed by division managers, scheduled debt service payments, and capital expenditures prioritized in the District's capital improvement plan.

For fiscal 2024, the projected expense total is \$37,675,546, which includes debt service and contribution to capital projects. The main operating expenses for the District are functions regarding the production of water and its distribution. The functions are Source of Supply, Pumping, Water Treatment, and Transmission & Distribution for a total of \$15,810,268. This was an increase of approximately 3.7%, in FY 2024 compared to FY 2023 which was \$15,253,470.

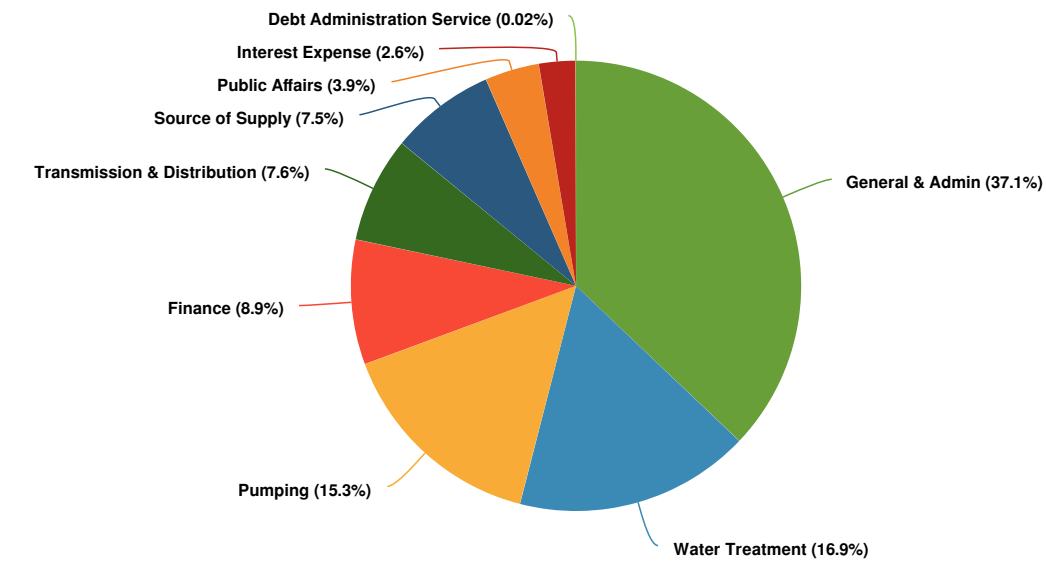
### Budgeted and Historical 2024 Expenditures by Fund



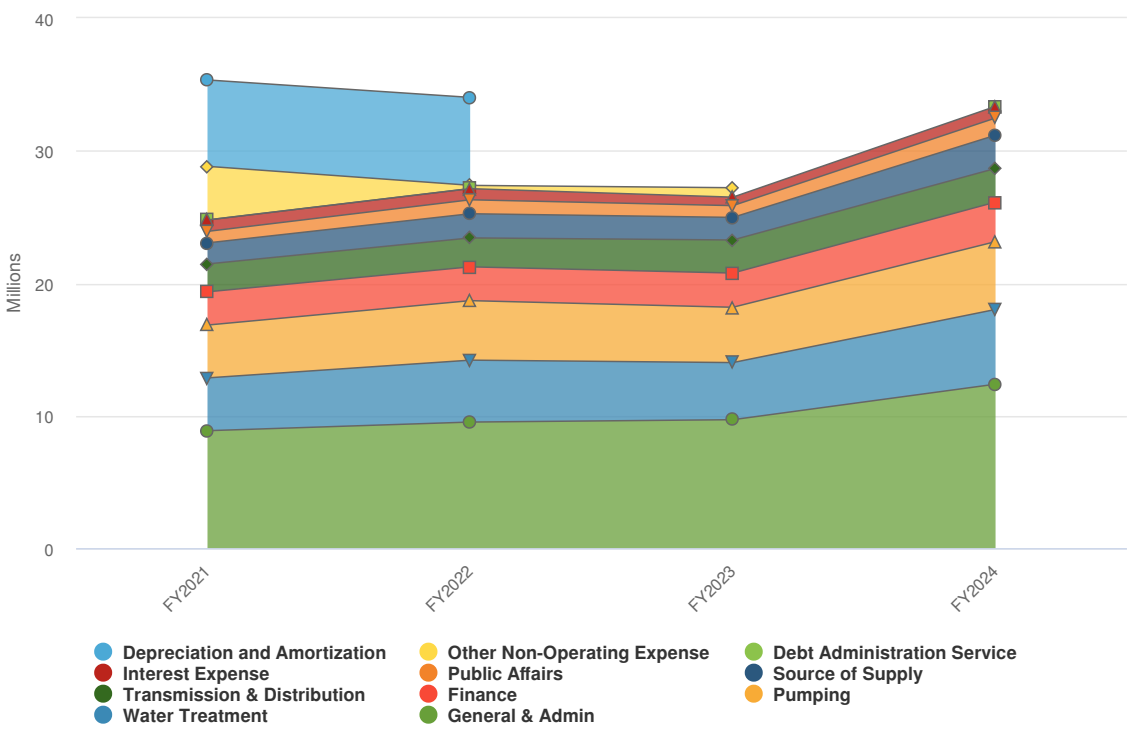
Name	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)
Water Operations Fund	\$32,554,877.00	\$27,203,789.94	\$33,351,387.00	2.4%
<b>Total Water Operations Fund:</b>	<b>\$32,554,877.00</b>	<b>\$27,203,789.94</b>	<b>\$33,351,387.00</b>	<b>2.4%</b>

# Expenditures by Function

## Budgeted Expenditures by Function



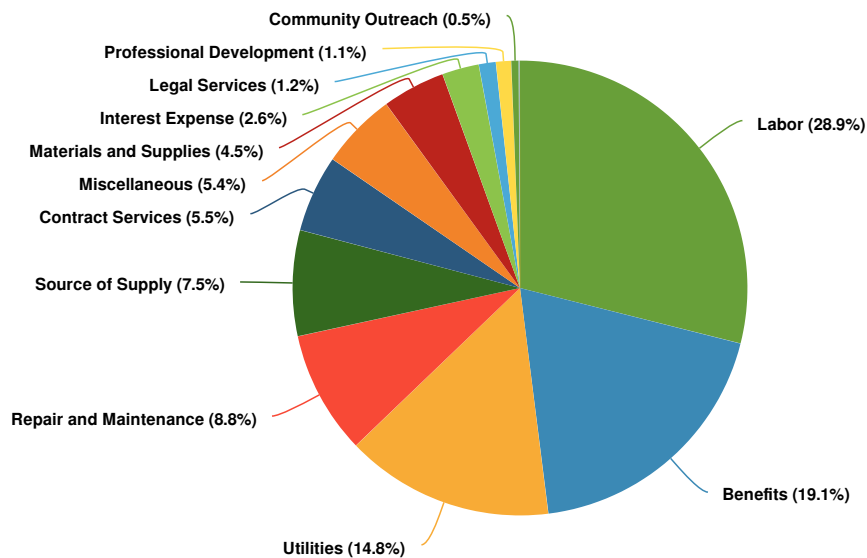
## Budgeted and Historical Expenditures by Function



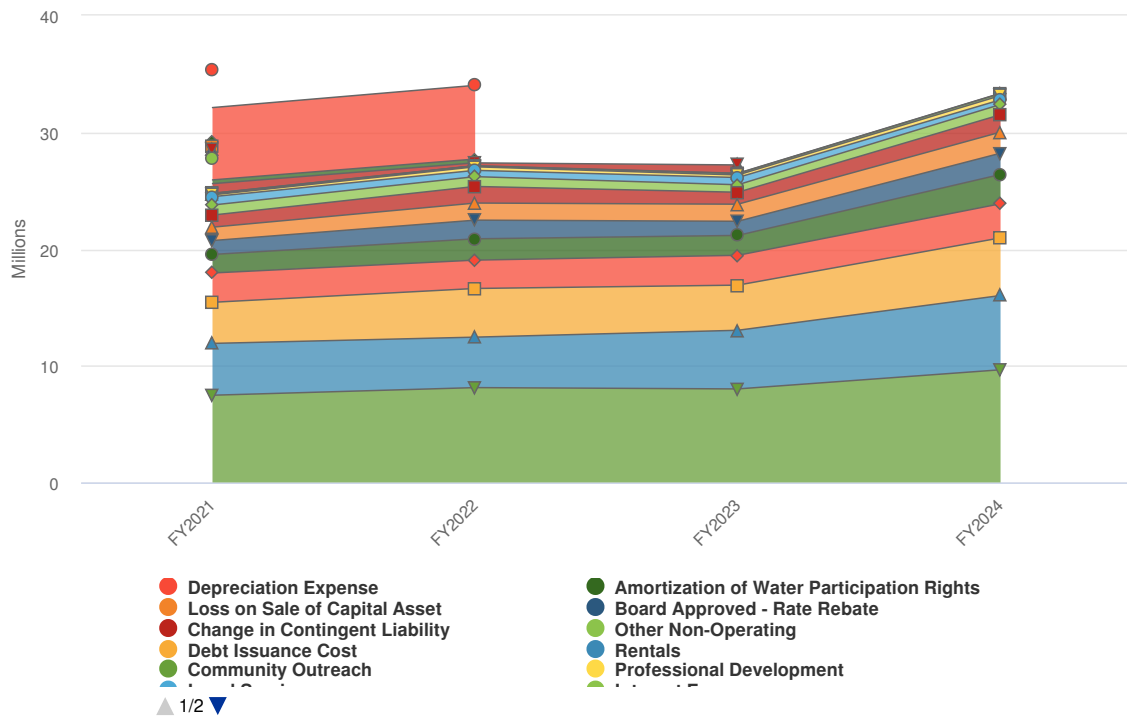
Name	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)
Expenditures				
Source of Supply	\$2,475,485.00	\$1,703,766.62	\$2,508,463.00	1.3%
Pumping	\$4,990,550.00	\$4,175,539.19	\$5,119,150.00	2.6%
Water Treatment	\$5,092,185.00	\$4,311,825.66	\$5,641,455.00	10.8%
Transmission & Distribution	\$2,695,250.00	\$2,497,351.99	\$2,541,200.00	-5.7%
Finance	\$3,077,300.00	\$2,583,154.01	\$2,984,900.00	-3%
General & Admin	\$12,062,556.00	\$9,691,271.85	\$12,372,804.00	2.6%
Public Affairs	\$1,266,636.00	\$888,068.51	\$1,299,200.00	2.6%
Other Non-Operating Expense	\$0.00	\$712,235.07	\$0.00	0%
Interest Expense	\$888,300.00	\$640,577.04	\$877,600.00	-1.2%
Debt Administration Service	\$6,615.00	\$0.00	\$6,615.00	0%
<b>Total Expenditures:</b>	<b>\$32,554,877.00</b>	<b>\$27,203,789.94</b>	<b>\$33,351,387.00</b>	<b>2.4%</b>

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Budgeted and Historical Expenditures by Expense Type



Name	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)
Expense Objects				
Labor	\$9,207,100.00	\$8,012,021.15	\$9,651,100.00	4.8%
Benefits	\$6,226,195.00	\$5,024,057.38	\$6,363,245.00	2.2%
Professional Development	\$325,868.00	\$216,928.41	\$363,090.00	11.4%
Source of Supply	\$2,475,485.00	\$1,703,766.62	\$2,508,463.00	1.3%
Contract Services	\$1,813,080.00	\$1,211,870.71	\$1,822,980.00	0.5%
Legal Services	\$500,000.00	\$620,605.13	\$400,000.00	-20%
Rentals	\$20,000.00	\$23,164.43	\$20,000.00	0%
Materials and Supplies	\$1,363,400.00	\$1,025,545.77	\$1,490,820.00	9.3%
Miscellaneous	\$1,822,300.00	\$1,463,146.93	\$1,808,369.00	-0.8%
Community Outreach	\$179,900.00	\$125,724.40	\$176,000.00	-2.2%
Repair and Maintenance	\$3,065,574.00	\$2,556,289.00	\$2,921,800.00	-4.7%
Utilities	\$4,661,060.00	\$3,867,857.90	\$4,941,305.00	6%
Interest Expense	\$888,300.00	\$640,577.04	\$877,600.00	-1.2%
Board Approved - Rate Rebate	\$0.00	-\$264.93	\$0.00	0%
Debt Issuance Cost	\$6,615.00	\$0.00	\$6,615.00	0%
Change in Contingent Liability	\$0.00	\$712,500.00	\$0.00	0%
<b>Total Expense Objects:</b>	<b>\$32,554,877.00</b>	<b>\$27,203,789.94</b>	<b>\$33,351,387.00</b>	<b>2.4%</b>

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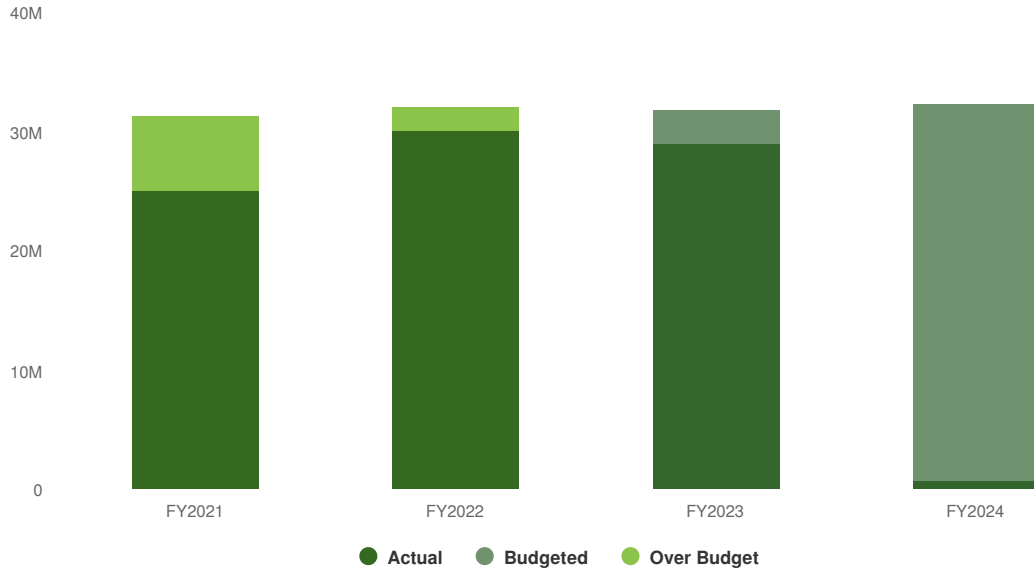
## **FUNDING SOURCES**

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## Operating Revenues Summary

**\$32,347,531** **\$509,700**  
(1.60% vs. prior year)

### Operating Revenues Proposed and Historical Budget vs. Actual



## Revenue by Fund

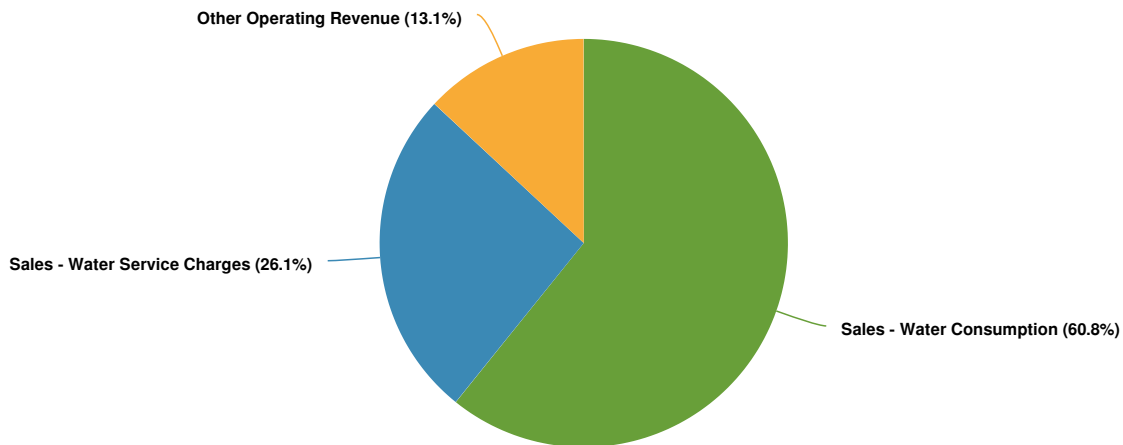
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Water Operations Fund</b>						
<b>Sales - Water Consumption</b>						
Water Domestic / Tier 1	100-4000-400-4001	\$5,156,691.00	\$5,042,702.30	\$5,081,244.00	-1.5%	
Water Domestic / Tier 2	100-4000-400-4002	\$7,180,612.00	\$5,645,375.78	\$7,018,858.00	-2.3%	
Water Domestic / Tier 3	100-4000-400-4003	\$6,206,073.00	\$5,373,935.39	\$6,632,249.00	6.9%	
Revenue / Water Domestic	100-4000-400-4005	\$0.00	\$448,844.20	\$0.00	0%	
Revenue / Water-Pressure Irr	100-4000-400-4006	\$33,077.00	\$11,533.53	\$0.00	-100%	
Revenue / Water-Hydrant	100-4000-400-4007	\$409,687.00	\$377,356.49	\$480,822.00	17.4%	
Revenue / Water-Unauth Use Fir Ser	100-4000-400-4008	\$226,349.00	\$164,207.49	\$142,604.00	-37%	
Revenue / Wholesale Water Sales	100-4000-400-4009	\$225,000.00	\$238,552.87	\$308,000.00	36.9%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Revenue / Water Revenue & Unauth	100-4000-400-4011	\$149.00	\$973.42	\$2,000.00	1,242.3%	
Rentals & Leases / Chino Basin Wtr Rights	100-4000-400-4012	\$264,250.00	\$0.00	\$0.00	-100%	
<b>Total Sales - Water Consumption:</b>		<b>\$19,701,888.00</b>	<b>\$17,303,481.47</b>	<b>\$19,665,777.00</b>	<b>-0.2%</b>	
<b>Sales - Water Service Charges</b>						
Revenue / Domestic Mo Ser Chg	100-4010-401-4050	\$7,802,804.00	\$7,828,150.35	\$8,039,316.00	3%	
Revenue / Fire Service Mo Ser Chg	100-4010-401-4051	\$345,581.00	\$377,636.92	\$341,961.00	-1%	
Revenue / Hydrants Mo Ser Chg	100-4010-401-4052	\$19,000.00	\$95,176.79	\$75,000.00	294.7%	
Revenue / Backflow Install Chg	100-4010-401-4114	\$638.00	\$1,443.86	\$2,000.00	213.5%	
<b>Total Sales - Water Service Charges:</b>		<b>\$8,168,023.00</b>	<b>\$8,302,407.92</b>	<b>\$8,458,277.00</b>	<b>3.6%</b>	
<b>Other Operating Revenue</b>						
Revenue / Backflowdevice Mo Ser Chg	100-4020-405-4054	\$47,370.00	\$48,638.30	\$48,000.00	1.3%	
Revenue / Pressure Irr Mo Ser Chg	100-4020-405-4055	\$3,354.00	\$1,205.52	\$0.00	-100%	
Revenue / Cash Variance	100-4020-405-4100	\$0.00	\$167.40	\$0.00	0%	
Revenue / Delinquent Charge	100-4020-405-4101	\$341,250.00	\$330,575.00	\$450,000.00	31.9%	
Revenue / Fines-Unauth Water Use	100-4020-405-4103	\$1,000.00	\$1,560.92	\$1,300.00	30%	
Revenue / Returned Check Charge	100-4020-405-4105	\$5,712.00	\$8,900.00	\$10,000.00	75.1%	
Revenue / Turn On/Turn Off Non Pay	100-4020-405-4106	\$131,250.00	\$400.00	\$130,000.00	-1%	
Revenue / Lien Fee	100-4020-405-4107	\$1,000.00	\$60.00	\$1,000.00	0%	
Revenue / Special Turn On Charges	100-4020-405-4108	\$6,326.00	\$4,300.00	\$12,000.00	89.7%	
Revenue / Fire Flow Test	100-4020-405-4110	\$8,784.00	\$9,900.00	\$10,000.00	13.8%	
Revenue / Inspection	100-4020-405-4111	\$80,000.00	-\$857.59	\$112,216.00	40.3%	
Revenue / Meter Installation Charge	100-4020-405-4112	\$190,000.00	\$9,954.00	\$297,878.00	56.8%	
Revenue / Plan Check Fees	100-4020-405-4113	\$49,905.00	\$25,912.00	\$25,000.00	-49.9%	
Revenue / Water Service Ap Fee	100-4020-405-4115	\$46,792.00	\$36,600.00	\$42,000.00	-10.2%	
Revenue / Unclaimed Customer Refund	100-4020-405-4116	\$0.00	\$59,966.21	\$20,000.00	N/A	
Operating Revenue / Miscellaneous	100-4020-405-4117	\$5,000.00	\$12,288.16	\$5,000.00	0%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Revenue / Copies & Standards	100-4020-405-4118	\$118.00	\$50.00	\$200.00	69.5%	
Other Income / Administrative Fee	100-4020-405-4120	\$185,000.00	\$8,423.37	\$230,478.00	24.6%	
Other Income / Document Fee	100-4020-405-4122	\$50.00	\$5.00	\$50.00	0%	
Other Income / Revenue-Other Activities	100-4020-405-4123	\$2,071.00	\$1,977.91	\$2,500.00	20.7%	
Other Income / Energy Programs	100-4020-405-4124	\$20,000.00	\$10,504.43	\$20,000.00	0%	
Other Income / Field Equip Reimbursement	100-4020-405-4125	\$47,113.00	\$60,047.43	\$50,000.00	6.1%	
Other Income / Conservation Rebate Reimb	100-4020-405-4126	\$20,000.00	\$151,613.96	\$20,000.00	0%	
Other Income / Baseline Feeder Operat'ns	100-4020-405-4127	\$800,000.00	\$858,181.89	\$1,050,000.00	31.3%	
Other Income / Reimb. 3A1 Pump	100-4020-405-4128	\$94,191.00	\$98,058.17	\$100,000.00	6.2%	
Other Income / Reimbursement - UTC Routine	100-4020-405-4131	\$1,675,000.00	\$1,450,212.54	\$1,385,855.00	-17.3%	
Other Income / Rialto-Tr Plant	100-4020-405-4132	\$206,634.00	\$188,156.72	\$200,000.00	-3.2%	
<b>Total Other Operating Revenue:</b>		<b>\$3,967,920.00</b>	<b>\$3,376,801.34</b>	<b>\$4,223,477.00</b>	<b>6.4%</b>	
<b>Total Water Operations Fund:</b>		<b>\$31,837,831.00</b>	<b>\$28,982,690.73</b>	<b>\$32,347,531.00</b>	<b>1.6%</b>	

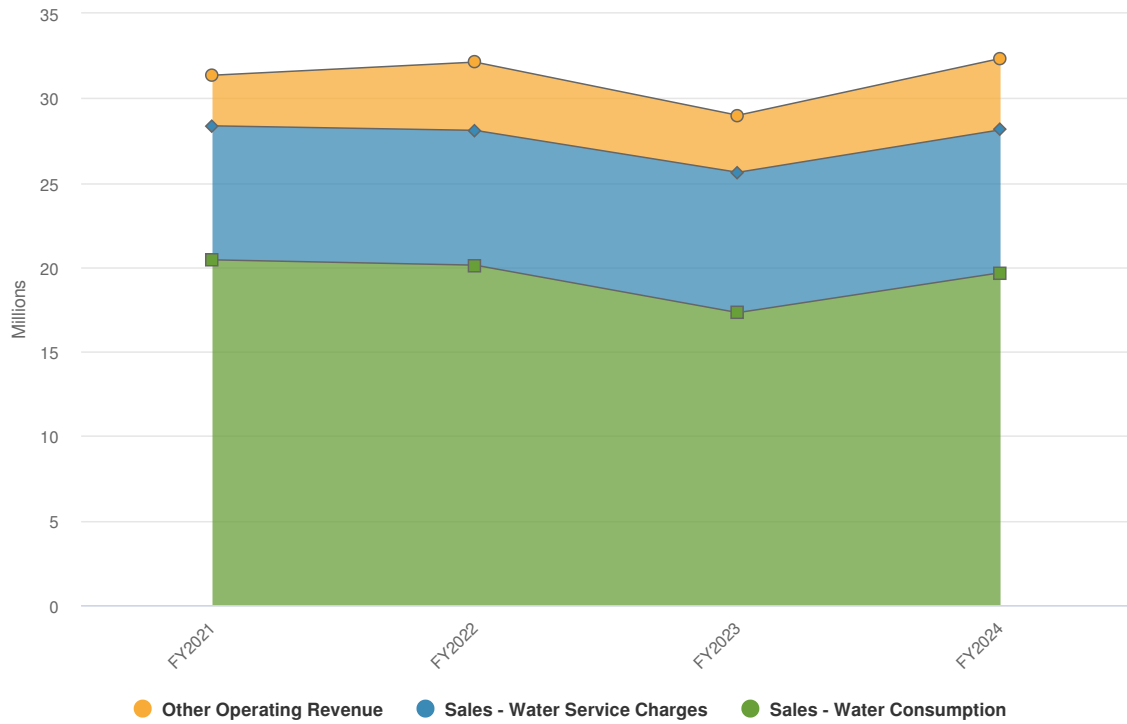
## Revenues by Source

### Projected 2024 Revenues by Source





### Budgeted and Historical 2024 Revenues by Source



Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Revenue Source</b>						
<b>Sales - Water Consumption</b>						
<b>Water consumption sales</b>						
Water Domestic / Tier 1	100-4000-400-4001	\$5,156,691.00	\$5,042,702.30	\$5,081,244.00	-1.5%	
Water Domestic / Tier 2	100-4000-400-4002	\$7,180,612.00	\$5,645,375.78	\$7,018,858.00	-2.3%	
Water Domestic / Tier 3	100-4000-400-4003	\$6,206,073.00	\$5,373,935.39	\$6,632,249.00	6.9%	
Revenue / Water Domestic	100-4000-400-4005	\$0.00	\$448,844.20	\$0.00	0%	
Revenue / Water-Pressure Irr	100-4000-400-4006	\$33,077.00	\$11,533.53	\$0.00	-100%	
Revenue / Water-Hydrant	100-4000-400-4007	\$409,687.00	\$377,356.49	\$480,822.00	17.4%	
Revenue / Water-Unauth Use Fir Ser	100-4000-400-4008	\$226,349.00	\$164,207.49	\$142,604.00	-37%	
Revenue / Wholesale Water Sales	100-4000-400-4009	\$225,000.00	\$238,552.87	\$308,000.00	36.9%	
Revenue / Water Revenue & Unauth	100-4000-400-4011	\$149.00	\$973.42	\$2,000.00	1,242.3%	
Rentals & Leases / Chino Basin Wtr Rights	100-4000-400-4012	\$264,250.00	\$0.00	\$0.00	-100%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Total Water consumption sales:</b>		<b>\$19,701,888.00</b>	<b>\$17,303,481.47</b>	<b>\$19,665,777.00</b>	<b>-0.2%</b>	
<b>Total Sales - Water Consumption:</b>		<b>\$19,701,888.00</b>	<b>\$17,303,481.47</b>	<b>\$19,665,777.00</b>	<b>-0.2%</b>	
<b>Sales - Water Service Charges</b>						
<b>Water service charges</b>						
Revenue / Domestic Mo Ser Chg	100-4010-401-4050	\$7,802,804.00	\$7,828,150.35	\$8,039,316.00	3%	
Revenue / Fire Service Mo Ser Chg	100-4010-401-4051	\$345,581.00	\$377,636.92	\$341,961.00	-1%	
Revenue / Hydrants Mo Ser Chg	100-4010-401-4052	\$19,000.00	\$95,176.79	\$75,000.00	294.7%	
Revenue / Backflow Install Chg	100-4010-401-4114	\$638.00	\$1,443.86	\$2,000.00	213.5%	
<b>Total Water service charges:</b>		<b>\$8,168,023.00</b>	<b>\$8,302,407.92</b>	<b>\$8,458,277.00</b>	<b>3.6%</b>	
<b>Total Sales - Water Service Charges:</b>		<b>\$8,168,023.00</b>	<b>\$8,302,407.92</b>	<b>\$8,458,277.00</b>	<b>3.6%</b>	
<b>Other Operating Revenue</b>						
<b>Other operating revenue</b>						
Revenue / Backflowdevice Mo Ser Chg	100-4020-405-4054	\$47,370.00	\$48,638.30	\$48,000.00	1.3%	
Revenue / Pressure Irr Mo Ser Chg	100-4020-405-4055	\$3,354.00	\$1,205.52	\$0.00	-100%	
Revenue / Cash Variance	100-4020-405-4100	\$0.00	\$167.40	\$0.00	0%	
Revenue / Delinquent Charge	100-4020-405-4101	\$341,250.00	\$330,575.00	\$450,000.00	31.9%	
Revenue / Fines-Unauth Water Use	100-4020-405-4103	\$1,000.00	\$1,560.92	\$1,300.00	30%	
Revenue / Returned Check Charge	100-4020-405-4105	\$5,712.00	\$8,900.00	\$10,000.00	75.1%	
Revenue / Turn On/Turn Off Non Pay	100-4020-405-4106	\$131,250.00	\$400.00	\$130,000.00	-1%	
Revenue / Lien Fee	100-4020-405-4107	\$1,000.00	\$60.00	\$1,000.00	0%	
Revenue / Special Turn On Charges	100-4020-405-4108	\$6,326.00	\$4,300.00	\$12,000.00	89.7%	
Revenue / Fire Flow Test	100-4020-405-4110	\$8,784.00	\$9,900.00	\$10,000.00	13.8%	
Revenue / Inspection	100-4020-405-4111	\$80,000.00	-\$857.59	\$112,216.00	40.3%	
Revenue / Meter Installation Charge	100-4020-405-4112	\$190,000.00	\$9,954.00	\$297,878.00	56.8%	
Revenue / Plan Check Fees	100-4020-405-4113	\$49,905.00	\$25,912.00	\$25,000.00	-49.9%	
Revenue / Water Service Ap Fee	100-4020-405-4115	\$46,792.00	\$36,600.00	\$42,000.00	-10.2%	
Revenue / Unclaimed Customer Refund	100-4020-405-4116	\$0.00	\$59,966.21	\$20,000.00	N/A	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Operating Revenue / Miscellaneous	100-4020-405-4117	\$5,000.00	\$12,288.16	\$5,000.00	0%	
Revenue / Copies & Standards	100-4020-405-4118	\$118.00	\$50.00	\$200.00	69.5%	
Other Income / Administrative Fee	100-4020-405-4120	\$185,000.00	\$8,423.37	\$230,478.00	24.6%	
Other Income / Document Fee	100-4020-405-4122	\$50.00	\$5.00	\$50.00	0%	
Other Income / Revenue-Other Activities	100-4020-405-4123	\$2,071.00	\$1,977.91	\$2,500.00	20.7%	
Other Income / Energy Programs	100-4020-405-4124	\$20,000.00	\$10,504.43	\$20,000.00	0%	
Other Income / Field Equip Reimbursement	100-4020-405-4125	\$47,113.00	\$60,047.43	\$50,000.00	6.1%	
Other Income / Conservation Rebate Reimb	100-4020-405-4126	\$20,000.00	\$151,613.96	\$20,000.00	0%	
Other Income / Baseline Feeder Operat'ns	100-4020-405-4127	\$800,000.00	\$858,181.89	\$1,050,000.00	31.3%	
Other Income / Reimb. 3AI Pump	100-4020-405-4128	\$94,191.00	\$98,058.17	\$100,000.00	6.2%	
Other Income / Reimbursement - UTC Routine	100-4020-405-4131	\$1,675,000.00	\$1,450,212.54	\$1,385,855.00	-17.3%	
Other Income / Rialto-Tr Plant	100-4020-405-4132	\$206,634.00	\$188,156.72	\$200,000.00	-3.2%	
<b>Total Other operating revenue:</b>		<b>\$3,967,920.00</b>	<b>\$3,376,801.34</b>	<b>\$4,223,477.00</b>	<b>6.4%</b>	
<b>Total Other Operating Revenue:</b>		<b>\$3,967,920.00</b>	<b>\$3,376,801.34</b>	<b>\$4,223,477.00</b>	<b>6.4%</b>	
<b>Total Revenue Source:</b>		<b>\$31,837,831.00</b>	<b>\$28,982,690.73</b>	<b>\$32,347,531.00</b>	<b>1.6%</b>	

## Revenue by Type

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Revenue</b>						
<b>Water consumption sales</b>						
<b>Sales - Water Consumption</b>						
Water Domestic / Tier 1	100-4000-400-4001	\$5,156,691.00	\$5,042,702.30	\$5,081,244.00	-1.5%	
Water Domestic / Tier 2	100-4000-400-4002	\$7,180,612.00	\$5,645,375.78	\$7,018,858.00	-2.3%	
Water Domestic / Tier 3	100-4000-400-4003	\$6,206,073.00	\$5,373,935.39	\$6,632,249.00	6.9%	
Revenue / Water Domestic	100-4000-400-4005	\$0.00	\$448,844.20	\$0.00	0%	
Revenue / Water-Pressure Irr	100-4000-400-4006	\$33,077.00	\$11,533.53	\$0.00	-100%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Revenue / Water-Hydrant	100-4000-400-4007	\$409,687.00	\$377,356.49	\$480,822.00	17.4%	
Revenue / Water-Unauth Use Fir Ser	100-4000-400-4008	\$226,349.00	\$164,207.49	\$142,604.00	-37%	
Revenue / Wholesale Water Sales	100-4000-400-4009	\$225,000.00	\$238,552.87	\$308,000.00	36.9%	
Revenue / Water Revenue & Unauth	100-4000-400-4011	\$149.00	\$973.42	\$2,000.00	1,242.3%	
Rentals & Leases / Chino Basin Wtr Rights	100-4000-400-4012	\$264,250.00	\$0.00	\$0.00	-100%	
<b>Total Sales - Water Consumption:</b>		<b>\$19,701,888.00</b>	<b>\$17,303,481.47</b>	<b>\$19,665,777.00</b>	<b>-0.2%</b>	
<b>Total Water consumption sales:</b>		<b>\$19,701,888.00</b>	<b>\$17,303,481.47</b>	<b>\$19,665,777.00</b>	<b>-0.2%</b>	
<b>Water service charges</b>						
<b>Sales - Water Service Charges</b>						
Revenue / Domestic Mo Ser Chg	100-4010-401-4050	\$7,802,804.00	\$7,828,150.35	\$8,039,316.00	3%	
Revenue / Fire Service Mo Ser Chg	100-4010-401-4051	\$345,581.00	\$377,636.92	\$341,961.00	-1%	
Revenue / Hydrants Mo Ser Chg	100-4010-401-4052	\$19,000.00	\$95,176.79	\$75,000.00	294.7%	
Revenue / Backflow Install Chg	100-4010-401-4114	\$638.00	\$1,443.86	\$2,000.00	213.5%	
<b>Total Sales - Water Service Charges:</b>		<b>\$8,168,023.00</b>	<b>\$8,302,407.92</b>	<b>\$8,458,277.00</b>	<b>3.6%</b>	
<b>Total Water service charges:</b>		<b>\$8,168,023.00</b>	<b>\$8,302,407.92</b>	<b>\$8,458,277.00</b>	<b>3.6%</b>	
<b>Other operating revenue</b>						
<b>Other Operating Revenue</b>						
Revenue / Backflowdevice Mo Ser Chg	100-4020-405-4054	\$47,370.00	\$48,638.30	\$48,000.00	1.3%	
Revenue / Pressure Irr Mo Ser Chg	100-4020-405-4055	\$3,354.00	\$1,205.52	\$0.00	-100%	
Revenue / Cash Variance	100-4020-405-4100	\$0.00	\$167.40	\$0.00	0%	
Revenue / Delinquent Charge	100-4020-405-4101	\$341,250.00	\$330,575.00	\$450,000.00	31.9%	
Revenue / Fines-Unauth Water Use	100-4020-405-4103	\$1,000.00	\$1,560.92	\$1,300.00	30%	
Revenue / Returned Check Charge	100-4020-405-4105	\$5,712.00	\$8,900.00	\$10,000.00	75.1%	
Revenue / Turn On/Turn Off Non Pay	100-4020-405-4106	\$131,250.00	\$400.00	\$130,000.00	-1%	
Revenue / Lien Fee	100-4020-405-4107	\$1,000.00	\$60.00	\$1,000.00	0%	
Revenue / Special Turn On Charges	100-4020-405-4108	\$6,326.00	\$4,300.00	\$12,000.00	89.7%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Revenue / Fire Flow Test	100-4020-405-4110	\$8,784.00	\$9,900.00	\$10,000.00	13.8%	
Revenue / Inspection	100-4020-405-4111	\$80,000.00	-\$857.59	\$112,216.00	40.3%	
Revenue / Meter Installation Charge	100-4020-405-4112	\$190,000.00	\$9,954.00	\$297,878.00	56.8%	
Revenue / Plan Check Fees	100-4020-405-4113	\$49,905.00	\$25,912.00	\$25,000.00	-49.9%	
Revenue / Water Service Ap Fee	100-4020-405-4115	\$46,792.00	\$36,600.00	\$42,000.00	-10.2%	
Revenue / Unclaimed Customer Refund	100-4020-405-4116	\$0.00	\$59,966.21	\$20,000.00	N/A	
Operating Revenue / Miscellaneous	100-4020-405-4117	\$5,000.00	\$12,288.16	\$5,000.00	0%	
Revenue / Copies & Standards	100-4020-405-4118	\$118.00	\$50.00	\$200.00	69.5%	
Other Income / Administrative Fee	100-4020-405-4120	\$185,000.00	\$8,423.37	\$230,478.00	24.6%	
Other Income / Document Fee	100-4020-405-4122	\$50.00	\$5.00	\$50.00	0%	
Other Income / Revenue-Other Activities	100-4020-405-4123	\$2,071.00	\$1,977.91	\$2,500.00	20.7%	
Other Income / Energy Programs	100-4020-405-4124	\$20,000.00	\$10,504.43	\$20,000.00	0%	
Other Income / Field Equip Reimbursement	100-4020-405-4125	\$47,113.00	\$60,047.43	\$50,000.00	6.1%	
Other Income / Conservation Rebate Reimb	100-4020-405-4126	\$20,000.00	\$151,613.96	\$20,000.00	0%	
Other Income / Baseline Feeder Operat'ns	100-4020-405-4127	\$800,000.00	\$858,181.89	\$1,050,000.00	31.3%	
Other Income / Reimb. 3A1 Pump	100-4020-405-4128	\$94,191.00	\$98,058.17	\$100,000.00	6.2%	
Other Income / Reimbursement - UTC Routine	100-4020-405-4131	\$1,675,000.00	\$1,450,212.54	\$1,385,855.00	-17.3%	
Other Income / Rialto-Tr Plant	100-4020-405-4132	\$206,634.00	\$188,156.72	\$200,000.00	-3.2%	
<b>Total Other Operating Revenue:</b>		<b>\$3,967,920.00</b>	<b>\$3,376,801.34</b>	<b>\$4,223,477.00</b>	<b>6.4%</b>	
<b>Total Other operating revenue:</b>		<b>\$3,967,920.00</b>	<b>\$3,376,801.34</b>	<b>\$4,223,477.00</b>	<b>6.4%</b>	
<b>Total Revenue:</b>		<b>\$31,837,831.00</b>	<b>\$28,982,690.73</b>	<b>\$32,347,531.00</b>	<b>1.6%</b>	

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## **DIVISION SUMMARIES**

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## Board of Directors



### SERVICES WE PROVIDE

The Board of Directors is the legislative body of the organization, comprised of five members elected at-large. The major functions of the Board of Directors of the District include defining goals and objectives, acting as custodian of the District's property and resources, establishing policies, reviewing all District's operations and employing executive management.

### SIGNIFICANT CHANGES

- No significant changes.

### FY 2022-23 ACCOMPLISHMENTS

- Board meetings are open to the public after State lifted restrictions, which reinforces our commitment to transparency and accountability.
- Completed a professional recruitment campaign for a new General Manager.
- Participated in the groundbreaking ceremony for the Oliver P. Roemer Expansion Project.

### FY 2023-24 GOALS & OBJECTIVES

- Maintain a commitment to sustainability, transparency, and accountability.
- Maintain responsible stewardship of District funds both in the present and in anticipation of the future.
- Develop a strategic plan and vision for the District for the next 5-years.
- Continue proceeding with the Oliver P. Roemer Water Filtration Expansion Project in a fiscally responsible manner.

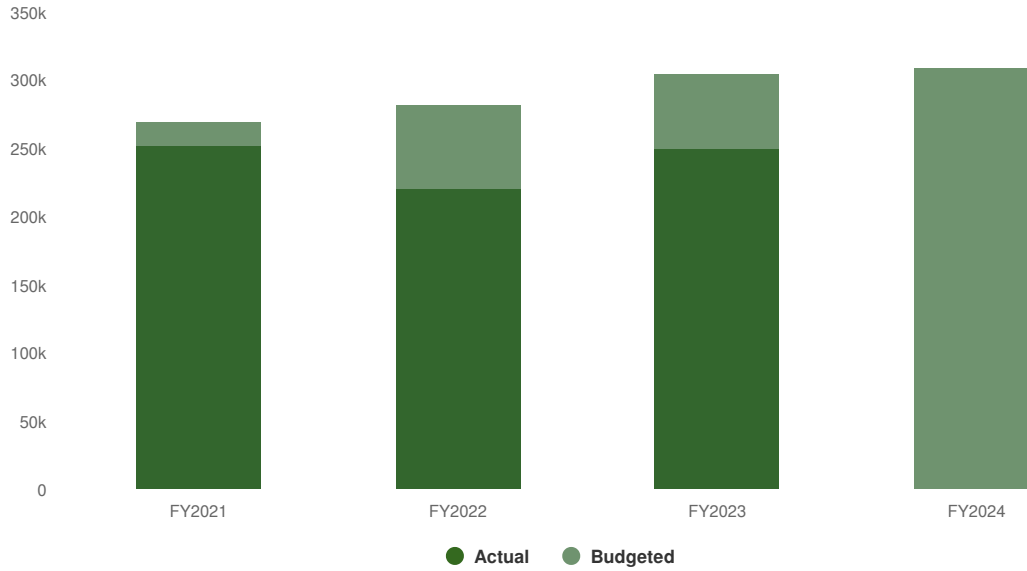
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Constituently evaluate opportunities for additional regional and statewide leadership	Ongoing	Ongoing	Ongoing
Continue commitment to WVWD's values and adopted Board norms	Ongoing	Ongoing	Ongoing
Submit all documentation by deadlines pursuant to transparency policies	100%	100%	100%
Act on project related agenda items presented by staff	100%	100%	100%

## Expenditures Summary

**\$309,700** **\$4,800**  
(1.57% vs. prior year)

## Board of Directors Proposed and Historical Budget vs. Actual



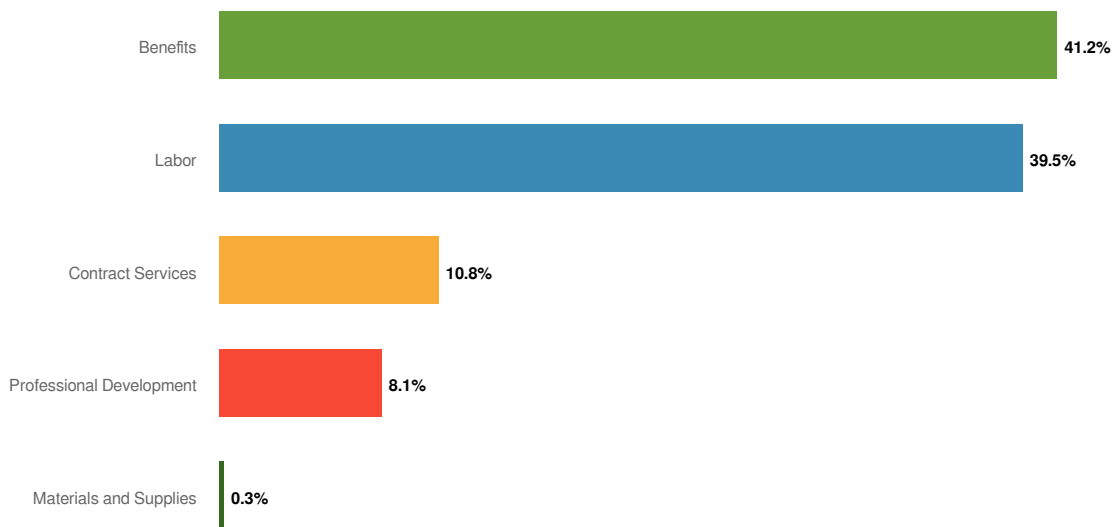
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>General &amp; Admin</b>						
<b>Board Of Directors</b>						
Labor / Part Time Or Temporary	100-5650-500-5002	\$116,500.00	\$93,014.88	\$122,400.00	5.1%	
Benefits / FICA	100-5650-510-5101	\$7,200.00	\$5,964.93	\$7,600.00	5.6%	
Benefits / Medicare	100-5650-510-5102	\$1,700.00	\$1,394.97	\$1,800.00	5.9%	
Expense / Workers Comp Insurance	100-5650-510-5103	\$700.00	\$548.87	\$800.00	14.3%	
Benefits / Hosp/Med Insurance	100-5650-510-5120	\$110,300.00	\$99,941.53	\$104,000.00	-5.7%	
Benefits / Dental	100-5650-510-5121	\$8,200.00	\$8,267.16	\$8,700.00	6.1%	
Benefits / Vision Care Insurance	100-5650-510-5122	\$1,300.00	\$1,207.26	\$1,300.00	0%	
Benefits / Disability Insurance	100-5650-510-5123	\$300.00	\$242.83	\$300.00	0%	
Benefits / Life Insurance	100-5650-510-5125	\$3,400.00	\$2,917.62	\$3,200.00	-5.9%	
Expense / Training	100-5650-515-5200	\$6,500.00	\$6,395.00	\$10,000.00	53.8%	
Miscellaneous / Trans/Meals/Lodging	100-5650-515-5202	\$15,000.00	\$3,527.39	\$15,000.00	0%	
Professional Services / Other Consultants	100-5650-525-5340	\$31,800.00	\$26,250.01	\$33,600.00	5.7%	



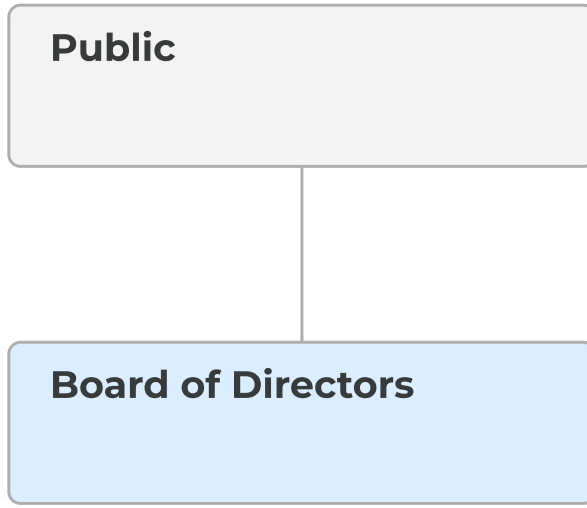
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Operating Supplies / Miscellaneous	100-5650-530-5403	\$2,000.00	\$148.96	\$1,000.00	-50%	
<b>Total Board Of Directors:</b>		<b>\$304,900.00</b>	<b>\$249,821.41</b>	<b>\$309,700.00</b>	<b>1.6%</b>	
<b>Total General &amp; Admin:</b>		<b>\$304,900.00</b>	<b>\$249,821.41</b>	<b>\$309,700.00</b>	<b>1.6%</b>	
<b>Total Expenditures:</b>		<b>\$304,900.00</b>	<b>\$249,821.41</b>	<b>\$309,700.00</b>	<b>1.6%</b>	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Organizational Chart



# Accounting



## SERVICES WE PROVIDE

The Accounting Division ensures the District's conformance with modern finance, accounting theory and practices, and compliance with applicable state and federal laws. It also provides accountability and adequate control over the use of District funds.

## SIGNIFICANT CHANGES

- William Fox was hired as Chief Financial Officer.

## FY 2022-23 ACCOMPLISHMENTS

- Obtained the Triple Crown designation from Government Finance Officers Association (GFOA).
- Completed selection of a rate consultant for updating cost of service estimates.
- Received the Operating Budget Excellence Award for the Fiscal Year 2021-22 from the California Society of Municipal Finance Officers.
- Adoption of Operating & Capital Budget for Fiscal Year 2023-24.

## FY 2023-24 GOALS & OBJECTIVES

- Maintain a commitment to sustainability, transparency, and accountability.
- Maintain responsible stewardship of District funds both in the present and in anticipation of the future.
- Develop a strategic plan and vision for the District for the next 5-years.
- Continue proceeding with the Oliver P. Roemer Water Filtration Expansion Project in a fiscally responsible manner.
- Maintain strong financial policies and management practices to preserve and enhance the District's financial position.

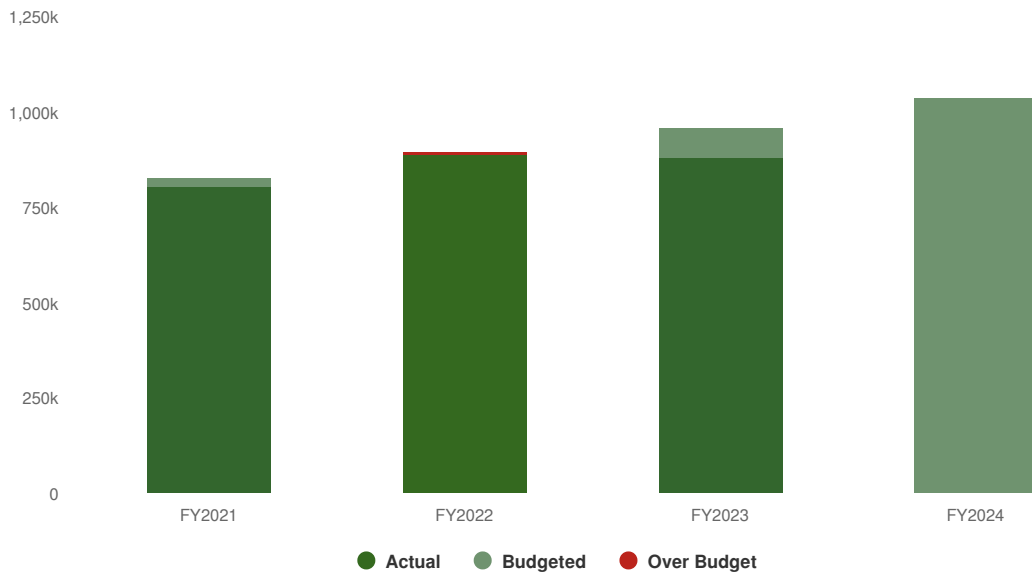
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Days to prepare and present the Annual Report after fiscal year-end	182 days	160 days	165 days
Provide quarterly performance reports	4	4	4
Provide monthly budget vs actuals reports	12	12	12
Number of fiscal policies updated/enhanced and reviewed with the Board	2	2	2
Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for Annual Report	10	11	12
Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for PAFR	1	1	2

## Expenditures Summary

**\$1,039,100** **\$78,157**  
(8.13% vs. prior year)

### Accounting Proposed and Historical Budget vs. Actual



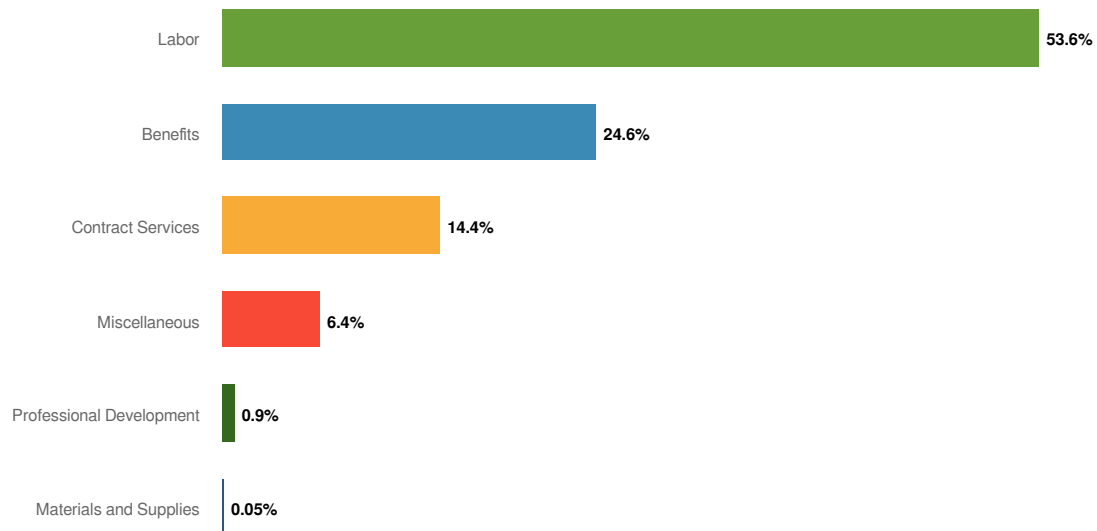
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>General &amp; Admin</b>						
<b>Accounting</b>						
Labor / Full Time	100-5620-500-5001	\$518,000.00	\$482,622.97	\$545,200.00	5.3%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / Overtime	100-5620-500-5003	\$9,500.00	\$11,069.80	\$9,500.00	0%	
Labor / Bilingual Compensation	100-5620-500-5020	\$2,600.00	\$2,215.50	\$2,600.00	0%	
Benefits / Deferred Comp-ER Match	100-5620-510-5100	\$9,800.00	\$6,625.26	\$9,800.00	0%	
Benefits / FICA	100-5620-510-5101	\$30,400.00	\$29,611.98	\$32,300.00	6.3%	
Benefits / Medicare	100-5620-510-5102	\$7,700.00	\$7,293.98	\$7,900.00	2.6%	
Expense / Workers Comp Insurance	100-5620-510-5103	\$2,900.00	\$3,252.98	\$3,100.00	6.9%	
Expense / PERS - ER Contribution - Classic Members	100-5620-510-5105	\$37,500.00	\$36,415.64	\$46,000.00	22.7%	
Expense / PERS - ER Contribution - PEPRAs Members	100-5620-510-5106	\$11,300.00	\$8,887.34	\$12,900.00	14.2%	
Expense / PERS - EPMC - Classic Members	100-5620-510-5107	\$24,200.00	\$23,450.59	\$25,800.00	6.6%	
Benefits / Hosp/Med Insurance	100-5620-510-5120	\$106,600.00	\$93,489.98	\$104,000.00	-2.4%	
Benefits / Dental	100-5620-510-5121	\$9,100.00	\$7,316.62	\$8,700.00	-4.4%	
Benefits / Vision Care Insurance	100-5620-510-5122	\$1,300.00	\$1,096.33	\$1,300.00	0%	
Benefits / Disability Insurance	100-5620-510-5123	\$1,800.00	\$1,500.32	\$1,700.00	-5.6%	
Benefits / EAP	100-5620-510-5124	\$100.00	\$126.00	\$100.00	0%	
Benefits / Life Insurance	100-5620-510-5125	\$2,300.00	\$1,855.62	\$2,200.00	-4.3%	
Expense / Training	100-5620-515-5200	\$3,615.00	\$2,193.87	\$3,600.00	-0.4%	
Miscellaneous / Subscription & Membrships	100-5620-515-5201	\$1,760.00	\$1,192.00	\$1,795.00	2%	
Miscellaneous / Trans/Meals/Lodging	100-5620-515-5202	\$5,913.00	\$705.78	\$3,500.00	-40.8%	
Professional Services / Auditing	100-5620-525-5310	\$52,055.00	\$48,210.00	\$53,055.00	1.9%	
Professional Services / Fiscal Agent	100-5620-525-5312	\$7,500.00	\$6,397.03	\$9,000.00	20%	
Professional Services / Other Consultants	100-5620-525-5340	\$47,100.00	\$37,357.62	\$87,550.00	85.9%	
Operating Supplies / Miscellaneous	100-5620-530-5403	\$500.00	\$30.71	\$500.00	0%	
Miscellaneous / Bank Account Analysis	100-5620-536-5302	\$66,000.00	\$64,816.10	\$66,000.00	0%	
Operating Supplies / Uniforms	100-5620-536-5475	\$1,200.00	\$1,173.03	\$1,000.00	-16.7%	
Miscellaneous / County Collection Fee	100-5620-536-5476	\$200.00	\$0.00	\$0.00	-100%	
<b>Total Accounting:</b>		<b>\$960,943.00</b>	<b>\$878,907.05</b>	<b>\$1,039,100.00</b>	<b>8.1%</b>	

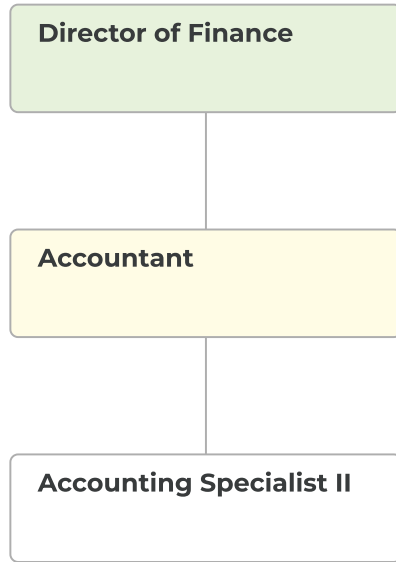
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Total General & Admin:		\$960,943.00	\$878,907.05	\$1,039,100.00	8.1%	
Total Expenditures:		\$960,943.00	\$878,907.05	\$1,039,100.00	8.1%	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Organizational Chart



## Administration



### SERVICES WE PROVIDE

The General Manager is responsible for carrying out day-to-day District operations, implementation of adopted policies, general oversight to interagency relations, legislative activities, and strategic planning. Administration is also responsible for implementing the District's Vision, maintaining official records, promoting public trust, and implementing transparency. General Operations is responsible for efficiently operating and maintaining WVWD's Domestic Water and facilities to meet the needs of the District's customers by providing exceptional customer service at a reasonable cost while protecting public health.

### SIGNIFICANT CHANGES

- John Thiel was hired as General Manager.
- William Fox was hired as Chief Financial Officer.
- Elvia Dominguez was hired as Board Secretary.

### FY 2022-23 ACCOMPLISHMENTS

- Collaborated with department leads to define District-wide priorities for the Strategic Plan.
- Evaluated and identified best practices to be included in the new policies.
- Coordinated with relevant staff and incorporated recommendations to new policies.

### FY 2023-24 GOALS & OBJECTIVES

- Continually strive towards providing excellence in customer service.
- Improve water supply reliability through project investment and regional collaboration.
- Fill the open position of Assistant General Manager.
- Encourage efficient water use practices with customers through education and new technology.
- Recruit and develop qualified personnel to optimize productivity and enhance morale.



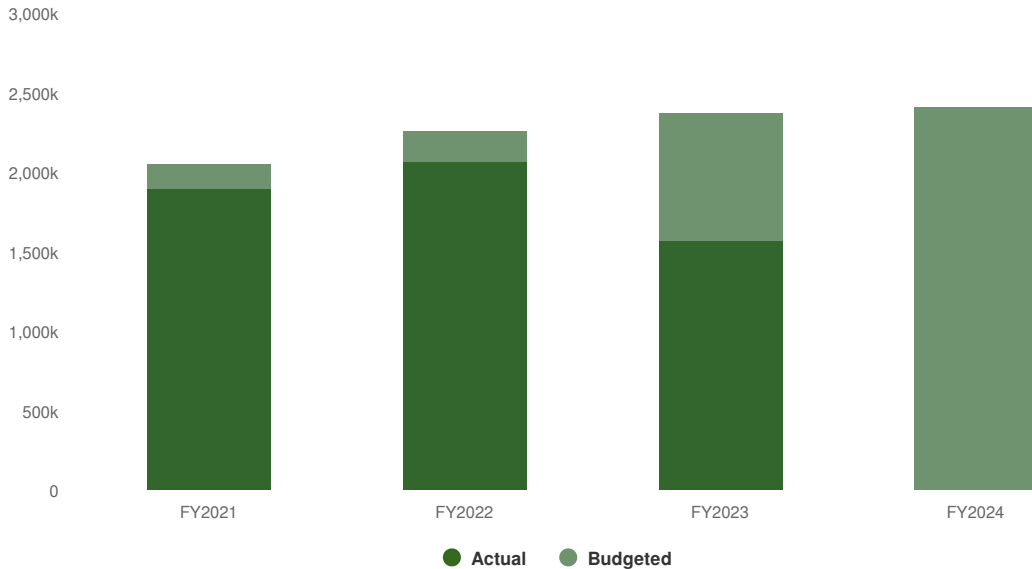
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Publish Open Meeting/Public Notices on or before statutory requirement	100%	100%	100%
Develop management workshops for directors/managers to better collaborate with staff	4	4	4
Continue to improve district wide policies and procedures to comply with current laws/regulations	3	3	3
Participate in professional development opportunities	5	11	9

## Expenditures Summary

**\$2,412,380** **\$37,089**  
(1.56% vs. prior year)

### Administration Proposed and Historical Budget vs. Actual



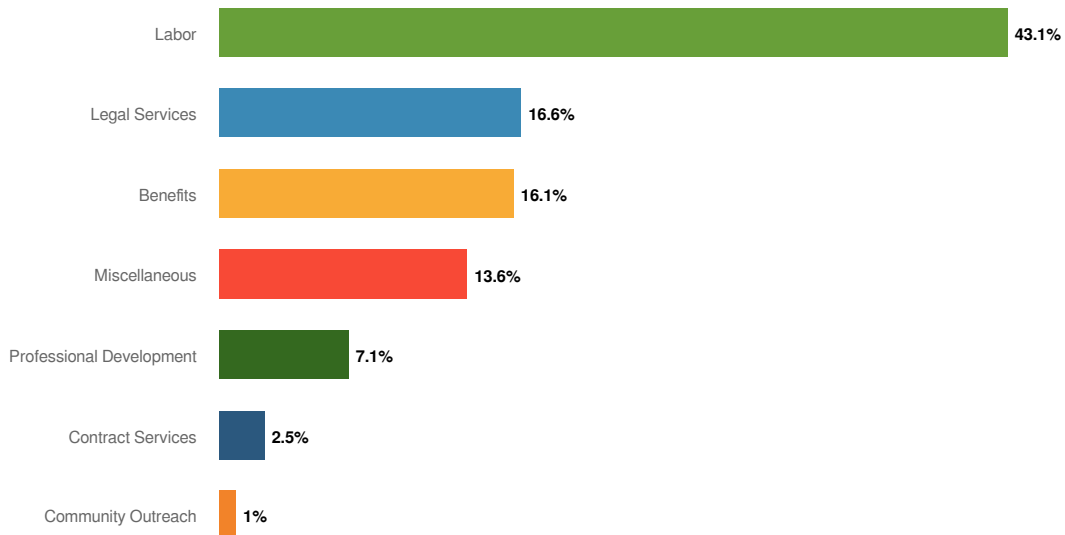
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>General &amp; Admin</b>						
<b>Administration</b>						
Labor / Full Time	100-5610-500-5001	\$870,600.00	\$578,621.75	\$1,038,700.00	19.3%	
Labor / Overtime	100-5610-500-5003	\$0.00	\$498.00	\$0.00	0%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / Bilingual Compensation	100-5610-500-5020	\$0.00	\$300.00	\$700.00	N/A	
Benefits / Deferred Comp-ER Match	100-5610-510-5100	\$24,800.00	\$6,990.50	\$35,300.00	42.3%	
Benefits / FICA	100-5610-510-5101	\$40,900.00	\$29,427.18	\$43,400.00	6.1%	
Benefits / Medicare	100-5610-510-5102	\$14,100.00	\$8,540.49	\$15,300.00	8.5%	
Expense / Workers Comp Insurance	100-5610-510-5103	\$5,400.00	\$4,054.26	\$6,100.00	13%	
Benefit / Vehicle Allowance	100-5610-510-5104	\$14,400.00	\$3,762.00	\$18,200.00	26.4%	
Expense / PERS - ER Contribution - Classic Members	100-5610-510-5105	\$37,700.00	\$44,083.72	\$77,700.00	106.1%	
Expense / PERS - ER Contribution - PEPR Members	100-5610-510-5106	\$39,400.00	\$15,578.98	\$29,200.00	-25.9%	
Expense / PERS - EPMC - Classic Members	100-5610-510-5107	\$24,300.00	\$17,054.16	\$43,600.00	79.4%	
Benefits / Hosp/Med Insurance	100-5610-510-5120	\$102,000.00	\$39,813.19	\$104,700.00	2.6%	
Benefits / Dental	100-5610-510-5121	\$6,700.00	\$2,841.42	\$7,800.00	16.4%	
Benefits / Vision Care Insurance	100-5610-510-5122	\$1,300.00	\$508.32	\$1,300.00	0%	
Benefits / Disability Insurance	100-5610-510-5123	\$3,000.00	\$1,352.27	\$3,300.00	10%	
Benefits / EAP	100-5610-510-5124	\$100.00	\$58.72	\$100.00	0%	
Benefits / Life Insurance	100-5610-510-5125	\$3,100.00	\$1,043.90	\$2,600.00	-16.1%	
Expense / Training	100-5610-515-5200	\$8,600.00	\$13,054.06	\$17,100.00	98.8%	
Miscellaneous / Subscription & Membrships	100-5610-515-5201	\$45,416.00	\$41,116.00	\$60,355.00	32.9%	
Miscellaneous / Trans/Meals/Lodging	100-5610-515-5202	\$86,675.00	\$55,809.35	\$94,625.00	9.2%	
Professional Services / Other Consultants	100-5610-525-5340	\$175,000.00	\$77,701.14	\$60,800.00	-65.3%	
Professional Services / Legal	100-5610-526-5330	\$500,000.00	\$619,342.73	\$400,000.00	-20%	
Miscellaneous / Printing	100-5610-536-5411	\$8,000.00	\$5,207.17	\$6,000.00	-25%	
Miscellaneous / Election Expense	100-5610-536-5452	\$320,000.00	\$0.00	\$320,000.00	0%	
Miscellaneous / Office Supplies	100-5610-536-5454	\$1,200.00	\$3,602.64	\$1,000.00	-16.7%	
Operating Supplies / Uniforms	100-5610-536-5475	\$1,500.00	\$744.55	\$1,500.00	0%	
Miscellaneous / Promotional Activities	100-5610-536-5500	\$1,100.00	\$190.84	\$0.00	-100%	

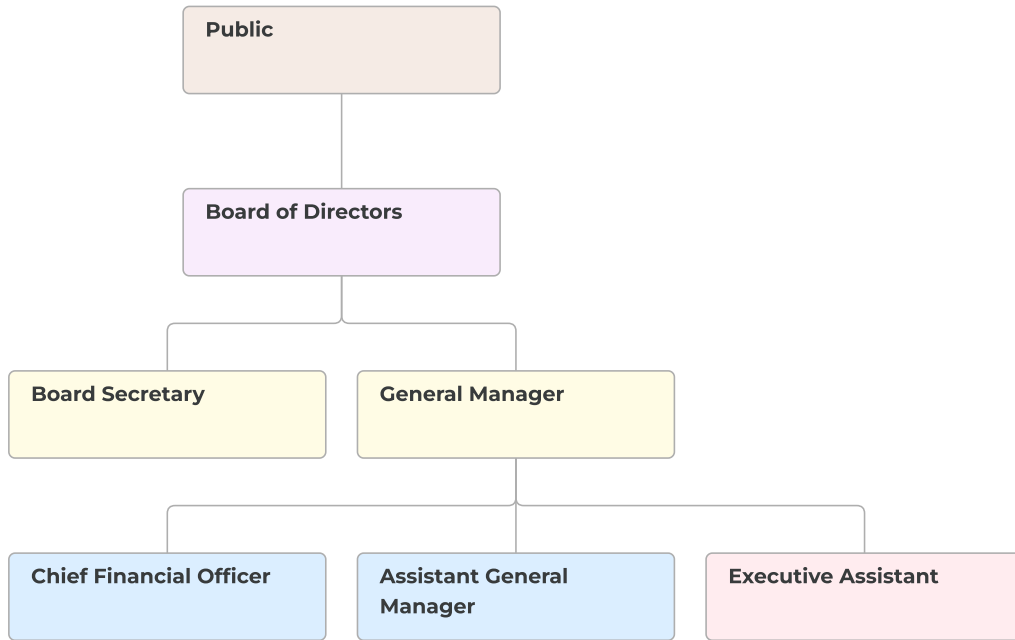
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Programs / Regional Programs	100-5610-537-5505	\$40,000.00	\$0.00	\$23,000.00	-42.5%	
<b>Total Administration:</b>		<b>\$2,375,291.00</b>	<b>\$1,571,297.34</b>	<b>\$2,412,380.00</b>	<b>1.6%</b>	
<b>Total General &amp; Admin:</b>		<b>\$2,375,291.00</b>	<b>\$1,571,297.34</b>	<b>\$2,412,380.00</b>	<b>1.6%</b>	
<b>Total Expenditures:</b>		<b>\$2,375,291.00</b>	<b>\$1,571,297.34</b>	<b>\$2,412,380.00</b>	<b>1.6%</b>	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Organizational Chart



# Billing



## **SERVICES WE PROVIDE**

Billing is responsible for providing billing for water services, they coordinate the billing and receipting of approximately 24,000 accounts per month. Staff enters adjustments to customer accounts if needed, response to billing inquiries, and resolve customer concerns about service delivery through coordination with field personnel.

## **SIGNIFICANT CHANGES**

- No significant changes.

## **FY 2022-23 ACCOMPLISHMENTS**

- Started the shut-off process with Tyler.
- Continued enhancing workflow to go paperless and email billing statements to customers.
- Offered reasonable and flexible payment options to customers.
- Developed Standard Operations Procedure manual to aid in the accuracy of Regular Billing task and Adjustments.

## **FY 2023-24 GOALS & OBJECTIVES**

- Continue meter conversion to Advanced Metering Infrastructure (AMI).
- Promote paperless and email billing statements to customers.
- Continue shut-off procedures with Tyler system and identify areas of improvement.
- Review billing cycles and dates for the possibility of changes to improve the timing of bills to customers.

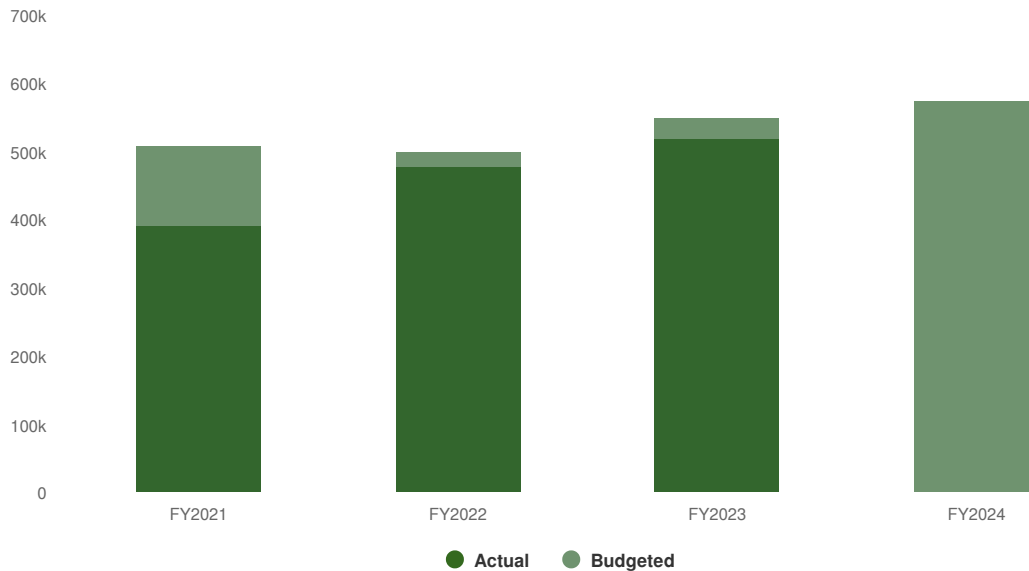
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Provide monthly water audit data to General Services	12	12	12
Processes all customer billing adjustments	<20 days	15	15
Finalize implementation of Tyler Utility Billing delinquency process	100%	N/A*	80%
Maintain Assessor's Parcel Number (APN) rejection rate of 2% or less	100%	100%	100%

## Expenditures Summary

**\$575,400** **\$24,200**  
(4.39% vs. prior year)

### Billing Proposed and Historical Budget vs. Actual

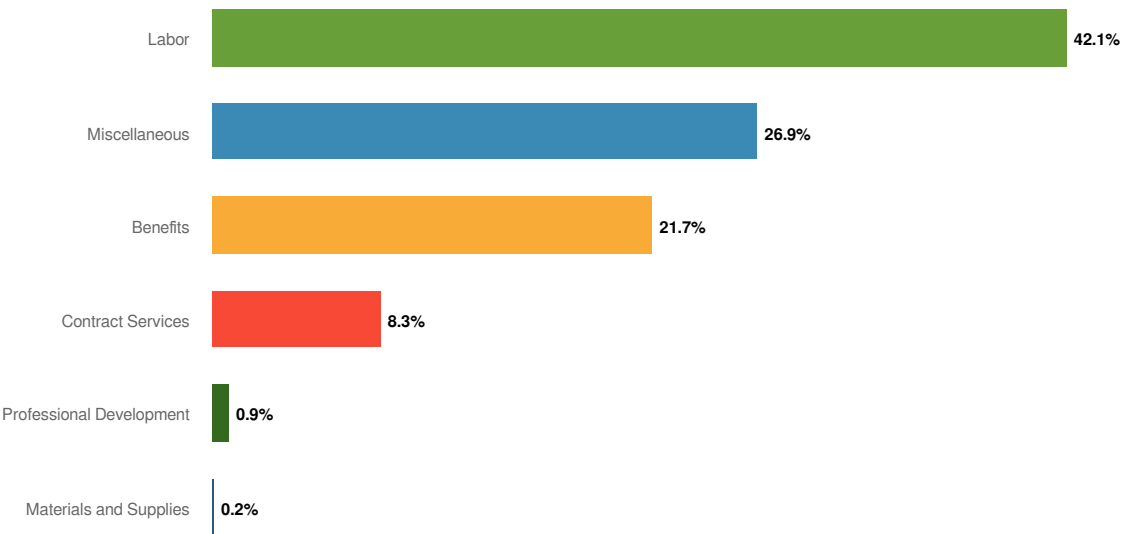


Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>Finance</b>						
<b>Billing</b>						
Labor / Full Time	100-5530-500-5001	\$227,500.00	\$216,891.15	\$237,700.00	4.5%	
Labor / Overtime	100-5530-500-5003	\$3,000.00	\$1,007.01	\$3,000.00	0%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / Bilingual Compensation	100-5530-500-5020	\$1,300.00	\$1,277.00	\$1,300.00	0%	
Benefits / Deferred Comp-ER Match	100-5530-510-5100	\$5,900.00	\$4,685.58	\$5,900.00	0%	
Benefits / FICA	100-5530-510-5101	\$14,600.00	\$13,965.81	\$14,700.00	0.7%	
Benefits / Medicare	100-5530-510-5102	\$3,400.00	\$3,266.14	\$3,400.00	0%	
Expense / Workers Comp Insurance	100-5530-510-5103	\$1,300.00	\$3,050.67	\$1,300.00	0%	
Expense / PERS - ER Contribution - Classic Members	100-5530-510-5105	\$18,100.00	\$17,652.98	\$21,600.00	19.3%	
Expense / PERS - ER Contribution - PEPRRA Members	100-5530-510-5106	\$4,100.00	\$4,044.05	\$4,400.00	7.3%	
Expense / PERS - EPMC - Classic Members	100-5530-510-5107	\$11,700.00	\$11,368.07	\$12,100.00	3.4%	
Benefits / Hosp/Med Insurance	100-5530-510-5120	\$57,900.00	\$54,743.78	\$54,800.00	-5.4%	
Benefits / Dental	100-5530-510-5121	\$3,900.00	\$3,698.32	\$3,700.00	-5.1%	
Benefits / Vision Care Insurance	100-5530-510-5122	\$800.00	\$760.34	\$800.00	0%	
Benefits / Disability Insurance	100-5530-510-5123	\$800.00	\$758.38	\$800.00	0%	
Benefits / EAP	100-5530-510-5124	\$100.00	\$87.24	\$100.00	0%	
Benefits / Life Insurance	100-5530-510-5125	\$1,200.00	\$1,104.79	\$1,200.00	0%	
Expense / Training	100-5530-515-5200	\$4,000.00	\$1,099.00	\$3,000.00	-25%	
Miscellaneous / Trans/Meals/Lodging	100-5530-515-5202	\$2,000.00	\$574.49	\$2,000.00	0%	
Outside Labor/Contractors / Printing	100-5530-525-5304	\$48,000.00	\$43,313.12	\$48,000.00	0%	
Operating Supplies / Miscellaneous	100-5530-530-5403	\$1,000.00	\$336.56	\$1,000.00	0%	
Postage & Shipping	100-5530-536-5471	\$140,000.00	\$135,875.99	\$154,000.00	10%	
Operating Supplies / Uniforms	100-5530-536-5475	\$600.00	\$645.78	\$600.00	0%	
<b>Total Billing:</b>		<b>\$551,200.00</b>	<b>\$520,206.25</b>	<b>\$575,400.00</b>	<b>4.4%</b>	
<b>Total Finance:</b>		<b>\$551,200.00</b>	<b>\$520,206.25</b>	<b>\$575,400.00</b>	<b>4.4%</b>	
<b>Total Expenditures:</b>		<b>\$551,200.00</b>	<b>\$520,206.25</b>	<b>\$575,400.00</b>	<b>4.4%</b>	

# Expenditures by Expense Type

## Budgeted Expenditures by Expense Type



## Organizational Chart





## Customer Service



### SERVICES WE PROVIDE

The Customer Service Department handles approximately 24,000 accounts. Customer Service provides assistance with payments, opening or closing accounts, account information, water consumption and more.

### SIGNIFICANT CHANGES

- No significant changes.

### FY 2022-23 ACCOMPLISHMENTS

- Filled the Customer Service Lead and Customer Service Representative III positions.
- Monitored and utilized call center recordings.
- Provided field training by the Meter Reading Division for all customer service staff.
- Implemented cross training with other divisions.

### FY 2023-24 GOALS & OBJECTIVES

- Work with Public Affairs to address Customer Service needs for the new District's website.
- Continue scanning all customer water service applications and upload them in Tyler Content Manager (TCM).
- Develop an online water service application process.
- Research cost associated with credit card charges and propose a fee/charge for cost recovery.
- Reduce the number of Bill Pay Repair to 5% per month.
- Fill remaining open positions.

## Key Performance Indicators

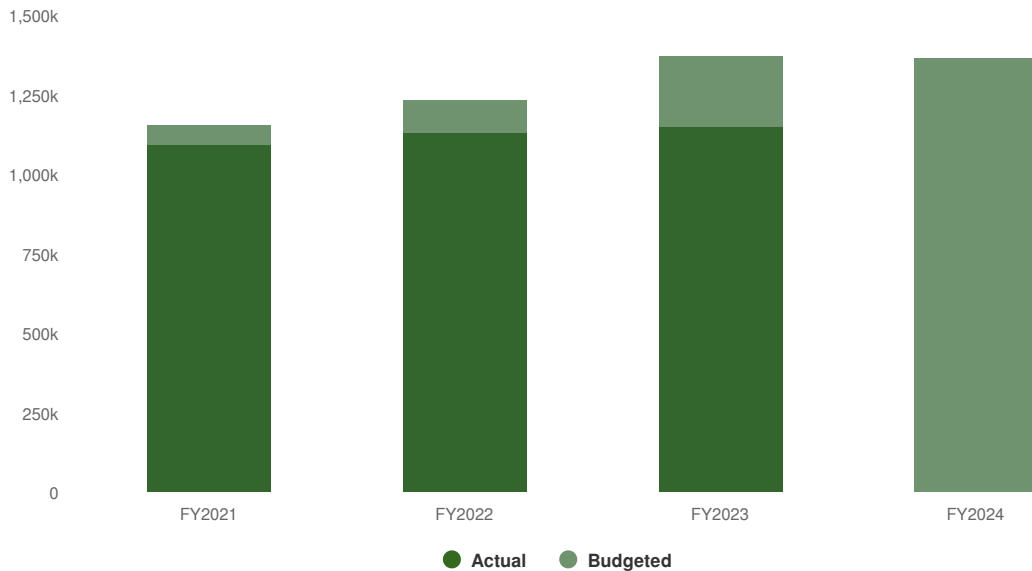
Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Average Wait Time – Goal 3 minutes or less	<3	<3	<3
Average Abandon Rate – Goal 5% or less	5%	5%	5%
Cash Drawer Variance – no more than 2 per CSR	<=2	N/A*	<=2
Provide monthly reports to General Manager	12	12	12
Number of customer service training hours per employee	12	12	12

\*The customer service lobby was closed due to COVID-19.

## Expenditures Summary

**\$1,368,400** **-\$3,200**  
(-0.23% vs. prior year)

### Customer Service Proposed and Historical Budget vs. Actual

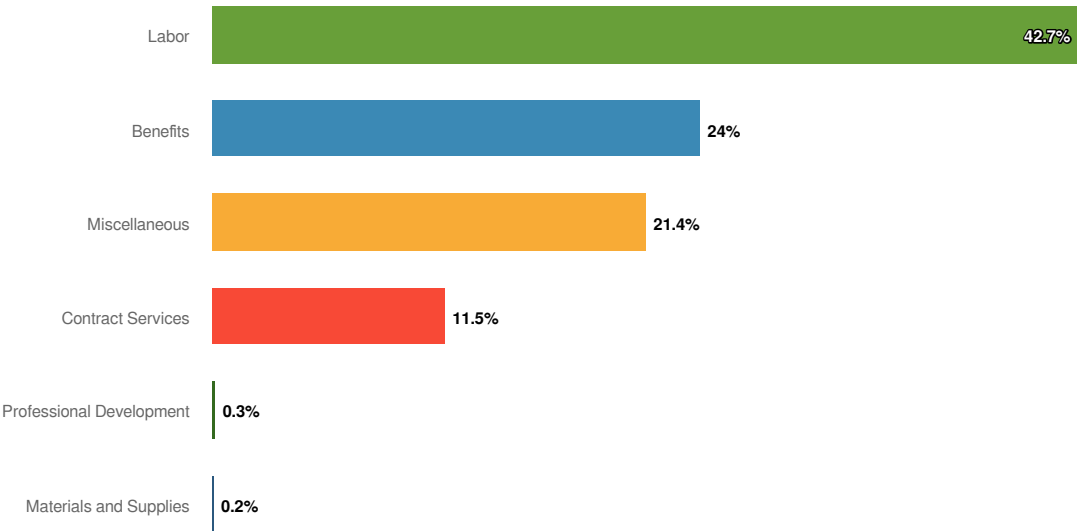


Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>Finance</b>						
<b>Customer Service</b>						
Labor / Full Time	100-5510-500-5001	\$563,300.00	\$473,667.52	\$571,200.00	1.4%	
Labor / Overtime	100-5510-500-5003	\$10,000.00	\$16,027.03	\$10,000.00	0%	

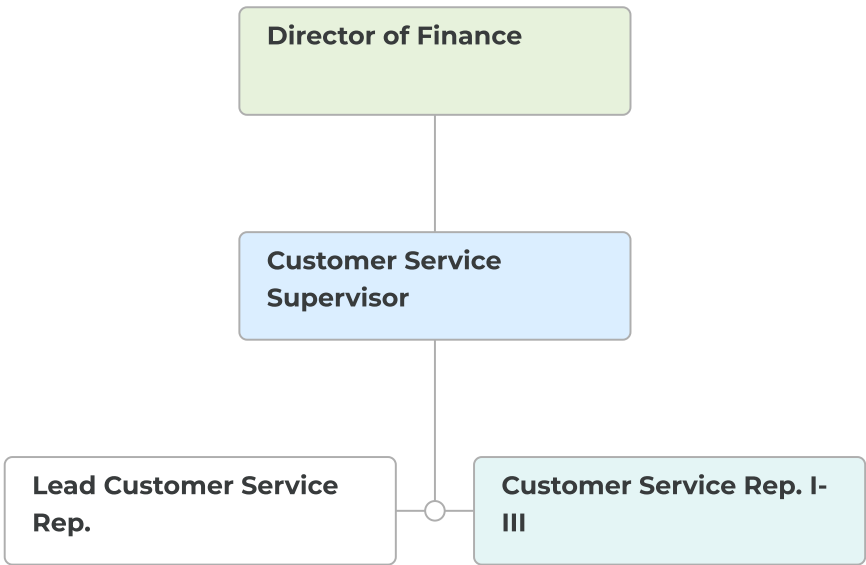
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / On Call	100-5510-500-5004	\$0.00	\$84.24	\$0.00	0%	
Labor / Bilingual Compensation	100-5510-500-5020	\$2,000.00	\$1,728.00	\$2,600.00	30%	
Benefits / Deferred Comp-ER Match	100-5510-510-5100	\$17,600.00	\$3,831.00	\$17,600.00	0%	
Benefits / FICA	100-5510-510-5101	\$36,100.00	\$30,823.91	\$36,500.00	1.1%	
Benefits / Medicare	100-5510-510-5102	\$8,500.00	\$7,208.67	\$8,500.00	0%	
Expense / Workers Comp Insurance	100-5510-510-5103	\$3,200.00	\$5,770.64	\$3,300.00	3.1%	
Expense / PERS - ER Contribution - Classic Members	100-5510-510-5105	\$13,000.00	\$12,493.57	\$15,300.00	17.7%	
Expense / PERS - ER Contribution - PEPRAs Members	100-5510-510-5106	\$32,400.00	\$25,637.00	\$34,400.00	6.2%	
Expense / PERS - EPMC - Classic Members	100-5510-510-5107	\$8,400.00	\$8,045.60	\$8,600.00	2.4%	
Benefits / Hosp/Med Insurance	100-5510-510-5120	\$200,900.00	\$154,541.42	\$183,200.00	-8.8%	
Benefits / Dental	100-5510-510-5121	\$12,400.00	\$9,751.37	\$13,100.00	5.6%	
Benefits / Vision Care Insurance	100-5510-510-5122	\$2,400.00	\$1,945.09	\$2,300.00	-4.2%	
Benefits / Disability Insurance	100-5510-510-5123	\$2,500.00	\$1,623.89	\$2,000.00	-20%	
Benefits / EAP	100-5510-510-5124	\$300.00	\$222.97	\$300.00	0%	
Benefits / Life Insurance	100-5510-510-5125	\$3,700.00	\$2,926.05	\$3,600.00	-2.7%	
Expense / Training	100-5510-515-5200	\$3,000.00	\$1,199.00	\$3,000.00	0%	
Miscellaneous / Trans/Meals/Lodging	100-5510-515-5202	\$500.00	\$1,941.29	\$500.00	0%	
Outside Labor/Contractors / Remote Site Fees	100-5510-525-5305	\$150,900.00	\$80,881.93	\$153,700.00	1.9%	
Professional Services / Armored Transport	100-5510-525-5309	\$6,600.00	\$3,685.90	\$3,800.00	-42.4%	
Operating Supplies / Miscellaneous	100-5510-530-5403	\$1,900.00	\$2,405.06	\$2,500.00	31.6%	
Miscellaneous / Bank Card Expense	100-5510-536-5320	\$288,000.00	\$305,383.79	\$288,000.00	0%	
Other Expenses / Equipment	100-5510-536-5412	\$2,600.00	\$0.00	\$2,800.00	7.7%	
Operating Supplies / Uniforms	100-5510-536-5475	\$1,400.00	\$1,379.91	\$1,600.00	14.3%	
<b>Total Customer Service:</b>		<b>\$1,371,600.00</b>	<b>\$1,153,204.85</b>	<b>\$1,368,400.00</b>	<b>-0.2%</b>	
<b>Total Finance:</b>		<b>\$1,371,600.00</b>	<b>\$1,153,204.85</b>	<b>\$1,368,400.00</b>	<b>-0.2%</b>	
<b>Total Expenditures:</b>		<b>\$1,371,600.00</b>	<b>\$1,153,204.85</b>	<b>\$1,368,400.00</b>	<b>-0.2%</b>	

# Expenditures by Expense Type

## Budgeted Expenditures by Expense Type



## Organizational Chart



# Engineering



## SERVICES WE PROVIDE

The Engineering Department is responsible for strategic planning, the capital budget, water resources planning, support facilities planning, environmental services, quality control, construction, and developer designed and constructed facilities. It also coordinates assigned activities with other District departments and outside agencies and provides highly responsible and complex administrative and technical support to the District, General Manager, and the Board of Directors.

## SIGNIFICANT CHANGES

- No significant changes.

## FY 2022-23 ACCOMPLISHMENTS

- Explored new water supply projects and options to ensure a reliable water supply for the future.
- Completed Well 54 rehabilitation project.
- Completed the City of Rialto Riverside Avenue Street Improvement project by replacing service laterals.
- Completed the Alder Road paving improvement project.

## FY 2023-24 GOALS & OBJECTIVES

- Complete groundwater master planning efforts to identify future needs for groundwater production capacity.
- Explore partnerships with other agencies with projects related to recharging groundwater with recycled water.
- Identifying facilities required to support upcoming development for the 5-year Capital Improvement Program.
- Coordinate Capital Improvement Program with new development and provide technical support for the infrastructure system.
- Implement water supply projects needed to ensure and provide a safe and reliable water supply for the future.

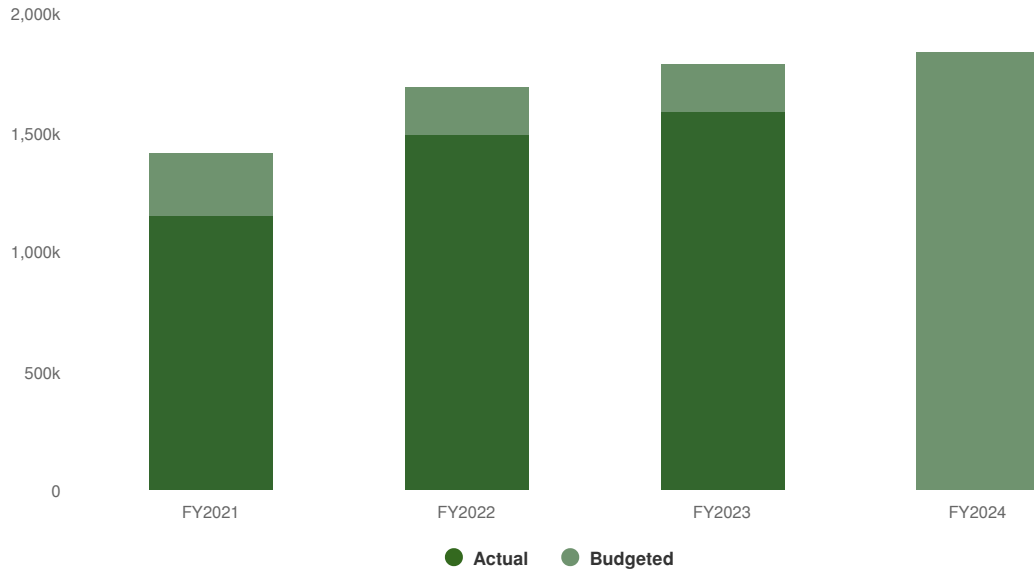
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Initiate fully funded CIP projects for current fiscal year	100%	95%	98%
Complete CIP phases scheduled for current fiscal year	100%	100%	100%
Issue capacity charges cost estimates in <2 days	100%	100%	100%
Complete development infrastructure plan reviews in <14 days	100%	100%	100%

## Expenditures Summary

**\$1,834,595** **\$49,475**  
(2.77% vs. prior year)

### Engineering Proposed and Historical Budget vs. Actual

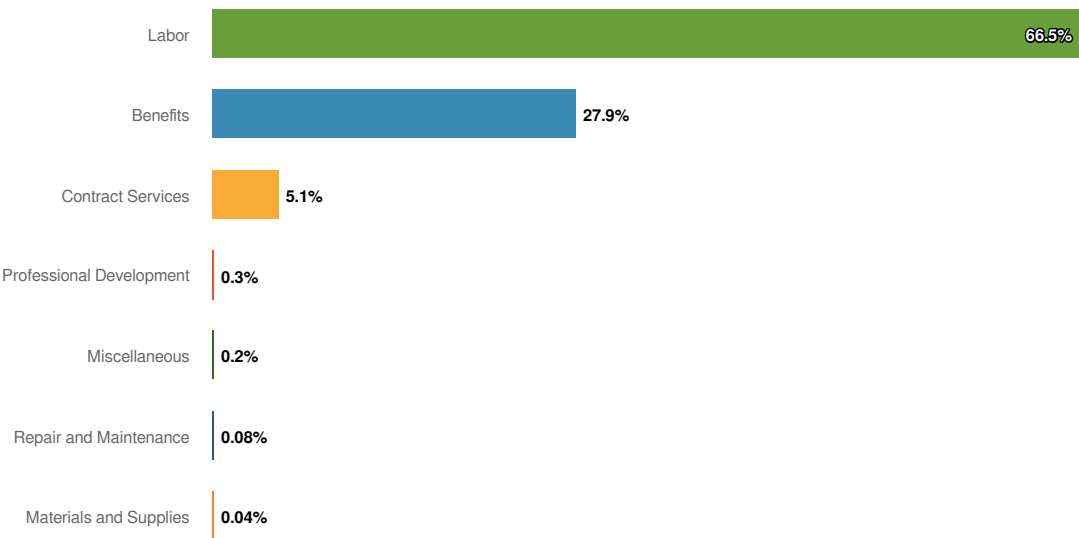


Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>General &amp; Admin</b>						
<b>Engineering</b>						
Labor / Full Time	100-5630-500-5001	\$1,200,400.00	\$1,079,064.54	\$1,214,100.00	1.1%	
Labor / Overtime	100-5630-500-5003	\$3,000.00	\$1,843.16	\$3,000.00	0%	
Labor / Bilingual Compensation	100-5630-500-5020	\$2,600.00	\$2,229.00	\$2,000.00	-23.1%	
Benefits / Deferred Comp-ER Match	100-5630-510-5100	\$19,500.00	\$15,927.68	\$19,500.00	0%	
Benefits / FICA	100-5630-510-5101	\$69,100.00	\$64,111.37	\$71,100.00	2.9%	
Benefits / Medicare	100-5630-510-5102	\$17,700.00	\$16,027.24	\$17,400.00	-1.7%	
Expense / Workers Comp Insurance	100-5630-510-5103	\$18,100.00	\$14,055.40	\$15,400.00	-14.9%	

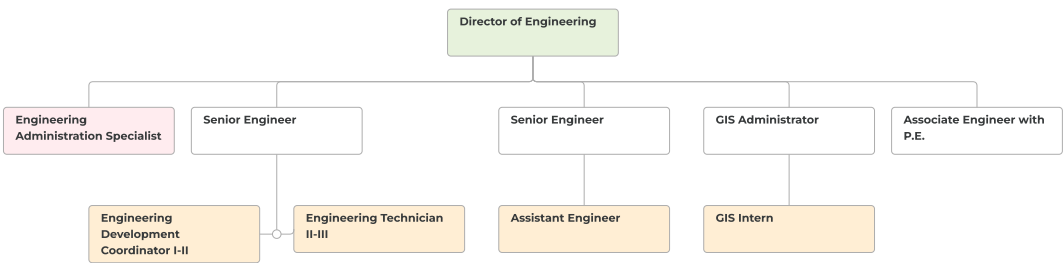
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Expense / PERS - ER Contribution - Classic Members	100-5630-510-5105	\$51,000.00	\$49,251.47	\$77,800.00	52.5%	
Expense / PERS - ER Contribution - PEPRA Members	100-5630-510-5106	\$51,000.00	\$41,756.37	\$42,600.00	-16.5%	
Expense / PERS - EPMC - Classic Members	100-5630-510-5107	\$32,900.00	\$31,716.70	\$43,700.00	32.8%	
Benefits / Hosp/Med Insurance	100-5630-510-5120	\$218,000.00	\$189,392.61	\$199,100.00	-8.7%	
Benefits / Dental	100-5630-510-5121	\$12,900.00	\$13,041.33	\$13,800.00	7%	
Benefits / Vision Care Insurance	100-5630-510-5122	\$2,700.00	\$2,435.61	\$2,500.00	-7.4%	
Benefits / Disability Insurance	100-5630-510-5123	\$4,200.00	\$3,460.47	\$3,900.00	-7.1%	
Benefits / EAP	100-5630-510-5124	\$300.00	\$279.19	\$300.00	0%	
Benefits / Life Insurance	100-5630-510-5125	\$4,500.00	\$4,142.67	\$4,300.00	-4.4%	
Expense / Training	100-5630-515-5200	\$4,713.00	\$1,228.00	\$3,395.00	-28%	
Miscellaneous / Dues & Subscriptions	100-5630-515-5201	\$600.00	\$0.00	\$400.00	-33.3%	
Miscellaneous / Trans/Meals/Lodging	100-5630-515-5202	\$1,000.00	\$432.72	\$1,000.00	0%	
Professional Services / Other Consultants	100-5630-525-5340	\$65,530.00	\$47,240.63	\$94,000.00	43.4%	
Operating Supplies / Miscellaneous	100-5630-530-5403	\$500.00	\$42.01	\$800.00	60%	
Operating Supplies / Uniforms	100-5630-536-5475	\$3,203.00	\$3,177.93	\$3,000.00	-6.3%	
Repair & Maintenance / Office Equipment	100-5630-540-5610	\$1,674.00	\$1,756.82	\$1,500.00	-10.4%	
<b>Total Engineering:</b>		<b>\$1,785,120.00</b>	<b>\$1,582,612.92</b>	<b>\$1,834,595.00</b>	<b>2.8%</b>	
<b>Total General &amp; Admin:</b>		<b>\$1,785,120.00</b>	<b>\$1,582,612.92</b>	<b>\$1,834,595.00</b>	<b>2.8%</b>	
<b>Total Expenditures:</b>		<b>\$1,785,120.00</b>	<b>\$1,582,612.92</b>	<b>\$1,834,595.00</b>	<b>2.8%</b>	

# Expenditures by Expense Type

## Budgeted Expenditures by Expense Type



## Organizational Chart





# Geographic Information System



## **SERVICES WE PROVIDE**

The GIS Division, provides the following: technical and administrative support of the District's enterprise GIS and computer aided design systems. The division is also responsible for the data collection and data Quality Assurance/Quality Control of the District's facility data and land-based data. It also assesses the current GIS infrastructure with Engineering to meet the District's needs.

## **SIGNIFICANT CHANGES**

- No significant changes.

## **FY 2022-23 ACCOMPLISHMENTS**

- The Customer Service Line Lead Material Field Verification process was structured in GIS. Sampling neighborhood boundaries, sample location sites and customer information data were constructed along with the route maps for field crews.
- Major Development projects along with the Capital Improvement projects were added to GIS and the GIS Viewer application was updated.
- A new workflow was created among Meter, Development and GIS departments to receive meter installation information in a timely manner from field crews which helped update the GIS Viewer application accordingly.
- The Sampling Sites Application, Fire Flow Test Application and Online Head Pressure Calculation tools were developed.

## **FY 2023-24 GOALS & OBJECTIVES**

- The results from the new field applications will be integrated with the GIS Viewer application and users will be able to review fieldwork progress.
- The Field application Dashboard's data export functionality will be updated to allow users to extract data in excel format.
- New strategies will be developed to create awareness about customer-oriented GIS applications such as Report a Water Issue application, Request Turf Replacement application, and Request Water Rebate application (based on water-saving appliances and smart irrigation systems). These applications will be promoted on the District's website which will allow for customer engagement and input.
- Training sessions will continue for field crews and office staff on GIS Technologies.

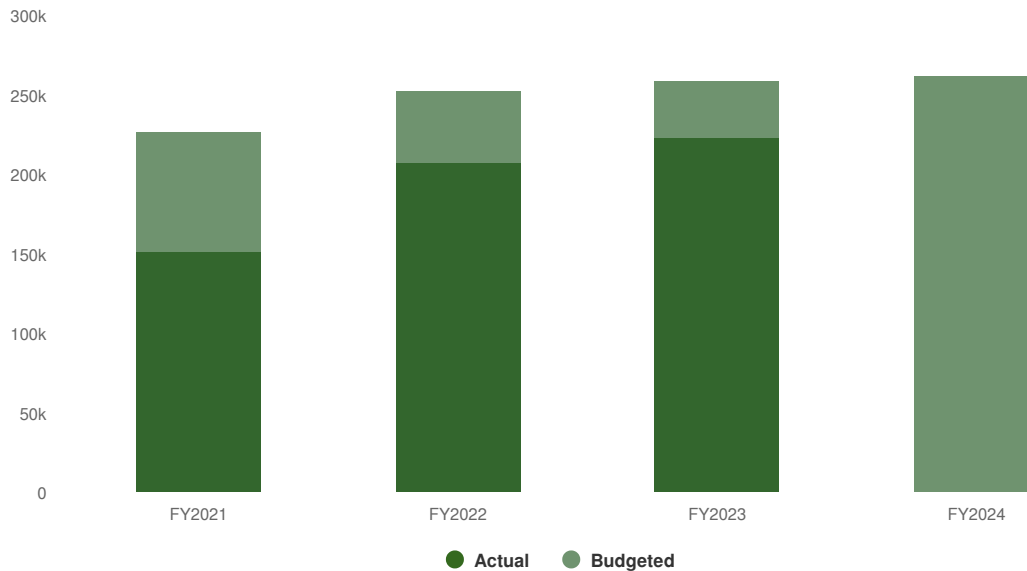
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Main Line Installation Year Information in GIS	80%	85%	N/A
Main Line Material Type Information in GIS	80%	85%	N/A
Lateral Line Installation Year in GIS	80%	90%	N/A
Lateral Line Material Type in GIS	80%	90%	N/A
Completing the Intersection Map reviews and hyperlinking them in GIS	50%	N/A	30%
Establishing the Utility Network structure for the upcoming ArcGIS Pro	50%	N/A	50%
Integrating the meter AMR data with the GIS database to establish the data sharing platform among databases	50%	N/A	40%

## Expenditures Summary

**\$262,040** **\$2,990**  
(1.15% vs. prior year)

### Geographic Information System Proposed and Historical Budget vs. Actual

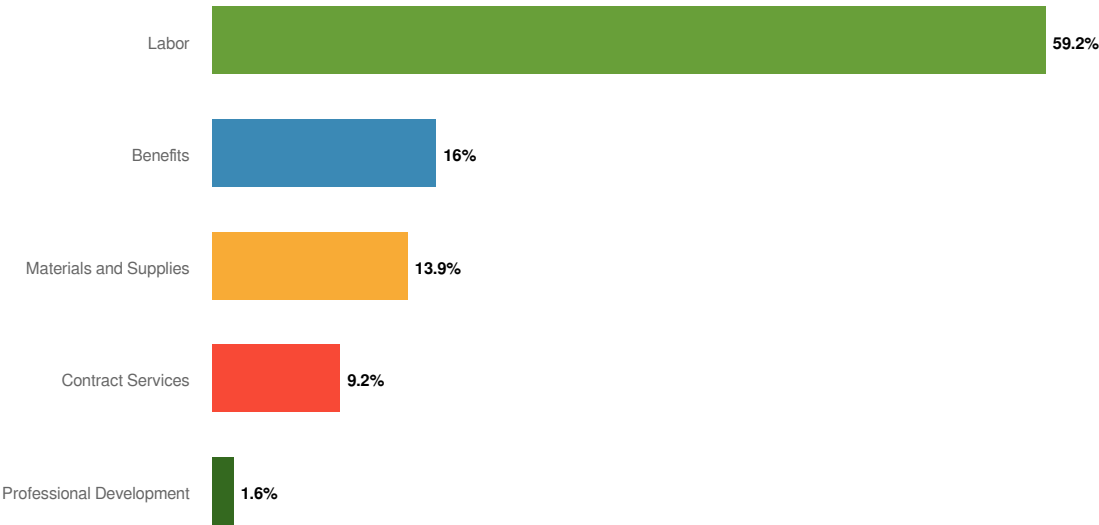


Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>General &amp; Admin</b>						
<b>GIS</b>						
Labor / Full Time	100-5645-500-5001	\$110,900.00	\$105,126.87	\$112,800.00	1.7%	

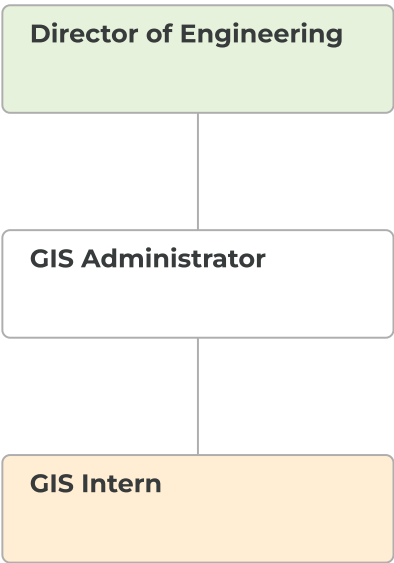
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / Part Time Or Temporary	100-5645-500-5002	\$19,500.00	\$17,332.32	\$42,400.00	117.4%	
Labor / Overtime	100-5645-500-5003	\$500.00	\$716.92	\$0.00	-100%	
Benefits / Deferred Comp-ER Match	100-5645-510-5100	\$2,000.00	\$1,915.50	\$2,000.00	0%	
Benefits / FICA	100-5645-510-5101	\$9,500.00	\$7,808.29	\$9,700.00	2.1%	
Benefits / Medicare	100-5645-510-5102	\$2,200.00	\$1,826.18	\$2,300.00	4.5%	
Expense / Workers Comp Insurance	100-5645-510-5103	\$900.00	\$670.97	\$900.00	0%	
Expense / PERS - ER Contribution - PEPRA Members	100-5645-510-5106	\$8,000.00	\$7,687.22	\$8,700.00	8.8%	
Benefits / Hosp/Med Insurance	100-5645-510-5120	\$17,000.00	\$16,158.12	\$16,200.00	-4.7%	
Benefits / Dental	100-5645-510-5121	\$1,200.00	\$1,139.52	\$1,100.00	-8.3%	
Benefits / Vision Care Insurance	100-5645-510-5122	\$300.00	\$254.16	\$300.00	0%	
Benefits / Disability Insurance	100-5645-510-5123	\$400.00	\$366.97	\$400.00	0%	
Benefits / EAP	100-5645-510-5124	\$0.00	\$29.16	\$0.00	0%	
Benefits / Life Insurance	100-5645-510-5125	\$400.00	\$369.74	\$400.00	0%	
Expense / Training	100-5645-515-5200	\$2,500.00	\$0.00	\$1,790.00	-28.4%	
Miscellaneous / Trans/Meals/Lodging	100-5645-515-5202	\$1,750.00	\$987.18	\$2,500.00	42.9%	
Professional Services / Programmer	100-5645-525-5316	\$39,500.00	\$18,760.00	\$24,000.00	-39.2%	
Miscellaneous / Computer Supplies & Maint	100-5645-530-5410	\$42,500.00	\$42,500.00	\$36,550.00	-14%	
<b>Total GIS:</b>		<b>\$259,050.00</b>	<b>\$223,649.12</b>	<b>\$262,040.00</b>	<b>1.2%</b>	
<b>Total General &amp; Admin:</b>		<b>\$259,050.00</b>	<b>\$223,649.12</b>	<b>\$262,040.00</b>	<b>1.2%</b>	
<b>Total Expenditures:</b>		<b>\$259,050.00</b>	<b>\$223,649.12</b>	<b>\$262,040.00</b>	<b>1.2%</b>	

# Expenditures by Expense Type

## Budgeted Expenditures by Expense Type



## Organizational Chart



# Human Resources

## SERVICES WE PROVIDE

The Human Resources Division manages functions, activities and personnel engaged in employment and compensation, training and employee development, employee benefits and workers' compensation, human resource records and employee relations. Conducts human resources research studies and directs the maintenance of personnel files. It recruits, selects, and ensures the retention of qualified employees; develops, implements, and administers policies, procedures, collective bargaining contracts and employee programs.

## SIGNIFICANT CHANGES

- No significant changes.



## FY 2022-23 ACCOMPLISHMENTS

- Used NEOGOV to hire several positions during the fiscal year.
- Launched and established a Wellness Program for employees to participate and engage in activities geared towards a healthier lifestyle.
- Ensure salaries, benefits, and related programs comply with the adopted Memorandum of Understanding (MOU) effective July 1, 2023.
- Implemented training and development programs for staff at all levels throughout the organization.

## FY 2023-24 GOALS & OBJECTIVES

- Cultivate strong working relationships with all Departments to enable us to establish the organization's mission, vision, goals, and objectives collectively.
- Continue to develop positive employee relations, implement risk reduction strategies, benchmark best practices, and prioritize corrective measures.
- Complete the comprehensive classification and compensation study before the March 2024 deadline.
- Assist with the development of an internal cross training program.

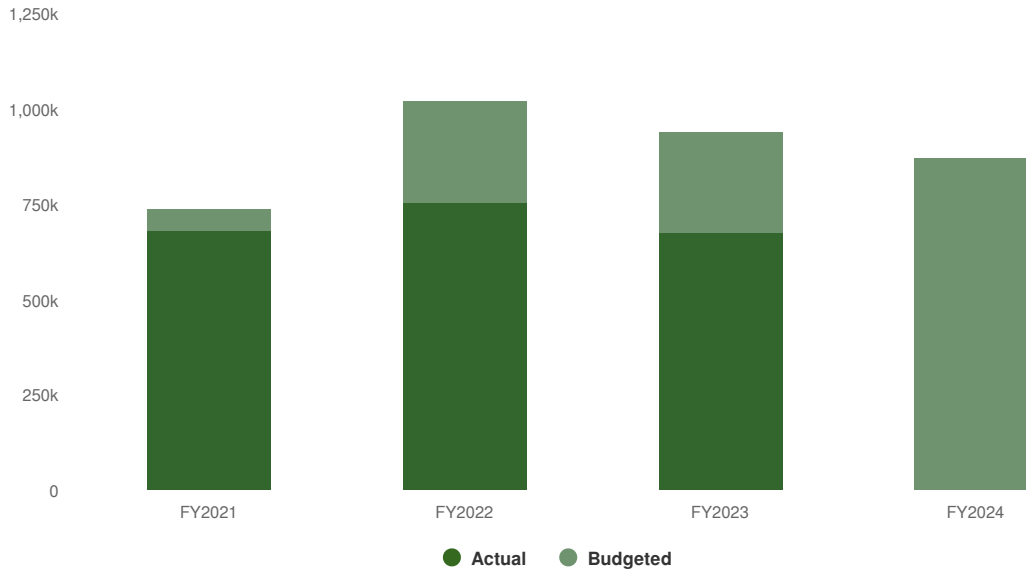
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Publish Open Meeting/Public Notices on or before statutory requirement	100%	100%	100%
Develop management workshops for directors/managers to better collaborate with staff	4	4	4
Continue to improve district wide policies and procedures to comply with current laws/regulations	3	3	3
Participate in professional development opportunities	5	11	9

## Expenditures Summary

**\$874,050** **-\$63,900**  
(-6.81% vs. prior year)

### Human Resources Proposed and Historical Budget vs. Actual



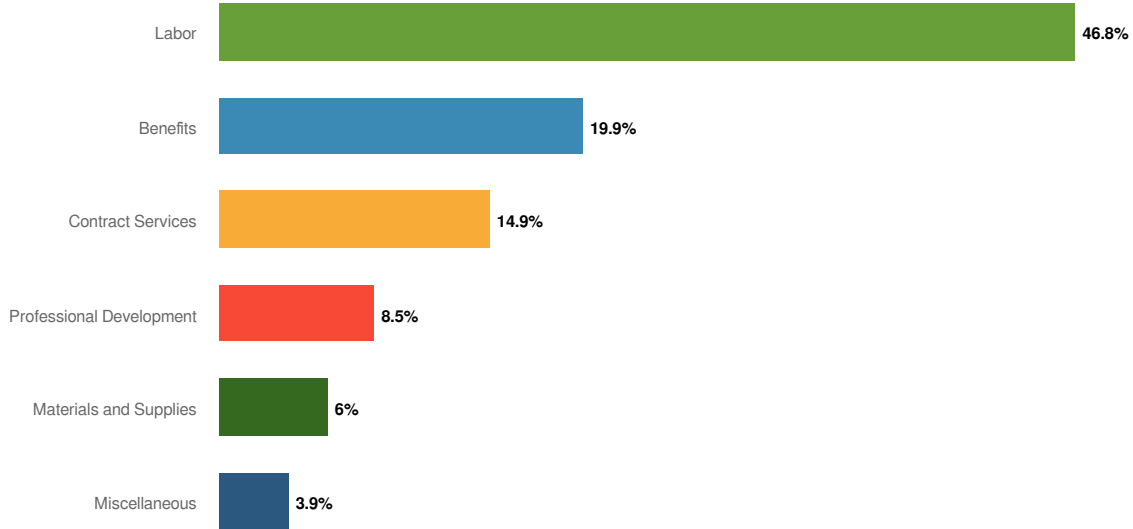
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>General &amp; Admin</b>						
<b>Human Resources/Risk Management</b>						
Labor / Full Time	100-5660-500-5001	\$383,900.00	\$333,702.93	\$404,200.00	5.3%	
Labor / Overtime	100-5660-500-5003	\$3,000.00	\$836.13	\$3,000.00	0%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / Bilingual Compensation	100-5660-500-5020	\$1,300.00	\$1,552.00	\$2,000.00	53.8%	
Benefits / Deferred Comp-ER Match	100-5660-510-5100	\$5,900.00	\$4,656.00	\$5,900.00	0%	
Benefits / FICA	100-5660-510-5101	\$21,600.00	\$18,579.14	\$23,300.00	7.9%	
Benefits / Medicare	100-5660-510-5102	\$5,800.00	\$4,964.10	\$6,000.00	3.4%	
Expense / Workers Comp Insurance	100-5660-510-5103	\$2,200.00	\$2,572.64	\$2,300.00	4.5%	
Benefit / Vehicle Allowance	100-5660-510-5104	\$108.00	\$108.00	\$0.00	-100%	
Expense / PERS - ER Contribution - Classic Members	100-5660-510-5105	\$31,600.00	\$30,815.92	\$38,300.00	21.2%	
Expense / PERS - ER Contribution - PEPR Members	100-5660-510-5106	\$6,300.00	\$2,927.43	\$7,600.00	20.6%	
Expense / PERS - EPMC - Classic Members	100-5660-510-5107	\$20,300.00	\$19,844.75	\$21,500.00	5.9%	
Benefits / Hosp/Med Insurance	100-5660-510-5120	\$69,500.00	\$49,574.98	\$61,100.00	-12.1%	
Benefits / Dental	100-5660-510-5121	\$5,500.00	\$3,550.96	\$4,300.00	-21.8%	
Benefits / Vision Care Insurance	100-5660-510-5122	\$800.00	\$593.04	\$800.00	0%	
Benefits / Disability Insurance	100-5660-510-5123	\$1,500.00	\$1,062.51	\$1,400.00	-6.7%	
Benefits / EAP	100-5660-510-5124	\$100.00	\$68.24	\$100.00	0%	
Benefits / Life Insurance	100-5660-510-5125	\$1,700.00	\$1,217.39	\$1,600.00	-5.9%	
Expense / Training	100-5660-515-5200	\$49,280.00	\$28,530.97	\$56,950.00	15.6%	
Miscellaneous / Subscription & Membrships	100-5660-515-5201	\$12,050.00	\$6,374.38	\$12,050.00	0%	
Miscellaneous / Trans/Meals/Lodging	100-5660-515-5202	\$5,200.00	\$3,740.61	\$5,600.00	7.7%	
Professional Services / Other Consultants	100-5660-525-5340	\$175,000.00	\$46,894.87	\$130,000.00	-25.7%	
Professional Services / Legal	100-5660-526-5330	\$0.00	\$1,262.40	\$0.00	0%	
Operating Supplies / Miscellaneous	100-5660-530-5403	\$7,600.00	\$6,362.83	\$8,200.00	7.9%	
Operating Supplies / Safety	100-5660-530-5405	\$7,650.00	\$6,182.10	\$4,650.00	-39.2%	
Operating Supplies / Recognition Supply	100-5660-530-5406	\$39,200.00	\$33,291.41	\$39,200.00	0%	
Miscellaneous / Employee Wellness Program	100-5660-536-5453	\$16,000.00	\$10,199.20	\$16,000.00	0%	
Miscellaneous / Recruitment	100-5660-536-5474	\$64,862.00	\$58,158.31	\$18,000.00	-72.2%	
<b>Total Human Resources/Risk Management:</b>		<b>\$937,950.00</b>	<b>\$677,623.24</b>	<b>\$874,050.00</b>	<b>-6.8%</b>	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Total General & Admin:		\$937,950.00	\$677,623.24	\$874,050.00	-6.8%	
Total Expenditures:		\$937,950.00	\$677,623.24	\$874,050.00	-6.8%	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type





## Organizational Chart



# Information Technology



## **SERVICES WE PROVIDE**

The IT Department is responsible for the development of specialized computer applications, workstation customization, installation and configuration of new and existing IT related equipment, server and network management, network security, voice networks, email, internet access, audio/visual equipment, and end-user support, with particular focus on the following functions and activities

## **SIGNIFICANT CHANGES**

- No significant changes.

## **FY 2022-23 ACCOMPLISHMENTS**

- Completed multiple risk and resilience assessments in compliance with federal regulations.
- Upgraded software and servers to comply with the server life cycle.
- Conducted cybersecurity awareness training for all staff.
- Identified areas for improvement for Tyler Incode shut-off procedure.
- Worked with Public Affairs to redesign the District's website.

## **FY 2023-24 GOALS & OBJECTIVES**

- Continue working with Operations and Finance staff to implement an Advance Metering Infrastructure (AMI) System for meter reading and billing.
- Upgrade District firewalls to comply with standardization best-practice.
- Upgrade VPN software to ensure secure connection while working off site.
- Work with Customer Service and Accounting to propose a fee/charge cost recovery for credit card charges.

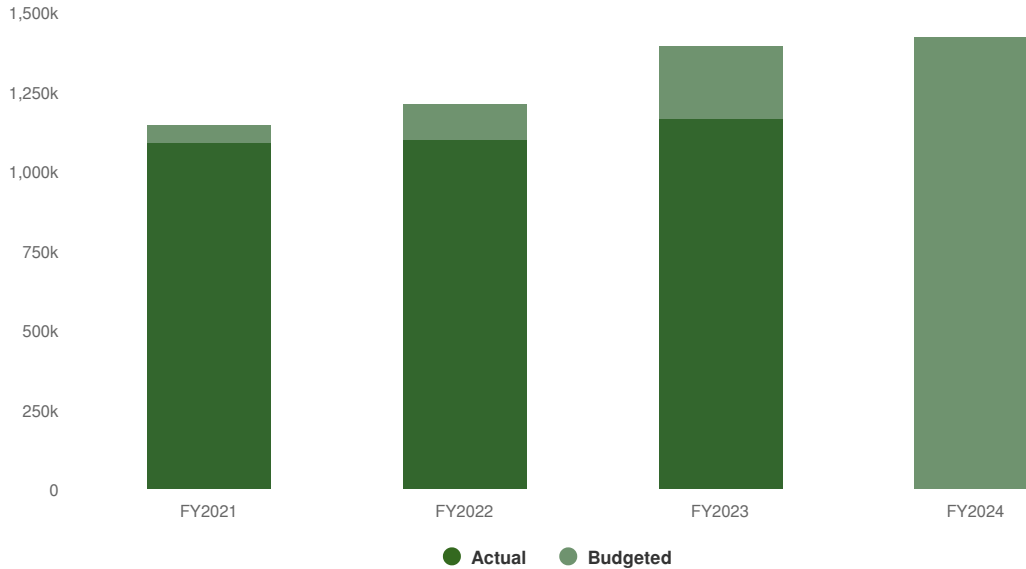
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Maximize system availability	99%	99.5%	99%
Increase Cybersecurity awareness by providing quarterly training topics	4	4	4
Complete disaster recovery drill (system restoration, power outages, emergency notifications)	1	1	1

## Expenditures Summary

**\$1,423,250** **\$26,620**  
(1.91% vs. prior year)

### Information Technology Proposed and Historical Budget vs. Actual

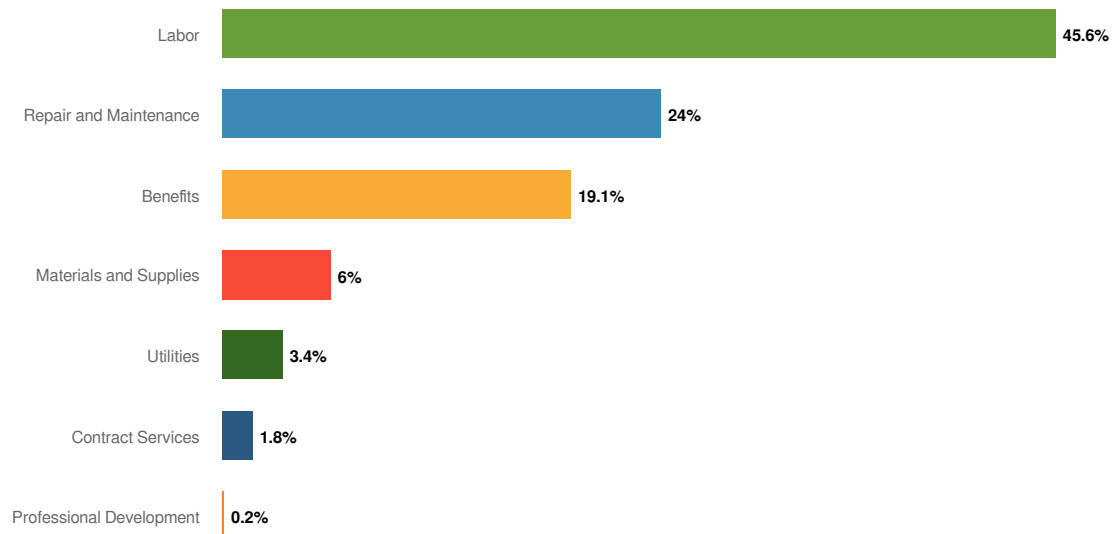


Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>General &amp; Admin</b>						
<b>Business Systems</b>						
Labor / Full Time	100-5640-500-5001	\$614,450.00	\$605,053.56	\$632,600.00	3%	
Labor / Overtime	100-5640-500-5003	\$15,000.00	\$15,394.04	\$15,000.00	0%	

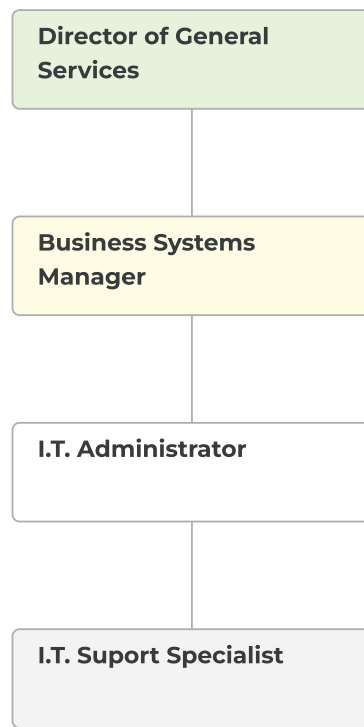
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / Bilingual Compensation	100-5640-500-5020	\$650.00	\$638.50	\$700.00	7.7%	
Benefits / Deferred Comp-ER Match	100-5640-510-5100	\$7,800.00	\$7,662.00	\$7,800.00	0%	
Benefits / FICA	100-5640-510-5101	\$31,400.00	\$32,479.83	\$33,400.00	6.4%	
Benefits / Medicare	100-5640-510-5102	\$9,000.00	\$9,108.64	\$8,800.00	-2.2%	
Expense / Workers Comp Insurance	100-5640-510-5103	\$3,300.00	\$3,202.92	\$3,500.00	6.1%	
Expense / PERS - ER Contribution - Classic Members	100-5640-510-5105	\$53,100.00	\$59,895.26	\$75,100.00	41.4%	
Expense / PERS - ER Contribution - PEPRA Members	100-5640-510-5106	\$6,000.00	\$0.00	\$0.00	-100%	
Expense / PERS - EPMC - Classic Members	100-5640-510-5107	\$34,200.00	\$38,570.85	\$42,100.00	23.1%	
Benefits / Hosp/Med Insurance	100-5640-510-5120	\$91,100.00	\$88,110.12	\$89,400.00	-1.9%	
Benefits / Dental	100-5640-510-5121	\$6,700.00	\$6,788.28	\$7,200.00	7.5%	
Benefits / Vision Care Insurance	100-5640-510-5122	\$1,100.00	\$1,016.64	\$1,000.00	-9.1%	
Benefits / Disability Insurance	100-5640-510-5123	\$1,800.00	\$1,643.29	\$1,700.00	-5.6%	
Benefits / EAP	100-5640-510-5124	\$100.00	\$116.64	\$100.00	0%	
Benefits / Life Insurance	100-5640-510-5125	\$2,200.00	\$1,986.48	\$2,100.00	-4.5%	
Expense / Training	100-5640-515-5200	\$2,400.00	\$2,316.00	\$2,400.00	0%	
Miscellaneous / Dues & Subscriptions	100-5640-515-5201	\$130.00	\$130.00	\$130.00	0%	
Miscellaneous / Trans/Meals/Lodging	100-5640-515-5202	\$380.00	\$0.00	\$300.00	-21.1%	
Professional Services / Programmer	100-5640-525-5316	\$29,620.00	\$1,500.00	\$25,000.00	-15.6%	
Miscellaneous / Computer Supplies & Maint	100-5640-530-5410	\$115,400.00	\$56,050.13	\$84,800.00	-26.5%	
Repair & Maintenance / Contracts And Licensing	100-5640-540-5604	\$329,700.00	\$198,677.35	\$341,800.00	3.7%	
Miscellaneous / High Speed Internet Ser	100-5640-550-5651	\$41,100.00	\$36,372.71	\$48,320.00	17.6%	
<b>Total Business Systems:</b>		<b>\$1,396,630.00</b>	<b>\$1,166,713.24</b>	<b>\$1,423,250.00</b>	<b>1.9%</b>	
<b>Total General &amp; Admin:</b>		<b>\$1,396,630.00</b>	<b>\$1,166,713.24</b>	<b>\$1,423,250.00</b>	<b>1.9%</b>	
<b>Total Expenditures:</b>		<b>\$1,396,630.00</b>	<b>\$1,166,713.24</b>	<b>\$1,423,250.00</b>	<b>1.9%</b>	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Organizational Chart



## Meter Reading



### SERVICES WE PROVIDE

Meter Reading is responsible for reading all District meters monthly billing, responding to on-site customer meter-related requests, and customer service assistance. The department installs and maintains all meters for the District. Staff also responds to customer issues regarding meter accuracy, conducts site audits, and maintains records as required by various regulatory agencies.

### SIGNIFICANT CHANGES

- No significant changes.

### FY 2022-23 ACCOMPLISHMENTS

- Visually inspected meter boxes where read problems occurred.
- AMI meters project continued during the year and installed meters were monitored.

### FY 2023-24 GOALS & OBJECTIVES

- Continue with the meter replacement project.
- Testing of large meters 3" and larger and replace as needed.
- Conduct audits of meters for accuracy to ensure compliance with AWWA standards.

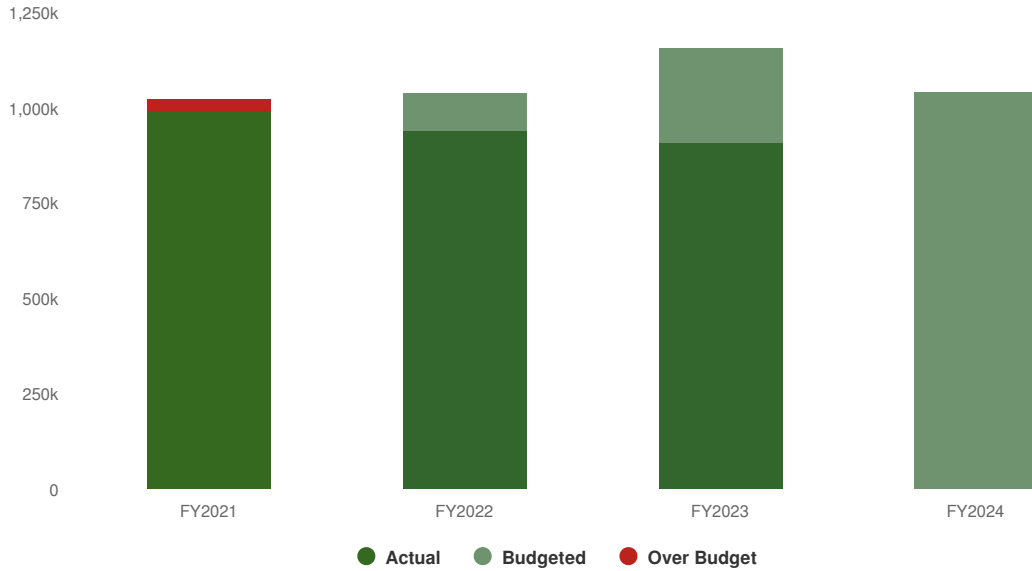
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Number of employees trained on the AMI project	7	10	4
Inspection program developed for facilities in AMI areas that are no longer read manually	1	1	1
Annual report on small meter testing	1	1	1
Number of large meters tested for accuracy	75%	75%	75%

## Expenditures Summary

**\$1,041,100** **-\$113,400**  
(-9.82% vs. prior year)

### Meter Reading Proposed and Historical Budget vs. Actual



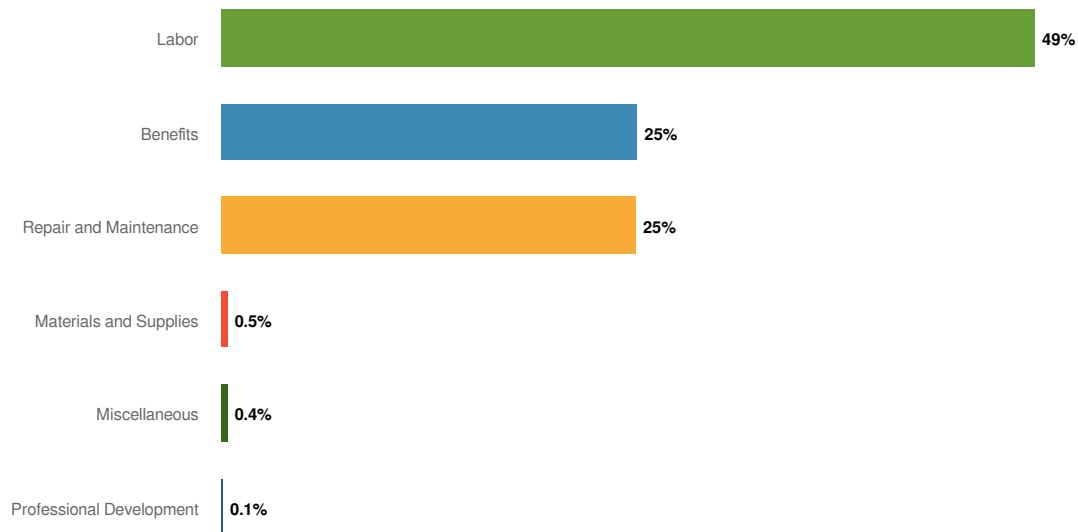
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>Finance</b>						
<b>Meter Reading</b>						
Labor / Full Time	100-5520-500-5001	\$525,800.00	\$435,941.13	\$486,700.00	-7.4%	
Labor / Overtime	100-5520-500-5003	\$15,000.00	\$14,032.53	\$15,000.00	0%	
Labor / On Call	100-5520-500-5004	\$7,500.00	\$6,087.76	\$7,500.00	0%	
Labor / Bilingual Compensation	100-5520-500-5020	\$0.00	\$638.50	\$700.00	N/A	
Benefits / Deferred Comp-ER Match	100-5520-510-5100	\$13,700.00	\$5,221.50	\$13,700.00	0%	
Benefits / FICA	100-5520-510-5101	\$33,400.00	\$28,898.73	\$30,600.00	-8.4%	
Benefits / Medicare	100-5520-510-5102	\$7,800.00	\$6,758.68	\$7,200.00	-7.7%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Expense / Workers Comp Insurance	100-5520-510-5103	\$11,600.00	\$7,422.99	\$8,500.00	-26.7%	
Expense / PERS - ER Contribution - Classic Members	100-5520-510-5105	\$14,300.00	\$10,042.37	\$11,800.00	-17.5%	
Expense / PERS - ER Contribution - PEPRA Members	100-5520-510-5106	\$28,200.00	\$22,290.49	\$29,600.00	5%	
Expense / PERS - EPMC - Classic Members	100-5520-510-5107	\$9,200.00	\$6,467.10	\$6,600.00	-28.3%	
Benefits / Hosp/Med Insurance	100-5520-510-5120	\$147,700.00	\$99,379.59	\$136,500.00	-7.6%	
Benefits / Dental	100-5520-510-5121	\$8,800.00	\$6,845.10	\$9,500.00	8%	
Benefits / Vision Care Insurance	100-5520-510-5122	\$1,900.00	\$1,461.42	\$1,800.00	-5.3%	
Benefits / Disability Insurance	100-5520-510-5123	\$2,300.00	\$1,382.87	\$1,700.00	-26.1%	
Benefits / EAP	100-5520-510-5124	\$200.00	\$167.52	\$200.00	0%	
Benefits / Life Insurance	100-5520-510-5125	\$2,900.00	\$2,197.47	\$2,800.00	-3.4%	
Expense / Training	100-5520-515-5200	\$1,800.00	\$886.00	\$1,000.00	-44.4%	
Miscellaneous / Trans/Meals/Lodging	100-5520-515-5202	\$2,000.00	\$601.87	\$300.00	-85%	
Operating Supplies / Shop	100-5520-530-5407	\$6,000.00	\$3,088.66	\$5,000.00	-16.7%	
Operating Supplies / Uniforms	100-5520-536-5475	\$4,400.00	\$3,230.28	\$4,400.00	0%	
Miscellaneous / AMR Meter Replacement Prgam	100-5520-540-5601	\$20,000.00	\$6,924.53	\$20,000.00	0%	
Repair & Maintenance / Meters & AMRs	100-5520-540-5608	\$290,000.00	\$239,775.82	\$240,000.00	-17.2%	
<b>Total Meter Reading:</b>		<b>\$1,154,500.00</b>	<b>\$909,742.91</b>	<b>\$1,041,100.00</b>	<b>-9.8%</b>	
<b>Total Finance:</b>		<b>\$1,154,500.00</b>	<b>\$909,742.91</b>	<b>\$1,041,100.00</b>	<b>-9.8%</b>	
<b>Total Expenditures:</b>		<b>\$1,154,500.00</b>	<b>\$909,742.91</b>	<b>\$1,041,100.00</b>	<b>-9.8%</b>	

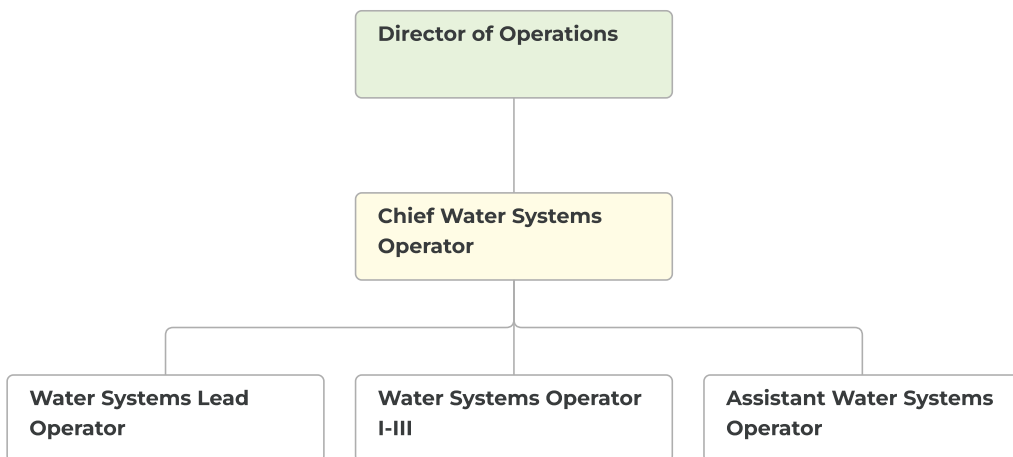


## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Organizational Chart



## Public Affairs



### SERVICES WE PROVIDE

The Public Affairs Division engages and informs the public and stakeholders through multi-media communications, promotes WVWD services, programs and key messages. It advocates the District's interests in the federal, state, and local legislative arenas. Also, it promotes and sustains effective communication between WVWD and partnering agencies to optimize public service.

### SIGNIFICANT CHANGES

- No significant changes.

### FY 2022-23 ACCOMPLISHMENTS

- Collaborated with department leads to define District-wide priorities for the Strategic Plan.
- Evaluated and identified best practices to be included in the new policies.
- Coordinated with relevant staff and incorporated recommendations to new policies.

### FY 2023-24 GOALS & OBJECTIVES

- Increase community presence by filling 2 open positions within the department.
- Continue to engage with the SWRCB and regional partners to ensure the District meets State mandated water conservation goals, with reporting to start in 2024.
- Build K-12 education program, that focuses on teaching life-long water habits
- Build upon our current legislative principals, with a focus on maintaining relationships with local and federal electeds to increase chances of funding for critical projects
- Recruit and develop qualified personnel to optimize productivity and enhance morale.

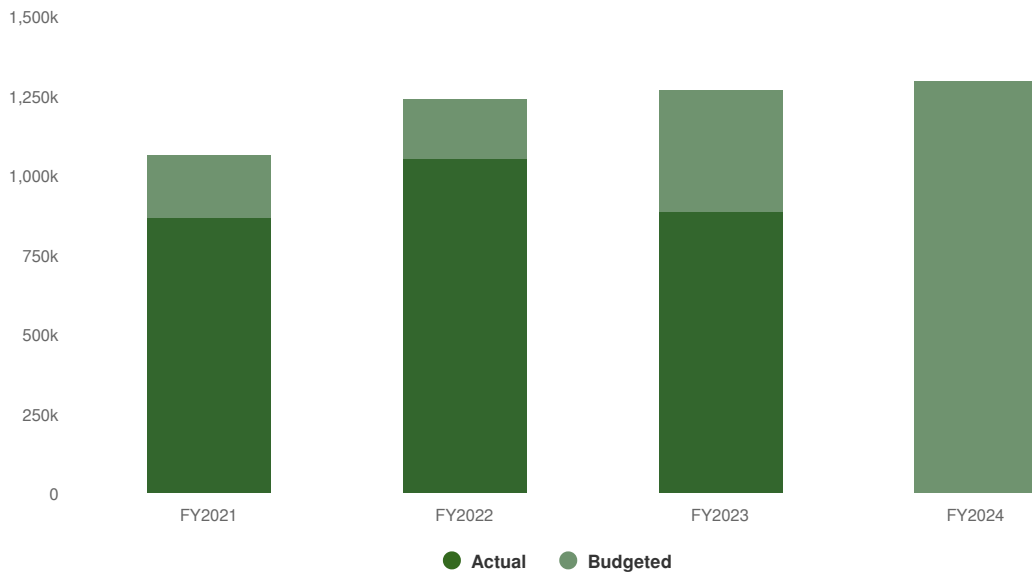
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Meet SWRCB conservation goal	Yes	Yes	Yes
Water workshops	6	6	5
Website redesign	1	N/A	1
Identify water and infrastructure bills and submit letters of support/opposition	5	8	7
Attend community events monthly and Earth Day celebration	13	13	25

## Expenditures Summary

**\$1,299,200** **\$32,564**  
(2.57% vs. prior year)

### Public Affairs Proposed and Historical Budget vs. Actual



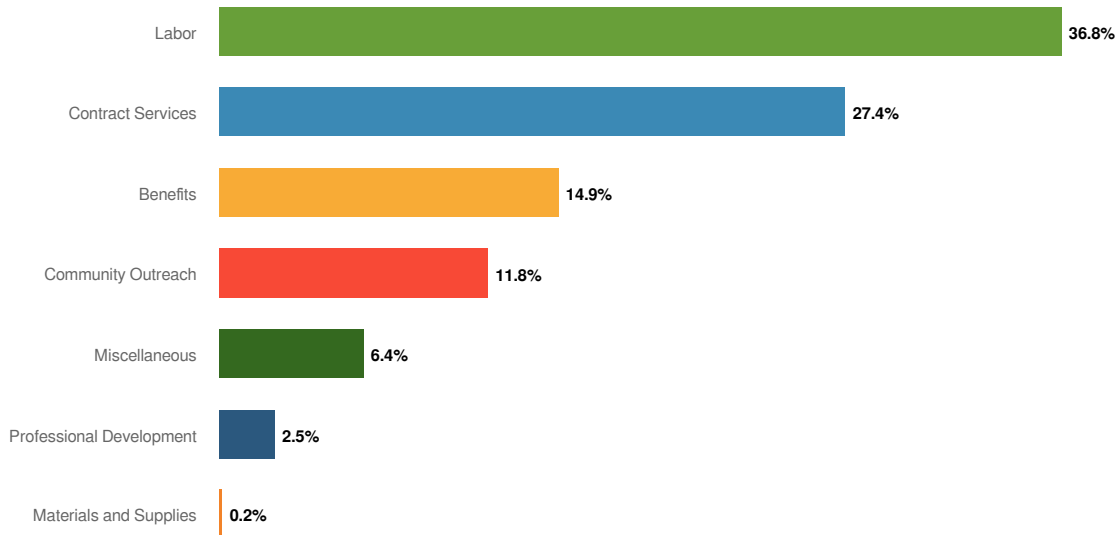
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>Public Affairs</b>						
<b>Public Affairs</b>						
Labor / Full Time	100-5710-500-5001	\$434,800.00	\$238,115.58	\$421,500.00	-3.1%	
Labor / Part Time Or Temporary	100-5710-500-5002	\$5,000.00	\$8,522.47	\$42,400.00	748%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / Overtime	100-5710-500-5003	\$24,000.00	\$18,809.81	\$14,000.00	-41.7%	
Labor / Bilingual Compensation	100-5710-500-5020	\$700.00	\$638.50	\$700.00	0%	
Benefits / Deferred Comp-ER Match	100-5710-510-5100	\$7,800.00	\$1,982.44	\$7,800.00	0%	
Benefits / FICA	100-5710-510-5101	\$25,900.00	\$14,920.05	\$29,200.00	12.7%	
Benefits / Medicare	100-5710-510-5102	\$6,600.00	\$3,912.75	\$6,800.00	3%	
Expense / Workers Comp Insurance	100-5710-510-5103	\$2,700.00	\$4,828.91	\$2,700.00	0%	
Expense / PERS - ER Contribution - Classic Members	100-5710-510-5105	\$0.00	\$35.71	\$15,400.00	N/A	
Expense / PERS - ER Contribution - PEPRAs Members	100-5710-510-5106	\$32,900.00	\$16,428.63	\$22,800.00	-30.7%	
Expense / PERS - EPMC - Classic Members	100-5710-510-5107	\$0.00	\$23.00	\$8,600.00	N/A	
Benefits / Hosp/Med Insurance	100-5710-510-5120	\$95,300.00	\$36,729.59	\$90,300.00	-5.2%	
Benefits / Dental	100-5710-510-5121	\$6,000.00	\$2,133.05	\$5,700.00	-5%	
Benefits / Vision Care Insurance	100-5710-510-5122	\$1,100.00	\$532.37	\$1,000.00	-9.1%	
Benefits / Disability Insurance	100-5710-510-5123	\$1,800.00	\$802.98	\$1,400.00	-22.2%	
Benefits / EAP	100-5710-510-5124	\$100.00	\$61.03	\$100.00	0%	
Benefits / Life Insurance	100-5710-510-5125	\$2,000.00	\$957.08	\$1,700.00	-15%	
Expense / Training	100-5710-515-5200	\$6,158.00	\$5,648.50	\$8,800.00	42.9%	
Miscellaneous / Subscription & Memberships	100-5710-515-5201	\$8,978.00	\$5,608.35	\$8,800.00	-2%	
Miscellaneous / Trans/Meals/Lodging	100-5710-515-5202	\$14,800.00	\$10,585.64	\$15,000.00	1.4%	
Professional Services / Other Consultants	100-5710-525-5340	\$350,000.00	\$314,318.97	\$356,000.00	1.7%	
Operating Supplies / Miscellaneous	100-5710-530-5403	\$3,500.00	\$3,975.34	\$2,500.00	-28.6%	
Miscellaneous / Printing	100-5710-536-5411	\$76,000.00	\$59,219.62	\$56,500.00	-25.7%	
Postage & Shipping	100-5710-536-5471	\$19,500.00	\$13,150.16	\$25,000.00	28.2%	
Operating Supplies / Uniforms	100-5710-536-5475	\$1,100.00	\$403.58	\$1,500.00	36.4%	
Programs / Outreach Programs	100-5710-537-5502	\$96,000.00	\$80,139.97	\$95,000.00	-1%	
Programs / Sponsorships	100-5710-537-5506	\$13,900.00	\$13,214.97	\$28,000.00	101.4%	
<b>Total Public Affairs:</b>		<b>\$1,236,636.00</b>	<b>\$855,699.05</b>	<b>\$1,269,200.00</b>	<b>2.6%</b>	

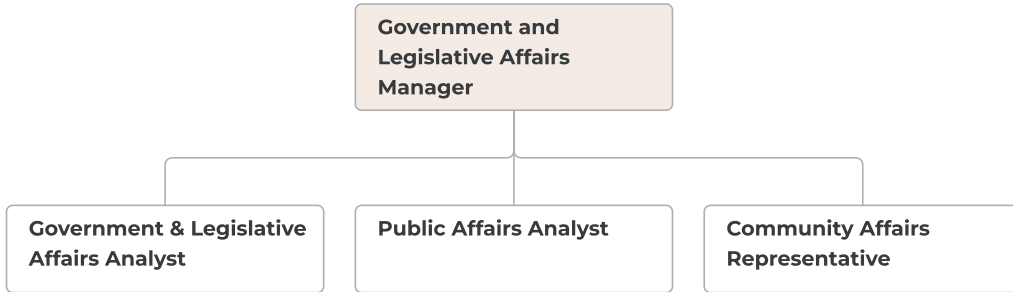
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Grants &amp; Rebates</b>						
Programs / Rebate	100-5720-537-5503	\$30,000.00	\$32,369.46	\$30,000.00	0%	
<b>Total Grants &amp; Rebates:</b>		<b>\$30,000.00</b>	<b>\$32,369.46</b>	<b>\$30,000.00</b>	<b>0%</b>	
<b>Total Public Affairs:</b>		<b>\$1,266,636.00</b>	<b>\$888,068.51</b>	<b>\$1,299,200.00</b>	<b>2.6%</b>	
<b>Total Expenditures:</b>		<b>\$1,266,636.00</b>	<b>\$888,068.51</b>	<b>\$1,299,200.00</b>	<b>2.6%</b>	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



# Organizational Chart



# Purchasing



## SERVICES WE PROVIDE

The Purchasing Division is responsible for procurement, contracts, warehousing and inventory, records, and the management of the District's energy use and resources. Also, it manages the general services such as copy center operations, tool room management, shipping and receiving, and service contract administration.

## SIGNIFICANT CHANGES

- No significant changes.

## FY 2022-23 ACCOMPLISHMENTS

- Purchased 5 trucks for the fleet.
- Improved the Inventory Policy to help provide staff direction and assistance in maintaining the District's Inventory.
- Improved the Vehicle Use and Fleet Replacement Policy to provide guidance relative to assignment, utilization and control of District-owned vehicles and detail criteria for replacement of older vehicles in service.
- Submitted Monthly Purchase Order Reports and Monthly Board Reports for increased transparency and accountability

## FY 2023-24 GOALS & OBJECTIVES

- Improve Cross Training among the Purchasing Team to always provide continuous and efficient support to other Departments at the District.
- Replace aging and high mileage fleet vehicles to reduce maintenance repair costs, improve efficiency and increase safety for Field Staff
- Seek ways to improve the District's Facilities through Sustainability and Environmentally Friendly projects and present suggestions to Executive Management for consideration.
- Continue to maintain contracts and certificates of insurance updated with software to ensure compliance and reduce liability to the District.

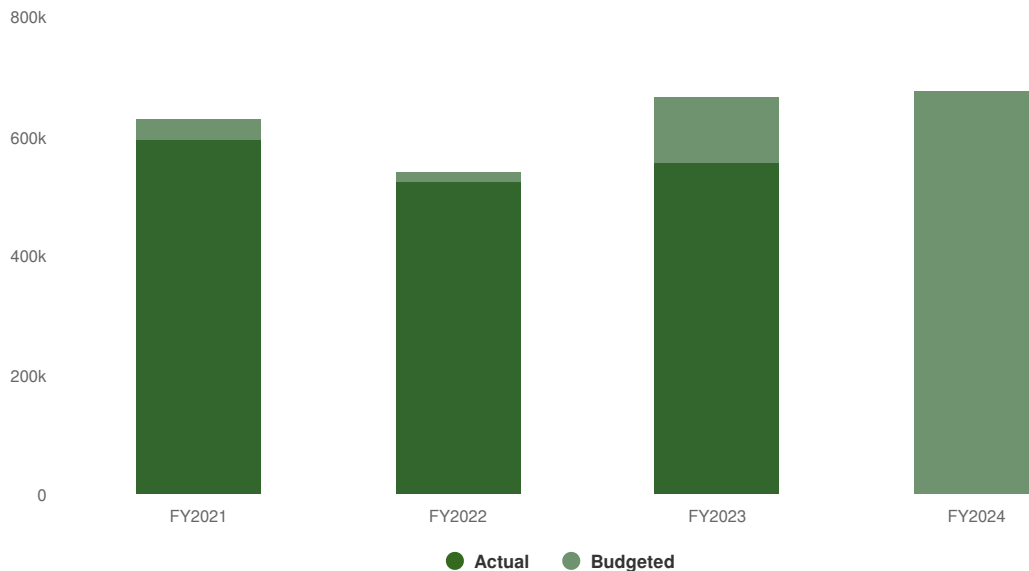
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Days to complete District's First AEP award after fiscal year end	180 days	90 days	100 days
Develop and create inventory policy after implementation	90 days	60 days	65 days
Submit Purchase Order Report every 2 <sup>nd</sup> board meeting of the month	12	12	12
Maintain inventory shrinkage at an acceptable minimum	Under \$20k	\$3k	\$3k

## Expenditures Summary

**\$677,500** **\$10,200**  
(1.53% vs. prior year)

### Purchasing Proposed and Historical Budget vs. Actual



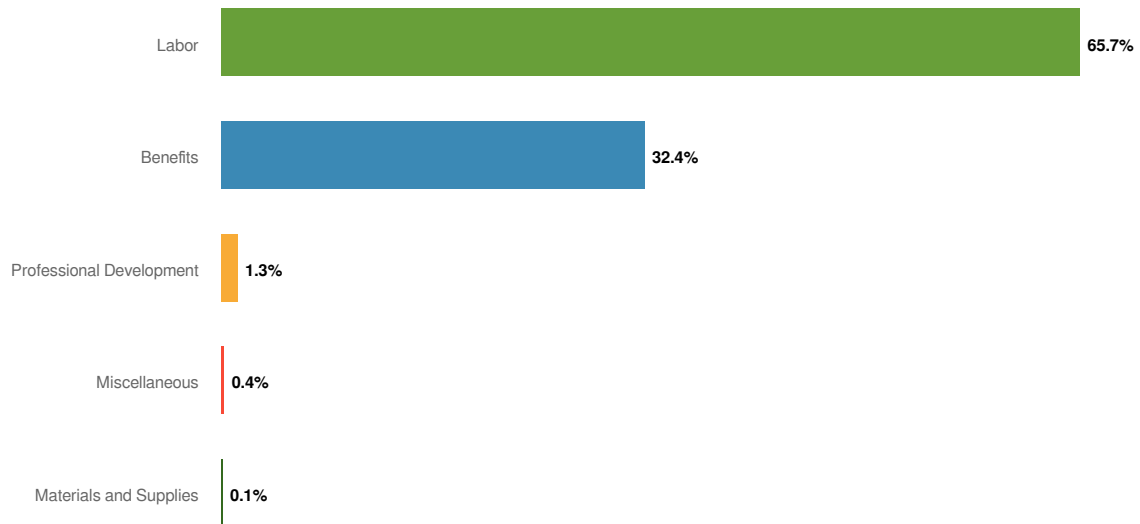
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>General &amp; Admin</b>						
<b>Purchasing</b>						
Labor / Full Time	100-5680-500-5001	\$427,400.00	\$371,452.69	\$440,800.00	3.1%	
Labor / Overtime	100-5680-500-5003	\$3,000.00	\$2,261.19	\$3,000.00	0%	



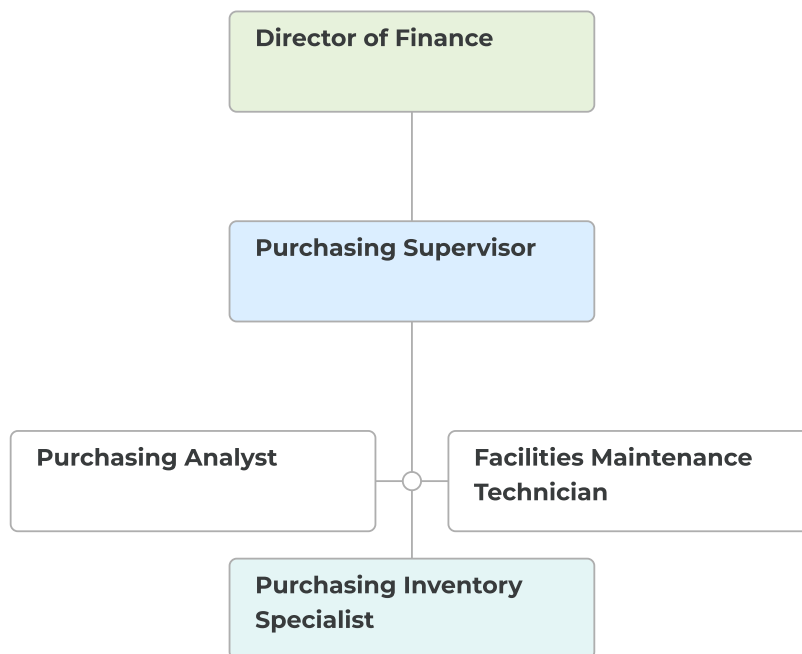
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / Bilingual Compensation	100-5680-500-5020	\$700.00	\$638.50	\$700.00	0%	
Labor / Class A Drivers License	100-5680-500-5021	\$700.00	\$638.50	\$700.00	0%	
Benefits / Deferred Comp-ER Match	100-5680-510-5100	\$9,800.00	\$5,069.54	\$9,800.00	0%	
Benefits / FICA	100-5680-510-5101	\$27,200.00	\$23,641.11	\$27,800.00	2.2%	
Benefits / Medicare	100-5680-510-5102	\$6,400.00	\$5,528.90	\$6,500.00	1.6%	
Expense / Workers Comp Insurance	100-5680-510-5103	\$5,400.00	\$2,902.75	\$5,600.00	3.7%	
Expense / PERS - ER Contribution - Classic Members	100-5680-510-5105	\$8,700.00	\$8,386.86	\$10,500.00	20.7%	
Expense / PERS - ER Contribution - PEPRA Members	100-5680-510-5106	\$25,400.00	\$21,255.26	\$27,200.00	7.1%	
Expense / PERS - EPMC - Classic Members	100-5680-510-5107	\$5,600.00	\$5,400.79	\$5,900.00	5.4%	
Benefits / Hosp/Med Insurance	100-5680-510-5120	\$122,100.00	\$90,288.97	\$112,300.00	-8%	
Benefits / Dental	100-5680-510-5121	\$9,700.00	\$7,280.07	\$9,300.00	-4.1%	
Benefits / Vision Care Insurance	100-5680-510-5122	\$1,300.00	\$1,066.86	\$1,300.00	0%	
Benefits / Disability Insurance	100-5680-510-5123	\$2,100.00	\$1,287.33	\$1,500.00	-28.6%	
Benefits / EAP	100-5680-510-5124	\$100.00	\$122.57	\$100.00	0%	
Benefits / Life Insurance	100-5680-510-5125	\$2,400.00	\$1,658.97	\$2,000.00	-16.7%	
Expense / Training	100-5680-515-5200	\$3,000.00	\$1,907.24	\$3,500.00	16.7%	
Miscellaneous / Subscription & Membrships	100-5680-515-5201	\$1,500.00	\$1,295.00	\$1,600.00	6.7%	
Miscellaneous / Trans/Meals/Lodging	100-5680-515-5202	\$2,200.00	\$2,130.62	\$4,000.00	81.8%	
Operating Supplies / Miscellaneous	100-5680-530-5403	\$500.00	\$537.67	\$1,000.00	100%	
Operating Supplies / Uniforms	100-5680-536-5475	\$2,100.00	\$2,477.30	\$2,400.00	14.3%	
<b>Total Purchasing:</b>		<b>\$667,300.00</b>	<b>\$557,228.69</b>	<b>\$677,500.00</b>	<b>1.5%</b>	
<b>Total General &amp; Admin:</b>		<b>\$667,300.00</b>	<b>\$557,228.69</b>	<b>\$677,500.00</b>	<b>1.5%</b>	
<b>Total Expenditures:</b>		<b>\$667,300.00</b>	<b>\$557,228.69</b>	<b>\$677,500.00</b>	<b>1.5%</b>	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Organizational Chart



# Source of Supply & Production

## SERVICES WE PROVIDE

The Source of Supply and Production Division is responsible for providing cost competitive, reliable, and environmentally compliant water. Activities performed by these production groups are broad in scope but are focused to achieve high reliability at a reasonable cost.

## SIGNIFICANT CHANGES

- No significant changes.



## FY 2022-23 ACCOMPLISHMENTS

- Worked with IT to complete ClearScada software update.
- Bi-annual Edison Efficiency Testing for all in-use pumping equipment.
- Responded to numerous emergencies for troubleshooting and repair.
- Multiple successful emergency generator deployments during Public Safety Power Shutoff events.

## FY 2023-24 GOALS & OBJECTIVES

- Continue supporting and assisting the Engineering Department with the Oliver P. Roemer Expansion Project.
- Develop projects and programs to ensure safe and reliable services.
- Rehabilitate groundwater wells that are in need.
- Enhanced the SCADA system to achieve water production requirements.

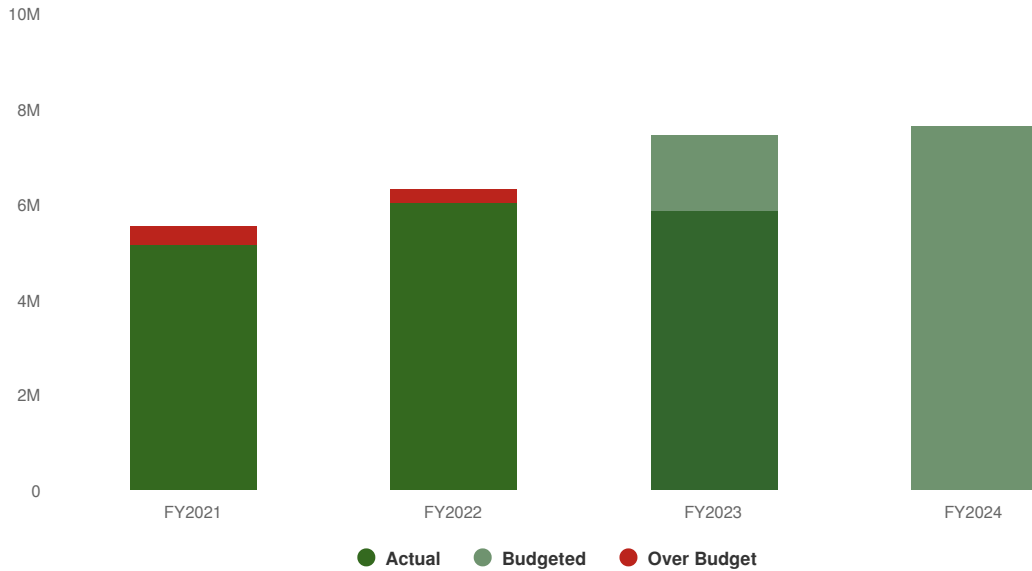
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Perform upgrades to SCADA radios as recommended by consultant and/or staff	10/YR	10	10
Perform or schedule repairs recommended by reservoir inspection report	1/YR	1	1
Implement available SCADA software updates	100%	100%	100%
Perform repairs recommended from the electrical inspection report	100%	100%	100%

## Expenditures Summary

**\$7,627,613** **\$161,578**  
(2.16% vs. prior year)

### Source of Supply & Production Proposed and Historical Budget vs. Actual



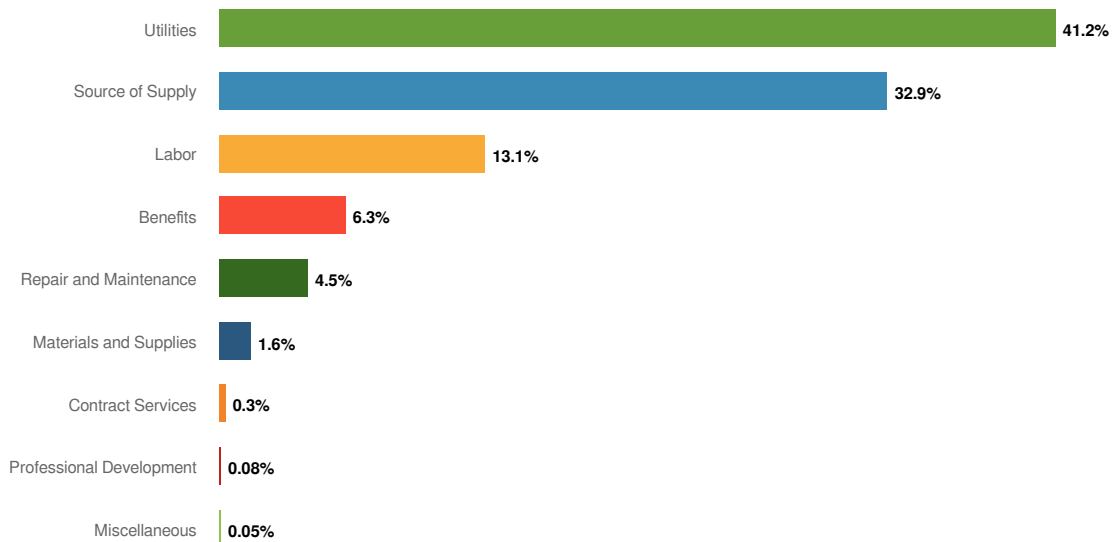
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>Source of Supply</b>						
<b>Source Of Supply</b>						
Purchased Water / City Of San Bernardino	100-5110-520-5250	\$273,867.00	\$173,798.99	\$145,000.00	-47.1%	
Purchased Water / Fontana Union	100-5110-520-5251	\$12,000.00	\$25,758.00	\$12,000.00	0%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Purchased Water / Muni	100-5110-520-5252	\$730,000.00	\$618,788.48	\$764,100.00	4.7%	
Purchased Water / State Water Project	100-5110-520-5253	\$550,560.00	\$69,320.82	\$618,400.00	12.3%	
Other Miscellaneous / Chino Basin Watermaster	100-5110-520-5254	\$70,000.00	\$39,675.97	\$25,000.00	-64.3%	
Purchased Water / I.E. Utilities Agency	100-5110-520-5255	\$542,482.00	\$479,849.25	\$545,018.00	0.5%	
Purchased Water / SBBA Agreement	100-5110-520-5256	\$296,576.00	\$296,575.11	\$398,945.00	34.5%	
<b>Total Source Of Supply:</b>		<b>\$2,475,485.00</b>	<b>\$1,703,766.62</b>	<b>\$2,508,463.00</b>	<b>1.3%</b>	
<b>Total Source of Supply:</b>		<b>\$2,475,485.00</b>	<b>\$1,703,766.62</b>	<b>\$2,508,463.00</b>	<b>1.3%</b>	
<b>Pumping</b>						
<b>Production</b>						
Labor / Full Time	100-5210-500-5001	\$901,800.00	\$852,500.68	\$950,000.00	5.3%	
Labor / Overtime	100-5210-500-5003	\$35,000.00	\$32,722.59	\$35,000.00	0%	
Labor / On Call	100-5210-500-5004	\$14,500.00	\$17,316.33	\$14,500.00	0%	
Benefits / Deferred Comp-ER Match	100-5210-510-5100	\$17,600.00	\$16,690.05	\$17,600.00	0%	
Benefits / FICA	100-5210-510-5101	\$53,100.00	\$53,757.60	\$55,000.00	3.6%	
Benefits / Medicare	100-5210-510-5102	\$13,300.00	\$13,388.36	\$13,500.00	1.5%	
Expense / Workers Comp Insurance	100-5210-510-5103	\$39,100.00	\$40,224.90	\$43,900.00	12.3%	
Expense / PERS - ER Contribution - Classic Members	100-5210-510-5105	\$80,300.00	\$76,537.69	\$97,600.00	21.5%	
Expense / PERS - ER Contribution - PEPRA Members	100-5210-510-5106	\$9,400.00	\$9,021.77	\$10,100.00	7.4%	
Expense / PERS - EPMC - Classic Members	100-5210-510-5107	\$51,700.00	\$49,287.98	\$54,800.00	6%	
Benefits / Hosp/Med Insurance	100-5210-510-5120	\$170,300.00	\$163,262.43	\$164,100.00	-3.6%	
Benefits / Dental	100-5210-510-5121	\$11,200.00	\$12,134.09	\$12,100.00	8%	
Benefits / Vision Care Insurance	100-5210-510-5122	\$2,300.00	\$2,288.89	\$2,300.00	0%	
Benefits / Disability Insurance	100-5210-510-5123	\$3,200.00	\$2,940.22	\$3,100.00	-3.1%	
Benefits / EAP	100-5210-510-5124	\$300.00	\$262.60	\$300.00	0%	
Benefits / Life Insurance	100-5210-510-5125	\$4,000.00	\$3,685.15	\$3,800.00	-5%	
Expense / Training	100-5210-515-5200	\$2,100.00	\$2,046.17	\$5,000.00	138.1%	

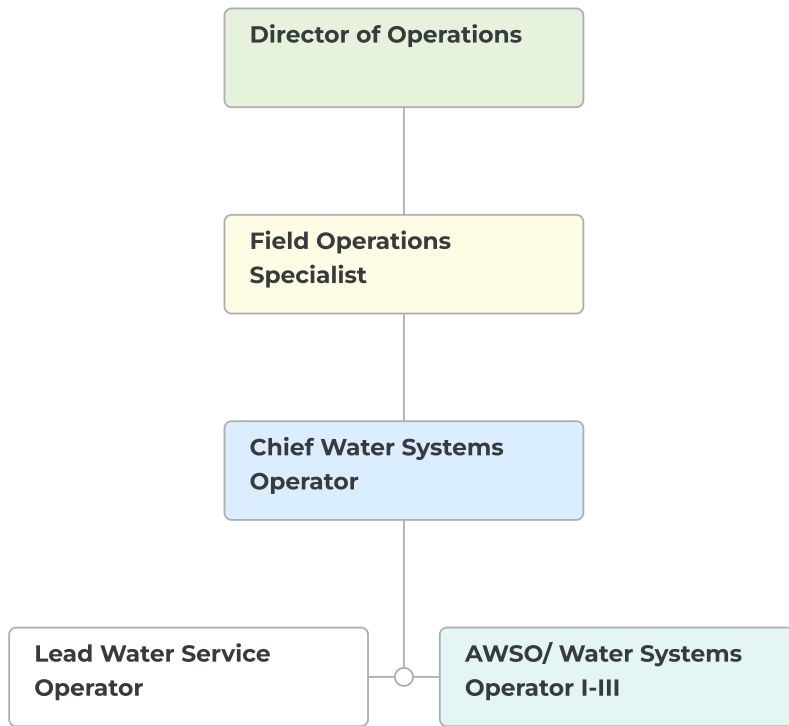
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Miscellaneous / Trans/Meals/Lodging	100-5210-515-5202	\$1,000.00	\$23.21	\$1,000.00	0%	
Meter Testing / Lab Tests	100-5210-525-5301	\$2,500.00	\$1,750.50	\$6,000.00	140%	
Outside Labor/Contractors / Telemetering	100-5210-525-5306	\$0.00	\$0.00	\$5,000.00	N/A	
Meter Testing	100-5210-525-5321	\$8,000.00	\$5,270.00	\$15,000.00	87.5%	
Operating Supplies / Chemicals	100-5210-530-5401	\$135,900.00	\$128,295.86	\$125,000.00	-8%	
Operating Supplies / Uniforms	100-5210-536-5475	\$4,000.00	\$3,343.68	\$4,000.00	0%	
Repair & Maintenance / Structures/Facility/Equip	100-5210-540-5614	\$314,500.00	\$248,159.30	\$340,000.00	8.1%	
Utility Services / Electric	100-5210-550-5652	\$3,115,000.00	\$2,440,105.51	\$3,140,000.00	0.8%	
Utility Services / Water	100-5210-550-5655	\$450.00	\$523.63	\$450.00	0%	
<b>Total Production:</b>		<b>\$4,990,550.00</b>	<b>\$4,175,539.19</b>	<b>\$5,119,150.00</b>	<b>2.6%</b>	
<b>Total Pumping:</b>		<b>\$4,990,550.00</b>	<b>\$4,175,539.19</b>	<b>\$5,119,150.00</b>	<b>2.6%</b>	
<b>Total Expenditures:</b>		<b>\$7,466,035.00</b>	<b>\$5,879,305.81</b>	<b>\$7,627,613.00</b>	<b>2.2%</b>	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



## Organizational Chart



## Transmission & Distribution



### SERVICES WE PROVIDE

Transmission & Distribution is responsible for providing support with daily, emergency, and capital improvement projects.

### SIGNIFICANT CHANGES

- No significant changes.

### FY 2022-23 ACCOMPLISHMENTS

- Successfully responded to 6,500 Underground Service Alert/Dig Alert tickets. There are 500 tickets on a monthly average that need to be marked or responded to.
- New hydro excavator vacuum truck was purchased with the assistance of the Purchasing Division.
- Repaired and or replaced water services and water main breaks.
- Provided training and guidance to IE Works Program interns.

### FY 2023-24 GOALS & OBJECTIVES

- Monitor and administer District Valve Exercise Program.
- Continue to maintain District Fire Hydrant Upgrade Program and track upgrades more via Arc GIS.
- Effectively locate and continue to replace worn out and inoperable valves within District Distribution System.
- Track all repairs to Distribution System via Arc GIS Software on Apple iPads



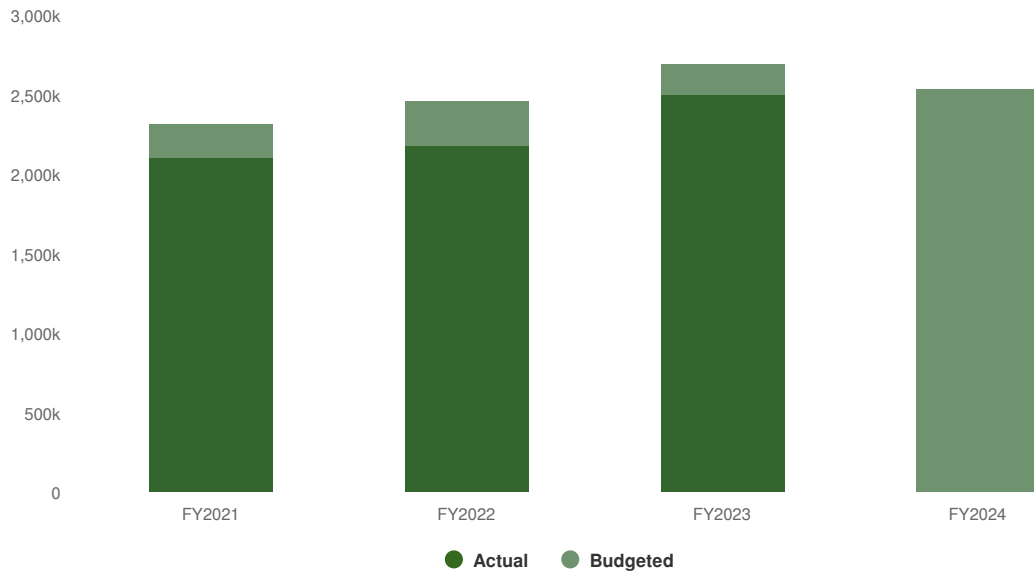
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Track/administer District Valve Exercise Program	1,000	1,020	1,000
Track repairs to District distribution system via Arc GIS	100%	100%	100%
Cross train meter staff in pipeline construction	1	1	1
Reduce completion time of District distribution leaks	Ongoing	Ongoing	Ongoing
Upgrade old fire hydrants needing break away check valves	50	25	30
Sift out native excavated material and recycle in backfilling of trench	100%	100%	100%

## Expenditures Summary

**\$2,541,200** **-\$154,050**  
 (-5.72% vs. prior year)

### Transmission & Distribution Proposed and Historical Budget vs. Actual



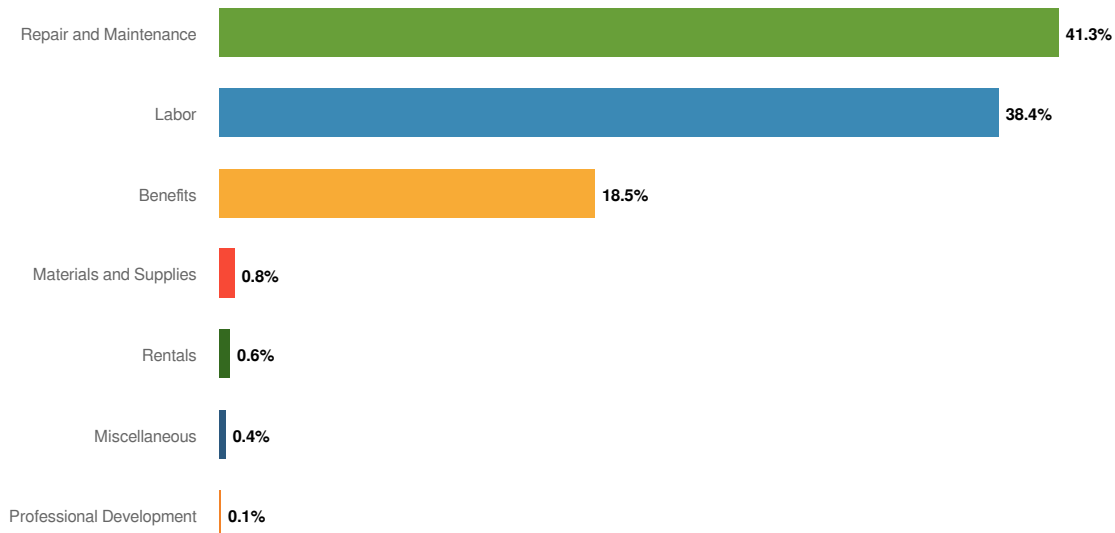
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>Transmission &amp; Distribution</b>						
<b>Maintenance - T &amp; D</b>						
Labor / Full Time	100-5410-500-5001	\$823,000.00	\$775,176.43	\$898,100.00	9.1%	
Labor / Overtime	100-5410-500-5003	\$60,000.00	\$72,257.79	\$60,000.00	0%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Labor / On Call	100-5410-500-5004	\$20,000.00	\$8,335.93	\$10,000.00	-50%	
Labor / Bilingual Compensation	100-5410-500-5020	\$1,300.00	\$2,214.50	\$2,600.00	100%	
Labor / Class A Drivers License	100-5410-500-5021	\$3,300.00	\$2,879.00	\$3,900.00	18.2%	
Benefits / Deferred Comp-ER Match	100-5410-510-5100	\$23,400.00	\$14,675.99	\$23,400.00	0%	
Benefits / FICA	100-5410-510-5101	\$52,800.00	\$54,499.25	\$56,500.00	7%	
Benefits / Medicare	100-5410-510-5102	\$12,300.00	\$12,745.88	\$13,200.00	7.3%	
Expense / Workers Comp Insurance	100-5410-510-5103	\$36,800.00	\$39,753.79	\$45,600.00	23.9%	
Expense / PERS - ER Contribution - Classic Members	100-5410-510-5105	\$32,400.00	\$31,569.36	\$39,900.00	23.1%	
Expense / PERS - ER Contribution - PEPR Members	100-5410-510-5106	\$38,300.00	\$34,780.20	\$43,500.00	13.6%	
Expense / PERS - EPMC - Classic Members	100-5410-510-5107	\$20,900.00	\$20,329.85	\$22,400.00	7.2%	
Benefits / Hosp/Med Insurance	100-5410-510-5120	\$221,500.00	\$163,912.79	\$199,000.00	-10.2%	
Benefits / Dental	100-5410-510-5121	\$17,400.00	\$12,020.55	\$15,200.00	-12.6%	
Benefits / Vision Care Insurance	100-5410-510-5122	\$3,100.00	\$2,725.31	\$3,000.00	-3.2%	
Benefits / Disability Insurance	100-5410-510-5123	\$3,900.00	\$2,582.04	\$3,000.00	-23.1%	
Benefits / EAP	100-5410-510-5124	\$400.00	\$313.11	\$400.00	0%	
Benefits / Life Insurance	100-5410-510-5125	\$5,200.00	\$4,108.90	\$4,700.00	-9.6%	
Expense / Training	100-5410-515-5200	\$9,100.00	\$8,248.05	\$2,000.00	-78%	
Miscellaneous / Trans/Meals/Lodging	100-5410-515-5202	\$0.00	\$0.00	\$600.00	N/A	
Rentals / Equipment	100-5410-528-5381	\$15,000.00	\$17,260.23	\$15,000.00	0%	
Operating Supplies / Shop Supplies	100-5410-530-5408	\$20,250.00	\$9,762.39	\$20,000.00	-1.2%	
Operating Supplies / Uniforms	100-5410-536-5475	\$9,200.00	\$7,739.35	\$9,200.00	0%	
Repair & Maintenance / Domestic Mains	100-5410-540-5605	\$440,000.00	\$496,563.40	\$400,000.00	-9.1%	
Repair & Maintenance / Fire Hydrants	100-5410-540-5606	\$86,000.00	\$91,986.54	\$86,000.00	0%	
Repair & Maintenance / Street Patching	100-5410-540-5612	\$580,000.00	\$475,526.46	\$525,000.00	-9.5%	
Repair & Maintenance / Structures & Improvements	100-5410-540-5613	\$119,500.00	\$96,992.90	\$12,000.00	-90%	

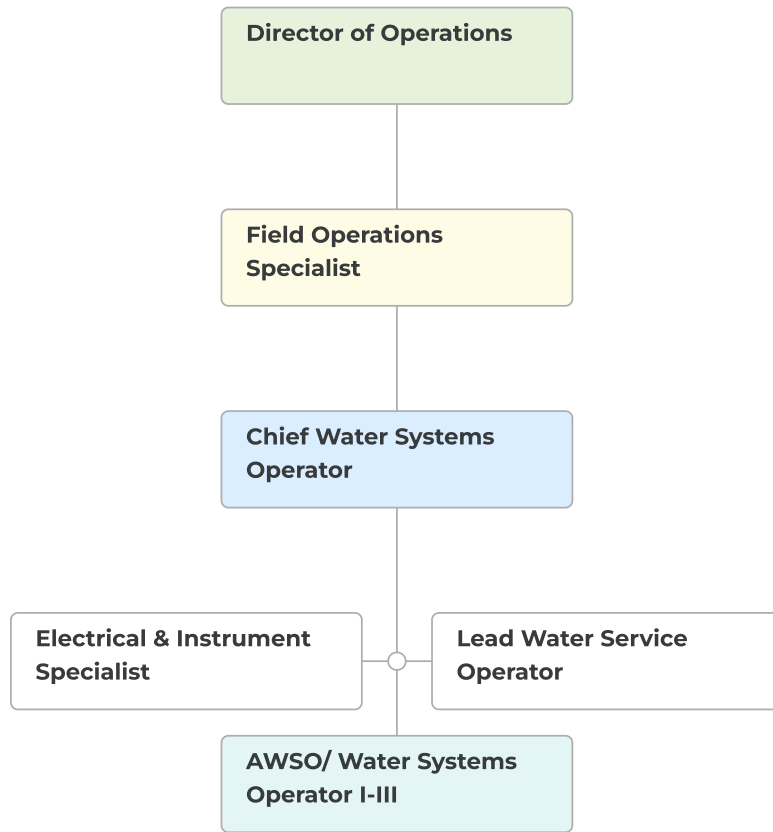
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Repair & Maintenance / Tools	100-5410-540-5615	\$12,000.00	\$16,122.28	\$12,000.00	0%	
Repair & Maintenance / Facilities Repairs	100-5410-540-5616	\$28,200.00	\$22,269.72	\$15,000.00	-46.8%	
<b>Total Maintenance - T &amp; D:</b>		<b>\$2,695,250.00</b>	<b>\$2,497,351.99</b>	<b>\$2,541,200.00</b>	<b>-5.7%</b>	
<b>Total Transmission &amp; Distribution:</b>		<b>\$2,695,250.00</b>	<b>\$2,497,351.99</b>	<b>\$2,541,200.00</b>	<b>-5.7%</b>	
<b>Total Expenditures:</b>		<b>\$2,695,250.00</b>	<b>\$2,497,351.99</b>	<b>\$2,541,200.00</b>	<b>-5.7%</b>	

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



# Organizational Chart



## Water Quality



### **SERVICES WE PROVIDE**

The Water Quality Department develops water quality monitoring programs for the District's water and implements reporting programs for the same. Surveys and tests new water treatment technologies to ensure District compliance with State and Federal Drinking Water Regulations.

### **SIGNIFICANT CHANGES**

- No significant changes.

### FY 2022-23 ACCOMPLISHMENTS

- Approximately 2,100 backflows were tested.
- 100% compliance sampling.
- Completed 75% of the customer side lead service line inventory.
- Completed the annual Water Quality Report.
- Completed Residential Lead and Copper Sampling.
- Completed sampling requirements for UCMR 5.
- Submitted the Completion Report for Soil Remediation on the Lord Ranch and Roemer properties as required by RWQCB.

### FY 2023-24 GOALS & OBJECTIVES

- Conduct customer outreach and vendor training for cloud-based compliance reporting.
- Complete EPA registration for Unregulated Contaminant Monitoring Rule (UCMR5) sample schedule.
- Work with customers to replace outdated and unapproved backflow devices.
- Continue required training and CEUs for Water Quality Staff to maintain certification requirements.
- 100% compliance sampling.

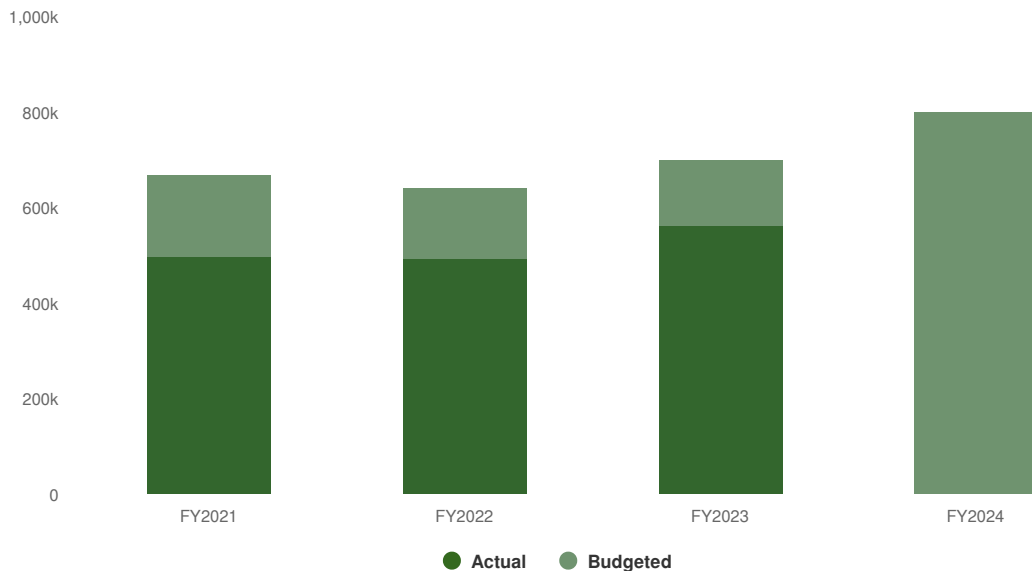
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Distribution Sampling	2,850	2,850	2,800
Residential lead and copper sampling	75%	75%	75%
Dead end hydrant flushing	250	250	250
Test backflows	1,700	2,024	1,900
Well Sampling	250	250	250

## Expenditures Summary

**\$802,025** **\$99,650**  
(14.19% vs. prior year)

### Water Quality Proposed and Historical Budget vs. Actual

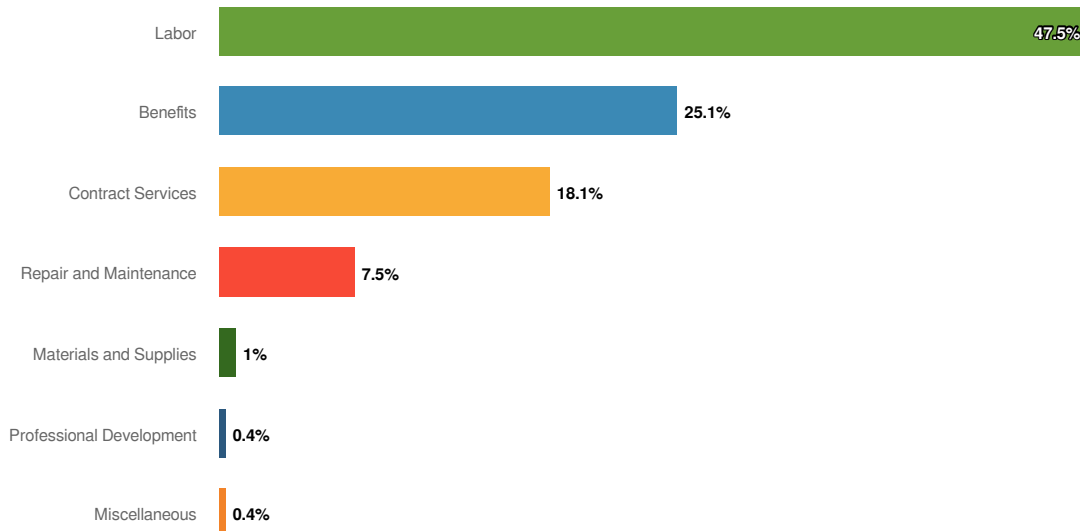


Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>Water Treatment</b>						
<b>Water Quality</b>						
Labor / Full Time	100-5310-500-5001	\$348,200.00	\$278,484.17	\$367,200.00	5.5%	
Labor / Overtime	100-5310-500-5003	\$10,000.00	\$13,821.96	\$10,000.00	0%	
Labor / On Call	100-5310-500-5004	\$3,100.00	\$2,587.87	\$3,100.00	0%	
Labor / Bilingual Compensation	100-5310-500-5020	\$700.00	\$638.50	\$700.00	0%	
Labor / Class A Drivers License	100-5310-500-5021	\$700.00	\$338.50	\$0.00	-100%	
Benefits / Deferred Comp-ER Match	100-5310-510-5100	\$7,800.00	\$4,602.81	\$7,800.00	0%	
Benefits / FICA	100-5310-510-5101	\$22,200.00	\$18,760.49	\$22,900.00	3.2%	
Benefits / Medicare	100-5310-510-5102	\$5,200.00	\$4,387.54	\$5,400.00	3.8%	
Expense / Workers Comp Insurance	100-5310-510-5103	\$14,500.00	\$14,844.32	\$18,700.00	29%	
Expense / PERS - ER Contribution - Classic Members	100-5310-510-5105	\$9,300.00	\$9,399.68	\$11,200.00	20.4%	
Expense / PERS - ER Contribution - PEPRA Members	100-5310-510-5106	\$19,300.00	\$13,934.25	\$20,900.00	8.3%	
Expense / PERS - EPMC - Classic Members	100-5310-510-5107	\$6,000.00	\$6,053.18	\$6,300.00	5%	
Benefits / Hosp/Med Insurance	100-5310-510-5120	\$100,400.00	\$68,514.74	\$96,200.00	-4.2%	
Benefits / Dental	100-5310-510-5121	\$8,500.00	\$6,135.14	\$8,100.00	-4.7%	
Benefits / Vision Care Insurance	100-5310-510-5122	\$1,000.00	\$773.25	\$1,000.00	0%	
Benefits / Disability Insurance	100-5310-510-5123	\$1,500.00	\$890.32	\$1,100.00	-26.7%	
Benefits / EAP	100-5310-510-5124	\$100.00	\$88.74	\$100.00	0%	
Benefits / Life Insurance	100-5310-510-5125	\$1,700.00	\$1,227.05	\$1,600.00	-5.9%	
Expense / Training	100-5310-515-5200	\$4,675.00	\$1,226.47	\$3,600.00	-23%	
Miscellaneous / Trans/Meals/Lodging	100-5310-515-5202	\$500.00	\$1,612.20	\$0.00	-100%	
Professional Services / Lab Tests	100-5310-525-5314	\$65,000.00	\$60,258.75	\$75,000.00	15.4%	
Outside Labor / Contractors	100-5310-525-5319	\$0.00	\$520.00	\$70,000.00	N/A	
Operating Supplies / Chemicals	100-5310-530-5401	\$7,000.00	\$5,590.14	\$7,000.00	0%	
Operating Supplies / Shop	100-5310-530-5407	\$0.00	\$0.00	\$1,000.00	N/A	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Operating Supplies / Uniforms	100-5310-536-5475	\$2,500.00	\$1,846.69	\$3,125.00	25%	
Repair & Maintenance / Chlorination Equipment	100-5310-540-5602	\$50,000.00	\$37,818.06	\$50,000.00	0%	
Repair & Maintenance / Structures/Facility/Equip	100-5310-540-5614	\$12,500.00	\$9,714.71	\$10,000.00	-20%	
<b>Total Water Quality:</b>		<b>\$702,375.00</b>	<b>\$564,069.53</b>	<b>\$802,025.00</b>	<b>14.2%</b>	
<b>Total Water Treatment:</b>		<b>\$702,375.00</b>	<b>\$564,069.53</b>	<b>\$802,025.00</b>	<b>14.2%</b>	
<b>Total Expenditures:</b>		<b>\$702,375.00</b>	<b>\$564,069.53</b>	<b>\$802,025.00</b>	<b>14.2%</b>	

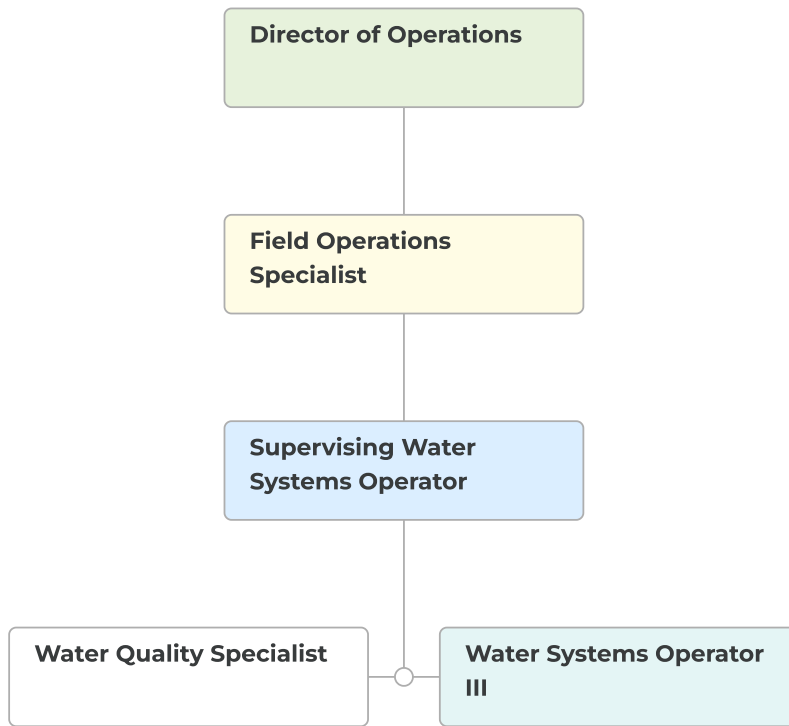
## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type





## Organizational Chart



# Water Quality



## **SERVICES WE PROVIDE**

The Water Quality Department develops water quality monitoring programs for the District's water and implements reporting programs for the same. Surveys and tests new water treatment technologies to ensure District compliance with State and Federal Drinking Water Regulations.

## **SIGNIFICANT CHANGES**

- No significant changes.

## **FY 2022-23 ACCOMPLISHMENTS**

- Submitted the Cactus Basin Annual Maintenance Report to California Fish and Wildlife.
- Replaced influent valves on Trident filters.
- Replenished GAC media in the FBR reactors.
- Completed refurbishment of Hydroelectric generator #1.
- Completed refurbishment of filter #6 with new epoxy paint and new filter media.

## **FY 2023-24 GOALS & OBJECTIVES**

- Develop flow standards to meet water quality objectives.
- Continuing carbon filtration media changeouts to maintain water quality.
- Monitor and inspect existing equipment and establish prioritized replacement schedule.
- Purchase and install necessary parts and materials to complete the clean-in-place equipment project.
- Update Sampling Requirements outlined in the District's procedures.

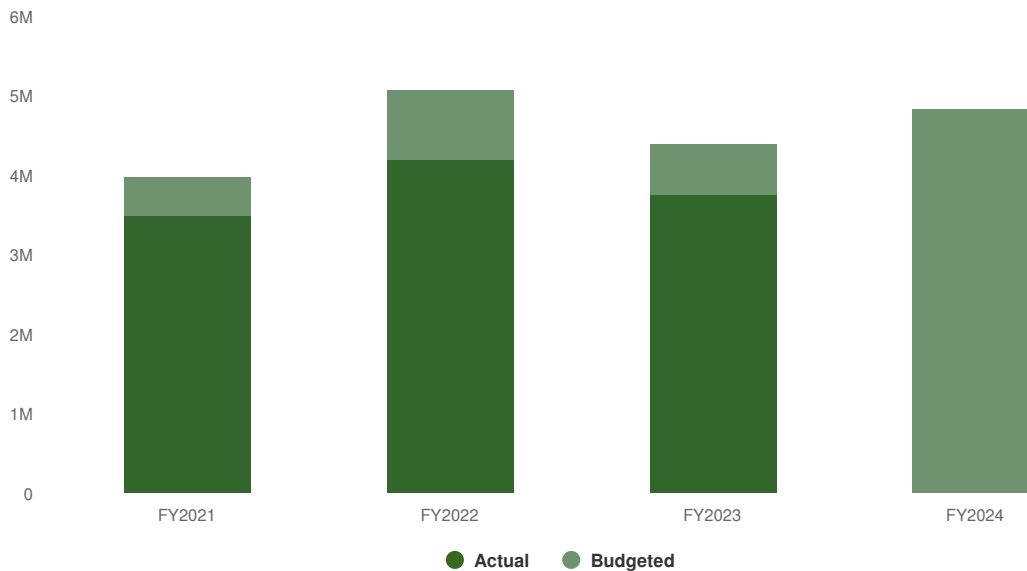
## Key Performance Indicators

Performance Indicator	Target	FY21-22 Results	FY22-23 Results
Compliance with Federal and State regulations	100%	100%	100%
FBR - Maximize utilization of plant capacity through minimization of downtime and monitoring of raw water	2.9 MGD	2.9 MGD	2.9 MGD
Roemer - Maximize utilization of plant capacity through minimization of downtime and monitoring of raw water	13.5 MGD	13.5 MGD	13.5 MGD
Percentage of plant equipment and motors on preventative maintenance schedules	100%	100%	100%
Number of staff with T4 certification or higher	3	4	4

## Expenditures Summary

**\$4,839,430** **\$449,620**  
(10.24% vs. prior year)

### Water Treatment Proposed and Historical Budget vs. Actual



Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
<b>Expenditures</b>						
<b>Water Treatment</b>						
<b>Water Treatment - Perchlorate</b>						
Professional Services / Lab Tests	100-5320-525-5314	\$25,000.00	\$14,718.25	\$25,000.00	0%	

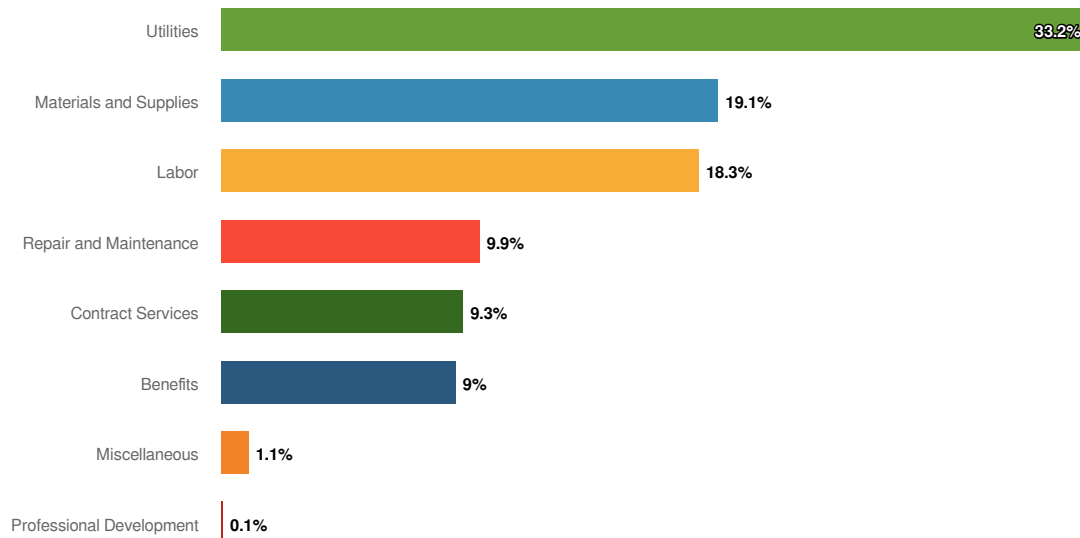
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Operating Supplies / Chemicals	100-5320-530-5401	\$25,000.00	\$9,074.64	\$35,000.00	40%	
Operating Supplies / Resin Exchange	100-5320-530-5404	\$0.00	\$0.00	\$300,000.00	N/A	
Repair & Maintenance / Structures/Facility/Equip	100-5320-540-5614	\$5,000.00	\$0.00	\$20,000.00	300%	
Utility Services / Electric	100-5320-550-5652	\$250,000.00	\$198,620.44	\$450,000.00	80%	
<b>Total Water Treatment - Perchlorate:</b>		<b>\$305,000.00</b>	<b>\$222,413.33</b>	<b>\$830,000.00</b>	<b>172.1%</b>	
<b>Water Treatment - FBR/FXB</b>						
Labor / Full Time	100-5350-500-5001	\$425,700.00	\$398,676.02	\$445,700.00	4.7%	
Labor / Overtime	100-5350-500-5003	\$30,000.00	\$18,430.00	\$30,000.00	0%	
Labor / On Call	100-5350-500-5004	\$20,000.00	\$22,096.07	\$20,000.00	0%	
Labor / Class A Drivers License	100-5350-500-5021	\$700.00	\$650.00	\$700.00	0%	
Benefits / Deferred Comp-ER Match	100-5350-510-5100	\$7,800.00	\$5,781.00	\$7,800.00	0%	
Benefits / FICA	100-5350-510-5101	\$26,900.00	\$27,646.42	\$26,700.00	-0.7%	
Benefits / Medicare	100-5350-510-5102	\$6,300.00	\$6,465.67	\$6,200.00	-1.6%	
Expense / Workers Comp Insurance	100-5350-510-5103	\$21,000.00	\$21,904.19	\$21,800.00	3.8%	
Expense / PERS - ER Contribution - Classic Members	100-5350-510-5105	\$35,900.00	\$35,227.69	\$42,500.00	18.4%	
Expense / PERS - ER Contribution - PEPPRA Members	100-5350-510-5106	\$5,600.00	\$5,289.61	\$6,200.00	10.7%	
Expense / PERS - EPMC - Classic Members	100-5350-510-5107	\$23,100.00	\$22,685.88	\$23,900.00	3.5%	
Benefits / Hosp/Med Insurance	100-5350-510-5120	\$98,200.00	\$92,567.08	\$96,200.00	-2%	
Benefits / Dental	100-5350-510-5121	\$6,300.00	\$5,810.06	\$6,000.00	-4.8%	
Benefits / Vision Care Insurance	100-5350-510-5122	\$1,100.00	\$995.46	\$1,000.00	-9.1%	
Benefits / Disability Insurance	100-5350-510-5123	\$1,500.00	\$1,411.90	\$1,400.00	-6.7%	
Benefits / EAP	100-5350-510-5124	\$100.00	\$114.26	\$100.00	0%	
Benefits / Life Insurance	100-5350-510-5125	\$1,700.00	\$1,599.30	\$1,600.00	-5.9%	
Expense / Training	100-5350-515-5200	\$1,725.00	\$1,063.75	\$2,500.00	44.9%	
Miscellaneous / Trans/Meals/Lodging	100-5350-515-5202	\$1,000.00	\$0.00	\$1,200.00	20%	

Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Professional Services / Lab Tests	100-5350-525-5314	\$50,000.00	\$51,597.96	\$60,000.00	20%	
Professional Services / Other Consultants	100-5350-525-5340	\$105,975.00	\$71,996.24	\$105,975.00	0%	
Operating Supplies / Chemicals	100-5350-530-5401	\$494,000.00	\$354,282.74	\$368,670.00	-25.4%	
Miscellaneous / Permits & Fees	100-5350-536-5473	\$45,000.00	\$37,693.00	\$47,000.00	4.4%	
Operating Supplies / Uniforms	100-5350-536-5475	\$2,000.00	\$2,612.56	\$2,100.00	5%	
Other Miscellaneous / District Cost	100-5350-540-5600	\$0.00	\$99.67	\$0.00	0%	
Repair & Maintenance / Structures/Facility/Equip	100-5350-540-5614	\$230,000.00	\$189,094.00	\$202,000.00	-12.2%	
Utility Services / Electric	100-5350-550-5652	\$450,000.00	\$468,788.75	\$450,000.00	0%	
<b>Total Water Treatment - FBR/FXB:</b>		<b>\$2,091,600.00</b>	<b>\$1,844,579.28</b>	<b>\$1,977,245.00</b>	<b>-5.5%</b>	
<b>Water Treatment - Roemer/Arsenic</b>						
Labor / Full Time	100-5390-500-5001	\$310,000.00	\$290,842.64	\$314,900.00	1.6%	
Labor / Overtime	100-5390-500-5003	\$50,000.00	\$55,951.75	\$50,000.00	0%	
Labor / On Call	100-5390-500-5004	\$23,000.00	\$24,279.44	\$23,000.00	0%	
Labor / Bilingual Compensation	100-5390-500-5020	\$1,300.00	\$1,277.00	\$1,300.00	0%	
Labor / Class A Drivers License	100-5390-500-5021	\$700.00	\$252.00	\$0.00	-100%	
Benefits / Deferred Comp-ER Match	100-5390-510-5100	\$5,900.00	\$5,608.65	\$5,900.00	0%	
Benefits / FICA	100-5390-510-5101	\$19,700.00	\$23,553.04	\$19,400.00	-1.5%	
Benefits / Medicare	100-5390-510-5102	\$4,600.00	\$5,508.33	\$4,500.00	-2.2%	
Expense / Workers Comp Insurance	100-5390-510-5103	\$15,100.00	\$17,786.55	\$15,800.00	4.6%	
Expense / PERS - ER Contribution - Classic Members	100-5390-510-5105	\$31,900.00	\$30,754.06	\$38,200.00	19.7%	
Expense / PERS - EPMC - Classic Members	100-5390-510-5107	\$20,500.00	\$19,804.86	\$21,400.00	4.4%	
Benefits / Hosp/Med Insurance	100-5390-510-5120	\$81,200.00	\$80,384.76	\$80,000.00	-1.5%	
Benefits / Dental	100-5390-510-5121	\$4,600.00	\$4,972.63	\$4,800.00	4.3%	
Benefits / Vision Care Insurance	100-5390-510-5122	\$800.00	\$778.35	\$800.00	0%	
Benefits / Disability Insurance	100-5390-510-5123	\$1,100.00	\$989.98	\$1,100.00	0%	

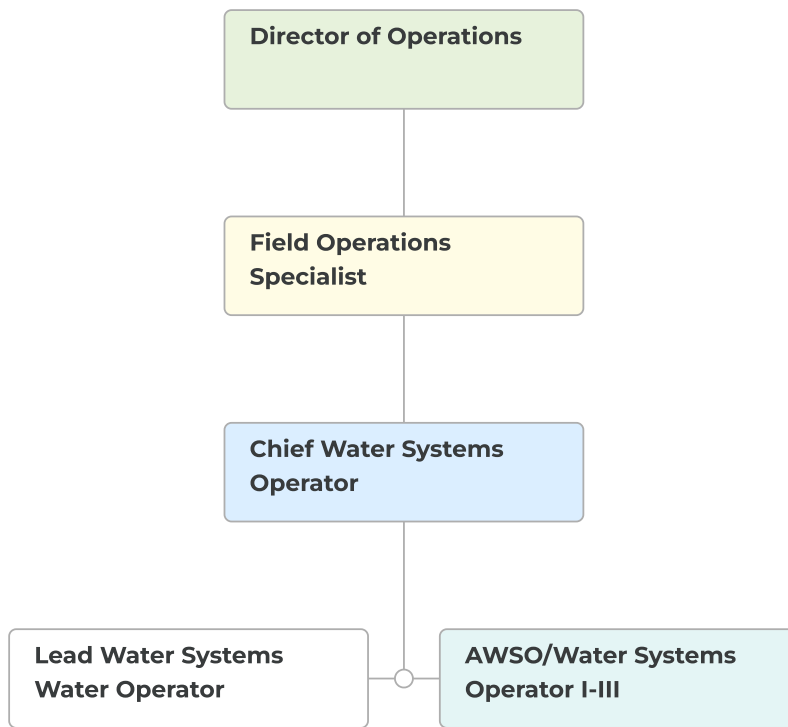
Name	Account ID	FY2023 Budget	FY2023 Actual	FY2024 Budgeted	FY2023 Budget vs. FY2024 Budgeted (% Change)	Notes
Benefits / EAP	100-5390-510-5124	\$100.00	\$89.25	\$100.00	0%	
Benefits / Life Insurance	100-5390-510-5125	\$1,200.00	\$1,082.42	\$1,200.00	0%	
Expense / Training	100-5390-515-5200	\$1,350.00	\$1,498.25	\$2,000.00	48.1%	
Miscellaneous / Trans/Meals/Lodging	100-5390-515-5202	\$1,000.00	\$0.00	\$1,200.00	20%	
Professional Services / Janitorial	100-5390-525-5313	\$9,000.00	\$10,416.69	\$10,000.00	11.1%	
Professional Services / Lab Tests	100-5390-525-5314	\$40,000.00	\$22,541.34	\$41,500.00	3.8%	
Professional Services / Misc Studies	100-5390-525-5315	\$1,000.00	\$495.55	\$13,000.00	1,200%	
Professional Services / Sludge Disposal	100-5390-525-5317	\$119,500.00	\$52,849.52	\$115,000.00	-3.8%	
Professional Services / Other Consultants	100-5390-525-5340	\$81,500.00	\$53,633.20	\$80,000.00	-1.8%	
Operating Supplies / Chemicals	100-5390-530-5401	\$235,000.00	\$174,042.24	\$218,450.00	-7%	
Operating Supplies / Uniforms	100-5390-536-5475	\$2,000.00	\$2,414.37	\$2,500.00	25%	
Other Miscellaneous / District Cost	100-5390-540-5600	\$39,000.00	\$12,653.58	\$39,000.00	0%	
Repair & Maintenance / Structures/Facility/Equip	100-5390-540-5614	\$235,500.00	\$194,543.02	\$220,000.00	-6.6%	
Communication Services / Telephone	100-5390-550-5650	\$2,760.00	\$3,343.71	\$3,000.00	8.7%	
Utility Services / Electric	100-5390-550-5652	\$650,000.00	\$584,538.79	\$700,000.00	7.7%	
Utility Services / Gas	100-5390-550-5653	\$700.00	\$1,040.17	\$935.00	33.6%	
Utility Services / Trash	100-5390-550-5654	\$3,200.00	\$2,837.38	\$3,200.00	0%	
<b>Total Water Treatment - Roemer/Arsenic:</b>		<b>\$1,993,210.00</b>	<b>\$1,680,763.52</b>	<b>\$2,032,185.00</b>	<b>2%</b>	
<b>Total Water Treatment:</b>		<b>\$4,389,810.00</b>	<b>\$3,747,756.13</b>	<b>\$4,839,430.00</b>	<b>10.2%</b>	
<b>Total Expenditures:</b>		<b>\$4,389,810.00</b>	<b>\$3,747,756.13</b>	<b>\$4,839,430.00</b>	<b>10.2%</b>	

# Expenditures by Expense Type

## Budgeted Expenditures by Expense Type



## Organizational Chart



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# **CAPITAL BUDGET**

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## Capital Expenditure

Capital expenditure is comprised of Capital Improvement Projects (new system assets), Replacement and Rehabilitation Projects, and Capital Outlay (fleet and equipment). The 5-year total expenditure is projected to be \$139,811,187. Details of projects that will start during FY 2024, can be found in the following section under Capital Projects.



## Completed Projects Fiscal Year 2022-23

CIP Project Description	Project Number	Actual Cost
<b>COMPLETED PROJECTS</b>		
Roemer Filter #1 Clarifier Media Replacement	W23008	435,230
Roemer Filter #6 Rehabilitation & Media Replacement	W23007	424,265
Roemer GAC Vessel Media replacement (QTY 5)	W22007	414,000
1 Hydro Excavator Vac Truck	W22022	412,148
Asbestos Abatement and Roof Replacement - Reservoir 2-1	W22001	183,402
SCADA Upgrade	W23015	182,740
City of Rialto Riverside Ave Street Improvement - replace service laterals	W22030	121,376
Wrought iron security fence at Linden Material Supply Yard	W23006	102,720
Road paving improvement - Alder Road	W22033	83,544
Mango Ave. Water Line Extension (Completed waiting on Invoice)	W22025	77,258
Iron Fencing at Well 42 site	W22032	55,753
Data Domain Backup System Replacement	W23012	19,854
Well 54 Rehab	W23009	18,074
Annual R/R - Meter Vault Lid Retro Fits (QTY 4) FY2023	W23003	17,100
VFD for Well 41	W23020	16,901
Website Redesign	W22014	16,335
Electrical panel upgrade	W19050	11,500
Zone 3 Distribution Pipeline Replacement - 8" in Valley/Pomona	W17034	2,217
<b>Total</b>		<b>2,594,417</b>

## Fiscal Year 2023-24 Proposed Funding

CIP Projects	Operating Revenue	Capital Project Fund	SRF Funding	Capacity Charges	Project Total
<b>REPLACEMENT / REHABILITATION OF SYSTEM ASSETS</b>					
Reservoir 5-2	\$ 1,000,000				\$ 1,000,000
Annual R/R - Meters and MXU's (QTY 714) FY2024	\$ 78,187				\$ 78,187
Annual R/R - Meter Vault Lid Retro Fits (QTY 4) FY2024	\$ 30,000				\$ 30,000
Building "C" Improvements	\$ 600,000				\$ 600,000
Material Yard - South District Service Area - South Shop	\$ 65,000				\$ 65,000
Rehabilitate 2 Roemer pumps effluent/influent		\$ 40,000			\$ 40,000
Roemer Filter # 2 rehabilitation & Media Replacement		\$ 511,000			\$ 511,000
Roemer Filter # 5 rehabilitation & Media Replacement		\$ 511,000			\$ 511,000
Wrought iron security fence at Zone 6 reservoir complex		\$ 200,000			\$ 200,000
Alder Ave. Road Improvements	\$ 800,000				\$ 800,000
Booster Station 3A-1	\$ 50,000				\$ 50,000
Booster Station 4-1 (will be replaced by new pump station)	\$ 50,000				\$ 50,000
Booster Station 5-2	\$ 50,000				\$ 50,000
Flocculators Assembly (QTY 18)	\$ 45,000				\$ 45,000
<b>NEW SYSTEM ASSETS</b>					
OPR WFF - 7.2 mgd Treatment Plant Expansion			\$ 20,665,000		\$ 20,665,000
Property Investigation for Bunker Hill Wells and Pump Station				\$ 50,000	\$ 50,000
Pump Station 7-2 - Design & Construction				\$ 2,300,000	\$ 2,300,000
Zone 7 - 18" Transmission main within future ROW from Citrus Ave to Lytle Creek Rd				\$ 50,000	\$ 50,000
<b>CAPITAL OUTLAY - FLEET/EQUIPMENT</b>					
Fleet Trucks Fully Equipped	\$ 180,000				\$ 180,000
Document Management System	\$ 75,000				\$ 75,000
Regrading, resealing, restriping at Headquarters	\$ 125,000				\$ 125,000
Four New Pneumatic Pumps	\$ 30,000				\$ 30,000
Caterpillar Cold Planer Attachment	\$ 60,000				\$ 60,000
Caterpillar Hydraulic jack hammer for backhoe	\$ 45,000				\$ 45,000
Vmware host #2	\$ 50,000				\$ 50,000
Vmware host #3	\$ 50,000				\$ 50,000
Software Implementations/Integrations Work Orders	\$ 45,000				\$ 45,000
Access Control System Expansion	\$ 10,000				\$ 10,000
Security Camera System	\$ 10,000				\$ 10,000
<b>GRAND TOTAL</b>	<b>\$ 3,448,187</b>	<b>\$ 1,262,000</b>	<b>\$ 20,665,000</b>	<b>\$ 2,400,000</b>	<b>\$ 27,775,187</b>

# CIP Five Year Schedule

Project Number	Project Manager	Funding Source	CIP Project Description	FY 2023-24 Budget Request	FY 2024-25 Budget Request	FY 2025-26 Budget Request	FY 2026-27 Budget Request	FY 2027-28 Budget Request	FY 2028-29 Budget Request	Project Total
<b>REPLACEMENT / REHABILITATION OF SYSTEM ASSETS</b>										
<b>WELLS AND PUMPING EQUIPMENT REHABILITATION</b>										
New		RR	Well 2		130,000					130,000
New		RR	Well 18A		300,000			130,000	200,000	630,000
New		RR	Well 42		200,000		130,000	200,000		530,000
New		RR	Well 41			200,000				200,000
New		RR	Well 4A			130,000				130,000
New		RR	Well 5A						130,000	130,000
New		RR	Well 11			130,000				130,000
New		RR	Well 15				130,000			130,000
New		RR	Well 23A				80,000			80,000
New		RR	Well 54				150,000			150,000
New		RR	Well 8A					130,000		130,000
New		RR	Well 30					130,000		130,000
New		RR	Well 33						130,000	130,000
New		RR	Well 41						130,000	130,000
<b>RESERVOIRS REHABILITATION</b>										
W23001	Daniel	RR	Reservoir R2-3 Re-coating and Modifications							-
New		RR	Reservoir 5-2	1,000,000						1,000,000
New		RR	Reservoir 4-2		200,000					200,000
New		RR	Reservoir 7-1		60,000					60,000
New		RR	Reservoir 4-1			400,000				400,000
New		RR	Reservoir 3-1				800,000			800,000
New		RR	Reservoir 3-3					1,000,000		1,000,000
New		RR	Reservoir 5-3					400,000		400,000
New		RR	Reservoir 6-2						1,000,000	1,000,000
<b>WATER MAIN REPLACEMENT</b>										
W17012-3B	Rosa	RR	Bloomington Alley Way Main Replacement Phase 3, 4 and 5 & Zone 2 24" Transmission Main		1,700,000			3,000,000		4,700,000
W17012-3B	Rosa	RR	Bloomington Alley Way Main Replacement Phase 3, 4 and 5 & Zone 2 24" Transmission Main					2,000,000		2,000,000
W13055	Rosa	RA	I-10 Cedar Avenue Interchange Improvement project							
New		RR	As-Needed Pipeline Replacement Program		1,000,000		2,500,000	2,500,000	2,000,000	8,000,000
New		Rosa	Zone 3 Distribution Pipeline Replacement - 8" San Bernardino Blvd.			95,000	575,000			670,000
<b>SYSTEM APPURTENANCES REHABILITATION &amp; REPLACEMENT</b>										
W23004	Rudy	RR	Annual R/R - Meters and MXU's (QTY 700) FY2023							-
New	Rudy	RR	Annual R/R - Meters and MXU's (QTY 714) FY2024	78,187	420,000	420,000	420,000	420,000	420,000	2,178,187
New	Rudy	RR	Annual R/R - Meter Vault Lid Retro Fits (QTY 4) FY2024	30,000	30,000	30,000	30,000	30,000	30,000	180,000
New		RR	Annual R/R - System Valve Replacement		85,000	85,000	85,000	85,000	85,000	425,000

Project Number	Project Manager	Funding Source	CIP Project Description	FY 2023-24 Budget Request	FY 2024-25 Budget Request	FY 2025-26 Budget Request	FY 2026-27 Budget Request	FY 2027-28 Budget Request	FY 2028-29 Budget Request	Project Total
<b>FACILITIES AND PLANTS REHABILITATION &amp; REPLACEMENT</b>										
W22004	Sergio	RR	Roemer Booster Pumps Rehab - TOC analyzer							-
W22006	Linda	RR	Building "C" Improvements	600,000						600,000
W23005	Jon	RR	Water Conservation Garden at Headquarters							-
W23018	Rosa	RR	Minor Building renovation							-
W23019	Daniel	RR	Fencing for Battery Pack sites (3)							-
New		RR	Headquarters Renovation/Remodeling						400,000	400,000
New	Rudy	RR	Material Yard - South District Service Area - South Shop	65,000						65,000
New	Sergio	RR	Rehabilitate 2 Roemer pumps effluent/influent	40,000						40,000
New	Sergio	RR	Roemer Filter # 2 rehabilitation & Media Replacement	511,000						511,000
New	Sergio	RR	Roemer Filter # 5 rehabilitation & Media Replacement	511,000						511,000
New	Al/Joe	RR	Wrought iron security fence at Zone 6 reservoir complex	200,000						200,000
New	Linda	RR	Alder Ave. Road Improvements	800,000						800,000
New		RR	Booster Station 3A-1	50,000						50,000
New		RR	Booster Station 4-1 (will be replaced by new pump station)	50,000						50,000
New		RR	Booster Station 5-2	50,000						50,000
New		RR	Flocculators Assembly (QTY 18)	45,000						45,000
New		RR	Roemer GAC Vessel Media replacement (QTY 10)		880,000		870,000		880,000	2,610,000
New		RR	Roemer Filter #4 Rehab		400,000					400,000
New		RR	Hydro Power Plant		20,000		25,000			45,000
New		RR	Chain Of Flight (QTY 3)		40,000		40,000		40,000	120,000
New		RR	Roemer Booster Pumps Rehab (QTY 4 ) UV Recovery		20,000		23,000		26,000	69,000
New		RR	Roemer Booster Pumps Rehab (QTY 3 ) Lytle creek		20,000		23,000		26,000	69,000
New		RR	Roemer Booster Pumps Rehab (QTY 9 ) EFFLUENT		80,000		85,000		90,000	255,000
New		RR	Booster Station 2-3			40,000	10,000			50,000
New		RR	Booster Station 5-1		40,000	10,000				50,000
New		RR	Booster Station 6-1		50,000	10,000				60,000
New		RR	Booster Station 6-2		50,000			50,000		100,000
New		RR	Pump Station 2-1 Improvements			50,000	325,000			375,000
New		RR	Booster Station 4-2			50,000				50,000
New		RR	Booster Station 7-1			50,000			50,000	100,000
New		RR	Roemer Booster Pumps Rehab (QTY 10 ) Influent			80,000		90,000		170,000
New		RR	Roemer Booster Pumps Rehab (QTY 4 ) Decant			23,000		28,000		49,000
New		RR	Roemer Booster Pumps Rehab (QTY 2 ) Surface wash			23,000			26,000	49,000
New		RR	Booster Station 8-2				50,000			50,000
New		RR	Booster Station 4-3					40,000		40,000
New		RR	Roemer Booster Pumps Rehab (QTY 3 ) GAC						40,000	40,000
<b>SUBTOTAL FOR REPLACEMENT / REHABILITATION OF SYSTEM ASSETS</b>				<b>4,030,187</b>	<b>5,725,000</b>	<b>1,786,000</b>	<b>6,341,000</b>	<b>10,271,000</b>	<b>5,803,000</b>	<b>33,956,187</b>



Project Number	Project Manager	Funding Source	CIP Project Description	FY 2023-24 Budget Request	FY 2024-25 Budget Request	FY 2025-26 Budget Request	FY 2026-27 Budget Request	FY 2027-28 Budget Request	FY 2028-29 Budget Request	Project Total
<b>NEW SYSTEM ASSETS</b>										
<b>SOURCE OF SUPPLY</b>										
W19041	Linda	SRF	OPR WFF - 7.2 mgd Treatment Plant Expansion	20,665,000	20,000,000					40,665,000
W19041	Linda	CC	OPR WFF - 7.2 mgd Treatment Plant Expansion							-
W20001	Linda	CC	Property Investigation for Bunker Hill Wells and Pump Station	50,000						50,000
W22009		CC	Construct new IEUA area well		1,350,000					1,350,000
New		CC	Construct new well - Well #3 Bunker Hill		250,000	1,600,000	1,600,000			3,450,000
New		CC	Construct new well - Well #4 Bunker Hill		250,000	1,600,000	1,600,000			3,450,000
New		CC	Construct new well - Well #0 North Riverside		300,000	1,400,000	1,400,000			3,100,000
New		CC	IX 1 Design, Construct new IX and equip for Well #0		350,000		1,400,000		350,000	2,100,000
<b>PUMPS AND BOOSTER PLANTS</b>										
W15004	Rosa	CC	Lord Ranch Pump Station 4-3							-
W18021	Rosa	CC	Pump Station 7-2 - Design & Construction	2,300,000						2,300,000
W22010	Rosa	RR	Emergency Generators Zone 5 PS 5-2							-
New	Linda	CC	Bunker Hill supply Pump Station		250,000	4,100,000	4,100,000			8,450,000
<b>RESERVOIRS</b>										
W15003	Rosa	CC	Lord Ranch 1.0 MG Aeration Tank							-
W19008	Rosa	CC	Zone 8 - Reservoir B-3 (2.0MG)							-
New		CC	Bunker Hill Aeration Tank		105,000	1,000,000	1,000,000			2,105,000
New		CC	Reservoir 6-5 (6.0MG)		250,000	8,177,000	8,000,000			11,427,000
New		CC	Reservoir 3-5 (3.25MG)		250,000	5,940,000				6,190,000
New	Linda	CC	Reservoir 7-5 Site Investigation				60,000			60,000
<b>WATER MAINS</b>										
W15008	Rosa	CC	Pepper Avenue @ I-10 Freeway Zone 2 - 24" Trans Main Railway - Design & Construction							-
W17035	Rosa	CC	Zone 2 & 3 Transmission Main - 12", 16" and 20" in Santa Ana Avenue							-
W20024	Linda	CC	Zone #4 30" Transmission Line @ El Rancho Verde (Completed waiting on Invoice)							-
W21007	Rosa	CC	Zone 7 - 18" Transmission main within future ROW from Citrus Ave to Lytle Creek Rd	50,000	1,050,000					2,000,000
W22011	Rosa	RR	Zone 3A - 10-12" pipeline in Cactus Ave		180,000					180,000
New		CC	Zone 2 & 3 Transmission Main - 12", 16" and 20" in Santa Ana Ave- PH III						3,794,000	3,794,000
New		CC	Bunker Hill Wells Field Transmission - Pipeline		260,000	3,400,000	3,400,000			7,060,000
New		CC	Bunker Hill Well Field 18" Transmission from Wells 43, 44, 45, and 46 to BH aeration tank		120,000	425,000	425,000			970,000
New		CC	Zone 2 - 12" Waterline in Cactus Ave. north of Santa Ana Ave. (700 ft)			60,000	300,000			360,000
New	Rosa	CC	Zone 6 - 12" Waterline in Summit Ave. east of Linden Ave. (389 ft)				280,000			280,000
New	Rosa	CC	Zone 7 - 18" Transmission main in Segovia Ln from Sierra Ave to Citrus Ave					2,415,000		2,415,000
<b>FACILITIES AND PLANTS</b>										
W15006	Rosa	CC	Lord Ranch Facility - Grading and Site Work - Design & Construction							-
New	Van	CC	Property acquisition for Bunker Hill Supply - Wells, Pump station, and reservoir		650,000					650,000
New		CC	Property acquisition for Reservoir R6-6			600,000				600,000
<b>SUBTOTAL FOR NEW SYSTEM ASSETS</b>				<b>23,065,000</b>	<b>26,495,000</b>	<b>26,302,000</b>	<b>20,545,000</b>	<b>2,415,000</b>	<b>4,144,000</b>	<b>102,966,000</b>

Project Number	Project Manager	Funding Source	CIP Project Description	FY 2023-24 Budget Request	FY 2024-25 Budget Request	FY 2025-26 Budget Request	FY 2026-27 Budget Request	FY 2027-28 Budget Request	FY 2028-29 Budget Request	Project Total
<b>CAPITAL OUTLAY - FLEET/EQUIPMENT</b>										
W22020	Jon S.	RR	Advanced Metering Infrastructure AMI - Data Collection Network							-
W22021	Janet	RR	1 New Truck for Cross-Connection Staff - Super cab with an extended bed, loading ramp							-
W23011	Albert	RR	Cisco ASA and Voice Router Upgrade							-
W23013	Albert	RR	Security Camera System for the District Headquarters Site							-
W23014	Rudly	RR	1 New 5-yard Dump Truck							-
W23016	Al	RR	Fleet Trucks Fully Equipped	180,000	150,000	150,000	150,000	150,000	150,000	930,000
New	Albert	RR	Document Management System	75,000						75,000
New	Al	RR	Regrading, resealing, restriping at Headquarters	125,000						125,000
New		RR	Four New Pneumatic Pumps	30,000						30,000
New		RR	Caterpillar Cold Planer Attachment	60,000						60,000
New		RR	Caterpillar Hydraulic jack hammer for backhoe	45,000						45,000
New	Jon S.	RR	VMware host #2	50,000					50,000	100,000
New	Jon S.	RR	VMware host #3	50,000					50,000	100,000
New	Jon S.	RR	Software Implementations/Integrations Work Orders	45,000						45,000
New	Jon S.	RR	Access Control System Expansion	10,000	10,000	10,000	10,000	10,000		50,000
New	Jon S.	RR	Security Camera System	10,000	10,000	10,000	10,000	10,000		50,000
New		RR	Tow Behind Message Board		45,000					45,000
New		RR	Two Yard Dump Truck		60,000				65,000	125,000
New		RR	1 New 5-yard Dump Truck						150,000	150,000
New		RR	30 Foot Equipment Trailer		30,000					30,000
New		RR	1x Administration Large Copier (10 Year Life Cycle)		26,000					26,000
New		RR	Caterpillar Backhoe			100,000				100,000
New		RR	Service Truck			225,000			240,000	465,000
New		RR	Tow Behind Arrow Board		40,000					40,000
New		RR	Pool and Administrative Vehicles (10 Years/100K Miles Life Cycle)		50,000		50,000	50,000		150,000
New	Jon S.	RR	Core network switches (3)				90,000			90,000
New		RR	Tow Behind Air Compressor				40,000			40,000
New		RR	1x Engineering Copier (10 Year Life Cycle)				10,000			10,000
New		RR	1x Customer Service Black and White Copier (10 Year Life Cycle)					8,000		8,000
<b>SUBTOTAL FOR CAPITAL OUTLAY - FLEET/EQUIPMENT</b>				<b>680,000</b>	<b>931,000</b>	<b>585,000</b>	<b>360,000</b>	<b>228,000</b>	<b>705,000</b>	<b>2,889,000</b>
<b>GRAND TOTAL</b>				<b>27,775,187</b>	<b>32,551,000</b>	<b>28,673,000</b>	<b>27,246,000</b>	<b>12,914,000</b>	<b>10,652,000</b>	<b>139,811,187</b>

CIP Project Description	FY 2023-24 Budget Request	FY 2024-25 Budget Request	FY 2025-26 Budget Request	FY 2026-27 Budget Request	FY 2027-28 Budget Request	FY 2028-29 Budget Request	Project Total
<b>CIP Budget Summary</b>							
Subtotal Replacement Assets:	4,030,187	5,725,000	1,786,000	6,341,000	10,271,000	5,803,000	33,956,187
Subtotal New Assets:	23,065,000	26,495,000	26,302,000	20,545,000	2,415,000	4,144,000	102,966,000
Subtotal Capital Outlay:	680,000	331,000	585,000	360,000	228,000	705,000	2,889,000
Totals:	<b>27,775,187</b>	<b>32,551,000</b>	<b>28,673,000</b>	<b>27,246,000</b>	<b>12,914,000</b>	<b>10,652,000</b>	<b>139,811,187</b>
<b>CIP District Funding Source Summary</b>							
Contribution from Operating Revenue/Capital Project Fund	4,710,187	6,216,000	2,371,000	6,701,000	8,499,000	6,508,000	35,005,187
Restricted Capacity Charges Fund	2,400,000	6,335,000	26,302,000	20,545,000	2,415,000	4,144,000	62,141,000
Reimbursement Agreement (SBCTA)	-	-	-	-	-	-	-
Federal Community Project Funding	-	-	-	-	2,000,000	-	2,000,000
SRF Funding	20,665,000	20,000,000	-	-	-	-	40,665,000
Totals:	<b>27,775,187</b>	<b>32,551,000</b>	<b>28,673,000</b>	<b>27,246,000</b>	<b>12,914,000</b>	<b>10,652,000</b>	<b>139,811,187</b>

# Capital Projects

## Replacement/ Rehabilitation of System Assets

### Reservoir 5-2

Reservoir 5-2 is a welded steel tank with a capacity of 4.0 million gallons and the tank needs to be recoated. The common inlet/outlet pipe and drain line are both located in concrete floor of the interior tank. During a seismic event, there is potential for the bottom of the tank to move at a different rate than the piping which can result in damage to the tank. It can lead to the failure of the piping and/or the structural failure of the concrete pad which could result in loss of several million gallons of water. This project involves recoating the tank.

**Cost: \$1,000,000**

### Annual Meters and MXU's

Installation of new, modernized water meters with AMR/AMI technology to replace aging, inefficient meters. New meters provide more efficient water metering and more accurate reporting of water sales to the State of California Division of Water Resources. Replacement of aging meters reduces the amount of "water loss" or the difference between metered deliveries and water produced. Efficient metering improves the District's reporting records and improves accuracy necessary to meet the State mandated water demand reduction requirements.

**Cost: \$78,187**

### Meter Vault Lid Retro Fits

This project involves the installation of traffic rated vault lids on large meter vaults. Vault lid failures occur throughout the year and replacement of the vault lids is necessary to ensure the public's safety. Staff anticipates approximately four (4) vault lids will be replaced during this budget cycle.

**Cost: \$30,000**

### Building C Improvements

Architectural services will be provided to create construction plans to upgrade Building C with new offices, restrooms, lockers, showers, break rooms, AC, insulation, and a laundry area.

**Cost: \$600,000**

### Material Yard- South District Service Area South Shop

Distribution staff will have District approved Paving Contractor install permanent asphalt in highlighted area and install K-Rail barriers to divide back fill material needed after excavation and repairs of leaks. District might still utilize this well site in future, this is reason to use asphalt and K-Rails instead of concrete and block walls. Demolition would be cheaper and easier if needed in future to remove asphalt and K-Rails. This material yard would improve repair times daily rather than drive to North end of District to grab material and minimize potential overtime.

**Cost: \$65,000**

### Rehabilitation 2 Roemer Pumps Effluent/Influent

The treatment department has recognized the need to refurbish two Roemer pumps. The contractor will replace the existing effluent/influent pumps.

**Cost: \$40,000**

### Roemer Filter #2 Rehabilitation & Media Replacement

The Oliver P. Roemer Water Filtration Facility (WFF) is located at 3010 N. Cedar Ave, in the City of Rialto. The treatment department has recognized the need to refurbish the entire filter #2. The contractor will replace the existing media in the filter and they will build a full containment structure around filter #6 to sandblast and paint the metal structure.

**Cost: \$511,000**

### **Roemer Filter #5 Rehabilitation & Media Replacement**

The Oliver P. Roemer Water Filtration Facility (WFF) is located at 3010 N. Cedar Ave, in the City of Rialto. The treatment department has recognized the need to refurbish the entire filter #5. The contractor will replace the existing media in the filter and they will build a full containment structure around filter #6 to sandblast and paint the metal structure.

**Cost: \$511,000**

### **Wrought Iron Security Fence at Zone 6 Reservoir Complex**

Wrought Iron Fence is needed to secure Zone 6 Reservoir Complex.

**Cost: \$200,000**

### **Alder Avenue Road Improvements**

Recent rain events have caused erosion on the roadway embankment at several locations on Alder Avenue which is the only daily access road for Reservoirs R2-2, R2-3 and R3-1 and a few residents of City of Fontana. The condition of the roadway embankment of the existing asphalt grinding surface and recently asphalt resurfaced road is eroding and is in need of maintenance repairs. The condition of the roadway embankment continues to deteriorate due to a combination of erosion, potential geological instabilities, and lack of proper storm drainage infrastructure.

**Cost: \$800,000**

### **Booster Station 3A-1**

Upgrading booster pump station 3A-1 will increase production and reliability. Booster pump station 3A-1 is needed to supply future demands and provide redundancy.

**Cost: \$50,000**

### **Booster Station 4-1**

Upgrading booster pump station 4-1 will increase production and reliability. Booster pump station 4-1 is needed to supply future demands and provide redundancy.

**Cost: \$50,000**

### **Booster Station 5-2**

Upgrading booster pump station 5-2 will increase production and reliability. Booster pump station 5-2 is needed to supply future demands and provide redundancy.

**Cost: \$50,000**

### **Flocculators Assembly**

Influent water treatment requires the use of flocculators to aid with the clarification process. A total of 18 flocculators are needed at the water treatment plant.

**Cost: \$45,000**

## **New System Assets**

### **Oliver P. Roemer Water Filtration Facility (WFF) - 7.2 MGD Treatment Plant Expansion**

Both Lytle Creek Surface water and State Water Project water are treated at the District's Oliver P. Roemer Water Filtration Facility. The District is planning to expand the Oliver P. Roemer Water Filtration Facility to treat an additional 7.2 million gallons per day (MGD) of State Water Project water. This will increase the Roemer's current capacity of 14.4 MGD to an ultimate of 21.6 MGD. This expansion is needed due to infrastructure replacement and upgrade needs, increased demands, to offset peak summer usage and to regain groundwater well supply lost due to various contaminants and lowering groundwater levels. The expansion will be constructed in phases, but the ultimate 16 MGD Roemer WFF design will be completed as part of the initial phase.

***Cost: \$20,665,000***

### **Property Investigation for Bunker Hill Wells and Pump Station**

WVWD is interested in drilling and constructing new groundwater supply wells in the Bunker Hill Groundwater Basin in order to bolster groundwater production supply. As a preliminary phase to this work, a comprehensive well site evaluation outside of the Management Zone Area is required to ensure any new groundwater production well maximizes production potential as well as meets water quality objectives.

***Cost: \$50,000***

### **Pump Station 7-2 Design & Construction**

Pressure Zone 7 is north of Pressure Zone 6 in WVWD's North System. Storage is provided by R7-1, R7-2, R7-3, and R7-4 Reservoirs on Lytle Creek Road. Water is boosted from the Lower Pressure Zones 4, 5, and 6 up to Pressure Zone 7 and stored in the four reservoirs. Currently there is one pump station, Pump Station 7-1, which boosts water supplies from Pressure Zone 6 up to the Zone 7 reservoirs. Pump Station 7-1 is the only booster pump station in Zone 7. Pump Station 7-2 is needed to supply future demands and provide redundancy in the event Pump Station 7-1 is out of service for maintenance or repair and in preparation for the increased development that is projected to occur in Pressure Zone 7.

***Cost: \$2,300,000***

### **18" Transmission Main Crossing Crossing at Ontario Interstate 15 Freeway from Citrus Avenue to Lytle Creek Road**

The 18-inch transmission main is required for increased development that is projected to occur in Pressure Zone 7. The proposed transmission main will connect to an existing 18-inch transmission main at Lytle Creek Road and bore under the Ontario Interstate 15 freeway and terminate at Citrus Avenue in an unimproved area which is approximately 650 linear feet. The proposed pits for the jack and bore will be approximately 40'Lx20'W and will be located outside the Caltrans right-of-way.

***Cost: \$50,000***

## **Capital Outlay- Fleet/Equipment**

### **Fleet Trucks Fully Equipped**

The five new trucks need to be fully equipped with the required additions to be fully functional for the job.

***Cost: \$180,000***

### **Document Management System**

This project involves replacing and upgrading some of the District's IT infrastructure. Currently, looking at various vendors for document management systems. The project will include software and hardware.

***Cost: \$75,000***

### **Regridding, Resealing, Restriping at Headquarters**

The District's headquarters parking area and surroundings need regridding, resealing, and restriping.

***Cost: \$125,000***

### **Four New Pneumatic Pumps**

Distribution have been repairing and rebuilding current pumps for over ten years and now the internal metal is wearing down and not holding internal rubbers and or gaskets in place to properly remove mud and water. Replacement pumps are needed.

***Cost: \$30,000***

### **Caterpillar Cold Planer Attachment**

Cold Planer Attachment is used to grind asphalt down to loose rock and per City and County requirements all traffic road plates used on streets over 25 mile an hour need the plates to be grounded/cold planed down to street level to minimize bump and lock steel road plate into existing asphalt. Budgeted amount for FY 23/24 is \$60,000.

***Cost: \$60,000***

### **Caterpillar Hudraulic Jack Hammer for Backhoe**

Jack hammer attachment for backhoe is needed break out thick asphalt areas over six inch thick and deeper. Some arterial streets have layers upon layers asphalt overlay from previous years and Distribution staff find it difficult to jack hammer through areas on bigger leaks. This attachment would assist in efficiently opening asphalted areas with less injury on back and body by hammering manually.

***Cost: \$45,000***

### **Vmware Host #2**

This project involves replacing one of the VMWare hosts in the District's virtual server environment. VMWare hosts allow the District to use one physical server to create and run multiple virtual servers instead of implementing multiple physical servers.

***Cost: \$50,000***

### **Vmware Host #3**

This project involves replacing one of the VMWare hosts in the District's virtual server environment. VMWare hosts allow the District to use one physical server to create and run multiple virtual servers instead of implementing multiple physical servers.

***Cost: \$50,000***

### **Software Implementations/Integration Work Orders**

This project involves replacing and upgrading some of the District's IT infrastructure.

***Cost: \$45,000***

### **Access Control System Expansion**

Expanding the access control system provides users with highly secure access to data and network resources - anytime, anywhere, using any device.



***Cost: \$10,000***

### **Security Camera System**

This project involves the installation of a security camera system to meet the increasing surveillance needs of the District. The primary focus will be the District's headquarters as well as other high security risk remote sites.

***Cost: \$10,000***

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# DEBT

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## Debt Summary

The District has been successful in financing capital improvements through a combination of long-term and short-term financing plans. The District's primary debt management objective is to keep debt levels within available resources and within limits that will allow the District to meet the debt service coverage ratios required by the bond covenant.

The District's debt service payments in FY2023-24 will be \$2,027,229 on total outstanding debt of \$26,787,170 as of June 30, 2023.

## Types of Debt

### REVENUE BONDS

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

- **Series 2016A Refunding Revenue Bonds:** issued to provide funds, together with certain other moneys: (i) to prepay all amounts payable under the Series 2006D-2 Bonds installment purchase agreement between the District and California Statewide Communities Development Authority; and (ii) pay cost of issuance of the 2016A Bonds. The bonds were in the aggregate principal amount of \$22,035,000 with an interest ranging from 2% to 5% per annum. As of June 30, 2023, the outstanding balance of the financing was in the amount of \$19,345,000.

### HYDROELECTRIC PLANT

*An agreement with San Bernardino Valley Municipal Water District to finance and construct Roemer Hydroelectric Station. Debt service is payable out of water system net revenue.*

- **Hydroelectric Plant:** In December 20, 2016, the District entered into an agreement with San Bernardino Valley Municipal Water District ("Valley District") to finance and construct Roemer Hydroelectric Station. In the agreement, the Valley District agreed to finance the cost of the project total amount of \$3,310,151 with the interest that the Valley District shall be revenue neutral in this financing arrangement. As of June 30, 2023, the outstanding balance of the financing was in the amount of \$1,654,651.

### WATER PARTICIPATION RIGHTS CONTRACT PAYABLE

*A water right is legal permission to use an amount of water by the District. California Water Code (Division 2) requires a water right if you take water from lake, river, stream, or creek, or from underground supplies.*

- **Water Participation Rights:** In 2012, the District acquired water participation rights from the San Bernardino Valley Municipal Water District. These rights entitle the District to purchase water from the Baseline Feeder system. The payment for the rights is calculated at 5,000-acre feet at \$90 per acre foot, per year, payable in monthly installments of \$26,794, until January 31, 2041. The annual amount is \$321,529, for usage fee. Purchased water is billed in addition to the minimum fee. As of June 30, 2023, the balance for future water rights payments was in the amount of \$5,787,519.

Below is a schedule of FY 2023-24 debt service payments:

Debt Issue	Principal	Interest	Total
Series 2016A Refunding Revenue Bond	455,000	847,600	1,302,600
Hydroelectric Plant	331,100	72,000	403,100
Water Participation Rights	321,529	-	321,529
<b>Total</b>	<b>1,107,629</b>	<b>919,600</b>	<b>2,027,229</b>

## Impact of Current Debt Levels

As detailed above, debt service for FY 2023-24 on all outstanding debt is \$2,027,229 – this is an increase of \$31,300 from debt service payments in FY 2022-23. The increase in debt service payment was due to rate increases by the Federal Reserve which affect the Hydroelectric Plant debt. Also, no new debt was taken. Therefore, there was no major increase in debt service.

\$2,027,229 represents 5.4% of the District's total budget for FY 2023-24. This level of debt service does not affect utility services provided to District ratepayers but does directly impact the number of Capital Projects that can be funded by operating revenues.

## Debt Schedule

Below is a schedule of all outstanding debt:

Water Fund			
Fiscal Year	Principal	Interest	Total
2024	1,107,629	847,600	1,955,229
2025	1,127,629	829,000	1,956,629
2026	1,142,629	807,250	1,949,879
2027	1,167,629	782,125	1,949,754
2028-32	4,927,896	3,492,450	8,420,346
2033-37	5,407,645	2,661,000	8,068,645
2038-42	6,071,113	1,892,675	7,963,788
2043-47	5,835,000	1,050,300	6,885,300
<b>Total</b>	<b>\$ 26,787,170</b>	<b>\$ 12,362,400</b>	<b>\$ 39,149,570</b>

## 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 2016 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 US Bank, require that the District maintain a debt coverage ratio equal to 1.2 or 120% of annual debt service.

The FY 2023-24 proposed operating budget provides the net revenue to debt ratios shown in the table on the following page:

Water Fund	
	Total
<b>Revenue</b>	
Sales & Services	28,170,054
Other Charges	4,177,477
Other Non-Operating	5,328,015
<b>Total Revenues</b>	<b>37,675,546</b>
<b>Operating Expenses</b>	
Departments	32,466,172
<b>Total Operating Expenses</b>	<b>32,466,172</b>
<b>Net Revenue</b>	<b>5,209,374</b>
<b>Bond Debt Service</b>	<b>1,302,600</b>
<b>Debt Coverage Ratio</b>	<b>4.00</b>

## Bond Ratings

Credit risk is the risk that District creditors will suffer financial loss if the District fails to fulfill its obligation to make timely payments to holders of District debt. 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. Practical financial management policies have resulted in a bond rating of AA- from Standard & Poor's. The rating was issued on December 14, 2016 and is considered a high quality, investment grade rating.

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# FINANCIAL POLICIES

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# Summary of Financial Policies

Financial policies are used to establish similar goals and targets for the District's financial operation, allowing the Board and District officials to monitor how well the District is performing. The policies represent guidelines for evaluating both current activities and proposals for future programs. Approved financial policies provide a consistent approach to fiscal strategies, and enable the District to maintain its financial stability.

## Investment Policy

The purpose of this policy is to establish guidelines for the prudent investment of District funds in compliance with California Government Code (CGC) requirements. The guidelines assist the District to manage funds in a prudent and diligent manner, with an emphasis on safety of principle, liquidity, and financial return on principal. They also ensure proper controls and safeguards are in place.

### Goals

- To invest public funds in a manner which will provide the highest investment return with the maximum security.
- To meet the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

## Budget Policy

The purpose of the policy is to promote sound financial management, which can lead to improvement in bond ratings, a lower cost of capital, provide assurance to the tax and rate payers that taxes and fees are being collected and spent per Board direction, and provide a minimum of unexpected impacts upon taxpayers, rate-payers and users of public services.

### Goals

- The budget will provide adequate funding for maintenance and replacement of capital plant and equipment.
- Anticipate and address economic and fiscal risks to ensure the District lives within its means and has the resources to invest in its infrastructure, facilities, equipment, training and workforce.
- Ensure sufficient funding is available for current and future operating, capital, and debt service needs.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District's credit-worthiness and maintain and, if possible, improve the current bond rating(s).
- Ensure that the District's debt is consistent with the District's planning goals and objectives.

## Carryover Policy

This policy provides guidelines to develop projections for reserve requirements and plan for the use of an excess surplus for the current year. The excess surplus amounts are the Carryovers.

### Goals

- Monitored funds' surpluses and deficits.
- Assess if CIP projects have Carryovers or if project should be closed out.
- Establishes automatic Carryovers such as contractual commitments and restricted donations.

## Reserve Policy

This policy establishes appropriate fund reserves by category, identified purpose for each category, appropriate target levels, funding sources, and conditions under which each is to be used and replenished. It is consistent with sound, prudent fiscal practices, compliant with legal requirements, and essential to ensure that the District can effectively address external variations.

### Goals

- Adequately provide for economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
- Meet cash flow requirements.
- Provide funding for contingencies and unforeseen operating or capital needs.

## Debt Management Policy

This policy establishes the conditions for the use of debt and creates procedures and policies that minimize the District's debt service and issuance costs, retain a high-quality credit rating, and maintain full and complete financial disclosure and reporting.

### Goals

- Protect the District's credit-worthiness and if possible, improve the current bond rating(s).
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

## Procurement Policies & Procedures

This policy establishes appropriate procedures for procurement of supplies, materials, equipment, and services, including construction and capital improvements, for District use and to relate the principals of applicable provisions of governing law and to District administrative policies.

Goals

- Comply with California Government Code Section 54202.
- Established bid thresholds and invoice authorization thresholds across all levels of leadership with authority.
- Prevents conflict of interest and unauthorized purchases.



# Budget/Carryover/Reserve/Debt Management Policy

## BUDGET/CARRYOVER/RESERVE/DEBT MANAGEMENT POLICY

### SECTION 1: PURPOSE

Financial policies such as this Budget/Carryover/Reserve/Debt Management policy, improve the District's fiscal stability by helping District officials plan fiscal strategy with a consistent approach. Adherence to adopted financial policies such as this one, promotes sound financial management, which can lead to improvement in bond ratings, a lower cost of capital, provide assurance to the tax and rate payers that taxes and fees are being collected and spent per Board direction, and provide a minimum of unexpected impacts upon taxpayers, rate-payers and users of public services.

### SECTION 2: GENERAL POLICY

The guiding principles of the District's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure. The District's Budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units, and as a communications device for all significant budgetary issues, trends, and resource choices. The budget process and format shall be performance-based and shall be focused on goals, objectives and performance indicators. The budget will provide adequate funding for maintenance and replacement of capital plant and equipment. The budget process is intended to weigh all competing requests for District resources within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged. The District will endeavor to avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets.

The District shall anticipate and address economic and fiscal risks to ensure the District lives within its means and has the resources to invest in its infrastructure, facilities, equipment, training and workforce to preserve and enhance community wellbeing.

### SECTION 3: RESPONSIBILITY

At West Valley Water District (WVWD or the District) the following represent sets of responsibilities borne by various levels of District Board members, Staff, and management.

1. The Board of Directors are responsible for:
  - Approving the budget, which dictates spending by District government.
  - Deciding the spending priorities for the next fiscal year by setting aside money for programs, projects, or services.
  - Shall avoid committing to new spending for operating or capital improvement purposes until an analysis of all current and future cost implications is completed and presented to it by the CFO.
  - To endeavor to maintain the highest credit rating possible for the District.
  - Willingness to adjust rates when necessary.
  - To allow for sufficient training and resources for the District's management team's ability to quickly implement measures to respond to challenges.
  - This includes active participation in organizations to keep pace with Water sector issues, regulatory mandates, and technological advances.
2. The CFO, or designee, shall be responsible for:
  - Developing, implementing, and managing this policy as well as subsidiary policies.
  - Developing the Budget, including discussions and explanations of all assumptions, estimates, and calculations to the Board.
  - Financial forecasting.
  - Recommending and implementing approved strategies for Reserve maintenance.
  - Recommending to the GM and the Board, and then implementing an approved plan of action for Budget surpluses and deficits
  - Include performing a calculation of one day's (or applicable multiple thereof) worth of budgeted operating expenses.
  - Accumulating the data and preparing a list of Carryovers to be approved by the Board.
  - Posting the approved budget and all budget amendments to the financial system.
  - Posting approved budget transfers of appropriations to the financial system.
  - Performing transfers between reserve accounts in the financial system.
  - To endeavor to maintain the highest credit rating possible for the District.
  - Proactively identify and monitor long term financial liabilities, including unfunded pension obligations, and commit to taking actions to manage these commitments that prioritizes the District's long-term financial sustainability.
  - To perform or facilitate debt issuance, interest payments, principal repayments, and other debt related activity. Also designing, implementing and evaluating the internal controls over debt related activity.
  - Coordinating and analyzing debt requirements, including timing of debt, calculation of outstanding debt, debt limitation calculations and compliance, impact on future debt burdens, and revenue requirements.

- Preparing and presenting to the Board, interim revenue and expenditure trends to allow evaluation of potential discrepancies from budget assumptions.
  - Perform and present to the Board, current and future cost implications for operating or capital improvement costs before the Board commits to new spending.
  - Perform quarterly reports to the Board of:
    - Budget vs Actual Variances
    - Transfers of appropriations
    - Transfers between reserve accounts
    - Reserve target level compliance
    - Development and maintenance of adequate billing and collection measures.
    - Have a back-up protocol to ensure continuity and timeliness of operations during vacations and other leaves.
  - Must actively participate in and support the implementation of the internal controls contained in this policy and all other policies, and immediately follow up if deviation is suspected, in order to avoid the appearance and existence of fraud, misappropriation of District assets, or of conflicts of interest.
  - Additional responsibilities are stated in the remaining sections within this policy.
3. The General Manager (GM), Chief Financial Officer (CFO), and District Department Heads, collectively, are responsible for:
- Administering programs within the specific funding decisions contained in the budget.
  - Participate in meeting policy goals, budget goals, and ensuring the long-term financial health of the District.
  - Assistance with building the annual budget through participation in evaluation of long-term initiatives, short term initiatives, significant changes, goals and objectives, Capital expenditures, program-based budgeting that link resources with results.
  - Identify and evaluate immediate and long-term economic, social, and environmental impacts of all issues provided for community and Board consideration.
  - Strive to identify entrepreneurial solutions to recover costs of operating programs.
  - Conduct all business with transparency pursuant to applicable laws and regulations. This shall be done by proactively pursuing ways to make financial information publicly available, accessible, and easy to understand for all community members.
  - To fairly and honestly collect and supply sufficient information (when available) as appropriate, and as needed by the Finance Division to fairly and properly support financial assumptions, calculations, and estimates that will be used to prepare the annual budget, forecasts, reports, rate setting calculations, as well as other financial calculations.
  - Search for, obtain, and maintain appropriate grant funding to leverage District funds, when available.
  - Quarterly, performance measurement reporting to the Board.
  - To endeavor to maintain the highest credit rating possible for the District.
  - Reviewing and approving the listing of Carryovers taken to the Board for approval for their respective departments, and approval over all departments by the GM.
  - The GM shall have authority to appropriate up to \$25,000 in case of emergencies.
  - Have a back-up protocol to ensure continuity and timeliness of operations during vacations and other leaves.
  - Must actively participate in and support the implementation of the internal controls contained in this policy and all other policies, and immediately follow up if deviation is suspected, in order to avoid the appearance and existence of fraud, misappropriation of District assets, or of conflicts of interest.
  - Additional responsibilities are stated in the remaining sections within this policy.

#### SECTION 4: DEFINITIONS

**Operating budget**—adopted annually, the operating budget is a detailed estimate of howmuch the District needs to spend in its fiscal year to meet its ongoing financial obligations and provide programs and services. It establishes a spending cap that management may not exceed without special authorization.

**Capital budget**— The capital budget is money set aside for buying or building fixed assets such as buildings, equipment, vehicles, water facilities, and land. Because capital construction normally takes place over more than one fiscal period, capital budgets are generally adopted on a project-length basis.

**Capital improvement projects** - infrastructure or equipment purchases or construction which results in a capitalized asset and having a useful (depreciable life) of one year or more.

**Indirect Costs** – Costs incurred for a common purpose not readily assignable to a cost center or user at the time services or goods are provided or delivered.

**Pay-as-you-go financing** - is defined as all sources of revenue other than District's debt issuance, i.e., Net Assets, contributions, developer contributions, grants, endowments, etc.

**Restricted Funds** – Monies where restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use.

**Capital Funds** – Monies that are utilized primarily to fund capital and asset costs, for both new and replacement projects.

**Liquidity Funds** – Monies used to safeguard the financial flexibility and stability of WVWD and to maintain stable customer charges and rates from year to year. Liquidity may be funded from accumulated revenues and when appropriate available short-term liquidity arrangements.

**Cash Account(s)** – Accounts used to track cash and/or cash equivalent assets for accounting or reporting purposes. For purposes of investment, the District may commingle unrestricted accounts and reserve funds, so long as the District's Investment Policy permits such.

#### SECTION 5: BUDGET DEVELOPMENT OVERVIEW

Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and program-based cost accounting that require every program to be justified annually as to how it will meet intended objectives. The process will include a diligent review of programs by staff, the CFO, the GM, and the Board. The District will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing expenditures or accruing future year's revenues. The District's balanced budget is to be adopted on a modified accrual basis. Non-cash items, such as investment adjustments to market value, depreciation, amortization, and bad debt expense are not budgeted. Multi-year capital projects are often budgeted on a full cost basis and the year-end active project budgets are continued to the next year until the completion of the project.

#### SECTION 6: PROGRAM BASED BUDGET

Utilization of a program budget format will provide a basis for evaluation of services as well as a way to evaluate impacts of potential increases or decreases in funding. Current operating expenditures will include all allowable overhead operating (indirect) costs. For the most part, these expenses will be charged to individual budget program elements through indirect cost allocation plan charges. District staff shall strive to identify entrepreneurial solutions to recover costs of operating programs.

Building the program-based budget will entail the following procedures:

##### **1. Long-Term Initiatives (10-year foresight)**

- o Evaluate District's vision, mission, and values.
- o Evaluate District's goals and objectives of the above.
- o Evaluate District's prioritization of the above.
- o Evaluate District's expected outcomes of the above.

##### **2. Short-Term Initiatives (1 to 5-year foresight)**

- o Evaluate short-term goals.
- o Evaluate service level assumptions.
- o Evaluate budget impact - revenues and expenditures.
- o Evaluate staffing level changes.

##### **3. Significant Changes (1 year look back)**

- o Evaluate specific issues and action causing significant changes.
  - Policy issues
  - Economic factors
  - Regulatory issues
  - Legislative challenges
- o Evaluate emerging issues or changes in priorities.

##### **4. Goals and Objectives by Department (1-year foresight)**

- o Evaluate department goals and objectives.
- o Evaluate how department goals are linked to overall District goals.
- o Evaluate short-term objectives, measurable results to be achieved.
- o Evaluate the timeframe for achieving those objectives.

##### **5. Net Position or Define net position**

- o Prepare a five-year historical trend.
- o Prepare a ten-year forecast.

##### **6. Capital Expenditures**

- o Define capital expenditures.
- o Summarize capital expenditures.
  - Routine
  - Non-routine
- o Identify and match funding sources.
- o Explain how the District's current and future budget will be impacted.
  - Financial impact
  - Non-financial impact

##### **7. Program - Based Budget Will Link Resources with Results**

- o Identifying community needs for essential services.
- o Describing the programs required to provide the essential services.
- o Identifying the purpose of activities performed in delivering services.
- o Establishing goals and objectives which define the nature and level of services required.

- o Identifying resources required to perform program activities and accomplish goals and objectives.
- o Staffing levels.
- o Program activity revenue and appropriations

#### SECTION 7: REVENUE BUDGET DEVELOPMENT

While building the revenue budget, the following parameters will be followed:

- o Revenues will not be dedicated for specific purposes, unless required by law or generally accepted accounting principles (GAAP). All non-restricted revenues will be deposited in the Operating Fund (or other designated fund as approved by the CFO) and appropriated by the Board.
- o Current revenues will fund current expenditures and a diversified and stable revenue system will be developed and maintained to protect programs from short-term fluctuations in any single revenue source.
- o The District will estimate its annual revenues by an objective, analytical process, wherever practical. The District will project revenues for the next year and will update this projection annually. Each existing and potential revenue source will be reexamined annually. In the case of assumptions uncertainty, conservative projections will be used.
- o The District will investigate potential new revenue sources, particularly those that will not add to the burden of tax or rate-payers.
- o Each year, the District will recalculate the full costs of activities supported by user fees/rates to identify the impact of inflation and other cost increases.
- o Grant funding will be considered to leverage District funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, District resources will be substituted only after all program priorities and alternatives are considered.
- o One-time revenue windfalls should be designated as a reserve or used for one-time expenditures. The funds are not to be used for on-going operations. To the extent such funds are not required for current expenditures, one-time expenditures and/or capital improvements such funds should be maintained as operating reserves or used to reduce debt.
  - o For purposes of this policy, one-time revenue windfalls shall include:
    - Lump sum (net present value) savings from debt restructuring
    - CalPERS Rebates
    - Tax Revenue growth in excess of 5% in a single year
    - Sale of District-owned real estate
    - Pure unexpected revenues (i.e. litigation settlement)
    - Receipts from approved Development Fees
    - Contributions and Gifts
    - Any other revenues the Board may elect to designate as extraordinary

#### SECTION 8: USER FEES/RATES

The process for changing user fees or rates will follow the User Rate policy # \_\_\_\_\_. All user fees and charges will be examined or adjusted every year and undergo a thorough review to determine the 100% direct and indirect cost of service recovery rate at least every four years. This shall include operations and maintenance, capital outlay and debt services costs. The Board will strive to obtain 100% cost recovery rates, but will reserve the right to recover less, as appropriate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the Board following public review, each year.

Any unfavorable balances in cost recovery will be brought to the Board's attention by the CFO and affected Department Head, and evaluated from a departmental, program, and goals perspective.

#### SECTION 9: EXPENDITURE BUDGET DEVELOPMENT

- o Each program will identify activities and the recommended expenditure appropriations to perform those activities.
- o Identify recurring vs. nonrecurring expenditures.
- o Identify general vs. restricted expenditures.
- o Expenditure appropriation increases to the budget shall not be allowed unless offset with ongoing additional revenues or reduction in services.
- o Addition of personnel will only be requested to meet program initiatives and policy directives: after service needs have been thoroughly examined and it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies. To the extent feasible, personnel cost reductions will be achieved through attrition or transfer.
  - o The CFO shall evaluate the fiscal impact of proposed changes in all salaries or retirement benefits to be provided to any employee or employee association and present to the Board.
- o Capital equipment replacement will be accomplished through a life cycle funding mechanism and in some instances the use of a "rental" rate structure. The rates will be revised annually to ensure that charges to operating departments are sufficient for operation and replacement of vehicles and other capital equipment (fleet, computers, phones, and copier systems). The District shall endeavor to maintain adequate cash reserves to fund 100% replacement of certain capital equipment. Replacement costs will be based upon equipment life cycle financial analysis developed by each department

and approved by the CFO. Non-capital equipment replacement will be accomplished through a life cycle funding mechanism developed by each department and implemented and approved by the CFO.

- Alternative means of service delivery will be evaluated by the CFO to ensure that quality services are provided to customers at the most competitive and economical cost. Departments, in cooperation with the GM and CFO, will identify all activities that could be provided by another source and review options/alternatives to current service delivery. The review of service delivery alternatives and the need for the service will be performed annually or on an “opportunity” basis.
- A ten-year Capital Improvement Plan (CIP) shall be developed and updated annually, including anticipated funding sources. The District staff shall maintain all its assets at a level adequate to protect the District's capital interest and to minimize future maintenance and replacement costs.
- The total estimated cost calculations of CIPs shall include adequate costs of repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.
- Proposed capital projects will be considered through the District budget development process and reviewed and prioritized by a cross-departmental team regarding accurate costing (design, capital, and operating) as well as the GM and CFO for overall consistency with the District's goals and objectives. The CFO will then identify financing sources for the highest-ranking projects.
- The District shall determine the least costly financing method for all new projects.
- Pay-as-you-go financing is defined as all sources of revenue other than District's debt issuance, i.e., Net Assets, contributions, developer contributions, grants, endowments, etc. Pay-as-you-go financing should generally be considered as the preferred option. However, the potential for debt issuance that provides additional economic and/or strategic values could be considered as recommended by the CFO.
  - In the context of funding future capital facilities and maintaining and replacing existing assets, in each instance, the District will analyze the benefits and tradeoffs of utilizing pay- as-you-go and/or debt financing and determine the optimal funding strategy or combination of funding strategies. The analysis should consider WVWD's current and projected liquidity, and capital positions, as well as the impact of inflation, the cost of water and other factors on the operations of the District and its capital improvement program. WVWD may from time to time measure its liquidity position by calculating “days cash” or other appropriate calculation of liquidity and its capital positions, as measured by its debt to equity ratio or other appropriate calculation of capital position.
- The District shall endeavor to apply restricted funds (i.e. existing Bond proceeds) to capital projects before using “unrestricted” funds.
- Capital project budget book descriptions will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.
- An inventory of the District's physical assets, their condition, and remaining useful life will be maintained by the Finance Division.
- A systematic and rational methodology should be used to calculate the amounts allocated within an indirect cost allocation plan.
- District management needs to be involved in the process and knowledgeable about the methodology used.
- It is important that internal staff be aware of all applicable laws and regulations if the cost allocation is to be used as the basis for requesting reimbursement under a grant, for bond proceeds, for rate-setting, or for any other contractual or governmental regulation or restriction.

#### SECTION 10: ACCRUING LIABILITIES

The CFO shall endeavor to maintain cash reserves sufficient to fully fund the net present value of accruing liabilities including self-insurance provisions, obligations to employees for vested payroll and benefits, and similar obligations as they are incurred, and to maintain the highest credit rating possible for the District. At a minimum they must be funded to 90%.

#### SECTION 11: FORECASTING

The annual budget shall include a Five-Year Forecast. The forecast will be comprised of estimated operating costs and revenues as well as future capital improvement financing sources and uses. Balanced revenue and expenditure forecasts will be prepared by the CFO to examine the District's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be taken into consideration when preparing budget recommendations. The forecast will be updated annually and include a five-year outlook. The CFO will prepare and present these estimates to the Board at least once a year. The District's capital plan will be informed by the ten-year forecasting process. The forecast shall factor in future increases in demand, expected rate increases, regulations, and infrastructure renovation and renewal needs.

#### SECTION 12: RESERVE POLICIES

##### **RESERVE POLICY PURPOSE:**

A critical element of prudent financial planning is to ensure that sufficient funding is available for current and future operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. West Valley Water District (“District” or “WVWD”) will at all times strive to have sufficient funding available

to meet its operating, capital, and debt service obligations. Reserve Funds ("Funds") will be accumulated and maintained to allow the District to fund operating expenses and capital expenditures in a manner consistent with its Annual Operating and Capital Improvement Budgets and its long term Capital Improvement Program, respectively, and avoid significant customer rate fluctuations due to changes in cash flow requirements. Through a variety of policy documents and plans, including the District's Capital Improvement Program, master plan and strategic plan, the Board has set forth a number of long-term goals for the District. A fundamental purpose of the District's policy documents and plans is to link what must be accomplished with the necessary resources to successfully do so. The Board of Directors of WVWD ("Board") may designate specific fund accounts and maintain minimum fund balances consistent with statutory obligations that it has determined to be in the best interest of WVWD. The Policy directives outlined in this section are intended to ensure WVWD has sufficient funds to meet current and future needs. The Board will annually review the level of these funds.

#### **RESERVE TRACKING PROCEDURES:**

The District may maintain its liquidity and capital funds in separate, designated subaccounts in a manner that ensures its financial soundness and provides transparency to its ratepayers. The account balances are considered the minimum necessary to maintain the District's creditworthiness and adequately provide for:

- Compliance with applicable statutory requirements
- Financing of future capital facilities and repair and replacement of existing assets
- Cash flow requirements
- Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy
- Contingencies or unforeseen operating or capital needs

WVWD has established and will maintain the following primary cash (and/or equivalent) accounts (and any other related fund tracking mechanism if needed):

- Restricted Cash Account(s) – comprised of Bond Proceeds, Community Facilities District monies, Developer and or Capacity Fees and Customer Deposits
- Capital Cash Account(s) – includes the Capital Replacement Fund and Emergency Fund.
- Liquidity Cash Account(s) – includes the Rate Stabilization Fund and Operating Fund.

#### **RESERVE MAINTENANCE:**

The minimum established for each account represents the baseline financial condition that is acceptable to WVWD from risk and long-range financial planning perspectives. Maintaining reserves at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various revenue generating alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to: fees and charges, water usage management, capital financing, investment of funds, and levels of capital expenditures. In the event the Liquidity Fund balance exceeds the established maximum, excess monies will be transferred annually into the Capital Fund. On an as-needed basis, monies from the Capital Fund can be moved to pay for operating emergencies to supplement the Liquidity Fund. In addition, in the event that the Capital Fund balance exceeds the established maximum, the Board will make a determination regarding the reallocation of excess monies.

To achieve and maintain a strong credit rating, in every fiscal year the District will strive to maintain unrestricted cash and designated fund balances totaling a minimum of 180 days of budgeted operating expenses. Should the District determine to target a higher credit rating level, this minimum will be adjusted accordingly. However, should the District decide to pursue a credit rating upgrade, it will need to analyze carefully under what circumstances and in what timeframes it will be optimal to achieve this goal.

#### **RESERVE TARGET LEVELS:**

The following represents the Districts target reserve levels by type:

##### ***I. RESTRICTED FUNDS***

*a. Bond Proceeds Fund(s):* Bond proceeds funds are monies derived from the proceeds of a bond issue. Typically, they consist of construction fund monies, and a debt service reserve fund ("DSRF"). The use of these proceeds is restricted by conditions set forth in the respective legal bond documents. Typically, these funds are held by the Trustee in favor of the bond holders.

*Target Level* – The debt service reserve requirement is established at the time of the bond issue. This amount may be recalculated as the bonds are paid down. Any excess principal and/or interest earnings can be used to pay debt service on the appropriate bonds. The target level must appropriately respond to changes in interest rates for variable rate debt.

*Events or Conditions Prompting the Use of the Fund(s)* – As stipulated in the respective bond documents. Construction fund monies are expected to be spent on applicable projects, while DSRF can only be used to pay debt service or to pay down principal at maturity.

*Review Dates for Balances* – Reviewed by the Trustee and WVWD staff on a semi- annual basis at least 15 days prior to an interest payment date.

*b. Customer and Development Deposits:* Monies held on behalf of WVWD customers as required for their account or as cash bonds for development projects.



Target Level – Customer deposits required are based upon the process outlined in the District's Water Service Regulations. Deposit requirements for development projects are also outlined in the District's Water Service Regulations. The balance in this account will fluctuate depending on the number of utility customer deposits required and the number of development projects in process. Therefore, no minimum or maximum levels will be established.

## *II. CAPITAL RESERVE FUNDS*

WVWD will strive to maintain minimum balances in the Capital Reserve Funds, net of any capacity fees, as of June 30, of any fiscal year equal to the amounts set forth below. The Capital Reserve Funds will consist of the following sub-accounts:

a. Capital Project Account: The Capital Project Cash Account is used for the funding of new capital assets or the rehabilitation, enhancement or replacement of capital assets when they reach the end of their useful lives.

Target Level – WVWD may set aside capital moneys for replacement funds on a project- by-project basis. The minimum target level WVWD will strive for is 100% of its then- current fiscal year from the Capital Improvement Budgets plus 25% of the amount estimated to be needed the following fiscal year, less minimum levels established for the Emergency Account. Failure to meet the minimum target level will not result in a violation of the policy. The maximum balance in Capital Reserve Funds shall not exceed the projected needs for five years, according to the District's Capital Improvement Plan.

Events or Conditions Prompting the Use of the Fund – Staff will recommend new assets to be constructed or assets to be rehabilitated, enhanced, or replaced during the annual budget preparation. As projects are approved, funds will be appropriated from reserve funds or available revenues.

Review Dates for Balances – Fund balances and projected improvement projects will be reviewed by staff and the Board during the preparation and approval of the annual budget.

b. Emergency Account: The Emergency Fund is used to begin repair of the water and sewer systems after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged or insurance claims are being processed.

Target Level – Funding shall be targeted at a minimum equal to 1% of the net capital assets of the District's water system, a target level of 2% of the net capital assets and a maximum of 3% of the net assets of the water system, based on current Federal Emergency Management Agency (FEMA) guidelines.

Events or Conditions Prompting the Use of the Fund – The Board may designate use of this fund after establishing that conditions exist as called out in the definition and purpose of the fund.

Review Dates for Balances – Fund balances and target level will be reviewed by staff and the Board during the preparation and approval of the annual budget.

## *III. LIQUIDITY FUNDS*

Liquidity Funds will be comprised of the following sub-accounts: The Rate Stabilization Reserve Account, the Operating Reserve Account, the Emergency Account, and the water banking account. The balance in the Liquidity Funds will fluctuate depending on the annual operating expenses. The maximum balance in the Liquidity Funds will be equal to 180 days of the annual budgeted operating expenses.

a. Rate Stabilization Account: This fund is established to provide flexibility to the Board when setting rates to allow for absorbing fluctuations in water demand and smoothing out rate increases over a period of time.

Target Level – This fund shall be maintained at a minimum level of 45 days of the annual budgeted operating expenses. The maximum level of this fund shall not exceed 60 days of the annual budgeted operating expenses.

Events or Conditions Prompting the Use of the Fund – This fund is intended to be used to defray any temporary unforeseen and extraordinary increases in the cost of water supply. The Board, on a case by case basis, will determine the amount and timing for any use of the fund.

Review Dates for Balances – Fund balances will be reviewed by staff and the Board during the preparation and approval of the annual budget.

b. Operating Reserve Account: The Operating Reserve Account is used for unanticipated operating expenses. This fund is designated by the Board to maintain a reserve for current operations and to meet routine cash flow needs.

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.

Events or Conditions Prompting the Use of the Fund – Upon Board authorization, this fund may be routinely utilized by staff to cover temporary cash flow deficiencies caused by timing differences between revenue and expenses or decreases in revenues and unexpected increases in expenses.

Review Dates for Balances – Fund balances and target level will be reviewed by Staff and the Board during the preparation and approval of the annual budget.

## SECTION 13: BUDGET SURPLUSES AND DEFICITS

### **SURPLUSES:**

It is the intent of the District to use all surpluses generated to accomplish three goals:

- Meet reserve policies

- Avoidance of future debt
- Reduction of outstanding debt

Any surplus realized at year-end shall be used first to meet reserve policies as set forth in this policy. Excess surplus will then be used for the following purposes:

- Capital replacement program
- Retirement or refinancing of existing debt
- Cash payments for capital improvements
- Rebate to rate-payers

One-time revenue windfalls should be designated as a reserve or used for one-time expenditures. The funds are not to be used for on-going operations. To the extent such funds are not required for current expenditures, one-time expenditures and/or capital improvements such funds should be maintained as operating reserves or used to reduce debt.

For purposes of this policy, one-time revenue windfalls shall include:

- Lump sum (net present value) savings from debt restructuring
- CalPERS Rebates
- Tax Revenue growth in excess of 5% in a single year
- Sale of District-owned real estate
- Pure unexpected revenues (i.e. litigation settlement)
- Receipts from approved Development Fees
- Contributions and Gifts
- Any other revenues the Board may elect to designate as extraordinary

#### **DEFICITS:**

It is the intent of the District to minimize all net asset (fund balance) deficits. The District will diagnose and communicate any fund balance deficits with the following recommendations to the Board:

- Primary Treatments – treatments that are recommended as the first line of defense and should be considered as a first option. In many cases, these treatments not only provide immediate help but also improve the long-term prognosis.
- Treatment to Use with Caution – treatments that may be called for if the primary treatments are not sufficient. However, the side effects of these treatments could potentially worsen financial condition if used improperly.

#### **SECTION 14: DEBT MANAGEMENT POLICY**

These Debt Management Policies are intended to comply with Government Code Section 8855(i), (j), and (k) effective on January 1, 2017, and shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District's credit-worthiness and maintain and, if possible, improve the current bond rating(s), in order to minimize borrowing costs and preserve access to credit.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

#### **Purposes for Which Debt May Be Issued**

*Long-term Debt.* Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District and its taxpayers and ratepayers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. However, the District may consider issuance of debt for working capital purposes under specific circumstances if deemed advisable by the Board and CFO.

(c) The District may use long-term debt financing subject to the following conditions:

- The project to be financed must be approved by the Board.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the infrastructure improvement, with the average (weighted) bond maturities at or below thirty years, unless otherwise authorized by the Board.
- The District estimates that sufficient revenues will be available to service the debt through its maturity.



- The District determines that the issuance of the debt will comply with the applicable state and federal law.

*Short-term Debt.* Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

### **Types of Debt**

For purposes of these Debt Management Policies, "debt" shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations. The use of the term "debt" in these Debt Management Policies shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt in contravention of any statutory or constitutional debt limitation.

The following types of debt are allowable under these Debt Management Policies:

- General obligation bonds, which are supported by property tax revenue which grows in proportion to the District's assessed valuation and/or property tax rate increases, may be utilized if/when authorized by voters.
- Bond or grant anticipation notes.
- Lease revenue bonds, certificates of participation, and lease-purchase transactions.
- Other revenue bonds and certificates of participation.
- Tax and revenue anticipation notes.
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes.
- Tax increment financing to the extent permitted under state law.
- Purchase card debt
- Line of credit
- Construction loans
- Lease payments

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of these Debt Management Policies.

Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

### **Relationship of Debt to Capital Improvement Program and Budget**

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in these Debt Management Policies and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues.

The District shall seek to avoid the use of debt to fund infrastructure and facility improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

The District shall seek to avoid the use of debt to fund infrastructure and facility improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its reserves.

New debt issues, and refinancing of existing debt, must be analyzed for compatibility within the District's overall financial planning and approved by the CFO. The review shall not be limited to cash flow analysis, potential for unexpected revenue surprises, and the maintenance of the District's bond ratings. Annual debt service should not have an inordinate impact upon future operations.

A ratio of current assets to current liabilities of at least 2/1 will be maintained to ensure the District's ability to pay short-term obligations.

Water rates will be set, at a minimum, to ensure the ratio of revenue to debt service meets the District's bond indenture requirement (generally a minimum of 120% of debt service). In addition, higher revenue to expense ratios may be needed to secure the District's bond rating, as determined by the CFO.

When calculating debt services coverage for internal purposes, the minimum pay-as-you-go capital expense will be considered a part of the operating costs to be covered by pre-debt service revenues. The District goal will be to maintain the required debt service coverage with this additional cost factored into the equation. Use of a 10-year budget projection, including capital project requirements, will provide assurance that all needs are considered by the CFO, the GM, Assistant GMs, and District Counsel as revenue requirements are considered.

### **Policy Goals Related to Planning and Objectives**

The District is committed to long-term financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

The CFO shall consult with a qualified Financial Advisor on an issue by issue basis to determine the appropriate method of sale to be used for debt issuance. Further, the CFO or designee shall be responsible for the solicitation and selection of professional services that are required to administer the District's debt program, which will follow the District's procurement policy. The financial advisor, bond and disclosure counsel, and trustee costs associated with bond issuance will be paid with bond proceeds. Eligible District staff costs related to issuance of long-term bonds may also be reimbursed from bond proceeds.

- A financial advisor shall be used to assist in the issuance of the District's debt. The financial advisor shall provide the District with objective advice and analysis on debt issuance. This includes, but is not limited to monitoring market opportunities, structuring and pricing debt, and preparing official statements of disclosure.
- All debt issued by the District will include a written opinion by bond counsel affirming that the District is authorized to issue the proposed debt. The opinion shall include confirmation that the District has met all District and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt. Bond counsel is also responsible for preparing all financing documents including Trust Indentures and Bond resolutions and assists in preparation of Official Statements. Disclosure Counsel shall be required to deliver a customary 10(b)-5 opinion on District offering documents. The Disclosure Counsel will work with District staff to draft all disclosure documents for bond financing.
- An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.
- A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. If there are unspent bond proceeds, funds will be held by a third party trustee.
- The District will maintain good communication with bond rating agencies about its financial condition. This effort will include providing periodic updates on the District's general financial condition, coordinating meetings, and presentations in conjunction with a new issuance. The District will continually strive to maintain its bond rating by improving financial policies, budgets, forecasts and the financial health of the District.
- Credit enhancements may be used to improve or establish a credit rating on a District debt obligation. Credit enhancements should only be used if cost effective.
- A debt refunding is a refinance of debt typically done to take advantage of lower interest rates.
- A current refunding is one in which the refunding bonds are issued no more than 90 days before the date upon which the refunded bonds will be redeemed.
- An advance refunding is one in which the refunding bonds are issued more than 90 days prior to the date upon which the refunded bonds will be redeemed. Advance refundings are used to refinance outstanding debt before the date the outstanding debt becomes due or callable. Internal Revenue Code §149(d)(3) provides that governmental bonds issued after 1985 may only be advanced refunded once over the life of a bond issuance. Changes to the Federal tax law enacted in 2017 prohibit the issuance of advance refunding bonds after December 31, 2017; however, it is possible this prohibition will be removed in the future.
- Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will require a minimum present value savings of 3%. This savings requirement for a refunding may be waived by the CFO upon a finding that such a refunding is in the District's overall best financial interest.

- The District will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage rebate. Arbitrage is the interest earned on the investment of the bond proceeds at a rate above the interest rate paid on the debt. If arbitrage occurs, the District may be required to pay the amount of the arbitrage to the Federal Government as required by Internal Revenue Service Regulation 1.148-11. The District will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. For each bond issue not used within the established time frame, the recordkeeping shall include tracking investment earnings on bond proceeds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt.
- The District will comply with all covenants stated in the bond contract or equivalent
- The District will comply with all state reporting requirements for issuance of debt, including a report to the CDIAC of any proposed debt issuance no later than 30 days prior to the sale of any debt issue. The report shall include a certification by the issuer that it has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with these policies. The District shall also submit a report to CDIAC of final sale no later than 21 days after sale of debt, by any method approved by the CDIAC. The report on final sale shall include a copy of the official statement for the issue or, if there is no official statement, the other disclosure documents and indenture.
- The District will meet secondary disclosure requirements in a timely and comprehensive manner, as stipulated by the SEC Rule 15c2-12. The CFO shall be responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) system, the central depository designated by the SEC for ongoing disclosures by municipal issuers. The CFO is responsible for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies, including the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The District may also employ the services of firms that improve the availability of or supplement the District's EMMA filings.
- The proceeds of the bond sales will be invested until used for the intended project in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of safety. The District Investment Policy and the bond indentures govern objectives and criteria for investment of bond proceeds. The CFO or designee, or the bond trustees under the direction of the CFO or designee, will invest the bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.
- In certain cases, particularly for bond reserve funds, it may be fiscally prudent to invest funds using a forward delivery agreement or some other type of guaranteed investment contract. Such agreements should be obtained under a competitive bid process under consultation with the Financial Advisor.
- State and Local Government Securities (SLGS) are the preferred investment option rather than open market securities for escrows for refunded bonds to allow for better matching of settlement dates and fewer arbitrage regulation compliance issues.

#### **Internal Control Procedures**

When issuing debt, in addition to complying with the terms of these Debt Management Policies, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings under SEC Rule 15c2-12 and Government Code Section 8855 (i), (j), and (k),
- Any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- The District's investment policies as they relate to the investment of bond proceeds.

It is the policy of the District to ensure that proceeds of debt are spent only on lawful and intended uses. Proceeds of debt will be held either (a) by a third-party trustee, which will disburse such proceeds to the District upon the submission of one or more written requisitions, or (b) by the District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District.

- The District shall review its outstanding debt quarterly for the purpose of determining if the financial marketplace will afford the District the opportunity to refund an issue and lessen its debt service costs. In order to consider the possible refunding of an issue, a Present Value savings of three percent over the life of the respective issue, at a minimum, must be realistically attainable.
- The District will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
- When the District finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the estimated useful life of the project.
- Whenever possible, the District will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed.
- The District will maintain good communications with bond rating agencies regarding its financial condition. The District will follow a policy of full disclosure on every financial report and borrowing prospectus.

## SECTION 15: AFTER ADOPTION OF THE BUDGET

District staff shall strive to avoid returning to the Board for new or expanded appropriations. Exceptions may include emergencies, unforeseen impacts, mid-year adjustments or new opportunities.

The District, through the CFO and the Finance Department, will follow an aggressive, consistent, but sensitive policy of collecting revenues, with proper internal controls, to meet the needs of the District and follow all applicable state and federal laws.

The Board is to be provided with a quarterly budget report comparing actual versus budgeted revenue and expense activity. Significant deviations between budget and actual results are to be explained. This will create an opportunity to adjust revenue projections and make expenditure appropriation changes, if needed. Further, it also provides an opportunity to make budget transfers if necessary. Reserve account balance shall also be reviewed at this time for compliance with the reserve policy.

All fund designations and reserves will be evaluated at least annually by the CFO for long-term adequacy and use requirements in conjunction with development of the District's balanced ten-year financial plan.

### **PERFORMANCE MEASUREMENT**

- Every year, the District shall create a Strategic Plan that identifies the Strategic Priorities for the following year, with the goals to be achieved.
- Annually, each department shall develop departmental performance measures that support achieving successful results of those goals with the GM. Goals should be related to core services of the department and should reflect customer needs. The measures should be a mix of different types, including effectiveness, efficiency, demand and workload. Measures should have sufficiently aggressive goals to ensure continuous improvement.
  - Department Directors shall establish performance measures for each division or program within their department to monitor and project program performance.
  - Quarterly summaries of progress and departmental performance measures will be published and distributed.

## SECTION 16: TRANSFERS

### **TRANSFERS OF APPROPRIATIONS:**

The CFO or Designee, upon request of the GM or Board, may transfer any unused balance or portion thereof from previously appropriated funds to augment existing appropriations as long as the transfer is within the same Budget Unit and/or CIP project. The CFO or designee shall notify the GM and the Board of any transfer of funds made pursuant to this section which exceeds ten percent (10%) of the original appropriation to which the transfer is made. No such transfer of funds shall be made to an appropriation which was previously reduced by action of either the GM or the Board in their review of the budget for the current or prior fiscal year.

District departments may need to request expenditure budget transfers under certain circumstances. It may be necessary to transfer funds from one activity or project to another to reflect realignment of priorities, duties, or reorganization. Transfers among objects of expenditure within a department also may be needed to adjust budget estimates to meet actual operating realities. The following represent restrictions on budget transfers:

- Cumulative transfer requests to the Finance Department should not exceed ten percent (10%) of the original appropriation. Requests exceeding the threshold must be properly justified and approved by the CFO or designee
  - The 10% threshold applies to the budget unit or CIP project to which that appropriation is being transferred.
    - For annual funds, the 10% calculation is based on the current fiscal year original appropriation and any Board-approved supplemental appropriation within budgetary control level.
    - For continuing funds such as capital projects, the 10% calculation is based on the total multi-year original appropriation and any Board-approved supplemental appropriation amounts (i.e., the total of original and supplemental appropriation for each fiscal year from year 1 through the current fiscal year). For projects funded by multiple funding sources, the 10% threshold is based on the total Board-approved appropriation of all funding sources. If multiple transfers were made during the year, the individual transfer as well as the cumulative transfer must not exceed the 10% threshold.
- Transfers must not be made to an appropriation reduced by action of either the GM or Board. If the GM or Board reduction was made to a specific object code, appropriations cannot be transferred to other object codes within the same object code grouping.
  - Exceptions to this guideline must be approved by the authority that reduced the appropriation,
- Appropriations carried forward from prior year(s) cannot be used for budget transfers
  - Carryforward appropriations are not surplus and must be used for the purpose originally budgeted and approved for carryforward.
- The following types of budget transfers require additional approval from the GM and notification to the Board:

- Transfers involving salaries
  - Transfers from professional services contracts to salaries require additional approval from the GM and the CFO
- Transfers involving new equipment budget.
  - Equipment can only be purchased using appropriations specifically for equipment. Transfers of non-equipment budget for equipment purchases must be approved by the GM and CFO. Note that such transfers can only be from non-salary appropriations
- Transferring department budgets for services of other District departments to other spending categories requires approval from the requesting or performing department.
- If and when the budget transfer request is completely approved, the Finance Division is responsible to enter a budget transfer journal entry in the financial system
  - Before entering the budget transfer into the finance software, Finance Division staff must:
    - Verify completeness of information and reasonableness of justification
    - Verify funding availability and appropriateness (e.g., budget carried forward from the previous fiscal year cannot be the funding source of a budget transfer)
    - Verify department certification on transfer is within the 10% threshold • Verify department certifications on transfer is not adding back to appropriation previously reduced by Board or GM
    - Verify the accurate use of the accounting codes, budget unit codes and object codes
    - Return to department if request is being rejected or requires substantial changes
    - Review data entry for accuracy of data based on approved budget transfer request.
    - At fiscal year-end, the CFO shall notify the GM and the Board of any transfer of funds made which exceeds 10% of the original appropriation to which the transfer is made. If multiple transfers were made at different times of the year, the individual transfer as well as the cumulative transfers exceeding the 10% threshold will be reported.

#### **TRANSFERS OF RESERVES:**

In the event the Liquidity cash account balance exceeds the established aggregate maximum (if applicable), excess monies will be transferred annually into the Capital cash account. On an as-needed basis, moneys from the Emergency Account of the Liquidity Fund can be moved to the Operating Reserve Account to pay for operating emergencies to supplement the Liquidity Funds. The Board shall approve any reallocation of reserve funds or any transfers among such funds.

#### SECTION 17: CARRYOVERS

On an annual basis, after the year-end audit has been completed, the CFO or designee shall produce a schedule of all fund surpluses and deficits, with projections of reserve requirements and plan for the use of an excess surplus for the current year. These will be Carryovers.

Automatic Carryovers include:

- Contractual commitments
- Grant, restricted donation and capital project appropriations which are considered life-cycle appropriations
- June Board items
- All other appropriations shall lapse at year-end unless carried forward by Board action

June Board items, and active/on-going CIP carryovers are automatic. CIP projects that are under construction, in the process of design and specification development or production of bid documents will automatically be carried over for both encumbered funds and unencumbered funds.

Carryovers that are not automatic: Projects that have been on the CIP list for multiple years that are not proceeding to design, bid or construction should provide a more detailed explanation of their status and a justification for the continuing need for the project funding. These projects will be closed out unless the department provides sufficient justification to keep them open. The justification should contain the information necessary to determine the status of the project and its continuing justification. Carryovers can only take place once the last invoices for the fiscal year have been paid and charged against the fiscal year that is ending. The Carryover Request forms will be closed on July 1st of every year. Any subsequent carryover requests will need to be taken to the Board by the requesting department.

# Procurement Policies & Procedures

## PREFACE

### OPEN AND TRANSPARENT

The District is committed to transparency and accountability and will strive to make businesses aware of all contracting opportunities available to them.

### SECTION I: PURPOSE

The purpose of this policy is to establish guidelines and procedures for the cost effective and efficient purchasing and contracting of supplies, materials, equipment, labor and services, including construction and capital improvements, for West Valley Water District (the District) pursuant to California Government Code (CGC) Section 54201 et seq. This is also to encourage competition for public contracts and to aid the District in the efficient administration of public contracting, to the maximum extent possible, for similar work performed.

### SECTION 2: GENERAL POLICY & OBJECTIVES

*The general purchasing policy is as follows:*

The District will procure goods and services in support of its administrative, operational, and capital improvement requirements. It is the intent of the District to engage in procurements that ensure it will receive goods and services of the appropriate quantity, of a satisfactory level of quality, delivered in a timely manner, and at a price that represents the best value to the District and its ratepayers. Furthermore, it will employ procurement processes that are fair and equitable and will allow providers of goods and services the greatest opportunity to participate and compete for the District's procurement engagements. Lastly, the policy will support management in cooperatively developing and executing sourcing strategies with the District's Departments for products and services that meet or exceed the District's requirements and to perform these services to the highest ethical and professional standards.

The general purchasing procedures used in the application of the general policy follow de-centralized procedures. The responsibility for the purchase of all products, materials, supplies, furniture, equipment, vehicles and services is divided among the Administration, Operations and Maintenance, Engineering, Human Resources/Risk Management, Customer Service, Information Technologies, Accounting, Billing and Water Conservation Departments. Although assigned different responsibilities, all core systems, methods, policies and procedures remain common. Shared responsibilities include overseeing the professional relationships between West Valley Water District and its vendors and contractors and insuring the highest ethical and professional standards.

*Other objectives of this Purchasing policy that are valuable to the District include:*

- Assisting Departments in maintaining compliance to all District policies regarding contracting and purchasing.
- Assisting Departments involved in Federal and State grant agreements in maintaining compliance to applicable regulations.
- Providing leadership through contract negotiation, and vendor management.
- Promoting the use of small, disadvantaged and minority-owned businesses when possible.
- Supporting the District's commitment to environmental responsibility.
- Supporting the District's commitment to the local business community by supporting the use of local businesses when possible.

*Applicability:*

- All purchases, agreements, services, leases, and/or contracts for materials, supplies, equipment, and other WVWD property shall be made in accordance with this Policy.
- Procurement practices shall comply with laws, regulations and guidelines of the State of California and the provisions of grant or funding agreements, if applicable.
- Any employee affecting any procurement action outside of the policies and procedures established within this manual and without Board authorization to do so, may be subject to disciplinary action and/ or termination.
- Splitting or separating of material, supply, service, lease, and equipment orders or projects for the expressed purpose of evading the requirements of this Policy is strictly prohibited.

### SECTION 3: PROCUREMENT AUTHORITY

Procurement Authority shall be exercised and performed by the Board of Directors. This authority includes both the authority to approve procurements and the authority to commit the District to procurements. The Board of Directors may delegate certain authorities to the District's management and staff. These delegated authorities shall be exercised and performed in accordance with applicable federal, state, and local laws, and the policies contained herein.

The Board authorizes the General Manager, or his/her authorized representative to exercise certain duties and responsibilities that are essential for the day-to-day operation of the District.

The Authorization table outlines who may approve and sign contracts and legally binding agreements with external parties that obligate the District. The Authorization Table shall also apply to all Capital Improvement Projects. Capital Improvement Projects shall employ competitive bidding whenever possible and all capital procurements that exceed the General Manager's authorization level must be approved by the Board of Directors.

For multiple year agreements, procurement authorization shall be determined by the maximum total dollar value that may be awarded over the duration of the contract, including any option years. If provided for in the original agreement, the Purchasing Agent may in its sole discretion, negotiate a reasonable price revision based on escalation during the option years, if any. Yearly renewals, if required (and noted in original Board Action Item), may then be authorized by the General Manager or his/her designee, regardless of the dollar amount.

Purchases to replenish WVWD's warehouse inventory may be approved by any authorized buyer up to the limit established by the Authorization Table.

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# APPENDIX

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## Glossary

**Abatement:** A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

**Accounting System:** The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

**Accrued Interest:** The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

**Amortization:** The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

**Appropriation:** A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

**Arbitrage:** As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

**Assessed Valuation:** A value assigned to real estate or other property by a government as the basis for levying taxes.

**Audit:** An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Audit Report:** Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

**Available Funds:** Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

**Balance Sheet:** A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

**Betterments (Special Assessments):** Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

**Bond:** A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

**Bond and Interest Record:** (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

**Bonds Authorized and Unissued:** Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

**Bond Issue:** Generally, the sale of a certain number of bonds at one time by a governmental unit.

**Bond Rating (Municipal):** A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and CI is a very low rating.

**Budget:** A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

**Capital Assets:** All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

**Capital Budget:** An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

**Cash:** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Cash Management:** The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

**Certificate of Deposit (CD):** A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

**Classification of Real Property:** Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

**Collective Bargaining:** The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union. regarding wages, hours and working conditions.

**Consumer Price Index:** The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

**Cost-Benefit Analysis:** A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

**Debt Burden:** The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

**Debt Service:** The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

**Encumbrance:** A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enterprise Funds:** An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the

"surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

**Equalized Valuations (EQVs):** The determination of the full and fair cash value of all property in the community that is subject to local taxation.

**Estimated Receipts:** A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

**Exemptions:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

**Expenditure:** An outlay of money made by municipalities to provide the programs and services within their approved budget.

**Fiduciary Funds:** Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

**Fixed Assets:** Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

**Fixed Costs:** Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

**Float:** The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

**Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

**Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

**Fund Accounting:** Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

**GASB 34:** A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

**GASB 45:** This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

**General Fund:** The fund used to account for most financial resources and activities governed by the normal appropriation process.

**General Obligation Bonds:** Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

**Governing Body:** A board, committee, commission, or other executive or policymaking body of a municipality or school district.

**Indirect Cost:** Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

**Interest:** Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

**Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

**Line Item Budget:** A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

**Local Aid:** Revenue allocated by the state or counties to municipalities and school districts.

**Maturity Date:** The date that the principal of a bond becomes due and payable in full.

**Municipal(s):** (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

**Note:** A short-term loan, typically with a maturity date of a year or less.

**Objects of Expenditures:** A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

**Official Statement:** A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

**Operating Budget:** A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

**Overlapping Debt:** A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

**Performance Budget:** A budget that stresses output both in terms of economy and efficiency.

**Principal:** The face amount of a bond, exclusive of accrued interest.

**Program:** A combination of activities to accomplish an end.

**Program Budget:** A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

**Purchased Services:** The cost of services that are provided by a vendor.

**Refunding of Debt:** Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**Reserve Fund:** An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

**Revaluation:** The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of

the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

**Revenue Anticipation Note (RAN):** A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

**Revenue Bond:** A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

**Revolving Fund:** Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

**Sale of Real Estate Fund:** A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

**Stabilization Fund:** A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

**Surplus Revenue:** The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

**Tax Rate:** The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

**Tax Title Foreclosure:** The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

**Trust Fund:** In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

**Uncollected Funds:** Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

**Undesignated Fund Balance:** Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

**Unreserved Fund Balance (Surplus Revenue Account):** The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

**Valuation (100 Percent):** The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.