



# BUDGET

FISCAL YEAR  
2022-2023



RIALTO, CALIFORNIA

**CHANNING HAWKINS**  
President, Division 4

**GREG YOUNG**  
Vice President, Division 5

**ANGELA GARCIA**  
Director, Division 1

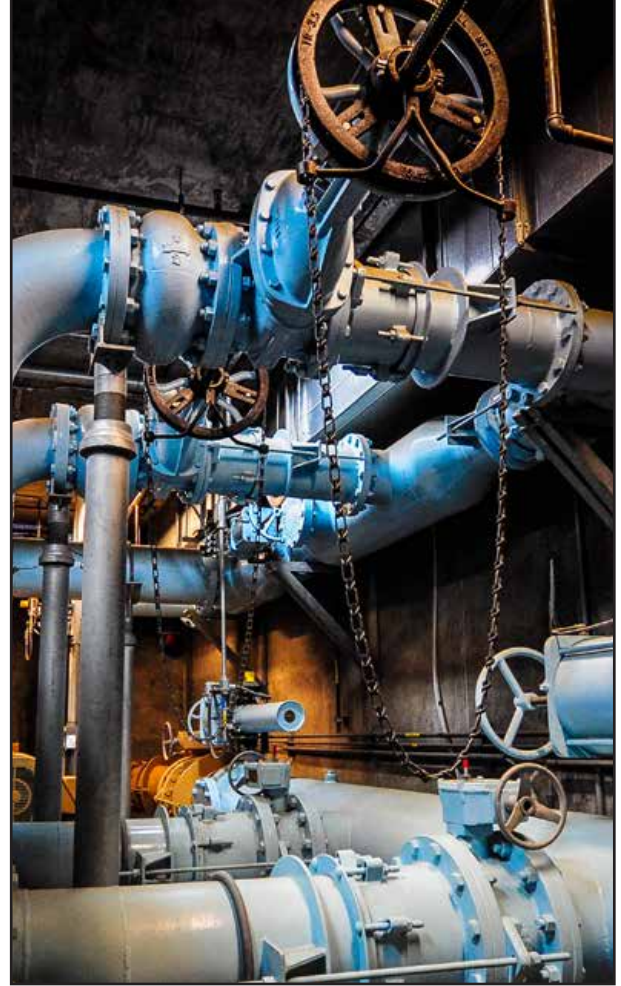
**DAN JENKINS**  
Director, Division 2

**KELVIN MOORE**  
Director, Division 3



# TABLE OF contents

Transmittal Letter .....	2
Resolution No. 2022-17 .....	16
<b>BUDGET OVERVIEW .....</b>	<b>20</b>
Budget Guide .....	20
Mission/Vision Statements and Statement of Values .....	22
History & Profile .....	23
Water Sources .....	25
Statistical/Supplemental Information .....	26
District-Wide Priorities and Goals .....	32
Organizational Structure .....	34
Staffing Plan .....	36
<b>FINANCIAL SUMMARY .....</b>	<b>40</b>
Budget Process .....	40
Budget Control and Adjustments .....	40
Ammendments to the Budget .....	40
Current & Proposed Budget Cycle Calendar .....	41
Basis of Budgeting .....	41
Fund Structure .....	42
Budget Summary .....	43
Revenues Summary .....	44
Expenses Summary .....	45
Fund Balance .....	46
Financial Schedules .....	48
Long-Term Financial Plan .....	51
General Fund Forecast .....	52
<b>DIVISION SUMMARIES .....</b>	<b>56</b>
Position Summary Schedule .....	56
Employee Compensation .....	57
Board of Directors .....	60
Accounting .....	64
Administration .....	68
Billing .....	72
Customer Service .....	76
Engineering .....	80
Geographic Information System .....	86
Human Resources .....	90
Information Technology .....	96
Meter Reading .....	100



Public Affairs .....	104
Purchasing .....	110
Source of Supply & Production .....	114
Transmission & Distribution .....	120
Water Quality .....	126
Water Treatment .....	130
<b>CAPITAL BUDGET &amp; DEBT MANAGEMENT .....</b>	<b>136</b>
Capital Expenditure .....	136
Capital Projects .....	144
Debt Management .....	174
<b>FINANCIAL POLICIES .....</b>	<b>180</b>
Summary of Financial Policies .....	180
Budget/Carryover/Reserve/Debt Management Policy .....	182
Procurement Policies & Procedures .....	203
<b>GLOSSARY .....</b>	<b>208</b>



*Distinguished  
Budget  
PRESENTATION  
Award*

GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**West Valley Water District  
California**

For the Fiscal Year Beginning

**July 01, 2021**

*Christopher P. Morill*

Executive Director



# BUDGET awards



*California Society of  
Municipal Finance Officers*

*Certificate of Award*

***Operating Budget Excellence Award  
Fiscal Year 2021-2022***

*Presented to the*

***West Valley Water District***

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

*February 28, 2022*



*Marcus Pimentel*

*Marcus Pimentel  
CSMFO President*

*Michael Manno*

*Michael Manno, Chair  
Recognition Committee*

*Dedicated Excellence in Municipal Financial Reporting*





TRANSMITTAL  
letter

**JULY 1, 2022**

## TO THE HONORABLE BOARD OF DIRECTORS AND CUSTOMERS OF WEST VALLEY WATER DISTRICT

On behalf of the West Valley Water District (WVWD), I am pleased to present Fiscal Year (FY) 2022-23 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, and cost-effective drinking water 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 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.

---

## SHORT AND LONG-TERM ISSUES IMPACTING THE BUDGET

### THE DROUGHT CONTINUES

The State of California released an update on the current drought conditions, as of April 11, 2022, the region WVWD serves is in severe drought or extreme drought. This is the state's second extreme drought in 10 years, a symptom of a warming climate<sup>1</sup>. Based on the 2020 Integrated Regional Urban Water Management Plan (IRUWMP) analysis, WVWD's water supply is reliable and not expected to see impactful change under drought conditions. The effects of a local drought are not immediately recognized since the region uses local groundwater basins to simulate a large reservoir for long term storage. WVWD is able to pump additional groundwater to meet increased demands in dry years and participates in efforts to replenish the basins with imported and local water through regional recharge programs. Even though localized drought conditions should not affect supply, other shortages may occur due to State mandates for water use efficiency standards.

### WATER SUPPLY RELIABILITY

The District utilizes three primary sources for drinking water supply: local surface water from flows on the east side of the San Gabriel Mountains, including North Fork Lytle Creek, Middle Fork Lytle Creek, and South Fork Lytle Creek; groundwater; and imported water from the State Water Project (SWP). The District does not have a specific allocation of SWP water from Valley District therefore the District maintains 100% reliability from other sources. Majority of the water supply the District draws is from its wells. The District is able to extract groundwater from five regional groundwater basins: Bunker Hill and Lytle Creek, Rialto-Colton, Riverside North, and Chino Basins. All five basins have been adjudicated and are managed for long term sustainability. To meet future demands within the system, the District plans to rehabilitate existing wells, to drill new wells, and equip wells with wellhead treatment if required. The District is also expanding the Oliver P. Roemer Water Filtration Facility by 7.2 MGD for a total capacity of 21.6 MGD to allow additional treatment of SEP water when available. The District will select projects that will provide sufficient supply to meet peak day demands and when possible use sources planned by pressure zone.

<sup>1</sup> <https://drought.ca.gov/current-drought-conditions/?msclid=1e6bb253c0cd11ec8cd4340ec407db49>



## COVID-19 PANDEMIC

The Water District continues to navigate its way through the COVID-19 Pandemic and has budgeted revenues and expenditures in a conservative manner to remain flexible to changing needs.

Fiscal Year 2020-21 had an increase of 10.9% in operating revenues when compared to Fiscal Year 2019-20. This growth is credited to the restrictions imposed by the pandemic since rate payers were spending more time at home increasing water consumption. Since more rate payers are going back to work and school, the Water District projects a decrease in water consumption.

## INVESTMENT IN INFRASTRUCTURE AND ASSET MANAGEMENT

WVWD's planned capital improvement budget for fiscal year 2022-23 is \$31.8 million utilizing various funding sources such as operating revenue, capacity charges, SRF Loan, and use of available restricted capacity fee funds.

The Water District is faced with 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.

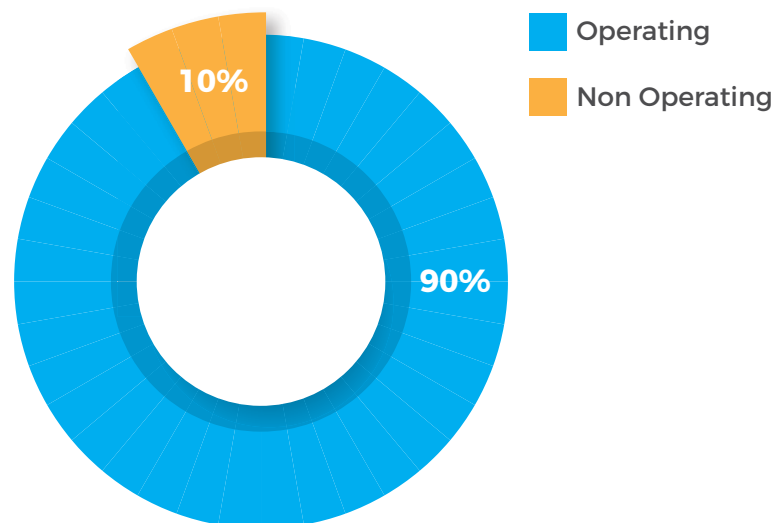
## BUDGET HIGHLIGHTS

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.

### USES OF FUNDS

**Expenses**  
FY 2022-23  
\$35,437,374

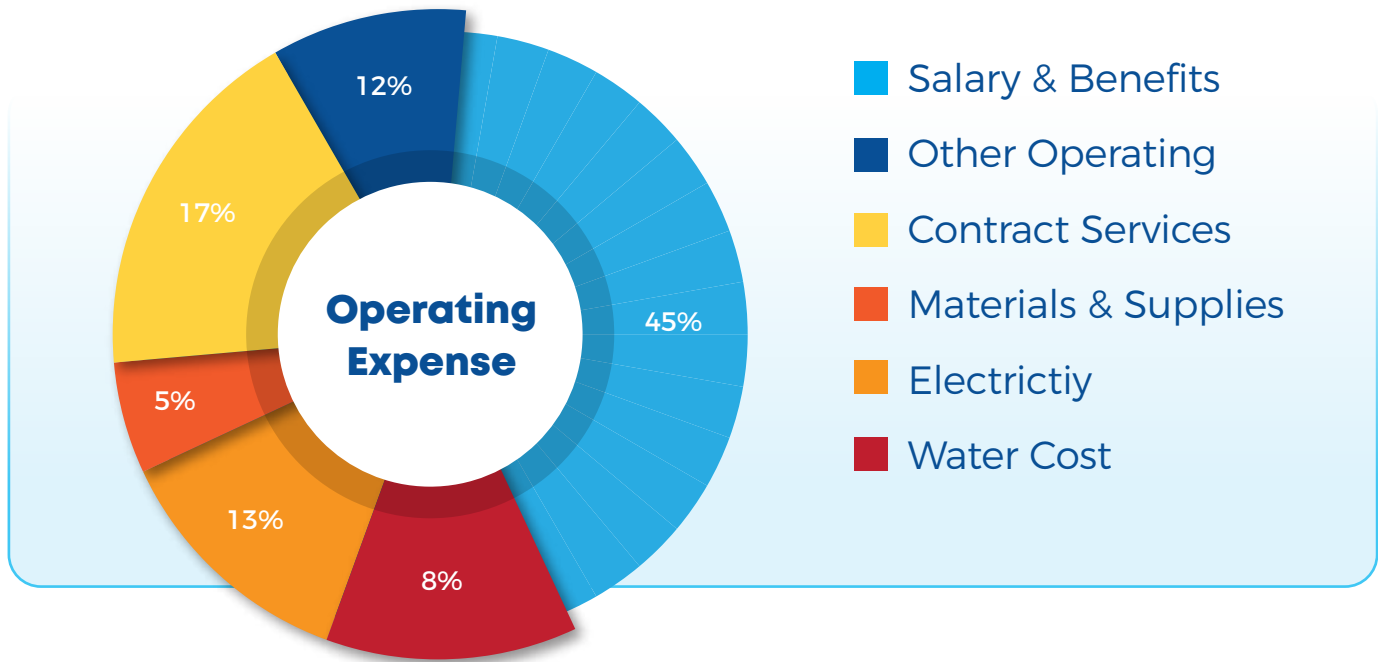


The total budget for FY 2022-23 is \$35.4 million with \$31.7 million (90%) in operating and \$3.7 million (10%) in capital and debt. The Operating Budget increased by \$3.7 million (13%) and the Non-Operating Budget decreased by \$1.1 million (23%) as compared to the FY 2021 - 22 budget.

Budgetary changes are explained in more detail in the following sections.

## OPERATING EXPENSE

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



## BY TYPE

The total Operating Budget is \$31.7 million for FY 2022 - 23. Below is a graph of the operating expenses by major categories:

The graph above shows, the two largest expenditure types: (1) Salaries & Benefits (2) Contract Services. These two expenditure types, make up 62% of the operating expenses, are discussed below. The last expense discussed is Electricity, which consists of 13% of operating expenses.

## 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 2022 - 23, an increase of \$523,277 (4%) 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). Benefit costs are expected to decrease on average by 39% to \$3.1 million in FY 2022-23.

Two authorized full-time positions were added in FY 2022-23 when compared to FY 2021-22. The District had a total of 86 authorized full-time positions in FY 2021-22 and approved a total of 88 in FY 2022-23.

## CONTRACT SERVICES

The second largest operating expense is the cost of contract services. Contract services fund ongoing needs for outside services, and periodic needs for technical expertise in order to meet the District's goals and objectives. A total of \$2.8 million are estimated allocations for legal, professional services, and contract service expenses. Repair and maintenance related services have estimated allocations of \$2.6 million.

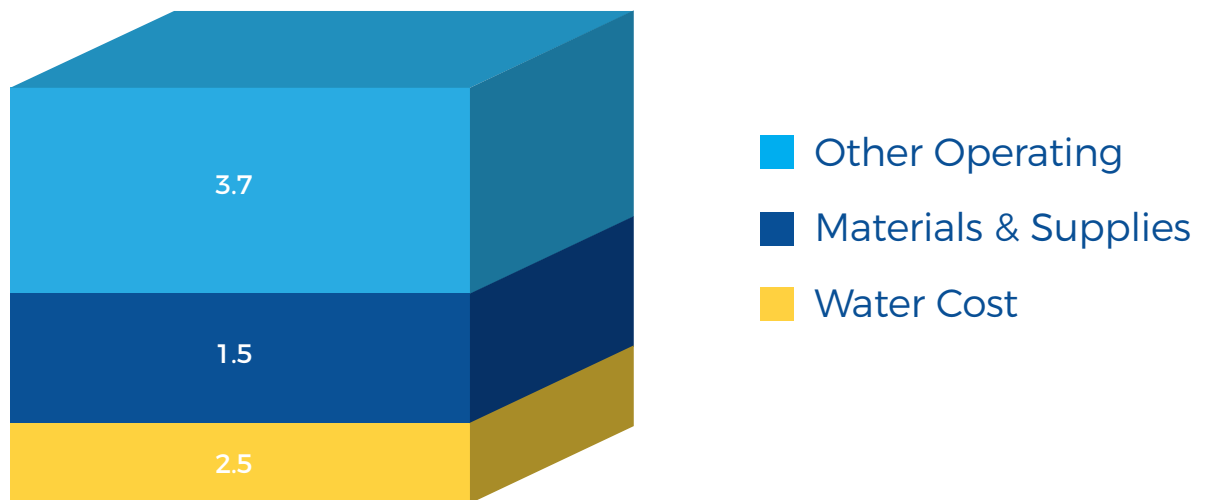
## ELECTRICITY

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.

For calendar year 2021 electricity rates had an increase of 8% and for calendar year 2022 rates increased 12%. These rate increases and higher electricity use due to higher dependency of ground water resulted in a 28.6% increase in allocated funds. An increase of \$1.2 million in electricity is included in the FY 2022-23 adopted budget, a total of \$4.2 million.

## OTHER OPERATING EXPENSES

The graph below displays expenditures by type for the remaining 25% of operating expenses:

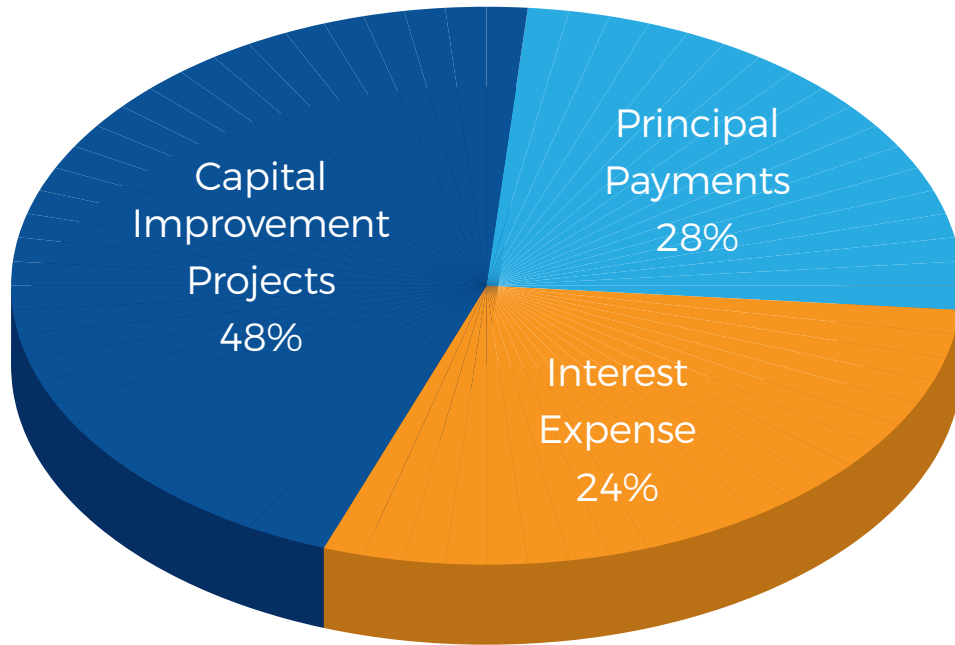


Water cost increased by 80% or \$1.1 million from FY 2021-22 to FY 2022-23. This increase was primarily due to an increase in water being purchase from Inland Empire Utilities Agency which has a higher rate when compared to San Bernardino Valley Municipal Water District.

### Non-Operating Expenditures Budget

The Non-Operating Expenditures Budget for FY 2022-23 is \$3.7 million (10%). It consists of Capital Improvement Projects (CIP) for District infrastructure and the annual debt service payments on long-term debt.

Below is a graph of the Non-Operating Expenditures categorized by major types:



The largest non-operating expenditure is CIP. FY 2022-23 budget includes \$1.8 million for CIP expenditures from operating reserve. In an effort to maintain long-term financing needs, the District continues to aggressively pursue grant and loan financing options to help with the ongoing need to replace aging infrastructure. Detailed funding information can be found in the Capital Improvement Section of this document.

Below is a list of some of the major projects included in the CIP budget of FY 2022-23:

In Millions	
OPR WFF - 7.2 MGD Treatment Plant Expansion	\$20.0
Lord Ranch Pump Station 4-3	2.6
Reservoir R2-3 Re-coating and Modifications	2.0
Construct new IEUA area well	1.4
Zone 8 - Reservoir 8-3 (2.0MG)	1.2
Other Small Projects (22)	4.6
<b>Total CIP</b>	<b>\$31.8</b>

**Below is a brief description of the five largest projects:**

### **OLIVER P. ROEMER (OPR) 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.

### **LORD RANCH PUMP STATION 4-3**

Construction of a new pump station designed to handle the ultimate flow of 20 million gallons per day (mgd) at the District's Lord Ranch Facility. The pump station will initially be equipped with four pumps. Additional pumps will be installed as demand for water in the upper pressure zones increases. Ultimately the pump station will be equipped with eight pumps (one utilized as a stand-by).

### **RESERVOIR R2-3 RE-COATING AND MODIFICATIONS**

Reservoir R2-3 is a welded steel tank built in 1991 with a capacity of 4.0 million gallons. The existing lining is 31 years old 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, removing the drain floor piping, installing a new drain outlet and drain line, removing the common inlet/outlet pipe, and installing a new above ground tank connection with a seismic valve.

### **CONSTRUCT NEW IEUA AREA WELL**

The project consists of the design and construction of a new groundwater production well to support future demand in northern Fontana. The well would be drilled at a new facility on Knox Avenue. Design is planned for FY 2022 with construction to follow the next fiscal year. It is anticipated that this well located in the Rialto-Colton Groundwater Basin would produce around 1,000 GPM. This well would provide needed backup for Well 54 in the event it is out of service for repair or maintenance.

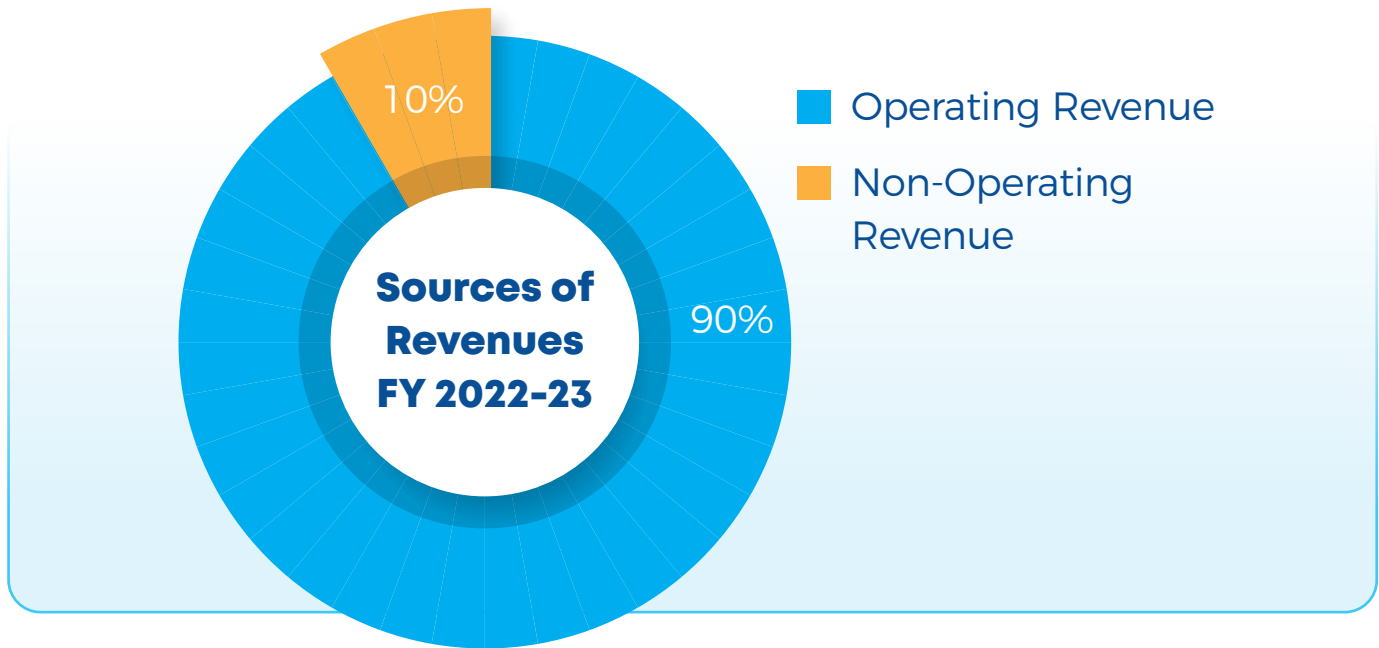
### **ZONE 8 – RESERVOIR 8-3 (2.0 MG)**

The proposed project, a 2.0 MG Reservoir's, required as a result of development within the District's highest pressure zone, Zone 8 and fire flow storage.



## SOURCES OF REVENUES

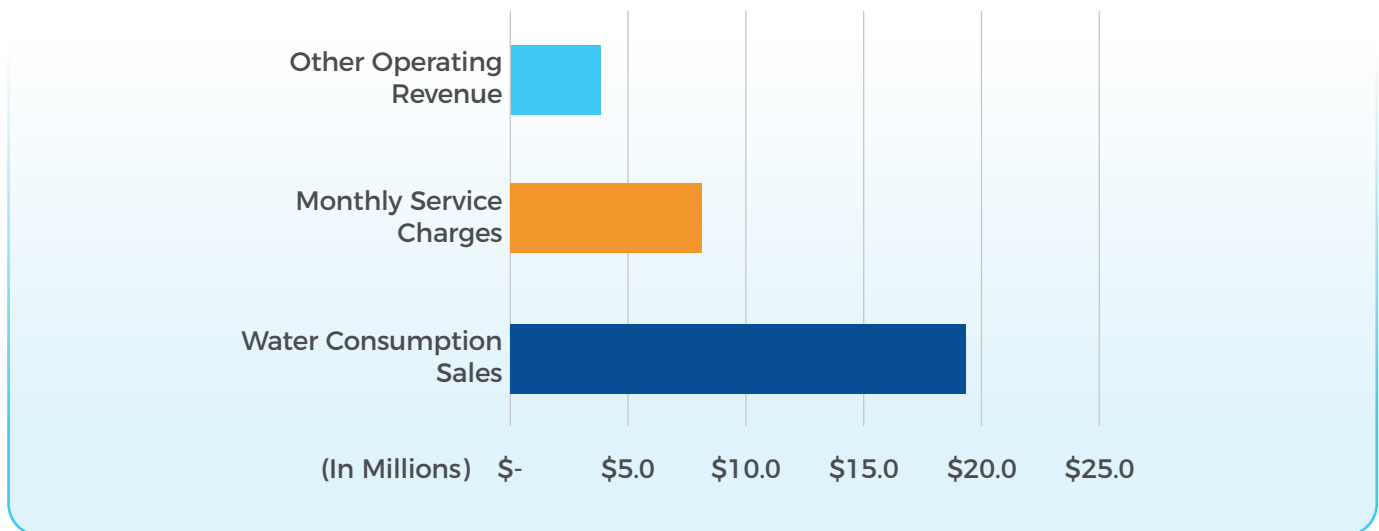
Total Revenue Budget is \$35.4 million for FY 2022 - 23. The main sources of revenue are Operating Revenues and Non-Operating Revenues.



## OPERATING REVENUES BUDGET

The District's Operating Revenues consists of Water Consumption Sales, Monthly Service Charges, and Other Operating Revenue. The revenues are derived from monthly user fees from the District's drinking water customers. The District receives 90% of its revenues from consumption rates and user fees. The proposed Operating Revenues are \$31.8 million for FY 2022-23.

### OPERATING REVENUES, FY 2022-23 - \$31,837,830



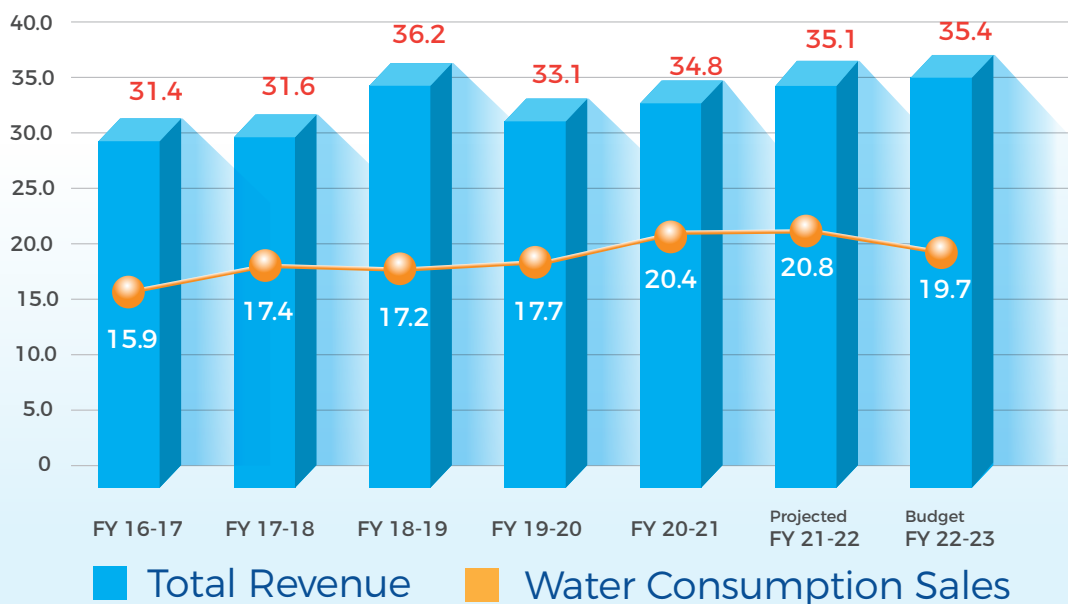
## WATER CONSUMPTION SALES

The proposed Water Consumption Sales budget is \$19.7 million for FY 2022-23. This category is 56% of total revenues for FY 2022-23. The District produces potable water for sale as follows: single-family, commercial, landscape irrigation, fire service, multi-family, institutional, hydrant, industrial, agricultural irrigation, and wholesale water. All customers are billed monthly on the amount of water used, which is metered and measured in hundred cubic feet (HCF) units where 1 HCF is equal to 748 gallons.

The District bills for water consumption in three ascending rate tiers. The tiers are based on the amount of water used. Tier 1= 0-10 Units, Tier 2= 11-50 Units, and Tier 3= 51+ Units. The District's rate structure encourages customers to control water usage, complies with existing state laws, and helps the District comply with state mandates during drought and emergency conditions.

The projections for Water Consumption Sales are based on water sales in volume, and the tier rates that will be effective throughout the year. The graph below shows historical Water Consumption Sales with projections for FY 2022-23 and budget amount for FY 2022-23. It also includes total revenues for prior fiscal years, projections for FY 2022-23 and budget amounts for FY2022-23.

## REVENUE HISTORY AND FORECAST (IN MILLIONS)

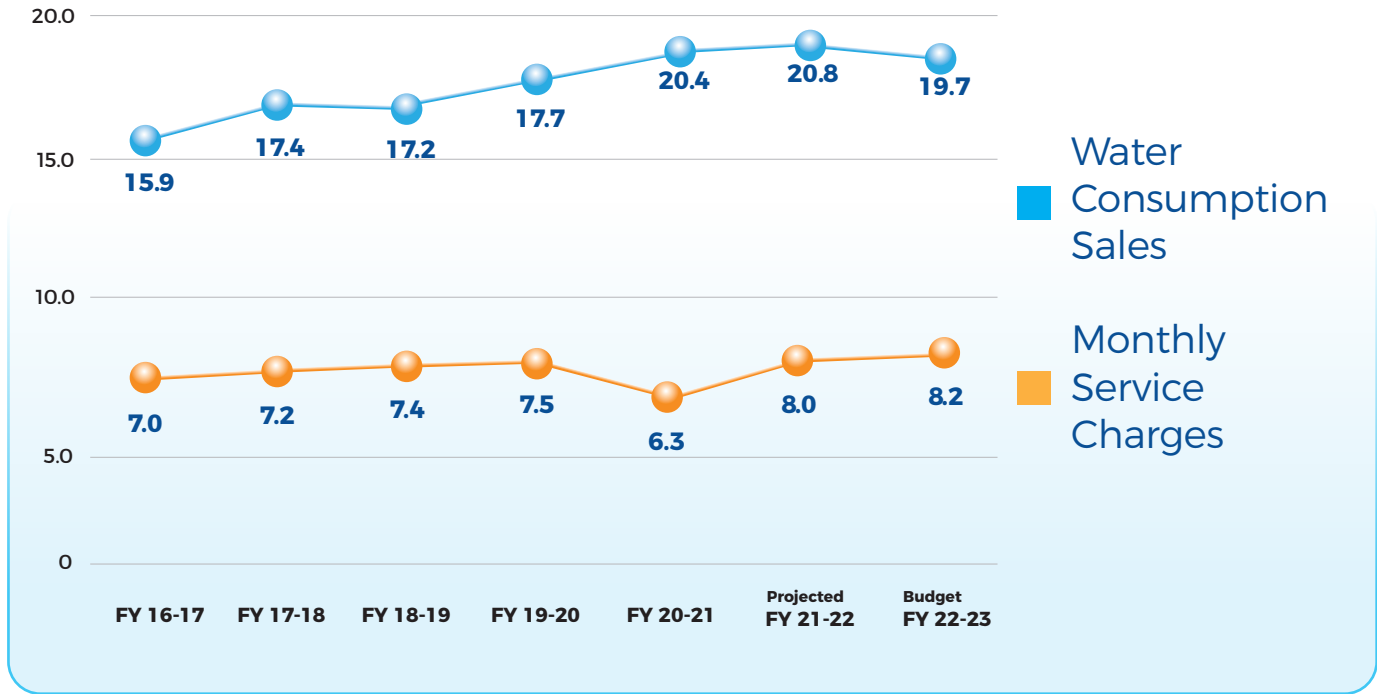


## MONTHLY SERVICE CHARGES

The proposed Monthly Service Charges budget is \$8.2 million (23%) for FY 2022-23. The Monthly Service Charges consists of a fixed charge assessed to customers based on the size of the meter serving their property. This covers costs associated with meter reading, billing, customer service, and other administrative support functions.

Service rates are unchanged in FY 2022-23. Revenues are scheduled to increase as a result of District growth. The graph below shows Water Consumption Sales and Monthly Service Charges historical numbers with projections for FY 2022-23 and budget amounts for FY 2022-23.

## WATER & SERVICE REVENUE (IN MILLIONS)



## OTHER OPERATING REVENUES

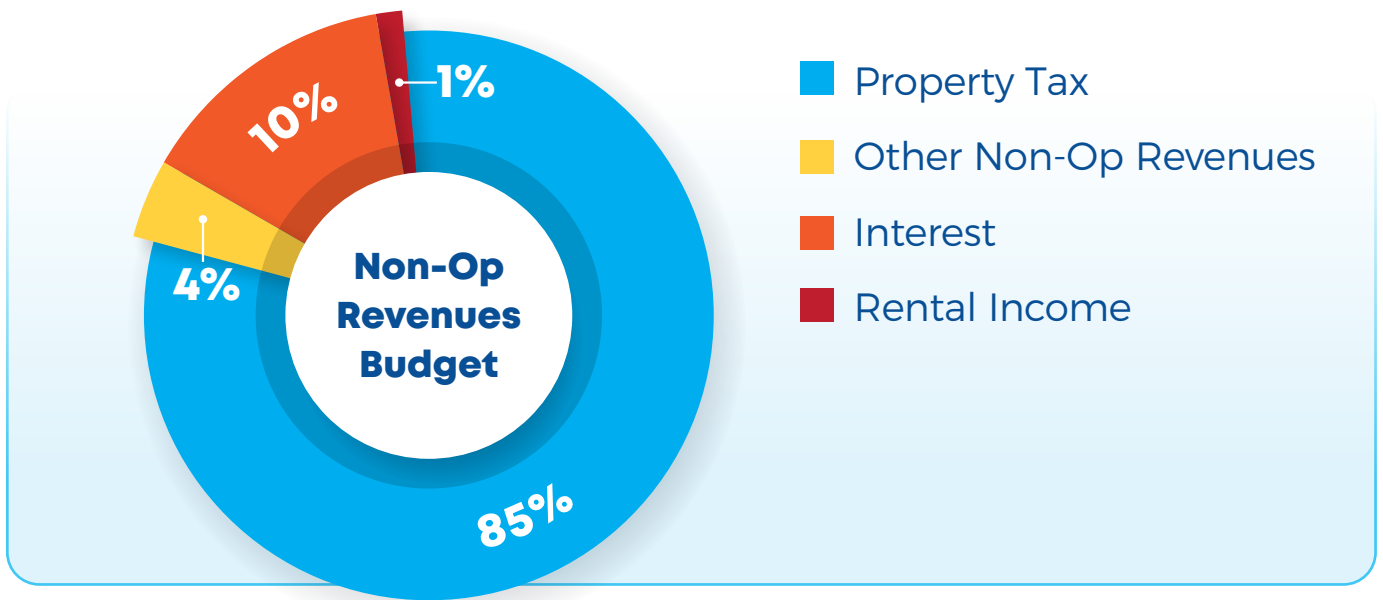
The District’s other operating revenues are mostly derived from reimbursements from United Technologies Corporation (UTC) for the operation of the Fluidized Bed Reactor Treatment System (FBR), Baseline Feeder operations, delinquent charges, administration fees, and meter installation charges. The proposed Other Operating Revenues budget is \$3.9 million in FY 2022-23.

Reimbursements from UTC for the operation of FBR is 43% of Other Operating Revenues and Baseline Feeder operations consists of 20%. Delinquent charges are 12% of the category, and all other revenues are less than 10%.

## NON-OPERATING REVENUES BUDGET

Property taxes is the largest category of Non-Operating Revenues; it makes 85% of the revenues total. The second largest category is interest and investment earnings which consists 10% of the revenues total. The proposed Non-Operating Revenues budget is \$3.6 million in FY2022-23.

As previously stated, operating revenues (and ultimately rates) are set at levels needed to fund operations. These rates, fees, and charges are partially offset by non-operating revenues including the sources shown in the following graph.



Property tax is received from the County of San Bernardino and County of Riverside and collected from properties within the District's boundaries. The District uses these funds to offset operational and non-operational expenses. The Property Tax budget is \$3.1 million for FY 2022-23.

Other sources of revenue include interest and investment earnings, rental income from cellular antennas leases, and expense reimbursements.

## 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 2022-23.

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



*Van Jew*

- Acting General Manager

# BOARD OF directors



Channing  
**HAWKINS**

PRESIDENT, DIVISION 4

---



Greg  
**YOUNG**

VICE PRESIDENT, DIVISION 5

---



Angela  
**GARCIA**

DIRECTOR, DIVISION 1

---



Dan  
**JENKINS**

DIRECTOR, DIVISION 2

---



Kelvin  
**MOORE**

DIRECTOR, DIVISION 3











RESOLUTION  
*2022-17*



**RESOLUTION NO. 2022-17  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE WEST VALLEY WATER DISTRICT  
ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT  
BUDGET FOR 2022-2023**

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 2022-2023.

BE IT FURTHER RESOLVED that said Resolution shall be effective July 1, 2022.


ADOPTED, SIGNED, AND APPROVED THIS 29<sup>th</sup> DAY OF JUNE 2022.

AYES: DIRECTORS:

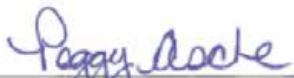
NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

  
Channing Hawkins  
President of the Board of Directors  
West Valley Water District

ATTEST:

  
Peggy Asche  
Board Secretary







# BUDGET overview

## 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 contains 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 2022-23 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.

# STATEMENTS OF MISSION VISION & 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 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.

# HISTORY & PROFILE

West Valley Water District serves approximately 97,000 people, spanning two counties in Southern California in a 32.2 square-mile area, including portions of the communities of Bloomington, Colton, Fontana, Rialto, San Bernardino, and Jurupa Valley.

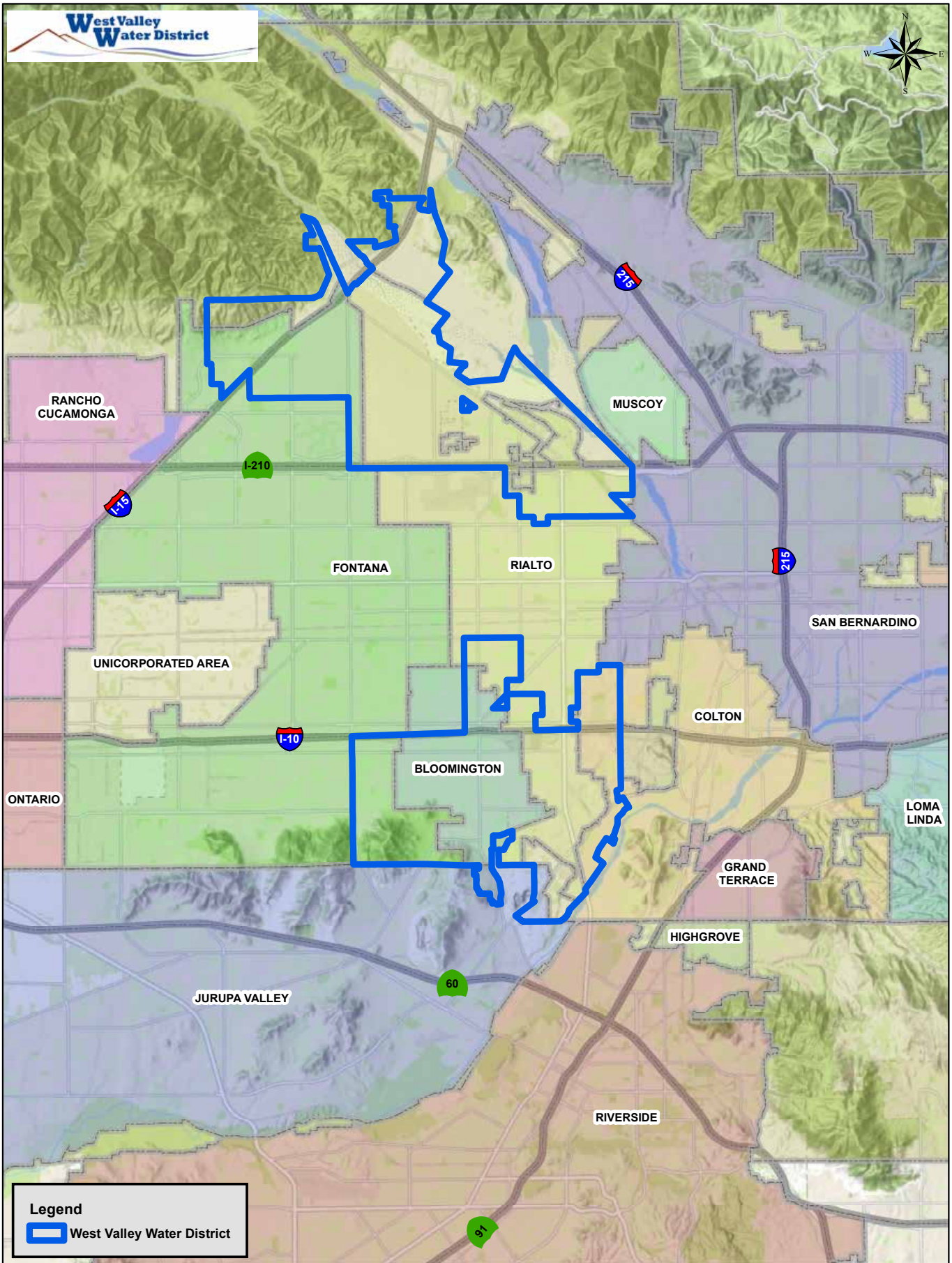
Our history began on February 28, 1952, when our forbearer, West San Bernardino County Water District, became the owner and operator of three local mutual water companies. This friendly acquisition saved the communities' water rights and assets from condemnation. It was in this acquisition that the District 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 five treatment plants, 402 miles of pipeline, 25 reservoirs, 23 wells, and approximately 23,000 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.



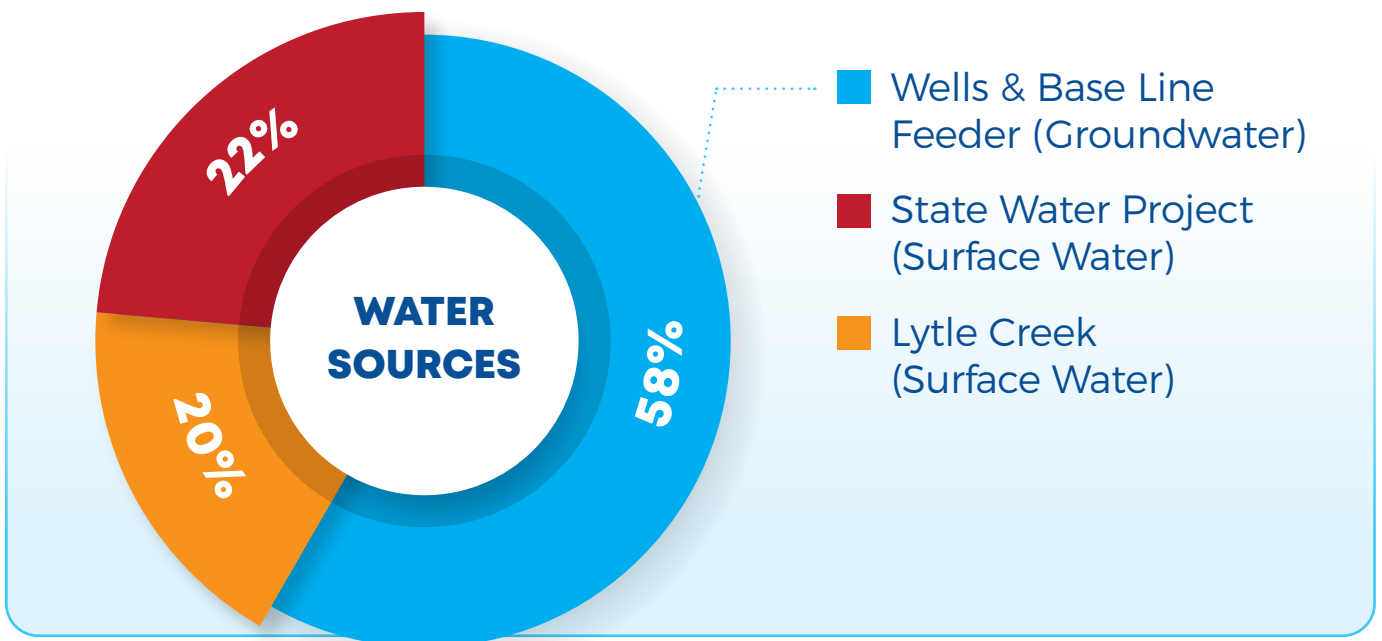


## WATER SOURCES

The District operates a domestic water distribution system that consists of 23 groundwater wells, 25 separate storage reservoirs across eight pressure zones, for a total storage of 72 million gallons (MG), and over 402 miles of transmission and distribution pipelines. Water sources are both local and imported; local sources are divided into two categories, groundwater and surface water. Groundwater makes 58.3% of the District's water supply, the five local basins being used are: Chino Basin, Bunker Hill Basin, Lytle Creek Basin, North Riverside Basin, and Rialto-Colton Basin. Also, 11.1% of groundwater is purchased from San Bernardino Valley Municipal Water District (Valley District) through the Baseline Feeder Project. This water comes from local wells in the Bunker Hill Basin.

Local surface water accounts for 19.5% 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 22.1% 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.



# STATISTICAL/SUPPLEMENTAL INFORMATION

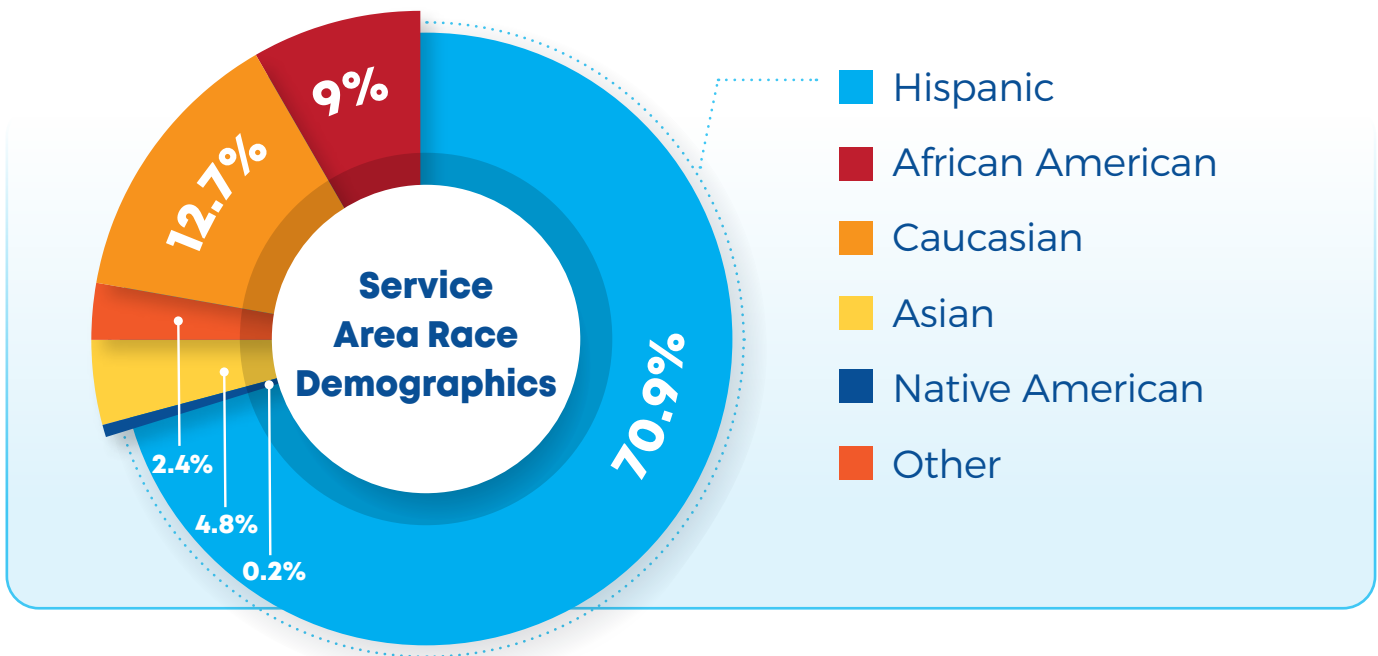
## DEMOGRAPHICS

The three main cities that are located in the District’s service area are Colton, Fontana, and Rialto. The following reflects the demographics for the cities:

DEMOGRAPHICS			
	COLTON	FONTANA	RIALTO
POPULATION	54,215	212,704	104,394
PERSONS/HOUSEHOLD	3.27	3.83	3.94
PERSONS UNDER 18 YEARS	26.8	28.9	27.4
PERCENTAGE WITH 4 YEAR DEGREE OR HIGHER	18.5	19	11.8
MEDIAN HOUSEHOLD INCOME	\$56,762	\$75,681	\$65,538

Source: State of California Department of Finance and United States Census Bureau

## SERVICE AREA RACE DEMOGRAPHICS



Source: State of California Department of Finance

The cities are located in a Southern California area known as the Inland Empire. The Inland Empire (IE), is considered as one of the fastest growing regions in the United States. Per the Husing Economic Report of May 2021, single family home sales in the Inland Empire residential market broke out of their nine-year slump, moving up to 20,957 seasonally adjusted sales in first quarter 2021.

## TEN LARGEST EMPLOYERS IN CITIES WITHIN WEST VALLEY SERVICE AREA

COLTON	EMPLOYEES	FONTANA	EMPLOYEES
ARROWHEAD REGIONAL MEDICAL CENTER	3,510	KAISER PERMANENTE	6,180
COLTON JOINT UNIFIED SCHOOL DISTRICT	2,320	FUSD	4,803
WAL-MART DISTRIBUTION CETNER	800	AMAZON.COM SERVICES LLC	3,718
LINEAGE LOGISTICS	550	TARGETSTORES T 553	1,807
COUNTY OF SAN BERNARDINO	427	WALMART D C #6060	973
WAL-MART SUPERCENTER	348	CITY OF FONTANA	931
ASHLEY HOMESTORE OUTLET	330	COSTCO WHOLESALE #627	387
CITY OF COLTON	286	ESTES WEST	370
BRILL, INC.	250	COMMUNICATIONS TEST DESIGN, INC.	338
RECHE CANYON REHABILITATION & HEALTH	245	SAIA MOTOR FREIGHT LINE LLC	313

Source: City of Colton ACFR Fiscal Year 2020-21

Source: City of Fontana ACFR Fiscal Year 2020-21

RIALTO	EMPLOYEES
RIALTO UNIFIED SCHOOL DISTRICT	2,500 TO 2,999
CHUZE FITNESS	500 TO 999
CITY OF RIALTO	250 TO 499
WALMART SUPERCENTER	250 TO 499
AMAZON FULFILLMENT CTR	250 TO 499
STATER BROS MARKETS	250 TO 499
VISTA COVE CARE CTR AT RIALTO	100 TO 249
COLUMBIA STEEL INC	100 TO 249
FOREST RIVER INC	100 TO 249
MESA COUNSELING SVC	100 TO 249

Source: City of Rialto ACFR Fiscal Year 2020-21

## TEN LARGEST CUSTOMERS

CUSTOMER	WATER CONSUMED	PERCENTAGE OF TOTAL
RIALTO UNIFIED SCHOOL DISTRICT	247,106	2.88%
CITY OF RIALTO	202,310	2.36%
MARYGOLD MUTUAL WATER COMPANY	188,561	2.20%
CITY OF FONTANA	150,785	1.76%
COLTON JOINT UNIFIED SCHOOL DISTRICT	126,763	1.48%
ROBERTSON'S READY MIX	111,625	1.30%
TARGET	103,983	1.21%
ROSENA RANCH COMMUNITY ASSOC.	93,574	1.09%
ARAMARK UNIFORM SERVICES	84,828	0.99%
LENNAR HOMES	61,286	0.71%
<b>TOTAL</b>	<b>1,370,821</b>	<b>15.98%</b>
<b>TOTAL WATER CONSUMED (HCF)</b>	<b>8,574,446</b>	<b>100%</b>

Source: West Valley Water District Accounting Department

## SAN BERNARDINO COUNTY RAINFALL

Based on the historical data of 18,000+ U.S. weather stations for the period of time from 1980 to 2010, San Bernardino County had an average annual precipitation of 6.06 in which is below the state and nation. The average annual precipitation for the state of California was 22.97 in and for the U.S. it was 38.67.

The U.S. Drought Monitor edition of September 1, 2022, demonstrates San Bernardino County is in a “severe drought” category which will affect the water supply for the region. On August 11, 2022, Governor Newsom released “California Water Supply Strategy: Adapting to a Hotter, Drier Future.” The strategy centers on actions to stretch existing water supplies and adapt to more extreme weather patterns caused by climate change.

## LOCAL ECONOMIC CONDITIONS AND FORECAST

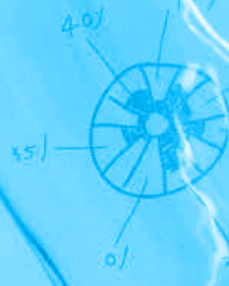
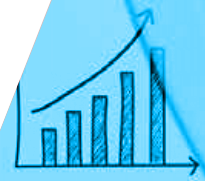
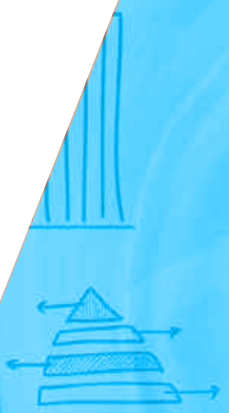
Total nonfarm employment in the Inland Empire (IE) grew by 83,700 or +5.4% year-over-year between May 2021 through May 2022, with the logistics (+31,100) and the leisure and hospitality sectors (+21,300) leading annual job gains. The Inland Empire has a strong presence of the logistics sector and it is being reflected in the employment numbers. All employment sectors are forecasted to grow at a combined rate of 5.4% (+85,320 jobs) in 2022, while office employment is forecasted to grow by 2.9% (+7,140 jobs). The annual unemployment rate is forecasted to decrease from 7.5% in 2021 to 4.7% in 2022 and 4.2% in 2023. In 2021, the Inland Empire’s economy was \$194.8 billion as measured by gross regional product, for 2022 it is forecasted to grow 3.6% and 3.8% in 2023, above its 10-year average of 3.2%.

Source: Q2 2022 Inland Empire Industrial Report by Cushman & Wakefield Research Publication





THIS PAGE LEFT BLANK  
**INTENTIONALLY**



target  
Production





# DISTRICT WIDE priorities

# 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.

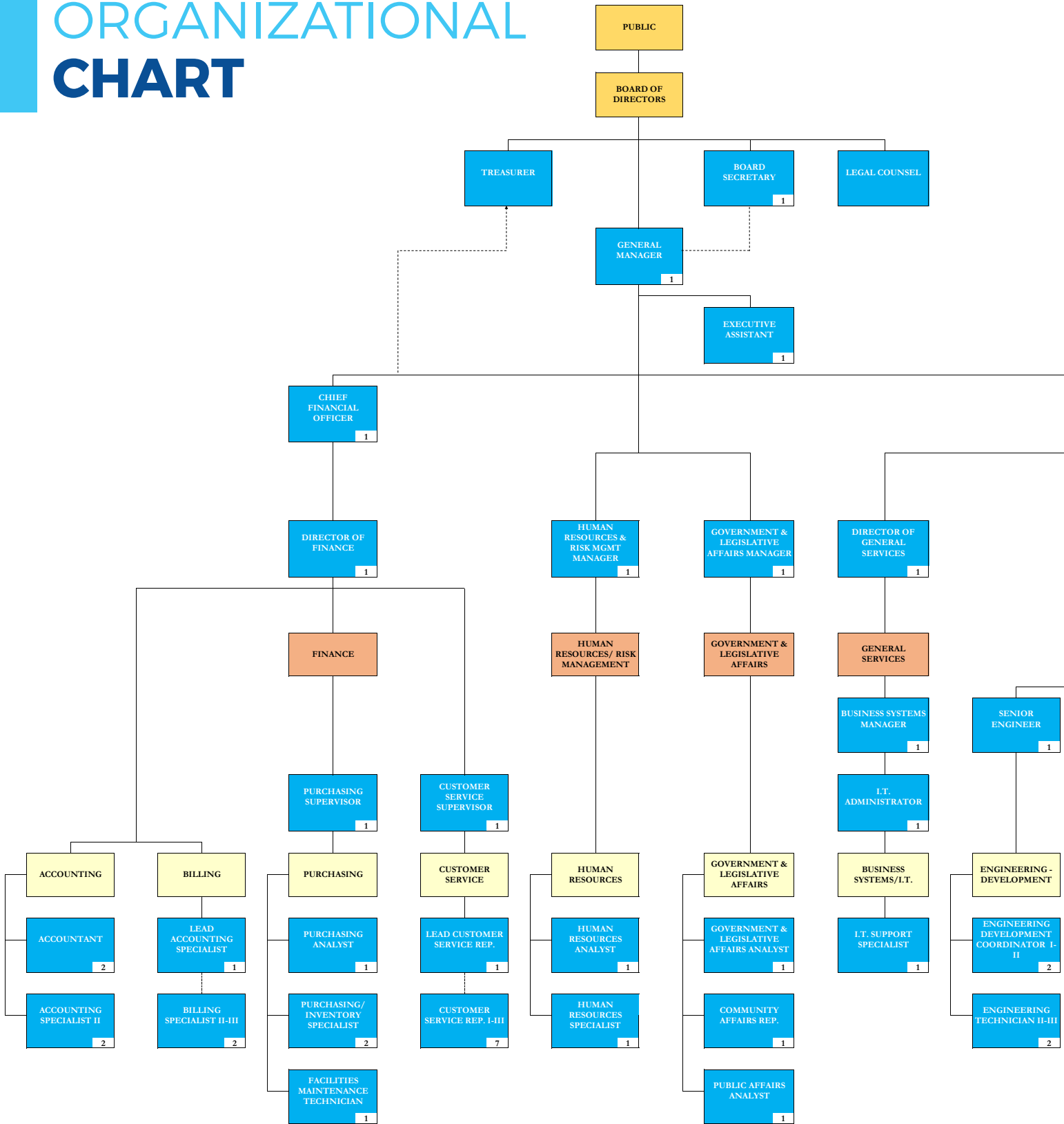
PRIORITIES	DEPARTMENT	GOALS
1	Operations / Engineering / Administration	Successfully complete the Residential Lead and Copper Rule sampling
		Built four effluent booster pumps to increase the treatment capacity from 12 MDG to 14.4 MGD
		Repaired and or replaced 280 water services
		Acquire an underwater drone to replace expensive divers for underwater inspections
		Effectively locate and continue to replace worn out and inoperable valves
		Continue in District Fire Hydrant Upgrade Program and track upgrades
		Work with Management to develop the future phases of the AMI project to complete the entire District
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 communications strategies and tactics
		Improve communication between internal/external customers
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
		Board room audio visual system upgrade to support Social media and to enhance public interaction
		Use standardized technologies and techniques to increase the efficiency in editing GIS
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 the pipelines between Wells 1A, 2, 4A, and 5A and the 4-3 Reservoir
		Remove and replace the roof on the 2-1 Reservoir
5	Finance	Secure low-cost financing funding to support the District's capital improvement plan
		Provide accurate, reliable, and timely financial reporting to all District's stakeholders
		Maintain strong financial policies and management practices



THIS PAGE LEFT BLANK  
**INTENTIONALLY**

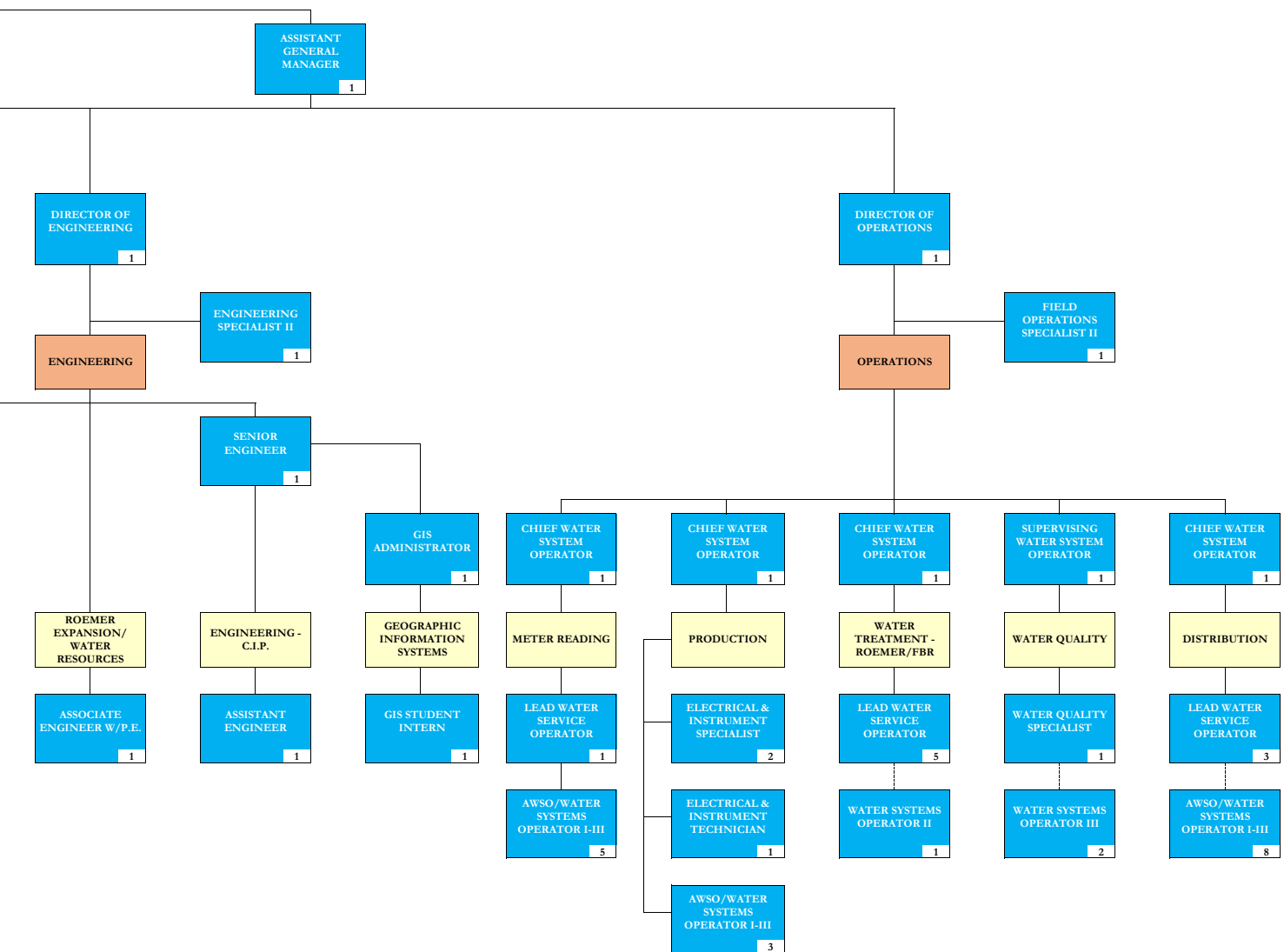


# ORGANIZATIONAL CHART



Total Number of Employees = 89

# WEST VALLEY WATER DISTRICT FISCAL YEAR 2022-2023 BUDGET



# STAFFING PLAN

## Fiscal Year 2023

Classifications	Staffing as of	FY 2023
	3/10/22	Adopted Positions
Accountant	2	2
Accounting Specialist II	2	2
Accounting Specialist II - Billing	1	1
Accounting Specialist III - Billing	1	1
Accounting Specialist Lead - Billing	1	1
Assistant Engineer	1	1
Assistant General Manager	1	1
Assistant Water Systems Operator	4	4
Associate Engineer W/P.E.	1	1
Board Secretary	1	1
Business Systems Manager	1	1
Chief Financial Officer	1	1
Chief Water Systems Operator	4	4
Community Affairs Rep	1	1
Customer Service Lead	1	1
Customer Service Rep I	5	5
Customer Service Rep II	1	1
Customer Service Rep III	1	1
Customer Service Supervisor	1	1
Development Coordinator I	1	1
Development Coordinator II	1	1
Director of Engineering	1	1
Director of Finance	1	1
Director of General Services	1	1

Classifications	Staffing as of	FY 2023
	3/10/22	Adopted Positions
Director of Governmental & Legislative Affairs	1	0
Director of Human Resources & Risk Management	1	0
Director of Operations	1	1
Electrical & Instrument Specialist	2	2
Electrical & Instrument Technician	1	1
Engineering Specialist II	1	1
Engineering Technician II	1	1
Engineering Technician III	1	1
Executive Assistant	1	1
Facilities Maintenance Technician	0	1
Field Operations Specialist II	1	1
General Manager	1	1
GIS Manager	1	1
Governmental & Legislative Affairs Manager	0	1
HR Specialist	1	1
Human Resources & Risk Management Manager	0	1
Human Resources Analyst	1	1
Info Tech Administrator	1	1
Info Tech Support Specialist	1	1
Lead Water Systems Operator	9	9
Legislative Analyst	1	1
Operations Manager	1	0
Public Affairs Analyst	1	1
Purchasing Analyst	1	1
Purchasing Supervisor	1	1
Purchasing/Inventory Specialist I	2	2
Senior Engineer	2	2
Supervising Water Systems Operator	1	1
Water Quality Specialist	1	1
Water Systems Operator I	6	7
Water Systems Operator II	6	6
Water Systems Operator III	2	2
<b>Total Authorized/Proposed Positions</b>	<b>87</b>	<b>88</b>
Part-Time GIS Intern	1	1







FINANCIAL  
**summary**

## BUDGET PROCESS

Each year the budget process initiates in January. The process begins with each division 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.
- Current revenues will fund current expenses.

The Finance Division prepares the budget with the impute of division 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 AND 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 division managers to Executive Management for review, who then forward the requested adjustments to the Finance Division 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.

## CURRENT & PROPOSED BUDGET CYCLE CALENDAR

<b>JUNE 29, 2022</b>	FY 2022-23 Budget Adoption at Public Board Meeting
<b>FEBRUARY 2, 2023</b>	Mid-Year Budget Review at Board Meeting
<b>MARCH 8, 2023</b>	Budget Introduction Meeting to Distribute Worksheets to Management Staff
<b>MARCH 13, 2023</b>	Capital Outlay and Capital Improvement Program Planning Meeting
<b>MARCH 20, 2023</b>	Capital Outlay and Capital Improvement Project Requests Due to Finance
<b>APRIL 3, 2023</b>	Operating Departmental Budget Requests Due to Finance
<b>APRIL 14, 2023</b>	Proposed Goals, Objectives, and Accomplishments Due to CFO/GM
<b>APRIL 19, 2023</b>	Operating and Capital Improvement Program Budget Review with Managers, CFO, and General Manager
<b>MAY 8-10, 2023</b>	Meet with Committees to present FY2023-24 Budget and discuss proposed Departmental Goals, Objectives, Accomplishments and Revenue Projections.
<b>MAY 24, 2023</b>	FY 2023-24 Budget Complete with all Revisions
<b>JUNE 1, 2023</b>	FY 2023-24 Budget Presentation at Public Board Meeting
<b>JUNE 7, 2023</b>	Meet with Committees to Present Draft Budget for FY 2023-24
<b>JUNE 15, 2023</b>	FY 2023-24 Budget Adoption at Public Board Meeting

## 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.

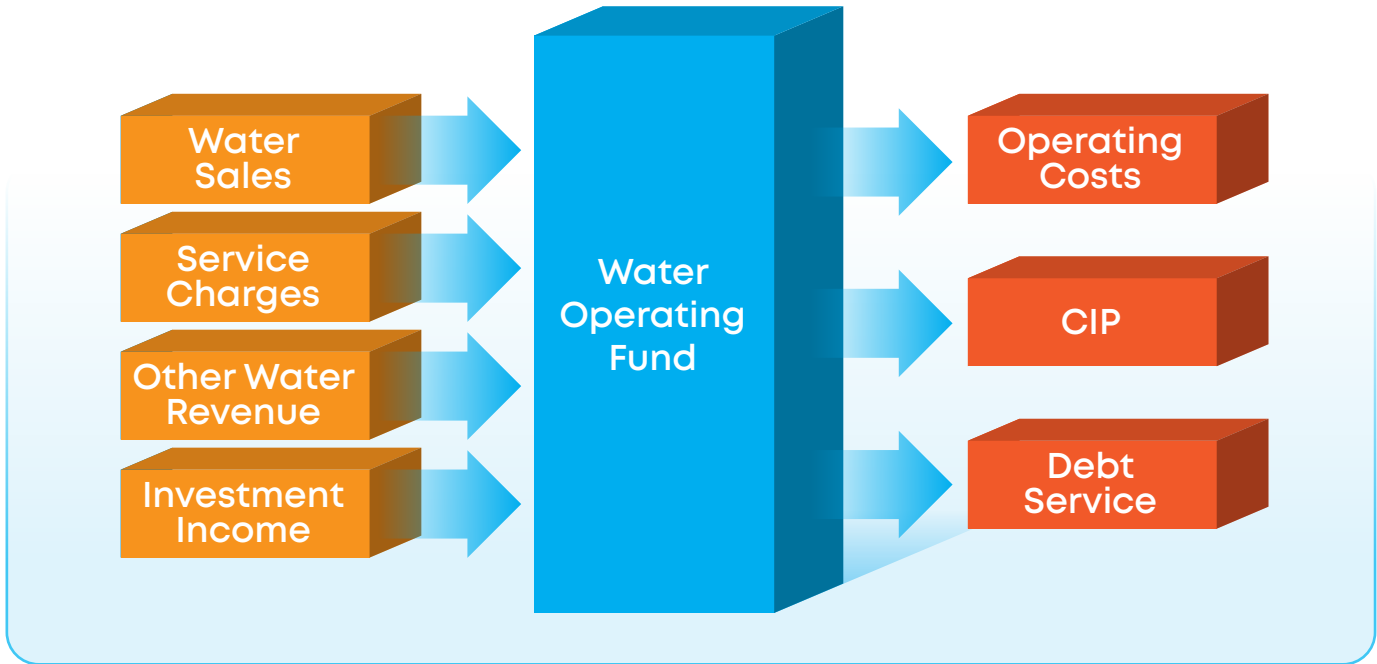
However, for budget purposes the accrual basis is not the most effective since it does not allow discrete presentation of some significant uses of current financial resources. In these cases, GAAP is not followed, and instead those uses of current resources are shown as expenditures rather than as a 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 toward 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.



## BUDGET SUMMARY

The budget for FY 2023 is balanced and reflects the District's commitment to sustainable cost containment and fiscal responsibility. The District projects that it will receive \$35,437,374 in revenues and other funding sources during FY 2023. For expenditures it projects a total of \$35,437,374, which means the District has a balance budget for FY 2023. The District projects to fund \$1.8 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 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget
<b>REVENUES</b>			
Water Consumption Sales	15,656,126	18,387,996	19,701,887
Monthly Service Charges	6,340,394	7,572,515	8,218,747
Other Operating Revenue	3,002,321	4,087,998	3,917,196
Other Non-Operating Revenue	2,151,320	2,794,807	3,599,544
<b>TOTAL REVENUES:</b>	<b>27,150,161</b>	<b>32,843,316</b>	<b>35,437,374</b>
<b>EXPENDITURES</b>			
Source of Supply	1,660,958	1,406,000	2,530,789
Production - Pumping	3,453,040	3,593,450	4,403,550
Water Quality Department	689,330	643,130	772,375
Water Treatment - Perchlorate	272,500	280,000	550,000
Water Treatment - FBR/FXB	1,872,843	1,824,240	2,204,600
Water Treatment - Roemer/Arsenic	1,854,960	2,121,850	1,944,210
Maintenance - Transmission and Distribution	2,322,909	2,490,500	2,545,250
Customer Service	1,156,520	1,236,300	1,323,600
Meter Reading	991,555	1,049,700	1,154,500
Billing	507,950	498,100	537,700
Administration	2,060,590	2,305,325	2,512,301
General Operations	2,232,094	3,446,536	3,378,372
Accounting	828,088	877,035	974,443
Engineering	1,414,710	1,688,985	1,793,120
Information Technology	1,145,298	1,204,675	1,369,630
GIS	227,200	252,550	285,830
Board of Directors	269,900	276,900	304,900
Human Resources/Risk Management	738,799	1,019,030	964,580
Purchasing	629,574	541,400	667,300
Public Affairs	1,027,136	1,255,136	1,362,912
Grants & Rebates	41,000	30,500	80,000
Interest Expense - Long-Term Debt	978,450	951,350	854,298
<b>TOTAL EXPENDITURES</b>	<b>26,375,404</b>	<b>28,992,692</b>	<b>32,514,260</b>
Debt Service	1,062,629	1,082,629	1,092,629
Operating Revenue to Fund CIP	-	2,747,000	1,830,485
<b>NET SURPLUS (DEFICIT)*</b>	<b>(287,872)</b>	<b>20,995</b>	<b>-</b>

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



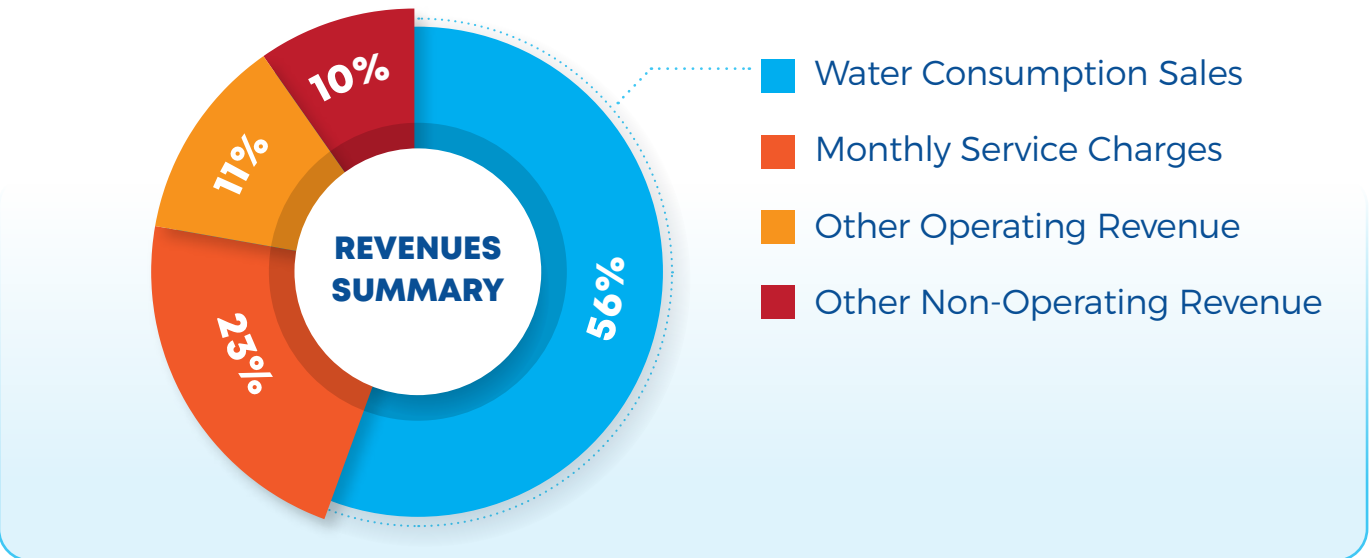
## REVENUES SUMMARY

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 2022-23, the projected revenue total is \$35,437,374. Water consumption sales are 56% of total revenues. In addition, proceeds from monthly service charges are 23%. Other operating revenue proceeds are 11%, with other non-operating revenue at 10% of total revenues.

The District has three revenue categories based on rates:

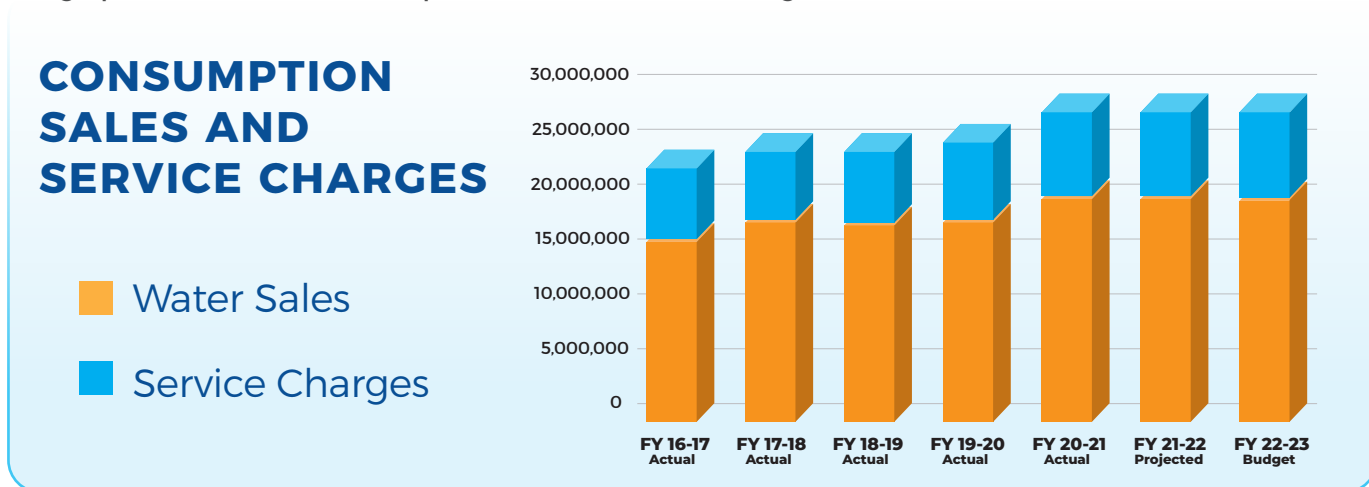
- *Water Consumption Sales*
- *Monthly Service Charges*
- *Other Charges*



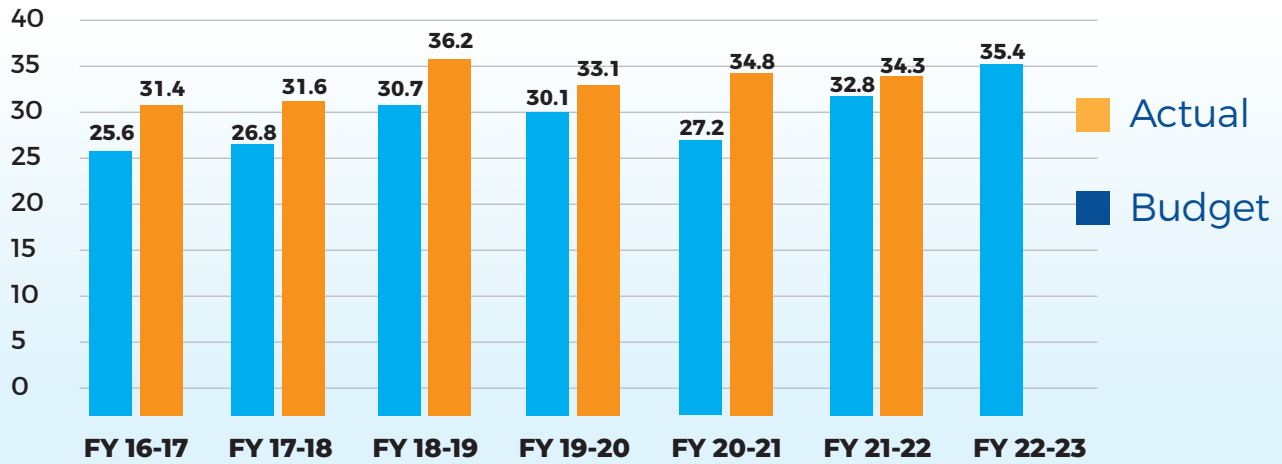
All customers are required to pay fixed monthly fees, service charges, based on the meter size. Also, penalties are charged to the District customer accounts when payments are delinquent.

The District will provide water service to approximately 23,000 potable customers by the end of FY 2023. An estimated 93 percent of the potable customers are residential and the remaining 7 percent are comprised of fire service, business, commercial, and agricultural.

The graph below shows consumption sales and service charges.



### BUDGET VS. ACTUALS



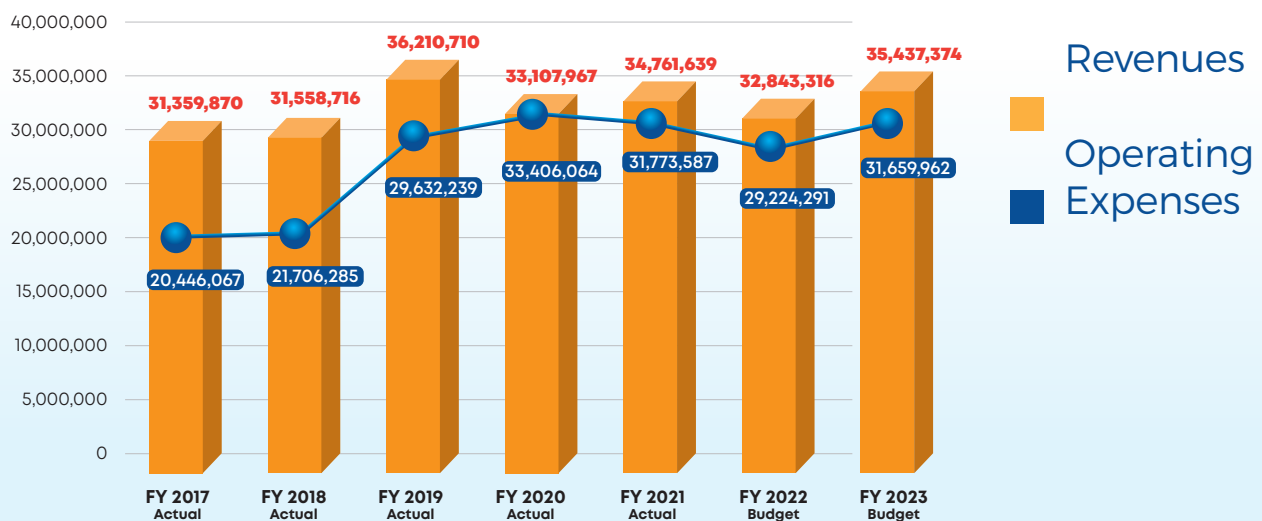
### EXPENSES SUMMARY

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 2023, the projected expense total is \$35,437,374. The main operating expenses for the District are salary related expenses, contract services, and electricity. Total operating expenses are projected to increase at a rate of approximately 13%, in FY 2023 compared to FY 2022.

The graph below shows actual and budget total revenue amounts, at the same time it has actual and budget operating expenses amounts.

### TOTAL REVENUE AND OPERATING EXPENSES



## FUND BALANCE

The District operates a single water enterprise fund and does not have any governmental or non-major funds. Fund Equity is the difference between assets and liabilities reported in a proprietary fund. Fund Equity can be considered a measure of net worth. Also, for financial reporting purposes, Equity is reported as Net Position and classified in three distinct categories:

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

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

Restricted Fund Equity includes unspent proceeds from issuance of long-term debt and developer paid capacity charges. These funds are available for appropriation for capital projects, but only as defined by contractual agreement with bondholders and other creditors, or by studies adopted by WVWD that state the purpose and amount of capacity charges to be collected from developers. Debt proceeds are used only for projects specifically stated in debt agreements, and capacity charges are used only for construction or projects that expand the capacity of the District's infrastructure or to pay debt on expansion projects that have already been built. Accordingly, appropriations from restricted funds will appear in the District's capital budget.

Unrestricted Fund Equity is the residual after the balances in the other two classifications of Net Position have been determined. The District has the most flexibility in determining how Unrestricted Fund Balance may be appropriated, and the Governing Board has done so by establishing a Reserve Policy. The policy establishes three designations for Unrestricted Fund Equity, and has defined their purpose, order of priority for funding, target levels, and uses. There are also designations established for restricted net position when applicable. Designations currently being applied are:

- *Rate Stabilization Account*
- *Operating Reserve Account*
- *Emergency Account*
- *Water Banking Account*

Unrestricted and Restricted Funds	FY 2020-21	FY 2021-22	FY 2022-23
	Actual	Projected	Budget
<b>WATER OPERATING FUND</b>			
Ending Water Operating Fund	\$22,907,840	\$22,907,840	\$22,907,840
<b>Water Capital Project Fund</b>			
Ending Capital Project Fund	\$12,349,693	\$15,717,479	\$22,904,979
<b>TOTAL UNRESTRICTED EQUITY</b>	<b>\$35,257,533</b>	<b>\$38,625,319</b>	<b>\$45,812,819</b>
<b>RESTRICTED FUNDS</b>			
Water Capacity Charges			
<b>ENDING WATER CAPACITY CHARGES</b>	<b>\$13,938,052</b>	<b>\$36,918,225</b>	<b>\$15,823,750</b>

Unrestricted and Restricted Funds	FY 2020-21	FY 2021-22	FY 2022-23
	Actual	Projected	Budget
<b>Water Operating Fund</b>			
Maximum Target Level			
180 Days Operations"	\$12,698,477	\$14,020,671	\$15,892,801
Beginning Fund Balance	\$22,907,840	\$22,907,840	\$22,907,840
Revenue	\$34,761,639	\$33,722,924	\$35,437,374
Operating/Non-Operating Expenditures	\$(26,118,872)	\$(26,874,481)	\$(32,539,260)
Capital Expenditures	\$(1,577,134)	\$(2,398,028)	\$(1,805,485)
Debt Principal Payments	\$(1,067,629)	\$(1,082,629)	\$(1,092,629)
Transfer to Capital Project Fund	\$(5,998,004)	\$(3,367,786)	
Ending Water Operating Fund	\$22,907,840	\$22,907,840	\$22,907,840
<b>WATER CAPITAL PROJECT FUND</b>			
Minimum Target Level CIP Budget			
100% Current FY & 80% Next FY			
Beginning Fund Balance	\$6,351,689	\$12,349,693	\$15,717,479
Transfer from Operating Fund	\$5,998,004	\$3,367,786	
Capital Expenditures			\$(3,212,500)
Litigation Settlement			\$10,400,000
Ending Capital Project Fund	\$12,349,693	\$15,717,479	\$22,904,979
<b>TOTAL UNRESTRICTED EQUITY</b>	<b>\$35,257,533</b>	<b>\$38,625,319</b>	<b>\$45,812,819</b>
<b>Restricted Funds</b>			
No Target Level			
Water Capacity Charges			
Beginning Fund Balance	\$13,462,143	\$13,938,052	\$36,918,225
Fees Collected	\$2,962,993	\$24,000,000	\$3,000,000
Capital Expenditures	\$(2,487,084)	\$(1,019,827)	\$(24,094,475)
Ending Water Capacity Charges	\$13,938,052	\$36,918,225	\$15,823,750

## TOTAL REVENUE &amp; EXPENSES

	FY 2021 Actual	FY 2022 Budget	FY 2022 Forecast	FY 2023 Budget
<b>REVENUE (OPERATING):</b>				
Water Consumption Sales	\$20,428,413	\$18,387,996	\$20,106,270	\$19,701,888
Monthly Service Charges	7,978,760	7,572,515	8,027,079	8,218,108
Other Operating Revenue	3,518,300	4,087,998	2,611,950	\$4,087,998
<b>Total Operating Revenue</b>	<b>31,925,473</b>	<b>30,048,509</b>	<b>30,745,299</b>	<b>31,837,829</b>
<b>REVENUE (NON-OPERATING):</b>				
Property Taxes	2,761,167	2,340,807	3,179,570	3,069,567
Grants and Reimbursements		50,000	27,140	127,892
Interst and Investment Earnings	38,316	350,000	515,307	350,000
Rental Revenue	36,683	35,000	36,683	36,303
Other Non-Operating Revenue		19,000	791,421	15,783
<b>Total Non-Operating Revenue</b>	<b>2,836,166</b>	<b>2,794,807</b>	<b>4,550,121</b>	<b>3,599,544</b>
<b>Total Revenue</b>	<b>34,761,639</b>	<b>32,843,316</b>	<b>35,295,419</b>	<b>35,437,374</b>



## TOTAL REVENUE &amp; EXPENSES

	FY 2021	FY 2022	FY 2022	FY 2023
	Actual	Budget	Forecast	Budget
<b>EXPENSES (OPERATING):</b>				
Source of Supply	1,588,731	1,406,000	1,825,532	2,530,789
Production - Pumping	4,077,299	3,593,450	4,417,075	4,403,550
Water Quality Department	516,358	643,130	472,740	772,375
Water Treatment - Perchlorate	263,359	280,000	527,679	550,000
Water Treatment - FBR/FXB	1,185,217	1,824,240	1,727,961	2,204,600
Water Treatment - Roemer/Arsenic	2,102,104	2,121,850	1,863,235	1,944,210
Maintenance - Transmission and Distribution	2,204,080	2,490,500	2,200,937	2,545,250
Customer Service	1,133,496	1,236,300	1,095,497	1,323,600
Meter Reading	1,059,298	1,049,700	906,875	1,154,500
Billing	408,155	498,100	460,040	537,700
Administration	2,594,986	2,305,325	1,985,295	2,512,301
General Operations	2,320,401	3,446,536	2,146,302	3,378,372
Accounting	805,223	877,035	854,921	974,443
Engineering	1,225,006	1,688,985	1,406,715	1,793,120
Information Technology	1,137,552	1,204,675	1,048,844	1,369,630
GIS	158,640	252,550	200,415	285,830
Board of Directors	252,262	276,900	220,585	304,900
Human Resources/Risk Management	706,336	1,019,030	722,690	964,580
Purchasing	624,172	541,400	498,419	667,300
Public Affairs	876,923	1,255,136	1,024,911	1,362,912
Grants & Rebates	13,319	30,500	9,871	80,000
<b>Total Operating Expenses</b>	<b>25,252,917</b>	<b>28,041,342</b>	<b>25,616,538</b>	<b>31,659,962</b>
<b>EXPENSES (NON-OPERATING):</b>				
Loss on Disposition of Capital Assets	189,254	-	-	-
Impairment Loss	3,000,000	-	-	-
Unrealized Loss on Investments	-	-	2,338,294	-
Interest Expense - Long-Term Debt	865,955	951,350	847,001	854,298
<b>Total Non-Operating Expenses</b>	<b>4,055,209</b>	<b>951,350</b>	<b>3,185,295</b>	<b>854,298</b>
<b>Total Expenses</b>	<b>4,055,209</b>	<b>28,992,692</b>	<b>28,801,834</b>	<b>32,514,260</b>
<b>Net Income Before Capital Contributions</b>	<b>29,308,126</b>	<b>3,850,624</b>	<b>6,493,586</b>	<b>2,923,114</b>
Developer Contributions	5,813,135	-	27,135	-
Capacity Charges	3,038,507	3,400,000	36,726,743	3,000,000
<b>Net Income Before Depreciation</b>	<b>38,159,768</b>	<b>7,250,624</b>	<b>43,247,464</b>	<b>5,923,114</b>
Depreciation & Amortization	6,520,670	6,750,000	6,636,841	6,645,273
<b>INCOME (LOSS)</b>	<b>\$7,784,485</b>	<b>\$500,624</b>	<b>\$36,610,623</b>	<b>\$(722,159)</b>

## FISCAL YEARS 2021 - 22 &amp; 2022-23 PROFORMA

	FY 2022 Budget	FY 2022 Forecast	FY 2023 Budget
<b>REVENUE (OPERATING):</b>			
Water Consumption Sales	\$18,387,996	\$20,106,270	\$19,701,888
Monthly Service Charges	7,572,515	8,027,079	8,218,108
Other Operating Revenue	4,087,998	2,611,950	3,917,833
<b>Total Operating Revenue</b>	<b>30,048,509</b>	<b>30,745,299</b>	<b>31,837,829</b>
<b>REVENUE (NON-OPERATING):</b>			
Property Taxes	2,340,807	3,179,570	3,069,567
Grants and Reimbursements	50,000	27,140	127,892
Interest and Investment Earnings	350,000	515,307	350,000
Rental Revenue	35,000	36,683	36,303
Other Non-Operating Revenue	19,000	791,421	15,783
<b>Total Non-Operating Revenue</b>	<b>\$32,843,316</b>	<b>\$35,295,419</b>	<b>\$35,437,374</b>
<b>Total Revenue</b>	<b>\$32,843,316</b>	<b>\$35,295,419</b>	<b>\$35,437,374</b>
<b>EXPENSES (OPERATING):</b>			
Source of Supply	1,406,000	1,825,532	2,530,789
Production - Pumping	3,593,450	4,417,075	4,403,550
Water Quality Department	643,130	472,740	772,375
Water Treatment - Perchlorate	280,000	527,679	550,000
Water Treatment - FBR/FXB	1,824,240	1,727,961	2,204,600
Water Treatment - Roemer/Arsenic	2,121,850	1,863,235	1,944,210
Maintenance - Transmission and Distribution	2,490,500	2,200,937	2,545,250
Customer Service	1,236,300	1,095,497	1,323,600
Meter Reading	1,049,700	906,875	1,154,500
Billing	498,100	460,040	537,700
Administration	2,305,325	1,985,295	2,512,301
General Operations	3,446,536	2,146,302	3,378,372
Accounting	877,035	854,921	974,443
Engineering	1,688,985	1,406,715	1,793,120
Information Technology	1,204,675	1,048,844	1,369,630
GIS	252,550	200,415	285,830
Board of Directors	276,900	220,585	304,900
Human Resources/Risk Management	1,019,030	722,690	964,580
Purchasing	541,400	498,419	667,300
Public Affairs	1,255,136	1,024,911	1,362,912
Grants & Rebates	30,500	9,871	80,000
<b>Total Operating Expenses</b>	<b>28,041,342</b>	<b>25,616,538</b>	<b>31,659,962</b>
<b>Net Revenues</b>	<b>\$4,801,974</b>	<b>\$9,678,881</b>	<b>\$3,777,412</b>
Less: Debt Service (Principal & Interest)	2,033,979	1,916,085	1,946,927
Less: Committed Capital Expenditure	2,747,000	2,500,000	1,830,485
Transfer to/(from) Reserves	20,995	5,262,796	-
<b>Net</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## 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 all 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 2023 to FY2027. This financial forecast is designed to provide a general understanding of how revenues and expenditures are expected to influence the District. This forecast also highlights the funding of capital projects and expense amounts in each year. General inflators and historical trends were used for the estimates and the graph has footnotes.

The District must look at replacing existing aging and future 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.

## GENERAL FUND FORECAST

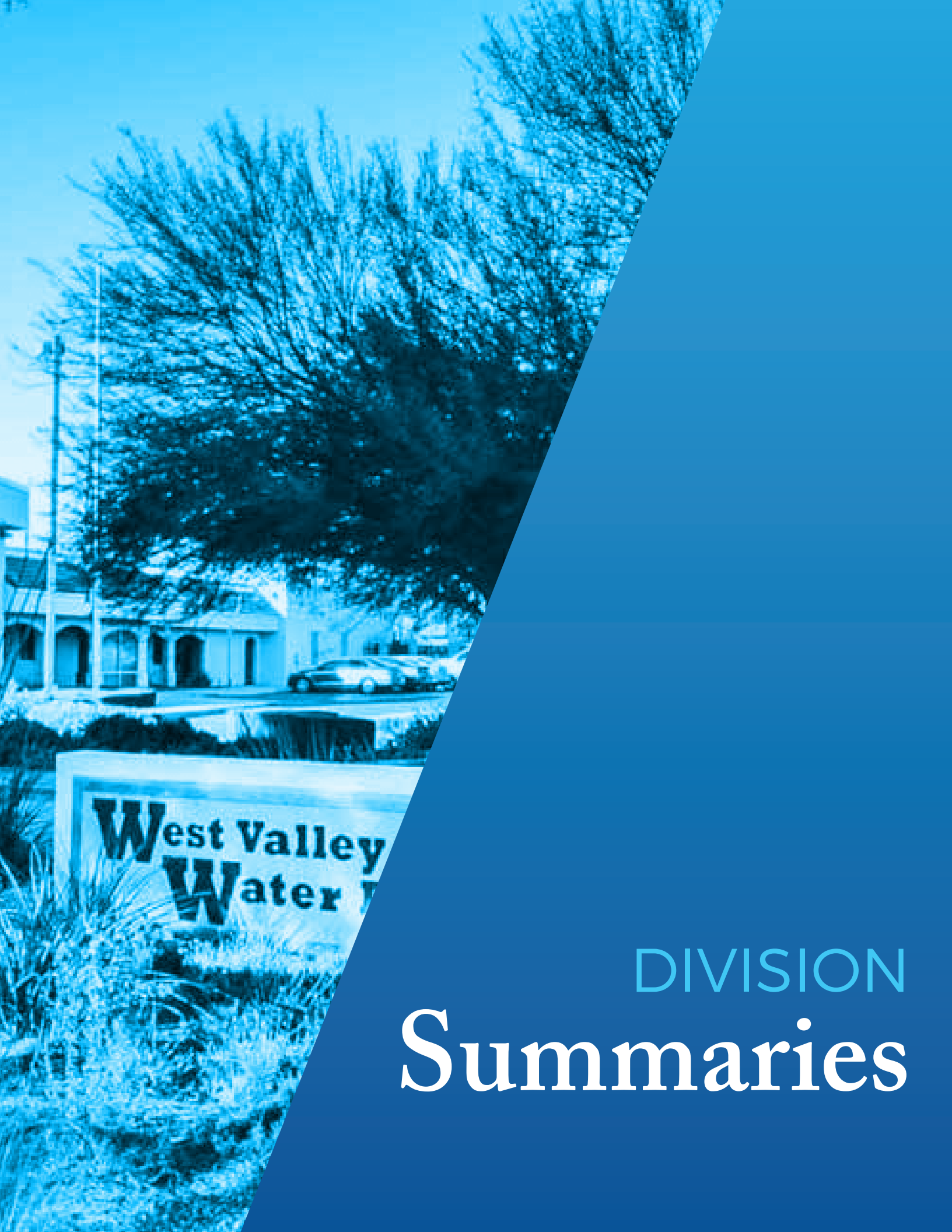
This forecast incorporates both cost increases for expenditures and growth projections for revenues. It also incorporates a projection of capacity charges of \$3 million annually. This plan outlines the water infrastructure needs until the District reaches build-out. The District also uses a long-term 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.

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
<b>REVENUE:</b>						
Water Consumption Sales <sup>1</sup>	\$20,106,270	\$19,701,888	\$20,135,330	\$20,578,307	\$21,031,030	\$21,493,712
Water Service Charges	8,027,079	8,218,108	8,398,906	8,583,682	8,772,523	8,965,519
Other Operating Revenue	2,611,950	3,917,833	4,004,025	4,092,114	4,182,140	4,274,147
Property Taxes <sup>2</sup>	3,179,570	3,069,567	3,315,132	3,580,343	3,866,770	4,176,112
Grants and Reimbursements	27,140	127,892	50,501	50,754	51,008	51,008
Interest and Investment Earnings <sup>3</sup>	(1,822,987)	350,000	357,035	360,605	364,211	364,211
Rental Revenue <sup>4</sup>	36,683	36,303	37,211	38,141	39,094	40,072
Capacity Charges	36,753,878	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Gain on Sales of Capital Assets	-	-	-	-	-	-
Other Non-Operating Revenues	791,421	15,783	19,382	19,576	19,771	19,771
<b>Total Revenue/ Sources</b>	<b>\$69,711,004</b>	<b>\$38,437,374</b>	<b>\$39,317,522</b>	<b>\$40,303,522</b>	<b>\$41,326,548</b>	<b>\$42,384,553</b>
<b>EXPENDITURES:</b>						
Source of Supply <sup>5</sup>	\$1,825,532	\$2,530,789	\$2,619,367	\$2,711,044	\$2,805,931	\$2,904,139
Pumping	3,230,941	2,996,450	3,062,372	3,129,744	3,198,598	3,268,968
Water Treatment	3,122,214	3,614,385	3,722,817	3,834,501	3,949,536	4,068,022
Transmission and Distribution	1,116,171	1,169,250	1,192,635	1,216,488	1,240,817	1,265,634
Customer Accounts	800,662	913,200	931,464	950,093	969,095	988,477
Public Affairs	570,249	796,212	812,136	828,379	844,947	861,845
General and Administrative	3,324,138	5,962,576	6,081,828	6,203,464	6,327,533	6,454,084
Wages and Benefits <sup>6</sup>	11,626,631	13,677,100	13,950,642	14,229,655	14,514,248	14,804,533
Debt Service <sup>7</sup>	1,916,085	1,946,927	3,000,000	2,950,000	2,925,000	2,900,000
Capital Expenditures/Replacement & Outlay <sup>8</sup>	2,747,000	1,830,485	2,000,000	2,300,000	5,500,000	6,200,000
Unrestricted Funds	36,805,255	73,118,742	73,118,742	72,063,004	71,013,158	67,064,000
Restricted Funds	17,564,802	20,564,802	23,564,802	26,564,802	29,564,802	32,564,802
<b>Total Expenditures</b>	<b>\$30,279,623</b>	<b>\$35,437,374</b>	<b>\$37,373,260</b>	<b>\$38,353,368</b>	<b>\$42,275,706</b>	<b>\$43,715,702</b>
<b>Change in Equity</b>	<b>\$39,313,487</b>	<b>\$3,000,000</b>	<b>\$1,944,262</b>	<b>\$1,950,153</b>	<b>\$(949,158)</b>	<b>\$(1,331,149)</b>
<b>Beginning Fund Equity</b>	<b>\$54,370,057</b>	<b>\$93,683,544</b>	<b>\$96,683,544</b>	<b>\$98,627,806</b>	<b>\$100,577,960</b>	<b>\$99,628,802</b>
<b>Ending Fund Equity</b>	<b>\$93,683,544</b>	<b>\$96,683,544</b>	<b>\$98,627,806</b>	<b>\$100,577,960</b>	<b>\$99,628,802</b>	<b>\$98,297,653</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. *Based on a historic growth rate of 5%.*
7. *Amounts are derived from the District's current debt amortization schedules. Debt may change in the future.*
8. *Infrastructure rehabilitation and improvement expenses will have a major increase in the future due to aging infrastructure.*







DIVISION  
**Summaries**

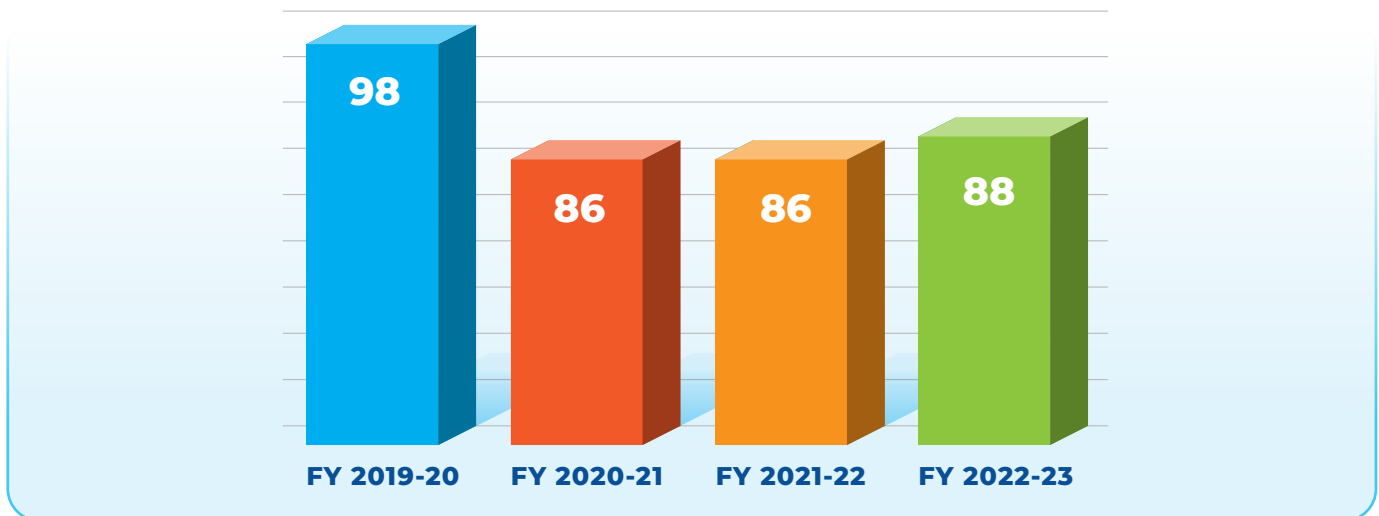
## POSITION SUMMARY SCHEDULE

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. The positions changes for FY 2022-23 include one new position, the Facilities Maintenance Technician. The positions Director of Governmental & Legislative Affairs and Director of Human Resources & Risk Management were changed to Governmental & Legislative Affairs Manager and Human Resources & Risk Management Manager. The Operations Manager position which was vacant was terminated.

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

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

## TOTAL AUTHORIZED POSITIONS



## 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 Year	120 Work Hours	4.6 Work Hours	180 Work Hours
After 9 Year	160 Work Hours	6.2 Work Hours	240 Work Hours
After 14 Year	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
\$100 =	\$50
\$150 =	\$75

**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.employment. Coverage: Two-times annual salary up to a maximum of \$125,000.00.



# Board of Directors



Channing  
**HAWKINS**

PRESIDENT, DIVISION 4

---



Greg  
**YOUNG**

VICE PRESIDENT, DIVISION 5

---



Angela  
**GARCIA**

DIRECTOR, DIVISION 1

---



Dan  
**JENKINS**

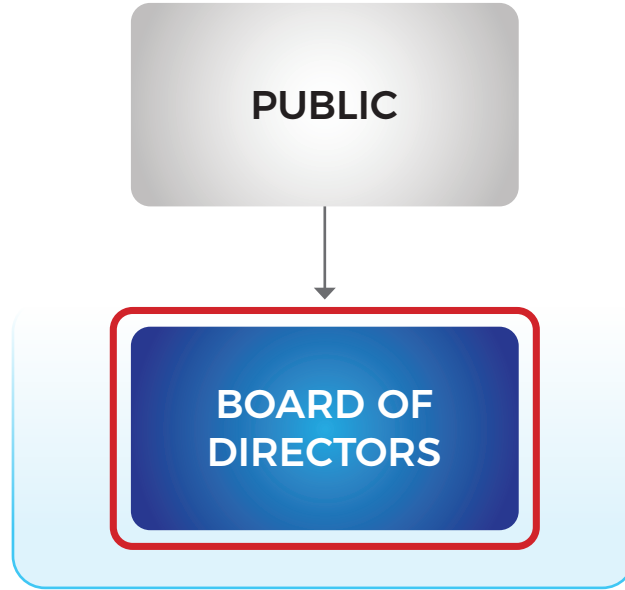
DIRECTOR, DIVISION 2

---



Kelvin  
**MOORE**

DIRECTOR, DIVISION 3



## SERVICES WE PROVIDE

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.

## PERSONNEL

- Board Director **5**
- Total Elected Officials 5**

## SIGNIFICANT CHANGES

- Appointment of Angela Garcia as Director for Division 1 due to resignation from Director Kyle Crowther.
- Appointment of Director Kelvin Moore for Division 3 due to resignation from Director Dr. Clifford O.Young Sr.
- On July 27, 2022 Dan Jenkins was appointed Director for Division 2 due to resignation from Director Dr. Michael Taylor.

## FY 2021-22 ACCOMPLISHMENTS

- Virtually hosted 2022 State of the District to update ratepayers and the community on the district accomplishments.
- Secured \$2 million in appropriation money from Congresswoman Norma Torres for the Bloomington Alleyway Project.

## FY 2022-23 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
Constituently evaluate opportunities for additional regional and statewide leadership	Ongoing	Ongoing
Continue commitment to WVWD's values and adopted Board norms	Ongoing	Ongoing
Submit all documentation by deadlines pursuant to transparency policies	100%	100%
Act on project related agenda items presented by staff	100%	100%

## DIVISION BUDGET DETAIL

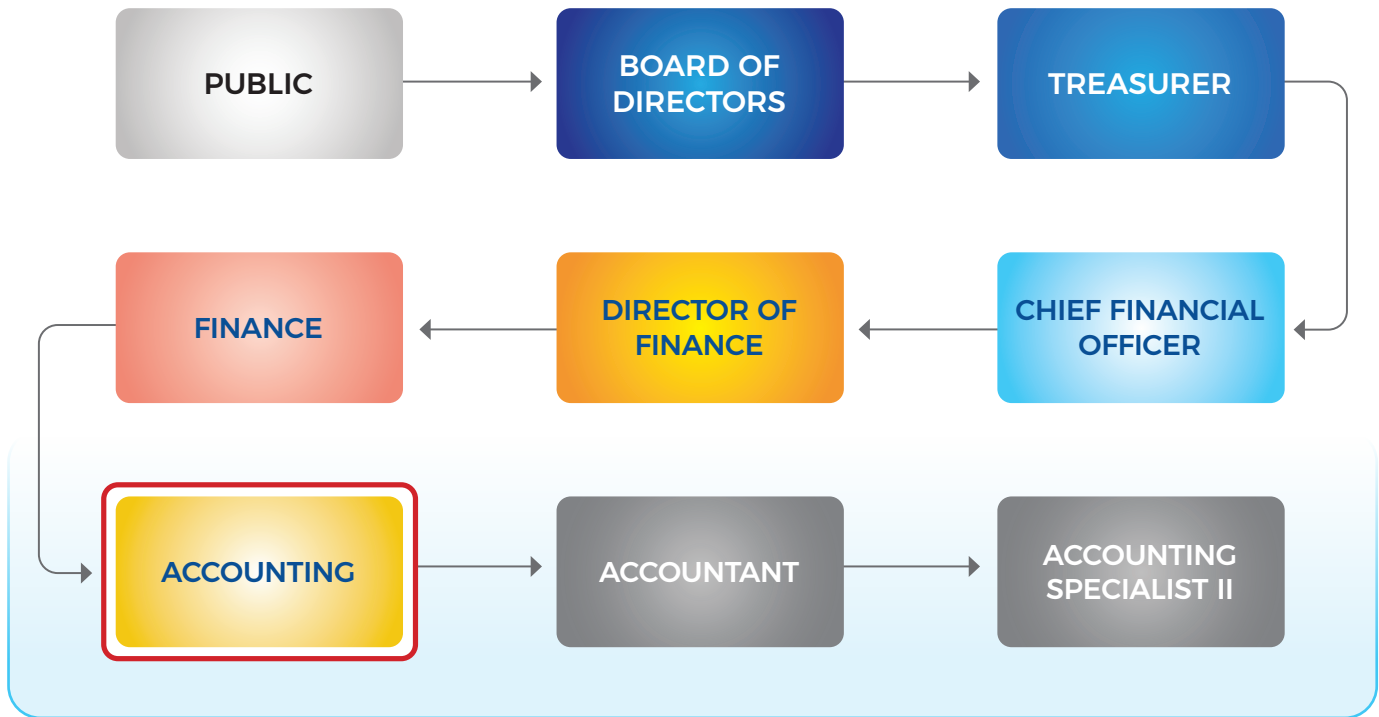
BOARD OF DIRECTORS	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Part Time	83,027	112,100	69,441	116,500	4%
Benefits	126,315	116,200	80,384	133,100	15%
<b>OPERATING EXPENSES:</b>					
Professional Services / Other Consultants	34,125	31,500	23,625	31,800	1%
Expenses / Training	7,091	2,000	1,120	3,000	50%
Operating Supplies / Miscellaneous	61	2,000	1,849	2,000	0%
Miscellaneous / Trans/Meals/Lodging	1,643	18,500	18,393	18,500	0%
<b>DIVISION TOTAL</b>	<b>252,262</b>	<b>282,300</b>	<b>194,812</b>	<b>304,900</b>	<b>8%</b>



# Accounting

**West Valley  
Water District**





## 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.

## PERSONNEL

- Director of Finance **1**
- Accountant **2**
- Accounting Specialist II **2**
- Total Full-Time Staff 5**

## SIGNIFICANT CHANGES

- No significant changes

## FY 2021-22 ACCOMPLISHMENTS

- Prepared supporting documentation for the SRF Loan.
- Received Government Finance Officers Association (GFOA) Certificate for Excellence in Financial Reporting for FY2020-21.
- Received the Distinguished Budget Presentation Award given by the Government Finance Officers Association (GFOA) for FY2021-22.
- Received the Operating Budget Excellence Award for the Fiscal Year 2021-22 from the California Society of Municipal Finance Officers.
- Received the Investment Policy Certification from the California Municipal Treasurers Association.

## FY 2022-23 GOALS & OBJECTIVES

- Provide accurate, reliable, and timely financial reporting to all District's stakeholders.
- Secure low-cost financing funding to support the District's capital improvement plan requirements.
- Apply for the Distinguished Budget Presentation Award given by the Government Finance Officers Association (GFOA).
- 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
Days to prepare and present the Annual Report after fiscal year-end	182 days	160 DAYS
Provide quarterly performance reports	4	4
Provide monthly budget vs actuals reports	12	12
Number of fiscal policies updated/enhanced and reviewed with the Board	2	2
Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for Annual Report	10	11
Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for PAFR	1	1

## DIVISION BUDGET DETAIL

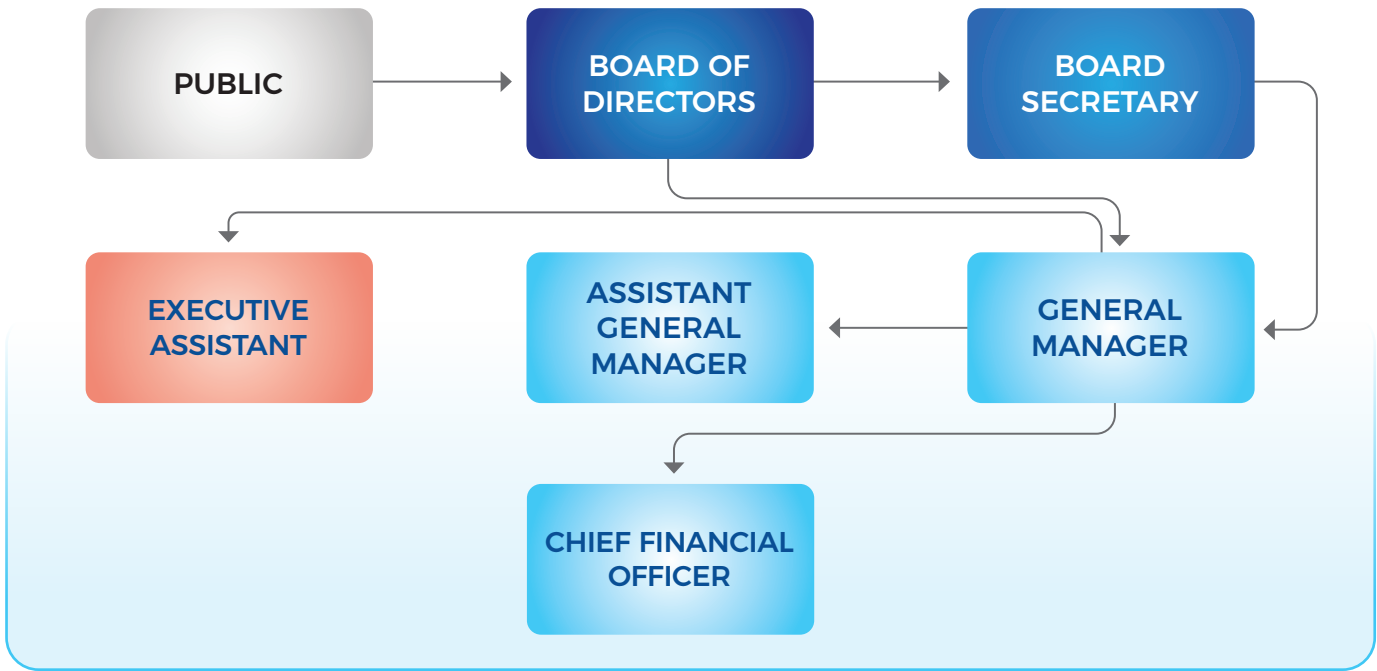
ACCOUNTING	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	445,186	465,000	385,295	520,000	12%
Salaries & Wages / Overtime	6,448	10,000	3,887	7,500	-25%
Salaries & Wages / Bilingual Compensation	1,937	2,600	2,060	2,600	0%
Benefits	256,343	240,300	204,352	255,000	6%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	1,229	1,500	849	3,615	141%
Operating Supplies / Uniforms	-	1,200	1,019	1,200	0%
Miscellaneous / Trans/Meals/Lodging	85	3,500	3,224	5,913	69%
Operating Supplies / Miscellaneous	85	500	296	500	0%
Miscellaneous / Bank Account Analysis	53,981	70,000	60,283	78,000	11%
Miscellaneous / Dues & Subscriptions	1,060	1,480	1,197	1,760	19%
Professional Services / Auditing	46,960	48,055	48,055	52,055	8%
Professional Services / Fiscal Agent	3,988	8,500	4,162	9,000	6%
Professional Services / Accounting Assistance	-	-	-	-	0%
Professional Services / Consultants	29,110	34,200	22,234	37,100	8%
Other Miscellaneous / County Tax Collection Fee	-	200.00	-	200.00	0%
<b>DIVISION TOTAL</b>	<b>846,360</b>	<b>887,035</b>	<b>736,912</b>	<b>974,443</b>	<b>10%</b>





# 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 WWWD’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.

## PERSONNEL

- *General Manager* **1**
- *Assistant General Manager* **1**
- *CFO* **1**
- *Board Secretary* **1**
- *Executive Assistant* **1**
- Total Full-Time Staff** **5**

## SIGNIFICANT CHANGES

- *Chief Financial & Administrative Officer was reclassified to Chief Financial Officer.*

## FY 2021-22 ACCOMPLISHMENTS

- *Hired Assistant General Manager in December 2020.*
- *WWWD & San Bernardino Valley Community College signed agreement to support water technology engineering program.*

## FY 2022-23 GOALS & OBJECTIVES

- Continually strive towards providing excellence in customer service.
- Improve water supply reliability through project investment and regional collaboration.
- Encourage efficient water use practices with customers through education and new technology.
- Recruit and develop qualified personnel to optimize productivity and enhance moral.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 Results
Publish Open Meeting/Public Notices on or before statutory requirement	100%	100%
Develop management workshops for directors/managers to better collaborate with staff	4	4
Continue to improve district wide policies and procedures to comply with current laws/regulations	3	3
Participate in Professional Development Opportunities	5	11

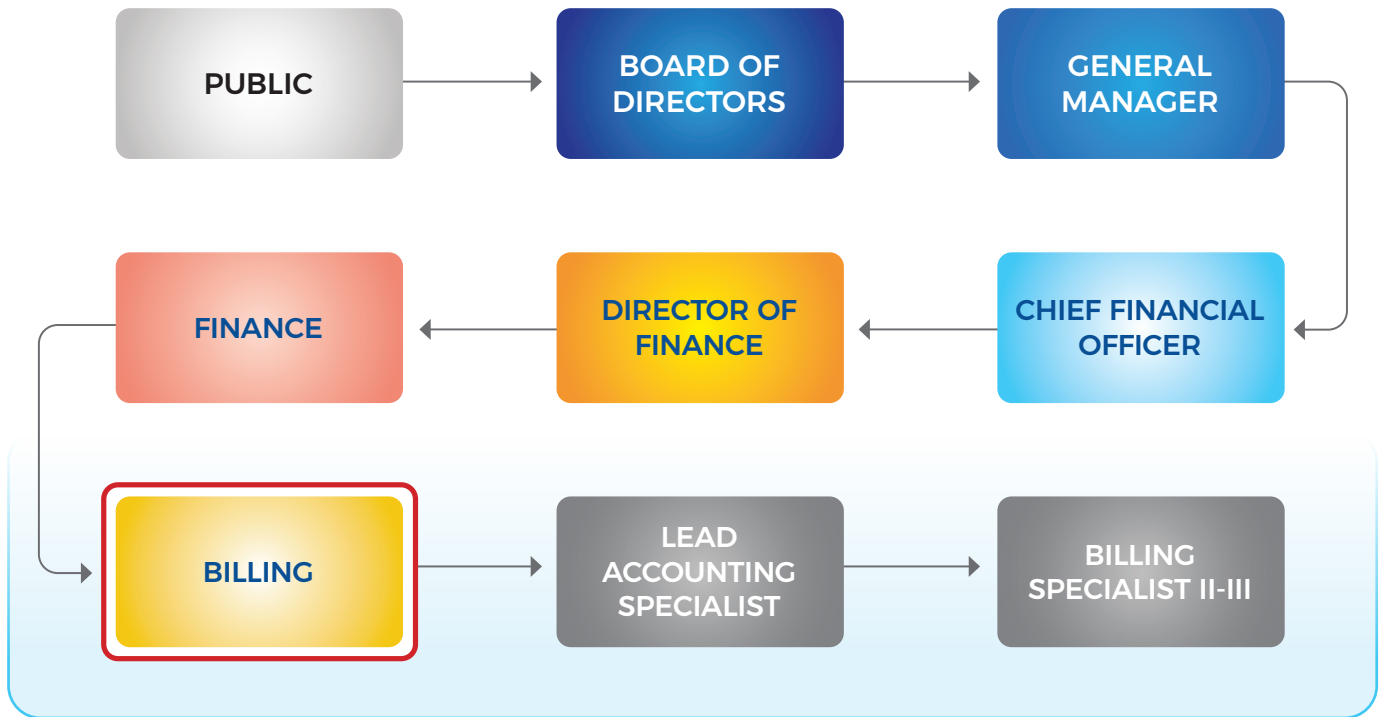
## DIVISION BUDGET DETAIL

ADMINISTRATION	FY 2021-22 Actuals	FY 2021-22 Budget	YTD Actual As of 5/3/22	FY 2022-23 Proposed	% Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	810,432	1,014,80	528,073	935,600	-8%
Salaries & Wages / Overtime	9,831	7,000	1,551	3,000	-57%
Salaries & Wages / Bilingual Compensation	535	700	15	-	-100%
Salaries & Wages / Vehicle Allowance	8,911	14,400	5,580	14,400	0%
Benefits	328,361	375,301	253,592	302,800	-19%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	7,792	14,350	8,486	20,450	43%
Operating Supplies / Uniforms	218	1,000	818	1,000	0%
Miscellaneous / Promotional Activities	-	1,100	750	1,100	0%
Miscellaneous / Printing	1,274	8,700	5,658	8,000	-8%
Miscellaneous / Trans/Meals/Lodging	25,701	82,355	58,858	108,735	32%
Miscellaneous / Dues & Subscriptions	39,210	42,000	40,969	44,516	6%
Miscellaneous / Office Supplies	10,101	1,020	1,073	1,200	18%
Miscellaneous / Recruitment	-	2,600	-	1,500	-42%
Professional Services / Legal	708,990	600,000	348,324	600,000	0%
Professional Services / Other Consultants	136	103,000	119,309	110,000	107%
Miscellaneous / Election Expense	-	-	641	320,000	0%
Programs / Regional Programs	-	-	-	40,000	0%
<b>DIVISION TOTAL</b>	<b>1,951,492</b>	<b>2,268,325</b>	<b>1,373,698</b>	<b>2,512,301</b>	<b>11%</b>



# Billing





## SERVICES WE PROVIDE

Billing is responsible for providing billing for water services, they coordinate the billing and receipting of approximately 20,000 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.

## PERSONNEL

- Accounting Specialist Lead           **1**
- Billing Specialist III                   **1**
- Billing Specialist II                   **1**
- Total Full-Time Staff                3**

## SIGNIFICANT CHANGES

- Reinstatement of late fees and shutdowns due to uplift of emergency order.

## FY 2021-22 ACCOMPLISHMENTS

- Evaluated & informed on the financial impact caused by the COVID-19 pandemic focusing on delinquent accounts.
- Enhance workflow to go paperless and email billing statements to customers.
- Took a customer friendly approach to COVID-19 effects by offering reasonable and flexible payment options.
- Developed Standard Operations Procedure manual to aid in the accuracy of Regular Billing task and Adjustments.



## FY 2022-23 GOALS & OBJECTIVES

- Work with Meter Division to implement Advanced Metering Infrastructure (AMI).
- Work with Water Quality and Cross Connections Division on a process to input Backflow serial numbers from Tokay system integration into the Tyler system and develop a report for monthly quality to checks.
- Implement shut-off procedures to ensure customers are educated and aware of the lifting of the emergency order.
- 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
Provide monthly water audit data to General Services	12	12
Processes all customer billing adjustments	<20 days	15
Finalize implementation of Tyler Utility Billing delinquency process	100%	N/A*
Maintain Assessor's Parcel Number (APN) rejection rate of 2% or less	100%	100%

## DIVISION BUDGET DETAIL

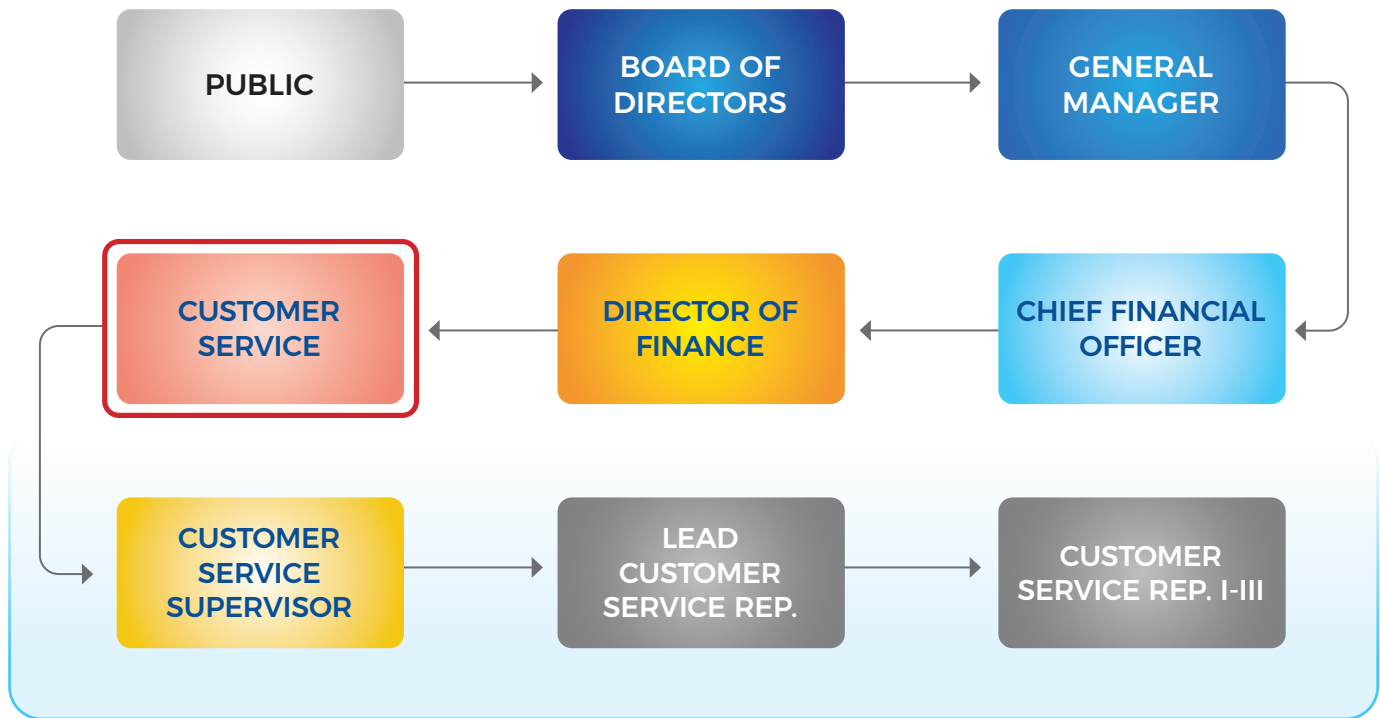
BILLING	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	156,292	211,000	155,801	227,500	8%
Salaries & Wages / Overtime	2,355	5,000	322	3,000	-40%
Salaries & Wages / Bilingual Compensation	652	1,300	765	1,300	0%
Benefits	107,853	120,300	97,360	123,800	3%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	1,344	3,000	250	4,000	33%
Professional Services / Other Consultants	-	500	-	500	0%
Operating Supplies / Uniforms	-	600	504	600	0%
Operating Supplies / Miscellaneous	762	1,000	300	1,000	0%
Outside Labor / Contractors/Printing	34,798	36,000	24,677	42,000	17%
Communication Services / Postage & Shipping	104,015	120,000	80,343	132,000	10%
Miscellaneous / Trans/Meals/Lodging	85	1,000	597	2,000	100%
<b>DIVISION TOTAL</b>	<b>408,155</b>	<b>499,700</b>	<b>360,918</b>	<b>537,700</b>	<b>8%</b>





# Customer Service





## SERVICES WE PROVIDE

The Customer Service Department handles approximately 23,000 accounts. Customer Service provides assistance with payments, opening or closing accounts, account information, water consumption and more.

## PERSONNEL

- Customer Service Supervisor 1
- Customer Service Lead 1
- Customer Service Representative III 1
- Customer Service Representative II 1
- Customer Service Representative I 5
- Total Full-Time Staff 9**

## SIGNIFICANT CHANGES

- Re-opening of the District's customer service lobby.

## FY 2021-22 ACCOMPLISHMENTS

- Hired three new employees to fully staff division.
- Scanned 45% of all customer water service applications and uploaded them in Tyler Content Manager (TCM).
- Converted PayNearMe barcode to QR code and added credit card payment as a payment option.
- Received Covid-19 financial aid relief from State Water Resources Control Board. The District applied 1,263 payments in the amount of \$684,086.22.
- Started using form letters in Tyler to send Welcome Letters, Property Owner Notification, and Bill Pay Account Repair.

## FY 2022-23 GOALS & OBJECTIVES

- Provide field training by the Meter department for all customer service staff.
- Find new alternatives for the Call Center to operate the system on premise or virtual machine.
- Scan all customer water service applications and upload them in Tyler Content Manager (TCM).
- Develop an online water service application process.
- Create a process on how to monitor and utilize call center recordings.
- Reduce the number of Bill Pay Repair to 5% per month

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 Results
Average Wait Time - Goal 3 minutes or less	<3	<3
Average Abandon Rate - Goal 5% or less	5%	5%
Cash Drawer Variance - no more than 2 per CSR	<=2	*
Provide monthly reports to General Manager	12	12
Number of customer service training hours per employee	12	12

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

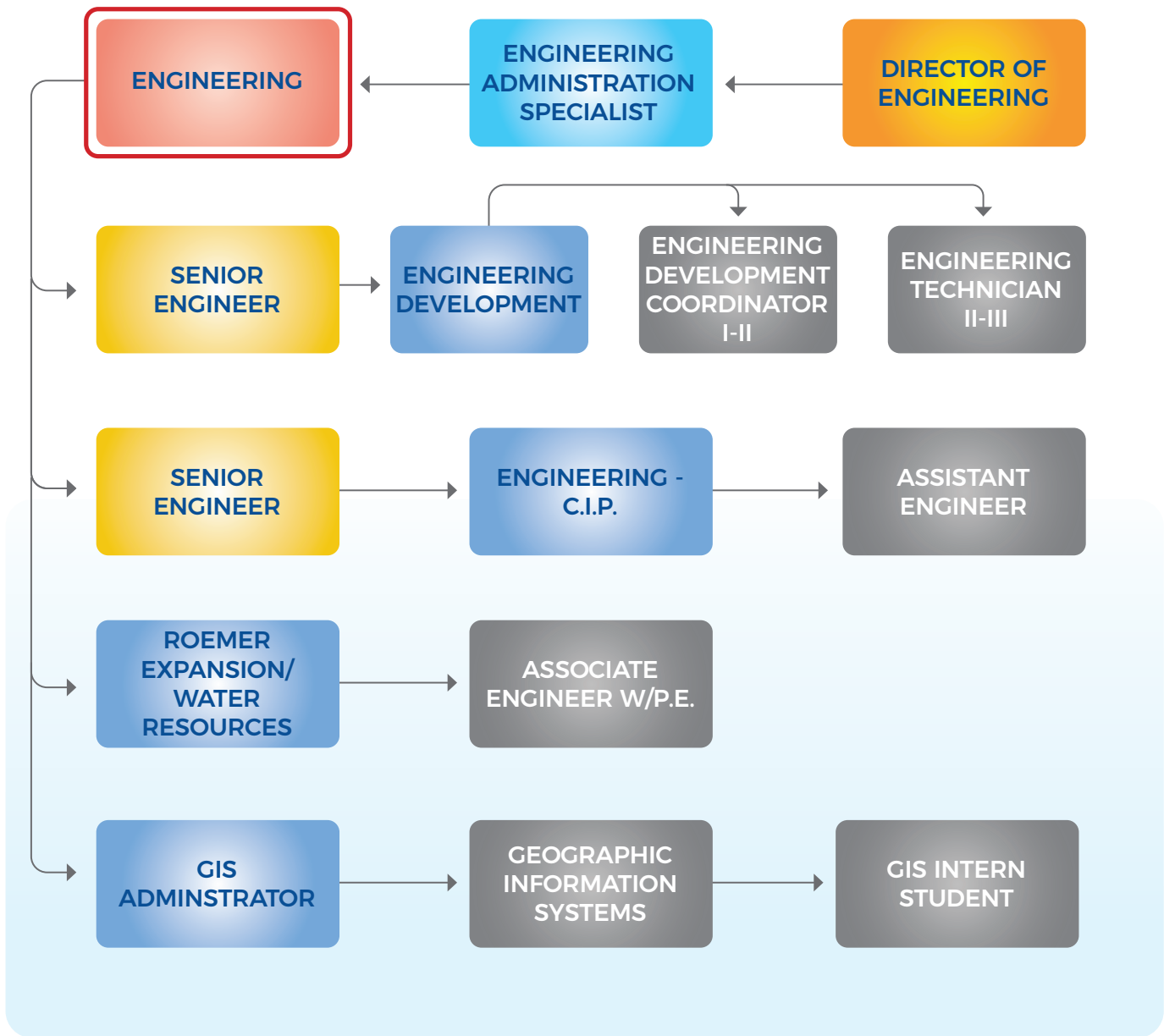
## DIVISION BUDGET DETAIL

CUSTOMER SERVICE	FY 2020-21	FY 2022-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	461,529	543,300	374,831	563,300	4%
Salaries & Wages / Overtime	4,129	10,000	7,532	10,000	0%
Salaries & Wages / On Call	-	-	-	-	0%
Salaries & Wages / Bilingual Compensation	1,311	1,300	1,180	2,000	54%
Benefits	293,159	321,400	236,012	341,400	6%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	137	5,000	295	3,000	-40%
Professional Services / Armored Transport	5,522	6,400	2,046	7,500	17%
Professional Services / Other Consultants	276	-	-	-	0%
Operating Supplies / Uniforms	-	1,000	847	1,000	0%
Operating Supplies / Miscellaneous	393	1,400	762	1,400	0%
Equipment	-	3,500	1,501	2,600	-26%
Outside Labor / Contractors/Labor & Contractors	116,304	160,900	83,934	160,900	0%
Miscellaneous / Bank Card Expense	250,736	180,000	170,109	230,000	28%
Miscellaneous / Trans/Meals/Lodging	-	500	-	500	0%
<b>DIVISION TOTAL</b>	<b>1,133,496</b>	<b>1,234,700</b>	<b>879,050</b>	<b>1,323,600</b>	<b>7%</b>



# 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.



## PERSONNEL

• Director of Engineering	1
• Senior Engineer	2
• Associate Engineer	1
• Development Coordinator II	1
• Development Coordinator I	1
• Assistant Engineer	1
• Engineering Technician III	1
• Engineering Technician II	1
• Engineering Administration Specialist	1
<b>Total Full-Time Staff</b>	<b>10</b>

## SIGNIFICANT CHANGES

- No significant changes.

## FY 2021-22 ACCOMPLISHMENTS

- Installed Emergency Generator and ancillary equipment for Pump Station 6-2.
- Completed construction of the Santa Ana Avenue Transmission Main Phase I Project.
- Designed and constructed the Well 18A Blending Plan pipeline and facilities.
- Identified facilities required to support upcoming development for the 5-year Capital Improvement Program.
- Explored new water supply projects and options to ensure a reliable water supply for the future.
- Participated in the formulation of a Basin Management Plan for the Rialto Basin Groundwater Council.

## FY 2022-23 GOALS & OBJECTIVES

- Utilize the District's Water Facilities Master Plan to identify facilities associated with new development projects.
- The Master Plan is updated every five (5) years and record keeping of additional improvements shall be noted.
- Analyze subdivision projects or main extension improvements to determine if District funding will be required for the fiscal year.
- Continue to be involved with community wide planning efforts to analyze availability of water for future growth.
- Implement the District's 5-year Capital Improvement Program to address rehabilitation and maintenance needs.
- 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
Design and construct water distribution/transmission pipeline in linear feet	7,200	25,608
Initiate fully funded Engineering CIP projects for current fiscal year	100%	100%
Issue capacity charges cost estimates in <2 days	100%	100%
Complete development infrastructure plan reviews in <14 days	100%	100%

## DIVISION BUDGET DETAIL

ENGINEERING	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	724,369	1,114,300	781,324	1,200,400	8%
Salaries & Wages / Part Time	-	-	-	-	0%
Salaries & Wages / Overtime	2,981	5,000	-	3,000	-40%
Salaries & Wages / On Call	-	-	-	-	0%
Salaries & Wages / Bilingual Compensation	1,200	1,300	1,705	2,600	100%
Benefits	418,030	501,100	349,360	501,000	0%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	2,117	6,685	1,273	13,520	102%
Miscellaneous / Subscriptions & Membership	-	-	-	1,200	0%
Operating Supplies / Uniforms	1,792	2,500	579	2,500	0%
Miscellaneous / Trans/Meals/Lodging	-	-	-	500	0%
Repair & Maintenance / Office Equipment	378	2,000	478	1,000	-50%
Professional Services / Engineering	-	-	-	-	0%
Professional Services / Other Consultants	74,039	55,000	7,688	65,000	18%
<b>DIVISION TOTAL</b>	<b>1,225,006</b>	<b>1,688,985</b>	<b>1,143,536</b>	<b>1,793,120</b>	<b>6%</b>



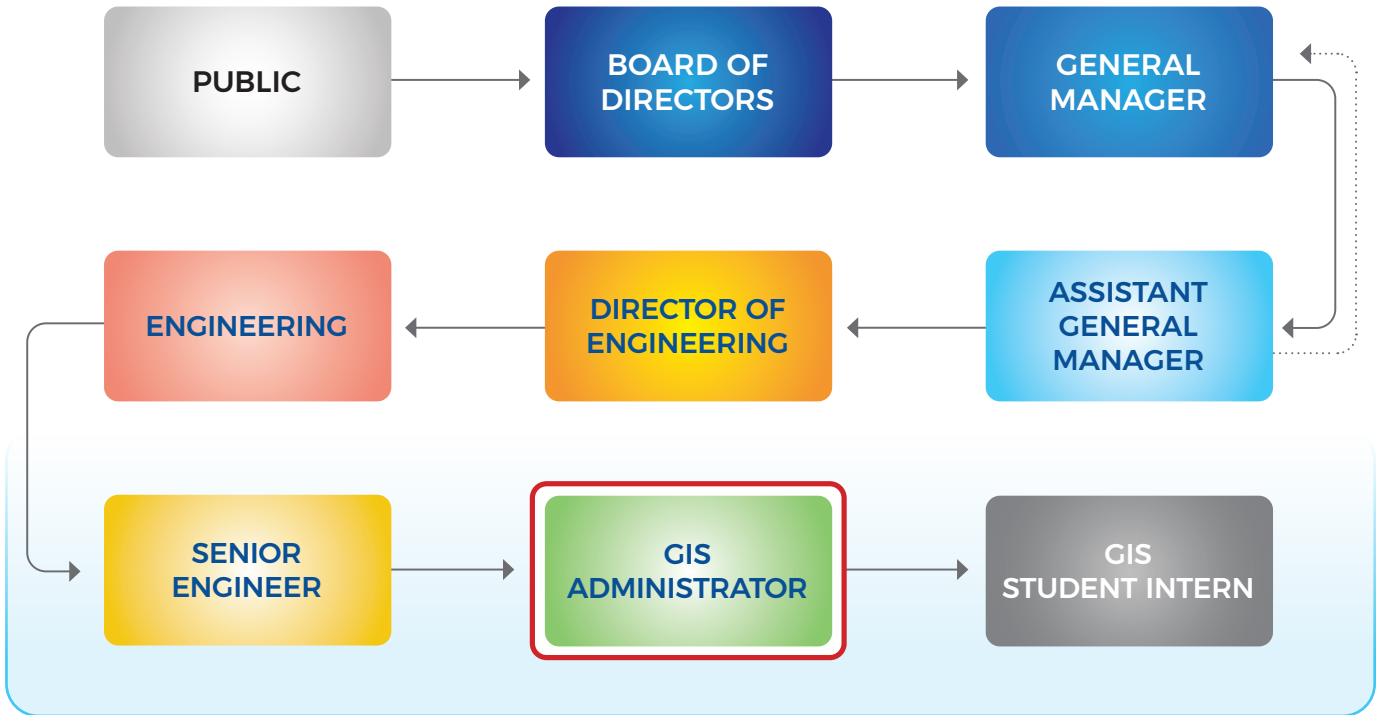
THIS PAGE LEFT BLANK  
**INTENTIONALLY**



GEOGRAPHIC

# Information Systems





## 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.

## PERSONNEL

- *Geographic Information Systems Administrator* **1**
- Total Full-Time Staff** **1**

## SIGNIFICANT CHANGES

- *No significant changes*

## FY 2021-22 ACCOMPLISHMENTS

- *GIS server and GIS system upgrades were implemented*
- *GIS and Tyler Incode Billing System integration was executed*
- *All new CIP and DIP projects were edited in GIS and shared through GIS Viewer application.*
- *A survey grade high accuracy GPS device was acquired and integrated with the District’s ArcGIS Online account. Crew members were trained on data collection.*
- *Digital Atlas maps were created and shared with GIS users.*

## FY 2022-23 GOALS & OBJECTIVES

- Develop a Portal on premises to increase system security and speed instead of relying on the cloud storage space that was provided by ESRI.
- Develop strategies to create awareness about new customer-oriented 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). Promote these applications on the district's website which will allow for customer engagement and input.
- Develop strategies to increase GIS mobile tools use, such as GIS Viewer Application and Redlining Tool, for communication. Promote new field applications, such as Valve Exercising, Hydrant Flushing, Water Leaks, Customer Complaints, and Well Flushing to be used during field implementations by field crews.
- Develop strategies to increase the communication between the Field Operations and the GIS processes to improve the data workflow among departments.
- Continue training field crews and office staff on GIS technologies to increase efficiency and effectiveness.
- Develop a new platform on the district's website to allow downloadable atlas maps for our developers and project partners.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Main Line Installation Year Information in GIS	80%	85%
Main Line Material Type Information in GIS	80%	85%
Lateral Line Installation Year in GIS	80%	90%
Lateral Line Material Type in GIS	80%	90%

## DIVISION BUDGET DETAIL

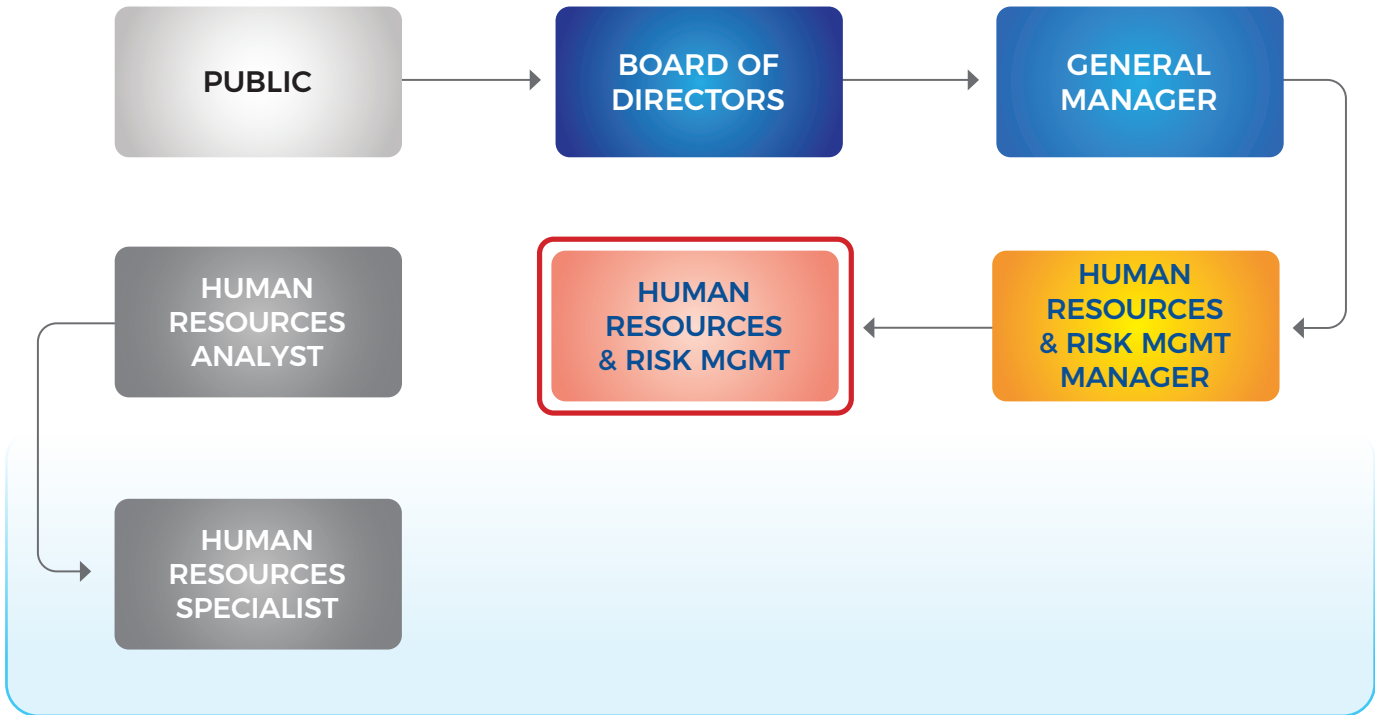
GIS DEPARTMENT	FY 2020-21 Actuals	FY 2021-22 Budget	YTD Actual As of 5/3/22	FY 2022-23 Proposed	% Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	66,341	100,700	83,789	110,900	10%
Salaries & Wages / Part Time	587	40,000	-	40,000	0%
Salaries & Wages / Overtime	89	-	-	-	0%
Benefits	39,671	40,100	31,428	41,900	4%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	2,189	3,750	-	3,281	-13%
Miscellaneous / Trans/Meals/Lodging	-	-	-	1,750	0%
Miscellaneous / Computer Supplies & Maint	25,000	48,000	45,306	42,500	-11%
Professional Services / Programmer	25,350	20,000	7,800	45,500	128%
<b>DIVISION TOTAL</b>	<b>159,226</b>	<b>252,550</b>	<b>168,322</b>	<b>285,830</b>	<b>13%</b>





# 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.

## PERSONNEL

- Human Resources & Risk Management Manager **1**
- Human Resources Analyst **1**
- Human Resources Specialist **1**
- Total Full-Time Staff **3****

## SIGNIFICANT CHANGES

- The position of Director of Human Resources & Risk Management was removed, and the position of Human Resources & Risk Management Manager added.

## FY 2021-22 ACCOMPLISHMENTS

- Fully integrated/implemented NEOGOV Onboarding System to allow all newly hired employees a seamless and paperless onboarding process, which is fully functional from beginning to end of the onboarding process.
- Presented updated/revised Personnel Policies and Procedures which were approved and adopted by the Board of Directors on July 1, 2022.

- Throughout the fiscal year management received training that focused on Covid-19 new norms in the workplace, performance evaluations, handling disciplinary matters, leave designation (i.e., FMLA, CFRA, PDL etc., reasonable suspicion drug and alcohol testing training, defensive driving as well as all other essential training.
- Received the President's Special Recognition Award from the ACWA JPIA for establishing a loss ratio of 20% or less in liability and property programs (reduction of claims).
- Launched the IEWorks intership program – three participants successfully completed the program of which two have been hired as permanent employees.
- Operations staff received required OSHA required training in Rigging, NCCO Crane, Traffic Safety/Flaggger and Confined Space Entry/Trench.
- Conducting a comprehensive classification and compensation study that will be completed by the end of the calendar year (2022). The study will provide critical information to assist in the District's effort to maximize efficiencies and understand the operation of each department.
- Successfully launched and established a Wellness Program for employees to participate and engage activities geared towards a healthier lifestyle.

## FY 2022-23 GOALS & OBJECTIVES

- Continue to development positive employee relations, implement risk reduction strategies, benchmark best practices, and prioritize corrective measures.
- As the District evaluates the needs of its workforce HR will collaborate and effectively organize strategies in identifying proficiencies, explain values, assess current and future needs, and create an incremental, systematic reorganization to the table of organization to ensure the needs of the organization are met for long term stability. This includes succession planning.
- Throughout the fiscal year, HR will continue training management. Training will focus on dealing with difficult conversations, preparing for performance evaluations, handling disciplinary matters, leave designation (i.e., FMLA, CFRA, PDL etc....), AB 1825 sexual harassment, as well as all other necessary training.
- Implement a new performance evaluation process through NEOGOV to streamline the process and ensure staff receives timely evaluations. The addition of this platform will complete the application process which includes recruitments, onboarding, and performance evaluations.
- Cultivate strong working relationships with all Departments to enable us to establish the organization's mission, vision, goals, and objectives collectively.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Percentage of annual non-retirement employee turnover	<6%	10%
Annual performance appraisals completed in a timely manner	95%	24%
New Hires	5	14
Promotions	5	6
Recruitments	10	19
Average time to hire - total days	45	65

## DIVISION BUDGET DETAIL

HUMAN RESOURCES	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/21	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	362,450	391,200	307,873	383,900	-2%
Salaries & Wages / Overtime	3,557	7,500	361	3,000	-60%
Salaries & Wages / Bilingual Compensation	895	1,300	1,030	1,300	0%
Salaries & Wages / Vehicle Allowance	160	-	3,840	4,800	0%
Benefits	158,997	176,500	144,372	172,800	-2%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	16,910	64,580	45,594	58,830	-9%
Miscellaneous / Trans/Meals/Lodging	397	3,200	2,549	5,200	63%
Operating Supplies / Recognition Supply	24,859	39,200	13,082	39,200	0%
Operating Supplies / Safety	11,863	7,650	6,163	7,650	0%
Operating Supplies / Miscellaneous	5,460	10,200	211	9,600	-6%
Miscellaneous / Dues & Subscriptions	9,812	14,050	5,854	14,050	0%
Miscellaneous / Recruitment	33,053	25,250	16,723	23,250	-8%
Miscellaneous / Employee Wellness Program	8,374	16,000	8,994	16,000	0%
Professional Services / Legal	7,559	40,000	12,088	40,000	0%
Professional Services / Other Consultants	61,991	225,000	39,855	185,000	-18%
<b>DIVISION TOTAL</b>	<b>706,336</b>	<b>1,021,630</b>	<b>603,580</b>	<b>964,580</b>	<b>-6%</b>



THIS PAGE LEFT BLANK  
**INTENTIONALLY**

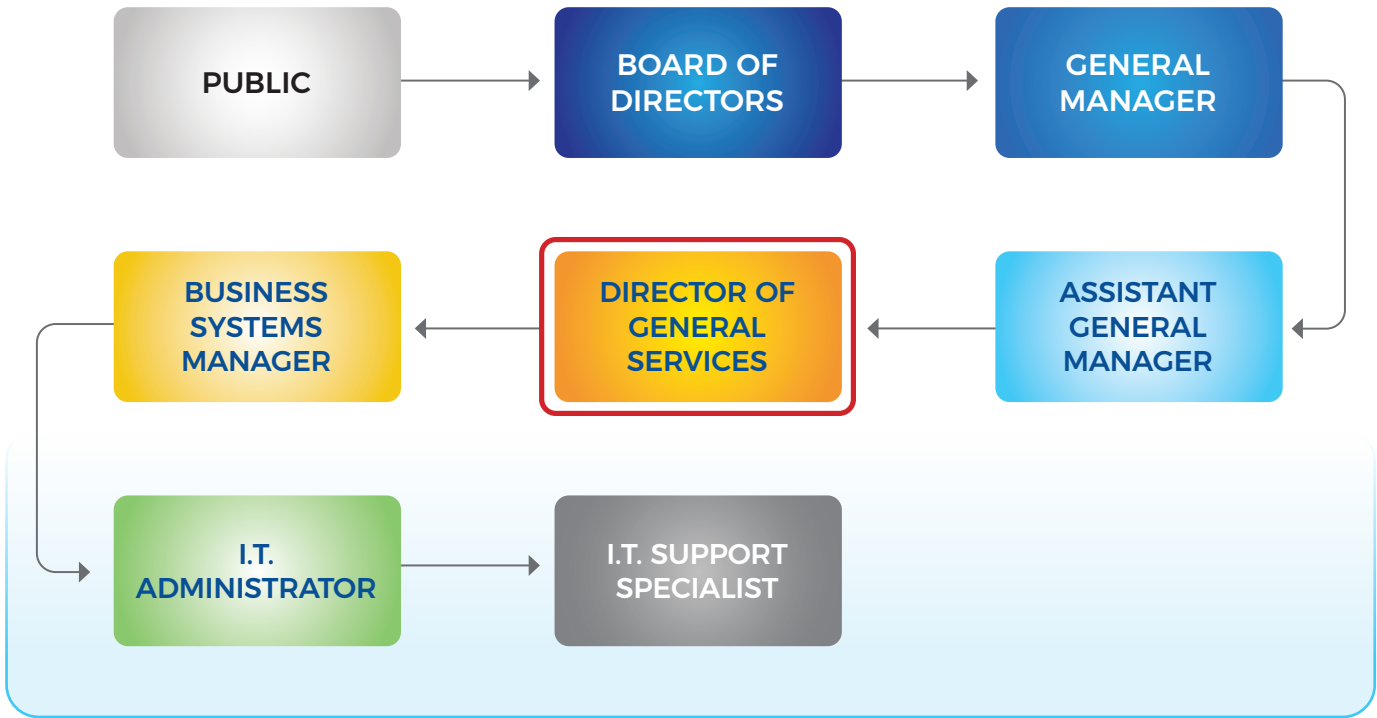




INFORMATION

# 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.

## PERSONNEL

- Director of General Services 1
- Business Systems Manager 1
- Information Technology Administrator 1
- Information Technology Support Specialist 1
- Total Full-Time Staff 4**

## SIGNIFICANT CHANGES

- The Geographic Information System (GIS) Division was moved under the supervision of the Engineering Division.

## FY 2021-22 ACCOMPLISHMENTS

- Completed a project to expand the District's Access Control System.
- Completed a project to upgrade the Board room audio visual system, enabling the District to increase transparency and accessibility for public meetings by streaming the Board meetings to multiple sources, such as Zoom, YouTube Live, and Facebook Live.
- Completed a project to implement Office 365.
- Implemented an IT Support ticketing system to streamline the process for initiating, tracking, and analyzing support calls.

- Conducted cybersecurity awareness trainings for all staff.
- Completed multiple risk and resilience assessments in compliance with federal regulations.

## FY 2022-23 GOALS & OBJECTIVES

- Work with Operations staff to develop and implement a video security surveillance system to meet the District's needs.
- Work with Operations and Finance staff to implement an Advance Metering Infrastructure, (AMI), System for meter reading and billing.
- Work with the Governmental and Legislative Affairs staff to complete the project to redesign the District's website.
- Upgrade and replace the District's firewall and router to ensure highly secure access to data and network resources.
- Upgrade and replace the District's backup system to protect, manage, and recover data.
- Upgrade and replace one of the VMWare hosts in the District's virtual server environment to support the District's core business systems.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Maximize system availability	99%	99.5%
Increase Cybersecurity awareness by providing quarterly training topics	4	4
Complete disaster recovery drill (system restoration, power outages, emergency	1	1

## DIVISION BUDGET DETAIL

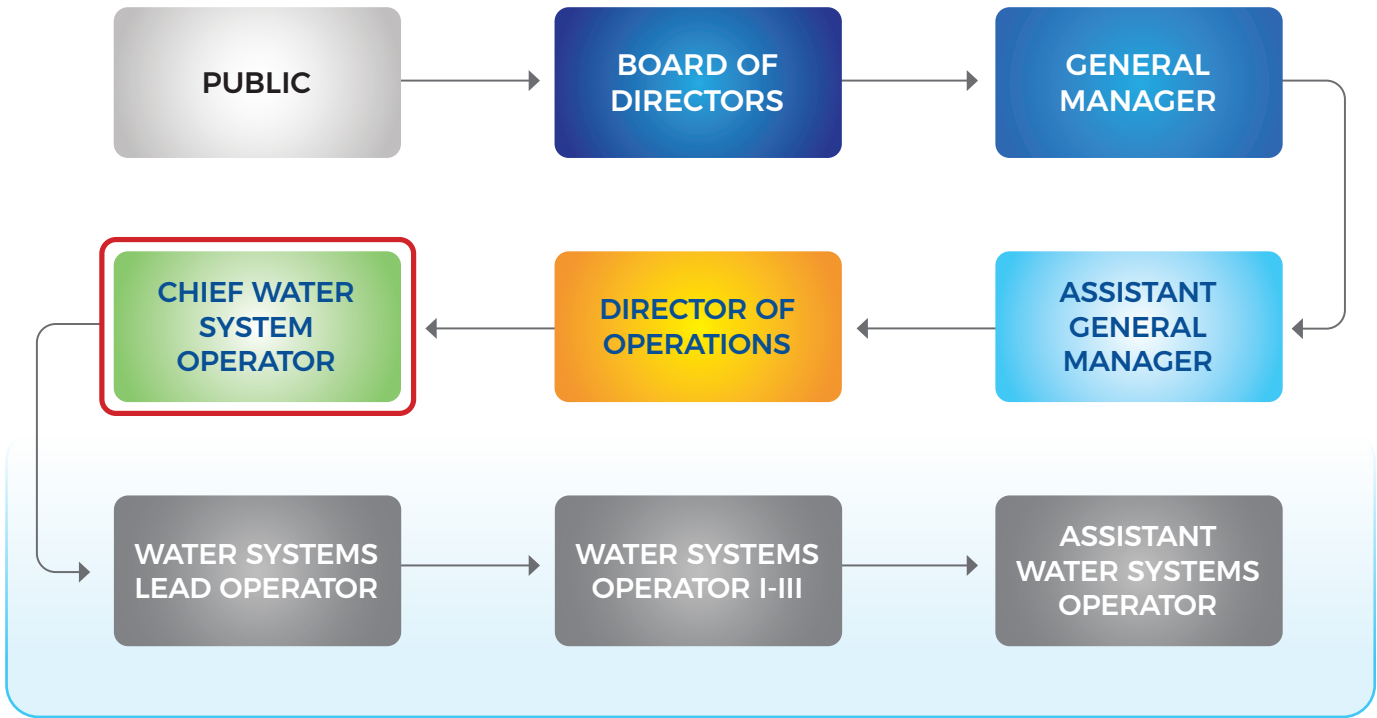
IINFORMATION TECHNOLOGY	FY 2020-21 Actuals	FY 2021-22 Budget	YTD Actual As of 5/3/22	FY 2022-23 Proposed	% Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	531,480	577,100	421,695	615,100	7%
Salaries & Wages / Overtime	9,127	10,000	12,962	10,000	0%
Benefits	254,728	251,900	187,249	247,249	-2%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	1,899	4,000	-	2,400	-40%
Miscellaneous / Trans/Meals/Lodging	130	280	170	380	36%
Miscellaneous / Trans/Meals/Lodging	-	-	-	130	0%
Miscellaneous / High Speed Internet Ser	66,064	69,400	52,240	115,400	66%
Miscellaneous / High Speed Internet Ser	19,508	21,050	16,661	29,100	38%
Professional Services / Programmer	8,046	26,000	1,720	34,620	33%
Repair & Maintenance / Contracts And Licensing	246,569	252,445	156,969	314,700	25%
<b>DIVISION TOTAL</b>	<b>1,137,552</b>	<b>1,212,175</b>	<b>849,667</b>	<b>1,369,630</b>	<b>13%</b>





# 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.

## PERSONNEL

- Chief Water Systems Operator **1**
- Lead Water Systems Operator **1**
- Water Systems Operator II **3**
- Water Systems Operator I **1**
- Assistant Water Systems Operator **1**
- Total Full-Time Staff **7****

## SIGNIFICANT CHANGES

- No significant changes.

## FY 2021-22 ACCOMPLISHMENTS

- Monitored performance and addressed customer questions of AMI meters installed as a part of the AMI meter project.

## FY 2022-23 GOALS & OBJECTIVES

- Continue to progress on migrating to the AMI system which includes setting up the data collection hardware on the existing towers and updating the existing radios (MXU's) in the District.
- Proceed with the large meter vault lid retrofit project.
- Testing of large meters 3" and larger and replace as needed.
- Continue with the meter replacement project.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Number of employees trained on the AMI project	7	10
Inspection program developed for facilities in AMI areas that are no longer read manually	1	1
Annual report on small meter testing	1	1
Number of large meters tested for accuracy	75%	75%

## DIVISION BUDGET DETAIL

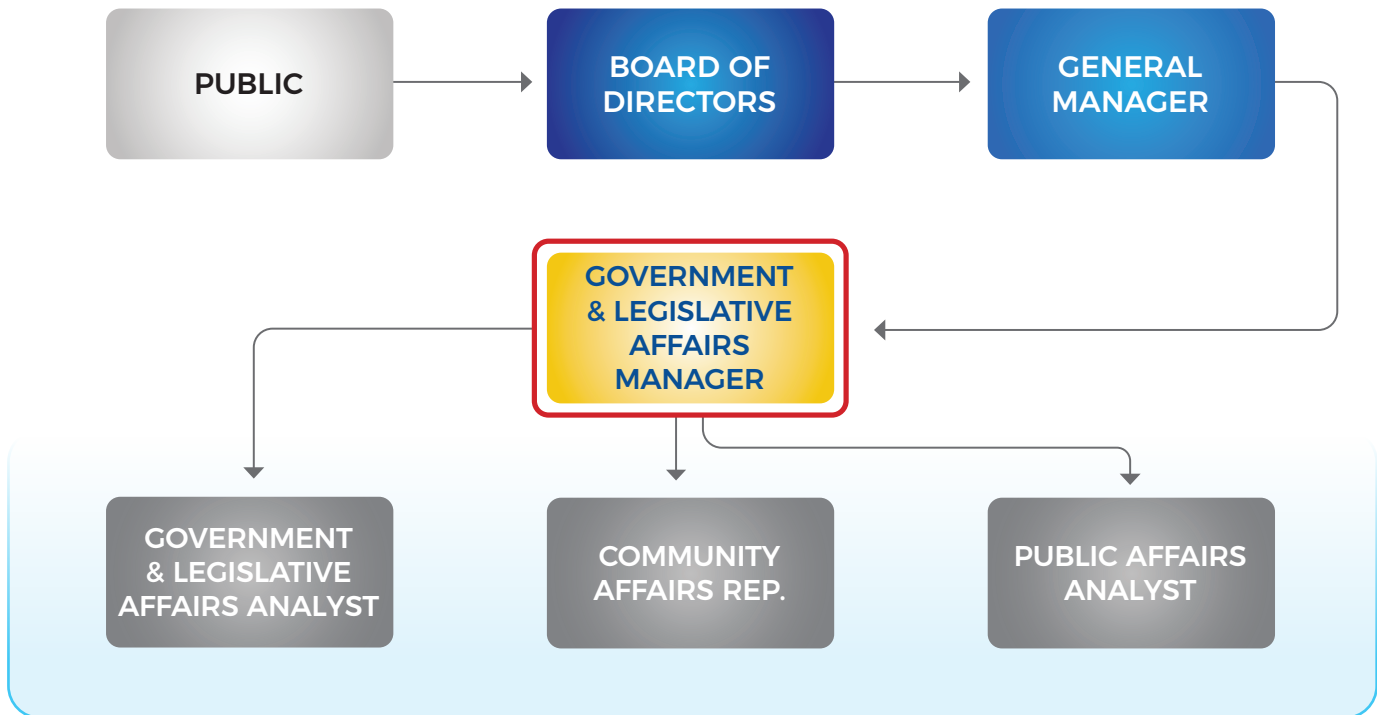
METER READING	FY 2019-20	FY 2020-21	YTD Actual	FY 2021-22	%
	Actuals	Budget	As of 3/7/21	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	449,547	486,000	352,223	525,800	8%
Salaries & Wages / Overtime	15,067	15,000	12,488	15,000	0%
Salaries & Wages / On Call	9,057	5,000	5,702	7,500	50%
Salaries & Wages / Bilingual Compensation	652	700.00	340	-	-100%
Labor / Class A Drivers License	652	700.00	340	-	0%
Benefits	246,817	245,100	189,019	282,000	15%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	549	1,800	312	1,800	0%
Operating Supplies / Uniforms	4,066	4,400	1,567	4,400	0%
Operating Supplies / Shop Supplies	6,176	4,400	5,611	6,000	0%
Repair & Maintenance / Meters & AMR's	308,020	260,000	209,306	290,000	12%
Miscellaneous / Trans/Meals/Loding	-	-	-	2,000	0%
Miscellaneous / AMR Mtr Replacemnt Prgram	18,695	15,000	-	20,000	33%
<b>DIVISION TOTAL</b>	<b>1,059,298</b>	<b>1,039,700</b>	<b>776,868</b>	<b>1,154,500</b>	<b>11%</b>





# 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.

## PERSONNEL

- Government & Legislative Affairs Manager 1
- Government & Legislative Affairs Analyst 1
- Community Affairs Representative 1
- Public Affairs Analyst 1
- Total Full-Time Staff 4**

## SIGNIFICANT CHANGES

- Position Director of Government & Legislative Affairs was removed, and position of Government & Legislative Affairs Manager was added.

## FY 2021-22 ACCOMPLISHMENTS

- Secured \$2 million in Federal Funding from Congresswoman Norma Torres for the Bloomington Alleyway Project
- “We are West Valley Water District”, a video created to inform ratepayers about district priorities and accountability measures, won an Emmy in the Informational/Instructional Program category.
- Held inaugural Leadership Roundtable to welcomed federal, state and local representatives to learn of the investments WVWD is making in water infrastructure.
- Celebrated Earth Day by providing fun and educational content to help educate students about water conservation.

## FY 2022-23 GOALS & OBJECTIVES

- Continue to enhance the district's image through communication methods.
  - Implement a uniformed branding guideline for internal and external use.
  - Develop District videos showcasing the districts programs, operations, and rebates.
  - Updating District images to reflect current staff and new infrastructure improvements.
  - Increase messaging on social media and bill inserts.
- Host 8 landscape workshops (4 in English/4 in Spanish).
- Host in person Oliver P. Roemer Tour for the community.
- Increase Outreach Communication to Customers regarding West Valley Water District Programs and Rebates by creating a campaign to educate ratepayers.
  - Develop digital and other educational material to provide ratepayers with conservation resources and workshops.
- Host Earth Day 2023 at West Valley Water District Headquarters, showcase WVWD service and invite community partners to join.
- Increase communication with other departments
  - Collaborate with other departments to share information on shutdowns, leak repairs, and other project updates.
  - Work with the Customer Service Department to update marketing materials including Welcome Packet, Rebate Forms, Turf Replacement and Conservation Boxes
  - Work with I.T. Department to complete the website redesign
- Continue to develop relationships with member agencies and regional partners
  - Actively engage in workgroups and opportunities that will strengthen our voice in the region.
  - Engage with local school districts (Rialto, Fontana, Colton) to provide students with educational resources regarding water conservation.
- Continue to build relationships with policymakers, stakeholders, and regulators
  - Adopt legislative principles that will guide our agency to provide input in important legislative matters affecting our ratepayers.
  - Organize a tour for public officials who represent West Valley Water District to better know the district.
- Monitor grant funding opportunities and pursue grant opportunities with WVWD lobbyist that will benefit ratepayers.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Meet SWRCB conservation goal	Yes	Yes
Water workshops	6	6
Identify water and infrastructure bills and submit letters of support/opposition	5	8
Attend community events monthly and Earth Day celebration	13	13

## DIVISION BUDGET DETAIL

PUBLIC AFFAIRS	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	313,715	437,000	256,653	449,800	3%
Salaries & Wages / Overtime	7,001	14,000	4,609	14,000	0%
Salaries & Wages / Bilingual Compensation	-	-	175	700	0%
Benefits	134,047	179,500	78,584	182,200	2%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	17,038	9,196	4,235	9,272	1%
Operating Supplies / Uniforms	5,818	4,000	2,800	2,000	-50%
Postage & Shipping	16,703	12,000	5,436	19,500	63%
Miscellaneous / Printing	41,803	42,000	27,163	51,000	21%
Miscellaneous / Trans/Meals/Lodging	844	20,500	18,738	25,000	22%
Miscellaneous / Dues & Subscriptions	6,175	6,440	6,154	11,440	78%
Professional Services / Other Consultants	289,955	433,000	256,633	494,000	14%
Outside Labor / Contractors/Labor & Contractors	-	-	-	-	0%
Sponsorships	1,560	20,000	16,535	25,000	0%
Outreach Programs	42,263	42,500	17,324	75,500	178%
Education Programs / Supplies	-	-	-	3,500	0%
<b>DIVISION TOTAL</b>	<b>876,923</b>	<b>1,220,136</b>	<b>695,119</b>	<b>1,362,912</b>	<b>12%</b>

## GRANTS & REBATES

Grants & Rebates was established to track conservation rebate program costs and any grant matching requirement costs (typically reimbursable costs) for water conservation and turf replacement projects.

GRANTS & REBATES	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/23	Proposed	Change
<b>OPERATING EXPENSES:</b>					
Professional Services / Other Consultants				20,000	0%
Programs / Rebate	13,319	20,500	6,815	60,000	193%
Programs / Grants					0%
<b>DIVISION TOTAL</b>	<b>13,319</b>	<b>20,500</b>	<b>6,815</b>	<b>80,000</b>	<b>290%</b>



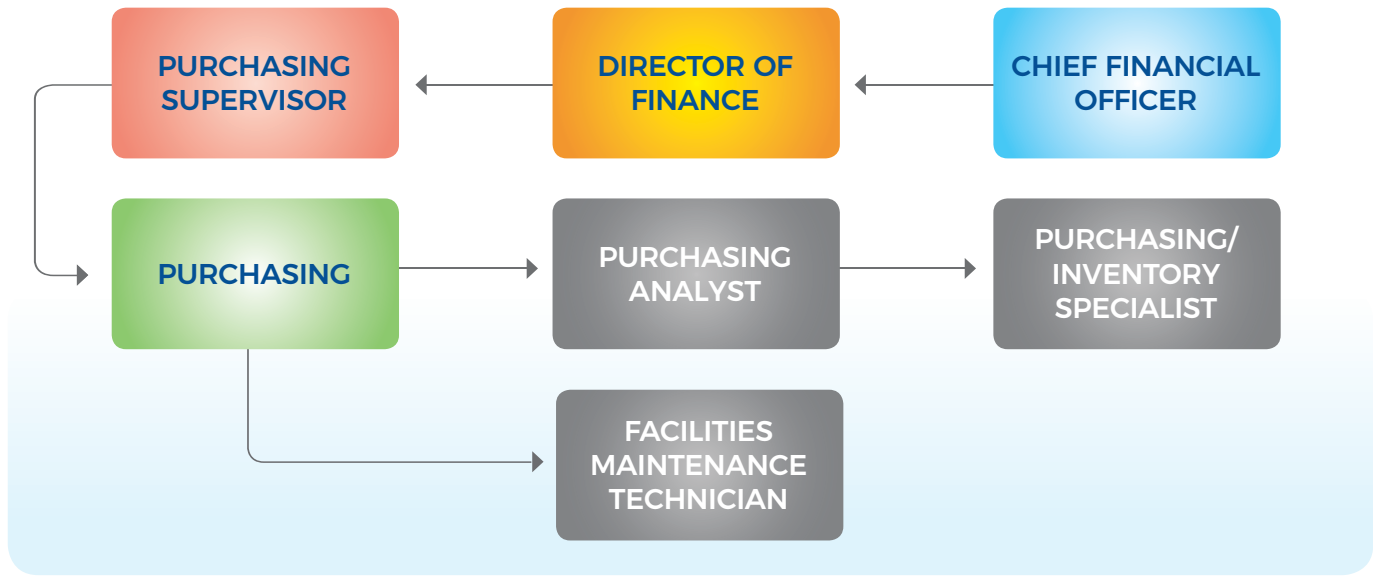
THIS PAGE LEFT BLANK  
**INTENTIONALLY**





# 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.

## PERSONNEL

- |                                     |          |
|-------------------------------------|----------|
| • Purchasing Supervisor             | 1        |
| • Purchasing Analyst                | 1        |
| • Purchasing/Inventory Specialist I | 2        |
| • Facilities Maintenance Technician | 1        |
| <b>Total Full-Time Staff</b>        | <b>5</b> |

## SIGNIFICANT CHANGES

- No significant changes.

## FY 2021-22 ACCOMPLISHMENTS

- Completed all training and fully implemented the Inventory Module in Tyler InCode to assure better control of the parts room to ensure there is always supplies for our Field Staff to perform repairs in our system and minimize losses.
- Developed and created an Inventory Policy complimenting the implementation of the Inventory Module to help provide staff direction and assistance in maintaining the District's Inventory.
- Developed and created a 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.
- Counted and documented all Surplus items including obsolete computers, damaged furniture, broken printers and phones. Surplus items were presented and approved by the Board of Directors to be properly disposed of.

- Created 6 main written procedures manuals for daily Purchasing functions to better help staff perform their daily functions and help in cross training of the Department.
- Submitted Monthly Purchase Order Reports and Monthly Board Reports for increased transparency and accountability.

## FY 2022-23 GOALS & OBJECTIVES

- Replace two to three aging and high mileage fleet vehicles to reduce maintenance repair costs, improve efficiency and increase safety for Field Staff.
- Improve Cross Training among the Purchasing Team to always provide continuous and efficient support to other Departments at the District.
- Seek ways to improve the District's Facilities through Sustainability and Environmentally Friendly projects and present suggestions to Executive Management for consideration.
- Maintain Contracts and Certificates of Insurance updated with software to ensure compliance and reduce liability to the District.
- Generate a cost savings report in areas such office supplies and copier maintenance to demonstrate measures taken in reducing these expenses over the last several years.
- Increase training opportunities lost due to COVID-19 pandemic to further strengthen our knowledge and networking with other Agencies.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Days to complete District's First AEP award after fiscal year end	180 days	90 days
Develop and create inventory policy after implementation	90 days	60 days
Submit Purchase Order Report every 2nd board meeting of the month	12	12
Maintain inventory shrinkage at an acceptable minimum	Under \$20k	\$3K

## DIVISION BUDGET DETAIL

PURCHASING	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	402,620	353,500	274,549	427,549	21%
Salaries & Wages / Overtime	2,546	3,000	977	3,000	0%
Salaries & Wages / Class A Drivers License	652	700	515	700	0%
Salaries & Wages / Bilingual Compensation	652	700	515	700	0%
Benefits	211,811	175,200	144,452	226,200	29%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	2,165	2,000	260	3,000	50%
Operating Supplies / Uniforms	1,365	1,600	1,319	1,600	0%
Miscellaneous / Trans/Meals/Lodging	-	1,200	559	2,200	83%
Operating Supplies / Miscellaneous	-	1,500	-	1,000	-33%
Miscellaneous / Dues & Subscriptions	2,342	2,000	1,638	1,500	-25%
<b>DIVISION TOTAL</b>	<b>624,172</b>	<b>541,400</b>	<b>424,783</b>	<b>667,300</b>	<b>23%</b>

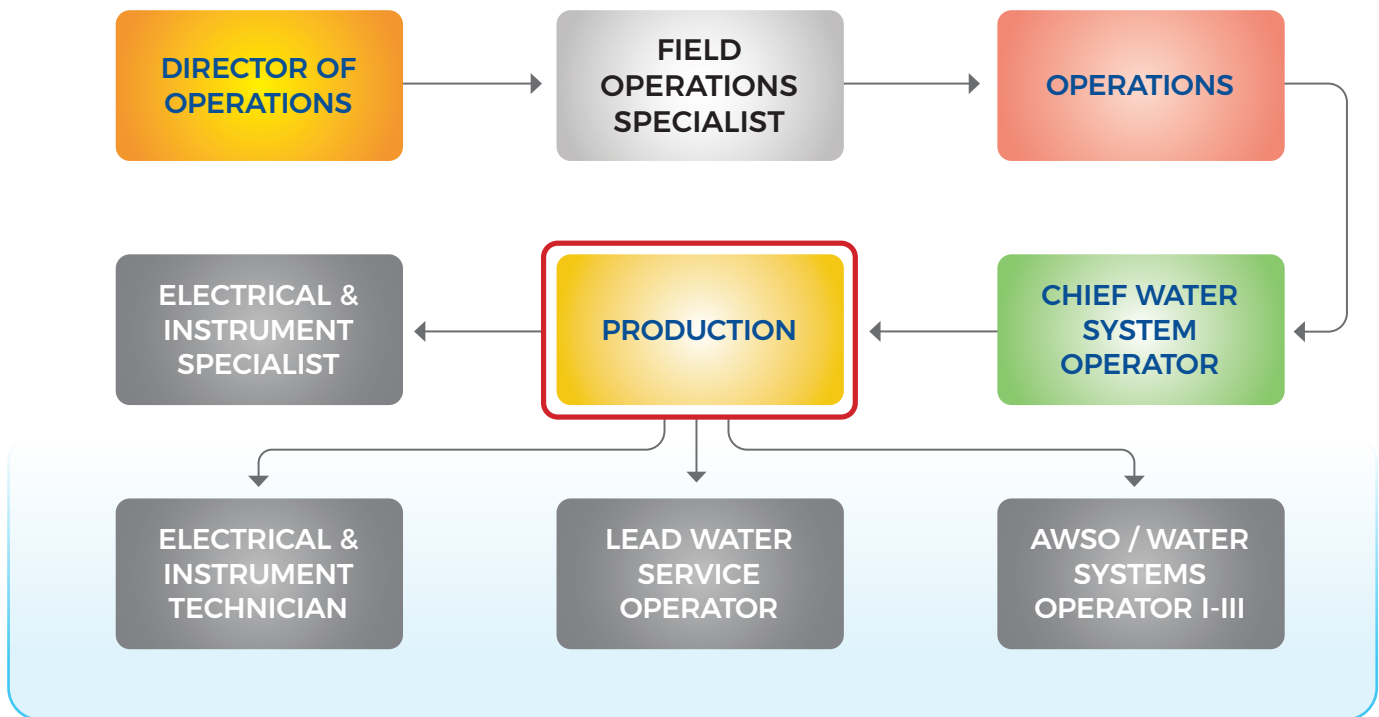




SOURCE OF SUPPLY &

# 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.

## PERSONNEL

- Director of Operations 1
- Chief Water System Operator 1
- Electrical & Instrument Specialist 2
- Electrical & Instrument Technician 1
- Field Operations Specialist II 1
- Water Systems Operator II 1
- Water Systems Operator I 2
- Total Full-Time Staff 9**

## SIGNIFICANT CHANGES

- The addition of Well 41 producing and delivering water to the distribution system in Zone 2.

## FY 2021-22 ACCOMPLISHMENTS

- Multiple successful emergency generator deployments during Public Safety Power Shutoff events.
- Responded to numerous electrical emergencies for troubleshooting and repair, such as the diagnosis and replacement of the malfunctioned electrical components at the Hydrogeneration Power Plant.
- Bi-annual Edison Efficiency Testing for all in use pumping equipment.

- Oversee the replacement of the pipelines between Wells 1A, 2, 4A, and 5A and the 4-3 Reservoir during the development in that area, to ensure strategic blending of those sources will be possible.
- Rehabilitated 4 groundwater wells.

## FY 2022-23 GOALS & OBJECTIVES

- Remove and replace the roof on the 2-1 Reservoir.
- Acquire an underwater drone to replace expensive divers for underwater inspections in reservoirs.
- Support and assist the Engineering Department with the Oliver P. Roemer Expansion Project.
- Key Performance Indicators

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Perform upgrades to SCADA radios as recommended by consultant and/or staff	10/YR	10
Perform or schedule repairs recommended by reservoir inspection report	1/YR	1
Implement available SCADA software updates	100%	100%
Perform repairs recommended from the electrical inspection report	100%	100%

## DIVISION BUDGET DETAIL (Source of Supply)

SOURCE OF SUPPLY	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/21	Proposed	Change
<b>OPERATING EXPENSES:</b>					
Purchased Water / Muni	483,873	555,000	312,819	912,500	64%
Purchased Water / State Project Water	752,926	553,000	372,567	550,560	0%
Purchased Water / City of San Bernardino	264,02	200,000	190,646	273,867	37%
Purchased Water / Fontana Union	10,070	8,480	8,480	12,000	42%
Purchased Water / IEUA	55,240	326,000	294,456	332,482	2%
Purchased Water / SBBA Agreement	-	349,000	348,884	379,380	9%
Other Misc. / Chino Basin Watermaster	22,570	25,000	5,299	70,000	180%
<b>DIVISION TOTAL</b>	<b>1,588,730</b>	<b>2,016,480</b>	<b>1,533,151</b>	<b>2,530,789</b>	<b>26%</b>



## DIVISION BUDGET DETAIL (Production)

PRODUCTION	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/23	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	892,038	893,500	625,508	901,800	1%
Salaries & Wages / Overtime	54,853	50,000	23,802	35,000	-30%
Salaries & Wages / On Call	841	4,500	10,847	14,500	222%
Benefits	579,865	465,200	346,168	455,800	-2%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	1,547	4,800	2,320	5,000	4%
Operating Supplies / Uniforms	3,893	4,000	2,209	4,000	0%
Miscellaneous / Trans/Meals/Lodging	-	-	-	1,000	0%
Meter Testing	6,761	12,000	-	15,000	25%
Professional Services / Lab Tests	4,151	5,000	4,479	5,500	10%
Operating Supplies / Chemicals	59,305	95,000	67,424	105,000	111%
Repair & Maintenance / Structures / Facility	212,119	214,000	140,675	220,500	3%
Outside Labor / Contractors/Telemetry	1,800	5,000	397	-	-100%
Utility Services / Electric	2,255,865	2,275,000	1,944,696	2,640,000	16%
Utility Services / Water	444	450	384	450	0%
Miscellaneous / Permits & Fees	3,816	-	-	-	0%
<b>DIVISION TOTAL</b>	<b>4,077,300</b>	<b>4,028,450</b>	<b>3,168,918</b>	<b>4,403,550</b>	<b>9%</b>



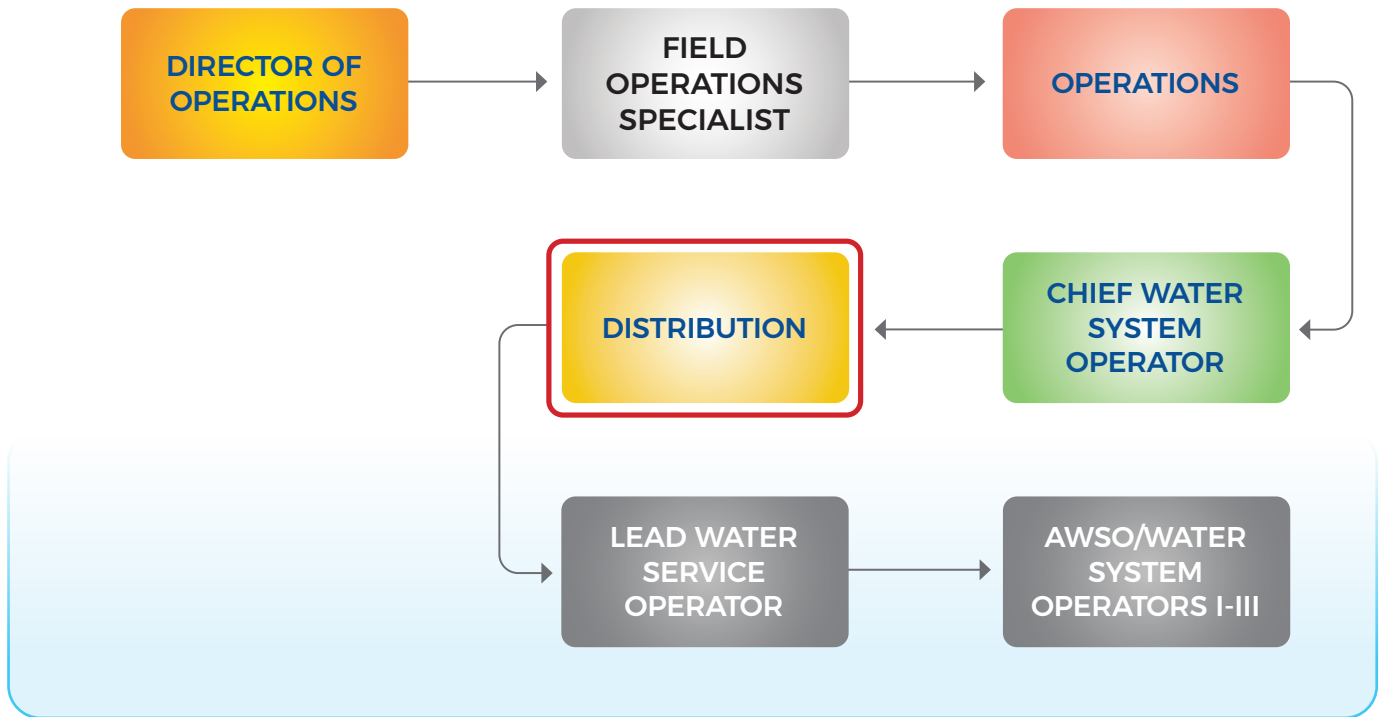
THIS PAGE LEFT BLANK  
**INTENTIONALLY**



TRANSMISSION &

# Distribution





## SERVICES WE PROVIDE

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

## PERSONNEL

- Chief Water Systems Operator **1**
- Lead Water Systems Operator **3**
- Assistant Water Systems Operator **3**
- Water Systems Operator II **1**
- Water Systems Operator I **4**
- Total Full-Time Staff **12****

## SIGNIFICANT CHANGES

- No significant changes.

## FY 2021-22 ACCOMPLISHMENTS

- Repaired and or replaced 216 water services. Repaired 14 water main breaks.
- Successfully responded to 6,152 Underground Service Alert/Dig Alert tickets. There are 500 tickets on a monthly average that need to be marked or responded to.
- Completed new Request for Bid for new hydro excavator vacuum truck with assistance from Purchasing Department.
- Successfully completed numerous shutdowns, water highlines, abandonments, and flushing after completion for various Capital Improvement and New Development projects.
- Recertified District for California Environmental Protection Agencies certificate for compliance of In Use Off Road Diesel Fueled Fleets.

- Successfully completed removal of overgrowth of weeds, shrubs, and tree removal for Cactus Basin with assistance from contracted landscaper.
- Assisted Water Quality Department by providing staff needed for fire hydrant backflow relocation and test/repair backflow when personnel were out sick.
- Continued District Fire Hydrant Upgrade Program. Implemented a schedule to retrofit/upgrade hydrants with Clow LBI400 check valve or Clow LP619 check valve in undeveloped residential areas with no curb and gutter system and where overhead power lines exist.
- Provided training and guidance to IE Works Program interns and through hiring process, successfully hired one individual for Transmission & Distribution Department.

## FY 2022-23 GOALS & OBJECTIVES

- Successfully and efficiently track and administer District Valve Exercise Program.
- Successfully track all repairs to Distribution System via Arc GIS Software on Apple iPads.
- Effectively locate and continue to replace worn out and inoperable valves within District Distribution System.
- Continue to readily replace or repair District water main leaks, hit fire hydrants/assets, and water service leaks.
- Train one more staff member in achieving their California Commercial Class A License.
- Continue to maintain District Fire Hydrant Upgrade Program and track upgrades more via Arc GIS.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Track/administer District Valve Exercise Program	1000	1,020
Track repairs to District distribution system via Arc GIS	100%	100%
Cross train meter staff in pipeline construction	1	1
Reduce completion time of District distribution leaks	Ongoing	Ongoing
Upgrade old fire hydrants needing break away check valves	50	25
Sift out native excavated material and recycle in backfilling of trench	100%	100%

## DIVISION BUDGET DETAIL

TRANSMISSION & DISTRIBUTION	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/222	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	605,192	747,300	559,849	823,000	10%
Salaries & Wages / Overtime	45,150	80,000	44,393	60,000	-25%
Salaries & Wages / On Call	19,533	20,000	5,005	20,000	0%
Salaries & Wages / Class A Drivers License	2,810	2,600	2,210	3,300	27%
Salaries & Wages / Bilingual Compensation	915	1,300	1,015	1,300	0%
Benefits	419,208	471,000	314,652	468,400	-1%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	1,962	11,400.00	691	8,100	-29%
Operating Supplies / Uniforms	6,218	9,200	4,864	9,200	0%
Miscellaneous / Trans / Meals / Lodging	-	-	-	1,000	0%
Repair & Maintenance / Domestic Mains	461,088	400,000	256,325	440,000	10%
Repair & Maintenance / Fire Hydrants	57,850	60,000	44,463	66,000	0%
Operating Supplies / Shop Supplies	482	25,000	16,373	31,250	25%
Repair & Maintenance / Facilities Repairs	13,998	47,700	10,835	28,200	-41%
Repair & Maintenance / Street Patching	401,991	478,000	367,994	450,000	-6%
Repair & Maintenance / Tools	13,949	12,000	8,848	12,000	0%
Outside Labor / Contractors	-	-	-	-	0%
Rentals / Equipment	32,035	15,000	7,731	15,000	0%
Repair & Maint. / Structures & Improvements	74,024	85,000	53,381	108,500	28%
<b>DIVISION TOTAL</b>	<b>2,156,405</b>	<b>2,465,500</b>	<b>1,698,629</b>	<b>2,545,250</b>	<b>3%</b>



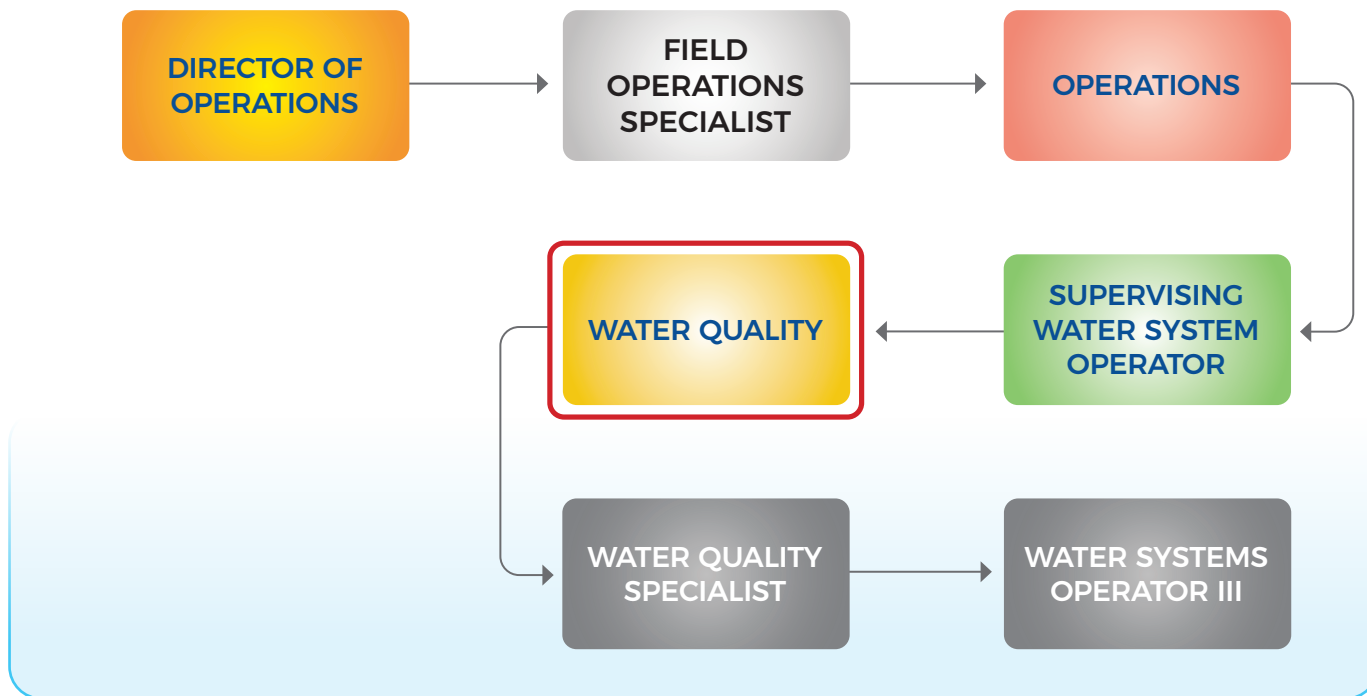


THIS PAGE LEFT BLANK  
**INTENTIONALLY**



# 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.

## PERSONNEL

- *Supervising Water Systems Operator* **1**
- *Water Quality Specialist* **1**
- *Water Systems Operator III* **2**
- Total Full-Time Staff** **4**

## SIGNIFICANT CHANGES

- *Triennial sampling was completed.*
- *Added a WSO II to cross connection.*

## FY 2021-22 ACCOMPLISHMENTS

- *Approximately 2,000 Backflows tested.*
- *100% Compliance Sampling.*
- *Completed the removal of old sludge from Lord Ranch and Roemer properties generated by Roemer and FBR.*
- *Completed Residential Lead and Copper Sampling.*
- *Completed the triennial Public Health Goals Report.*
- *Completed the annual Water Quality Report.*
- *Filled the Water Quality Specialist position.*
- *Blending plans approved for Well 2 MTBE, Well 4A Arsenic and Well 18A Nitrate.*

## FY 2022-23 GOALS & OBJECTIVES

- 100% Compliance Sampling.
- Continue required training and CEUs for Water Quality Staff to maintain certification requirements.
- Complete 75% of the customer side lead service line inventory.
- Submit the Completion Report for Soil Remediation on the Lord Ranch and Roemer properties as required by RWQCB (submitted 7/22/22-waiting approval).
- Hire additional person for Cross Connection.
- Replace current Cross Connection vehicle with one more durable and suited for the job.
- Complete sampling requirements for UCMR 5.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Distribution Sampling	2,850	2,850
Residential lead and copper sampling	30	75%
Dead end hydrant flushing	250	250
Test backflows	1,700	2,024
Well Sampling	250	250

## DIVISION BUDGET DETAIL

WATER QUALITY	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	230,365	320,300	209,588	348,900	9%
Salaries & Wages / Overtime	11,847	13,000	6,546	10,000	-23%
Salaries & Wages / On Call	4,808	3,100	1,407	3,100	0%
Benefits	143,502	195,700	114,163	195,700	1%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	1,844	3,530	2,215.03	4,675	32%
Operating Supplies / Uniforms	1,044	1,500	1,537	2,500	67%
Professional Services / Lab Tests	64,661	45,000	32,827	65,000	44%
Outside Labor / Contractors	9,871	-	-	100,000	0%
Operating Supplies / Chemicals	5,419	5,000	4,474	7,000	40%
Repair & Maintenance / Structures / Facility	31,815	27,500	4,789	12,500	-55%
Repair & Maintenance / Equipment	10,815	26,000	16,575	20,000	-23%
Miscellaneous / Trans / Meals / Lodging	-	-	-	500	0%
<b>DIVISION TOTAL</b>	<b>516,358</b>	<b>640,630</b>	<b>394,312</b>	<b>772,375</b>	<b>21%</b>

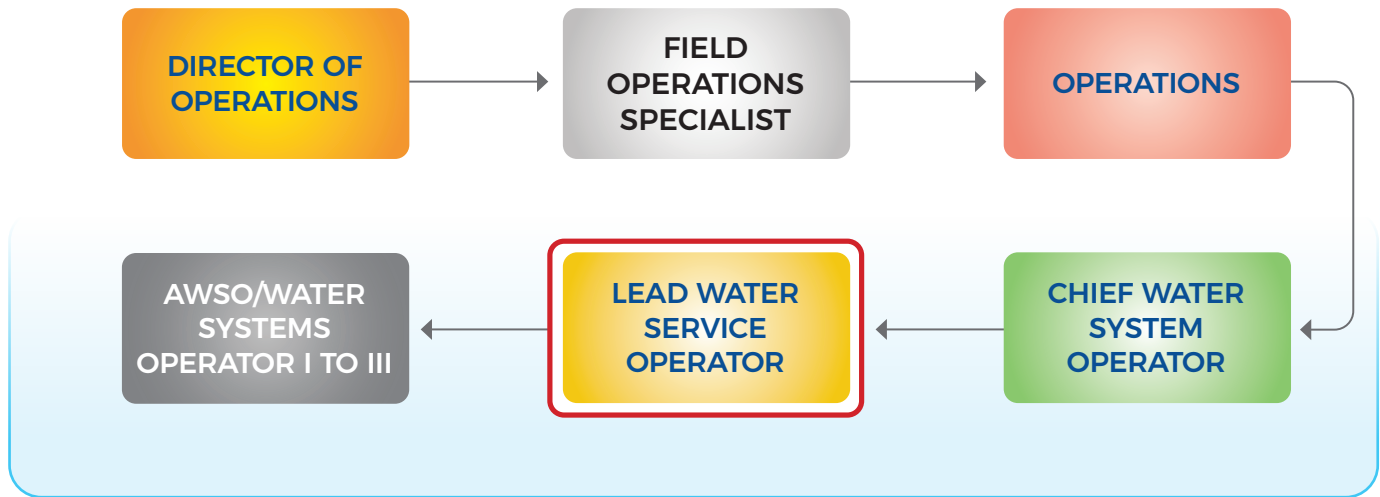




# Water Treatment







## SERVICES WE PROVIDE

The Water Treatment Department is responsible for the treatment and delivery of potable water. The District uses various methods to treat three different sources of water supply.

## PERSONNEL

- Chief Water System Operator **1**
- Lead Water Service Operator **5**
- Water Systems Operator II **1**
- Total Full-Time Staff 7**

## SIGNIFICANT CHANGES

- No significant changes

## FY 2021-22 ACCOMPLISHMENTS

- Remove and rebuilt four effluent booster pumps to increase the treatment capacity from 12 MDG to 14.4 MGD.
- Submitted the Cactus Basin Annual Maintenance Report to California Fish and Wildlife.
- District staff removed and disposed of all treatment plant sludge.
- Remove and replace media from 10 GAC vessels forty thousand pound each.
- District staff replace all wafer check valve on clarifier blower system.
- District staff repair pretreatment train two and replaced the actuator on sludge collection chain of flight system.
- Repaired cooling system on well 6 variable frequency drive (VFD).
- Replaced influent valves on Trident filters.
- Epoxide coated the influent and effluent floors.
- Reprogrammed the Hydroelectric power plant.

## FY 2022-23 GOALS & OBJECTIVES

- Build a platform at well 11 and sand filter.
- Arsenic treatment plant has been offline for the past four years. Currently working on a blending plan with SCADA control. Arsenic plant needs a couple of valves replaced and PLC programming to contribute to Zone 4 distribution system.
- Refurbishment of filter #6 with new epoxy paint and new filter media.
- Refurbishment of filter #1 clarifier with new epoxy paint and new clarifier media.
- Replenish GAC media in the FBR reactors.
- Refurbishment of Hydroelectric generator #1.

## KEY PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	TARGET	FY21-22 RESULTS
Compliance with Federal and State regulations	100%	100%
FBR - Maximize utilization of plant capacity through minimization of downtime and monitoring of raw water	2.9 MGD	2.5 MGD
Roemer - Maximize utilization of plant capacity through minimization of downtime and monitoring of raw water	13.5 MGD	13.5 MGD
Percentage of plant equipment and motors on preventative maintenance schedules	100%	100%
Number of staff with T4 certification or higher	3	4

## DIVISION BUDGET DETAIL (Perchlorate)

WATER TREATMENT PERCHLORATE	FY 2020-21	FY 2021-22	YTD Actual	FY 2022-23	%
	Actuals	Budget	As of 5/3/22	Proposed	Change
<b>OPERATING EXPENSES:</b>					
Professional Services / Other Consultants	-	-	-	-	0%
Utility Services / Electric	206,226	200,000	119,922	450,000	225%
Professional Services / Lab Tests	19,325	25,000	10,858	25,000	100%
Operating Supplies / Chemicals	6,521	25,000	1,577	35,000	140%
Operating Supplies / Resin Exchange	-	404,483	104,483	-	100%
Repair & Maintenance / Structures / Facility	16,303	30,000	11,137	40,000	133%
Repair & Maintenance / Chlorination Equipment	14,985	-	-	-	0%
<b>DIVISION TOTAL</b>	<b>263,359</b>	<b>684,483</b>	<b>247,976</b>	<b>550,000</b>	<b>-20%</b>

## DIVISION BUDGET DETAIL (FBR)

WATER TREATMENT FBR	FY 2020-21 Actuals	FY 2021-22 Budget	YTD Actual As of 5/3/22	FY 2022-23 Proposed	% Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	319,074	409,100	283,978	425,700	4%
Salaries & Wages / Overtime	30,537	75,000	26,295	43,000	-43%
Salaries & Wages / On Call	6,186	3,000	15,739	20,000	567%
Salaries & Wages / Class A Drivers License	-	700	-	-	0%
Salaries & Wages / Bilingual Compensation	655	700	-	-	-100%
Benefits	195,423	223,400	166,899	235,500	5%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	290	1,600	105	1,725	8%
Professional Services / Other Consultants	43,711	96,500	74,962	105,975	10%
Professional Services / Misc Studies	8,395	10,000	1,870	-	-100%
Operating Supplies / Uniforms	1,663	2,000	1,307	2,000	0%
Utility Services / Electric	220,511	385,000	339,174	450,000	17%
Other Miscellaneous / District Cost	22,071	30,750	24,600	-	-100%
Professional Services / Lab Tests	27,527	50,000	42,068	50,000	0%
Operating Supplies / Chemicals	147,219	568,000	342,571	594,000	5%
Repair & Maintenance / Structures / Facility	139,020	280,000	123,834	230,000	-18%
Repair & Maintenance / Chlorination Equipment	20,033	-	-	-	0%
Miscellaneous / Permits & Fees	649	160,000	121,047	45,000	-72%
Miscellaneous / Trans/Meals/Lodging	-	-	768	1,000	0%
<b>DIVISION TOTAL</b>	<b>1,182,963</b>	<b>2,295,750</b>	<b>1,565,219</b>	<b>2,204,600</b>	<b>-4%</b>

## DIVISION BUDGET DETAIL (Roemer/Arsenic)

WATER TREATMENT ROEMER/ARSENIC	FY 2020-21 Actuals	FY 2021-22 Budget	YTD Actual As of 5/3/21	FY 2022-23 Proposed	% Change
<b>PERSONNEL EXPENSE:</b>					
Salaries & Wages / Full Time	313,472	291,900	230,564	310,000	6%
Salaries & Wages / Overtime	34,198	80,000	29,251	50,000	-38%
Salaries & Wages / On Call	6,840	3,000	18,481	23,000	667%
Salaries & Wages / Class A Drivers License	1,304	700	1,030	700	0%
Salaries & Wages / Bilingual Compensation	1,304	1,300	1,300	1,300	0%
Benefits	234,420	184,200	156,870	186,700	1%
<b>OPERATING EXPENSES:</b>					
Expenses / Training	705	2,350	310	2,350	0%
Professional Services / Other Consultants	68,320	71,500	36,647	71,500	0%
Professional Services / Misc Studies	11,320	-	-	13,000	0%
Operating Supplies / Uniforms	2,120	2,000	1,791	2,000	0%
Utility Services / Electric	631,284	550,000	377,723	550,000	0%
Utility Services / Trash	3,226	3,200	2,366	3,200	0%
Utility Services / Gas	390	700	440	700	0%
Professional Services / Janitorial	9,623	9,000	8,065	9,000	0%
Communication Services / Telephone	3,133	5,500	3,728	40,000	-50%
Other Miscellaneous / District Cost	45,325	47,000	30,044	40,000	-15%
Professional Services / Lab Tests	27,859	36,500	24,108	40,000	10%
Professional Services / Sludge Disposal	17,293	440,000	173,230	202,000	-54%
Operating Supplies / Chemicals	173,307	275,000	112,098	235,000	-15%
Repair & Maintenance / Structures / Facility	319,477	-	-	-	0%
Repair & Maintenance / Chlorination Equipment	8,100	200,000	83,567	200,000	0%
Equipment Rental	-	-	-	1,000	0%
<b>DIVISION TOTAL</b>	<b>2,102,0965</b>	<b>2,204,550</b>	<b>1,291,345</b>	<b>1,944,210</b>	<b>-12%</b>





West Valley  
Water

CAPITAL BUDGET &  
**Debt Management**

## CAPITAL EXPENDITURE

Capital expenditure is comprised of Capital Improvement Projects (new system assets), Replacement and Rehabilitation Projects, and Capital Outlay (fleet and equipment). As shown below, the 5-year total expenditure is projected to be \$145,152,057.

Details of projects that will start during FY 2023, can be found in the following section under Capital Projects.

## COMPLETED PROJECTS FISCAL YEAR 2021-22

CIP PROJECT DESCRIPTION	Project	Budget	Actual
	Number	Cost	Cost
<b>COMPLETED PROJECTS:</b>			
Zone 2 & 3 Transmission Main Phase I*	W17035	7,672,673	362,167
Emergency Generators Zone 6	W18022	494,007	494,007
New enterprise system software Tyler Incode 10	W18035	64,339	14,845
Well 18A Pipe Blending Project	W19040	290,163	261,042
Board Room Audio Visual Upgrade with Video Recording	W20016	90,000	85,846
GIS and Tyler Integration	W20019	25,000	9,950
Vmware host server (5 year life cycle replacement)	W22015	45,000	29,828
Apollo Access Door Control Sysytem	W22018	15,500	15,573
UV Light Disinfectant Systems	W22019	334,850	334,850
Annual R/R - Wells and Pumping Equipment FY22	W22023	157,187	145,676
Well 5A Rehab	W22026	176,000	171,195
WELL 30 REHAB	W22027	179,000	174,495
IRON FENCING AT WELL 18A SITE	W22028	66,385	66,317
IRON FENCING AT WELL 33 SITE	W22029	50,431	50,431
FINANCE COPIER RICOH	W22035	10,000	9,504

\*Budget cost is for all three phases



## FISCAL YEAR 2022-23 CAPITAL BUDGET SUMMARY

<b>REPLACEMENT / REHABILITATION OF SYSTEM ASSETS</b>	
<b>WELLS AND PUMPING EQUIPMENT REHABILITATION</b>	
Reservoir R2-3 Re-coating and Modifications	2,025,000
<b>WATER MAIN REPLACEMENT</b>	
Bloomington Alley Way Main Replacement Phase 3, 4 and 5 & Zone 2 24" Trans. Main	400,000
City of Rialto Riverside Ave Street Improvement - replace service laterals	287,500
Three Fire Hydrant's on Eucalyptus	50,000
<b>SYSTEM APPURTENANCES REHABILITATION &amp; REPLACEMENT</b>	
Annual R/R - Meter Vault Lid Retro Fits (QTY 4) FY2023	30,000
Annual R/R - Meters and MXU's (QTY 700) FY2023	210,000
<b>FACILITIES AND PLANTS REHABILITATION &amp; REPLACEMENT</b>	
Building "C" Improvements	75,000
Water Conservation Garden at Headquarters	45,000
Wrought iron security fence at Linden Material Supply Yard	95,000
Roemer Filter #6 Rehabilitation & Media Replacement	500,000
Roemer Filter #1 Clarifier Media Replacement	289,465
<b>SUBTOTAL FOR REPLACEMENT / REHABILITATION OF SYSTEM ASSETS</b>	<b>4,006,965</b>
<b>NEW SYSTEM ASSETS</b>	
<b>SOURCE OF SUPPLY</b>	
OPR WFF - 7.2 mgd Treatment Plant Expansion	20,000,000
Construct new IEUA area well	1,350,000
<b>PUMPS AND BOOSTER PLANTS</b>	
Lord Ranch Pump Station 4-3	2,600,000
Emergency Generators Zone 5 PS 5-2	366,020
<b>RESERVOIRS</b>	
Lord Ranch 1.0 MG Aeration Tank	600,000
Zone 8 - Reservoir 8-3 (2.0MG)	1,180,000
<b>WATER MAINS</b>	
Pepper Avenue @ I-10 Freeway Zone 2 - 24" Trans Main Railway - Design & Const.	280,000
Zone 2 & 3 Transmission Main - 12", 16" and 20" in Santa Ana Avenue	450,000
<b>FACILITIES AND PLANTS</b>	
Property acquisition for Reservoir R3-4	20,000
<b>SUBTOTAL FOR NEW SYSTEM ASSETS</b>	<b>26,846,020</b>
<b>CAPITAL OUTLAY</b>	
<b>CAPITAL OUTLAY - FLEET/EQUIPMENT</b>	
Cisco ASA and Voice Router Upgrade	90,000
Data Domain Backup System Replacement	80,000
Security Camera System for the District Headquarters Site	50,000
1 New 5-yard Dump Truck	150,000
SCADA Upgrade	185,000
Fleet Replacements Work Trucks	180,000
Education Structure	200,000
<b>SUBTOTAL FOR CAPITAL OUTLAY - FLEET/EQUIPMENT</b>	<b>935,000</b>
<b>GRAND TOTAL</b>	<b>31,787,985</b>
<b>CIP CONTINGENCY</b>	<b>589,399</b>

## FISCAL YEAR 2022-23 PROPOSED FUNDING

CIP FY 2022-23 PROPOSED FUNDING	Operating	Capital	SRF	Capacity	Project
	Revenue	Project Fund	Funding	Charges	Total
<b>REPLACEMENT / REHABILITATION OF SYSTEM ASSETS:</b>					
Reservoir R2-3 Re-coating and Modifications		\$2,025,000			\$2,025,000
Bloomington Alley Way Main Replacement Phase 3, 4 and 5 & Zone 2 24" Trans. Main		\$400,000			\$400,000
City of Rialto Riverside Ave Street Improvement - replace service laterals		\$287,500			\$287,500
Three FH's on Eucalyptus	\$50,000				
Annual R/R - Meter Vault Lid Retro Fits (QTY 4) FY2023	\$30,000				\$50,000
Annual R/R - Meters and MXU's (QTY 700) FY2023	\$210,000				\$30,000
Building "C" Improvements	\$75,000				\$210,000
Water Conservation Garden at Headquarters	\$45,000				\$75,000
Wrought iron security fence at Linden Material Supply Yard	\$95,000				\$45,000
Roemer Filter #6 Rehabilitation & Media Replacement					\$95,000
Roemer Filter #1 Clarifier Media Replacement		\$500,000			\$500,000
Roemer CAC Vessel Media replacement	\$289,465				\$289,465
<b>NEW SYSTEM ASSETS</b>					
OPR WFF - 7.2 mgd Treatment Plant Expansion			\$20,000,000		\$20,000,000
Construct new IEUA area well				\$1,350,000	\$1,350,000
Lord Ranch Pump Station 4-3				\$2,600,000	\$2,600,000
Emergency Generators Zone 5 PS 5-2	\$366,020				\$366,020
Lord Ranch 1.0 MG Aeration Tank			\$275,000	\$600,000	\$600,000
Zone 8 - Reservoir 8-3				\$1,180,000	\$1,180,000
Pepper Avenue @ I-10 Freeway Zone 2 - 24" Trans Main Railway - Design & Const.				\$280,000	\$280,000
Zone 2 & 3 Transmission Main - 12", 16" and 20" in Santa Ana Avenue				\$450,000	\$450,000
Property acquisition for Reservoir R3-4				\$20,000	\$20,000
<b>CAPITAL OUTLAY - FLEET/EQUIPMENT</b>					
Cisco ASA and Voice Router Upgrade	\$90,000				\$90,000
Data Domain Backup System Replacement		\$80,000			\$80,000
Security Camera System for the District Headquarters Site	\$50,000				\$50,000
1 New 5-yard Dump Truck	\$150,000				\$150,000
SCADA Upgrade				\$185,000	\$185,000
Fleet Replacements (3) Work Trucks	\$180,000				\$180,000
Education Structure	\$200,000				\$200,000
<b>GRAND TOTAL</b>	<b>\$1,830,485</b>	<b>\$3,292,500</b>	<b>\$20,000,000</b>	<b>\$6,665,000</b>	<b>\$31,787,985</b>

## CIP FIVE YEAR SCHEDULE

CIP FIVE YEAR SCHEDULE (FY 2023-27)	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Project Total
<b>REPLACEMENT / REHABILITATION OF SYSTEM ASSETS</b>						
<b>WELLS AND PUMPING EQUIPMENT REHABILITATION</b>						
Well 39 Rehab				\$9,335,000		\$9,335,000
Reservoir R2-3 Re-coating and Modifications	\$2,025,000					\$2,025,000
<b>WATER MAIN REPLACEMENT</b>						
Bloomington Alley Way Main Replacement Phase 3, 4 and 5 & Zone 2 24" Transmission Main	\$400,000	\$4,540,000				\$4,940,000
Zone 3 Distribution Pipeline Replacement - 8" In Valley/ Pomona			\$2,120,000			\$2,120,000
City of Rialto Riverside Ave Street Improvement - replace service laterals	\$287,500					\$287,500
Zone 3 Distribution Pipeline Replacement - 8" San Bernardino Blvd. - Design & Construction		\$80,000	\$500,000			\$580,000
Three FH's on Eucalyptus	\$50,000					\$50,000
<b>SYSTEM APPURTENANCES REHABILITATION &amp; REPLACEMENT</b>						
Connect Flush-to-waste Pipe From Well 54 To Storm Drain In Fontana		\$760,000				\$760,000
Annual R/R - Meter Vault Lid Retro Fits FY2023	\$30,000					\$30,000
Annual R/R - Meters and MXU's FY2023	\$210,000					\$210,000
<b>FACILITIES AND PLANTS REHABILITATION &amp; REPLACEMENT</b>						
Building "C" Improvements	\$75,000	\$300,000				\$375,000
Wrought iron security fence at Linden Material Supply Yard	\$95,000					\$95,000
Water Conservation Garden at Headquarters	\$45,000					\$45,000
Roemer Filter #1 Clarifier Media Replacement	\$289,465					\$289,465
Roemer Filter Rehabilitation and Media Replacement	\$500,000					\$500,000
<b>SUBTOTAL FOR REPLACEMENT / REHABILITATION OF SYSTEM ASSETS</b>	<b>\$4,006,965</b>	<b>\$5,680,000</b>	<b>\$2,620,000</b>	<b>\$9,335,000</b>		<b>\$21,641,965</b>
<b>NEW SYSTEM ASSETS</b>						
<b>SOURCE OF SUPPLY</b>						
Oliver P. Roemer Water Filtration Facility Expansion Project - 7.2 Mgd	\$20,000,000	\$15,000,000	\$11,529,529			\$46,529,529
Construct new IEUA area well	\$1,350,000	\$1,350,000				\$2,700,000
Construct new well - Well 43			\$200,000	\$2,800,000		\$3,000,000
Construct new well - Well 44			\$200,000	\$2,800,000		\$3,000,000
Construct new well - Well 40			\$250,000	\$2,750,000		\$3,000,000
<b>PUMPS AND BOOSTER PLANTS</b>						
Lord Ranch 4-3 Pump Station	\$2,600,000					\$2,600,000
Emergency Generators Zone 5 PS 5-2	\$366,020					\$366,020
Bunker Hill supply Pump Station			\$200,000	\$7,206,000		\$7,406,000
<b>RESERVOIRS</b>						
Lord Ranch 1.0 MG Aeration Tank	\$600,000					\$600,000
Zone 8 - Reservoir 8-3	\$1,180,000					\$1,180,000
Reservoir 7-5 Site Investigation		\$60,000				\$60,000
Bunker Hill Aeration Tank			\$90,000	\$1,815,000		\$1,905,000
Reservoir 4-4 (7.0MG)				\$250,000	\$13,081,000	\$13,331,000
Reservoir 6-5 (6.0MG)		\$250,000	\$11,177,000			\$11,427,000
Reservoir 3-5 (3.25MG)			\$250,000	\$5,940,000		\$6,190,000

(Continued on next page)

## CIP FIVE YEAR SCHEDULE (Continued)

CIP FIVE YEAR SCHEDULE (FY 2023-27)	Year 1 FY 2022-23	Year 2 FY 2023-24	Year 3 FY 2024-25	Year 4 FY 2025-26	Year 5 FY 2026-27	5-Year Project Total
<b>WATER MAINS</b>						
Pepper Avenue @ I-10 Freeway Zone 2 - 24" Transmission Main Railway	\$280,000					\$280,000
Zone 2 & 3 Transmission Main - 12", 16" and 20" in Santa Ana Avenue	\$450,000	\$5,500,000				\$5,950,000
Zone 7 - 18" Transmission Main Within Future Row From Citrus Ave to Lytle Creek Rd		\$1,860,000				\$1,860,000
Zone 3A - 10" pipeline in Cactus Ave		\$145,000				\$145,000
Zone 2 - Fire Flow Pipeline - Holly Street and Wilson Street - Design		\$60,000				\$60,000
Zone 7 - 18" Transmission main in Seqovia Ln from Sierra Ave to Citrus Ave		\$2,373,000				\$2,373,000
Bunker Hill Wells Field Transmission - Pipeline			\$220,000	\$5,897,000		\$6,117,000
<b>FACILITIES AND PLANTS</b>						
Property acquisition for Reservoir R3-4	\$20,000	\$503,000				\$523,000
Property acquisition for Reservoir R6-6		\$150,000				\$150,000
Property acquisition for Bunker Hill Supply - Wells, Pump station, and reservoir			\$650,000			\$650,000
Material Yard - South District Service Area		\$160,000				\$160,000
<b>SUBTOTAL FOR NEW SYSTEM ASSETS</b>	<b>\$26,846,020</b>	<b>\$27,411,000</b>	<b>\$24,766,529</b>	<b>\$29,458,000</b>	<b>\$13,081,000</b>	<b>\$121,562,549</b>
<b>CAPITAL OUTLAY - FLEET/EQUIPMENT</b>						
Vmware host server (5 year life cycle replacement)		\$40,000				\$40,000
Cisco Asa And Voice Router Upgrade	\$90,000					\$90,000
Data Domain Backup System Replacement	\$80,000					\$80,000
Document Management System		\$60,000				\$60,000
Security Camera System for the District Headquarters Site	\$50,000					\$50,000
1 New 5-yard Dump Truck	\$150,000					\$150,000
SCADA Upgrade	\$185,000					\$185,000
Fleet Replacements (3) Work Trucks	\$180,000					\$180,000
Education Structure	\$200,000					\$200,000
<b>SUBTOTAL FOR CAPITAL OUTLAY - FLEET/EQUIPMENT</b>	<b>\$935,000</b>	<b>\$100,000</b>				<b>\$1,035,000</b>
<b>GRAND TOTAL</b>	<b>\$31,787,985</b>	<b>\$33,191,000</b>	<b>\$27,386,529</b>	<b>\$38,793,000</b>	<b>\$13,081,000</b>	<b>\$144,239,514</b>

## CIP FIVE YEAR FUNDING SCHEDULE (FY 2023-27)

CIP FIVE YEAR FUNDING SCHEDULE (FY 2023-27)	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Project Total
Operating Revenue	1,830,485	1,545,000	2,620,000	9,335,000	-	15,330,485
Capital Project Fund	3,292,500	4,540,000	-	-	-	7,832,500
Capacity Charges Fund	6,665,000	12,106,000	13,237,000	29,458,000	13,081,000	74,547,000
Reimbursement Agreements	-	-	-	-	-	-
Federal Community Project Funding	-	-	-	-	-	-
SRF Funding	20,000,000	15,000,000	11,529,529	-	-	46,529,529
<b>TOTAL:</b>	<b>\$31,787,985</b>	<b>\$33,191,000</b>	<b>\$27,386,529</b>	<b>\$38,793,000</b>	<b>\$13,081,000</b>	<b>\$144,239,514</b>





CAPITAL  
**Projects**



# 5-YARD DUMP TRUCK

## PROJECT DESCRIPTION

One New Five-Yard Dump Truck is needed to assist Operations in day-to-day removal of excavated materials and haul in new clean backfill material. Distribution and Transmission Maintenance Division currently have two five-yard capacity dump trucks. Distribution is constantly using both dump trucks to haul equipment and material needed daily, with ongoing work within District, it is difficult to assist other Divisions in need of hauling out emergency generators to remote sites or removed sludge from Treatment Settling Ponds to San Bernardino County Dump Site. With increasing workload and new requirements for removal of sludge, a third five-yard capacity dump truck is needed. The District's current five-yard dump trucks were purchased in 2008 and 2016 and are showing more signs of aging with more frequent automotive repairs needed. Below is a picture of the District's 2008 five-yard dump truck.

### PROJECT TYPE

Capital Outlay

### FY22-23 BUDGET

\$150,000

### DEBT SERVICE

N/A

### PROJECT MANAGER

Transmission & Distribution

### TOTAL PROJECT COST

\$150,000

### PRIORS YEARS' BUDGET

N/A

### FUNDING SOURCE

Operating Revenue



# METER VAULT LID RETRO FITS (QTY 4)

## PROJECT DESCRIPTION

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 five (4) vault lids will be replaced during this budget cycle.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$30,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Operations

**TOTAL PROJECT COST**  
\$30,000

**PRIORS YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Operating Revenue



# METERS AND MXU'S (QTY 700)

## PROJECT DESCRIPTION

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.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$210,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Operations

**TOTAL PROJECT COST**  
\$210,000

**PRIORS YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Operating Revenue



# BLOOMINGTON ALLEY WAY TRANSMISSION MAIN REPLACEMENT- PHASE 3B

## PROJECT DESCRIPTION

Construct 7,000 LF of 8-inch, 12-inch, and 24-inch waterlines in 7th St. and 9th St. between Locust Ave. and Linden Ave., Maple Ave, and in Linden Ave. and in Cedar Ave. Relocate 130 service laterals and install fire hydrants, meters boxes, and meters.

Distribution mains, services and valves serving a portion of the community of Bloomington are located within the rear alleyways of the homes. Over the course of many decades, fences, buildings etc. have been constructed within these alleyways limiting the District’s ability to read meters, locate shut off valves and perform regular and emergency maintenance.

**PROJECT DESCRIPTION**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$400,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Engineering

**TOTAL PROJECT COST**  
\$7,340,000

**PRIOR YEARS’ BUDGET**  
\$2,400,000

**FUNDING SOURCE**  
Reimbursement Agreement & Capital Fund



# BUILDING “C” IMPROVEMENTS

## PROJECT DESCRIPTION

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.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$75,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Engineering

**TOTAL PROJECT COST**  
\$375,000

**PRIORS YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Operating Revenue



# CISCO ASA AND VOICE ROUTER UPGRADE

## PROJECT DESCRIPTION

This project involves replacing and upgrading some of the District's IT infrastructure. The Cisco ASA Family of security devices protects corporate networks and data centers of all sizes. It provides users with highly secure access to data and network resources - anytime, anywhere, using any device.

### PROJECT TYPE

Capital Outlay

### FY22-23 BUDGET

\$90,000

### DEBT SERVICE

N/A

### PROJECT MANAGER

General Services

### TOTAL PROJECT COST

\$90,000

### PRIORS YEARS' BUDGET

N/A

### FUNDING SOURCE

Operating Revenue





# CISCO PHONE SYSTEM SERVER REPLACEMENT

## PROJECT DESCRIPTION

This project involves upgrading the two physical servers that support the District's Voice over IP (VoIP) phone system. One server is the primary controller for the call system and call manager. The second server is configured to serve as a backup unit if the first system fails. The existing servers were installed approximately eight (8) years ago and are approaching the end of their useful life.

**PROJECT TYPE**

Capital Outlay

**TOTAL PROJECT COST**

\$36,000

**CAPITAL REQUESTS**

New Project

**PRIOR YEARS' BUDGET**

N/A

**DEBT SERVICE**

N/A

**PROJECT MANAGER**

General Services

**FUNDING SOURCE**

Operating Revenue





# CITY OF RIALTO RIVERSIDE AVE STREET IMPROVEMENT PROJECT DESCRIPTION

## PROJECT DESCRIPTION

Replacement of service laterals in Riverside Avenue due to the City of Rialto's Street Improvement Project.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$287,500

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Engineering

**TOTAL PROJECT COST**  
\$407,111

**PRIOR YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Capital Project Fund



# CONSTRUCT NEW IEUA AREA WELL

## PROJECT DESCRIPTION

The project consists of the design and construction of a new groundwater production well to support future demand in northern Fontana. The well would be drilled at a new facility on Knox Avenue. Design is planned for FY 2022 with construction to follow the next fiscal year. It is anticipated that this well would provide needed backup for Well 54 in the event it is out of service for repair or maintenance.

**PROJECT TYPE**  
New System Assets

**FY22-23 BUDGET**  
\$1,350,000

**TOTAL PROJECT COST**  
\$2,900,500

**PRIOR YEARS' BUDGET**  
\$300,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Engineering

**FUNDING SOURCE**  
Capacity Charges



# DATA DOMAIN BACKUP SYSTEM REPLACEMENT

## PROJECT DESCRIPTION

This project involves upgrading the hardware and software that the District uses to protect, manage, and recover data.

**PROJECT TYPE**

Capital Outlay

**FY22-23 BUDGET**

\$80,000

**DEBT SERVICE**

N/A

**PROJECT MANAGER**

General Services

**TOTAL PROJECT COST**

\$80,000

**PRIORS YEARS' BUDGET**

N/A

**FUNDING SOURCE**

Capital Project Fund



# EDUCATION STRUCTURE

## PROJECT DESCRIPTION

The proposed West Valley Water District Education building will allow the district to invite school children to participate in WVWD education programs through hands on learning and stewardship activities. Through a combination of curriculum-based education and outdoor activities.

**PROJECT TYPE**

Capital Outlay

**FY22-23 BUDGET**

\$200,000

**DEBT SERVICE**

N/A

**PROJECT MANAGER**

Government & Legislative Affairs

**TOTAL PROJECT COST**

\$200,000

**PRIORS YEARS' BUDGET**

N/A

**FUNDING SOURCE**

Operating Revenue



# EMERGENCY GENERATORS ZONE 5

## PROJECT DESCRIPTION

New 500kW Emergency Standby Generator for Pump Station 5-2. Space for the generator was provided when Pump Station 5-2 was constructed. Although the District has portable generators that will be mobilized in the event of an emergency, there are more facilities than portable generators that will need to be operated to in an emergency. The District is currently applying for grant funding to cover the cost.

<b>PROJECT TYPE</b> New System Assets	<b>TOTAL PROJECT COST</b> \$641,020
<b>FY22-23 BUDGET</b> \$366,020	<b>PRIORS YEARS' BUDGET</b> \$275,000
<b>DEBT SERVICE</b> N/A	<b>FUNDING SOURCE</b> Operating Revenue
<b>PROJECT MANAGER</b> Engineering	



# FLEET REPLACEMENTS (3-4) WORK TRUCKS

## PROJECT DESCRIPTION

Under Fleet Replacement 3x Trucks we will be purchasing trucks like the one shown in the attached picture. They will be 2023 Ford F-150 XL Trucks.

<p><b>PROJECT TYPE</b> Capital Outlay</p> <p><b>FY22-23 BUDGET</b> \$180,000</p> <p><b>DEBT SERVICE</b> N/A</p> <p><b>PROJECT MANAGER</b> Finance</p>	<p><b>TOTAL PROJECT COST</b> \$180,000</p> <p><b>PRIORS YEARS' BUDGET</b> N/A</p> <p><b>FUNDING SOURCE</b> Operating Revenue</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------



# LORD RANCH 1.0 MG AERATION TANK

## PROJECT DESCRIPTION

This project involves the construction of a 1.0 MG welded steel reservoir, 32 feet in height and 80 feet in diameter. This reservoir is required for water supplies to the District's upper pressure zones.

<b>PROJECT TYPE</b> New System Asset	<b>TOTAL PROJECT COST</b> \$2,484,197
<b>FY22-23 BUDGET</b> \$600,000	<b>PRIORS YEARS' BUDGET</b> \$1,884,197
<b>DEBT SERVICE</b> N/A	<b>FUNDING SOURCE</b> Capacity Charges
<b>PROJECT MANAGER</b> Engineering	





# LORD RANCH PUMP STATION 4-3

## PROJECT DESCRIPTION

Construction of a new pump station designed to handle the ultimate flow of 20 million gallons per day (mgd) at the District's Lord Ranch Facility. The pump station will initially be equipped with four pumps. Additional pumps will be installed as demand for water in the upper pressure zones increases. Ultimately the pump station will be equipped with eight pumps (one utilized as a stand-by).

### PROJECT TYPE

New System Asset

### FY22-23 BUDGET

\$2,600,000

### DEBT SERVICE

N/A

### PROJECT MANAGER

Engineering

### TOTAL PROJECT COST

\$5,298,658

### PRIORS YEARS' BUDGET

\$2,698,658

### FUNDING SOURCE

Capacity Charges



# OLIVER P. ROEMER PLANT EXPANSION

## PROJECT DESCRIPTION

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 Roemer's current capacity of 14.4 MGD to an ultimate 21.6 MGD. Currently, the Roemer facility is operating near capacity during summer months when water demand is the highest. 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. About 34% of the District's service area is undeveloped and the additional water treated at the Roemer expansion will help to provide a reliable long term water supply.

### PROJECT TYPE

New System Asset

### FY22-23 BUDGET

\$20,000,000

### DEBT SERVICE

State Revolving Fund (SRF) Loan

### PROJECT MANAGER

Engineering

### TOTAL PROJECT COST

\$56,800,000

### PRIORS YEARS' BUDGET

\$10,270,471

### FUNDING SOURCE

Capacity Charges & SRF Loan



# PEPPER AVENUE @ 1-10 FREEWAY ZONE 2-24" TRANS MAIN RAILWAY

## PROJECT DESCRIPTION

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 Roemer's current capacity of 14.4 MGD to an ultimate 21.6 MGD. Currently, the Roemer facility is operating near capacity during summer months when water demand is the highest. 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. About 34% of the District's service area is undeveloped and the additional water treated at the Roemer expansion will help to provide a reliable long term water supply.

### PROJECT TYPE

New System Assets

### FY22-23 BUDGET

\$280,000

### DEBT SERVICE

N/A

### PROJECT MANAGER

Engineering

### TOTAL PROJECT COST

\$1,172,156

### PRIOR YEARS' BUDGET

\$892,156

### FUNDING SOURCE

Capacity Charges



# PROPERTY ACQUISITION FOR RESERVOIR R3-4

## PROJECT DESCRIPTION

The District plans to purchase the property where Reservoir R3-4 will be located.

<b>PROJECT TYPE</b> New System Assets	<b>TOTAL PROJECT COST</b> \$523,000
<b>FY22-23 BUDGET</b> \$20,000	<b>PRIOR YEARS' BUDGET</b> N/A
<b>DEBT SERVICE</b> N/A	<b>FUNDING SOURCE</b> Capacity Charges
<b>PROJECT MANAGER</b> Engineering	



# RESERVOIR R2-3 RE-COATING AND MODIFICATIONS

## PROJECT DESCRIPTION

Reservoir R2-3 is a welded steel tank built in 1991 with a capacity of 4.0 million gallons. The existing lining is 31 years old 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, removing the drain floor piping, installing a new drain outlet and drain line, removing the common inlet/outlet pipe, and installing a new above ground tank connection with a seismic valve.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$2,025,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Engineering

**TOTAL PROJECT COST**  
\$2,025,000

**PRIOR YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Capital Project Fund



# ROEMER FILTER #1 CLARIFIER MEDIA REPLACEMENT

## PROJECT DESCRIPTION

The Oliver P. Roemer Water Filtration Facility (WFF) is located at 3010 N. Cedar Ave, in the City of Rialto. The treatment plant has a capacity of approximately 14.4 million gallons per day. The treatment department has recognized the need to refurbish the clarifier in filter #1. The contractor will replace the existing media in the clarifier and build a full containment structure around clarifier #1.

**PROJECT TYPE**

Replacement/ Rehabilitation

**FY22-23 BUDGET**

\$289,465

**DEBT SERVICE**

N/A

**PROJECT MANAGER**

Operations

**TOTAL PROJECT COST**

\$289,465

**PRIOR YEARS' BUDGET**

N/A

**FUNDING SOURCE**

Operating Revenue



# ROEMER FILTER #6 REHABILITATION & MEDIA REPLACEMENT



## PROJECT DESCRIPTION

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 #6. 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.

### PROJECT TYPE

Replacement/ Rehabilitation

### FY22-23 BUDGET

\$500,000

### DEBT SERVICE

N/A

### PROJECT MANAGER

Operations

### TOTAL PROJECT COST

\$500,000

### PRIOR YEARS' BUDGET

N/A

### FUNDING SOURCE

Capital Project Fund



# SCADA UPGRADE

## PROJECT DESCRIPTION

West Valley Water District's SCADA system is the control center and user interface for the automation at each District facility. The SCADA system monitors reservoir levels and automatically starts and stops groundwater wells and booster pump stations. Upgrading the server hardware and updating the software is necessary to ensure that the system remains reliable and secure. The last update was completed in 2017.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$185,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Operations

**TOTAL PROJECT COST**  
\$185,000

**PRIOR YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Capacity Charges



# SECURITY CAMERA SYSTEM FOR THE DISTRICT HEADQUARTERS

## PROJECT DESCRIPTION

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.

<p><b>PROJECT TYPE</b> Capital Outlay</p> <p><b>FY22-23 BUDGET</b> \$50,000</p> <p><b>DEBT SERVICE</b> N/A</p> <p><b>PROJECT MANAGER</b> General Services</p>	<p><b>TOTAL PROJECT COST</b> \$50,000</p> <p><b>PRIORS YEARS’ BUDGET</b> N/A</p> <p><b>FUNDING SOURCE</b> Operating Revenue</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------



# THREE FIRE HYDRANT'S ON EUCALYPTUS

## PROJECT DESCRIPTION

Three fire hydrants will be installed on Eucalyptus Street between Blackwood and Daylilly Street. In the event of a fire, the fire hydrants can assure fast water supply.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$50,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Engineering

**TOTAL PROJECT COST**  
\$50,000

**PRIORS YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Operating Revenue



# WATER CONSERVATION GARDEN AT HEADQUARTERS

## PROJECT DESCRIPTION

The District constructed a Conservation Garden at its headquarters in 2015, which is in need of refurbishment. The District will be requesting proposals from qualified firms to provide a comprehensive landscape design to refurbish the existing garden footprint using drought tolerant, locally native plants.

The Conservation Garden will be used for both formal and self-guided public tours. The intent of the tours is to demonstrate proper planting and irrigation practices as well as to support education activities sponsored by the District.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$45,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
General Services

**TOTAL PROJECT COST**  
\$45,000

**PRIORS YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Operating Revenue



# WROUGHT IRON SECURITY FENCE AT LINDEN MATERIAL SUPPLY YARD

## PROJECT DESCRIPTION

Wrought Iron Fence is needed to secure Linden Material Yard. The current chain link fence is dilapidated and in need of repair or replacement. The Linden Yard holds backfill material that is removed from excavation due to water leak and holds clean backfill material required by City and County guidelines. There is one Case Backhoe stored on site to pick up material and disperse into two-yard or five-yard dump trucks. Linden Yard also has one porta-potty on site with water hose to wet backfill material and clean out dump trucks. There have been incidents in the past where battery to Case Backhoe was stolen and lock was cut off porta-potty for homeless to use facilities and or take water from water hose.

**PROJECT TYPE**  
Replacement/ Rehabilitation

**FY22-23 BUDGET**  
\$95,000

**DEBT SERVICE**  
N/A

**PROJECT MANAGER**  
Operations

**TOTAL PROJECT COST**  
\$95,000

**PRIORS YEARS' BUDGET**  
N/A

**FUNDING SOURCE**  
Operating Revenue



# ZONE 2 & 3 TRANSMISSION MAIN - 12", 16" AND 20" IN SANTA ANA AVE

## PROJECT DESCRIPTION

The pipelines in this area were constructed in the 1950's, 60's and 70's and lack the required supplies for domestic and fire flow demands in Pressure Zone 3. A new 12-inch diameter ductile iron transmission mains approximately 5,300 linear feet along Santa Ana Avenue between Alder and Linden Avenue are needed to improve water circulation for water quality and improve fire flow for the residences in the area. Improvements include tie-in connections, new service laterals, fire hydrants and all necessary appurtenances.

<p><b>PROJECT TYPE</b> New System Assets</p> <p><b>FY22-23 BUDGET</b> \$450,000</p> <p><b>DEBT SERVICE</b> N/A</p> <p><b>PROJECT MANAGER</b> Engineering</p>	<p><b>TOTAL PROJECT COST</b> \$7,605,897</p> <p><b>PRIORS YEARS' BUDGET</b> \$1,655,897</p> <p><b>FUNDING SOURCE</b> Capacity Charges</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------



# ZONE 8 – RESERVOIR 8-3 (2.0MG)

## PROJECT DESCRIPTION

The 2.0 MG Reservoir is required to provide additional capacity because of future development within the District's Pressure Zone 8 and for fire flow storage. The project involves the modification to the existing site to improve drainage and access road conditions.

<b>PROJECT TYPE</b> New System Assets	<b>TOTAL PROJECT COST</b> \$4,737,129
<b>FY22-23 BUDGET</b> \$1,180,000	<b>PRIORS YEARS' BUDGET</b> \$3,557,129
<b>DEBT SERVICE</b> N/A	<b>FUNDING SOURCE</b> Capacity Charges
<b>PROJECT MANAGER</b> Engineering	







12.002

12.002

12.002

12.002

12.002



DEBT  
**Management**

## 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 FY2022-23 will be \$1,955,929 on total outstanding debt of \$27,879,799 as of June 30, 2022.

## 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, 2022, the outstanding balance of the financing was in the amount of \$19,785,000.*

### 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, 2022, the outstanding balance of the financing was in the amount of \$1,985,751.*

### 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.

- *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, 2021, the balance for future water rights payments was in the amount of \$6,109,048.*

Below is a schedule of FY 2022-23 debt service payments:

DEBT ISSUE	PRINCIPAL	INTEREST	TOTAL
Series 2016A Refunding Revenue Bond	440,000	863,000	1,306,300
Hydroelectric Plant	331,100	40,000	371,000
Water Participation Rights	321,529	-	321,529
<b>TOTAL</b>	<b>1,092,629</b>	<b>903,000</b>	<b>1,995,929</b>

## IMPACT OF CURRENT DEBT LEVELS

As detailed above, debt service for FY 2022-23 on all outstanding debt is \$1,995,929 - this is a decrease of nearly \$38,050 from debt service payments in FY 2021-22. The decrease in debt service payment was due to regular principal amount decrease. Also, no new debt was taken therefore there was no major increase in debt service.

\$1,995,929 represents 5.5% of the District's total budget for FY 2022-23. This level of debt service does not affect utility services provided to District ratepayers but does directly impact the number of Capital Projects that can be funded by operating revenues.

## DEBT SCHEDULE

Below is a schedule of all outstanding debt:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2023	\$1,092,629	\$863,300	1,955,929
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>\$27,879,799</b>	<b>\$13,225,700</b>	<b>\$41,105,499</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 2022-23 proposed operating budget provides the net revenue to debt ratios shown in the table on the following page:

<b>WATER FUND</b>	<b>TOTAL</b>
<b>REVENUE</b>	
Sales & Services	27,919,997
Other Charges	3,917,833
Other Non-Operating	3,599,544
<b>TOTAL REVENUES</b>	<b>35,437,374</b>
<b>OPERATING EXPENSES</b>	
Departments	31,659,962
<b>TOTAL OPERATING EXP.</b>	<b>31,659,962</b>
<b>NET REVENUE</b>	<b>3,777,412</b>
<b>BOND DEBT SERVICE</b>	<b>1,303,300</b>
<b>DEBT COVERAGE RATIO</b>	<b>2.90</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.



THIS PAGE LEFT BLANK  
**INTENTIONALLY**







**POLICY**

# FINANCIAL Policies

**Interest rate / Loan amount**

	14.75%	15.00%	15.25%	15.50%
100,000 \$	1,315.5	1,325.5	1,335.5	1,345.5
150,000 \$	1,973.3	1,990.3	2,007.3	2,024.3
200,000 \$	2,631.1	2,658.1	2,685.1	2,712.1
250,000 \$	3,288.9	3,325.9	3,362.9	3,399.9
300,000 \$	3,946.7	3,993.7	4,040.7	4,087.7
350,000 \$	4,604.5	4,661.5	4,718.5	4,775.5
400,000 \$	5,262.3	5,329.3	5,396.3	5,463.3
450,000 \$	5,920.1	5,997.1	6,074.1	6,151.1
500,000 \$	6,577.9	6,664.9	6,751.9	6,838.9

**Monthly Payments**

	14.75%	15.00%	15.25%	15.50%
100,000 \$	1,315.5	1,325.5	1,335.5	1,345.5
150,000 \$	1,973.3	1,990.3	2,007.3	2,024.3
200,000 \$	2,631.1	2,658.1	2,685.1	2,712.1
250,000 \$	3,288.9	3,325.9	3,362.9	3,399.9
300,000 \$	3,946.7	3,993.7	4,040.7	4,087.7
350,000 \$	4,604.5	4,661.5	4,718.5	4,775.5
400,000 \$	5,262.3	5,329.3	5,396.3	5,463.3
450,000 \$	5,920.1	5,997.1	6,074.1	6,151.1
500,000 \$	6,577.9	6,664.9	6,751.9	6,838.9

**Interest Rate**

Interest Rate	14.75%	15.00%	15.25%	15.50%
1.00%	1,315.5	1,325.5	1,335.5	1,345.5
1.25%	1,325.5	1,335.5	1,345.5	1,355.5
1.50%	1,335.5	1,345.5	1,355.5	1,365.5
1.75%	1,345.5	1,355.5	1,365.5	1,375.5
2.00%	1,355.5	1,365.5	1,375.5	1,385.5

# SUMMARY OF FINANCIAL POLICIES

The District has been successful in financing capital improvements through a combination of long-term 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

## 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 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 debit 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*
- *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.*
- *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 how much 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 (5-YEAR FORESIGHT)

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



## 2) SHORT-TERM INITIATIVES (1 TO 5-YEAR FORESIGHT)

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

## 3) SIGNIFICANT CHANGES (1 YEAR LOOK BACK)

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

## 4) GOALS AND OBJECTIVES BY DEPARTMENT (1-YEAR FORESIGHT)

- Evaluate department goals and objectives.
- Evaluate how department goals are linked to overall District goals.
- Evaluate short-term objectives, measurable results to be achieved.
- Evaluate timeframes of achieving those objectives.

## 5) NET POSITION

- Define net position
- Prepare five-year historical trend.
- Prepare ten-year forecast.

## 6) CAPITAL EXPENDITURES

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

## 7) PROGRAM – BASE BUDGET WILL LINK RESOURCES WITH RESULTS

- Identifying community needs for essential services
- Describing the programs required to provide the essential services
- Identifying the purpose of activities performed in delivering services

- *Establishing goals and objectives which define the nature and level of services required*
- *Identifying resources required to perform program activities and accomplish goals and objectives*
- *Staffing levels*
- *Program activity revenue and appropriations*

## SECTION 7: REVENUE BUDGET DEVELOPMENT

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

- *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.*
- *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.*
- *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.*
- *The District will investigate potential new revenue sources, particularly those that will not add to the burden of tax or rate-payers.*
- *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.*
- *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.*
- *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*

## 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

- *Each program will identify activities and the recommended expenditure appropriations to perform those activities*
- *Identify recurring vs. nonrecurring expenditures*
- *Identify general vs. restricted expenditures*
- *Expenditure appropriation increases to the budget shall not be allowed unless offset with ongoing additional revenues or reduction in services.*
- *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.*
  - *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.*
- *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 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:

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 sub-accounts 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)** – *comprised of money set aside for Capital Projects, including those for General and Administrative Capital Projects*
- **Liquidity Cash Account(s)** – *monies set aside for Rate Stabilization, the Operating Reserve Account, the Emergency Account, and the Water Banking Account*

### 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.

## RESERVE TARGET LEVELS:

To establish and preserve its strong credit ratings, in every fiscal year WVWD will strive to maintain a Liquidity fund balance totaling a minimum of 365 days of budgeted operating expenses without regard to any Liquidity Facility.

The following represents the Districts target reserve levels by type:

### 1) 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.*

### 2) 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 80% of the amount estimated to be needed the following fiscal year. Failure to meet the minimum target level will not result in a violation of the policy. The maximum balance may be*

determined upon the reasonable needs of the District as set forth in the Capital Improvement Program, the District's Master Plan Documents and Strategic Plan.

**Events or Conditions Prompting the Use of the Fund(s)** – 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 and during the mid-year budget review process.

**B) Administrative & General Account** – The Administrative & General Account can be used to fund certain general, administration and overhead projects. Fleet Management, Building, Equipment, and Information Technology reserves will be maintained based upon life cycle replacement plans to ensure adequate net asset (fund balance) designation required for systematic replacement of fleet vehicles, building components and systems, computers and related equipment, and operational contingencies. Operating departments will be charged over the useful life of the asset used. The District shall endeavor to stabilize funding by building reserves equal to the anticipated replacement cost of each asset class at end of useful life..

**Target Level** – This Account has no specific target level for each component. However, WVWD shall seek to maintain a minimum balance equal to 5% of its annual operating expenses. Special projects can be funded on an as-needed or project-by-project basis.

**Events or Conditions Prompting the Use of the Fund(s)** – Improvement projects will be identified by staff and recommended to the Board during the preparation of the annual budget. As projects are approved, funds will be appropriated from 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 and during the mid-year budget review process.

### 3) 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. Further, the District will also incorporate an aggregate reserve goal since policy requirements and goals might fluctuate year over year. The total reserve goal of maintaining cash and equivalents shall be equal to the annual operating budgeted expenditures for the current fiscal year which is equivalent to 365 “days cash”:

**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 equal to the lower of (1) a calculation of the difference between (a) the amount of revenue from the lowest year of historical water usage going back 25 years and (b) the amount of revenue from a typical year using current rates; or (2) 180 days of the budgeted total operating expenses.

**Events or Conditions Prompting the Use of the Fund** – This fund is intended to be used to defray any temporary unforeseen decreases in the sale of water. The Board, on a case by case basis, will determine the amount and timing for any use of the fund. If at the end of any fiscal year, moneys on deposit in all accounts or reserve funds are at or exceed their respective maximum amounts or levels, the District may consider rebating surplus amounts to its ratepayers.

**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 and during the mid-year budget review process.



**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 185 days of the District's 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 and during the mid-year budget review process.

**C) Emergency Account** – The Emergency Account may be used to purchase water at any time or to begin repair of the water system after a catastrophic event, such as a severe earthquake, drought, or fire while interim, or long-term financing is being arranged or insurance claims are being processed. WVWD may use funds herein for either capital or operating purposes.

**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 and during the mid- year budget review process.

**D) Water Banking Account** – The Water Banking Account can be used to fund the purchase of replenishment water for future use. The District will strive to maintain a minimum level equal to the cost of 1,000 acre-feet of water and a maximum amount equal to the cost of 10,000 acre-feet of water. The District will review annually the cost to purchase water.

**Target Level** – Funding shall be targeted at a minimum equal to the existing rate times 1,000 acre-feet of water and a maximum equal to the existing rate times 10,000 acre-feet of water.

**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 and during the mid- year budget review process.

Self-Insurance Reserves (workers' compensation, other employment related matters) will be maintained at a level, which, together with purchased insurance policies, will adequately cover the District's property, liability, and health benefit risk. A qualified actuarial firm shall be retained and report on a bi-annual basis recommended appropriate funding levels. The District shall endeavor to maintain reserves equal to 90% of the estimated net present value of such liabilities.

Budget Reserves are presented in the Comprehensive Annual Financial Report (CAFR) in the Financial Statement section designated as Unrestricted Net Assets. The District's CAFR is available on the District's website at \_\_\_\_\_.

## 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 financings 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 facilities 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 facilities 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 shall not produce 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 a 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 part 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.









# Glossary

## A

---

**ACRE-FOOT (AF)** – A unit of measurement equivalent to 325,900 gallons of water.

**ACCRUAL BASIS ACCOUNTING** – Under this accounting method, transactions are recognized when occurred, regardless of the timing of related cash receipts and disbursements.

**ADOPTED BUDGET** – The WVWD Board approves the plan for the Agency's operations, which includes an estimate of expenditures and revenues for a given fiscal year.

**AMORTIZATION** – The process of spreading out a loan into a series of fixed payments over time; paying off the loan's interest and principal in different amounts each month, although the total payment remains equal each period.

**APPROPRIATION** – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

**ASSET** – A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

**ASSET MANAGEMENT** – Asset management is a strategic, comprehensive approach that involves systematic data collection and the analysis to provide WVWD with a framework for making sound decisions each fiscal year. Asset managers must make decisions on when and how to inspect, maintain, repair, renew, and replace a diverse set of existing equipment in a cost-effective manner.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)** – ACWA was founded in 1910, representing and providing key services to members has been ACWAs most important charge. From legislation to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California's public water agencies. ACWAs involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their constituents.

**AUDIT** – An official inspection of an individual's or organization's accounts, typically by an independent body

## B

---

**BALANCED BUDGET** – A budget in which revenues are equal to expenditures. Thus, neither a budget deficit nor a budget surplus exists. More generally, it is a budget that has no budget deficit, but could possibly have a budget surplus.

**BOND** – A written promise to pay a specified sum of money (called principal or face value), at a specified date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

**BOND COVENANT** – A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution, or indenture. (Example: pledged revenues).

**BUDGET** – A plan of financial operation embodying an estimate of proposed expenditures for a given period, and the proposed means of financing them. Used without any modifier, the term usually indicated a financial plan for a single fiscal year.

**BUDGETARY CONTROL** – The control or management of a government in accordance with an approved budget to keep expenses within the limitations of available appropriations and available revenues.

**BUDGET CALENDAR** – The schedule of key dates, which the Agency follows in the preparation and adoption of the budget.

**BUDGET DOCUMENT** – The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

**BUDGET MESSAGE** – A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

## C

**CaIPERS** – California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

**CALIFORNIA URBAN WATER CONSERVATION COUNCIL (CUWCC)** – The CUWCC was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

**CAPITAL CAPACITY REIMBURSEMENT ACCOUNT (CCRA)** – Accounts that are established and maintained by the contracting agencies, to which connection fees are deposited or credited, pursuant to the Regional Sewage Service Contract.

**CAPITAL OUTLAY** – Expenditures resulting in the acquisition of or addition to fixed assets having a useful life greater than one year.

**CAPITAL PROJECT** – Major construction, acquisition, or renovation which increases the useful life and value of the asset. It also includes non-routine capital expenditures (maintenance and repair) greater than or equal to \$5,000 which extends the asset's estimated useful life and capabilities. It is also sometimes referred to as capital expenditure.

**CAPITAL IMPROVEMENT FUND** – A fund used to account for costs incurred in acquisition, construction, and expansion of major capital facilities. It also includes expenditures for meeting the debt service obligations and the associated administrative costs.

**CLEAN WATER ACT (CWA)** – is the primary federal law in the United States governing water pollution. Its objective is to restore and maintain the chemical, physical, and biological integrity of the nation's waters by preventing point and nonpoint pollution sources, providing assistance to publicly owned treatment works for the improvement of wastewater treatment, and maintaining the integrity of wetlands.

**CLEAN WATER STATE REVOLVING FUND (CWSRF)** – Established in 1987 by the Clean Water Act, the program is part of the United States Environmental Protection Agency's Office of Wastewater Management and administered in California by the State Water Resources Control Board. The fund serves to finance "construction-ready" water and wastewater infrastructure projects.

**COLA** – Cost of living adjustments to employee wages.

**CONJUNCTIVE USE** – The planned use of groundwater in conjunction with surface water in overall management to optimize total water resources.

**CONTINGENCY** – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**COVID-19** – A mild to severe respiratory illness that is caused by a coronavirus (Severe acute respiratory syndrome coronavirus 2 of the genus Betacoronavirus), is transmitted chiefly by contact with infectious material (such as respiratory droplets) or with objects or surfaces contaminated by the causative virus, and it characterized especially by fever, cough, and shortness of breath and may progress to pneumonia and respiratory failure.

**D**

**DEBT SERVICE** – Payment of current year portion of interest and principal costs incurred on long-term debt issued by the Agency.

**DEFECIT** – The amount of money in a budget by which total expenses of a government (entity) exceed its total earnings.

**DEPRECIATION** – Recorded annually to expense the cost of a capital asset over its useful life on a General Accepted Accounting Principle basis but is not contemplated on the budget basis.

**DIVISION** – A basic organizational unit of government dealing with a specific subject. A Division may be grouped into divisions, programs, activity groups, and/or activities. Also referred to as Business Area.

**DEPARTMENT OF WATER RESOURCES (DWR)** – DWR operates and maintains the State Water Project, including the California Aqueduct. The department also provides dam safety and flood control services, assists local water districts in water management and conservation activities, promotes recreational opportunities, and plans for future statewide water needs.

**DISASTER RECOVERY PLAN** – A written plan that describes how to recover systems and/or services in the event of a disaster.

**E**

**ENTERPRISE FUND** – A fund that provides goods or services to the public for a fee that makes the entity self-supporting. It basically follows GAAP as does a commercial enterprise. An example is a government- owned utility.

**EXPENSES** – Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charged presumed to benefit the current fiscal period.

**F**

**FISCAL YEAR** – A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operation. West Valley Water District operates on a fiscal year from July 1, through June 30.

**FLUIDIZED BED REACTOR (FBR)** – A proprietary biological active water treatment system used to remove nitrate, selenium, perchlorate, and other difficult contaminants from water. Based on the contaminant to be removed, the fluidized bed bioreactor can be customized with various media, microbes, nutrients, and electron donors.

**FULL TIME EQUIVALENT (FTE)** – The conversion of a part-time, temporary, or volunteer position to a decimal equivalent of a full-time position based on an annual amount of 2,080 hours worked.

**FUND** – A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

**FUND BALANCE** – Is used to describe the net position of the Agency's funds calculated in accordance with generally accepted accounting principles (GAAP). The Agency has historically maintained fund balance reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events. Fund balance are designated for specific purposes, as defined in the Agency's Reserve Policy.

**FUND TRANSFER** – Fund transfer required to maintain a given level of fund balance in accordance with Board policies and bond covenants.

## G

---

**GASB 34** – Statement No. 34 issued by the Governmental Accounting Standards Board (GASB) that was implemented by the Commission in FY 2001/02. GASB 34 established new financial standards for state and local governments. Under the new financial reporting model, governmental financial statements include basic financial statements that present both government-wide and fund financial statements and require supplementary information, including Management’s Discussion and Analysis.

**GASB 45** – This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

**GASB 67** - The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, FINANCIAL REPORTING FOR DEFINED BENEFIT PENSION PLANS AND NOTE DISCLOSURES FOR DEFINED CONTRIBUTION PLANS, and No. 50, PENSION DISCLOSURES, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

**GASB 68** - The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions in regards to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** – Minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The GASB is the primary authoritative accounting and financial reporting standard-setting body on the application of GAAP to state and local governments.

**GOVERNMENT FUND** – A group of funds that the government has received over the course of a fiscal year, the main source of revenue for any government. Like any business that operates, governments also establish set accounts to achieve certain aims and targets.

**GROUNDWATER** – Water that occurs beneath the land surface and fills partially or wholly pore spaces of the alluvium, soil, or rock formation in which it is situated. It does not include water which is being produced with oil in the production of oil and gas or in a bona fide mining operation.

## I

---

**INTEREST** – Revenue derived from the investment of idle cash and/or reserves.

## L

---

**LIABILITY** – Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer assets or provide service to other entities in the future as a result of a past transaction or event.

## M

---

**METER EQUIVALENT UNIT (MEU)** – a measurement expressed in terms of a ratio of rated meter capacity for each meter size relative to the size of a standard residential meter.

## N

---

**NON-MAJOR FUND** – Governmental funds that fall into four categories special revenue funds, debt service funds, capital projects funds, and permanent funds.

## O

---

**OPERATING BUDGET** – Plans of current expenses and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

**OPERATING EXPENSES** – Proprietary fund expenses related directly to the fund's primary activities.

**ORDINANCE** – A law set forth by a governmental or legislative body.

## P

---

**PEPRA MEMBER** – A new hire who has no prior membership in any California public retirement system prior to January 1, 2013; or who is rehired by a different CalPERS employer after a break in service of a greater than six months.

**PROGRAM BUDGET** – A budget wherein expenses are based primarily on the functions or activities of a government rather than based on specific items of cost, or specific departments.

**PROPRIETARY FUND** – Use a flow of economic resources measurement focus and accrual basis of accounting; they are used to account for a government's business-type activities and use businesslike accounting.

**PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)** – An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

## Q

---

**QUALITY** – Measures the performance of assets to perform their function toward meeting regulatory and non-regulatory goals; these are often associated with water quality.

## R

---

**RESERVE** – An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

**REVENUE** – Income generated by taxes, user charges, connection fees, investment income, bonds, and leases.

## S

---

**SALINITY** – Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids – TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.



**SERVICE LINE** – Pipe from the common distribution main to provide water to individual customers for domestic or fire service.

**STATE REVOLVING FUND (SRF)** – The Federal Clean Water Act amendments of 1897 authorized the use of federal money to create an SFR loan program to replace the Federal Clean Water Grant program.

SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loans can also be used to support reclamation nonpoint source pollution, storm drainage, and estuary projects.

**STATE WATER RESOURCES CONTROL BOARD (SWRCB)** – This is a joint authority of water allocation and water quality protection that provides comprehensive protection for California’s waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

## T

---

**TAXES** – Compulsory charges levied by a government to finance services performed for the common benefit.

**TANK** – A vessel or container used to hold water or other liquid.

## U

---

**UNITED TECHNOLOGIES CORPORATION (UTC)** – Was an American multinational conglomerate that researched developed, and manufactured products in numerous areas, including aircraft engines, aerospace systems, HVAC, elevators and escalators, fire and security, building automation, and industrials products. In April 2020, UTC merged with the Raytheon Company to form Raytheon Technologies.

**URBAN WATER MANAGEMENT PLANS (UWMPs)** – Prepared by urban water suppliers every five years. These plans support the suppliers’ long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs.

## V

---

**VALVE** – A device to regulate or isolate the flow of water.

**VAULT** – An underground structure to house pumps, meters, etc.

## W

---

**WATER DISTRIBUTION** – A network of pipe, pumps, and storage facilities to transport potable water from the source or treatment facility to the customer.

**WATER METER** – A device designed to accurately measure flow passing through it. Meters are of various types and materials, and function with accuracy within certain flow ranges.

**WATER TREATMENT** – Any process that intentionally alters and improves the chemical, biological, or physical characteristics of water.

**WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA)** – Administered by the Environmental Protection Agency, the federal credit program provides long term, low-interest funding for regionally and nationally significant water and wastewater infrastructure projects.

**WELL** – A subsurface source of water that is generally accessed through a drilled casing and pipe into the aquifer.

**WORKING CAPITAL** – The amount of cash and investments in a fund, plus the accounts receivable, less the accounts payable and amounts due to others in that fund. Also referred to as reserves.





---

**OUR MISSION IS TO PROVIDE OUR  
CUSTOMERS WITH SAFE, HIGH QUALITY  
AND RELIABLE WATER SERVICE  
AT A REASONABLE RATE AND IN A  
SUSTAINABLE MANNER.**

---



(909) 875-1804 • 855 W. Baseline Rd., Rialto, CA 92376



**@MyWVWD**

[www.wvwd.org](http://www.wvwd.org)