



CUCAMONGA VALLEY WATER DISTRICT

# BUDGET

FISCAL YEARS 2023 & 2024



RANCHO CUCAMONGA, CALIFORNIA

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# BUDGET MESSAGE

## **TO THE BOARD OF DIRECTORS, CUSTOMERS, AND STAKEHOLDERS OF THE CUCAMONGA VALLEY WATER DISTRICT:**

On behalf of the Cucamonga Valley Water District (CVWD/District), I am pleased to present for your consideration our Fiscal Years 2023-2024 Operating and Capital Improvement Budget. Since January 2022, our management team has worked diligently to develop a balanced budget for both fiscal years (FY) 2023 and 2024. Components of this budget have been presented to the Finance and Engineering committees. The organizational priorities and goals have guided staff as this budget was developed.

### **DISTRICT OVERVIEW AND GOVERNANCE**

The District was incorporated on March 25, 1955 under the provisions of Division 12 of the California Water Code. The District provides water, wastewater, and recycled water within its 46 square mile service area. The District serves a population of approximately 192,000 in the cities of Rancho Cucamonga and portions of the unincorporated area of the County of San Bernardino, and a portion of the cities of Fontana, Ontario, and Upland. The District's headquarters are located in the City of Rancho Cucamonga.

The District is governed by a five-member publicly elected Board of Directors that serve the customers with four-year overlapping terms. The General Manager/CEO is appointed by the Board to oversee the daily operations of the District. The Board is committed to addressing important decisions immediately in an open and transparent manner and has direct authority to raise rates and charges in compliance with Propositions 26 and 218.

### **DISTRICT-WIDE GOALS AND STRATEGIES**

In 2012, the District redefined its Foundational Principles emphasizing Water, Service, and People. Our commitment is to utilize these foundational principles as a guide in our decision-making process, both in the short and long term. These guiding principles help us to secure a reliable water supply for our customers, provide Service Beyond Expectation, and allow our agency to attract and retain a quality workforce that supports our vision and values.

During 2017 a number of District-wide goals were developed in order to align the operating divisions with the Foundational Principles. In 2018 these goals were converted into action plans by the various teams in order to support the accomplishment of these goals. The planning efforts culminated in a Board Workshop presentation on January 30, 2018, in which all the managers gave a group presentation highlighting the action plans for their respective areas. In early March 2022, these strategic goals were evaluated and updated. Performance Measures in each Division have been developed to quantify these work efforts. The progress on these Performance Measures are included in the Department Information section of this Budget. The following District-wide strategic goals have been established:

## Water

1. CVWD maximizes the beneficial use of all of our water supplies while maintaining operational and financial flexibility.
2. CVWD recognizes the vital nature of water quality, supply, resiliency, and distribution reliability.
3. CVWD actively participates in the water policy arena to influence local, state, and federal regulations.

## Service

1. CVWD staff has the necessary skills, abilities and technology to deliver Service Beyond Expectation.
2. CVWD's preventative maintenance program is the foundation for providing reliable: water, recycled water and wastewater service.

## People

1. CVWD has a resourceful, innovative and empowered pool of talent that supports the culture and values of the District.
2. Employees contribute to the development and implementation of the District's Vision, Goals and Action Plans.
3. Employees take ownership and embrace the District's Foundational Principles through their interactions and communications.

For a deeper look at the District's strategic goals, please refer to the Goals & Objectives section.

## NOTABLE ACCOMPLISHMENTS

The District has completed the construction of a new reservoir located adjacent to the Cucamonga Basin groundwater treatment plant. The reservoir has a capacity of 1.4 million gallons which will improve water supply distribution and reliability. A Water Rate Study was completed and approved in September 2021 that determined water utility rates and charges for the time period January 1, 2022 through January 1, 2026. The Rate Study was supported by a Cost of Service Analysis and Financial Model that connected the cost of the District's water sources to the prices of the District's Tiered Rates. The Rate Study also defined and authorized pass-through rates that will allow the District to recover costs imposed by other governmental agencies. An internet-based water usage portal was implemented which will allow customers to monitor their water usage on an hourly, daily and monthly basis by utilizing the data collected by the automated meter reading system. Portions of the District's long-term debt was refinanced in Spring 2021 resulting in a \$14 million reduction of interest costs over the life of the debt issuances. A Developer Impact Fee Study was completed and approved in August 2021. A large sewer main siphon was replaced with a gravity flow sewer main under the Cucamonga Creek Channel which will increase reliability, reduce maintenance costs, and lower the risk of sewer backup.

## FACTORS INFLUENCING THE BUDGET

### Short-Term

The state of California is again being impacted by a prolonged drought. The effects of the drought and the related actions of officials at the State as well as the Metropolitan Water District (MWD) are unfolding as this Budget is being completed. The District has not experienced a significant reduction in water sales volumes at this time, therefore, the Budget has not been paused to wait for the impacts to be known. Conservative estimates for water sales volumes have been used in projecting budgeted revenues and expenses. The District has developed and secured multiple sources of water in the last two decades in order to ensure that there is adequate water for the needs of customers even when a drought impacts the MWD water supplies. A water supply strategy has been developed that will maximize the use of local water resources during fiscal years 2023 and 2024 in order to both reduce reliance on impaired MWD water supplies and reduce overall operating costs. Local groundwater resources of the District have proven to be more sustainable and reliable than water purchased from MWD.

Economic concerns such as cost inflation and labor shortages have been addressed in the projections for FY 2023 and FY 2024 as well. One of the most significant sources of cost inflation are fees and charges imposed by outside agencies. The District has established pass-through rates that will allow it to recover these costs when those agencies enact higher prices. The projected cost of electricity is another significant contributor to potential cost inflation. In order to be conservative, the budgeted cost of electricity includes placeholders of 12% in FY 2023 and an additional 6% in FY 2024 for rate increases by Southern California Edison. To address labor market challenges, this budget also includes provisions for an estimated cost of living adjustment as well as merit increases that will be determined at a later date. This will assist the District in attracting and retaining the most talented employees.

### **Long-Term**

The District places a tremendous effort on capital improvement planning. Utilizing our water and wastewater master planning documents, projects are evaluated, prioritized, and scheduled. The total capital project investments in this Budget are approximately \$30.5 million and in accordance with the District's Debt Management Policy, the use of debt is prudently reviewed and is limited to long-term projects that meet specific criteria. The District closely monitors its debt ratios. This year's capital budget is funded on a Pay-Go basis. Certain Water and Sewer projects are being funded with Developer Fee Reserves and Capital Reserves.

Since 2010, the District has put into place structural changes to limit the impact of rising wages and benefit expenses: a second CalPERS tier of 2% at 60 was implemented for new employees, the defined benefit retiree health care program was closed, employees now participate in cost-sharing for their pension, as well as other changes resulting in on-going savings to ratepayers. Since this time, pension expenses have increased as the CalPERS Board changed actuarial assumptions and made efforts to improve the funded status of the plan. In 2015, staff commenced a cost-benefit analysis of advanced repayments of the CalPERS unfunded liability. In 2016, the Board approved a funding plan, and the District has implemented advanced discretionary payments over the subsequent five years. This plan was implemented in the five-year period from FY 2017 to FY 2021. Based on our analysis, the first five years of this early repayment plan will save rate payers approximately \$12.5 million, and this savings will continue to accumulate in perpetuity. In 2021, the Board approved this funding plan for an additional five years and the District expects to enjoy similar additional savings benefits from this action.

## **BUDGET PRIORITIES FOR FY 2023 & 2024**

One of the most significant priorities in FY 2023 and FY 2024 is to complete the construction of two new groundwater wells that will further enhance the District's local water supply resources. Construction of a new well located in the Cucamonga Groundwater Basin has already begun and is expected to be completed in the Summer of 2022. This budget also includes a Capital Project for a New Well located in the Chino Groundwater Basin that is expected to be built primarily in 2023 and completed in 2024.

In addition to reducing operating costs by utilizing more local water, District staff have made it a priority to reduce any controllable operating costs as much as possible. These cost reducing decisions have resulted in controllable operating costs being limited to only 2% growth per year despite the challenges of a comparatively high CPI (Cost Inflation Index).

Another priority is to maintain the quality and reliability of the District's water supplies at the lowest possible cost. This will be achieved through the protection of existing water rights as well as investing in new water infrastructure that will provide access to additional water sources. The District is committed to delivering the highest quality water and sewer services and considers these services to be essential to the life and health of the residents.

## SIGNIFICANT BUDGETARY ITEMS

### OPERATING BUDGET

Overall, the budget is based on operating revenues of \$107,640,050 for FY 2023 and \$114,164,074 for FY 2024 for all funds, which reflects a decrease of 1% and an increase of 6%, respectively. Operating expenses are budgeted at \$84,708,266 for FY 2023 and \$90,526,854 for FY 2024 for all funds. These operating expenses have been reduced by 3% in FY 2023 and held to a 7% increase in FY 2024, including costs that are driven by outside agencies.

Water Fund operating revenues are budgeted to decrease by about \$1.5 million for FY 2023. This projection of reduced operating revenues is based on the end of a five-year groundwater lease contract that generated additional Sales to Other Water agencies in FY 2022. Operating revenues for the Water Fund have been projected to increase by \$5.3 million in FY 2024 based primarily on higher water rates. On January 1, 2022, changes to the water rate structure went into effect. The changes included adjustments to the monthly meter charge, volume based tiered rates and the monthly volume-based tier allocations. Also, pass-through rates were authorized that will allow the District to recover costs imposed by outside agencies. These rate changes will result in higher operating revenues that will pay for increased operating costs and investment in utility infrastructure. A wastewater treatment pass-through rate set by the Inland Empire Utilities Agency (IEUA) is resulting in wastewater treatment revenues of about \$18 million in FY 2023 and about \$19 million in FY 2024. IEUA is the regional wastewater treatment agency for seven local agencies, including CVWD.

Of total operating expenses, the single-largest change in any category is the decreased cost of purchasing imported water within the Water Supply account. This category is projected to decrease by \$4.5 million from FY 2022 to FY 2024. Imported water is expected to provide 41% of the production mix in both FY 2023 and FY 2024. Groundwater production will be 54% of the mix in both FY 2023 and FY 2024 resulting in electricity expense of \$4.0 million for FY 2023 and \$4.3 million for FY 2024. The District's booster pumps which are required to move both imported and locally sourced water around the District will result in electricity costs of about \$2.9 and \$3.1 million for FY 2023 and FY 2024, respectively.

The Wages and Benefits category is budgeted to increase by \$1.1 million in FY 2023. This increase takes into consideration budgeted merit increases, an estimated cost-of-living adjustment (COLA), as well as a contribution to the CalPERS Advance Repayment Program and additional actuarial-derived contributions to the Other Post-Employment Benefits and PARS. In FY 2024, Wages and Benefits are expected to increase by 4% including the factors listed above.

### CAPITAL IMPROVEMENT BUDGET

New requests in the two-year total Capital Improvement Project (CIP) budget include Water Capital funding of approximately \$21.7 million, Sewer Capital funding of about \$8.7 million, and Recycled Water Capital funding of \$250,000. Notable Water Fund projects include a new groundwater well in the Chino Basin (\$4.4 million), and various waterlines (\$4.9 million). The Sewer Fund has large projects that include new sewer lines in Haven (\$2.9 million), and Rochester (\$2.3 million).

## BUDGET OVERVIEW

There has been no change in proposed budget to the adopted budget.

The table below is a consolidated overview of the significant budgetary items for all funds:

	2022 Amended Budget	2023 Budget	% Change (FY23 - FY22)	2024 Budget	% Change (FY24 - FY23)
<b>Operating Revenues</b>					
Water Sales & Services	\$53,934,373	\$56,470,626	5%	\$59,988,868	6%
Meter Charges	24,271,117	26,356,391	9%	27,335,907	4%
Water Sales to Other Agencies	8,221,140	2,102,752	(74%)	2,930,375	39%
Sewer Services	4,661,876	4,788,662	3%	4,813,377	1%
Sewer Treatment Charge	17,097,750	17,921,619	5%	19,095,547	7%
<b>Total Operating Revenues</b>	<b>108,186,256</b>	<b>107,640,050</b>	<b>(1%)</b>	<b>114,164,074</b>	<b>6%</b>
<b>Operating Expenses</b>					
Wages & Benefits	22,155,733	23,560,245	6%	24,597,168	4%
Outside Labor	111,250	112,250	1%	112,250	0%
Professional Development	477,745	501,998	5%	510,259	2%
Professional Services	735,276	620,350	(16%)	612,150	(1%)
Personnel Costs	308,400	307,840	(0%)	312,140	1%
Insurance	469,934	671,812	43%	704,652	5%
Advertisements	25,525	25,525	0%	25,525	0%
Elections	-	300,000	100%	-	(100%)
Collections	512,000	65,000	(87%)	60,000	(8%)
Utilities	6,082,256	9,097,810	50%	9,217,763	1%
Materials & Supplies	4,969,471	4,794,732	(4%)	4,954,832	3%
Outside Services	3,147,852	3,563,074	13%	3,640,572	2%
Source of Supply	30,534,242	22,504,096	(26%)	25,988,079	15%
Sewer Treatment Cost	17,097,750	17,921,619	5%	19,095,547	7%
Miscellaneous	606,018	661,916	9%	695,916	5%
<b>Total Operating Expenses</b>	<b>87,233,452</b>	<b>84,708,267</b>	<b>(3%)</b>	<b>90,526,853</b>	<b>7%</b>
<b>Net Operating Revenue</b>	<b>20,952,804</b>	<b>22,931,783</b>	<b>9%</b>	<b>23,637,221</b>	<b>3%</b>
<b>Non-Operating Revenues</b>					
Interest Income	871,400	1,120,755	29%	1,776,660	59%
Development Income	6,794,352	5,462,748	(20%)	7,452,749	36%
Other Income	744,083	919,115	24%	937,140	2%
<b>Total Non-Operating Revenues</b>	<b>8,409,835</b>	<b>7,502,618</b>	<b>(11%)</b>	<b>10,166,549</b>	<b>36%</b>
<b>Non-Operating Expenses</b>					
Capital Improvement Projects	17,204,850	14,248,400	(17%)	16,482,300	16%
Annual Debt Service	14,458,318	13,587,654	(6%)	14,003,405	3%
Debt Covenants	3,035,852	3,109,948	2%	3,213,886	3%
<b>Total Non-Operating Expenses</b>	<b>34,699,020</b>	<b>30,946,002</b>	<b>(11%)</b>	<b>33,699,591</b>	<b>9%</b>
<b>Change in Net Position</b>	<b>\$(5,336,381)</b>	<b>\$(511,601)</b>	<b>90%</b>	<b>\$104,179</b>	<b>120%</b>

## CONCLUSION

The Cucamonga Valley Water District believes that its vision of **Water**, **Service**, and **People** provides a meaningful, deliberate, and proactive approach to managing our District and the precious resources entrusted to it. The District maintains transparency, responsiveness, and stewardship to our customers, stakeholders, and employees. The budget incorporates resources for the carefully planned priorities established for FY 2023 and FY 2024.

I would like to thank the Board Committees who worked diligently to develop this budget and to the CVWD staff who have contributed to its development. Special thanks to the Finance staff including: Brandon Koh, Accountant; Andrea Dutton, Senior Accountant; Jennifer Fillinger, Accounting Supervisor; Agnes Boros, Finance Manager; Chad Brantley, Director of Finance and Technology Services.

Respectfully submitted,



John Bosler  
General Manager/CEO



## DISTRICT MANAGEMENT

**EDUARDO ESPINOZA**  
Assistant General Manager

**ROB HILLS**  
Director of Operations

**CHAD BRANTLEY**  
Director of Finance & Technology  
Services

**ROBERTA PEREZ**  
Director of Human Resources &  
Risk Management



Board President  
**RANDALL JAMES  
REED**



Vice President  
**LUIS  
CETINA**



Director  
**JAMES V.  
CURATALO JR.**



Director  
**MARK  
GIBBONEY**



Director  
**KEVIN  
KENLEY**

# RESOLUTION NO. 2022-6-3

## RESOLUTION OF THE BOARD OF DIRECTORS OF THE CUCAMONGA VALLEY WATER DISTRICT ADOPTING THE BIENNIAL OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEARS ENDING JUNE 30, 2023 AND JUNE 30, 2024

**WHEREAS**, the Cucamonga Valley Water District (“District”) is organized and operates pursuant to the County Water District Law commencing with Section 30000 of the California Water Code; and

**WHEREAS**, there has been presented to the Board of Directors a proposed Biennial Operating and Capital Improvement Budget For The Fiscal Years Ending June 30, 2023 & June 30, 2024 (“2023 & 2024 Budget”); and

**WHEREAS**, on June 28, 2022, the Board of Directors received and considered all comments regarding the proposed 2023 & 2024 Budget; and

**WHEREAS**, the proposed 2023 & 2024 Budget has been reviewed and considered by the Board of Directors and it has been determined to be in the best interests of the District to adopt said budget for the sound financial operation of the District.

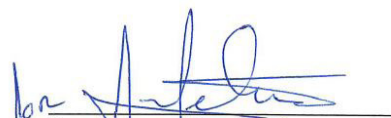
**BE IT HEREBY RESOLVED** by the Board of Directors of the Cucamonga Valley Water District as follows:

1. The 2023 & 2024 Budget, as detailed in the budget document entitled “Budget Fiscal Years 2023 & 2024,” is hereby adopted. A copy of the 2023 & 2024 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for the Fiscal Years 2022-2023 and 2023-2024, pursuant to the 2023 & 2024 Budget, are hereby appropriated and may be expended by the departments or funds for which they are designated.
3. The current amount of the MWD Surcharge Rate pass-through, as established in Chapter 4.08.020 shall remain at \$0.05 effective 07/01/2022.
4. The current amount of the Customer Assistance Program (CAP) shall remain the same at \$10.00 per monthly period effective 07/01/2022 and 07/01/2023.
5. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
6. If any section, subsection, sentence, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.
7. This Resolution will be effective immediately upon adoption.

Adopted this 28th day of June, 2022.

Attest:

  
John Bosler  
Secretary, Board of Directors

  
Randall James Reed  
President, Board of Directors

# GOALS & OBJECTIVES

The District has developed a number of District-wide goals for FY 2023 and FY 2024 to align the operating divisions with the Foundational Principles of the District. Divisions are tasked with aligning their action plans to support these goals.

The following District-wide strategic goals have been established:

## WATER

1. CVWD maximizes the beneficial use of all of our water supplies while maintaining operational and financial flexibility.
  - A. Maintain operational flexibility between imported water and groundwater, surface, and recycled water
  - B. Our rates ensure that operational and capital needs are met and are fair to our customers
  - C. Protect, secure and obtain additional water rights as feasible
  - D. Encourage efficient water use practices with customers through education and new technology
  - E. Increase collaboration between District teams
2. CVWD recognizes the vital nature of water quality, supply, resiliency, and distribution reliability.
  - A. Continue to develop and implement adopted master plans, CIP Budget and Long-Term Financial Plans to anticipate current and future needs
  - B. Adhere to current and anticipated water quality regulations
  - C. Outreach to customers and stakeholders to address the results of investments and value of water
  - D. Use technology to maintain efficient asset management
3. CVWD actively participates in the water policy arena to influence local, state, and federal regulations.
  - A. Encourage employees and Board Members to stay informed of topics that impact our organization
  - B. Engage and actively participate with state and federal advocacy organizations
  - C. Actively build relationships with policy makers, stakeholders, and regulators

## SERVICE

1. CVWD staff has the necessary skills, abilities and technology to deliver *Service Beyond Expectation*.
  - A. Employees are provided with training, professional development and leadership opportunities to successfully contribute to the organization
  - B. The District's culture fosters employee innovation and a *Service Beyond Expectation* standard:
    - i. Standardization of customer communications via Branding Guidelines
    - ii. Ongoing internal/external customer interaction training
    - iii. Explore the use of alternate modes to receive internal and external customer feedback
2. CVWD's preventative maintenance program is the foundation for providing reliable: water, recycled water and wastewater service.

# PEOPLE

1. CVWD has a resourceful, innovative and empowered pool of talent that supports the culture and values of the District.
  - A. Provide leadership, professional development and training programs
  - B. Continue to evaluate the recruitment process and retain quality talent
  - C. Focus on programs and practices that encourage unity
  - D. Provide programs that inspire multi-functional skill development that brings value to the District and to employees
  - E. Employees are empowered to contribute innovative ideas and are entrusted to participate through implementation
2. Employees contribute to the development and implementation of the District's Vision, Goals and Action Plans.
3. Employees take ownership and embrace the District's Foundational Principles through their interactions and communications.





# INTRODUCTION



# Introduction

## BUDGET GUIDE

This budget document is the District's biennial financial plan prepared by District Management and approved by the Governing Board. The financial plan serves as a policy document, operations guide, and as a means of transparent communication. The budget document is a comprehensive and balanced financial plan that features the key elements of the budget and the major changes and expectations to help users gain an understanding of the District's financial status and future plans. To help readers navigate this document an outline of each of the major sections of the budget is included below.

## BUDGET DOCUMENT SECTIONS

### BUDGET MESSAGE

This section includes the District Officials, General Manager/CEO's Budget Message, Strategic Goals and Strategies, Short-Term Organization-Wide Factors, Priorities and Issues, Budget Overview, Budget Resolution, and Goals & Objectives.

### INTRODUCTION

The Introduction section includes the Budget Guide, History & Profile, Statistical Section, Organizational Structure, and District Philosophy.

### FINANCIAL STRUCTURE, PROCESS, & POLICY

This section presents an in-depth District-Wide overview of the District's financial structure, budget process, and significant policies.

### FINANCIAL SUMMARIES

This section is a comprehensive summary of the District's Operating Budget.

## CAPITAL & DEBT

This section presents the Capital Improvement Projects and describes the District's debt.

## DEPARTMENT INFORMATION

This section provides comprehensive information for each department within the District including their operational budget. The Budget is organized into the following summary departments:

- Board of Directors
- Office of the General Manager
- Human Resources & Risk Management
- Office of the Assistant General Manager
- Government & Public Affairs
- Engineering Administration
- GIS
- Design & Construction
- Water Resources & Planning
- Development
- Industrial Waste
- Cross Connection
- Recycled Water
- Financial & Technology Administration
- Accounting & Purchasing
- Customer Service
- Information Technology
- General Services Administration
- Operations Administration
- Water Treatment
- Production & Telemetry
- Facilities
- Fleet
- Water Distribution
- Collection & Transmission

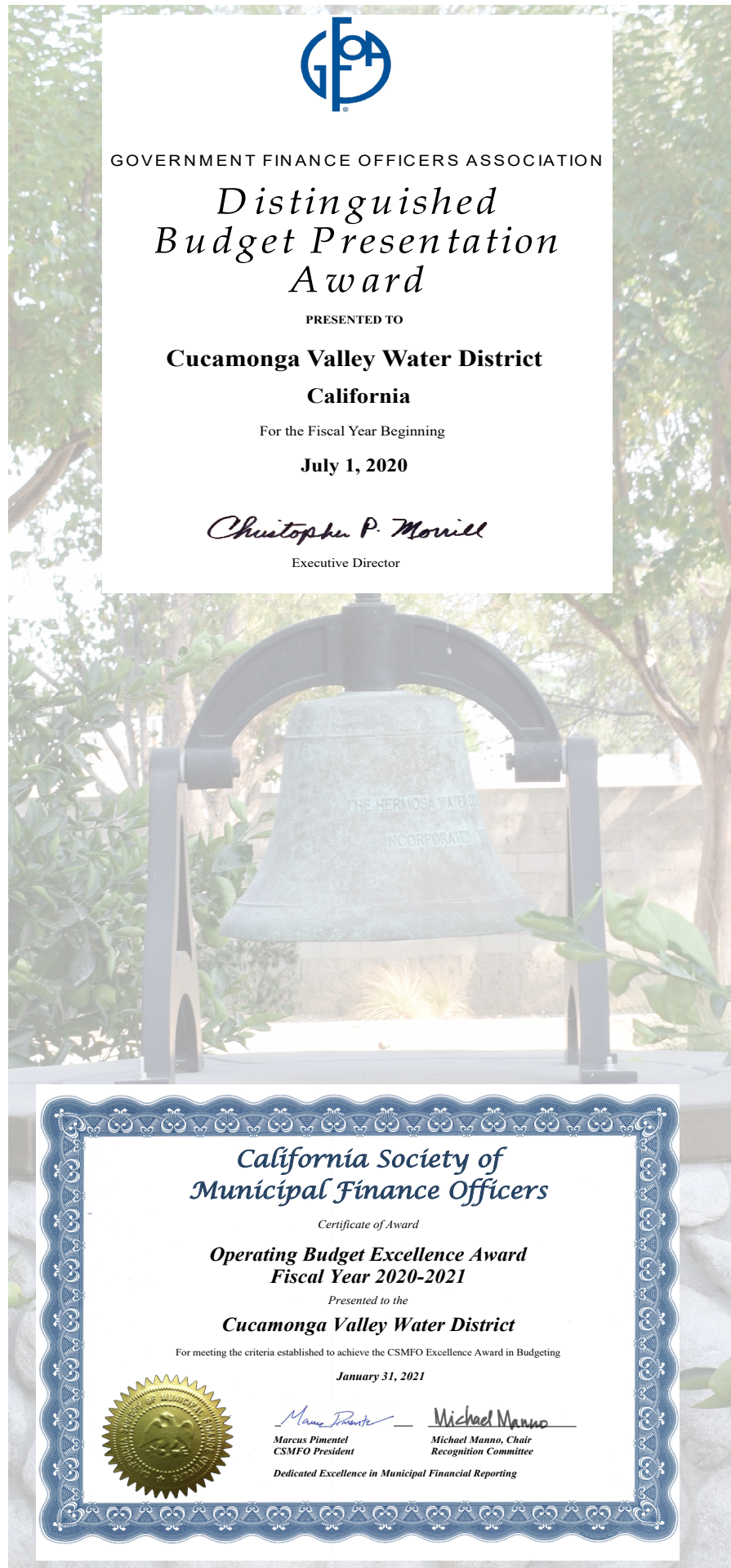
## ACRONYMS & GLOSSARY

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

## BUDGET AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation Award to the Cucamonga Valley Water District for the biennial budget for the fiscal year beginning July 1, 2020. In order to receive this award a governmental unit must publish a budget document of the very highest quality that adheres to program standards. The District has received this award every budget cycle since the fiscal year beginning July 1, 2007. We believe the 2023 & 2024 budget continues to meet the program requirements and will be submitted to the GFOA to determine its eligibility for another award.

The California Society of Municipal Finance Officers (CSMFO) recognizes those entities with highly professional budget documents with two levels of certificates. The first level is the “Meritorious Budget Award”, which requires the entity to meet a very specific list of criteria defined by the CSMFO. The second level is the “Operating Budget Excellence Award”, which requires the entity to meet an even higher criterion which effectively enhances the usability of the budget document. The District has received this award every year since fiscal year 2006-2007. We believe the 2023 & 2024 budget continues to meet the program requirements and will be submitted to the CSMFO to determine its eligibility for another award.



# HISTORY & PROFILE

## HISTORY

### RESPONDING TO GROWING WATER NEEDS

The area of Cucamonga Valley Water District, like most of Western San Bernardino County, has rapidly urbanized. The area's history, however, has not always indicated this direction. The peak agricultural production capability of the 1940's actually began nearly one hundred years earlier. Good climate, excellent soils and the abundant water supply prompted the early pioneers to develop a long successful agricultural era. The prosperity resulting from a thriving agricultural base attracted growth to the communities. The decline in the area's agricultural economy was replaced by a mixture of residential, commercial, industrial and logistical development.

Beginning in the late 1940's and continuing for about twenty years, most of Southern California experienced an extensive dry cycle. During this period rainfall was one-half of the prior averages. Prior to this dry period most of the water used within the Cucamonga area originated from collection systems constructed in the mountain canyons and from wells in the Cucamonga Basin. A small amount of water was produced from the Chino Basin to the south.

All water production was developed through the efforts of about twenty-five privately owned mutual water companies and a few individually owned wells. The continuing dry cycle was an extremely difficult period for most of the water companies. Pumps were lowered at regular intervals, some wells were abandoned, and new deeper wells were drilled. Many companies reduced the amount of water delivered to shareholders. Additional production from the Chino Basin began as a result of the lowered water table in the Cucamonga Basin.



### CREATION OF THE DISTRICT

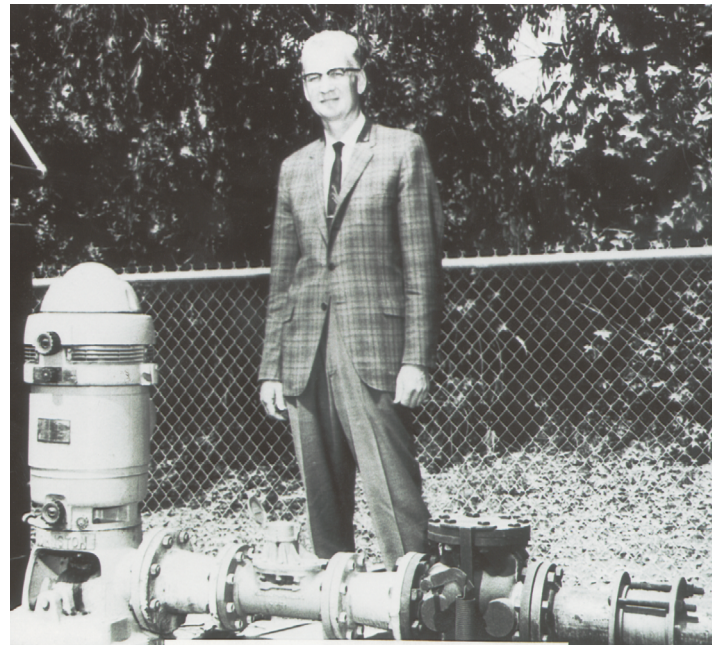
At the time drought conditions were plaguing the various water companies, a complaint was filed in the Superior Court by San Antonio Water Company (in Upland) to determine the water rights of all Cucamonga Basin users. This action solidified the local interests into a common defense, and resulted in annexations to Metropolitan Water District of Southern California (MWD) and to Chino Basin Municipal Water District (CBMWD), later renamed the Inland Empire Utilities Agency (IEUA), as well as the creation of Cucamonga County Water District (CCWD) in 1955.

During the drought cycle from 1940-1960 the Cucamonga Water Company (CWC), a mutual water company, was not able to provide adequate service to either its agricultural or residential customers. Several wells were unable to produce water because of the extreme low water levels in the groundwater basin. Additionally, CWD was unable to fund the purchase of necessary equipment to pump water from lower elevations.

As a result of these conditions, stockholders in the Cucamonga Water Company and the Cucamonga Basin Protective Association recognized the need to create a public agency that could raise sufficient funds to provide an adequate supply of water for the growing area. The Cucamonga County Water District was organized in March of 1955 under the provisions of Division 12 of the State Water Code, following an election within boundaries established by the San Bernardino Board of Supervisors.

Elected to the first five-member Board of Directors were Mr. Robert Nesbit, Mr. Galer Royer, Mr. John S. Ingalls, Mr. J.F. Grass Jr., and Mr. Harold B. Blatz. Mr. Nesbit served as a director continuously from 1955 until his death in 1981. The first meeting of the Board of Directors of the Cucamonga County Water District was called to order on March 25, 1955 at the Fire Hall in Alta Loma, California. The first order of business was to elect a president of the Board of Directors. The unanimous choice for this position was Robert Nesbit.

The following year, at the Board of Directors meeting of August 25, 1956, Norman Hixson was appointed as the district's first general manager, a position he held until 1972. At that time, the district occupied an area approximately 22,000 acres generally bounded on the west by the City of Upland, on the south by the City of Ontario, on the east by Etiwanda Avenue and on the north by the foothills of the San Gabriel Mountains. The service area included the unincorporated communities of Cucamonga, Alta Loma, and a part of Etiwanda.



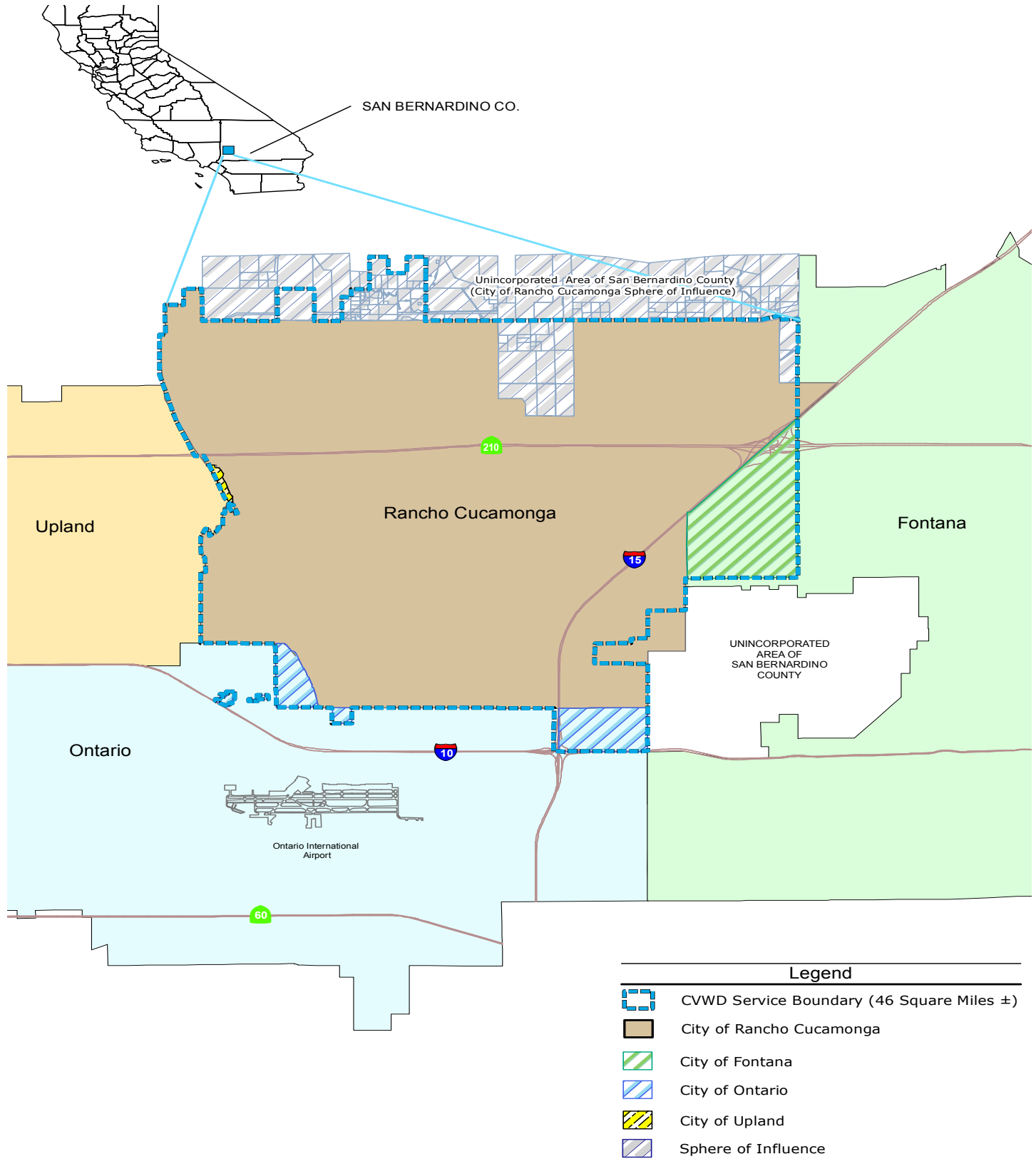
## PROFILE

### GOVERNMENT

Cucamonga Valley Water District is an independent California Special District and was incorporated on March 25, 1955. The District is governed by a five member Governing Board elected by voters at-large, within the five districts areas, serving four-year overlapping terms. The Governing Board represents the public's interest as policy makers with regards to rate for service, policies, ordinances, and budget adoption. Appointed by the Governing Board, the General Manager/CEO is responsible for overseeing daily operations. The District is a rate-based organization that receives no tax-related revenue and operates in accordance with Division 12 of the California Water Code.

## SERVICE AREA

The District provides water, wastewater, and recycled water services to a population of approximately 192,000 within its 46 square mile service area, which is located in the western area of San Bernardino County, California. The District encompasses the majority of the community of Rancho Cucamonga and portions of the cities of Fontana, Ontario, Upland, and some of the unincorporated areas of San Bernardino County.



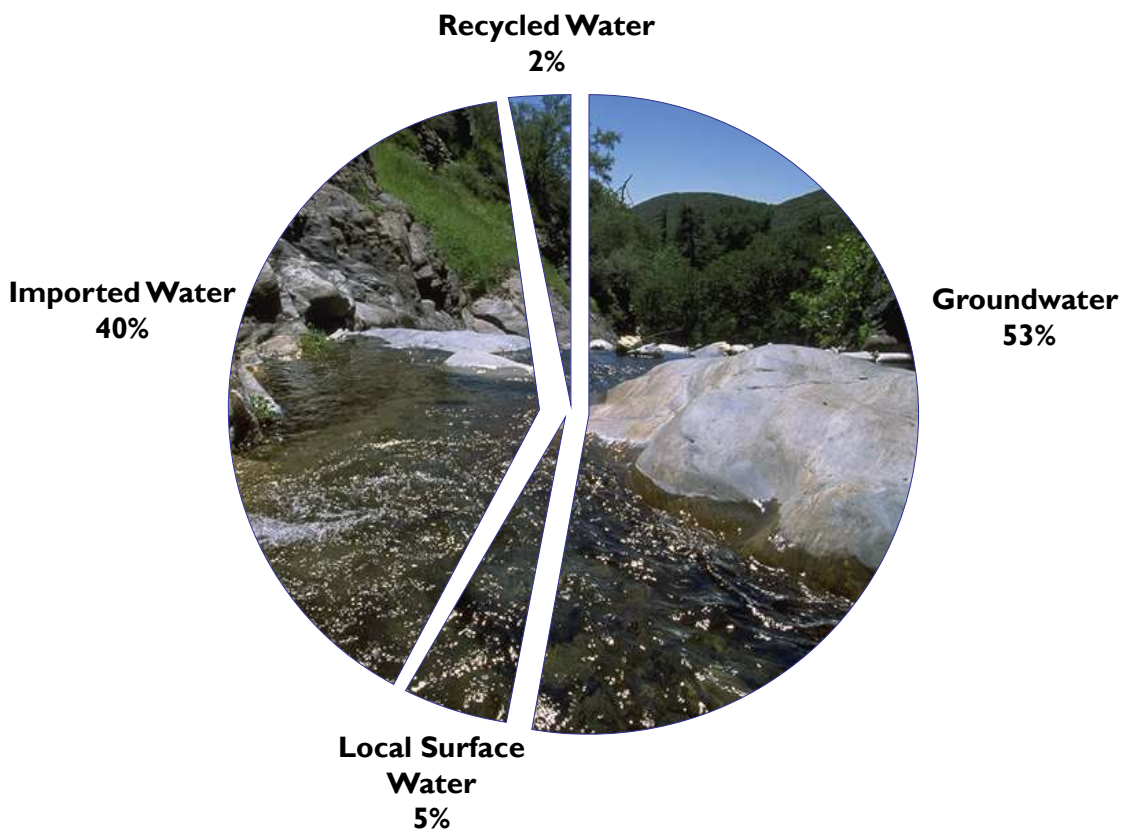
## DISTRICT OFFICE

The Cucamonga Valley Water District Main Office is located at 10440 Ashford Street, Rancho Cucamonga, California 91730-2799.



## WATER SOURCES

The District has several sources of water available including: imported water, groundwater, surface water, recycled water, and interconnection water.



## IMPORTED WATER

Imported water is purchased from IEUA, which is a member agency of MWD. Water is imported by MWD from the State Water Project through Lake Silverwood and is conveyed through the Rialto Feeder pipeline. The District has two active connections to untreated water, an 18-inch diameter connection, CB-7, and a 60-inch diameter connection, CB-16. CB7 is treated at the District's Royer-Nesbit Water Treatment Plant and CB16 is treated at the District's Lloyd Michael Water Treatment Plant.

## GROUNDWATER

The District has water rights in two groundwater basins that underlie the District's service area: Chino Basin and Cucamonga Basin. These water rights allow the District to pump groundwater out of the basins via District wells. The Chino Basin management is overseen by the Chino Basin Watermaster. The Basin has an established annual safe yield of 135,000 AF. The Cucamonga Basin does not have an official watermaster, but is shared by the District, the San Antonio Water Company, and the City of Upland, who are currently following the adjudicated 1958 Decree. The 1958 Decree allows the District the annual right to pump 15,471 AF.

## SURFACE WATER

The District's canyon/surface water supplies come from streams, springs, and tunnels located within the northern area of the District. The District has rights to six sources of canyon water: Cucamonga Canyon, Day/East Canyon, Deer Canyon, Lytle Creek, Smith Canyon Group, and the Golf Course Tunnel. Currently, water is only utilized from three of the six sources: Cucamonga Canyon, Day/East Canyon, and Deer Canyon. The District's conveyance and collection systems enable the District to collect local surface water from precipitation falling in the San Gabriel Mountains that flows in local streams and canyons. The District estimates future storm water projections and makes two estimates: dry conditions and normal conditions. Under normal conditions the District predicts 4,540 AF annually of surface water capture, but that decreases to 2,270 AF annually under dry conditions. So although canyon/surface water is the most cost-effective supply, it only contributes between 3% and 9% of the District's annual water supply.

## RECYCLED WATER

IEUA treats all wastewater from the District's service area at regional treatment plants according to Title 22 regulations set forth by the State Water Resources Control Board. Treated water is then available to the District as recycled water. The District provides recycled water for landscape irrigation purposes to parks, medians, parkways, schools, and other non-potable needs.

## INTERCONNECTION

The District has system interconnections to the Fontana Water Company, City of Upland, and the City of Ontario, allowing for the purchase and sale of water with neighboring water agencies. The District has five interconnections with three neighboring agencies. The District only can receive and transfer water through the Fontana Water Company and the City of Upland connections. At the City of Ontario connection, the District cannot receive water, but can transfer water out of the service area. The District only transfers water through its interconnections when additional supplies are available. The District has only actively transferred water to the Fontana Water Company and City of Upland, with no significant impact on the District's supplies.

## WATER DISTRIBUTION

Currently, the District manages a potable water system that includes 8 primary pressure zones, 31 groundwater wells, 35 water storage reservoirs, and tanks, 22 booster pumping stations, 2 imported water connections, 41 pressure reducing valves, and approximately 707 miles of pipeline. For water systems that have varied topography, such as the District, water distribution systems are typically divided into different hydraulic regions, known as pressure zones. The purpose of these pressure zones is to maintain adequate pressures throughout the distribution system in spite of varying topography. The District's service area ranges in elevation from approximately 998 feet above mean sea level in the southern portion service area to about 2,602 feet above mean sea level in the northern portion of the service area.

The District's water distribution system consists of eight different primary pressure zones, and seven subzones. The District's potable water distribution system contains 22 pumping stations that move water between pressure zones and one pumping station that moves water laterally within the same zone. Water distribution systems rely on stored water to help equalize fluctuations between supply and demand. Currently, the District's potable water system has 35 reservoirs. Since the District's wells and imported water supplies originate at the lower elevations of its distribution system, reservoirs are configured to be replenished from lower pressure zones. This is achieved by using booster pumping stations to pump water from the lower pressure zones to the higher pressure zones.

## WASTEWATER COLLECTION & TREATMENT

The District's sewer system maintains approximately 37,507 sewer connections, covering 25,986 acres (40.6 square miles), and conveys an estimated average of 40 million gallons per day (MGD) of wastewater. The District collects wastewater and delivers it to the IEUA. IEUA treats wastewater and either recycles it for non-potable uses (such as landscaping and industrial uses) or disposes of the treated wastewater. IEUA provides recycled water back to agencies including the District, for distribution in their water service areas. The District is composed of six independent sewer sheds. The sewer sheds, and their related infrastructure systems of pipelines, lift stations, and siphons convey wastewater from the higher elevations in the northern part of the District sewer service area southerly and easterly towards IEUA Regional Water Reclamation Plant No. 1 and No. 4. The District's sewer system infrastructure consists of a gravity sewer collection system and 2 lift stations.



## WATER CONSERVATION

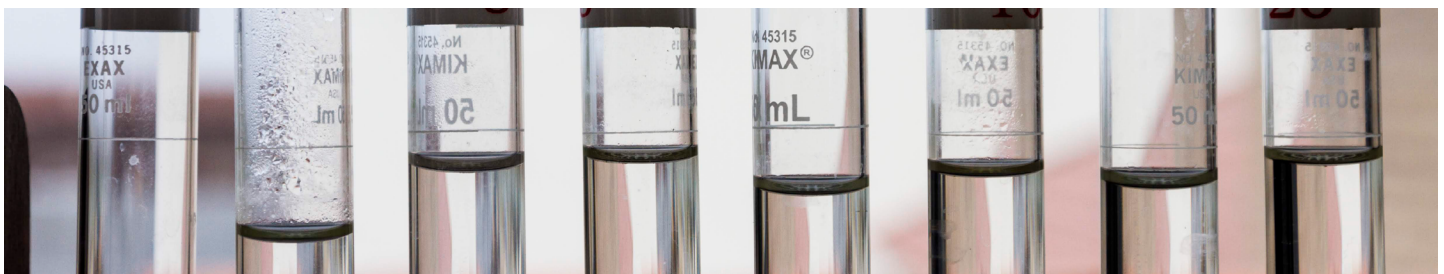
In 2009 the California legislature passed SBx7-7 which requires a statewide 20% reduction in urban per capita water use by 2020. It requires that urban water retail suppliers determine baseline water use and set reduction targets according to specified requirements, and requires agricultural water suppliers prepare plans and implement efficient water management practices. A combination of a population and land-use-based demand forecasting was used to project future demands in the District's service area. Based on the District's evaluation of years 1995 to 2004, the maximum per capita water use was 289.3 gallons per capita per day. To achieve a 20% reduction by 2020 as written under SBx7-7, the average per capita demand target was set at 231 gallons per capita per day.

From 2012 to 2017, California experienced historic drought conditions. In April 2015 the State Water Board set conservation standards for each water supplier, and based on this reduction, the District was required to set a conservation target of 32% as compared to 2013. In FY 2016 the District set drought rates at Stage 6 – Severe Water Emergency requiring 35% conservation by all customers, but due to the District's water supply was able to move to Stage 1 – Encouraging Water Use Efficiency and no specific conservation requirement on July 1, 2016. On April 7, 2017 the Governor issued an Executive Order lifting the emergency drought declaration.

In the Winter months of 2022, drought conditions in Northern California prompted the Governor to issue an Executive Order requiring the State Water Board to design and adopt emergency water conservation regulations. On May 24, 2022, the State Water Board adopted regulations that require urban water supplies to implement Level 2, at a minimum, of their Water Shortage Contingency Plans, as well as other measures. However, the regulations stop short of the one-size-fits-all philosophy by recognizing local water supply conditions, investments and conservation efforts by providers. The District has secured a resilient and diversified water supply portfolio. This has been accomplished through increased groundwater storage, recycled water and other investments in climate resiliency. For these reasons, and others, the District has water supplies that provide it with the ability to meet normal water demand levels during 2022. On May 24, 2022, the District also adopted its corresponding Water Supply Shortage Contingency Plan level consistent with the State Water Board requirements. However, at the time this Budget was completed, the impacts of this action on District-wide water consumption are unclear. The District anticipates conducting additional detailed analysis in subsequent months that will more precisely determine the impacts on water consumption, operating revenues and operating expenses.

## WATER QUALITY

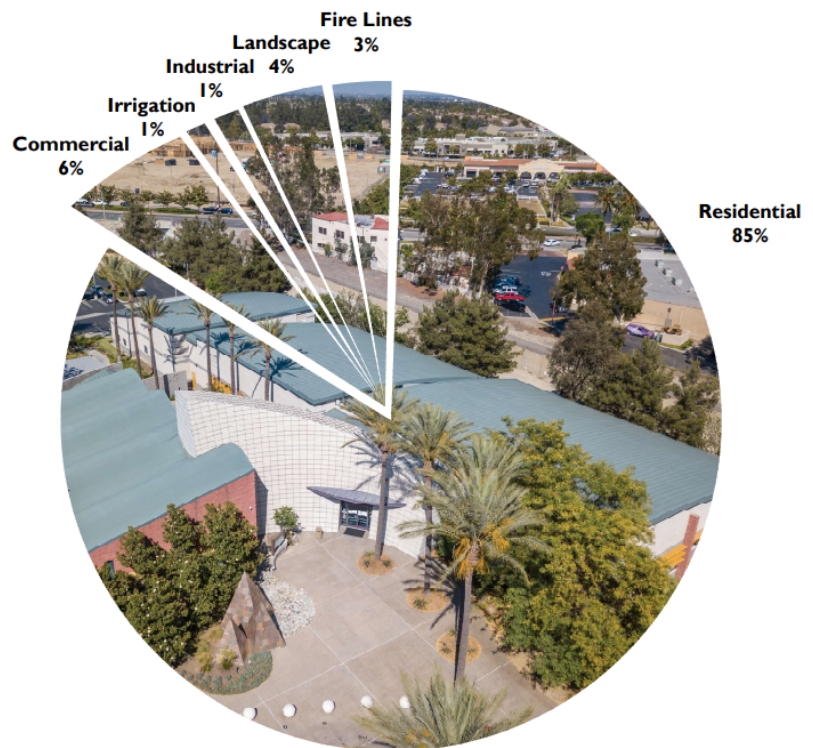
The District's mission is to provide high quality, safe and reliable drinking water and wastewater services while practicing good stewardship of natural and financial resources. The District employs a variety of water treatment technologies depending on source water characteristics and water quality goals. The water from tunnels is groundwater quality and does not require treatment. All other water requires treatment at one of the District's three treatment plants before it can be introduced into the potable water supply. The District's Arthur H. Bridge Water Treatment Plant utilizes dual-stage pressure filtration followed by disinfection, while the Royer-Nesbit Water Treatment Plant and the Lloyd Michael Water Treatment Plant are conventional treatment plants. Additional improvements at the Lloyd Michael Water Treatment Plant allow for additional enhanced treatment processes such as granulated activated carbon filtration and ultraviolet irradiation.



# STATISTICAL SECTION

## CUSTOMER BASE

Approximately 85% of the District's customer accounts are residential and within the City of Rancho Cucamonga. The majority of Rancho Cucamonga has been developed and customer increases have averaged less than 1% in the last 10 years.



## 10 LARGEST WATER CUSTOMERS

The District has a diverse customer base and the largest ten water service customers by consumption volume represented only 11.85% of total water sales revenue in FY 2021.

Customer	2021 Annual Usage (HCF)	% Of Total	FY 2021 Revenues	% Of Gross Water Sales & Meter Charges
City of Rancho Cucamonga	963,711	4.75%	\$ 4,616,851	5.25%
City of Fontana	287,375	1.42%	1,083,087	1.23%
Frito Lay	239,678	1.18%	472,814	.54%
County of San Bernardino	200,192	0.99%	1,950,050	2.22%
Etiwanda School District	160,873	0.79%	641,422	0.73%
Mizkan American, Inc.	141,359	0.70%	215,844	0.25%
Homecoming I at Terra Vista LLC	106,671	0.53%	616,158	0.70%
Mission Foods Corporation	104,216	0.51%	195,811	0.22%
Warren Companies	100,622	0.50%	575,041	0.65%
Nong Shim America, Inc.	97,332	0.48%	355,185	0.40%
<b>Total</b>	<b>2,402,029</b>	<b>11.85%</b>	<b>10,722,263</b>	<b>12.20%</b>

## 10 PRINCIPAL EMPLOYERS IN CITY OF RANCHO CUCAMONGA

Below is a listing of the top ten employers within the City of Rancho Cucamonga where a majority of the District's service area is located.

Employer	Number of Employees	Percentage of Total Employment
Inland Empire Health Plan (IEHP)	2,450	2.71%
Chaffey Community College	1,335	1.48%
Etiwanda School District	1,025	1.14%
Amphastar Pharmaceutical	880	0.97%
Alta Loma School District	660	0.73%
Central School District	545	0.60%
West Valley Detention Center	520	0.58%
City of Rancho Cucamonga	491	0.54%
Walmart	375	0.42%
Coca-Cola Bottling Co.	354	0.39%

Source: City of Rancho Cucamonga June 2021

## DEMOGRAPHICS

The following are key demographics regarding the residents of Rancho Cucamonga and the surrounding region.

Year	Rancho Cucamonga		State of California		Riverside-San Bernardino-Ontario MSA		Personal Income (thousands of dollars)
	Unemployment Rate	Population	Unemployment Rate	Unemployment Rate	Population		
2012	8.3%	169,859	10.3%	11.1%	4,333,851	139,024	
2013	6.7%	170,739	8.5%	9.1%	4,368,188	143,051	
2014	5.4%	171,701	7.3%	7.4%	4,413,584	150,742	
2015	4.5%	173,235	5.9%	6.0%	4,459,000	160,232	
2016	4.4%	174,164	5.7%	5.8%	4,509,008	167,582	
2017	3.6%	174,903	4.8%	4.0%	4,562,905	173,727	
2018	3.4%	174,694	4.9%	4.7%	4,608,848	181,604	
2019	3.0%	174,972	4.4%	4.1%	4,642,848	190,299	
2020	6.6%	175,052	9.2%	9.0%	4,678,371 <sup>3</sup>	212,234 <sup>3</sup>	
2021	4.0%	175,131 <sup>2</sup>	5.5%	5.7%	N/A	N/A	
2022	3.2% <sup>1</sup>	N/A	4.2% <sup>1</sup>	4.3% <sup>1</sup>	N/A	N/A	

Source: <sup>1</sup> City of Rancho Cucamonga AFR June 2021

<sup>2</sup> United States Bureau of Economic Analysis for the Riverside-San Bernardino-Ontario Metropolitan Service Area

<sup>3</sup> Cucamonga Valley Water District ACFR June 2021

# CLIMATE

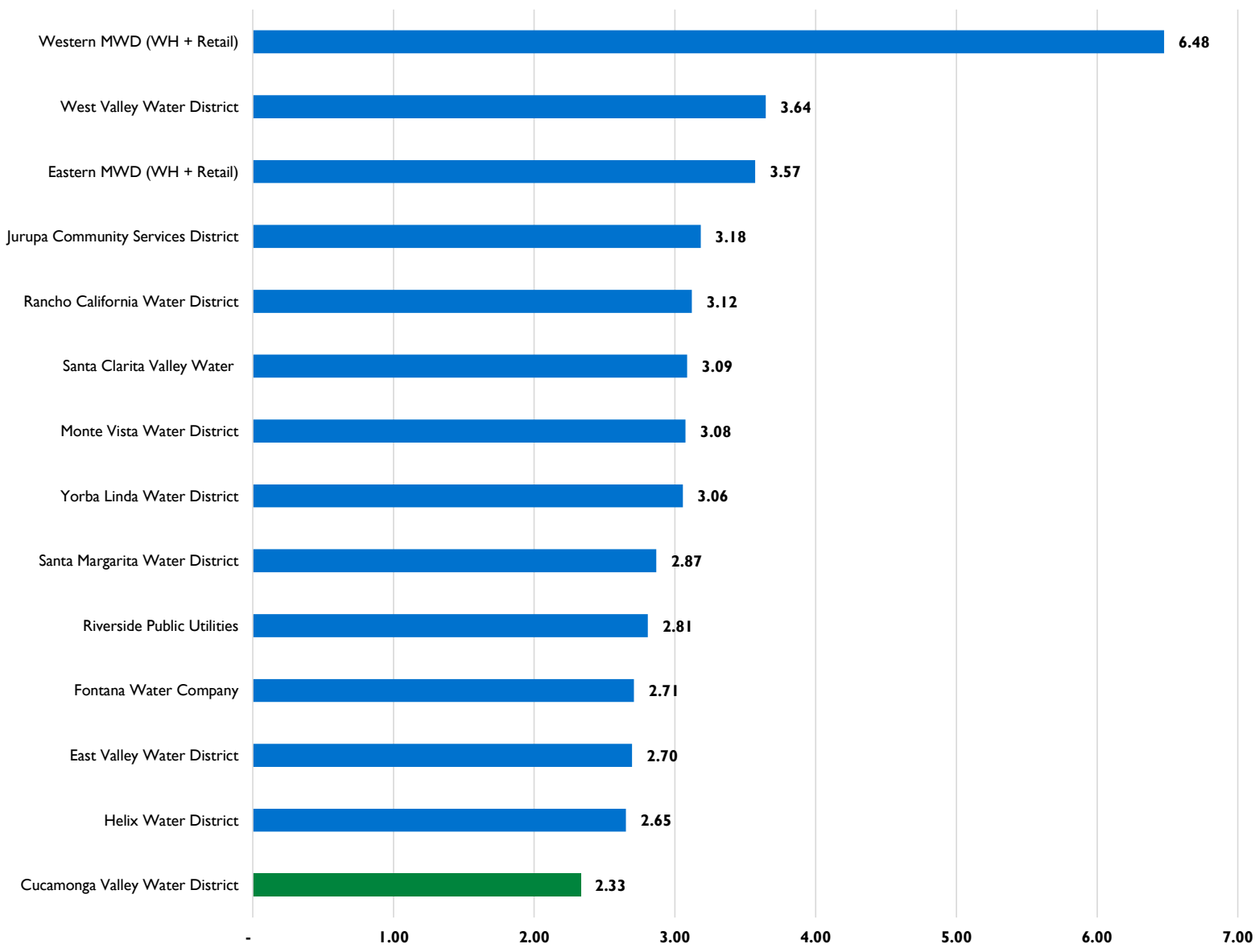
The District’s service area climate is a semi-arid, Mediterranean environment with mild winters, warm summers, and moderate rainfall, consistent with interior coastal Southern California. The usually mild climatological pattern is interrupted infrequently by periods of extremely hot weather or winter storms. In 2021 the average temperature was 62.6 degrees Fahrenheit, with an average annual rainfall of 18.7 inches.

Source: Climate-Data

# OTHER AGENCY COMPARISON

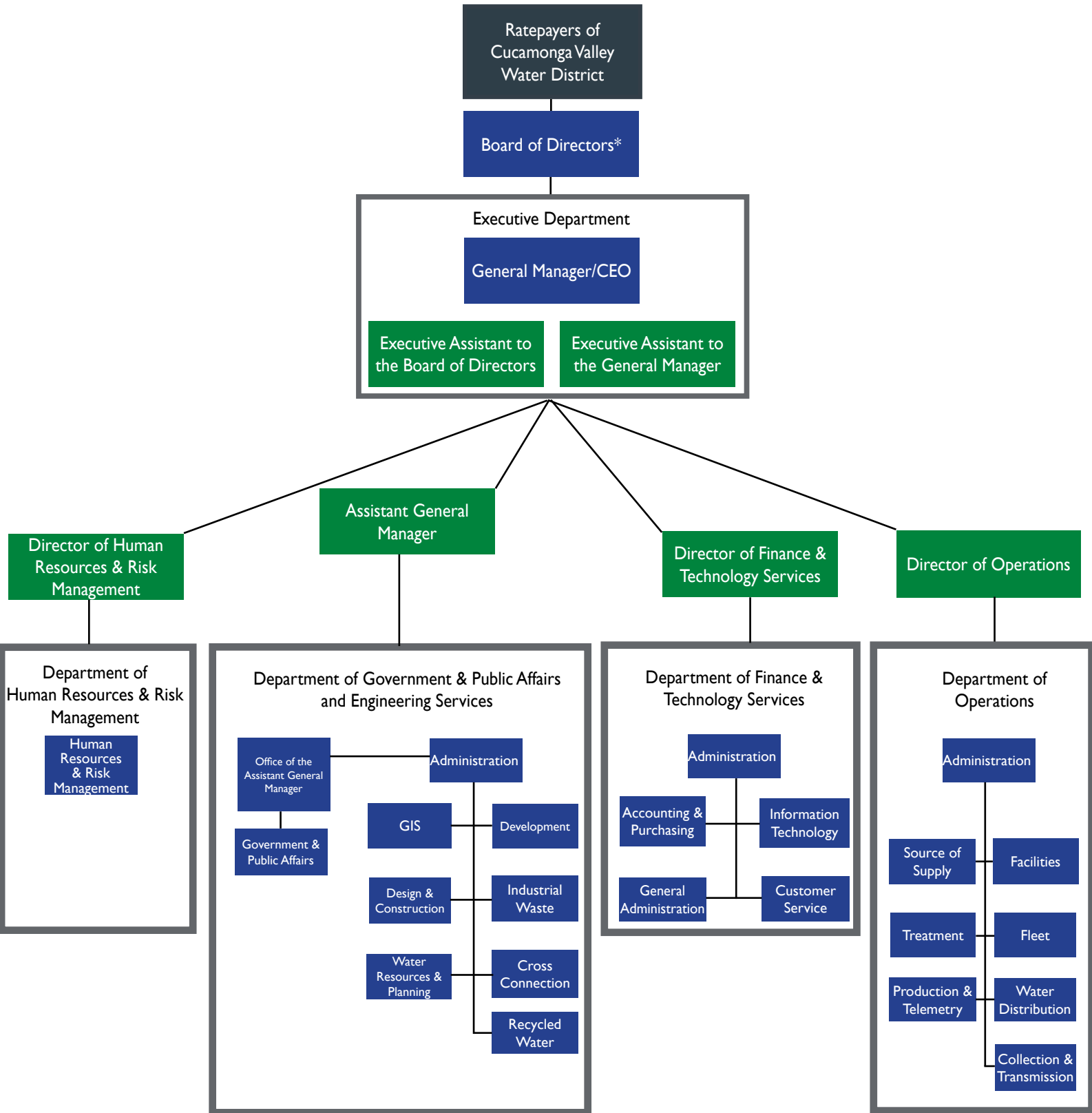
The following is a comparison of number of employees per 1,000 water customers for the District and other local agencies.

**Staffing Comparison - Districts**  
**Number of Employees per 1,000 Customers - Water**



# ORGANIZATIONAL STRUCTURE

Presented below is an overview of the District's organizational structure:



Ratepayers
  Executive
  Division
  Department

\*Elected Officials

# DISTRICT PHILOSOPHY

Providing high-quality water and first-class customer services has been at the core of the District’s philosophy from the beginning and will continue to drive District policy in the future. The District has an established culture and distinct set of values to ensure that top quality service is provided to the community. Accountability, reliability, and sustainability guide the District in all daily operations.

## MISSION STATEMENT

*To provide high quality, safe and reliable drinking water and wastewater services while practicing good stewardship of natural and financial resources.*

## VISION

Cucamonga Valley Water District is founded on people, service, and water. The District is continually looking for innovative, solution-based ideas to improve efficiency and service to customers. Open communication gives employees and customers insight into the District’s business operations, and internal and external customer service provides Service Beyond Expectation.

## VALUES

Accountability – We take ownership of our actions and look for solution based ideas to improve our effectiveness and service to customers.

Communication – We have an efficient system of outreach that provides employees and customers with knowledge and information that cultivates a two-way system of communication.

Customer Service – Our internal and external customer service is provided in a cooperative and collaborative approach, exceeding customer expectations.





# FINANCIAL STRUCTURE, PROCESS, & POLICY

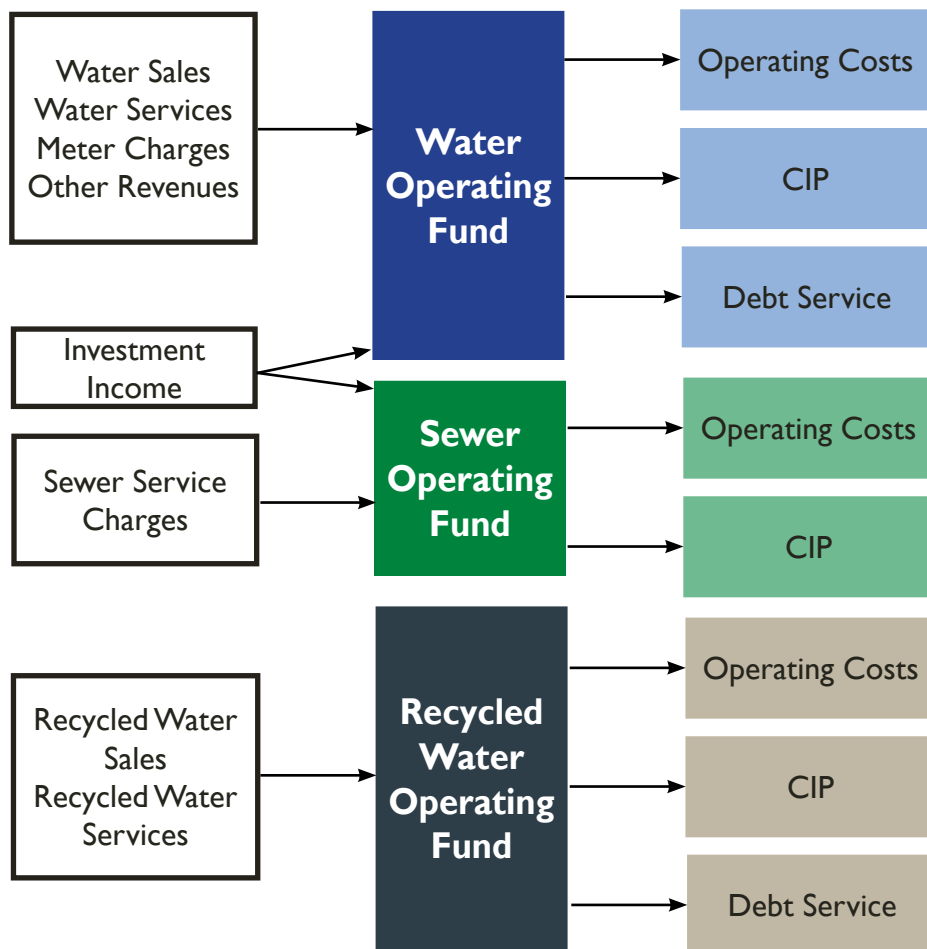
# Financial Structure, Process, & Policy

## FUND STRUCTURE

A California special district, CVWD, utilizes in three separate and distinct business-type funds, consisting of:

1. Water Operating Fund: Acquisition, treatment and distribution of potable water, and the construction, repair and replacement of related infrastructure
2. Sewer Operating Fund: Collection of domestic and industrial wastewater, and the construction, repair and replacement of conveyance facilities
3. Recycled Water Operating Fund: Acquisition and distribution of recycled water, and the construction, repair and replacement of related infrastructure

Accordingly, the District's accounting structure is organized on the basis of these three major enterprise funds - Water, Sewer, and Recycled Water.



Each enterprise fund is considered a separate budgetary and accounting entity, reported on a full accrual accounting basis with the exceptions noted in the Basis of Budgeting section of this document. Each fund is a separate fiscal entity with its own self balancing set of accounts. Rates and budgets are adopted for each fund to support the associated operating and capital costs. Each enterprise fund records cash and financial resources, together with all related liabilities and residual equity balances.

Fund	Fund Type	Description	Included in Budget	Included in ACFR
Water	Enterprise	Accounts for potable water operations, debt principal and interest, and long-term water related capital improvement projects	Yes	Consolidated Water Fund
Sewer	Enterprise	Accounts for sewer operations and long-term sewer related capital improvement projects	Yes	Consolidated Sewer Fund
Recycled Water	Enterprise	Accounts for recycled water operations and long-term recycled water related capital improvement projects, debt principal and interest	Yes	Consolidated Recycled Water Fund
Frontier Project Foundation	Fiduciary	Accounts for operations and related revenues of the Frontier Project Foundation, a nonprofit public benefit corporation	No	Yes, reported as separate Frontier Project Fund as a blended component unit

## FUND/DEPARTMENT RELATIONSHIP

The cost of operating expenses, including employee wages and benefits, are allocated to each division and department based on actual expenses as tracked by the District’s project accounting system, with allocation to the Water, Sewer, or Recycled Water Funds based on percentages determined by historical trends and service levels. District-wide expenses which are general in nature and not attributable to a particular project or department are allocated to the District’s General Services Department.

The following chart shows the relationship between the District’s departments and the enterprise funds that are charged for their activities.

Division	Department	Water Fund	Sewer Fund	Recycled Water Fund
Executive	Board of Directors	X	X	
	Office of the General Manager	X	X	X
Human Resources & Risk Management	Human Resources & Risk Management	X	X	
Government & Public Affairs and Engineering Services	Office of the Assistant General Manager	X	X	X
	Government & Public Affairs	X	X	
	Engineering Administration	X	X	X
	Geographic Information System (GIS)	X	X	X
	Design & Construction	X	X	X
	Water Resources & Planning	X	X	X
	Development	X	X	X
	Industrial Waste		X	
	Cross Connection	X	X	X
Recycled Water			X	
Finance & Technology Services	Finance & Technology Administration	X	X	X
	Accounting & Purchasing	X	X	X
	Customer Service	X	X	X
	Information Technology	X	X	X
	General Services	X	X	X
Operations	Operations Administration	X	X	
	Source of Supply & Sewer Pass Through	X	X	X
	Treatment	X		
	Production	X		
	Facilities	X	X	
	Fleet	X	X	
	Water Distribution	X		
	Collection & Transmission		X	

# BASIS OF BUDGETING

The District's financial records are kept in accordance with Generally Accepted Accounting Principles (GAAP) for governmental enterprise funds. The District follows the GAAP requirement that enterprise funds use the full accrual basis of accounting. Consequently, revenues are recognized in the accounting period in which they are earned and operating expenses are recognized in the accounting period incurred. However, there are exceptions where the accrual basis is not conducive to effective presentation of the District's budget, in which case, GAAP is not followed. Therefore the Budget is a mix of accrual and cash basis accounting, which differs from the District's ACFR which is full accrual accounting in conformity with GAAP. Those exceptions are as follows:

- Compensated absence liabilities that are expected to be liquidated with current expendable financial resources are accrued as earned by employees (GAAP standard) as opposed to being expended when paid (budget procedure).
- Principal payments on Long Term Debt are applied to the outstanding liability on a GAAP basis, as opposed to being expended on a Budget basis.
- Capital Outlay are capitalized on a GAAP basis, however, on a Budget basis, they are treated as expenses.
- Depreciation expense is recorded on a GAAP basis but is not contemplated on the Budget basis.
- Pension expense is budgeted based on employer contribution rates assigned by CalPERS. For financial statement reporting, pension expense is recorded based on the change in the net pension liability in accordance with GASB.
- Other post-employment benefits (OPEB) is budgeted based on the District's anticipated fiscal year contribution. For financial statement reporting, OPEB expense is recorded based on the change in net OPEB liability in accordance with GASB.

The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are entirely financed by revenues derived from user charges. The District maintains a self-balancing set of accounts established to record the financial position and operating results that pertain to each activity.

## BUDGET PROCESS

The budget reflects the direction of the District and is the District's communication tool to the public. The budget represents guidelines established to address the District's short-term and long-term goals and objectives. This document also demonstrates the District's ability to use financial resources for completing critical capital projects for current and future customers as well as the District's commitment to meet its financial obligations. Throughout the year executive management and the Board of Directors work closely to plan out the goals of the District that support the District mission, vision, and values.

The Executive team then communicates the District's goals, priorities, and strategy to the managers. Managers have the task of connecting their department's goals to the District's goals and priorities and monitoring progress using key performance measures as outlined in the department summaries. During this budget process there is a chance for public involvement in both Finance and Engineering Committees and the Board Meeting.

The Districts biennial budget process is outlined below:



## BUDGET CALENDAR

Date	Activity
January 31, 2022	Deadline for submission of Capital Improvement Project requests from departments
February 28, 2022	Deadline for submission of Operating Expenses from Departments
February 28, 2022	Deadline for submission of Wage & Benefit requests, including overtime, stand-by, submission of Personnel Requests, and Succession Planning from Departments
May 11, 2022	Operating Expense and Revenue Budget submitted to Finance Committee for review
May 12, 2022	Capital Improvement Project Budget submitted to Engineering Committee for review
June 8, 2022	Biennial Operating and Capital Improvement Budget for Fiscal Years 2023 & 2024, submitted to Finance Committee for review
June 28, 2022	Biennial Operating and Capital Improvement Budget for Fiscal Years 2023 & 2024, submitted to Board of Directors for review and adoption
June 2023	Mid-term biennial budget review submitted to Board of Directors

# BUDGET CONTROL & AMENDMENT

Throughout the budget period management staff are responsible for monitoring their department’s budgets. Finance staff provide tools for managers to review their budgets at any time. In addition to the budget process, staff presents a monthly financial results report to the Board for review and approval. This report updates the Board on the progress of all operating revenues and expense for all funds. The Finance Committee also undertakes a comprehensive mid-term and mid-year review of the District’s operating budget, which is then submitted to the full Board. If during the mid-year budget review or during the budget presentation to Finance Committee it is determined that a significant adjustment is needed, then finance staff will work with managers to prepare the request for the Board of Directors to approve. Managers may transfer funds between their division accounts in accordance with the District’s Reserve and Financial Benchmark Policy, which states:

*CVWD adopts an Operating and Capital Improvement Budget on a biennial basis. Management staff will make every effort to stay within the allotted budget for each operating account and each capital project. Occasionally it may be necessary to transfer allotted funds within operating accounts or capital projects. These budget transfers may only be done within one of the three main categories; wages, operating expenses, or capital projects, not between categories. All budget transfers undergo Finance Review that ensures funding availability and adherence to policy before final processing. The authority for approving budget transfers without the use of reserve funds is listed in the following table:*

Review/Approval Level	Amount up to:
Department Managers/Directors	\$25,000
Assistant General Managers	\$50,000
Finance Committee & Board of Directors	\$50,000+

*Budget transfers requiring the use of reserve funds less than \$50,000 may be approved by the GM/CEO or an AGM. Budget transfers requiring the use of reserve funds in excess of \$50,000 must be reviewed by the Finance Committee and approved Board of Directors.*

In the event that the General Manager/CEO determines that an emergency exists requiring immediate action, the General Manager/CEO shall have the power, without prior Board action, to enter into contracts and agreements and expend funds on behalf of the District. An emergency, as defined by Chapter 3.08 of the Cucamonga Valley Water Code, is a “situation which makes competitive bidding impractical, or not in the best interest of the District, as determined by the General Manager/CEO or his/her designee.” If the emergency expense exceeds \$100,000, Board approval is required within 30 days.



# FINANCIAL POLICIES

The District has been entrusted with the care of public funds and takes the stewardship of those financial resources to be one of the District's chief responsibilities. Financial policies are used by the Board and management to set the baseline standards for how the organization will be managed financially. These financial policies are designed to ensure the fiscal stability of the District and have been designed to provide guidance for the development and administration of the operating and capital budgets. The development of these financial policies is conducted in collaboration with the Board of Director's Committee process, as well as final review and adoption by the Board of Directors. The following policies are instrumental in understanding the District's fiscal strategies and the guidelines used to measure financial performance.

## RELEVANT FINANCIAL POLICIES & PRACTICES

### INTERNAL CONTROL STRUCTURE

District management is responsible for the establishment and maintenance of the internal control structure that ensures that the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

### INVESTMENT POLICY

The Board of Directors annually adopts an investment policy that conforms to state law, District ordinances and resolutions, prudent money management, and the "prudent investor" standards. The objectives of the Investment Policy are safety, liquidity, and yield. District funds are invested in the State Treasurer's Local Agency Investment Fund, U.S. Agency and Treasury Securities, Money Market Funds, Negotiable Certificates of Deposit, Municipal Bonds, and Corporate Notes.

### RISK MANAGEMENT

The District is a member of the Association of California Water Agencies / Joint Power Insurance Authority. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The District participates in Property Loss, General Liability, Automobile Liability, Cyber Insurance, Workers' Compensation, Public Officials' and Employees' Errors and Omissions, and Fidelity Coverage.

### PURCHASING POLICY

The District's purchasing policy defines the practices governing the 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. This policy is the written rule and regulation required by California Government Code Section 54202 and also serves as the District administrative procedure governing procurement activities. The policy does not allow for any conflicts of interest, or unauthorized purchases, and subjects all purchasing and accounts payable documentation to random internal and external audits. The District has established bid thresholds and invoice authorization thresholds across all levels of leadership with authority level increasing in proportion to invoice amount.

### FRAUD PREVENTION POLICY

The District is committed to creating and supporting a workplace culture that promotes integrity, ethical

decision-making, honesty and accountability to earn the trust and confidence of the customers and stakeholders we serve. Fraud prevention is compatible with our culture and values and help achieve the District’s vision and strategic goals. The District is committed to preventing, identifying and addressing all acts of fraud. To achieve this we intend to raise awareness of fraud risks and implement controls aimed at reducing opportunities to commit fraud which would increase the likelihood of prevention and early fraud detection. The purpose of the policy is to establish a common understanding of fraud, the methods and tools that the District has implemented to prevent fraud, and the actions that employees should take if they suspect fraud.

## **CAPITAL ASSETS POLICY**

The Districts Capital Assets Policy ensures that the District’s capital assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, GAAP, internal controls, and audit requirements. The District has defined capital assets as non-financial assets that are used in operations and have an initial useful life in excess of one year. The District’s capitalization threshold is \$5,000. Assets are capitalized if the cost exceeds the capitalization threshold except for groups of similar assets such as water meters, computers, or printers when the total of the similar assets purchased during the year exceeds \$5,000. The District uses the straight-line method of depreciation for all depreciable fixed assets (land, intangible assets, and construction-in-progress are not depreciated). A half year of depreciation is recognized in the year the asset is placed into service and in the last year of estimated useful life. For more information refer to the Capital & Debt section of this document.

## **CREDITS & ADJUSTMENTS POLICY**

The District’s Credits and Adjustments Policy defines the limits on the actions that staff may take regarding the occasional waiving of fees or issuance of credits to customers and/or developers. This policy does not apply to adjustments or reversals for customer deposits, refunds, billing corrections, meter misreads, or CVWD equipment errors. The extent to which such adjustments or reversals may be granted are set forth in other provisions of the District Code.

## **BALANCED BUDGET**

The most basic definition of a balanced budget is when total expenses are equal to total revenues. The District considers this a balanced budget, but also allows for the use of or addition to reserves to balance the budget. When expenses are less than revenues this creates a surplus which the District will allocate to reserves. When expenses are greater than revenues this creates a shortfall, which the District will then transfer from reserves to balance. When using reserves the District does so only to meet non-recurring obligations that are non-operating expenses. Additionally, reserves are reviewed to make sure the result will still leave the fund balance within acceptable levels as defined by the reserves policy.

## **CUSTOMER ASSISTANCE PROGRAM (CAP)**

In 2015 the District implemented a program that assists low income customers with their monthly water bill. In the past, California’s laws regulating the setting of utility rates restricted the District’s ability to offer such a program. Recent legal opinions have provided a new alternative to offer a CAP. By pledging unrestricted revenue (e.g. rental income), the District may now implement the CAP. As a result, this program is not subsidized by other rate payers.

The CAP is limited to residential customers and is authorized through the budget adoption process. Customers must demonstrate a need for this financial assistance and follow the income thresholds established by the Public Utility Commission and the California Alternate Rates for Energy. The CAP will result in fixed savings each month and will appear on the customer’s next water bill following the application approval date. The CAP has limited funding and will be reviewed and approved biennially by the District’s Board of Directors. For fiscal years 2023 & 2024 the District will pledge \$168,000 and \$180,000 per year, respectively, of unrestricted rental income to this program, thereby providing a monthly CAP of \$10.00.

## RESERVES

The District will 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 Fund 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
- Financing of water purchases through the Water Banking Program
- Cash flow requirements
- Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy
- Contingencies or unforeseen operating and/or capital needs

The District has established and will maintain the following primary Funds and their respective sub-accounts:

**RESTRICTED FUNDS:** Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use.

1. Bond Proceeds Fund(s): Bond proceeds funds are monies derived from the proceeds of a bond issue.
2. Development Fees: Monies collected from development fees shall be separately accounted for.

**LIQUIDITY FUNDS:** Established to safeguard the financial flexibility and stability of the District and to maintain stable customer charges and rates from year to year.

1. Rate Stabilization Fund: This fund is established to provide flexibility to the Board with respect to the debt service coverage ratio in accordance with the terms of the Master Installment Purchase Agreement.
2. Water Banking: The Water Banking Account is used for the purchase of available water supplies.
3. Operating Reserve Account: The Operating Reserve Account is used for unanticipated operating expenses.
4. Compensated Absences: Compensated Absences Account is used for accrued liability of sick and vacation payout upon termination or retirement.
5. Customer Assistance Program Reserve Account: The Customer Assistance Program (CAP) was established to assist low-income households with their water utility costs through fixed savings on their utility statement. The CAP is funded by unrestricted cellular tower rental income and must be approved by the Board each year. Participation in this program varies each year and is not guaranteed. In order to fund unanticipated CAP participation from year-to-year, this reserve account will be established.

**CAPITAL RESERVE FUNDS:** These funds are utilized primarily to fund capital and asset costs, for both new and replacement projects.

1. Capital Project Account: The Capital Project Account is used for the funding of new capital assets or the replacement of capital assets when they reach the end of their useful lives.
2. Emergency Account: The Emergency Account may be used in the event of economic events that negatively impact either revenues or expenses, or causes a material decline in other reserve accounts; to purchase equipment and infrastructure at any time or to begin repair of the water system after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged, State or Federal Assistance is obtained, or insurance claims are being processed. The District may use funds herein for either capital or operating purposes.
3. Administrative Capital Improvement Account: The Administrative Capital Improvement Account can be used to fund certain general, administration and overhead projects.
4. Local Water Resource Development Account: The Local Water Resource Development Account is used for the funding of the development, improvement, or acquisition of local water resource projects or efforts.

## FINANCIAL BENCHMARKS

The District strives to maintain a strong credit profile in order to provide assurance to customers, bond

holders, rating agencies and other stakeholders that the District proactively manages its financial resources and is financially sustainable. These benchmarks are evaluated on an annual basis and communicated to the Board of Directors. The District has set forth the following financial benchmark goals:

1. **Debt Ratio:**The Debt Ratio is a financial ratio that indicates the percentage of the District’s capital assets that are provided via debt financing. It is the District’s goal to maintain a Debt Ratio between 30 to 40 percent.
2. **Credit Rating:**The District’s debt rating is “AA+” from Standard & Poor’s Global and “AA+” from Fitch Ratings.
3. **Number of Day’s Cash:**The District’s liquidity position has a large impact on the District’s credit rating. It is the District’s goal to maintain a level of Days Cash between 365 and 400 days.
4. **Capital Improvement Funding Levels:** In accordance with the District’s Debt Management Policy 1.5, the District will evaluate the benefits of utilizing Pay-As-You-Go and/or debt financing to determine the optimal funding strategy of capital improvements. It is the District’s goal to utilize a balanced approach to capital project funding at a level of 40% debt, 30% Pay-Go and 30% reserve funding.
5. **Debt Service Coverage:**The District is required to maintain a minimum debt service coverage ratio as set forth in the outstanding bond documents. It is the District’s goal to exceed the minimum coverage ratio with a goal of 2.25 times the annual debt service payment.

## DEBT MANAGEMENT

The District’s debt management policy documents the District’s goals for the use of debt instruments and provides guidelines for the use of debt for financing District water, sewer and recycled water infrastructure and project needs. The District’s overriding goal in issuing debt is to respond to and provide for its infrastructure, capital projects and other financing needs while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District held debt proceeds and makes debt service payments, acting with prudence, diligence and attention to prevailing economic conditions.

The purpose of this debt management policy is to:

- Establish parameters for issuing debt
- Provide guidance to decision makers:
  - A. With respect to all options available to finance infrastructure, capital projects, and other financing needs
  - B. So that the most prudent, equitable and cost effective method of financing can be chosen
- Document the objectives to be achieved both prior to issuance and subsequent to issuance
- Promote objectivity in the decision-making process
- Facilitate the financing process by establishing important policy decisions in advance

The District will adhere to the following legal requirements for the issuance of public debt:

- The state law which authorizes the issuance of the debt
- The federal and state laws which govern the eligibility of the debt for tax-exempt status
- The federal and state laws which govern the issuance of taxable debt
- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance.

The following principles outline the District’s approach to debt management:

- The District will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
- The District will not issue debt to cover operating needs, unless specifically approved by the Board.
- Debt issuance for a capital project will not be considered unless such project has been incorporated into the District’s adopted Capital Improvement Budget or as otherwise approved by the Board.
- Each proposal to issue debt will be accompanied by an analysis that demonstrates conformity to this Policy. This analysis will address the purpose for which the debt is issued and the proposed debt structure.

## 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

**Cafeteria Style 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. For executive staff, the District pays the greater of \$480 or 80% of employee's medical premium. If the District pays 80%, the employee is responsible for the remaining 20%. For mid-management and hourly employees, the District pays the greater of \$480 or 85% of employee's medical premium. If the District pays 85%, the employee is responsible for the remaining 15%. For those full-time, regular employees of the District with proof of health insurance coverage other than that offered by the District, \$480 per month is allotted as a cash benefit.

**Vacation Time** – Employees are entitled to 10 days after one full year of District service, graduating to a maximum of 25 days after 20 years of service. Employees can accumulate a maximum of 200 hours.

**Sick Leave** – Employees are entitled to 12 days per year with unrestricted accumulation.

**CalPERS** – Regular District employees hired before January 1, 2011, are enrolled under the 2.5% @ 55 retirement program. Regular District employees hired between January 1, 2011 and December 31, 2012, are enrolled under the 2.0% @ 60 retirement program. Effective January 1, 2021, 100% is paid by the employee. Also, in accordance with the Public Employees' Pension Reform Act, regular District employees hired on or after January 1, 2013, are enrolled under the 2.0% @ 62 retirement program with the employees paying their own portion of the plan.

**Public Agency Retirement Services (PARS)** – Regular District employees hired before January 1, 2011, are enrolled in a supplemental retirement benefit of 0.2% in addition to the CalPERS retirement benefit for eligible employees who complete at least 5 years of continuous full-time regular service with the District after July 1, 2003. The District pays the employee's portion.

**Holidays** – Full-time employees are entitled to 12 designated holidays and 3 personal days per year.

**Life Insurance** – Employees working 30 hours or more per week are covered by a District-paid life insurance policy of \$25,000. Additional insurance up to \$500,000 may be purchased at the employee's expense.

**Tuition Loan Program** – Full-time, regular employees are eligible to receive up to \$5,250 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 an employee-paid Deferred Compensation Program and Short Term & Long Term Disability.

## PENSION LIABILITIES

The District provides employees with a benefit package that includes pension, healthcare, workers' compensation, and disability insurance. In addition, eligible District retirees receive healthcare benefits known as Other Post-Employment Benefits (OPEB). In 2010 the District made several structural changes to reduce the retiree pension and health care benefits for employees hired after January 1, 2011. The changes will result in future savings; however, the programs for the existing retirees and vested employees have a significant future liability that is computed through actuarial valuations.

### PARS

The District has enacted a plan to address the PARS long-term liability. In FY 2015, the District's Board of Directors authorized staff to make a contribution in the amount of the actuarially determined annual benefit payments, which amounted to \$180,000. Budgeted amount is to remain the same for FY 2023 & 2024.

### CalPERS

In FY 2021, the Board approved a 5-Year advance payment strategy to address the CalPERS liability. The District will make advanced payments of \$1 million each year for FY 2023 and FY 2024. This advance payment strategy will provide near-term savings in operating expenses. This strategy is estimated to save the District approximately \$12.5 million over the next 25 years.

### OPEB

Currently, the District funds 100% of the actuarially determined contribution of the Other Post-Employment Benefits plan which is closed to new employees. The budgeted contribution is \$1,600,000 for FY 2023 and \$1,620,000 for FY 2024.





# FINANCIAL SUMMARIES



# Financial Summaries

The subsequent tables present a summary of major operating revenues and expenses, as well as non-operating revenues and expenses, GAAP conversion, and estimated ending Net Position for all funds. Operating revenues have been presented by major type, operating expenses have been presented by function. The GAAP conversion strives to convert the budget cash basis ending fund balance to a GAAP full accrual ending fund balance. GAAP Conversion includes the cost of CIP, depreciation, principal portion of debt payments, and debt covenants. This allows the budget to be more comparable to the Annual Financial Statements. The funds have been consolidated into the three major funds Water, Sewer, and Recycled Water similar to the District's ACFR presentation.

***The District strives for financial transparency while practicing good stewardship of financial resources.***

# FISCAL YEAR 2023

	Water Fund	Sewer Fund	Recycled Water Fund	Total All Funds
<b>Operating Revenues</b>				
Water Sales & Services	\$55,536,428	\$ -	\$934,198	\$56,470,626
Meter Charges	26,193,590	-	162,801	26,356,391
Water Sales to Other Agencies	2,102,752	-	-	2,102,752
Sewer Services	-	4,788,662	-	4,788,662
Sewer Treatment Charge	-	17,921,619	-	17,921,619
<b>Total Operating Revenues</b>	<b>83,832,770</b>	<b>22,710,281</b>	<b>1,096,999</b>	<b>107,640,050</b>
<b>Operating Expenses</b>				
Source of Supply	21,934,203	-	595,093	22,529,296
Pumping	10,281,770	-	-	10,281,770
Water Treatment	5,468,031	-	-	5,468,031
Transmission and Distribution	3,794,967	-	132,388	3,927,355
Collection and Transmission	-	19,969,460	-	19,969,460
Customer Accounts	3,338,725	620,680	117,220	4,076,625
General and Administrative	15,040,050	3,259,730	155,950	18,455,730
<b>Total Operating Expenses</b>	<b>59,857,746</b>	<b>23,849,870</b>	<b>1,000,651</b>	<b>84,708,267</b>
<b>Net Operating Revenue</b>	<b>23,975,024</b>	<b>(1,139,589)</b>	<b>96,348</b>	<b>22,931,783</b>
<b>Non-Operating Revenues</b>				
Interest Income	840,600	280,155	-	1,120,755
Development Income	4,640,050	727,698	95,000	5,462,748
Other Income	919,115	-	-	919,115
<b>Total Non-Operating Revenues</b>	<b>6,399,765</b>	<b>1,007,853</b>	<b>95,000</b>	<b>7,502,618</b>
<b>Non-Operating Expenses</b>				
Capital Improvement Projects	10,763,150	3,360,250	125,000	14,248,400
Annual Debt Service	13,552,860	-	34,794	13,587,654
Debt Covenants	3,109,948	-	-	3,109,948
<b>Total Non-Operating Expenses</b>	<b>27,425,958</b>	<b>3,360,250</b>	<b>159,794</b>	<b>30,946,002</b>
<b>Change in Net Position</b>	<b>2,948,831</b>	<b>(3,491,986)</b>	<b>31,554</b>	<b>(511,601)</b>
<b>Conversion to GAAP</b>	<b>9,604,106</b>	<b>1,160,250</b>	<b>4,588</b>	<b>10,768,944</b>
<b>Net Position - Beginning</b>	<b>271,292,251</b>	<b>71,419,409</b>	<b>4,239,896</b>	<b>346,951,557</b>
<b>Net Position - Ending</b>	<b>\$283,845,188</b>	<b>\$69,087,673</b>	<b>\$4,276,038</b>	<b>\$357,208,900</b>

# FISCAL YEAR 2024

	Water Fund	Sewer Fund	Recycled Water Fund	Total All Funds
<b>Operating Revenues</b>				
Water Sales & Services	\$59,025,793	\$ -	\$963,075	\$59,988,868
Meter Charges	27,168,224	-	167,683	27,335,907
Water Sales to Other Agencies	2,930,375	-	-	2,930,375
Sewer Services	-	4,813,377	-	4,813,377
Sewer Treatment Charge	-	19,095,547	-	19,095,547
<b>Total Operating Revenues</b>	<b>89,124,392</b>	<b>23,908,924</b>	<b>1,130,758</b>	<b>114,164,074</b>
<b>Operating Expenses</b>				
Source of Supply	25,394,025	-	619,454	26,013,479
Pumping	10,454,691	-	-	10,454,691
Water Treatment	5,735,749	-	-	5,735,749
Transmission and Distribution	3,964,761	-	136,922	4,101,683
Collection and Transmission	-	21,224,251	-	21,224,251
Customer Accounts	3,450,159	645,046	119,606	4,214,811
General and Administrative	15,240,416	3,381,446	160,327	18,782,189
<b>Total Operating Expenses</b>	<b>64,239,801</b>	<b>25,250,743</b>	<b>1,036,309</b>	<b>90,526,853</b>
<b>Net Operating Revenue</b>	<b>24,884,591</b>	<b>(1,341,819)</b>	<b>94,449</b>	<b>23,637,221</b>
<b>Non-Operating Revenues</b>				
Interest Income	1,332,500	444,160	-	1,776,660
Development Income	4,640,050	2,717,699	95,000	7,452,749
Other Income	937,140	-	-	937,140
<b>Total Non-Operating Revenues</b>	<b>6,909,690</b>	<b>3,161,859</b>	<b>95,000</b>	<b>10,166,549</b>
<b>Non-Operating Expenses</b>				
Capital Improvement Projects	10,998,050	5,359,250	125,000	16,482,300
Annual Debt Service	13,968,611	-	34,794	14,003,405
Debt Covenants	3,213,886	-	-	3,213,886
<b>Total Non-Operating Expenses</b>	<b>28,180,547</b>	<b>5,359,250</b>	<b>159,794</b>	<b>33,699,591</b>
<b>Change in Net Position</b>	<b>3,613,734</b>	<b>(3,539,210)</b>	<b>29,655</b>	<b>104,179</b>
<b>Conversion to GAAP</b>	<b>10,457,430</b>	<b>3,059,250</b>	<b>(386)</b>	<b>13,516,294</b>
<b>Net Position - Beginning</b>	<b>283,845,188</b>	<b>69,087,673</b>	<b>4,276,038</b>	<b>357,208,899</b>
<b>Net Position - Ending</b>	<b>\$297,916,352</b>	<b>\$68,607,713</b>	<b>\$4,305,307</b>	<b>\$370,829,372</b>

# BUDGET TRENDS - ALL FUNDS

	2021 Actual	2022 Amended Budget	2023 Budget	2024 Budget
<b>Operating Revenues</b>				
Water Sales & Services	\$54,536,465	\$53,934,373	\$56,470,626	\$59,988,868
Meter Charges	23,159,509	24,271,117	26,356,391	27,335,907
Water Sales to Other Agencies	7,643,840	8,221,140	2,102,752	2,930,375
Sewer Services	4,773,112	4,661,876	4,788,662	4,813,377
Sewer Treatment Charge	16,311,298	17,097,750	17,921,619	19,095,547
<b>Total Operating Revenues</b>	<b>106,424,224</b>	<b>108,186,256</b>	<b>107,640,050</b>	<b>114,164,074</b>
<b>Operating Expenses</b>				
Source of Supply	31,141,728	30,575,241	22,529,296	26,013,479
Pumping	2,315,271	7,325,068	10,281,770	10,454,691
Water Treatment	4,799,390	5,660,547	5,468,031	5,735,749
Transmission and Distribution	3,545,040	3,514,050	3,927,355	4,101,683
Collection and Transmission	18,268,852	18,976,432	19,969,460	21,224,251
Customer Accounts	3,647,716	4,099,359	4,076,625	4,214,811
General and Administrative	13,864,783	17,082,755	18,455,730	18,782,189
<b>Total Operating Expenses</b>	<b>77,582,780</b>	<b>87,233,452</b>	<b>84,708,267</b>	<b>90,526,853</b>
<b>Net Operating Revenue</b>	<b>28,841,444</b>	<b>20,952,804</b>	<b>22,931,783</b>	<b>23,637,221</b>
<b>Non-Operating Revenues</b>				
Interest Income	219,154	871,400	1,120,755	1,776,660
Development Income	2,551,091	6,794,352	5,462,748	7,452,749
Outside CIP Funding	90,000	-	-	-
Other Income	1,061,715	744,083	919,115	937,140
<b>Total Non-Operating Revenues</b>	<b>3,921,960</b>	<b>8,409,835</b>	<b>7,502,618</b>	<b>10,166,549</b>
<b>Non-Operating Expenses</b>				
Capital Improvement Projects	8,491,552	17,204,850	14,248,400	16,482,300
Annual Debt Service	14,153,419	14,458,318	13,587,654	14,003,405
Debt Covenants	2,783,085	3,035,852	3,109,948	3,213,886
<b>Total Non-Operating Expenses</b>	<b>25,428,056</b>	<b>34,699,020</b>	<b>30,946,002</b>	<b>33,699,591</b>
<b>Change in Net Position</b>	<b>7,335,348</b>	<b>(5,336,381)</b>	<b>(511,601)</b>	<b>104,179</b>
<b>Conversion to GAAP</b>	<b>6,126,968</b>	<b>13,581,674</b>	<b>10,768,944</b>	<b>13,516,294</b>
<b>Net Position - Beginning</b>	<b>325,243,947</b>	<b>338,706,263</b>	<b>346,951,556</b>	<b>357,208,899</b>
<b>Net Position - Ending</b>	<b>\$338,706,263</b>	<b>\$346,951,556</b>	<b>\$357,208,899</b>	<b>\$370,829,372</b>

# BUDGET TRENDS - WATER FUND

	2021 Actual	2022 Amended Budget	2023 Budget	2024 Budget
<b>Operating Revenues</b>				
Water Sales & Services	\$53,575,538	\$52,882,176	\$55,536,428	\$59,025,793
Meter Charges	22,998,039	24,085,765	26,193,590	27,168,224
Water Sales to Other Agencies	7,643,840	8,221,140	2,102,752	2,930,375
<b>Total Operating Revenues</b>	<b>84,217,417</b>	<b>85,189,081</b>	<b>83,832,770</b>	<b>89,124,392</b>
<b>Operating Expenses</b>				
Source of Supply	30,542,880	29,916,772	21,934,203	25,394,025
Pumping	2,315,271	7,325,068	10,281,770	10,454,691
Water Treatment	4,799,390	5,660,547	5,468,031	5,735,749
Transmission and Distribution	3,404,223	3,386,678	3,794,967	3,964,761
Customer Accounts	3,034,987	3,394,216	3,338,725	3,450,159
General and Administrative	11,289,968	13,856,944	15,040,050	15,240,416
<b>Total Operating Expenses</b>	<b>55,386,719</b>	<b>63,540,225</b>	<b>59,857,746</b>	<b>64,239,801</b>
<b>Net Operating Revenue</b>	<b>28,830,698</b>	<b>21,648,856</b>	<b>23,975,024</b>	<b>24,884,591</b>
<b>Non-Operating Revenues</b>				
Interest Income	160,834	656,400	840,600	1,332,500
Development Income	1,914,827	5,890,000	4,640,050	4,640,050
Outside CIP Funding	90,000	-	-	-
Other Income	1,021,709	744,083	919,115	937,140
<b>Total Non-Operating Revenues</b>	<b>3,187,370</b>	<b>7,290,483</b>	<b>6,399,765</b>	<b>6,909,690</b>
<b>Non-Operating Expenses</b>				
Capital Improvement Projects	5,877,265	10,313,100	10,763,150	10,998,050
Annual Debt Service	14,118,625	14,423,524	13,552,860	13,968,611
Debt Covenants	2,783,085	3,035,852	3,109,948	3,213,886
<b>Total Non-Operating Expenses</b>	<b>22,778,975</b>	<b>27,772,476</b>	<b>27,425,958</b>	<b>28,180,547</b>
<b>Change in Net Position</b>	<b>9,239,093</b>	<b>1,166,863</b>	<b>2,948,831</b>	<b>3,613,734</b>
<b>Conversion to GAAP</b>	<b>5,455,891</b>	<b>8,905,361</b>	<b>9,604,106</b>	<b>10,457,430</b>
<b>Net Position - Beginning</b>	<b>246,525,043</b>	<b>261,220,027</b>	<b>271,292,251</b>	<b>283,845,188</b>
<b>Net Position - Ending</b>	<b>\$261,220,027</b>	<b>\$271,292,251</b>	<b>\$283,845,188</b>	<b>\$297,916,352</b>

# BUDGET TRENDS - SEWER FUNDS

	2021 Actual	2022 Amended Budget	2023 Budget	2024 Budget
<b>Operating Revenues</b>				
Sewer Services	\$4,773,112	\$4,661,876	\$4,788,662	\$4,813,377
Sewer Treatment Charge	16,311,298	17,097,750	17,921,619	19,095,547
<b>Total Operating Revenues</b>	<b>21,084,410</b>	<b>21,759,626</b>	<b>22,710,281</b>	<b>23,908,924</b>
<b>Operating Expenses</b>				
Collection and Transmission	18,268,852	18,976,432	19,969,460	21,224,251
Customer Accounts	530,767	586,181	620,680	645,046
General and Administrative	2,374,513	3,083,210	3,259,730	3,381,446
<b>Total Operating Expenses</b>	<b>21,174,132</b>	<b>22,645,823</b>	<b>23,849,870</b>	<b>25,250,743</b>
<b>Net Operating Revenue</b>	<b>(89,722)</b>	<b>(886,197)</b>	<b>(1,139,589)</b>	<b>(1,341,819)</b>
<b>Non-Operating Revenues</b>				
Interest Income	58,320	215,000	280,155	444,160
Development Income	621,118	814,352	727,698	2,717,699
Other Income	40,006	-	-	-
<b>Total Non-Operating Revenues</b>	<b>719,444</b>	<b>1,029,352</b>	<b>1,007,853</b>	<b>3,161,859</b>
<b>Non-Operating Expenses</b>				
Capital Improvement Projects	2,614,287	6,741,750	3,360,250	5,359,250
<b>Total Non-Operating Expenses</b>	<b>2,614,287</b>	<b>6,741,750</b>	<b>3,360,250</b>	<b>5,359,250</b>
<b>Change in Net Position</b>	<b>(1,984,565)</b>	<b>(6,598,595)</b>	<b>(3,491,986)</b>	<b>(3,539,210)</b>
<b>Conversion to GAAP</b>	<b>753,249</b>	<b>4,641,750</b>	<b>1,160,250</b>	<b>3,059,250</b>
<b>Net Position - Beginning</b>	<b>74,607,570</b>	<b>73,376,254</b>	<b>71,419,409</b>	<b>69,087,673</b>
<b>Net Position - Ending</b>	<b>\$73,376,254</b>	<b>\$71,419,409</b>	<b>\$69,087,673</b>	<b>\$68,607,713</b>

# BUDGET TRENDS - RECYCLED WATER FUND

	2021 Actual	2022 Amended Budget	2023 Budget	2024 Budget
<b>Operating Revenues</b>				
Recycled Water Sales & Services	\$960,927	\$1,052,197	\$934,198	\$963,075
Meter Charges	161,470	185,352	162,801	167,683
<b>Total Operating Revenues</b>	<b>1,122,397</b>	<b>1,237,549</b>	<b>1,096,999</b>	<b>1,130,758</b>
<b>Operating Expenses</b>				
Source of Supply	598,848	658,469	595,093	619,454
Transmission and Distribution	140,817	127,372	132,388	136,922
Customer Accounts	81,962	118,962	117,220	119,606
General and Administrative	200,302	142,601	155,950	160,327
<b>Total Operating Expenses</b>	<b>1,021,929</b>	<b>1,047,404</b>	<b>1,000,651</b>	<b>1,036,309</b>
<b>Net Operating Revenue</b>	<b>100,468</b>	<b>190,145</b>	<b>96,348</b>	<b>94,449</b>
<b>Non-Operating Revenues</b>				
Development Income	15,146	90,000	95,000	95,000
Outside CIP Funding	-	-	-	-
<b>Total Non-Operating Revenues</b>	<b>15,146</b>	<b>90,000</b>	<b>95,000</b>	<b>95,000</b>
<b>Non-Operating Expenses</b>				
Capital Improvement Projects	-	150,000	125,000	125,000
Annual Debt Service	34,794	34,794	34,794	34,794
<b>Total Non-Operating Expenses</b>	<b>34,794</b>	<b>184,794</b>	<b>159,794</b>	<b>159,794</b>
<b>Change in Net Position</b>	<b>80,820</b>	<b>95,351</b>	<b>31,554</b>	<b>29,655</b>
<b>Conversion to GAAP</b>	<b>(82,172)</b>	<b>34,563</b>	<b>4,588</b>	<b>(386)</b>
<b>Net Position - Beginning</b>	<b>4,111,334</b>	<b>4,109,982</b>	<b>4,239,896</b>	<b>4,276,038</b>
<b>Net Position - Ending</b>	<b>\$4,109,982</b>	<b>\$4,239,896</b>	<b>\$4,276,038</b>	<b>\$4,305,307</b>

# FUND BALANCE

The District operates three enterprise funds and does not have any governmental or non-major funds. Fund Balance is the difference between assets and liabilities reported in a proprietary fund. Fund Balance can be considered a measure of net worth.

The net position schedule below, illustrates the change in net position for each fund, presenting beginning net position, total revenue (increases) and expenditures (decreases), GAAP conversion, ending net position, and the dollar and percentage change. The GAAP conversion strives to convert the budget cash basis ending fund balance to a GAAP full accrual ending fund balance. This will make the budget more comparable to the Annual Financial Statements.

	Beginning Fund Balance July 1	Revenues & Other Sources	Expenses & Other Uses	GAAP Conversion	Ending Fund Balance June 30	Increase / (Decrease)	% Change in Fund Balance
<b>Water Fund</b>							
2020-21 Actual	\$246,525,043	\$87,404,787	\$78,165,694	\$5,455,891	\$261,220,027	\$14,694,984	6%
2021-22 Amended Budget	261,220,027	92,479,564	91,312,701	8,905,361	271,292,251	10,072,224	4%
2022-23 Budget	271,292,251	90,232,535	87,283,704	9,604,106	283,845,188	12,552,937	5%
2023-24 Budget	283,845,188	96,034,082	92,420,348	10,457,430	297,916,352	14,071,164	5%
<b>Sewer Fund</b>							
2020-21 Actual	\$74,607,570	\$21,803,854	\$23,788,419	\$753,249	\$73,376,254	\$(1,231,316)	(2%)
2021-22 Amended Budget	73,376,254	22,788,978	29,387,573	4,641,750	71,419,409	(1,956,845)	(3%)
2022-23 Budget	71,419,409	23,718,134	27,210,120	1,160,250	69,087,673	(2,331,736)	(3%)
2023-24 Budget	69,087,673	27,070,783	30,609,993	3,059,250	68,607,713	(479,960)	(1%)
<b>Recycled Water Fund</b>							
2020-21 Actual	\$4,111,334	\$1,137,543	\$1,056,723	\$(82,172)	\$4,109,982	\$(1,352)	(0%)
2021-22 Amended Budget	4,109,982	1,327,549	1,232,198	34,563	4,239,896	129,914	3%
2022-23 Budget	4,239,896	1,191,999	1,160,445	4,588	4,276,038	36,142	1%
2023-24 Budget	4,276,038	1,225,758	1,196,103	(386)	4,305,307	29,269	1%

The District has three types of fund balance:

- Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.
- Restricted for Capital Projects - This component of fund balance consists of developer fees collected that are held until specifically utilized for capital projects.
- Unrestricted – This component of net position consists of net position that does not meet the definition of net investment in capital assets and is available for the District’s use. Unrestricted net position is designated by the District per the Reserve Policy.

<b>Water Fund</b>		<b>2020-21 Actual</b>	<b>2021-22 Amended Budget</b>	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>
<b>Unrestricted Fund Balance</b>					
Capital	Facility & Equipment Replacement	\$12,200,000	\$13,300,000	\$13,300,000	\$13,300,000
	Emergency	3,622,000	3,600,000	3,600,000	3,600,000
	Administrative	846,000	533,000	846,000	656,000
Liquidity	Local Water Resource Development	2,000,000	2,000,000	3,000,000	4,000,000
	Operating	13,469,905	12,660,408	12,496,239	13,499,973
	Rate Stabilization	10,310,722	10,310,722	10,310,722	10,310,722
	Water Banking	2,500,000	2,500,000	2,500,000	2,500,000
	Compensated Absences	2,000,898	2,200,000	2,400,000	2,600,000
	Customer Assistance Program				
	Carry Over	132,870	150,000	150,000	150,000
<b>Total Unrestricted Fund Balance</b>		<b>47,082,395</b>	<b>47,254,130</b>	<b>48,602,961</b>	<b>50,616,695</b>
<b>Restricted For Capital Projects</b>		<b>9,904,872</b>	<b>10,900,000</b>	<b>12,500,000</b>	<b>14,100,000</b>
<b>Net Invested in Capital Assets</b>		<b>204,232,760</b>	<b>213,138,121</b>	<b>222,742,227</b>	<b>233,199,657</b>
<b>Total Fund Balance</b>		<b>\$261,220,027</b>	<b>\$271,292,251</b>	<b>\$283,845,188</b>	<b>\$297,916,352</b>

The Water Fund is anticipating moderate increases in the fund balance over the budgeted years.

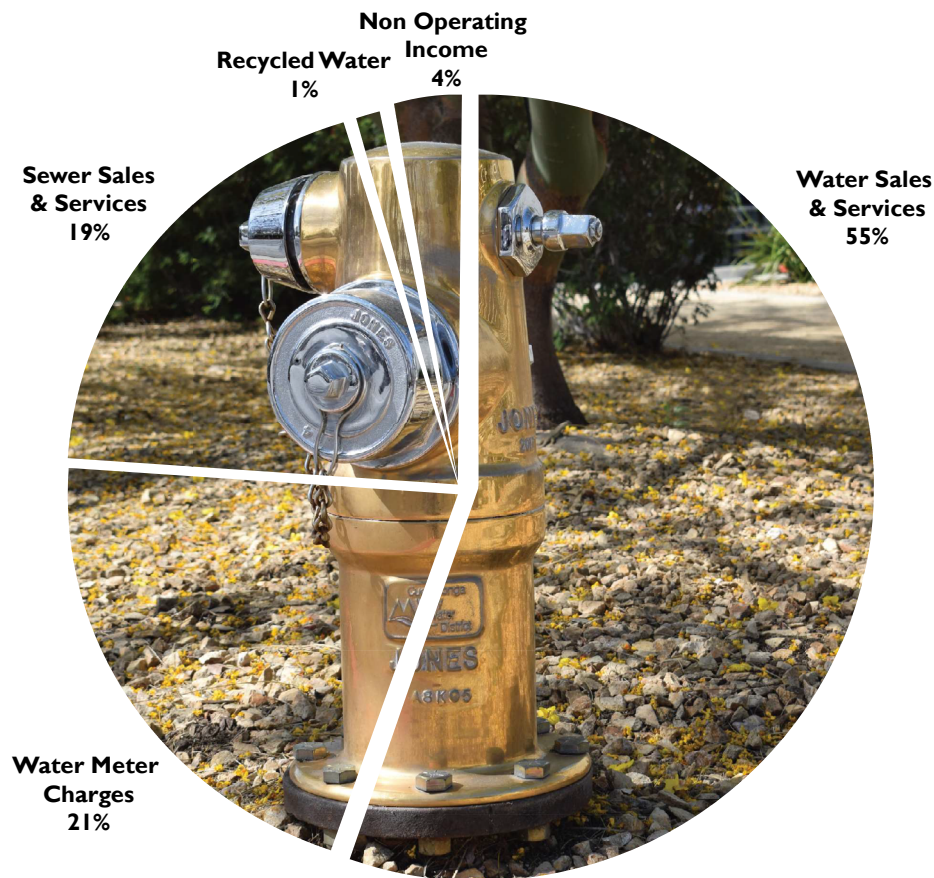
<b>Sewer Fund</b>		2020-21 Actual	2021-22 Amended Budget	2022-23 Budget	2023-24 Budget
<b>Unrestricted Fund Balance</b>					
Capital	Facility & Equipment Replacement	\$19,903,797	\$18,200,000	\$13,100,000	\$7,950,000
	Emergency	838,000	838,000	838,000	838,000
	Administrative	135,000	142,000	179,000	97,000
Liquidity	Operating	5,809,212	2,932,152	3,803,166	2,795,956
	Compensated Absences	459,123	-	-	-
<b>Total Unrestricted Fund Balance</b>		<b>27,145,132</b>	<b>22,112,152</b>	<b>17,920,166</b>	<b>11,680,956</b>
<b>Restricted For Capital Projects</b>		<b>3,465,616</b>	<b>1,900,000</b>	<b>2,600,000</b>	<b>5,300,000</b>
<b>Net Invested in Capital Assets</b>		<b>42,765,507</b>	<b>47,407,257</b>	<b>48,567,507</b>	<b>51,626,757</b>
<b>Total Fund Balance</b>		<b>\$73,376,255</b>	<b>\$71,419,409</b>	<b>\$69,087,673</b>	<b>\$68,607,713</b>

The Sewer Fund is budgeting slight declines in reserves over the next several years. This was a planned strategy utilized to keep sewer rates at a moderate level while also maintaining healthy reserve levels.

<b>Recycled Water Fund</b>		2020-21 Actual	2021-22 Amended Budget	2022-23 Budget	2023-24 Budget
<b>Unrestricted Fund Balance</b>					
	Undesignated	\$(728,863)	\$(860,905)	\$(874,351)	\$(889,696)
<b>Total Unrestricted Fund Balance</b>		<b>(728,863)</b>	<b>(860,905)</b>	<b>(874,351)</b>	<b>(889,696)</b>
<b>Restricted For Capital Projects</b>		<b>422,607</b>	<b>650,000</b>	<b>695,000</b>	<b>740,000</b>
<b>Net Invested in Capital Assets</b>		<b>4,416,238</b>	<b>4,450,801</b>	<b>4,455,389</b>	<b>4,455,003</b>
<b>Total Fund Balance</b>		<b>\$4,109,982</b>	<b>\$4,239,896</b>	<b>\$4,276,038</b>	<b>\$4,305,307</b>

The Recycled Water Fund has all of its reserves restricted to capital assets or capital projects, which is causing unrestricted fund balance to be negative. However, the total Fund Balance does slightly increase over the next several years.

# REVENUES



## REVENUE SOURCES

The District receives 93% of revenues from user rates and charges on potable water, sewer services, and recycled water. Rates are adopted by the Board based on detailed cost of service studies performed for each service type. The District derives its authority for setting rates from §31000 of the California Water Code, and rate adjustments are adopted at public hearings conducted in accordance with requirements established by California Propositions 26 and/or 218.

The District has seven major revenue categories that are based on rates:

### Water Fund

1. Meter charges are fixed charges assessed to customers monthly based on the size of the service connection/ meter to their property. Meter charges also include the IEUA fixed meter charge pass-through which is also a flat monthly charge based on the size on the water meter.
2. Water sales are based on the volume of water used by a customer during a billing period. Customer usage is tracked and charged on a tiered basis with rates increasing as usage increases. Water sales also include an MWD surcharge adjustment fee on Tier 3 and Tier 4 usage, that the District collects as a pass-through rate. The MWD surcharge will be adjusted whenever MWD approves changes to the purchased water rate imposed on CVWD.
3. Water services include charges for firelines, and various fees and penalties.

### Sewer Fund

1. Sewer services are a fixed monthly charge for single family residences, and a combination of fixed and volumetric charges for commercial and multi-family customers.
2. Sewer treatment charges are established by, and the revenue remitted to IEUA, which is currently contracted to treat all wastewater generated by District customers.

## Recycled Water Fund

1. Recycled water meter charges are fixed charges assessed to customers monthly based on the size of the service connection/meter to their property. Meter charges also include the IEUA fixed charge pass-through, but that is currently \$0 for the budget period.
2. Recycled water services are based on the volume of water used by a customer during a billing period with a set price per hundred cubic foot

## REVENUES BY FUND

The following table presents revenues and other sources by fund.

	2021 Actual	2022 Amended Budget	2023 Budget	2024 Budget
<b>Revenues</b>				
Water Fund	\$87,404,787	\$92,479,564	\$90,232,535	\$96,034,082
Sewer Fund	21,803,854	22,788,978	23,718,134	27,070,783
Recycled Water Fund	1,137,543	1,327,549	1,191,999	1,225,758
<b>Total Revenues</b>	<b>\$110,346,184</b>	<b>\$116,596,091</b>	<b>\$115,142,668</b>	<b>\$124,330,623</b>

## REVENUES BY TYPE

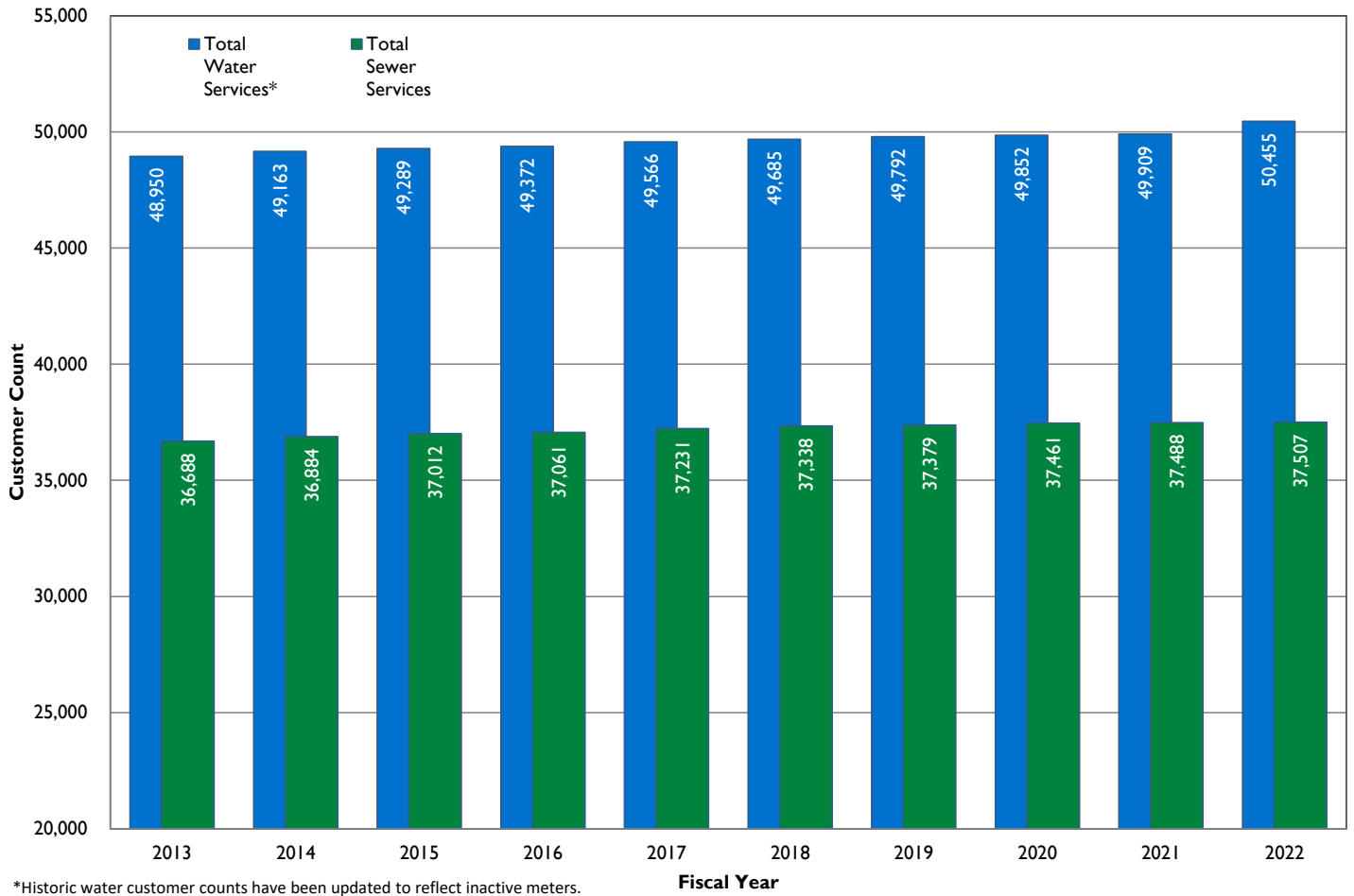
The following table presents revenues and other sources by type.

	2021 Actual	2022 Amended Budget	2023 Budget	2024 Budget
<b>Operating Revenues</b>				
Potable Water Sales & Services	\$53,575,538	\$52,882,176	\$55,536,428	\$59,025,793
Potable Meter Charges	22,998,039	24,085,765	26,193,590	27,168,224
Wholesale Water Sales to Other Agencies	7,643,840	8,221,140	2,102,752	2,930,375
Recycled Water Sales & Services	960,927	1,052,197	934,198	963,075
Recycled Water Meter Charges	161,470	185,352	162,801	167,683
Sewer Services	4,773,112	4,661,876	4,788,662	4,813,377
Sewer Treatment Charge	16,311,298	17,097,750	17,921,619	19,095,547
<b>Total Operating Revenues</b>	<b>106,424,224</b>	<b>108,186,256</b>	<b>107,640,050</b>	<b>114,164,074</b>
<b>Non-Operating Revenues</b>				
Interest Income	219,154	871,400	1,120,755	1,776,660
Development Income	2,551,091	6,794,352	5,462,748	7,452,749
Outside CIP Funding	90,000	-	-	-
Other Income	1,061,715	744,083	919,115	937,140
<b>Total Non-Operating Revenues</b>	<b>3,921,960</b>	<b>8,409,835</b>	<b>7,502,618</b>	<b>10,166,549</b>
<b>Total Revenues</b>	<b>\$110,346,184</b>	<b>\$116,596,091</b>	<b>\$115,142,668</b>	<b>\$124,330,623</b>

## CUSTOMER BASE

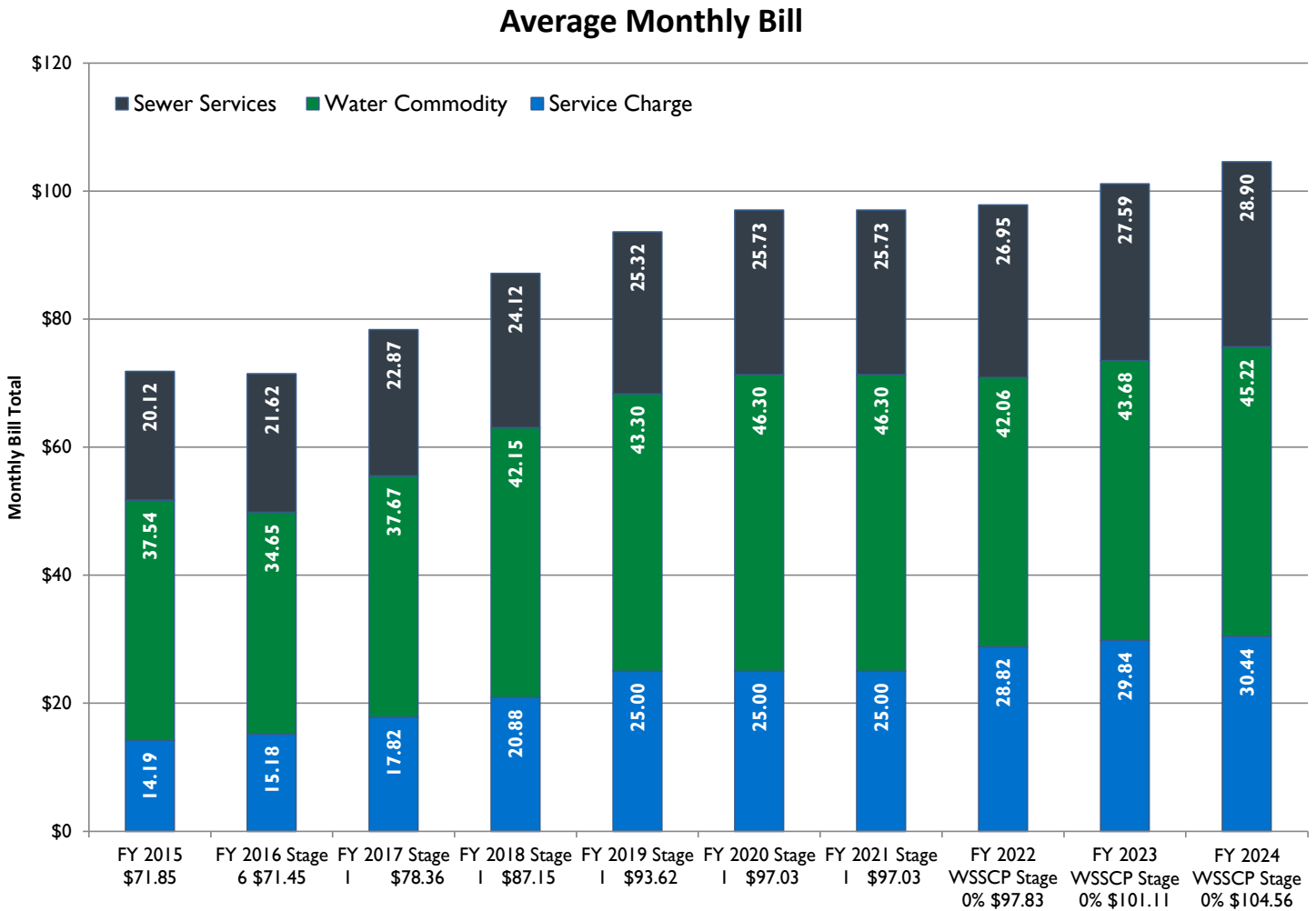
As revenues are driven by the District’s customer base, the following table presents historical customer counts. Please note that recycled water customers have been included in total water customers. The total for recycled water customers was 139 for FY 2022.

### Historical Customer Counts



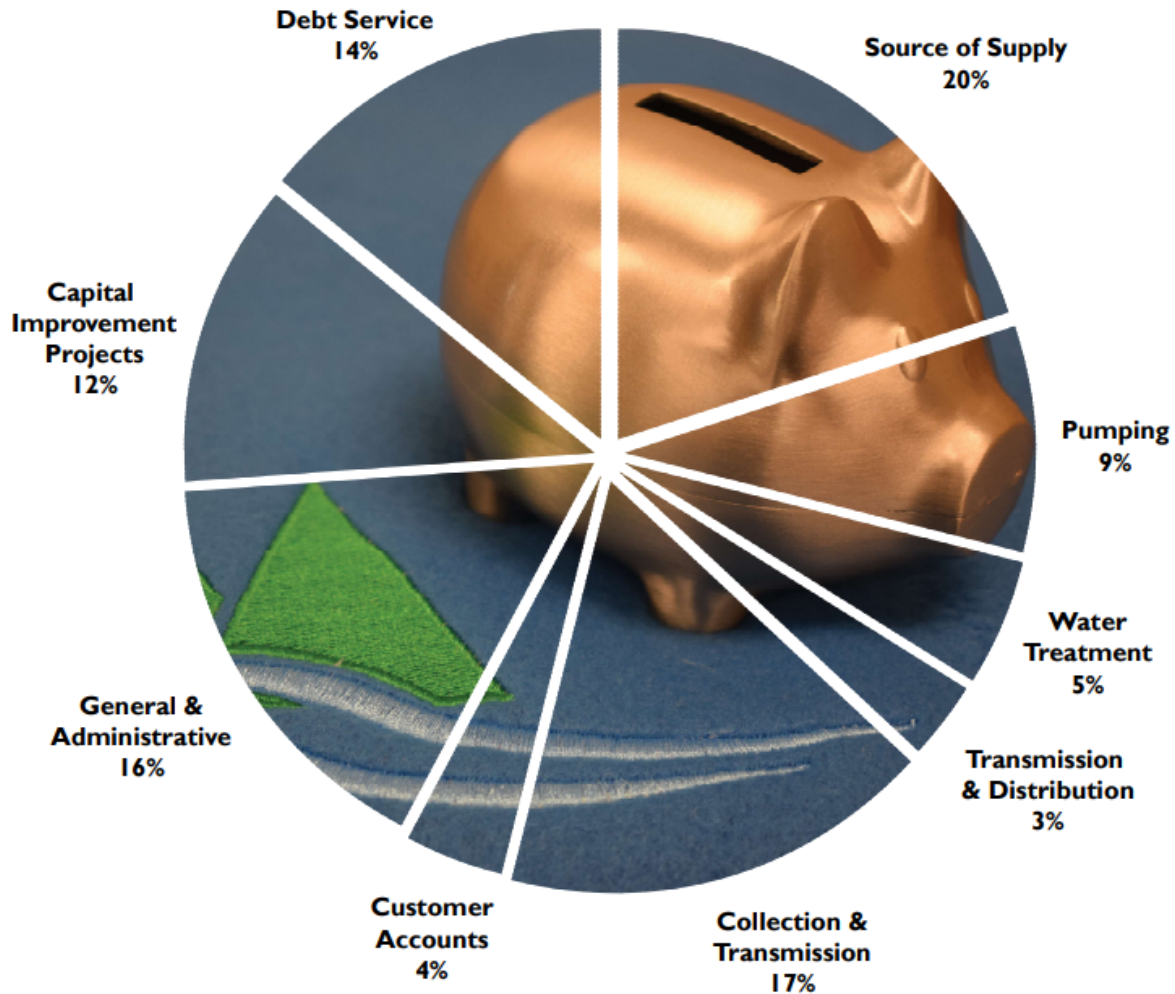
## AVERAGE MONTHLY BILL

The District strives to make our services affordable while maintaining the District’s vast infrastructure system. The following table shows the total monthly bill for a single family residential customer with a ¾ inch meter who is connected to the District’s sewer system and who uses the average amount of water while following use efficiency expectations.



More information on rate development and revenue assumptions are highlighted in fund profiles in the following sections: Water Fund, Sewer Fund, and Recycled Water Fund.

# EXPENSES



The District has the following major expense functions:

1. Source of Supply includes the cost of purchasing imported water from IEUA and assessments.
2. Pumping includes the cost of electricity incurred to move water throughout the District as well as related staff wages and benefits.
3. Water Treatment includes the cost of operating the water treatment plants which include chemicals, water testing, wages, and benefits.
4. Transmission and Distribution include the operating costs for waterline maintenance and repairs, as well as staff wage and benefits.
5. Collection and Transmission include the IEUA sewer treatment fee that CVWD collects and remits back to IEUA. Additionally, operating costs for sewer line maintenance and repairs, as well as related staff wage and benefits are included.
6. Customer Accounts include the cost of utility billing preparation and mailing, bad debt losses and collection service fees. Related staff wages and benefits that support customer services functions are also included.
7. General and Administrative primarily include the cost of wages and benefits for the Executive, Human Resources, Government & Public Affairs, Engineering, and Finance and Technology Divisions as these roles support Operations staff.
8. Capital Improvement Projects principally for groundwater treatment, pumps and pumping equipment, new water and sewer mains, and reservoir improvements.
9. Debt Service includes cost of long term payment obligations such as bond payments and leases.

## EXPENSES BY FUND

The following table presents expenses and other uses by fund.

	2021 Actual	2022 Amended Budget	2023 Budget	2024 Budget
<b>Operating Expenses</b>				
Water Fund	\$78,165,694	\$91,312,701	\$87,283,704	\$92,420,348
Sewer Fund	23,788,419	29,387,573	27,210,120	30,609,993
Recycled Water Fund	1,056,723	1,232,198	1,160,445	1,196,103
<b>Total Expenses</b>	<b>\$103,010,836</b>	<b>\$121,932,472</b>	<b>\$115,654,269</b>	<b>\$124,226,444</b>

## EXPENSES BY FUNCTION

The following table presents expenses and other uses by function.

	2021 Actual	2022 Amended Budget	2023 Budget	2024 Budget
<b>Operating Expenses</b>				
Source of Supply	\$31,141,728	\$30,575,241	\$22,529,296	\$26,013,479
Pumping	2,315,271	7,325,068	10,281,770	10,454,691
Water Treatment	4,799,390	5,660,547	5,468,031	5,735,749
Transmission and Distribution	3,545,040	3,514,050	3,927,355	4,101,683
Collection and Transmission	18,268,852	18,976,432	19,969,460	21,224,251
Customer Accounts	3,647,716	4,099,359	4,076,625	4,214,811
General and Administrative	13,864,783	17,082,755	18,455,730	18,782,189
<b>Total Operating Expenses</b>	<b>77,582,780</b>	<b>87,233,452</b>	<b>84,708,267</b>	<b>90,526,853</b>
<b>Non-Operating Expenses</b>				
Capital Improvement Projects	8,491,552	17,204,850	14,248,400	16,482,300
Annual Debt Service	14,153,419	14,458,318	13,587,654	14,003,405
Debt Covenants	2,783,085	3,035,852	3,109,948	3,213,886
<b>Total Non-Operating Expenses</b>	<b>25,428,056</b>	<b>34,699,020</b>	<b>30,946,002</b>	<b>33,699,591</b>
<b>Total Expenses</b>	<b>\$103,010,836</b>	<b>\$121,932,472</b>	<b>\$115,654,269</b>	<b>\$124,226,444</b>

# WATER FUND

The water fund accounts for the District's commitment to providing high quality, safe, and reliable drinking water while practicing good stewardship of natural and financial resources.

The following is a table of the District's Water Fund operating revenues and expenses:

	2021 Actual	2022 Amended Budget	2023 Budget	% Change (FY23 - FY22)	2024 Budget	% Change (FY24 - FY23)
<b>Operating Revenues</b>						
Water Sales & Services	\$53,575,538	\$52,882,176	\$55,536,428	5%	\$59,025,793	6%
Meter Charges	22,998,039	24,085,765	26,193,590	9%	27,168,224	4%
Water Sales to Other Agencies	7,643,840	8,221,140	2,102,752	(74%)	2,930,375	39%
<b>Total Operating Revenues</b>	<b>84,217,417</b>	<b>85,189,081</b>	<b>83,832,770</b>	<b>(2%)</b>	<b>89,124,392</b>	<b>6%</b>
<b>Operating Expenses</b>						
Wages & Benefits	16,478,437	17,708,330	18,826,979	6%	19,665,856	4%
Outside Labor	29,919	65,200	69,200	6%	69,200	0%
Professional Development	182,644	386,428	402,107	4%	408,740	2%
Professional Services	456,260	574,874	478,500	(20%)	473,050	(1%)
Personnel Costs	140,640	247,982	247,788	(0%)	251,278	1%
Insurance	418,655	352,881	502,609	30%	527,239	5%
Advertisements	2,558	25,525	25,525	0%	25,525	0%
Elections	-	-	300,000	100%	-	(100%)
Collections	53,095	484,600	59,500	(714%)	55,500	(7%)
Utilities	8,820,686	6,000,522	9,014,549	33%	9,133,822	1%
Materials & Supplies	3,325,953	4,641,785	4,431,505	(5%)	4,583,430	3%
Outside Services	2,188,698	2,686,742	3,043,165	12%	3,101,720	2%
Source of Supply	22,873,199	29,875,773	21,909,003	(36%)	25,368,625	16%
Miscellaneous	415,975	489,583	547,316	11%	575,816	5%
<b>Total Operating Expenses</b>	<b>55,386,719</b>	<b>63,540,225</b>	<b>59,857,746</b>	<b>(6%)</b>	<b>64,239,801</b>	<b>7%</b>
<b>Net Operating Revenue</b>	<b>\$28,830,698</b>	<b>\$21,648,856</b>	<b>\$23,975,024</b>	<b>10%</b>	<b>\$24,884,591</b>	<b>4%</b>

# WATER FUND REVENUES - OPERATING

## RATES

The District bills customers on a monthly basis for water usage. To develop water rates, the District completed a detailed cost of service analysis with an independent consultant and the Board of Directors approved in 2021. The District's last rate study series ended July 1, 2019 but due to the COVID 19 Pandemic, rates were on hold. The new rates were effective January 1, 2022 and cover five years. The cost of service study evaluated the District's infrastructure needs, programs, and operations and maintenance costs to deliver and service potable water. The study then identified the required revenue necessary and allocated that revenue into the fixed meter charge and a four tiered commodities charges for water. The budget for operating revenues in FY 2023 through FY 2024 are calculated based on the authorized rates within the Rate Study.

Within the Rate Study the District has established a comprehensive Water Supply Shortage Contingency Plan (WSSCP). This plan consists of 9 progressive stages that address mandatory water conservation requirements. Under normal conditions, efficient water use practices are required. If a water supply shortage exists, CVWD may enact a WSSCP stage by adopting a resolution of the Board of Directors. As mentioned earlier, the budget for FY 2023 and FY 2024 is based on water sales and customer consumption in a typical, non-drought year. Also, since the District has secured a diverse water supply portfolio that remains very healthy this year, the impacts of the drought are unknown at this time. As such, revenues are based on consumption estimates similar to FY 2022 estimated actuals.

Other municipal agencies have the ability to impose charges and fees on CVWD that are related to providing water utility service. These agencies include the Inland Empire Utilities Agency (IEUA) and the Metropolitan Water District of Southern California (MWD). These agencies determine and approve their rates independently. CVWD utilizes pass-through rates to recover the additional costs associated with these charges. With the new five year Rate Study the MWD surcharge will no longer apply to all water usage, but now only to our highest water users in Tiers 3 and 4. This change in methodology as well as rate increases enacted by MWD and IEUA result in a projected surcharge of \$0.25 per unit of water sold in Tiers 3 and Tiers 4 for FY 2023 and \$0.40 for FY 2024.

CVWD Tiered Water Rate Table:

Tiered Water Rate Per HCF	7/1/2019 - 12/31/21	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
	Non-Drought	Non-Drought	Non-Drought	Non-Drought	Non-Drought	Non-Drought
Tier 1	\$1.62	\$1.67	\$1.72	\$1.77	\$1.82	\$1.88
Tier 2	2.16	2.07	2.13	2.19	2.26	2.33
Tier 3	2.71	3.55	3.65	3.76	3.87	3.98
Tier 4	3.07	3.76	3.87	3.98	4.10	4.22
Construction Water	4.70	3.76	3.87	3.98	4.10	4.22

MWD Surcharge Table:

MWD Surcharge Per HCF	7/1/2019 - 12/31/21	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
	Effective	Effective	Effective	Effective	Effective	Effective
MWD Surcharge - All Tiers	\$0.29	N/A	N/A	N/A	N/A	N/A
MWD Surcharge - Tiers 3 & 4 Only	N/A	0.05	0.25	0.40	TBD	TBD

CVWD Meter Charge by Size Table:

Meter Charge by Size Meter	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
	Effective	Effective	Effective	Effective	Effective	Effective
	7/1/2019- 12/31/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
5/8" x 3/4"	\$25.00	\$25.30	\$26.01	\$26.74	\$27.49	\$28.26
3/4"	25.00	25.30	26.01	26.74	27.49	28.26
1"	41.66	40.08	41.21	42.37	43.56	44.78
1-1/2"	83.33	77.02	79.18	81.40	83.68	86.03
2"	133.33	121.36	124.76	128.26	131.86	135.56
3"	250.00	239.59	246.30	253.20	260.29	267.58
4"	416.66	372.60	383.04	393.77	404.80	416.14
6"	833.33	742.08	762.86	784.23	806.19	828.77
8"	1,333.33	1,185.44	1,218.64	1,252.77	1,287.85	1,323.91
10"	2,000.00	1,776.59	1,826.34	1,877.48	1,930.05	1,984.10
12"	3,000.00	2,497.07	2,566.99	2,638.87	2,712.76	2,788.72

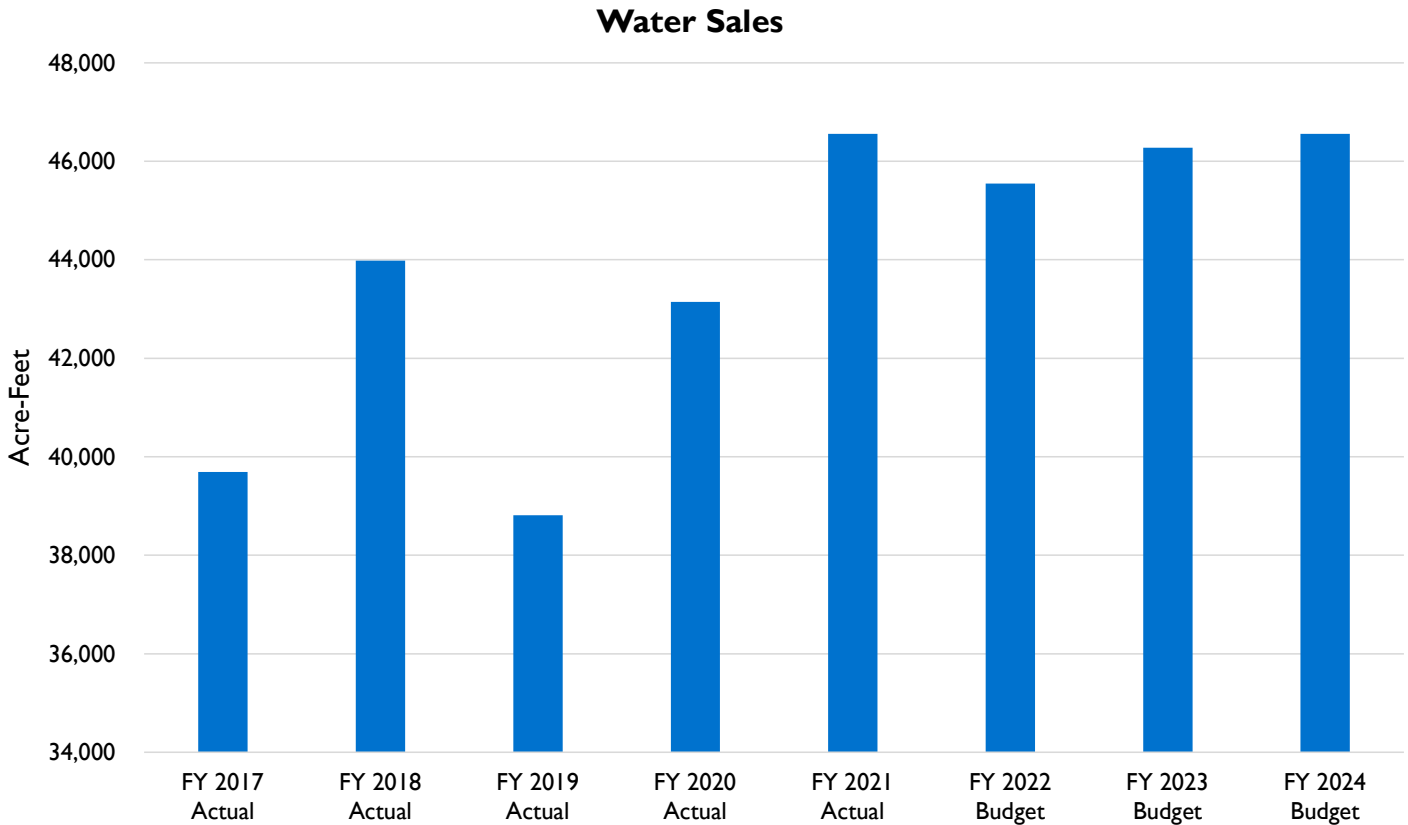
IEUA Fixed Charges Table:

IEUA Fixed Charges	7/1/2019 - 12/31/21	1/1/2022	7/1/2022	1/1/2023	7/1/2023	1/1/2024
	Effective	Effective	Budgeted	Budgeted	Budgeted	Budgeted
5/8" x 3/4"	N/A	\$3.52	\$3.85	\$3.83	\$3.98	\$3.70
3/4"	N/A	3.52	3.85	3.83	3.98	3.70
1"	N/A	5.87	6.42	6.38	6.63	6.17
1-1/2"	N/A	11.70	12.83	12.77	13.27	12.33
2"	N/A	18.72	20.53	20.43	21.23	19.73
3"	N/A	37.43	41.07	40.85	42.45	39.47
4"	N/A	58.47	64.17	63.83	66.33	61.67
6"	N/A	116.91	128.33	127.67	132.67	123.33
8"	N/A	187.04	205.33	204.27	212.27	197.33
10"	N/A	280.55	308.00	306.40	318.40	296.00

## CONSUMPTION

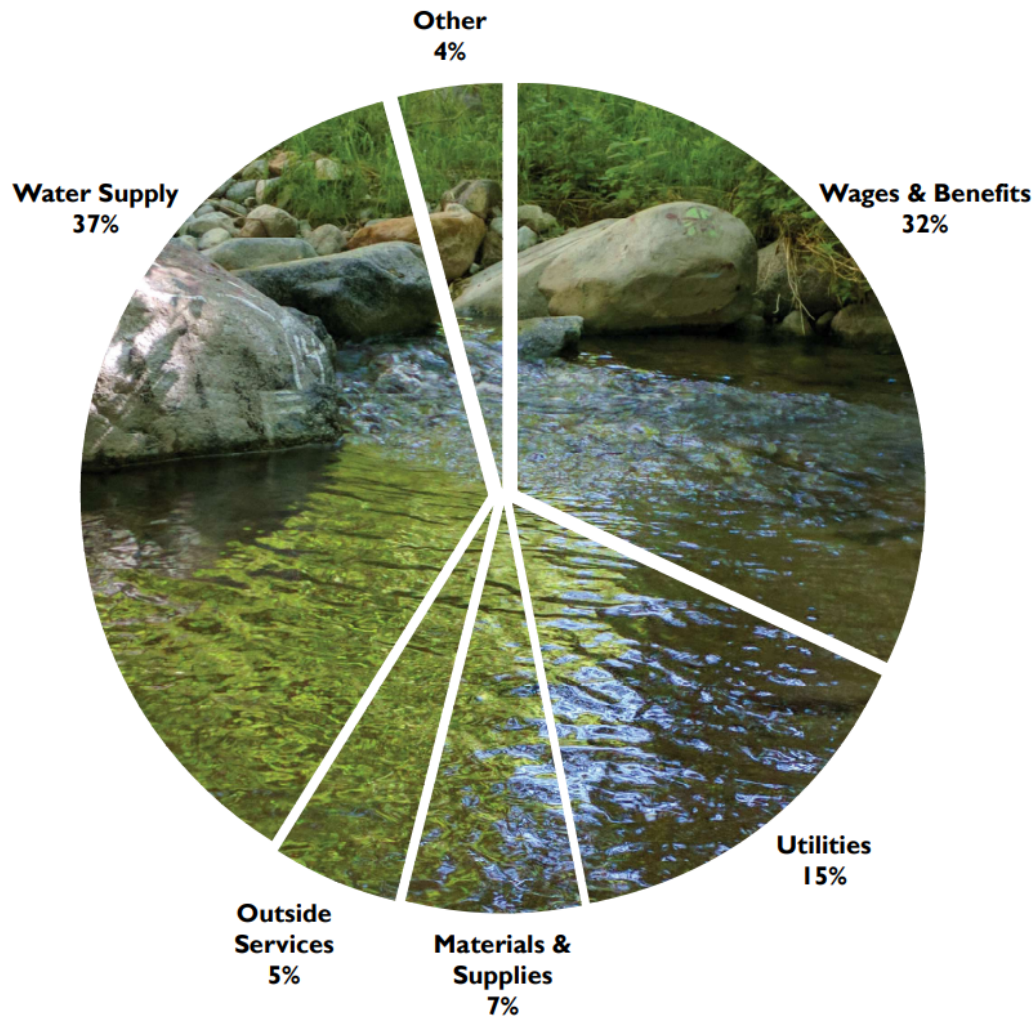
Another factor that greatly affects the calculation of the Water Fund’s revenues is the quantity of water sold. The largest factor influencing the amount of water sold is the precipitation received. FY 2021 had extremely low rainfall at only twelve inches, therefore water sales were extremely high. FY 2022 water sales were budgeted with the expectation for an average rainfall year, and year to date actuals are in line with the budget as of March. FY 2022 did receive a large amount of rainfall but isolated within the course of a few weeks in December and January, but has since had an usually hot and dry winter and spring. The budgeted consumption for FY 2023 and 2024 were estimated as if it is a typical non-drought year. To determine a typical year FY 2021 sales were used as a base year and a slight conservation factor of 2.6% and 2.0% were applied to FY 2023 and FY 2024 respectively. Customer growth of 0.10% was also added into the sales totals for each of the two years. As mentioned earlier, the District did not take into account any drought requirements at this time. As the drought situation develops through Summer and Fall 2022 a budget revision will be necessary to assess a more accurate impact of the drought.

The following table shows historic water sales measured in acre-feet (AF) :



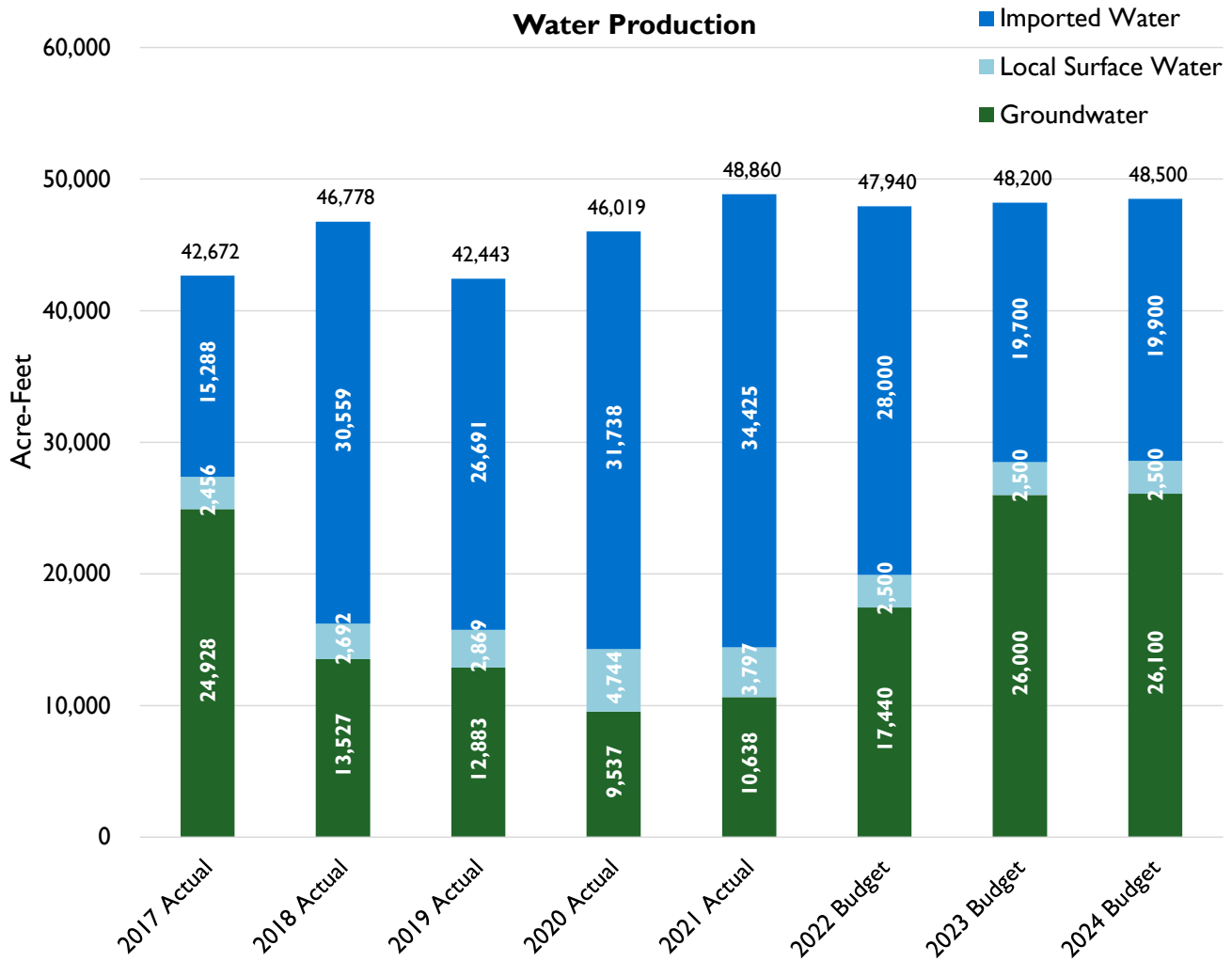
## WATER FUND EXPENSES – OPERATING

The chart below indicates the allocation of costs within the Water Fund’s operating expenses:



The Water Fund is budgeting a 6% reduction in operating expenses for FY 2023 and an increase of 7% for FY 2024. The majority of the Fund’s operating expense is for water supply. The District’s water supply is made up of three sources: imported water, groundwater, and local surface water. Imported water is the most costly source as it is purchased from MWD through IEUA. The District has budgeted a 30% reduction in the use of imported water and a 49% increase in the use of groundwater in the production mix for FY 2023 and 2024. Total production estimates are based on the consumption estimates described previously, but the production mix strategy is at the discretion of management. The strategy is to utilize a more balanced approach between groundwater and imported water and capitalize on the lower cost of groundwater. Therefore the Source of Supply expense category is budgeted to decrease for FY 2023 and increase for FY 2024, which is due to increased Chino Basin Assessments which increase in proportion to groundwater production.

The table below illustrates historical and budgeted production in acre-feet:



The Budget includes the rate increases that have been proposed by MWD of 11% and 7% per year for imported water for FY 2023 & 2024, respectively. IEUA also charges fixed costs to purchase imported water and those are anticipated to increase 10% and 5% for FY 2023 & 2024, respectively. With the production mix budgeting an increase in groundwater, the budget for utilities has significantly increased as groundwater takes electricity to pump and move. Additionally, the District is anticipating more increases in the cost of electricity as it has historically been rising at a rate much higher than inflation.

Wages and benefits are the District's 2nd largest expense after water. Estimates for the budget include a 4% cost of living adjustment (COLA) for each year, considering the consumer price index and the employment cost index for the District's region. However, Board action to approve the implementation of the COLA will be deferred to a later date when the economic impacts of the drought are discernable. An average merit increase of 4% was factored in for those employees who have not reached the top of their position's salary range. The District is increasing the overall headcount between FY 2022 and FY 2023 by 0.5 to account for a position that was part-time, but has since been made into a full-time position.

Collection costs for FY 2022 were budgeted very high, with concerns about customer's ability to pay during the COVID-19 pandemic. Also the District was unable to disconnect customers for non-payment until February of 2022. With disconnection procedures resumed, the budget for collections has been reduced to historical levels for FY 2023 and FY 2024. Election costs are only anticipated in FY 2023 to account for three seats on the Board of Directors up for election in November 2022. All other operating costs are determined by division management and are based on historical results.

# SEWER FUND

The Sewer Fund accounts for all the activities related to wastewater collection and transmission.

The following is a table of the District's Sewer Fund operating revenues and expenses:

	2021 Actual	2022 Amended Budget	2023 Budget	% Change (FY23 - FY22)	2024 Budget	% Change (FY24 - FY23)
<b>Operating Revenues</b>						
Sewer Services	\$4,773,112	\$4,661,876	\$4,788,662	3%	\$4,813,377	1%
Sewer Treatment Charge	16,311,298	17,097,750	17,921,619	5%	19,095,547	7%
<b>Total Operating Revenues</b>	<b>21,084,410</b>	<b>21,759,626</b>	<b>22,710,281</b>	<b>4%</b>	<b>23,908,924</b>	<b>5%</b>
<b>Operating Expenses</b>						
Wages & Benefits	3,790,161	4,144,161	4,414,761	7%	4,599,522	4%
Outside Labor	15,559	41,550	42,550	2%	42,550	0%
Professional Development	36,831	87,525	96,191	10%	97,819	2%
Professional Services	75,290	160,032	139,575	(13%)	136,725	(2%)
Personnel Costs	30,223	59,418	59,052	(1%)	59,862	1%
Insurance	142,161	117,053	169,203	45%	177,413	5%
Collections	(26,317)	27,400	5,500	(80%)	4,500	(18%)
Utilities	71,231	80,434	81,961	2%	82,641	1%
Materials & Supplies	215,729	277,875	312,527	12%	323,202	3%
Outside Services	430,734	445,400	502,631	13%	521,462	4%
Sewer Treatment Cost	16,311,298	17,097,750	17,921,619	5%	19,095,547	7%
Miscellaneous	81,232	107,225	104,300	(3%)	109,500	5%
<b>Total Operating Expenses</b>	<b>21,174,132</b>	<b>22,645,823</b>	<b>23,849,870</b>	<b>5%</b>	<b>25,250,743</b>	<b>6%</b>
<b>Net Operating Revenue</b>	<b>\$(89,722)</b>	<b>\$(886,197)</b>	<b>\$(1,139,589)</b>	<b>29%</b>	<b>\$(1,341,819)</b>	<b>18%</b>

# SEWER FUND REVENUES - OPERATING

## RATES

Customers are billed on a monthly basis for sewer service if connected to the District's sewer system. To develop sewer rates the District completed a detailed cost of service analysis in 2019 which committed to a five-year plan that would not raise the local sewer service charge of \$5.73 per Equivalent Dwelling Unit (EDU) per month for FY 2020 through FY 2024. The cost of service study evaluated the District's infrastructure needs, programs, and operations and maintenance costs to collect and transmit wastewater. The study then identified the required income necessary and allocated that income into the fixed sewer charge for residential customers and a volumetric charge for commercial customers. All single family residential customers are billed for one EDU, which is the standard measurement of wastewater discharged into the sewer collection and treatment system equal to the average discharge from a single-family unit. District schools are billed based on student head count. Commercial customers are billed based on a percentage of their potable water consumption. Industrial customers are billed based on a formula that accounts for the volume and strength of the wastewater discharged into the sewer system.

In addition to the District's local sewer charge, customer bills also include a sewage treatment and disposal charge based on costs imposed by the Inland Empire Utilities Agency (IEUA). IEUA is a separate agency that provides these services and sets rates independently of CVWD. The District collects this fee on behalf of IEUA and remits all fees collected to IEUA. The CVWD Board adopted the 5-year pass-through provision for IEUA's treatment charge at the same time as the sewer rate study. Only in those years that IEUA's Board adopts a rate increase, will CVWD pass that on to our customers. IEUA has approved a rate increase for FY 2023 which is a 3% increase from \$21.22 per EDU to \$21.86 per EDU. For FY 2024 IEUA has not announced a new rate, so the District is estimating an increase of 6%. As this pass-through is both a revenue and expense, with no net affect on

Sewer Charges	Effective	Effective	Effective	Effective	Effective	Effective
Monthly	7/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
Local CVWD	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73	\$5.73
IEUA Treatment Pass-Through	19.59	20.00	20.00	21.22	21.86	23.17

## CONSUMPTION

When determining the revenues to budget for the Sewer Fund, historical EDUs from the prior year are utilized. This consumption history allows for taking into account minimal customer count increases and the variables of water consumption in commercial users. As such sewer revenues are budgeted to increase for FY 2023 as FY 2022 estimated actuals are more favorable than FY 2022 budget, and the estimated actuals were used as the foundation for FY 2023. For FY 2024, only minor customer growth of 0.52% was accounted for, and as previously mentioned an estimated 6% increase in the sewer treatment charge IEUA pass through.

## SEWER FUND EXPENSES – OPERATING

The chart below indicates the allocation of costs within the Sewer Fund’s operating expenses:



The Sewer Fund expenses are increasing a total of 5% and 6% for FY 2023 and FY 2024 respectively. The majority of sewer costs are for the treatment of wastewater by IEUA, which is 75% of the fund’s expenses. Increases in the Sewer Treatment cost explained previously related to increases in IEUA’s rate/EDU.

Other notable increases are related to wages and benefits which follow the same assumptions as the Water Fund (4.0% COLA, 4% merit). All other operating costs are determined by division management and are based on historical results. The Sewer Fund has a net operating loss which is part of the strategy to utilize reserve funds. Reserves were leveraged in order to keep the local sewer rate stable over the five-year rate study. In FY 2024 a new rate study will be conducted which will update rates effective July 1, 2024 for FY 2025, which will consider reserve levels and customer rates.

# RECYCLED WATER FUND

The Recycled Water Fund accounts for the District’s recycled water sales and services and has the District’s smallest customer base.

The following is a table of the District’s Recycled Water Fund operating revenues and expenses:

	2021 Actual	2022 Amended Budget	2023 Budget	% Change (FY23 - FY22)	2024 Budget	% Change (FY24 - FY23)
<b>Operating Revenues</b>						
Recycled Water Sales & Services	\$960,927	\$1,052,197	\$934,198	(11%)	\$963,075	3%
Meter Charges	161,470	185,352	162,801	(12%)	167,683	3%
<b>Total Operating Revenues</b>	<b>1,122,397</b>	<b>1,237,549</b>	<b>1,096,999</b>	<b>(11%)</b>	<b>1,130,758</b>	<b>3%</b>
<b>Operating Expenses</b>						
Wages & Director’s Fees	237,015	204,673	220,423	8%	229,144	4%
Benefits	168,491	98,569	98,082	(0%)	102,646	5%
Outside Labor	-	4,500	500	(89%)	500	0%
Professional Development	746	3,792	3,700	(2%)	3,700	0%
Professional Services	297	370	2,275	515%	2,375	4%
Personnel Costs	-	1,000	1,000	0%	1,000	0%
Collections	36	-	-	0%	-	100%
Utilities	1,516	1,300	1,300	0%	1,300	0%
Materials & Supplies	5,938	49,811	50,700	2%	48,200	(5%)
Outside Services	2,290	15,710	17,278	10%	17,390	1%
Source of Supply	598,849	658,469	595,093	(10%)	619,454	4%
Miscellaneous	6,751	9,210	10,300	12%	10,600	3%
<b>Total Operating Expenses</b>	<b>1,021,929</b>	<b>1,047,404</b>	<b>1,000,651</b>	<b>(4%)</b>	<b>1,036,309</b>	<b>4%</b>
<b>Net Operating Revenue</b>	<b>\$100,468</b>	<b>\$190,145</b>	<b>\$96,348</b>	<b>(49%)</b>	<b>\$94,449</b>	<b>(2%)</b>

# RECYCLED WATER FUND REVENUES - OPERATING

## RATES

In 2005 the District adopted an ordinance to begin the sale and distribution of recycled water. The rate structure for the District's recycled water charges is comprised of three components: (1) fixed monthly meter charge that is determined on the basis of the size of the meter serving the property; and (2) a commodity charge that is determined on the basis of the amount of recycled water delivered to a property; and (3) an IEUA Surcharge Rate per HCF. The meter charge is designed to recover the District's fixed costs of providing recycled water service (e.g., capital replacement and debt repayment). The recycled water commodity charge is designed to recover the District's costs of purchasing wholesale recycled water from IEUA and other operating costs (e.g. inspection, operations and maintenance, billing, customer service, and other related costs). The IEUA Surcharge is a pass-through adjustment based on charges imposed on the District that are set by IEUA. To develop recycled water rates the District completed a detailed cost of service analysis in 2019 which committed to a five-year plan that included 3% annual revenue adjustments to the Monthly Recycled Water Meter Charge and the Recycled Water Commodity Rate for FY 2020 through FY 2024. The 2019 Rate study estimated a 3% annual rate increases by IEUA. Based on proposed IEUA rates, the District does not anticipate passing through any charges for FY 2023 and FY 2024.

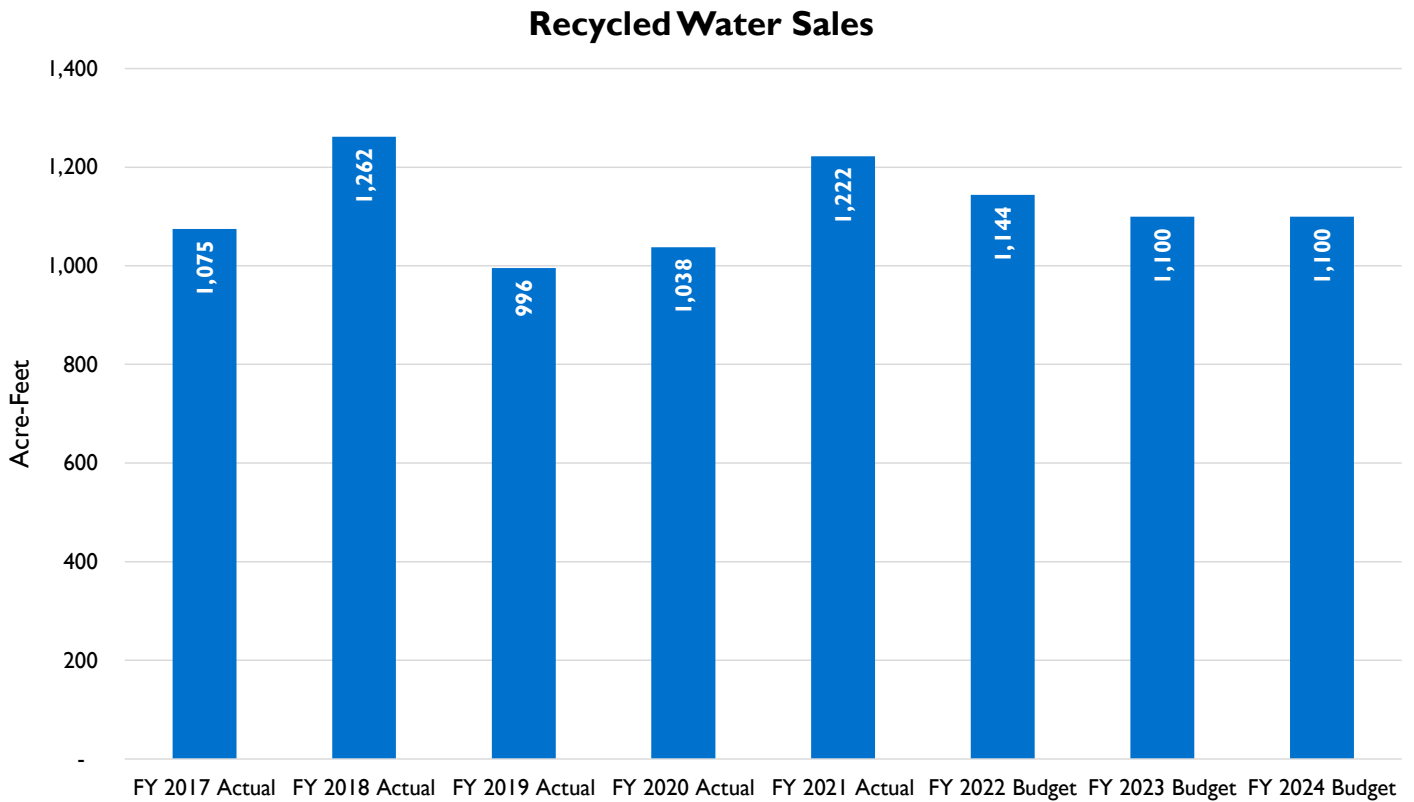
Recycled Water Rate per HCF	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Domestic / Landscape	\$1.73	\$1.78	\$1.83	\$1.88	\$1.94	\$2.00
Construction Water	3.46	1.78	1.83	1.88	1.94	2.00

Monthly Meter Charge by Meter Size	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
1"	\$28.79	\$29.66	\$30.55	\$31.47	\$32.41	\$33.38
1-1/2"	57.42	59.14	60.92	62.74	64.63	66.57
2"	91.90	94.66	97.50	100.43	103.44	106.54
3"	172.43	177.60	182.93	188.42	194.07	199.90
4"	287.45	296.07	304.95	314.10	323.53	333.23
6"	574.72	591.96	609.72	628.01	646.85	666.26
8"	919.59	947.18	975.59	1,004.86	1,035.01	1,066.06
10"	1,379.47	1,420.85	1,463.48	1,507.39	1,552.61	1,599.19

## CONSUMPTION

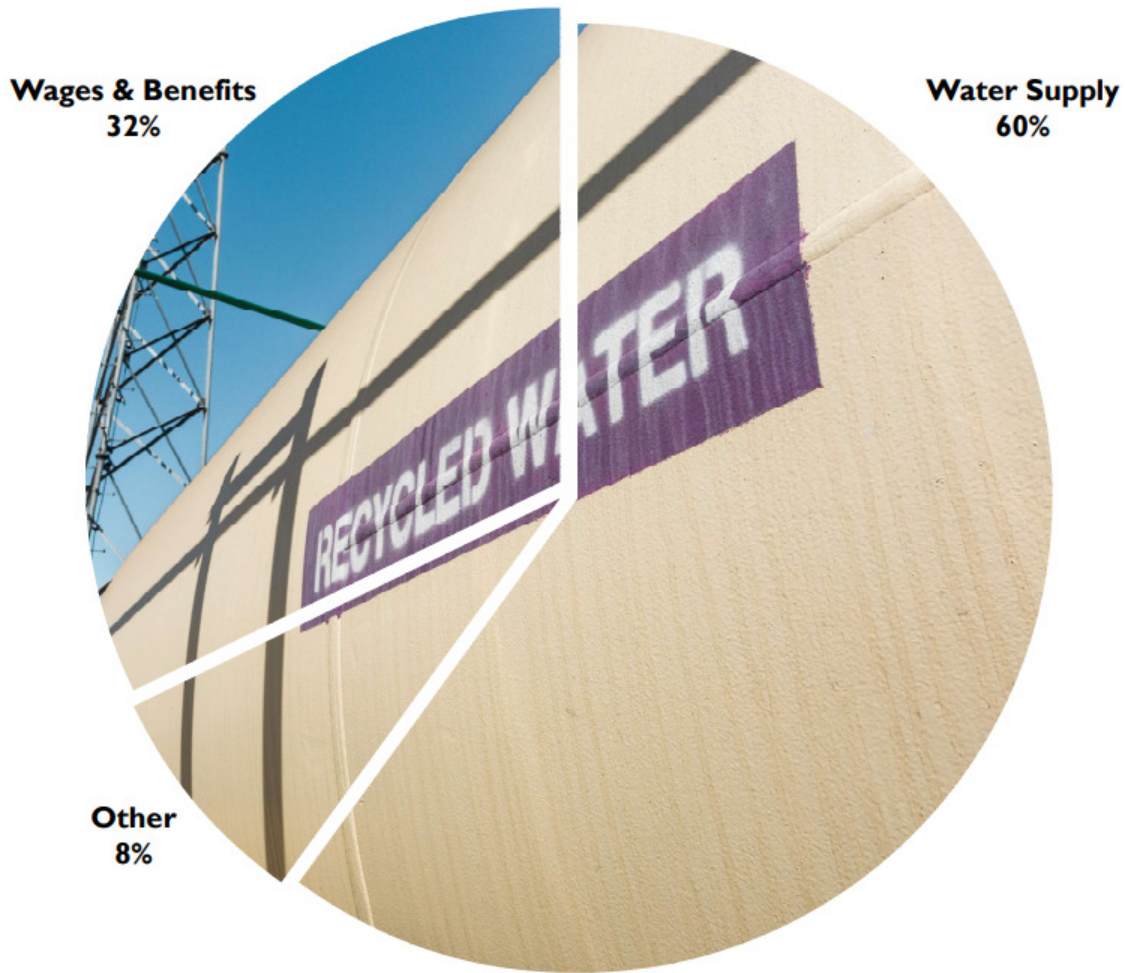
Another factor that greatly affects the calculation of the Recycled Water Fund's revenues is the quantity of water sold. FY 2021 was a very dry year and recycled water sales were up, but FY 2022 is seeing lower consumption. As such, FY 2023 and FY 2024 consumption estimates were brought down to 1,100 acre feet, which is near the estimated actuals for FY 2022. Recycled Water customers should not be impacted by the drought, as recycled water is not subject to conservation requirements. Another factor for consumption is the number of customers. Our recycled water customer base is small at only 139 customers. As such, adding even a few connections can be vastly too optimistic, therefore, zero customer growth was budgeted for FY 2023 and FY 2024 to be a conservative as possible. These factors combine to project operating revenues decreasing 11% in FY 2023 for decreased water sales, and an increase of 3% for FY 2024 which is driven by the 3% rate increase.

The following table shows the historical trends and future projections of recycled water consumption:



## RECYCLED WATER FUND EXPENSES – OPERATING

The chart below indicates the allocation of costs within the Recycled Water Fund's operating expenses:



The largest expense for the Recycled Water Fund is the cost of purchasing recycled water from IEUA, which accounts for 59% of total operating expenses. The District purchases recycled water from IEUA at a flat rate per acre foot. IEUA is expected to decrease their recycled water cost from \$520/AF in FY 2022 to \$516/AF in FY 2023, and to \$510/AF in FY 2024. But while IEUA is decreasing their recycled water volumetric fee, IEUA will be creating a new fixed charge effective July 1, 2022 that is estimated at \$28,000 and \$58,000 for FY 2023 and FY 2024 respectively. Therefore, even with rate increases from IEUA, with a decline in consumption Source of Supply operating expenses are budgeted to decrease 10% for FY 2023 and increase 4% for FY 2024.

Other notable increases are related to wages and benefits which follow the same assumptions as the Water Fund (4.0% COLA, 4% merit). All other operating costs are determined by division management and are based on historical results.

# LONG-RANGE FINANCIAL PLANS

The District has placed a significant effort in the creation of strategic objectives that help guide our organization into the future. These objectives help lead us through challenging times while keeping our focus and attention on our organization’s mission and foundational principles. This attention to our future began in 2001 and is integral to our vision and policy framework. This allows the Board of Directors to focus at the policy level, while delegating the details of achieving goals to staff.

The four key elements of our organization’s mission are Safety, Reliability, Quality and Stewardship. All work endeavors must be consistent with these elements. Each year the Board of Directors and Executive Staff review past accomplishments and discuss the upcoming year’s goals, as well as longer-term strategic objectives. Once confirmed by the Board of Directors, these approved goals and objectives are included in the budget process, along with the corresponding funding levels. The strategic goals are outlined below with some of the key FY 2023 – FY 2024 work plan items:

- Financial Planning and Oversight – Advanced funding of pension liabilities and cyclical review of financial policies
- Service to our Customers – Upgrade the customer service web portal to provide water consumption data
- Information Technology – Upgrade the utility billing and database software to enhance and modernize functionality
- Outreach to Customers and Stakeholders – Continue to educate customers about the efficient use of water
- Investment in our Employees – Continue leadership development
- Reliability in Water Supply – Complete the construction and start up compliance procedures of the Cucamonga Basin wellhead treatment plant and assist in the development of the amended judgment and water supply strategy in the Cucamonga Basin

## FIVE-YEAR FUND FORECAST

The District has forecast three additional fiscal years beyond the biennial budget using a variety of techniques. The most prevalent being the use of the master plan documents. The Water Master Plan was completed in March 2017. This plan outlines the water infrastructure needs until the District reaches build-out. The District completed a long-term financial plan in association with the water rates study for FY 2021 to FY 2025. The District also uses a long-term wage and benefit model as well as detailed cost of service studies. Also, analyses of long-term obligations have been completed in order to find the best fit for the District to balance current cash flow while reducing costs. These cost savings measures include the advance funding of pension liabilities, and debt refunding. The District has no plans to issue additional debt obligations in the five-year time period shown. All CIP shown in the forecast will be funded on a Pay-Go basis.

The following tables and bar charts show the two budget years plus three additional projected years for each of the three major funds, and the assumptions used to determine the amounts in the projection years FY 2025 through 2027.

	Projected Increased	Reasoning
<b>Water Fund</b>		
<b>Operating Revenues</b>	5.0%	Based on the approved rate series for 2022 through 2026 adjusting rates by 2.8% per year. Also includes estimated increases in pass-through rates based on historical trends in charges from outside agencies.
<b>Operating Expenses</b>		
Source of Supply	5.0%	This category includes the District's cost of imported water, which has historically increased at this rate. Staff are projecting customer consumption levels to remain flat from FY 2025 through FY2027. The District anticipates using more water from local sources to reduce costs. Plans can be modified in the event of a water supply shortage.
All Other Operating Expenses	3.0%	Based on historic increases and other factors, such as management efforts to control discretionary costs.
<b>Non-Operating Revenues</b>		
Development Fees	Specifically identified	Amounts are specifically identified by engineering staff based on anticipated future development projects within the service area.
Outside CIP Funding	Specifically identified	Staff have projected no debt issuances or grant funding in future years.
Other Income	2.5%	Based on District history and the LAIF interest rate.
<b>Non-Operating Expenses</b>		
Capital Improvement Projects	Specifically identified	Engineering determined amounts during the 5 year capital budget process in conjunction with the Water Master Plan.
Annual Debt Service	Specifically identified	Amounts are derived from the current debt amortization schedules. The District has no plans to issue new debt in the next 5 years.
<b>Sewer Fund</b>		
<b>Operating Revenues</b>		
Sewer Services	< 1%	Sewer Services are fees charged for the District's services. Staff are projecting no rate increases and less than 0.3% customer growth based on historic results
Sewer Treatment Charges	3.0%	Sewer Treatment Charges account for the District collecting IEUA's fees from our customers, which is then passed through to IEUA. Staff are anticipating 3% annual IEUA rate increases in FY 2025 - 2027.
<b>Operating Expenses</b>		
Collection & Transmission	3.0%	This category is the cost of passing through IEUA's sewer treatment charges. The rate increase is the same as the Sewer Treatment Charges revenue.
All Other Operating Expenses	3.0%	Based on historic increases and other factors, such as management efforts to control discretionary costs.
<b>Non-Operating Revenues</b>		
Development Fees	Specifically identified	Amounts are specifically identified by engineering staff based on anticipated future development projects within the service area.
Other Income	2.5%	Based on District history and the LAIF interest rate.
<b>Non-Operating Expenses</b>		
Capital Improvement Projects	Specifically identified	Engineering determined amounts during the 5 year capital budget process in conjunction with the Sewer Master Plan.

	Projected Increased	Reasoning
<b>Recycled Water Fund</b>		
<b>Operating Revenues</b>		
Recycled Water Sales	3.0%	Based on approved and projected rate increases. No assumed customer count increase in FY 2025- 2027.
Meter Charges	3.0%	Based on approved and projected rate increases. No assumed customer count increase in FY 2025- 2027.
<b>Operating Expenses</b>		
Source of Supply	3.0%	This category includes the District's cost of recycled water, which has historically increased at this rate. Staff are projecting customer consumption holds steady.
All Other Operating Expenses	3.0%	Based on historic increases and other factors, such as management efforts to control discretionary costs.
<b>Non-Operating Revenues</b>		
Development Fees	Specifically identified	Amounts are an average of historical results.
Outside CIP Funding	Specifically identified	Staff have budgeted grant funding in FY 2025 and 2026.
<b>Non-Operating Expenses</b>		
Capital Improvement Projects	Specifically identified	Engineering determined amounts during the 5 year capital budget process.
Annual Debt Service	Specifically identified	Amounts are derived from the District's current debt amortization schedules and the District has no plans to issue debt in the next 5 years.

## WATER FUND

	2023 Budget	2024 Budget	2025 Projected	2026 Projected	2027 Projected
<b>Operating Revenues</b>					
Water Sales & Services	\$55,536,428	\$59,025,793	\$61,977,083	\$65,075,937	\$68,329,734
Meter Charges	26,193,590	27,168,224	28,526,635	29,952,967	31,450,615
Water Sales to Other Agencies	2,102,752	2,930,375	3,076,894	3,230,739	3,392,276
<b>Total Operating Revenues</b>	<b>83,832,770</b>	<b>89,124,392</b>	<b>93,580,612</b>	<b>98,259,643</b>	<b>103,172,625</b>
<b>Operating Expenses</b>					
Source of Supply	21,934,203	25,394,025	26,663,726	27,996,912	29,396,758
Pumping	10,281,770	10,454,691	10,768,332	11,091,382	11,424,123
Water Treatment	5,468,031	5,735,749	5,907,821	6,085,056	6,267,608
Transmission and Distribution	3,794,967	3,964,761	4,083,704	4,206,215	4,332,401
Customer Accounts	3,338,725	3,450,159	3,553,664	3,660,274	3,770,082
General and Administrative	15,040,050	15,240,416	15,697,628	16,168,557	16,653,614
<b>Total Operating Expenses</b>	<b>59,857,746</b>	<b>64,239,801</b>	<b>66,674,875</b>	<b>69,208,396</b>	<b>71,844,586</b>
<b>Net Operating Revenue</b>	<b>23,975,024</b>	<b>24,884,591</b>	<b>26,905,737</b>	<b>29,051,247</b>	<b>31,328,039</b>
<b>Non-Operating Revenues</b>					
Interest Income	840,600	1,332,500	1,365,813	1,399,958	1,434,957
Development Income	4,640,050	4,640,050	8,980,050	6,280,050	6,280,050
Other Income	919,115	937,140	960,569	984,583	1,009,198
<b>Total Non-Operating Revenues</b>	<b>6,399,765</b>	<b>6,909,690</b>	<b>11,306,432</b>	<b>8,664,591</b>	<b>8,724,205</b>
<b>Non-Operating Expenses</b>					
Capital Improvement Projects	10,763,150	10,998,050	11,298,100	11,682,800	12,055,900
Annual Debt Service	13,552,860	13,968,611	14,034,222	13,486,000	12,914,493
Debt Covenants	3,109,948	3,213,886	3,230,289	3,231,304	3,226,498
<b>Total Non-Operating Expenses</b>	<b>27,425,958</b>	<b>28,180,547</b>	<b>28,562,611</b>	<b>28,400,104</b>	<b>28,196,891</b>
<b>Change in Net Position</b>	<b>2,948,831</b>	<b>3,613,734</b>	<b>9,649,558</b>	<b>9,315,734</b>	<b>11,855,353</b>
<b>Conversion to GAAP</b>	<b>9,604,106</b>	<b>10,457,430</b>	<b>10,948,984</b>	<b>10,911,512</b>	<b>10,832,398</b>
<b>Net Position - Beginning</b>	<b>271,292,251</b>	<b>283,845,188</b>	<b>297,916,352</b>	<b>318,514,894</b>	<b>338,742,140</b>
<b>Net Position - Ending</b>	<b>\$283,845,188</b>	<b>\$297,916,352</b>	<b>\$318,514,894</b>	<b>\$338,742,140</b>	<b>\$361,429,891</b>

## SEWER FUND

	2023 Budget	2024 Budget	2025 Projected	2026 Projected	2027 Projected
<b>Operating Revenues</b>					
Sewer Services	\$4,788,662	\$4,813,377	\$4,827,817	\$4,842,300	\$4,856,827
Sewer Treatment Charge	17,921,619	19,095,547	19,668,413	20,258,465	20,866,219
<b>Total Operating Revenues</b>	<b>22,710,281</b>	<b>23,908,924</b>	<b>24,496,230</b>	<b>25,100,765</b>	<b>25,723,046</b>
<b>Operating Expenses</b>					
Sewer Treatment Charge	17,921,619	19,095,547	19,668,413	20,258,465	20,866,219
Collection and Transmission	2,047,841	2,128,704	2,192,565	2,258,342	2,326,092
Customer Accounts	620,680	645,046	664,397	684,329	704,859
General and Administrative	3,259,730	3,381,446	3,482,889	3,587,376	3,694,997
<b>Total Operating Expenses</b>	<b>23,849,870</b>	<b>25,250,743</b>	<b>26,008,264</b>	<b>26,788,512</b>	<b>27,592,167</b>
<b>Net Operating Revenue</b>	<b>(1,139,589)</b>	<b>(1,341,819)</b>	<b>(1,512,034)</b>	<b>(1,687,747)</b>	<b>(1,869,121)</b>
<b>Non-Operating Revenues</b>					
Interest Income	280,155	444,160	455,264	466,646	478,312
Development Income	727,698	2,717,699	1,308,699	1,025,365	1,025,365
<b>Total Non-Operating Revenues</b>	<b>1,007,853</b>	<b>3,161,859</b>	<b>1,763,963</b>	<b>1,492,011</b>	<b>1,503,677</b>
<b>Non-Operating Expenses</b>					
Capital Improvement Projects	3,360,250	5,359,250	5,218,200	7,094,000	2,969,000
<b>Total Non-Operating Expenses</b>	<b>3,360,250</b>	<b>5,359,250</b>	<b>5,218,200</b>	<b>7,094,000</b>	<b>2,969,000</b>
<b>Change in Net Position</b>	<b>(3,491,986)</b>	<b>(3,539,210)</b>	<b>(4,966,271)</b>	<b>(7,289,736)</b>	<b>(3,334,444)</b>
<b>Conversion to GAAP</b>	<b>1,160,250</b>	<b>3,059,250</b>	<b>2,818,200</b>	<b>4,594,000</b>	<b>369,000</b>
<b>Net Position - Beginning</b>	<b>71,419,409</b>	<b>69,087,673</b>	<b>68,607,713</b>	<b>66,459,642</b>	<b>63,763,906</b>
<b>Net Position - Ending</b>	<b>\$69,087,673</b>	<b>\$68,607,713</b>	<b>\$66,459,642</b>	<b>\$63,763,906</b>	<b>\$60,798,462</b>

## RECYCLED WATER FUND

	2023 Budget	2024 Budget	2025 Projected	2026 Projected	2027 Projected
<b>Operating Revenues</b>					
Recycled Water Sales & Services	\$934,198	\$963,075	\$991,967	\$1,021,726	\$1,052,378
Meter Charges	162,801	167,683	172,713	177,894	183,231
<b>Total Operating Revenues</b>	<b>1,096,999</b>	<b>1,130,758</b>	<b>1,164,680</b>	<b>1,199,620</b>	<b>1,235,609</b>
<b>Operating Expenses</b>					
Source of Supply	595,093	619,454	638,038	657,179	676,894
Transmission and Distribution	132,388	136,922	141,030	145,261	149,619
Customer Accounts	117,220	119,606	123,194	126,890	130,697
General and Administrative	155,950	160,327	165,137	170,091	175,194
<b>Total Operating Expenses</b>	<b>1,000,651</b>	<b>1,036,309</b>	<b>1,067,399</b>	<b>1,099,421</b>	<b>1,132,404</b>
<b>Net Operating Revenue</b>	<b>96,348</b>	<b>94,449</b>	<b>97,281</b>	<b>100,199</b>	<b>103,205</b>
<b>Non-Operating Revenues</b>					
Development Income	95,000	95,000	95,000	95,000	95,000
<b>Total Non-Operating Revenues</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>
<b>Non-Operating Expenses</b>					
Capital Improvement Projects	125,000	125,000	160,000	1,780,000	125,000
Annual Debt Service	34,794	34,794	34,794	34,794	34,794
<b>Total Non-Operating Expenses</b>	<b>159,794</b>	<b>159,794</b>	<b>194,794</b>	<b>1,814,794</b>	<b>159,794</b>
<b>Change in Net Position</b>	<b>31,554</b>	<b>29,655</b>	<b>(2,513)</b>	<b>(1,619,595)</b>	<b>38,411</b>
<b>Conversion to GAAP</b>	<b>4,588</b>	<b>(386)</b>	<b>29,639</b>	<b>1,644,665</b>	<b>(15,310)</b>
<b>Net Position - Beginning</b>	<b>4,239,896</b>	<b>4,276,038</b>	<b>4,305,307</b>	<b>4,332,433</b>	<b>4,357,503</b>
<b>Net Position - Ending</b>	<b>\$4,276,038</b>	<b>\$4,305,307</b>	<b>\$4,332,433</b>	<b>\$4,357,503</b>	<b>\$4,380,604</b>



# CAPITAL & DEBT



# Capital & Debt

## CAPITAL EXPENSES

### CAPITAL ASSETS

The District's Capital Assets Policy defines capital assets as non-financial assets that are used in operations and have an initial useful life in excess of one year. The District's capitalization threshold is \$5,000. Assets are capitalized if the cost exceeds the capitalization threshold except for groups of similar assets such as meters, computers, or printers when the total of the similar assets purchased during the year exceeds \$5,000. Employee wages and burden expenses related to implementing capital projects are tracked and then used to budget a portion of wages and burden for future capital projects.

Asset purchases are authorized through the Capital Improvement Project (CIP) Budgeting Process (except for emergency projects) which involves the following steps:

1. Need is identified – either a new asset is needed or an asset is in need of replacement or major repair
2. Manager, who is responsible for operating the asset, submits a Capital Project Request form during the CIP Budget process
3. Funding source for the project is identified
4. Projects are reviewed by the Engineering Committee
5. Project funding is granted through approval of the Biennial Operating and Capital Improvement Budget by the Board of Directors

The source of funding for each project must be identified as part of the Capital Budgeting Process. Possible sources of funding include:

- Pay-Go – this source means that assets will be purchased with resources provided by the current year Operating Activities of the District
- Debt – this source can be used to fund large projects with useful lives of 30 years or more
- Reserves – this source may only be used with Board approval
- Grant or other outside source – this source may be used only if there is preliminary or guaranteed approval of the project
- Carryover – this source may be used when a project was budgeted in the previous year but was not completed. If a carryover request is not submitted as part of the new CIP Budget, the project will be canceled and the funds will be reallocated to the CIP Reserve

## STRATEGIC PLANNING

Staff has incorporated the Board of Directors' Strategic Vision by evaluating and changing our planning and project life cycle structure. This process has assisted the Departments' approach in completing the approved budget, and implementing the District's planning strategies to ensure a reliable infrastructure and actively manage our water resources. Staff continuously seeks out innovative ways of working with private developers to construct new facilities, procure new site properties, and upgrade existing facilities. Staff has developed District master plans to prepare for more stringent water quality parameters, to identify projects to offset the increasing demands placed on our system, and to incorporate new conservation methods and implement the recycled water program. We look forward to improving methods of data capture and dissemination of information to other departments using GIS technology interfacing.

## CIP GOALS

### RELIABLE WATER SUPPLY

- Continue implementation of District's Water Supply Plan
- Develop opportunities for more efficient use of groundwater rights within the Chino and Cucamonga Basins
- Continued emphasis on recycled water recharge
- Improve our treatment plant for optimizing canyon source of supplies
- Implement water treatment plant improvements for water quality requirements
- Improve well production and pump facility capability

### OPERATING PERFORMANCE

- We have developed a Water Supply Plan and are implementing it in coordination with our Board of Directors
- We have enhanced our Technical Support capabilities through GIS and CAD to provide accurate maps, capture as-built drawings, and provide facility information to all departments of the District
- Consistent communication and project planning with the District's Operations Department has lead to improved utility coordination meetings with the various cities and utility agencies in our service area
- Projects have been constructed that will enhance the District's distribution and collection systems in an effort to meet the needs of our customers and prepare for future growth
- We continue developing new operating procedures to reduce maintenance costs and ensure dependable service to our customers

## CIP PRIORITIZATION

The CIP planning process includes preliminary scoping, cost estimating, prioritization and financial analyses. The proposed Capital Improvement Project Budget includes priority projects which conform with District's adopted master plans. The master plans prioritize projects based on urgency to mitigate existing deficiencies, increase water supply and distribution reliability.

Project Title	Estimated Carry Over 2022 Budget	Budget Request 2023	Budget Request 2024	Projection 2025	Projection 2026	Projection 2027
<b>Water Fund Capital Projects</b>						
<b>Source of Supply</b>						
Cucamonga Basin Management Plan	\$391,745	\$200,000	\$-	\$-	\$-	\$-
Canyon Mitigation	128,683					
Chino Basin Water Banking	120,000					
Water Supply Master Plan	80,000					
Cucamonga Basin - Crosswall and Basin 6 Rehabilitation	500,000					
CVWD-JCSD Supply Reliability Project	59,019					
Tunnel Condition Assessment - Hermosa, Smith, Bee	60,000					
Water System Master Plan		300,000				
<b>Subtotal Source of Supply</b>	<b>1,339,447</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Field Equipment</b>						
Annual Meter Replacement		300,000	300,000	300,000	300,000	300,000
<b>Subtotal Field Equipment</b>	<b>-</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>Office Equipment</b>						
Enterprise Resource and Planning Software Upgrade - Phase 2	565,500	300,000				
Annual Desktop, Laptop, and Tablet Computer Replacements		48,000	48,000	48,000	48,000	48,000
Annual Network Equipment Replacements		36,000	36,000	36,000	36,000	36,000
Annual Network Server & Storage System Replacements		48,000	48,000	48,000	48,000	48,000
I.T. Network Security Vulnerability Assessment			37,500			
<b>Subtotal Office Equipment</b>	<b>565,500</b>	<b>432,000</b>	<b>169,500</b>	<b>132,000</b>	<b>132,000</b>	<b>132,000</b>
<b>Treatment</b>						
WTP Video Surveillance System Replacement	250,000					
Reservoir 3A Nitrate Wellhead Treatment Plant	97,398					

Project Title	Estimated Carry Over 2022 Budget	Budget Request 2023	Budget Request 2024	Projection 2025	Projection 2026	Projection 2027
LWMWTP & AHBWTP Turbidimeters		285,000				
LWMWTP Backwash Tank Rehab				490,000		
LWMWTP Valve Actuators				430,000		
<b>Subtotal Treatment</b>	<b>347,398</b>	<b>285,000</b>	<b>-</b>	<b>920,000</b>	<b>-</b>	<b>-</b>
<b>Pumps &amp; Equipment</b>						
New Well #48 Chino Basin	250,000	50,000				
New Cucamonga Basin Well 49	1,060,000					
New Chino Basin Well	100,000	3,600,000	700,000			
Annual General Booster Rehabilitation		150,000	150,000	150,000	150,000	150,000
Annual General Production Site Improvement		100,000	100,000	100,000	100,000	100,000
Annual General Well Rehabilitation		300,000	300,000	300,000	300,000	300,000
<b>Subtotal Pumps &amp; Equipment</b>	<b>1,410,000</b>	<b>4,200,000</b>	<b>1,250,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>
<b>Reservoirs</b>						
Construct New Reservoir 3A	33,930					
Reservoir 1 Replacement	3,579,977	2,200,000				
New Reservoir 5B-2	4,749,550		2,900,000			
Reservoir 1B-1 and 1B-2 Tank Rehabilitation	200,000					
New Reservoir 2C-2				150,000	7,350,000	
New Reservoir 6-3		100,000		3,400,000		
Reservoir 1B-1 Rehabilitation Exterior and 1B-2 Interior/ Exterior		20,000	1,930,000			
Reservoir 2A Rehabilitation - Interior / Exterior					692,300	
Reservoir 3C Rehabilitation - Interior / Exterior					665,000	
Reservoir 4D Cathodic Protection		25,200				
Reservoir 5B Cathodic Protection		16,800				
<b>Subtotal Reservoirs</b>	<b>8,563,457</b>	<b>2,362,000</b>	<b>4,830,000</b>	<b>3,550,000</b>	<b>8,707,300</b>	<b>-</b>

Project Title	Estimated Carry Over 2022 Budget	Budget Request 2023	Budget Request 2024	Projection 2025	Projection 2026	Projection 2027
<b>Telemetry</b>						
SCADA Radio Network Communication Towers	51,660					
Telemetry Networking Upgrades	402,613	30,000				
RCMU Electrical Service	3,180	50,000				
Arch Flash Study		200,000				
PLC Upgrades			276,000			
<b>Subtotal Telemetry</b>	<b>457,453</b>	<b>280,000</b>	<b>276,000</b>	-	-	-
<b>Building Improvement</b>						
Admin Building HVAC Chiller Replacement	109,500					
ELC Building Improvements	120,000					
Annual Campus Facility Improvements		45,000	45,000	45,000	45,000	45,000
Campus Security Improvements (Cameras)		50,000				
CBWM Improvements: Asphalt/Fence/Security Lighting/Landscape				275,000		
LWMWTP Operations Building Tile Roof Replacement		290,000				
LWMWTP Parking Lot & Asphalt				325,000		
LWMWTP Wilson Ave Frontage Roadway Improvements			800,000			
Main Campus: Lot "C" Improvements		150,000				
Operations-HR Office Reconfigure		75,000				
<b>Subtotal Building Improvement</b>	<b>229,500</b>	<b>610,000</b>	<b>845,000</b>	<b>645,000</b>	<b>45,000</b>	<b>45,000</b>
<b>Vehicles</b>						
Replace Unit 296 2007 SUV		47,900				
Replace Unit 311 2009 Pickup Truck			54,300			
Replace Unit 315 2009 Cabchassis Hydroexcavator						603,700

Project Title	Estimated Carry Over 2022 Budget	Budget Request 2023	Budget Request 2024	Projection 2025	Projection 2026	Projection 2027
Replace Unit 316 2009 Cabchassis Base Utility Truck			75,500			
Replace Unit 318 2011 Pickup Truck					58,800	
Replace Unit 319 2011 Pickup Truck					58,800	
Replace Unit 320 2011 Pickup Truck				56,800		
Replace Unit 329 2012 Cab Chassis Base Utility Truck						83,700
Replace Unit 330 2012 Cab Chassis Base Utility Truck						83,700
Replace Unit 331 2012 Cab Chassis Base Utility Truck						83,700
Replace Unit 337 2014 Pickup Truck		26,250				
Replace Unit 345 2014 Cab Chassis Base Utility Truck				78,100		
Replace Unit 346 2014 Cab Chassis Base Utility Truck					80,900	
Replace Unit 349 2015 Pickup Truck				56,200		
Replace Unit 359 2016 Cab Chassis Base Utility Truck			37,750			
Replace Unit 364 2017 Pickup Truck						60,200
Replace Unit 366 2017 Cab Chassis Base Utility Truck						83,700
Replace Unit 370 2017 Pickup Truck						60,200
<b>Subtotal Vehicles</b>	<b>-</b>	<b>74,150</b>	<b>167,550</b>	<b>191,100</b>	<b>198,500</b>	<b>1,058,900</b>
<b>Water Mains</b>						
New Water Main on 8th St crossing the Cucamonga Channel	260,000					
Construct Waterline in Garnet St from Roberds St to La Vine St	170,000					
Construct Waterline in Hampshire St, Malachite Ave and Leucite Ave	300,000					
Waterline in Buena Vista Dr from Camino Norte to Alta Cuesta	836,000					

Project Title	Estimated Carry Over 2022 Budget	Budget Request 2023	Budget Request 2024	Projection 2025	Projection 2026	Projection 2027
Waterline in Hermosa Ave from Arrow Rte to McKinley St	627,000	110,000				
Annual Distribution System Valve & Mainline Repair		100,000	100,000	100,000	100,000	100,000
Annual Water Service Lateral Replacement Program		700,000	700,000	700,000	700,000	700,000
Construct Waterline in Baseline Rd from Linden Ln to Alta Cuesta					20,000	320,000
Construct Waterline in Catalpa St West of East Ave				30,000	850,000	
Construct Waterline on Pecan Ave from Victoria St to Carnesi Dr				30,000		1,560,000
Construct Waterline on Vineyard Ave from Yale St to 5th St					20,000	230,000
Etiwanda Grade Separation Waterline Extension		750,000				
Relocate Transmission Main from 4B to 5B				30,000		2,190,000
Reservoir 6 and Almond St Waterline Replacement		20,000	780,000			
Construct Waterline between Amethyst Ave and Archibald Ave from 7th to Meadow St				1,930,000		
Construct Waterline in Devon St, Jadeite Ave and Klusman Ave			30,000	1,180,000		
Construct Waterline in Helms Ave from Devon St to Friant St			30,000	950,000		
Construct Waterline in Ivy Ln & Scott Ln North of Palo Alto St					30,000	620,000
Construct Waterline in La Grande St from Hellman Ave to Amethyst Ave				30,000		1,650,000
Construct Waterline in Malachite Ave from Devon St to Arrow Rte				30,000		1,100,000

Project Title	Estimated Carry Over 2022 Budget	Budget Request 2023	Budget Request 2024	Projection 2025	Projection 2026	Projection 2027
Construct Waterline in Meadow St from Amethyst Ave to Archibald Ave		20,000	800,000			
Well 17 Transmission Main Replacement		20,000	720,000			
Construct Waterline in Friant St and Calle Vejar between Hellman Ave & Malachite Ave					30,000	1,500,000
<b>Subtotal Water Mains</b>	<b>2,193,000</b>	<b>1,720,000</b>	<b>3,160,000</b>	<b>5,010,000</b>	<b>1,750,000</b>	<b>9,970,000</b>
<b>Total Water Fund Capital Projects</b>	<b>15,105,755</b>	<b>10,763,150</b>	<b>10,998,050</b>	<b>11,298,100</b>	<b>11,682,800</b>	<b>12,055,900</b>
<b>Sewer Fund Capital Projects</b>						
<b>Office Equipment</b>						
Enterprise Resource and Planning Software Upgrade - Phase 2	188,500	100,000				
Annual Desktop, Laptop, and Tablet Computer Replacements		16,000	16,000	16,000	16,000	16,000
Annual Network Equipment Replacements		12,000	12,000	12,000	12,000	12,000
Annual Network Server & Storage System Replacements		16,000	16,000	16,000	16,000	16,000
I.T. Network Security Vulnerability Assessment			12,500			
<b>Subtotal Office Equipment</b>	<b>188,500</b>	<b>144,000</b>	<b>56,500</b>	<b>44,000</b>	<b>44,000</b>	<b>44,000</b>
<b>Building Improvement</b>						
Admin Building HVAC Chiller Replacement	36,500					
ELC Building Improvements	40,000					
Annual Campus Facility Improvements		15,000	15,000	15,000	15,000	15,000
Campus Security Improvements (Cameras)		50,000				
Main Campus: Lot "C" Improvements		150,000				
Operations-HR Office Reconfigure		25,000				
<b>Subtotal Building Improvement</b>	<b>76,500</b>	<b>240,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

Project Title	Estimated Carry Over 2022 Budget	Budget Request 2023	Budget Request 2024	Projection 2025	Projection 2026	Projection 2027
<b>Vehicles</b>						
Replace Unit 314 2007 Cabchassis Sewer Camera Truck				509,200		
Replace Unit 337 2014 Pickup Truck		26,250				
Replace Unit 359 2016 Cabchassis Base Utility Truck			37,750			
<b>Subtotal Vehicles</b>	-	<b>26,250</b>	<b>37,750</b>	<b>509,200</b>	-	-
<b>Sewer Improvement</b>						
Replace Siphon in 8th St and Vineyard Ave	22,683	100,000		4,400,000		
Construct Sewer Line in 4th St from Haven Ave to Hermosa Ave	2,850,044	450,000				
Replace Siphon in Foothill Blvd & Deer Creek Channel	1,074,750	1,200,000				
Construct Sewer Line in Hellman Ave & 8th St	446,850	50,000				
Annual Sewer System Relining & Manhole Rehab Program		150,000	150,000	150,000	150,000	150,000
Construct Sewer Line in Archibald Ave from Main to Acacia St					50,000	1,680,000
Construct Sewer Line in Haven Ave from Baseline to Church St					2,625,000	
Construct Sewer Line in Haven Ave from Church St to Foothill Ave			2,850,000			
Construct Sewer Line in Haven Ave from Baseline to Church					50,000	1,080,000
Construct Sewer Line in Rochester Ave from Church St to Foothill Ave		50,000	2,250,000			
Reline Existing Sewer Line in 8th St & I-15 Fwy		175,000				
Replace Existing Siphon in 4th St and Archibald Ave		100,000		100,000	4,160,000	
Sewer Casing Extension in Metrolink Corridor		275,000				

Project Title	Estimated Carry Over 2022 Budget	Budget Request 2023	Budget Request 2024	Projection 2025	Projection 2026	Projection 2027
Wastewater Master Plan Update		400,000				
<b>Subtotal Sewer Improvement</b>	<b>4,394,327</b>	<b>2,950,000</b>	<b>5,250,000</b>	<b>4,650,000</b>	<b>7,035,000</b>	<b>2,910,000</b>
<b>Total Sewer Fund Capital Projects</b>	<b>4,659,327</b>	<b>3,360,250</b>	<b>5,359,250</b>	<b>5,218,200</b>	<b>7,094,000</b>	<b>2,969,000</b>
<b>Recycled Water Fund Capital Projects</b>						
<b>Recycled</b>						
Recycled Water Master Plan	150,000					
New Recycled Water Pipeline in Village of Heritage	955,441					
Annual Recycled Water Retrofits		75,000	75,000	75,000	75,000	75,000
Annual Replacement of Recycled Water Valves at Various Locations		50,000	50,000	50,000	50,000	50,000
Construct Recycled Waterline at Etiwanda Creek Community Park				35,000	1,655,000	
<b>Subtotal Recycled</b>	<b>1,105,441</b>	<b>125,000</b>	<b>125,000</b>	<b>160,000</b>	<b>1,780,000</b>	<b>125,000</b>
<b>Total Recycled Water Fund</b>	<b>1,105,441</b>	<b>125,000</b>	<b>125,000</b>	<b>160,000</b>	<b>1,780,000</b>	<b>125,000</b>
<b>Total Capital Projects</b>	<b>\$20,870,523</b>	<b>\$14,248,400</b>	<b>\$16,482,300</b>	<b>\$16,676,300</b>	<b>\$20,556,800</b>	<b>\$15,149,900</b>

# IMPACT OF CAPITAL INVESTMENTS ON OPERATING BUDGET

The District takes into consideration the impacts that capital improvement projects have on the operating budget. Many of the District's CIPs are to replace or repair aging infrastructure to maintain system reliability. As the District systematically updates the infrastructure, savings are realized on energy as the technology improves and the District makes a concerted effort to realize the maximum savings possible. Some of the larger CIPs are to improve our access to local water sources by drilling wells and building treatment facilities. This allows the District more flexibility when planning the use of local sources within the water production mix. Projects are also identified for outside funding to be as a cost savings for the District. All CIP projects were reviewed and it was determined that none of these projects would result in a need for additional personnel.

The following table illustrates the impact on operating expenses and also any identified outside funding for the budget years.

Project Title	FY 23 & 24 Total Operating Impact	FY 23 & 24 Outside Funding Amount	Outside Funding Source
<b>Water Fund Capital Projects</b>			
New Chino Basin Well	\$50,000	\$-	
Construct New Reservoir 3A	5,000		
Construct New Reservoir 5B-2	5,000		
Construct New Reservoir 6-3	5,000		
WTP Video Surveillance System Replacement	2,000		
Campus Security Improvements (Cameras)	300		
<b>Total Water Fund Capital Projects</b>	<b>67,300</b>	<b>-</b>	
<b>Sewer Fund Capital Projects</b>			
Replace Siphon in 8th St and Vineyard Ave	(57,000)		
Replace Siphon in Foothill Blvd & Deer Creek Channel	(57,000)		
Construct Sewer Line in Haven Ave from Church St to Foothill Blvd	(57,000)		
Replace Existing Siphon in 4th St and Archibald Ave	(57,000)		
<b>Total Sewer Fund Capital Projects</b>	<b>(228,000)</b>	<b>-</b>	
<b>Recycled Water Fund Capital Projects</b>			
N/A	-		
<b>Total Recycled Water Fund Capital Projects</b>	<b>-</b>	<b>-</b>	
<b>Total Capital Projects</b>	<b>(160,700)</b>	<b>-</b>	

# SIGNIFICANT CAPITAL PROJECTS

The largest projects for the budget period were identified and are highlighted in a detailed profile. Those projects are listed below.

Project Title	Total Project Cost FY 21-24	Total Project Cost FY 23-24
Construct New Reservoir 5B-2	\$7,650,000	\$2,900,000
Reservoir I Replacement Project	\$5,780,000	\$2,200,000
Construct New Chino Basin Well	\$4,400,000	\$4,300,000
Construct Sewer Line in 4th St from Haven Ave to Hermosa Ave	\$3,300,000	\$450,000
Construct Sewer Line in Rochester Ave from Church St to Foothill Blvd	\$2,300,000	\$2,300,000
Construct Sewer Line in Haven Ave from Church St to Foothill Blvd	\$2,850,000	\$2,850,000
Replace Existing Siphon in Foothill Blvd and Deer Creek Channel	\$2,275,000	\$2,275,000



## CONSTRUCT NEW RESERVOIR 5B-2

**Background:** This project will increase storage capacity and distribution reliability in Zone 5. The new 3.0-MG reservoir will add enough capacity, in combination with other reservoirs in the zone, to meet peak day demands. In addition, a second reservoir will be constructed adjacent to the existing Reservoir 5B-1, located at 5196 Mayberry Avenue, which is a 1.0-MG welded steel tank, built in 1975. The 5B site is an integral component in the “B” boosting chain, which are booster and reservoir sites that are adjacent to Amethyst Avenue. This is a multi-year project with design begin in FY 2022. This project will carry over into FY 2023 and includes an additional request of \$2,900,000 in FY 2024 to complete the project.

<b>Total Project Cost:</b>	\$7,650,000
FY 2022 Carryover:	\$4,750,000
FY 2023 Cost:	\$0
FY 2024 Cost:	\$2,900,000

### Project Schedule:

Design is in progress and construction is expected to start in FY 2024.

### Outside Funding:

N/A

### Impact to Operational Budget:

There is no impact to annual operating budget.



## RESERVOIR 1 REPLACEMENT PROJECT

**Background:** The existing concrete Reservoir 1 is near the end of its service life (built in 1957) and will require replacement. This project will construct a new 2-MG reservoir at the Reservoir 1 location. The new reservoir is the first of two proposed reservoirs that would add capacity and redundancy at this location. This multi-year project which started in FY 2021 with the design phase. In FY 2023 actual construction is expected to begin.

<b>Total Project Cost:</b>	\$5,780,000
FY 2022 Carryover:	\$3,580,000
FY 2023 Cost:	\$2,200,000
FY 2024 Cost:	\$0

### Project Schedule:

Design is nearly complete and construction is expected to begin FY 2023.

### Outside Funding:

N/A

### Impact to Operational Budget:

There is no impact to annual operating budget.



## CONSTRUCT NEW CHINO BASIN WELL

**Purpose:** This project will improve water supply reliability by studying the development of a new well in Chino Basin, by acquiring an easement or property and construction of a new Chino Basin well. This is a multi-year project with design expected to begin in FY 2023. Phase 1 of the work is to perform a study to locate a site that has a likelihood of good production and water quality based on the existing wells within the basin. Phase 2 will design, develop CEQA documents, and (if needed) acquire an easement or property on which to construct the new well facility. Phase 3 is well drilling, equipping, and construction of a pipeline.

<b>Total Project Cost:</b>	\$4,400,000
FY 2022 Carryover:	\$100,000
FY 2023 Cost:	\$3,600,000
FY 2024 Cost:	\$700,000

### **Project Schedule:**

Design will start in FY 2023 and construction in FY 2024.

### **Outside Funding:**

N/A

### **Impact to Operational Budget:**

There is no impact to annual operating budget.



## CONSTRUCT SEWER LINE IN 4TH ST FROM HAVEN AVE TO HERMOSA AVE

**Background:** A segment of an existing 24-inch sewer main in 4th Street from Haven Avenue to Hermosa Avenue is flowing near its capacity. The proposed Resort Project (also known as Empire Lakes) is expected to add more flow to this sewer main. Staff performed an analysis on the existing sewer main and determined that a new 24-inch sewer main is needed to accommodate future demands from the Empire Lakes project. This sewer main will also help to reduce the flow in the existing sewer main. Staff recommends to construct a new 30-inch sewer main to accommodate the current flow and future demands from Empire Lakes project. The existing 24-inch sewer main will be abandoned in the future when its service life ends.

The project includes construction of approximately 2,750 linear feet of new 30-inch sewer main, modifying two (2) manholes, construction of eleven (11) new manholes, and three (3) laterals tie-overs. Construction is expected to start in FY 2023.

<b>Total Project Cost:</b>	\$3,300,000
FY 2022 Carryover:	\$2,850,000
FY 2023 Cost:	\$450,000
FY 2024 Cost:	\$0

### Project Schedule:

Design is nearly complete and construction is expected to start in FY 2023.

### Outside Funding:

N/A

### Impact to Operational Budget:

There is no impact to annual operating budget.



## CONSTRUCT SEWER LINE IN ROCHESTER AVE FROM CHURCH TO FOOTHILL

**Background:** A segment of an existing 10-inch sewer main in Rochester Avenue from Church Street to Foothill Boulevard is flowing near its capacity. This project will up-size the existing sewer line to a 12-inch in order to provide capacity for future growth and minimize risk of overflow. This project was identified in the 2017 Sewer Master Plan.

This project will construct approximately 2,700 linear feet of new 12-inch sewer main, including nine (9) new manholes. This request will fund the design in FY 2023 and construction in FY 2024.

<b>Total Project Cost:</b>	\$2,300,000
FY 2022 Carryover:	\$0
FY 2023 Cost:	\$50,000
FY 2024 Cost:	\$2,250,000

### Project Schedule:

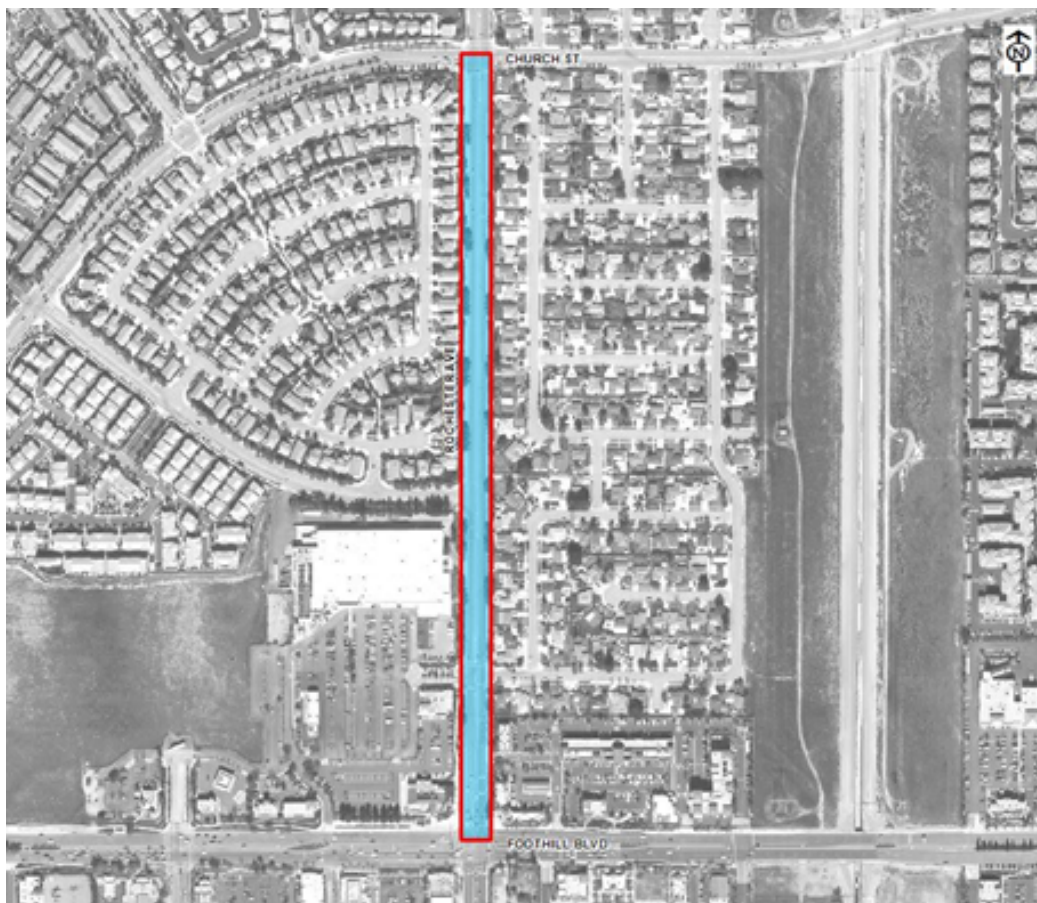
Design will start in FY 2023 and construction in FY 2024.

### Outside Funding:

N/A

### Impact to Operational Budget:

There is no impact to annual operating budget.



## CONSTRUCT SEWER LINE IN HAVEN AVE FROM CHURCH TO FOOTHILL

**Background:** A segment of an existing 12-inch sewer main in Haven Avenue from Church Street to Foothill Boulevard is flowing near its capacity. This project will up-size the existing sewer line to a 15-inch in order to provide capacity for future growth and minimize risk of overflow. This project will also replace the existing siphon with a gravity sewer line crossing the Deer Creek Channel. This project was identified in the 2017 Sewer Master Plan. The City of Rancho Cucamonga paved this segment of Haven Ave in 2018. There is a remaining moratorium of three years. Design of this sewer main will begin in FY 2023 and construction in FY 2024.

This project will construct approximately 2,300 linear feet of new 15-inch sewer main, including nine (9) new manholes and siphon replacement.

<b>Total Project Cost:</b>	\$2,850,000
FY 2022 Carryover:	\$0
FY 2023 Cost:	\$0
FY 2024 Cost:	\$2,850,000

### Project Schedule:

Design will start in FY 2023 and construction in FY 2024.

### Outside Funding:

N/A

### Impact to Operational Budget:

\$23,000 for personnel and \$34,000 for equipment maintenance will be saved.



## REPLACE EXISTING SIPHON IN FOOTHILL BLVD AND DEER CREEK CHANNEL

**Background:** Siphons require extensive maintenance and have added risk of overflow. The District has identified several siphons that can be reasonably replaced with a gravity system. These siphon replacements will provide greater reliability and lower maintenance costs. The existing 6-inch and 8-inch sewer siphon located at Foothill Boulevard and Deer Creek Channel was built in 1971 and is nearing the end of its service life.

This project will construct approximately 2,600 linear feet of 8 inch Vitrified Clay Pipe (VCP), including five (5) new manholes to replace the existing siphon. Design is near complete and construction is expected to begin in FY 2023.

<b>Total Project Cost:</b>	\$2,275,000
FY 2022 Carryover:	\$1,075,000
FY 2023 Cost:	\$1,200,000
FY 2024 Cost:	\$0

### Project Schedule:

Design is nearly complete and construction is expected to begin in FY 2023

### Outside Funding:

N/A

### Impact to Operational Budget:

\$23,000 for personnel and \$34,000 for equipment maintenance will be saved.



# DEBT

The District has established a debt management policy and the District has no plans to issue any new debt in FY 2023 or 2024.

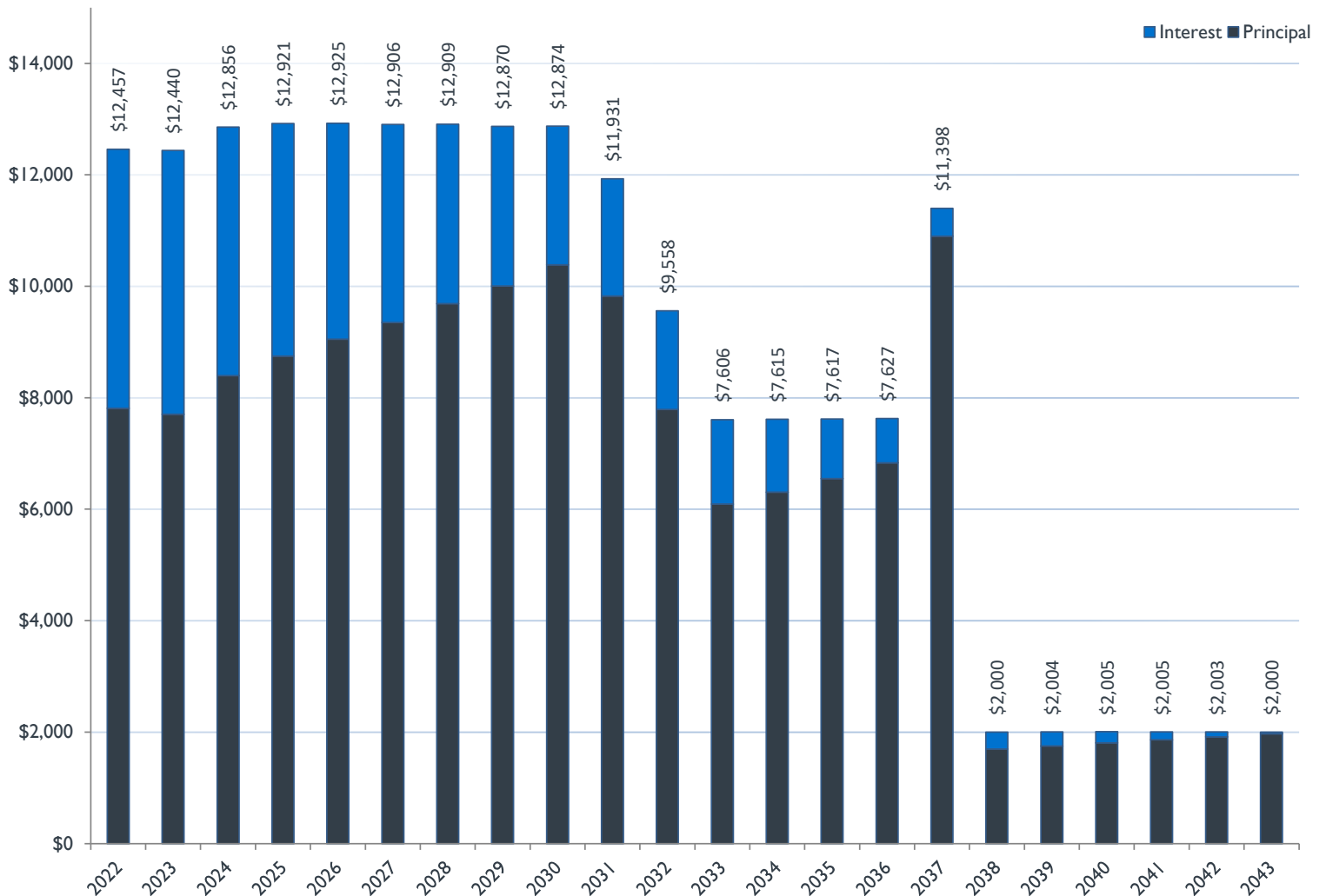
The table below summarizes the long-term bonds of the District's Water Fund:

Year of Issuance	Use of Proceeds	Principle Balance as of June 30, 2022
2014	Provided funds for the acquisition and construction of various capital improvements and refunded bonds that originally provided funds for the acquisition and construction of various capital improvements.	\$7,340,000
2016	Refunded bonds that originally provided funds for the acquisition and construction of various capital improvements.	15,780,000
2018A	Provided funds for the acquisition and construction of various capital improvements.	9,710,000
2018B	Revenue Bonds that advance refunded the bonds that originally provided funds for the acquisition of water rights in the Chino Basin.	52,920,000
2021A	Revenue Bonds that advance refunded the 2012 bonds that originally provided funds for the acquisition and construction of capital improvements.	32,395,000
2021B	Revenue Bonds that advance refunded the 2011 bonds that originally provided funds for the acquisition and construction of various capital improvements.	20,465,000
<b>TOTAL BOND DEBT</b>		<b>\$138,610,000</b>

Principal and interest payments on bonds are included in the table and graph below:

Year(s)	Principal	Interest	Total
2023	\$7,705,000	\$4,734,793	\$12,439,793
2024	8,395,000	4,460,543	12,855,543
2025	8,745,000	4,176,155	12,921,155
2026-2030	48,480,000	16,004,801	64,484,801
2031-2035	36,560,000	7,767,726	44,327,726
2035-2040	22,980,000	2,053,738	25,033,738
2041-2043	5,745,000	262,695	6,007,695
<b>Total</b>	<b>\$138,610,000</b>	<b>\$39,460,451</b>	<b>\$178,070,451</b>

**(Amounts Expressed in Thousands)**



The District's credit risk is evaluated by credit rating agencies and is a strong indication of the District's ability to make debt payments, which effects the interest rate the District pays. The District's debt rating is "AA+" from Standard & Poor's Global and "AA+" from Fitch Ratings.

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the District. The District's future borrowing capacity is limited by the debt coverage ratio and additional debt limitations required by the existing bond covenants. All debt requires 1.25 times coverage (net revenues/ debt service).

As shown on the table of projected operating results for the Water Fund, the District is budgeting to meet its annual debt service and continue to increase net position.

In addition to bonds, the District has two capital leases entered in 2010, and 2015 for the purchase of equipment related to the District's fixed network retrofit and meter exchange program. Total principal and interest due in FY 2023 and 2024 is \$1,104,567 and the total outstanding balance as of June 30, 2022 is \$3,117,967.

The Recycled Water Fund is responsible for a loan payable to the State of California Revolving Fund through the IEUA for the construction of a recycled water pipeline. The principal and interest due in FY 2023 and FY 2024 is \$34,793 and the total outstanding balance as of June 30, 2022 is \$277,421.





# DEPARTMENT INFORMATION



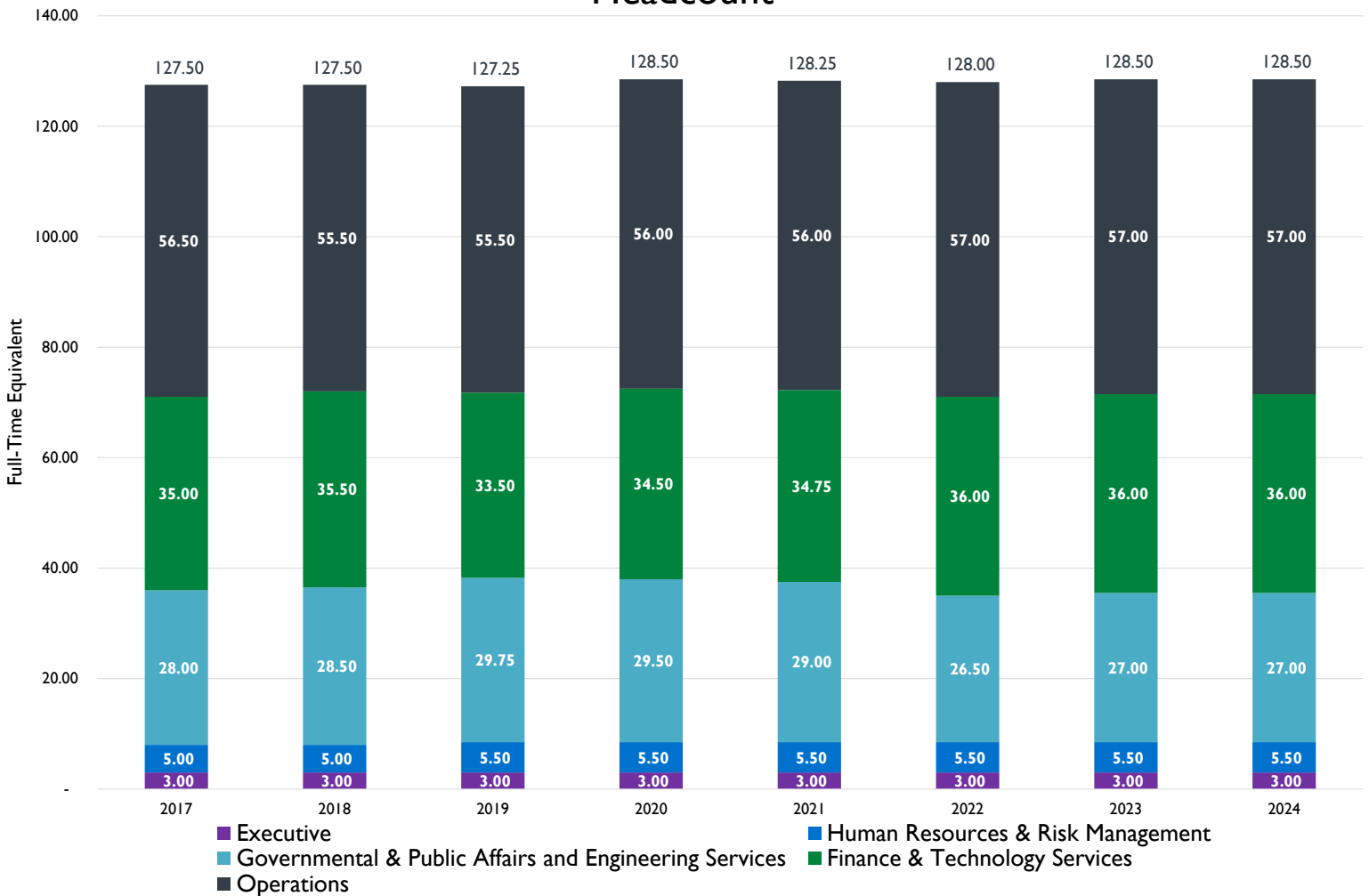
# Department Information

## POSITION SUMMARY SCHEDULE

The District's Vision focuses on People, Service and Water. The District is a service-oriented organization. The District provides a high quality sustainable water supply, and none of this is possible without an innovative, self-managed staff that has pride of ownership for their work product providing exceptional customer service.

The table below indicates the total District headcount for the last eight years:

### Headcount



The table below highlights the changes in personnel:

Division	2017	2018	2019	2020	2021	2022	2023	2024	Change FY 22 & 23	Change FY 23 & 24
Executive	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Human Resources & Risk Management	5.00	5.00	5.50	5.50	5.50	5.50	5.50	5.50	-	-
Governmental & Public Affairs and Engineering Services	28.00	28.50	29.75	29.50	29.00	26.50	27.00	27.00	0.50	-
Finance & Technology Services	35.00	35.50	33.50	34.50	34.75	36.00	36.00	36.00	-	-
Operations	56.50	55.50	55.50	56.00	56.00	57.00	57.00	57.00	-	-
District Total	127.50	127.50	127.25	128.50	128.25	128.00	128.50	128.50	0.50	-

**Changes in FY 2023:**

The organizational structure slightly changed for FY 2023. The Office of the Assistant General Manager was previously included in the Administration Services Division along with Governmental and Public Affairs. Now the AGM oversees Public and Government Affairs and Engineering Services in their own Division.

Government & Public Affairs and Engineering Services: Increase of .50

A part-time Government and Public Affairs Representative I was transitioned to a full-time position.

**Changes in FY 2024:**

No change

# DEPARTMENTAL DESCRIPTIONS

The District sets the overall organization wide goals that support the District’s mission and strategic plan. The departments are the link that converts planning into action. Departments are overseen by a manager. Departments are organized into Divisions which are overseen by a Director. Each department summary that follows will be formatted as follows, if applicable:

- Description of Services Provided – a short overview and explanation of the services provided by the department
- Staffing – full-time and part-time positions budgeted for the department
- 2021 & 2022 Accomplishments – Notable achievements accomplished
- 2023 & 2024 Goals & Objectives – The planned tasks of the department that support the overall District goals as outlined in the Goals & Objectives section.
- Performance Measures – Specific quantitative measures of work performed by the department that help the District assess the effectiveness and efficiency of the department.
- Operating Expenses – A summary of budget data by expense type of the current and past budget years
- Significant Changes – Highlights the proposed major changes in the upcoming budget

The budget is organized into the following summary departments:

## Executive Division

- Board of Directors
- Office of the General Manager

## Human Resources & Risk Management Division

- Human Resources & Risk Management

## Government & Public Affairs and Engineering Services Division

- Office of the Assistant General Manager
- Government & Public Affairs
- Engineering Administration
- GIS
- Design & Construction
- Water Resources & Planning
- Development
- Industrial Waste
- Cross Connection
- Recycled Water

## Finance & Technology Services Division

- Finance & Technology Administration
- Accounting & Purchasing
- Customer Service
- Information Technology
- General Services Administration

## Operations Division

- Operations Administration
- Water Treatment
- Production & Telemetry
- Facilities
- Fleet
- Water Distribution
- Collection & Transmission



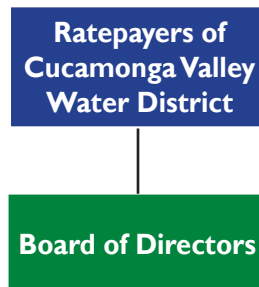
# EXECUTIVE DIVISION



# Board of Directors

## DESCRIPTION OF SERVICES PROVIDED:

The Board of Directors provide direction and leadership for the District. The department prepares Board and Committee agenda packets and ancillary correspondence and is responsible for the creation and maintenance of all public records as a result of the business conducted by the Board of Directors. The Directors also serve as Trustees of the Frontier Project Foundation, a non-profit foundation established by the Cucamonga Valley Water District with a mission of demonstrating environmental sustainability. The Board of Directors also serve on the boards of the Cucamonga Valley Water District Financing Authority and the Cucamonga Public Facilities Corporation. The Fontana Union Water Company is a mutual water company for which the District is a majority shareholder. Currently, three Directors serve as regular Board Members, and one Director serves as an alternate.



## 2021 & 2022 ACCOMPLISHMENTS:

1. Completion of AB 1234 and AB 1825 Trainings
2. Maintained/obtained leadership roles on the following Boards:
  - Association of California Water Agencies
  - Association of San Bernardino County Special Districts
  - Local Agency Formation Commission for San Bernardino
  - Rancho Cucamonga Chamber of Commerce
  - Region 9 for the Association of California Water Agencies

## 2023 & 2024 GOALS & OBJECTIVES:

1. Develop, support, and advocate District policy initiatives at local, state, and regional levels (Ongoing)
2. Participate and provide leadership in regional and statewide advocacy and oversight organizations, including the Association of California Water Agencies, California Special Districts Association, Local Agency Formation Commission for San Bernardino County, and the Association of San Bernardino County Special Districts, as well as water resource management organizations (Ongoing)

## PERFORMANCE MEASURES:

1. Continue commitment to CVWD’s Foundational Principles, transparency, and adopted Board norms (Ongoing)
2. Maintain active leadership roles in the regional and statewide organizations in which the Board currently serves (Ongoing)
3. Consistently evaluate opportunities for additional regional and statewide leadership (Ongoing)

## OPERATING EXPENSES:

	2021 Actual	2022 Budget	2023 Budget	% Change (FY23 - FY22)	2024 Budget	% Change (FY24 - FY23)
Wages & Benefits	\$228,435	\$240,322	\$246,483	3%	\$247,246	0%
Professional Development	13,472	73,690	73,690	0%	73,690	0%
Professional Services	39,489	45,000	45,000	0%	45,000	0%
Personnel Costs	560	1,000	1,000	0%	1,000	0%
Advertisements	-	1,000	1,000	0%	1,000	0%
Elections	-	-	300,000	100%	-	(100%)
Utilities	3,632	2,400	2,400	0%	2,400	0%
Materials & Supplies	1,483	1,650	1,650	0%	1,650	0%
Miscellaneous	52	4,000	4,000	0%	4,000	0%
<b>Total</b>	<b>\$287,123</b>	<b>\$369,062</b>	<b>\$675,223</b>	<b>83%</b>	<b>\$375,986</b>	<b>(44%)</b>

## SIGNIFICANT CHANGES:

November 2022, 3 board seats are up for election, therefore an election cost is budgeted in FY 2023.



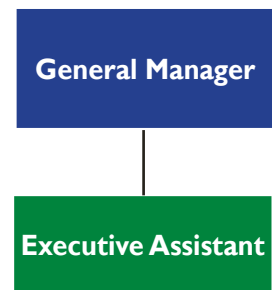
# Office of the General Manager

## DESCRIPTION OF SERVICES PROVIDED:

The General Manager/CEO is the liaison to the Board of Directors and oversees the day to day operations of the District. The General Manager/CEO provides leadership and initiates strategic planning to implement the goals and the vision of the Board of Directors. The Foundational Principles provide guidance in establishing long-term organizational goals and the General Manager/CEO utilizes the talent and skills of the entire staff to fulfill the organizational objectives. The General Manager/CEO also serves as President of the Fontana Union Water Company, a mutual water company managed by the District, and is the President of the Frontier Project Foundation, a non-profit corporation that seeks grant funding to conduct educational outreach programs.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
General Manager / CEO	1.00	1.00	1.00	1.00
Executive Assistant	2.00	2.00	2.00	2.00
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Obtained the position of Chairman of the Chino Basin Watermaster Appropriative Pool in order to provide leadership to the region on groundwater issues
- Participated in the IEUA member agencies group of General Managers to provide collaboration on water and sewer related issues in the region
- Secured a Bond Refinance that will save the District \$14 million dollars over the next 20 years
- Completed a five-year water rate study and cost of service analysis to support a series of rate adjustments and pass-through charges that will support the financial health of the District while keeping water rates affordable for customers
- The District received a Bond Rating upgrade by S&P Global and Fitch to AA+
- Secured \$6M in sales of groundwater through from Fontana Water Company over the last two fiscal years

## 2023 & 2024 GOALS & OBJECTIVES:

1. Ensure alignment between the Board of Directors and staff to accomplish district wide goals (Ongoing)
2. Promote policies that secure our long-term financial stability (Ongoing)
3. Continue to seek out opportunities that ensures a diverse and resilient water supply (Ongoing)
4. Empower CVWD’s next generation of employees with continuing education and development opportunities that promote our culture and values to ensure we retain the most innovative and high performing workforce (Ongoing)
5. Provide a Customer First model of service to our ratepayers and stakeholders (Ongoing)

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$955,559	\$860,902	\$930,062	8%	\$970,129	4%
Professional Development	4,676	19,505	21,060	8%	21,060	0%
Professional Services	193,394	247,050	238,000	(4%)	238,000	0%
Personnel Costs	3,152	1,350	2,850	111%	2,850	0%
Utilities	6,625	3,100	3,100	0%	3,100	0%
Materials & Supplies	504	1090	1090	0%	1090	0%
Outside Services	0	750	938	25%	938	0%
Miscellaneous	1,732	3,900	3,900	0%	3,900	0%
<b>Total</b>	<b>\$1,165,642</b>	<b>\$1,137,647</b>	<b>\$1,201,000</b>	<b>6%</b>	<b>\$1,241,067</b>	<b>3%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included.



# HUMAN RESOURCES & RISK MANAGEMENT DIVISION

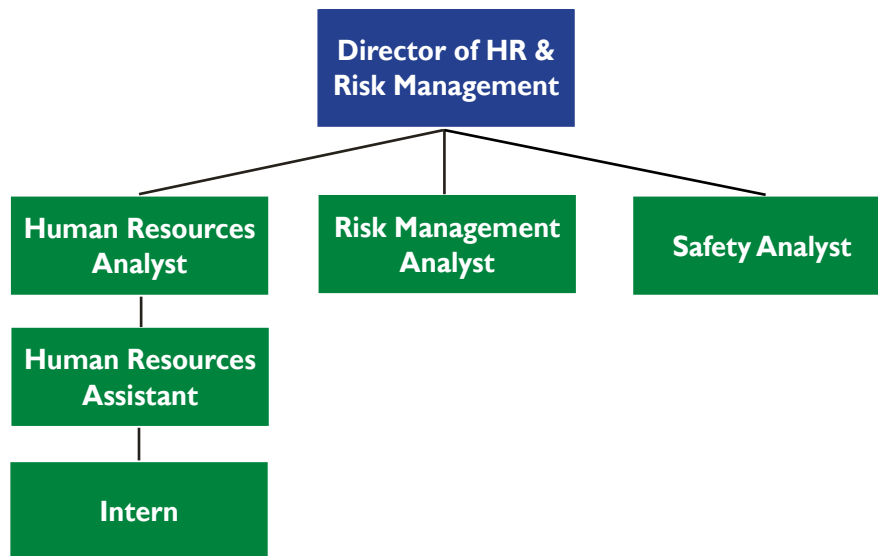
# Human Resources & Risk Management

## DESCRIPTION OF SERVICES PROVIDED:

Human Resources (HR) is responsible for ensuring that the District initiates and facilitates strategies for building a workforce which supports and enhances the organizational objectives and values. In addition to workforce development, the division is responsible for overseeing employee benefits, classification and compensation, policies and procedures, employee relations, administrative support, and employee development.

Risk Management promotes and provides a safe and secure work environment for employees. The risk management program includes employee safety and training programs, workers compensation, emergency management and disaster preparedness for the District.

## STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Director of HR & Risk Management	1.00	1.00	1.00	1.00
Human Resources Analyst	1.00	1.00	1.00	1.00
Human Resources Assistant	1.00	1.00	1.00	1.00
Risk Management Analyst	1.00	1.00	1.00	1.00
Safety Analyst	1.00	1.00	1.00	1.00
Intern	0.50	0.50	0.50	0.50
<b>Total</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>

## 2021 & 2022 ACCOMPLISHMENTS:

- Developed the COVID-19 Employee Resources dashboard providing campus updates, ergonomic workstation setup at home, employee assistance resources and other information Created several COVID-19 related policies, forms and employee safety protocols
- Implemented and administered legislative changes related to benefits, including the Families First Coronavirus Response Act (FFCRA), changes to spending accounts, and modification of the 457 retirement distributions
- Administered the Federal Mandated- Emergency Paid Sick Leave Act (EPSLA), California emergency sick leave program, and expanded the FMLA benefit.
- Transitioned recruiting, interviewing and hiring paperwork, enrolling in benefits and other functions to a virtual online portal.
- Completed review, amended and adopted eighteen (18) policies for the Employee Policy Manual
- Reduced printing and postage costs through continued paperless open enrollment
- Responded to 24 outside compensation and benefit survey requests
- Organized a Leadership Development Program and a Manager/Supervisor Boot
- Coordinated the mandatory SBI 343 California compliant employee harassment prevention training.
- Hosted 2022 annual Human Resources Regional Leadership Group Meeting
- Continued to create guidelines, plans, and communications for employees returning to on-site work
  - Guidelines included an updated back to work guide, a staff transition strategy and process, and supervisor's guide to assessing suitable for remote work
- Supported COVID-19 reporting, contact tracing, quarantine/isolation programs and rapid testing
- Coordinated training for DOT Commercial License Program
- Implemented on-site respiratory testing
- Conducted Hearing and Noise Exposure Testing
- Manage the employee MyCERTS online certification and license program
- Developed the 2021 and 2022 Employee Training Schedule
- Completed the ACWA/JPIA Risk Assessment (June 2021)

## 2023 & 2024 GOALS & OBJECTIVES:

1. Employees are provided with training, professional development, and leadership opportunities to contribute to the organization (Service IA)
  - Continue employee development programs, including the Employee Cross Training Program (ECT) and leadership programs. Encourage collaboration at all levels. (Ongoing)
2. Continue to evaluate the recruitment process and retain quality talent (People IB)
  - Build a strategic talent acquisition function that revolves around a competitive employer brand, an engaging candidate experience, and streamlined service delivery (Ongoing)
3. Focus on programs and practices that encourage unity (People IC)
  - Increase organizational effectiveness of Human Resources to better serve the District (Ongoing)
  - Provide wellness programs and services so employees will be more engaged through creating a supportive culture that promotes their financial, physical, emotional health and well-being (Ongoing)
4. Provide programs that inspire multi-functional skill development that brings value to the District and employees (People ID)
  - Develop a human resources compliance program, including policy review and guidance (Ongoing)
  - Enhance individual and organizational effectiveness by ensuring every employee feels welcomed and valued, having access to the training, tools, and resources they need to be successful (Ongoing)
5. Provide a safe work environment for all employees; meeting the objectives by processing Workers' Compensation claims, completing government required safety forms and policy and process changes that create a safer work environment while meeting all safety requirements (Service IA)
  - Create a culture of risk awareness where all employees understand and consider risk in decision

making; providing best practice information, education, training, and resources (Ongoing)

- Provide the District community with common language, framework, and procedures for identifying, assessing, responding to, and reporting on the risk posed in new and ongoing endeavors across the entire range of assets and operations (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Average number of days to hire staff, from recruitment posting to the candidate's effective date of hire (start date)	65	85	60	75	65	65
Number of compensation and classification studies conducted	29	24	20	20	20	20
Percentage of annual performance evaluations completed	90%	95%	95%	95%	95%	95%
Number of work days lost per worker's compensation claim	0	0	0	0	0	0
Number of ergonomic assessments completed	10	0	0	1	5	5
Percentage of employees who completed first-aid/CPR training	100%	100%	100%	100%	100%	100%
Percentage of employees utilizing Target Solutions online modules	100%	95%	100%	100%	100%	100%
Percentage of security camera monitored campus coverage	100%	100%	100%	100%	100%	100%
Number of key emergency operations center staff who completed CSTI emergency preparedness trainings	100%	0%	100%	100%	100%	100%

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$994,701	\$956,748	\$1,067,809	12%	\$1,031,174	(3%)
Professional Development	17,718	44,791	44,884	0%	45,579	2%
Professional Services	11,807	18,500	40,000	116%	16,000	(60%)
Personnel Costs	111,580	197,470	197,230	0%	199,270	1%
Utilities	61,932	79,990	75,925	(5%)	75,925	0%
Materials & Supplies	30,842	24,850	21,350	(14%)	21,350	0%
Outside Services	65,486	59,180	82,075	39%	69,575	(15%)
Miscellaneous	-	1,000	1,000	0%	1,000	0%
<b>Total</b>	<b>\$1,294,066</b>	<b>\$1,382,529</b>	<b>\$1,530,273</b>	<b>11%</b>	<b>\$1,459,873</b>	<b>(5%)</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Wages and benefits also show a larger variance in FY 2023 due a projected department retirement and the payout of those accrued benefits. Also, FY 2024 reflects a savings in wages due to a projection for turnover in the same position. Professional Services is budgeted higher due the Human Capital Compensation Study in FY 2023. Outside Services has increase due to a temporary security monitoring service, which is in place until a new security system is completed.



# GOVERNMENT & PUBLIC AFFAIRS AND ENGINEERING SERVICES DIVISION

# Office of the Assistant General Manager

## DESCRIPTION OF SERVICES PROVIDED:

The Office of the Assistant General Manager provides support to the General Manager/CEO and the Board of Directors. It provides leadership and direction to the Engineering Department and is responsible for developing strategic relationships with regional partners and executing the District’s water supply planning goals to advance the District’s regional agenda for water and wastewater service objectives. It also provides leadership and direction to the Government & Public Affairs Division and is responsible for developing and advocating for District Legislative priorities

Position	FY 2021	FY 2022	FY 2023	FY 2024
Assistant General Manager	1.00	1.00	1.00	1.00
Administrative Assistant II	1.00	-	-	-
<b>Total</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

**Assistant General Manager**

## 2021 & 2022 ACCOMPLISHMENTS:

- Coordinated the update of the Board of Directors’ election divisions per 2020 Census data
- Updated the Board of Director’s Handbook
- Coordinated the development of the Fiscal Year 2023 & 2024 CIP Budget
- Secured Chair position of the Chino Basin Watermaster Appropriative Pool
- Leveraged regional relationships to influence Metropolitan Water District’s regulations on the 2022 Drought
- Secured MOU Agreement with regional partners for joint project efforts to provide cost savings

## 2023 & 2024 GOALS & OBJECTIVES:

1. Protect, secure and obtain additional water rights as feasible (Water 1C)
  - Collaborate with regional partners to support and complete the Chino Basin Program, and Etiwanda Pipeline Project (Ongoing)
  - Secure partnership agreements and MOU’s when in the best interest of the District’s water supply (Ongoing)
2. Continue to develop and implement adopted master plans, CIP Budget, and Long-Term Financial Plans to anticipate current and future needs (Water 2A)
  - Update the District’s Water, Sewer, and Recycled Water Master Plans (2023)
  - Development Fiscal Year 2025 & 2026 CIP Budget (2024)
3. Encourage employees and Board Members to stay informed of topics that impact our organization (Water 3A)

- Expand Board and General Manager/CEO support role through attendance at stakeholder and advocacy meetings and events (Ongoing)
4. Actively build relationships with policy makers, stakeholders, and regulators (Water 3C)
- Continue active engagement and leadership on the Chino Basin Watermaster Appropriative Pool, Inland Empire Utilities Agency Regional Policy Committee, and Fontana Union Water Company Board of Directors (Ongoing)

## OPERATING EXPENSES:

	2021	2022	2023	% Change	2024	% Change
	Actuals	Revised Budget	Budget	(FY23-22)	Budget	(FY24-23)
Wages & Benefits	\$464,376	\$364,545	\$332,196	(9%)	\$356,276	7%
Professional Development	1,456	13,156	10,309	(22%)	10,425	1%
Professional Services	2,994	13,500	18,000	33%	18,000	0%
Personnel Costs	1,207	-	1,500	100%	1,500	0%
Utilities	1,238	720	1,920	167%	720	(63%)
Materials & Supplies	236	-	1,000	100%	1,000	0%
Outside Services	-	400	-	(100%)	-	0%
Miscellaneous	5	500	1,000	100%	1,000	0%
<b>Total</b>	<b>\$471,513</b>	<b>\$392,821</b>	<b>\$365,925</b>	<b>(7%)</b>	<b>\$388,921</b>	<b>6%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. All changes are due to an organizational structure shift; there is no longer an Administrative Assistant assigned to this department. The Assistant General Manager now oversee Governmental & Public Affairs and Engineering Services. Due to these changes the budget was reviewed and adjusted according to the current department needs.



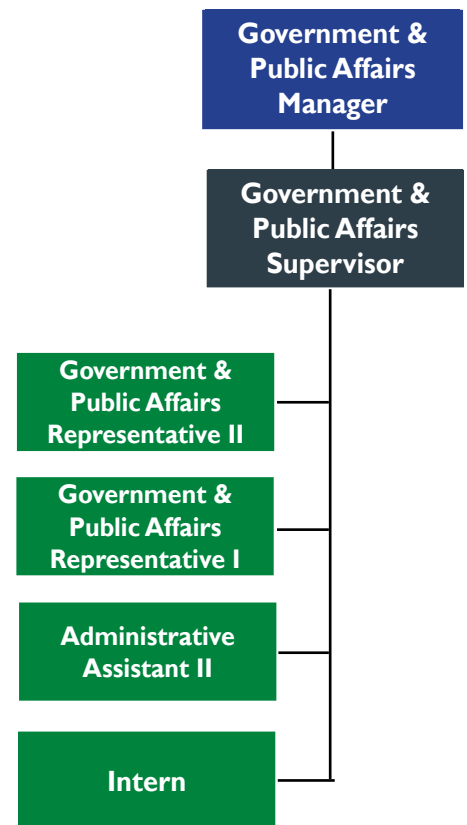
# GOVERNMENT & PUBLIC AFFAIRS

## DESCRIPTION OF SERVICES PROVIDED:

The Government & Public Affairs department is responsible for governmental and legislative affairs, community outreach, water-use efficiency, and educational programs. In addition, the team is responsible for coordinating special events, and conducts outreach with customers, stakeholders, and legislative staff members. The team also develops a variety of multi-media materials and campaigns to provide information to our community through a variety of methods to help our customers learn about and understand our local water supply, infrastructure and related issues.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Government & Public Affairs Manager	1.00	1.00	1.00	1.00
Government & Public Affairs Supervisor	1.00	1.00	1.00	1.00
Government & Public Affairs Representative I	1.00	0.50	1.00	1.00
Government & Public Affairs Representative II	2.00	2.00	2.00	2.00
Administrative Assistant II	1.00	1.00	1.00	1.00
Government & Public Affairs Intern	0.50	0.50	0.50	0.50
<b>Total</b>	<b>6.50</b>	<b>6.00</b>	<b>6.50</b>	<b>6.50</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Conducted annual State Legislative Board Briefing with the West Coast Advisors, the District's State advocacy firm
- Provided Board Member support for a number of events and issues with in-person attendance, talking points, letters, and other efforts with ACWA & CSDA for nominations and appointments
- Cucamonga Canyon Management Plan – Continued efforts with a coalition of agencies to develop a public access plan to the Cucamonga Canyon
- Through diligent legislative outreach efforts, received the ACWA Region 9 & Overall Statewide Outreach Award's both years
- Hosted tours throughout the year of District facilities for several key stakeholders including elected officials and decision makers
- Advocated on behalf of the District at numerous regional work groups including IEUA, ACWA, and MWD
- Represented the District on various committees and at numerous meetings and hearings advocating on the District's behalf for critical policy and regulatory issues
- CVWD was recognized as a CSDA Advocacy All Star for its advocacy work in 2021; to receive the recognition staff had to respond to CSDA's major Advocacy Alerts
- Continued partnerships with the Inland Empire Resource Conservation District, the City of Rancho Cucamonga, and Arrowhead to educate over 1,500 students annually at the Environmental Learning Center through in-person and virtual field trips
- Hosted the Water Savvy Garden Tour in April 2021, in an innovative, pandemic-safe format, for 100 attendees who visited 10 residential sites throughout the community
- Continued implementing the District's branding guidelines through new internal and external branding opportunities
- Hosted a virtual Earth Week & Open House and engaged with the community through a variety of social media platforms
- Completed employee videos for Water Professionals Appreciation Week & Earth Week/Open House
- Updated District messaging for the Board of Directors and executive staff for media inquiries, group presentations, and customer interactions, including fact sheets, presentations, and note cards
- Coordinated the public outreach for the water rate studies
- Successfully implemented the Invoice Cloud customer portal outreach campaign
- Hosted 10 virtual workshops on water use efficiency, landscaping topics, and rebates
- Completed components of the District's History Project including: social media campaign, converted "Proud Past & Bright Future" book into a digital format, created "CVWD Through the Decades" History Podcast series
- Increased community engagement through social media platforms including the addition of using LinkedIn
- Increased collaboration with numerous departments specifically with Engineering on Capital Project outreach & construction notification
- Collaborated with the General Manager to embark on a new employee engagement initiative
- During COVID staff improvised and found an innovative way to hold the 5<sup>th</sup> Grade Poster Contest
- During COVID staff enhanced internal & external communications
- Worked with other departments to improve their website interface during COVID, in particular adapting applications such as Engineering forms, to be available as online forms
- GPA staff lead the multi-department effort to monitor multiple COVID Relief Programs and notification to our customers how to apply for them. In addition, GPA staff worked with the Finance and Customer Service Departments to apply for and receive a payment of \$359,191 to be applied to delinquent customer accounts for their water bills between April 2020 and June 2021. GPA staff also assisted with the sewer arrearage funding application.
- Staff has been tracking the status of the drought and associated regulatory actions from state and local levels. In an effort to reduce our customers water usage staff increased messaging on rebates and best water use efficiency practices.

- District staff has been working through a series of IEUA meetings regarding IEUA's Regional Water Use Efficiency (WUE) Program, which is funded by the MEU rates. The purpose of the meeting's was to update the business model, make it more equitable, and to give retailers more flexibility over what WUE programs their funding portion goes to. As a result, IEUA has developed the outline of a program that will provide the District with a much greater return on our funding of the program and benefit to our customers.

## 2023 & 2024 GOALS & OBJECTIVES:

1. Our rates ensure operational and capital needs are met and are fair to our customers (Water 1B)
  - Advocate against additional fees/taxes placed on our customer's water bills by outside entities (Ongoing)
2. Protect, secure and obtain additional water rights as feasible (Water 1C)
  - Advocate policies and regulations that protect or expand existing water rights (Ongoing)
  - Communicate infrastructure investments and Value of Water to stakeholders via newsletters, briefings, meetings and receptions (Ongoing)
  - Encourage water use efficiency through the website, social media, and general marketing. Use of example stories, testimonials and how-tos (Ongoing)
  - Promote regional residential and commercial rebates programs (Ongoing)
  - Conduct the Water Savvy Garden Tour and Water Savvy Landscape Contest (Ongoing)
3. Increase collaboration between District teams (Water 1E)
  - Continue to collaborate with and be a resource to other departments (Ongoing)
  - Work with Customer Service and I.T. on outreach for new customer water usage app (Ongoing)
4. Outreach to customers and stakeholders to address the results of investments and value of water (Water 2C)
  - Provide outreach and education focused on the value of water relating to the cost of the infrastructure and providing a high quality water supply (Ongoing)
  - Continue outreach focused on the health and safety of our water and wastewater services
  - Alternating Cucamonga Water Tour and Water Treatment Plant Tour (Ongoing)
5. Encourage employees and Board Members to stay informed of topics that impact our organization (Water 3A)
  - Provide tools such as briefing books, talking points, and updates to Board Members and employees to help them stay informed of important issues (Ongoing)
6. Actively build relationships with policy makers, stakeholders, and regulators (Water 3C)
  - Continue to build relationships with policy makers, legislators, regulators, and other key stakeholders (Ongoing)
  - Actively engage stakeholders through meetings, newsletters, briefings, tours, and receptions (Ongoing)
7. The District's culture fosters employee innovation and a Service Beyond Expectation standard (Service 1B)
  - Communicate legislative and regulatory issues both internally and externally (Ongoing)
  - Continue to implement the District's branding guidelines (Ongoing)
  - Continue to use social media, including Facebook, Twitter, Instagram, YouTube, LinkedIn, and NextDoor, to enhance two-way communication with customers (Ongoing)
  - Fully utilize SharePoint (internal employee website) to further engage employees (Ongoing)
8. CVWD has a resourceful, innovative and empowered pool of talent that supports the culture and values of the District (People 1)
  - Provide leadership, professional development, and training opportunities to our team (Ongoing)
  - Empower team members so they are encouraged to contribute new ideas (Ongoing)
  - Practice leadership habits that encourage unity and collaboration (Ongoing)
9. Employees take ownership and embrace the District's Foundational Principles through their interactions and communications (People 3)

- Incorporate District’s Foundational Principles into presentations and interactions with key stakeholders (Ongoing)
- Continue CVWD Podcast and feature episodes with employees (Ongoing)
- Continue Internal Communications Initiative (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Contact made with legislators	70	67	70	65	70	70
Legislative Letters sent	40	39	40	35	42	42
Bills Tracked	30	28	30	30	30	30
Stakeholder tours provided	6	7	7	4	5	5
Increased participation in education programs by # of teachers and students	2,200	3,000	2,500	2,000	1,800	1,800
Improved social media presence: Number of Facebook Followers	1,000	900	1,200	1,350	1,375	1,400
Regular Engagement on NextDoor (Conversations)	1	1	2	2	3	3
Number of site visits on a refreshed District Website	100,000	166,575	170,000	170,000	175,000	175,000
Number of Events/presentations at non-traditional community events	15	19	20	20	20	20

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$883,615	\$870,602	\$949,759	9%	\$986,231	4%
Professional Development	9,679	42,230	42,350	0%	42,350	0%
Professional Services	36,609	66,072	63,000	(5%)	63,000	0%
Personnel Costs	584	1,700	1,700	0%	1,700	0%
Advertisements	2,187	24,025	24,025	0%	24,025	0%
Utilities	4,481	6,400	7,450	16%	7,450	0%
Materials & Supplies	5,484	37,400	31,800	(15%)	32,400	2%
Outside Services	28,615	99,100	111,100	12%	111,100	0%
Miscellaneous	607	9,000	4,000	(56%)	4,000	0%
<b>Total</b>	<b>\$971,862</b>	<b>\$1,156,529</b>	<b>\$1,235,184</b>	<b>7%</b>	<b>\$1,272,256</b>	<b>3%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Outside Services includes the cost of a website redesign and a slight increase in various public relation programs.

# Engineering Administration

## DESCRIPTION OF SERVICES PROVIDED:

The Engineering Administration department coordinates the tasks and activities for the department and its staff. The Assistant General Manager oversees the management of capital improvement projects, water resource management, the District’s Master Plans for water, sewer, recycled water, and water supplies, and all engineering and planning work. The Assistant General Manager actively participates in regional water and wastewater planning committees.

## STAFFING/ACCOMPLISHMENTS/GOALS/PERFORMANCE MEASURES:

This department provides support to Engineering staff; therefore some of these items have not been listed.

Position	FY 2021	FY 2022	FY 2023	FY 2024
Director of Engineering Services	1.00	-	-	-
Administrative Assistant II	1.00	1.00	1.00	1.00
<b>Total</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

Administrative Assistant II

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$468,056	\$98,034	\$105,819	8%	\$114,113	8%
Professional Development	8,847	14,550	14,575	0%	14,775	1%
Professional Services	28,015	25,000	25,000	0%	25,000	0%
Personnel Costs	-	1,500	200	(87%)	200	0%
Utilities	2,541	1,900	1,000	(47%)	2,000	100%
Materials & Supplies	625	2,100	600	(71%)	600	0%
Outside Services	2,026	-	-	0%	-	0%
Miscellaneous	-	1,200	-	(100%)	-	0%
<b>Total</b>	<b>\$510,110</b>	<b>\$144,284</b>	<b>\$147,194</b>	<b>2%</b>	<b>\$156,688</b>	<b>6%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included.



# Geographic Information System

## DESCRIPTION OF SERVICES PROVIDED:

The Geographic Information Systems department is responsible for coordination and participation in database management for the Geographic Information System (GIS) and AutoCAD applications. This department updates and maintains GIS and AutoCAD databases for water, recycled water, and wastewater facilities from construction drawings to As-Built information; performs data capturing and conversion, data entry, and graphic editing activities; develops user friendly file management systems and completes geographic data analyses. This department utilizes professional Global Positioning System (GPS) equipment to collect geographical information in the field; locates District assets, resolves accuracy issues using GPS and integrates GPS data into GIS database. GIS viewing application provides accurate, accessible, and functional data to both the desktop and mobile devices within the District. GIS also functions as a helpful reporting tool and has asset management capabilities.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Water Resources & Planning Manager	-	0.25	0.25	0.25
GIS Analyst	1.00	1.00	1.00	1.00
<b>Total</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Captured GIS data from 103 record drawings and updated the GIS data with the As-Built information
- In coordination with the Engineering Technicians and Finance team, entered meter information and created lid numbers for 35 meters in the financial software
- Implemented different modules of GIS based work order and maintenance system
- Performed analysis and compiled data for various reports to the State, Regional Board and other local agencies
- Implemented Geoviewer forms for Engineering Inspectors to log the daily construction activities, food service permits, etc.
- Assisted Finance on compiling the customer addresses for Proposition 218 notification as part of sewer and recycled water rate increase
- Customized Geoviewer forms to expand the software to Customer Service department

## 2023 & 2024 GOALS & OBJECTIVES:

- I. Use technology to maintain efficient asset management (Water 2D)
  - Capture the water, sewer and recycled water plans and recorded drawings in GIS and update the GIS data based on the red-lines (CP, DP, & RW) provided by the field crew (Ongoing)
  - Continue to compile data as required for State and Regional Board reports (Ongoing)
  - Customize Geoviewer forms to expand the software to Standby (December 2022)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Record drawings scanned and drafted	Varies as per Development	142/51	44/44	50/50	50/50	50/50
Maintain, update and print water atlas pages	275	275	275	275	275	275
Maintain, update and print sewer atlas pages	251	251	251	251	251	251
Number of Lid numbers (Meters) created in the Utility System Software	Varies as per Development	64	69	75	75	75
Review progress of action plans with team managers	Ongoing	Not Applicable	Ongoing	Ongoing	Ongoing	Ongoing

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$225,752	\$216,138	\$241,596	12%	\$251,175	4%
Professional Development	-	4,600	4,500	(2%)	4,500	0%
Personnel Costs	-	300	300	0%	300	0%
Utilities	419	1,800	1,000	(44%)	1,000	0%
Materials & Supplies	11,234	20,000	10,500	(48%)	20,500	95%
Outside Services	6,077	12,000	12,000	0%	12,000	0%
<b>Total</b>	<b>\$243,482</b>	<b>\$254,838</b>	<b>\$269,896</b>	<b>6%</b>	<b>\$289,475</b>	<b>7%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Materials and Supplies decreased due to less need for computer hardware in FY 2023 but upgrades in FY 2024.



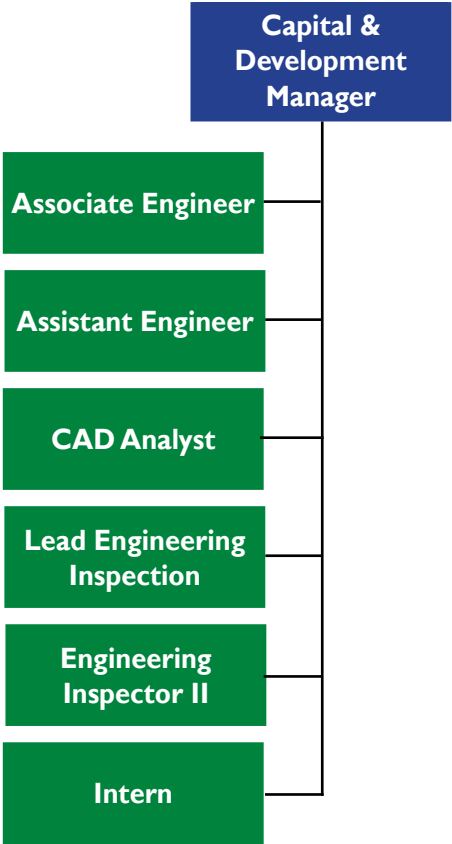
# Design & Construction

**DESCRIPTION OF SERVICES PROVIDED:**

The Design and Construction department prioritizes and establishes schedules and methods for the design and construction of District’s Capital Improvement Projects. This department monitors and oversees engineering design activities, including those prepared by consultants; prepares and reviews engineering plans, cost estimates, labor proposals, agreements, public works contracts, and project specifications. This department implements construction management methods to manage contractors that are building the District’s capital improvements projects in the field.

**STAFFING:**

Position	FY 2021	FY 2022	FY 2023	FY 2024
Capital & Development Manager	0.50	0.50	0.50	0.50
Associate Engineer	2.00	2.00	1.00	1.00
Assistant Engineer	1.00	1.00	2.00	2.00
CAD Analyst	1.00	1.00	1.00	1.00
Lead Engineering Inspector	1.00	1.00	1.00	1.00
Engineering Inspector II	1.00	1.00	1.00	1.00
Engineering Intern	0.50	0.50	0.50	0.50
<b>Total</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Completed design and construction of Reservoir 3A
- Completed construction of Chino Basin Well 48
- Completed the drilling and well development of New Cucamonga Basin Well 49
- Completed the design of Reservoir I
- Completed design and construction of 16,714 linear feet of Waterline
- Completed design and construction of 9,369 linear feet of Sewer line
- Completed construction of replacing existing sewer siphon in Hellman Ave and 4th St
- Completed construction of replacing existing sewer siphon in Sapphire St and Banyan St
- Completed construction of replacing existing sewer siphon in Center Ave and 7th St

## 2023 & 2024 GOALS & OBJECTIVES:

1. Maintain operational flexibility between imported water and groundwater, surface, and recycled water (Water 1A)
  - Complete the well equipping of New Cucamonga Basin Well 49 (2023)
  - Complete the drilling, well development, and well equipping of New Chino Basin (June 2024)
  - Complete the construction of New Reservoir I (June 2023)
  - Complete the design and construction of New Reservoir 5B-2 (June 2023)
  - Complete the construction of New Recycled Water Pipeline in the Village of Heritage ( June 2023)
2. CVWD’s preventative maintenance program is the foundation for providing reliable: water, recycled water and wastewater service (Service 2)
  - Complete design of replace existing sewer siphon in 8th St and Vineyard Ave (June 2023)
  - Complete design and construction of replace existing sewer siphon in Foothill Blvd and Deer Creek Channel (June 2023)
  - Complete design and construction of sewer line in Haven Ave from Church St to Foothill Blvd (June 2024)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021	FY 2022	FY 2022	FY 2023	FY 2024
		Actual	Target	Estimate	Forecast	Forecast
Design and Construct Water Distribution/Transmission	13,050	2,736	8,150	17,029	3,462	6,710
Design and Construct Gravity Sewer Main in Linear Feet	5,582	570	6,970	6,186	5,233	5,500
Replace Existing Siphons	1	1	3	3	1	1
Reline Existing Sewer Main in Linear Feet	4,350	0	0	5,000	1,300	500
Design and Construct New Storage Reservoir (Multi-Year Project)	1	1	2	0	1	1
Drill/Equip New Production Well (Multi-Year Project)	1	0	1	2	1	1
Existing Tank Rehabilitation	1	1	1	1	0	1

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$1,017,008	\$1,118,644	\$1,160,058	4%	\$1,229,279	6%
Professional Development	1,666	11,000	9,594	(6%)	9,594	0%
Professional Services	666	10,000	9,375	(7%)	9,375	0%
Personnel Costs	200	1,700	2,000	18%	2,000	0%
Utilities	4,700	7,000	8,000	14%	8,000	0%
Materials & Supplies	2,587	7,450	5,200	(30%)	5,200	0%
Outside Services	477	750	-	(100%)	-	0%
Miscellaneous	-	200	200	0%	200	0%
<b>Total</b>	<b>\$1,027,303</b>	<b>\$1,156,744</b>	<b>\$1,194,427</b>	<b>3%</b>	<b>\$1,263,648</b>	<b>6%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included.



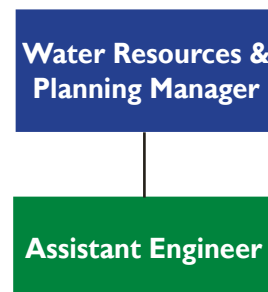
# Water Resources & Planning

## DESCRIPTION OF SERVICES PROVIDED:

The Water Resources and Planning division uses planning and management tools to leverage the District’s water supply portfolio to ensure access to reliable and resilient supplies to meet future projected demands. The District’s water supply portfolio includes Chino Basin and Cucamonga Basin production sources, such as groundwater, canyon water, imported water delivered from MWD and purchased through IEUA, and Recycled Water from IEUA. This division considers climate conditions, water quality, and source reliability and resilience when planning long-term programs and capital improvement projects. Specific ongoing tasks include performing analyses with the District’s hydraulic water and wastewater models; develop and implement master plans, update the urban water management plan, and water supply assessments; ensure the District’s compliance with federal, state, and local regulations; apply for and administer grants; and assist the General Manager and Assistant General Manager with representing the District in regional water and wastewater management forums.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Water Resources & Planning Manager	1.00	0.75	0.75	0.75
Assistant Engineer	1.00	1.00	1.00	1.00
<b>Total</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Managed and prepared individual 2020 Urban Water Management Plans with IEUA and five other neighboring agencies
- Maintained the District’s compliance with federal, state, and local regulations by providing analyses, data, and reports, among others
- Led efforts to retain a hydro-geologist for Cucamonga Groundwater Basin

## 2023 & 2024 GOALS & OBJECTIVES:

I. Continue to develop and implement adopted master plans, CIP Budget and Long-Term Financial Plans to anticipate current and future needs (Water 2A)

- Administer a \$317,544 grant from the Water Recycling Funding Program (State Water Resources Control Board) to Construct the Village of Heritage recycled water pipeline in the City of Fontana (2023)

- Update master plans for the District’s water, wastewater, and recycled water systems (Ongoing)
2. CVWD participates in the water policy arena to influence local, state, and federal regulations(Water 3)
- Assist with the development of a groundwater model and management principles for the Cucamonga Basin Watermaster (Ongoing)
  - Continue participation and engagement with the Chino Basin Watermaster (Ongoing)
  - Participate and assist with negotiation of the Regional Sewer Contract with the Inland Empire Utilities Agency and fellow Contracting Agencies (Ongoing)
  - Continue to maintain District compliance with federal, state, and local regulations by providing analyses, data, and reports (Ongoing)
  - Continue to monitor and pursue grant opportunities (Ongoing)

### PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021	FY 2022	FY 2022	FY 2023	FY 2024
		Actual	Target	Estimate	Forecast	Forecast
Urban Water Supplier Monitoring Report	12	12	12	12	12	12
Annual Validated Water Loss Audit	1	1	1	1	1	1
Cucamonga Basin Annual SGMA Reporting	1	1	1	1	1	1
NPDES Annual Report	1	1	1	1	1	1
Urban Water Management Plan (Once every 5 years, year ending 0 and 5	0	1	0	0	0	0
Proposition 1 Quarterly Grant Invoice for the Nitrate Treatment Facility	4	4	4	4	4	4

### OPERATING EXPENSES:

	2021	2022	2023	% Change (FY23-22)	2024	% Change (FY24-23)
	Actuals	Revised Budget			Budget	
Wages & Benefits	\$288,459	\$263,007	\$309,606	18%	\$327,250	6%
Professional Development	4,059	4,600	7,500	63%	6,500	(13%)
Professional Services	3,512	10,500	10,000	(5%)	10,000	0%
Personnel Costs	488	580	875	51%	875	0%
Utilities	2,117	2,000	3,300	65%	5,300	61%
Materials & Supplies	108	2,300	2,200	(4%)	2,200	0%
Outside Services	1,472	20,000	20,000	0%	20,000	0%
Miscellaneous	-	1,000	1,000	0%	1,000	0%
<b>Total</b>	<b>\$300,215</b>	<b>\$303,987</b>	<b>\$354,481</b>	<b>17%</b>	<b>\$373,125</b>	<b>5%</b>

### SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Professional Development increased for investment in employee development and training.



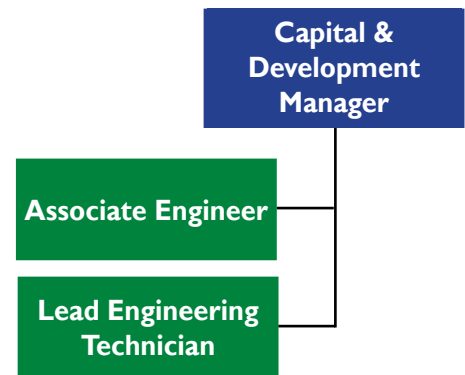
# Development

## DESCRIPTION OF SERVICES PROVIDED:

The Development department enforces and gains compliance of applicable District, local, regional, state and federal rules and best practices related to water, sewer and recycled water from residential, commercial and industrial developers. This is done by an application and plan check process for all new development projects and tenant improvements of existing developments.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Capital & Development Manager	0.50	0.50	0.50	0.50
Associate Engineer	1.00	1.00	1.00	1.00
Lead Engineering Technician	2.00	2.00	2.00	2.00
<b>Total</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Online platform for Tenant Improvements
- Completed 102 Tenant Improvements:
  - 313 EDUs of Industrial and 152 EDUs of Commercial
- Development Projects:
  - 40 New Projects Submitted
  - 26 Projects Closed Out
  - 641 New Residential EDU

## 2023 & 2024 GOALS & OBJECTIVES:

1. Increase collaboration between District teams (Water IE)
  - Collaborate with other departments (GIS, Inspection, Accounting, Customer Service, and IT) to improve the collection and sharing of data for new development projects and tenant improvements (Ongoing)
2. The District's culture fosters employee innovation and a Service Beyond Expectation standard (Service IB)
  - Collaborate with Accounting/Finance, Customer Service, and IT to update the process to collect development fees and streamline the process for new development projects (Ongoing)
3. Employees are empowered to contribute innovative ideas and are entrusted to participate through implementation (People IE)
  - Collaborate with Developers to find unique solutions for projects which benefits the community (Ongoing)
  - Provide more resources on online platform to make the development process more efficient (Ongoing)

## PERFORMANCE MEASURES:

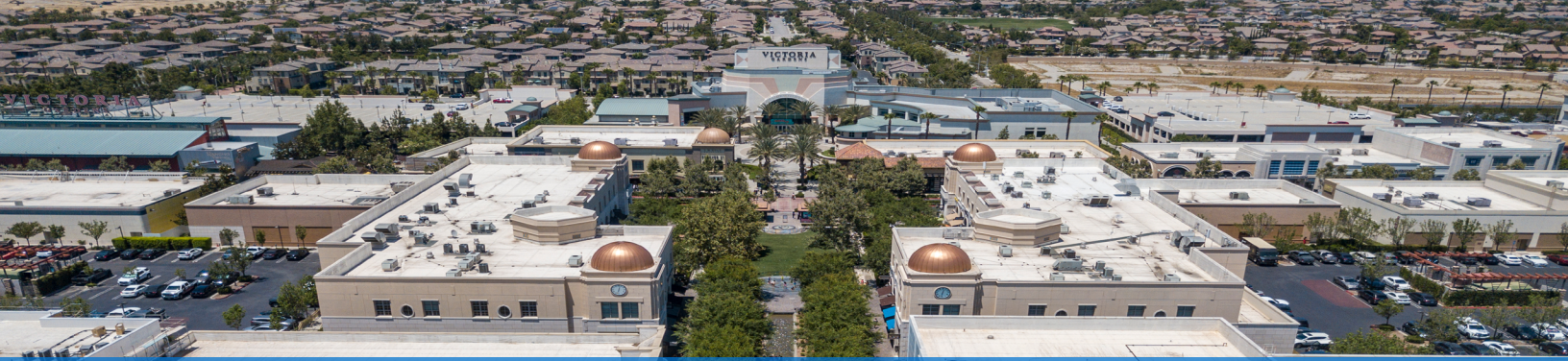
Performance Measurement	Target	FY 2021 Actual	FY 2022 Estimate	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
Design and Construct Wellhead Treatment Plant and Reservoir at 3A (Multi-Year Project)	100%	99%	99%	100%	100%	100%
Water Capacity Fee Collected	\$4,102,451	\$1,853,517	\$3,850,000	\$5,890,000	\$4,900,000	\$4,900,000
Sewer Capacity Fee Collected	\$1,209,000	\$602,188	\$590,000	\$814,352	\$800,000	\$2,900,000
Recycled Water Capacity Fee Collected	\$90,000	\$14,796	\$185,000	\$90,000	\$95,000	\$95,000
Tenant Improvements Plan Checked	100	100	100	100	100	100

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$810,058	\$582,810	\$609,746	5%	\$642,090	5%
Professional Development	678	4,250	4,200	(1%)	4,200	0%
Professional Services	5,469	10,000	12,000	17%	12,000	0%
Personnel Costs	-	1,000	500	(50%)	500	0%
Utilities	3,369	4,000	5,000	25%	3,300	(34%)
Materials & Supplies	2,627	1,700	900	(47%)	900	0%
Outside Services	990	-	-	0%	-	0%
Miscellaneous	-	500	-	(100%)	-	0%
<b>Total</b>	<b>823,191</b>	<b>604,260</b>	<b>632,346</b>	<b>5%</b>	<b>662,990</b>	<b>5%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included.



# Industrial Waste

## DESCRIPTION OF SERVICES PROVIDED:

The Industrial Waste department ensures compliance of commercial and industrial customers with the District’s pre-treatment source control program, which protects the wastewater collection system. This department achieves its purpose through inspection, issuance, and renewal of permits for discharge of non-domestic wastewater into the sanitary sewer.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Environmental Services Supervisor	0.25	0.25	0.25	0.25
Engineering Inspector II	1.00	1.00	1.00	1.00
<b>Total</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Use technology to maintain efficient asset management
- Complete the FSE inspection form integration with Geoviewer and equipping the Engineering Technicians with on-site printing
- Inspection completed for new industrial users and sampling performed per the pre-treatment guidelines

## 2023 & 2024 GOALS & OBJECTIVES:

1. Use technology to maintain efficient asset management (Water 2D, Ongoing)
2. CVWD’s preventative maintenance program is the foundation for providing reliable: water, recycled water and wastewater service (Service 2)
  - Complete the inspections of the FSEs and new industrial user sampling as per the pre-treatment guidelines (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Food Service Establishment Permits Issued	125	48	125	125	125	125
Food Service Establishment Inspections	750	555	750	750	750	750
Industrial User Sampling	24	36	36	36	36	36
Inspection of New Services	24	38	24	24	24	24

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$228,713	\$218,197	\$220,528	1%	\$228,731	4%
Professional Development	379	2,600	2,600	0%	2,600	0%
Personnel Costs	345	1,000	1,000	0%	1,000	0%
Utilities	632	1,200	2,000	67%	1,500	(25%)
Materials & Supplies	460	1,500	1,500	0%	1,500	0%
Outside Services	810	5,000	5,000	0%	5,000	0%
<b>Total</b>	<b>231,339</b>	<b>229,497</b>	<b>232,628</b>	<b>1%</b>	<b>240,331</b>	<b>3%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included.

In FY 2023, wage and benefits show a slight decrease from the norm due to a change in employee benefit selection. Utility costs are affected by economic inflation factors.



# Cross Connection

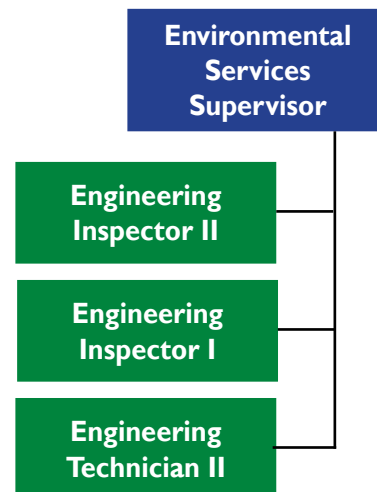
## DESCRIPTION OF SERVICES PROVIDED:

This department ensures compliance by commercial and industrial customers of the District’s Cross Connection Ordinance and the State of California Title 22. This department monitors and tests all private back-flow prevention devices and inspects back-flow installations. Additionally, this department also tests and repairs the City of Rancho

Cucamonga and District back-flow prevention assemblies and provides plan check review.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Environmental Services Supervisor	0.25	0.25	0.25	0.25
Engineering Inspector II	1.00	1.00	1.00	1.00
Engineering Inspector I	1.00	1.00	1.00	1.00
Engineering Technician II	1.00	1.00	1.00	1.00
<b>Total</b>	<b>3.25</b>	<b>3.25</b>	<b>3.25</b>	<b>3.25</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Completed and on schedule with the testing and repairs of the District’s and City’s back-flow devices
- Completed monitoring back-flow devices and sending testing notices

## 2023 & 2024 GOALS & OBJECTIVES:

- I. CVWD’s preventative maintenance program is the foundation for providing reliable: Water, Recycled Water and Wastewater service (Service 2)
  - Complete the ongoing testing and repairs of the District’s and City’s back-flow devices (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Monitoring of Annual Back-flow Testing	5,510	5,895	5,927	5,927	5,957	5,987
Testing & Repairing District Back-flow Devices	100	102	103	103	104	105
City of Rancho Cucamonga Back-flow Testing	604	629	635	635	635	635
City of Rancho Cucamonga Back-flow Repairs	130	84	60	60	60	60

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$510,446	\$483,094	\$473,309	(2%)	\$495,206	5%
Professional Development	897	4,800	4,800	0%	4,800	0%
Personnel Costs	389	1,500	1,500	0%	1,500	0%
Utilities	1,027	1,500	1,500	0%	1,500	0%
Materials & Supplies	16,200	18,500	20,500	11%	20,500	0%
Outside Services	-	2,000	2,000	0%	2,000	0%
<b>Total</b>	<b>\$528,959</b>	<b>\$511,394</b>	<b>\$503,609</b>	<b>(2%)</b>	<b>\$525,506</b>	<b>4%</b>

## SIGNIFICANT CHANGES:

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In FY 2023, wage and benefits show a slight decrease due to a change in employee benefit selection.



# Recycled Water

## DESCRIPTION OF SERVICES PROVIDED:

The Recycled Water department is responsible for converting customers from domestic water use to recycled water use when requested. The department also proactively seeks customers that would benefit from conversion to recycle water and assists in finding grants to help with the expenses of conversion. The department also implements a routine annual inspection of all recycled water services to ensure that no cross connections exist between the recycled water and domestic water systems. The department ensures compliance with Titles 17 and 22 of the State of California and the District’s own municipal code that governs all aspects of Recycled Water, including the preparation of engineering reports that are submitted to the California Department of Drinking Water for all direct use services.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Environmental Services Supervisor	0.50	0.50	0.50	0.50
<b>Total</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

**Environmental Services Supervisor**

## 2021 & 2022 ACCOMPLISHMENTS:

- Completed recycled water shut-down testing for 102 sites and annual site inspections on 182 sites
- Expanded opportunities to increase direct use of recycled water. Converted 36 AFY of Village of Heritage irrigation (Fontana) to recycled water
- Completed Recycled Water Master Plan (June 2021)

## 2023 & 2024 GOALS & OBJECTIVES:

1. Maintain operational flexibility between imported water and groundwater, surface, and recycled water (Water 1A)
  - Expand opportunities to increase direct use of recycled water. Convert 72 AFY of Village of Heritage irrigation (Fontana) to recycled water (June 2023)
2. Continue to develop and implement adopted master plans, CIP Budget and Long-Term Financial Plans to anticipate current and future needs (Water 2A)
  - Secure a grant to assist funding of Village of Heritage RW Pipeline ( June 2023)
3. CVWD’s preventative maintenance program is the foundation for providing reliable: water, recycled water and wastewater service (Service 2)
  - Complete the shutdown testing and annual testing for the recycled water sites (Ongoing)
  - Switch over billing spreadsheet to the Geo-database (June 2023)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021	FY 2022	FY 2022	FY 2023	FY 2024
		Actual	Target	Estimate	Forecast	Forecast
Recycled Water- Active Services	135	137	145	145	137	146
Cross-Connection Shut-Down Testing	135	37	24	24	38	40
Annual Site Inspections	135	77	113	113	120	130
Inspection of New Services	24	6	8	8	10	10

## OPERATING EXPENSES:

	2021	2022	2023	% Change (FY23-22)	2024	% Change (FY24-23)
	Actuals	Revised Budget			Budget	
Wages & Benefits	\$112,872	\$103,757	\$106,822	3%	\$110,857	4%
Professional Development	743	3,600	3,600	0%	3,600	0%
Personnel Costs	-	1,000	1,000	0%	1,000	0%
Utilities	1,516	1,300	1,300	0%	1,300	0%
Materials & Supplies	2,412	12,400	14,900	20%	12,400	(17%)
Outside Services	-	400	2,500	525%	2,500	0%
Miscellaneous	2,498	4,500	5,000	11%	5,000	0%
<b>Total</b>	<b>\$120,040</b>	<b>\$126,957</b>	<b>\$135,122</b>	<b>6%</b>	<b>\$136,657</b>	<b>1%</b>

## SIGNIFICANT CHANGES:

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# FINANCE & TECHNOLOGY SERVICES DIVISION

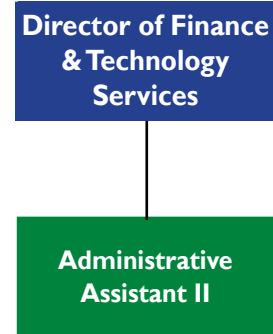
# Finance & Technology Services Administration

## DESCRIPTION OF SERVICES PROVIDED:

Financial & Technology Services Administration department coordinates the activities for the department. The Director of Financial and Technology Services oversees investment activities, debt administration, rate-setting, as well as overall financial and budgetary oversight of the District. Other administrative duties of this division include employee relations and performance, strategic visioning, and goal setting.

## STAFFING:

Position	FY	FY	FY	FY
	2021	2022	2023	2024
Director of Finance & Technology Services	1.00	1.00	1.00	1.00
Administrative Assistant II	-	1.00	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Completed a five-year water rate study and cost of service analysis to support a series of rate adjustments and pass-through charges that will support the financial health of the District while keeping water rates affordable for customers
- Implemented a modern customer payment system that provides user-friendly access both online and through mobile devices
- Refinanced the 2011 and 2012 series bonds to reduce interest costs and close the Senior Debt Lien
- Received credit rating upgrades to AA+ on the working lien debt from both S&P Global and Fitch Ratings

## 2023 & 2024 GOALS & OBJECTIVES:

- The District's culture fosters employee innovation and a Service Beyond Expectation standard (Service IB)
  - Support implementation of the new customer utility data and billing system (June 2024)
- Employees are provided with training, professional development, and leadership opportunities to successfully contribute to the organization (Service IA)
  - Guide and develop employees to be well prepared for career growth and succession opportunities (Ongoing)
- The District has a resourceful, innovative and empowered pool of talented employees. The District continues to evaluate the recruitment process and retain quality talent (People IB)
  - Support a wage & benefit study and develop a compensation policy that defines methods for ongoing competitive pay rates and employee retention (2023)

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$359,247	\$316,977	\$436,196	38%	\$452,395	4%
Professional Development	864	18,406	5,255	(271%)	12,405	136%
Professional Services	114,011	139,605	60,200	(57%)	63,200	5%
Personnel Costs	180	2,700	4,225	56%	4,225	0%
Advertisements	-	-	-	0%	-	0%
Utilities	603	875	1,200	37%	1,200	0%
Materials & Supplies	204	2,110	1,500	(29%)	1,500	0%
Outside Services	-	400	400	0%	400	0%
Miscellaneous	-	500	500	0%	500	0%
<b>Total</b>	<b>\$475,109</b>	<b>\$481,573</b>	<b>\$509,276</b>	<b>6%</b>	<b>\$535,625</b>	<b>5%</b>

## SIGNIFICANT CHANGES:

The Administrative Assistant from the Office of the Assistant General Manager's office was moved into the Administration of Finance and IT Division. Due to this movement there is an increase in wages. Also, wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Professional Services has a saving due to the conclusion of the Water Rate Study in FY 2022. Several other line items were moved from the Office of the AGM, such as personnel costs. Utilities increased due to economic inflation.



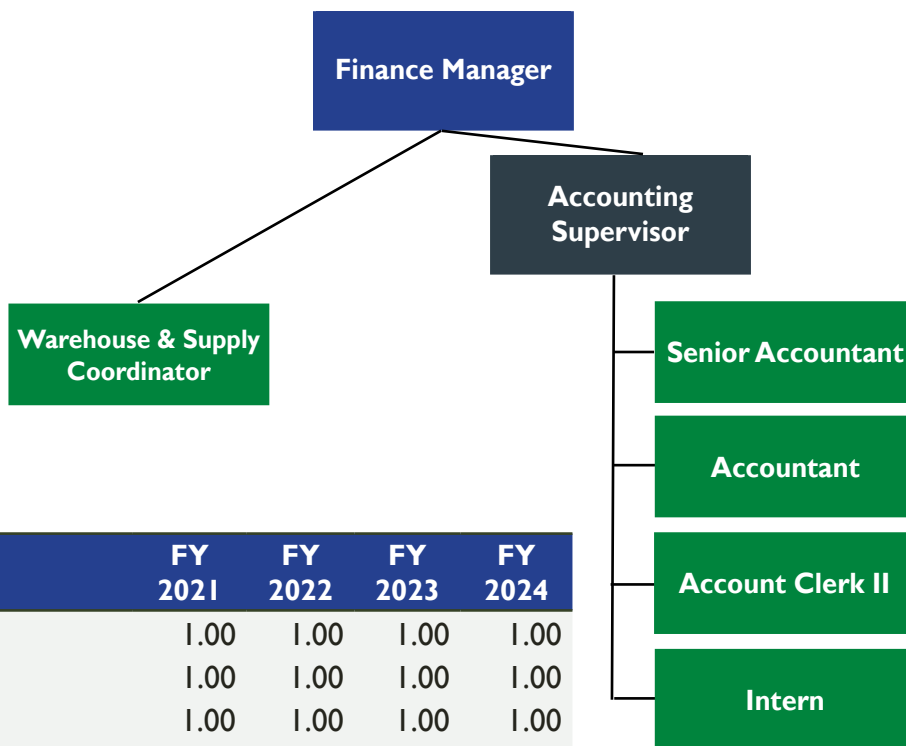
# Accounting & Purchasing

## DESCRIPTION OF SERVICES PROVIDED:

Accounting performs all financial related services for the District, which include general ledger functions, investment tracking, debt management, payroll and benefit processing, accounts payable, accounts receivable, customer billing, collection processing/referral, customer payment remittance processing, bank account reconciliation, monthly financial reporting, budget preparation, rate analysis/update, ACFR preparation, State controller’s report preparation, and Capital Improvement Program reporting.

Purchasing and warehouse administers the decentralized purchasing system for the District, including the operation of a full-service warehouse. The department is responsible for oversight of the procurement and purchase order process for all departments. This department provides enhanced supply management, a high level of accountability and value-added services. The department works to achieve cost savings and to stock adequate supplies in case of emergencies.

## STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Finance Manager	1.00	1.00	1.00	1.00
Accounting Supervisor	1.00	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00	1.00
Accountant	-	-	1.00	1.00
Account Clerk II	5.00	5.00	4.00	4.00
Finance Intern	0.25	0.50	0.50	0.50
Warehouse & Supply Coordinator	1.00	1.00	1.00	1.00
<b>Total</b>	<b>9.25</b>	<b>9.50</b>	<b>9.50</b>	<b>9.50</b>

## 2021 & 2022 ACCOMPLISHMENTS:

- Finalized Water Rate Study - new rates with new pass-through components and a modified tier structure took in effect as of January 1, 2022
- Completed Developer Fee Rate Study – Implemented new rates in August 2021
- Completed implementation of new customer payment portal “InvoiceCloud” in November 2020
- Implemented new Tyler Munis ERP software for Accounting, Payroll, Purchasing and Fixed Asset management
- Maximized the use of paperless processing throughout the Accounting Department
- Updated and reviewed financial policies: Purchasing Policy, Reserve & Financial Benchmark Policy, Operating Portfolio Investment Policy, Debt Management Policy, PARS Investment Portfolio Policy, Capital Assets Policy, Credit Adjustment Policy, Customer Assist Program, Board & Employee travel Policy, Social Media Policy, and Fraud Prevention Policy
- Issued request for bid for contracts for the actuarial and auditing services and selected firms to perform these services for the next three years
- Re-organized department structure after re-evaluating positions due to retirements
- Received GFOA and CSMFO awards including GFOA’s ACFR award

## 2023 & 2024 GOALS & OBJECTIVES:

1. Our rates ensure operational and capital needs are met and are fair to our customers (Water 1B)
  - Re-assess pass-through rate components in January and July of each year (Ongoing)
2. Continue to develop and implement adopted master plans, CIP Budget, and Long-Term Financial Plans to anticipate current and future needs (Water 2A)
  - Update Two-Year Budget document at the one-year mid-point and at the time drought effects are measurable (June 2023)
3. Employees are provided with training, professional development and leadership opportunities to successfully contribute to the organization (Service 1A)
  - Encourage employees to obtain degrees, certifications (Ongoing)
  - Efficiently utilize warehouse space by maximizing inventory turnover (Ongoing)
4. The District’s culture fosters employee innovation and a Service Beyond Expectation standard (Service 1B)
  - Participate in the upcoming Utility ERP system implementation (June 2024)
  - Maximize the usage of paperless ACH payments via an outreach effort with vendors
  - Create an ACFR that meets/exceeds GFOA requirements (December of each year)
5. Use technology to maintain efficient asset management (Water 2D)
  - Support emergency preparedness efforts with a warehouse inventory stocking strategy (Ongoing)
  - Maintain a master vendor contact listing for emergency preparedness efforts (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021	FY 2022	FY 2022	FY 2023	FY 2024
		Actual	Target	Estimate	Forecast	Forecast
GFOA Budget Award - Biennial	1	1	N/A	N/A	1	N/A
CSMFO Budget Award - Biennial	1	1	N/A	N/A	1	N/A
GFOA ACFR Award	1	1	1	1	1	1
Investment Income	\$1,809,900	\$873,943	\$871,400	\$816,000	\$1,121,000	\$1,777,000
Cash & Cash Equivalent Holdings	\$19 Million	\$58 Million	\$25 Million	\$50 Million	\$51 Million	\$41 Million
Actuarial Studies Completed	3	N/A	3	3	N/A	3
EFT % of Payments	40%	39%	35%	39%	40%	40%
EFT % of Payments \$ Amounts	85%	85%	80%	81%	85%	85%
Staff hours of Professional Training	195	206	180	210	275	255
CPA's on Staff	4	4	3	3	3	3
Service Contracts Reviewed	1	1	2	2	1	1
Policies Updated	3	5	3	6	5	5
Utilization of Purchase Orders	150	142	160	140	150	150
Utilization of Munis Contracts	180	168	200	170	180	180
P-Card Program Purchases	\$1 Million	\$639,894	\$1 Million	\$710,000	\$800,000	\$900,000
P-Card & Other Rebates	\$15,000	\$13,630	\$15,000	\$12,000	\$15,000	\$15,000
Inventory Turnover Ratio	0.75	0.74	0.75	0.78	0.75	0.75

## OPERATING EXPENSES:

	2021	2022	2023	% Change (FY23-22)	2024	% Change (FY24-23)
	Actuals	Revised Budget			Budget	
Wages & Benefits	\$1,366,840	\$1,230,758	\$1,306,855	6%	\$1,375,793	5%
Professional Development	6,277	21,055	29,885	42%	27,985	(6%)
Professional Services	51,450	70,049	51,075	(27%)	63,875	25%
Personnel Costs	2,305	2,600	3,510	35%	3,510	0%
Advertisements	370	500	500	0%	500	0%
Collections	26,814	512,000	65,000	(87%)	60,000	(8%)
Utilities	2,488	1,700	2,000	18%	3,300	65%
Materials & Supplies	4,240	6,550	4,850	(26%)	3,850	(21%)
Outside Services	50,585	61,975	43,800	(29%)	45,900	5%
Miscellaneous	425,934	485,800	534,100	10%	561,600	5%
<b>Total</b>	<b>\$1,937,304</b>	<b>\$2,392,987</b>	<b>\$2,041,575</b>	<b>(15%)</b>	<b>\$2,146,313</b>	<b>5%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Professional Development is anticipating an increase for training of new professional staff. Professional Service has a variance due to actuary services for OPEB, PARS and Excess Benefit in FY 2023 and FY 2024. In FY 2022, collections budget was increased due to the uncertainty of customer collections during the COVID-19 Pandemic. In FY 2023, collections budget has returned to an appropriate level as the COVID-19 Pandemic and state mandates have mostly resolved. Outside Services have decreased due to less bank service fees from the implementation of Invoice Cloud and the streamlining of customer payments.

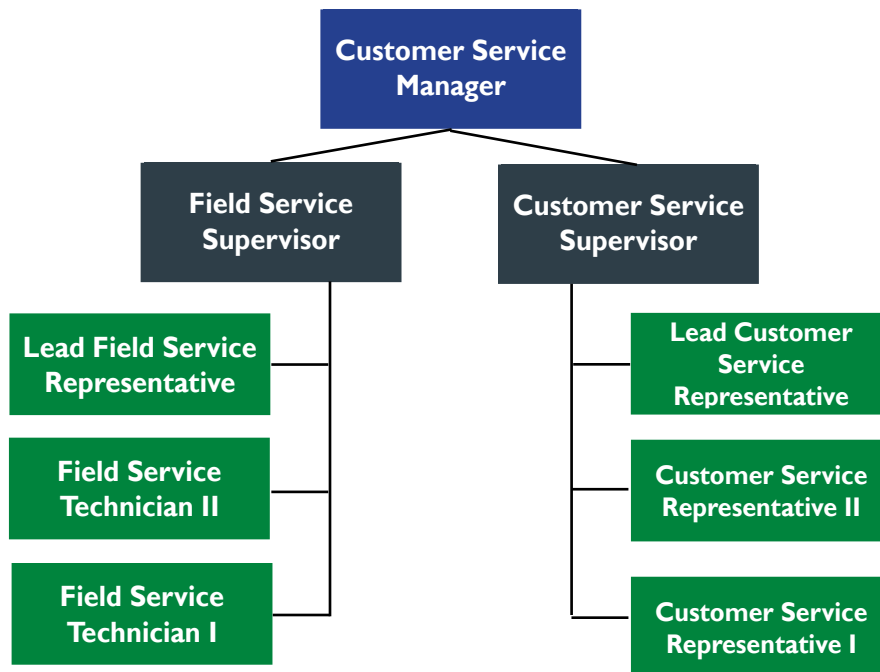
## Customer Service

### DESCRIPTION OF SERVICES PROVIDED:

Customer Service is the first point of contact for approximately 50,000 customers. The department provides call center support (approximately 300 calls per day), walk-up counter payment service (approximately 100 per day), Interactive Voice Response/Internet Payment services, new account processing, and work order generation.

Field Service is responsible for all field requests that include turn on/off accounts, meter repairs, water consumption investigations and consultations, new meter installations, meter calibrations, and Fixed Network (FN) reading. Field Service also provides customers with assistance via the Water Watch Program (WWP) which notifies customers of leaks before their next bill and by helping customers with the programming of their sprinkler times to further promote water efficiency.

### STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Customer Service Manager	1.00	1.00	1.00	1.00
Customer Service Supervisor	1.00	1.00	1.00	1.00
Lead Customer Service Representative	1.00	1.00	1.00	1.00
Customer Service Representative II	4.00	4.00	4.00	4.00
Customer Service Representative I	2.50	2.50	2.50	2.50
Field Service Supervisor	1.00	1.00	1.00	1.00
Lead Field Service Technician	1.00	1.00	1.00	1.00
Field Service Technician II	5.00	5.00	5.00	5.00
Field Service Technician I	3.00	3.00	3.00	3.00
<b>Total</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>

### 2021 & 2022 ACCOMPLISHMENTS:

- Re-opened the Customer Service counter after a 15-month closure. This was a collaboration between Customer Service, Finance, Engineering, Risk, GPA, and Facilities
- Applied for and received approximately \$350,000 in financial assistance funding through the California State Water Resources Control Board customer arrearages program
- Implemented required emergency measures associated with COVID-19
- Set up over 400 customer payment plans to alleviate COVID-19 impacts
- Delinquency outbound call team reached out to over 7,000 customers to communicate options for repayment to avoid lock off post COVID-19
- Maintained a 98% on our AMI system
- Collected delinquent payments of approximately \$187,000 in 2021 through customer contact efforts in the field
- Implemented a new Large Meter repair/rebuild process to save costs and materials
- Completed testing of all Meters sized 3” and larger (approximately 450 meters)
- Notified approximately 300 customers per month of water leaks through our Water Watch Program
- Trained Field Service staff on reprogramming sprinkler timers and leak detection skills

### 2023 & 2024 GOALS & OBJECTIVES:

1. Encourage efficient water use practices with customers through education and new technology (Water ID)
  - Continue to utilize District’s leak detection equipment to assist customers in locating leaks (Ongoing)
  - Continue the employee cross training program with other departments (Ongoing)
  - Continue to use the District’s lift truck to maintain our AMI water use data collection system (Ongoing)
  - Replace approximately 2,000 meters that are over 15 years old (Ongoing)
  - Upgrade approximately 12 Fixed Network Data Collectors from 3G to 4G technology (July 2022)
  - Continue to survey meter boxes and lids for damage or safety issues (Ongoing)
  - Continue developing a residential “large user” outreach program and offer audits of landscaping water use to improve water use efficiency ( June 2023)
2. The District’s culture fosters employee innovation and a Service Beyond Expectation standard (Service IB)
  - Continue to utilize the Fixed Network system and related customer interface technologies to assist customers with water use efficiency (Ongoing)
  - Utilize the Customer water usage online portal to allow customers to view real time water consumption data to support water conservation during drought (Ongoing)
  - Continue to provide customers with detailed explanations of water usage both over the phone and in person (Ongoing)

3. Increase collaboration between District teams (Water IE)
  - Build a training methodology for the Field Service Team to learn leak detection skills (January 2023)
4. Use technology to maintain efficient asset management (Water 2D)
  - Select, design, and implement a modern utility billing software system to capitalize on the District's automated meter reading system, upgrade data integration capabilities, and improve efficiency in the customer service functions (June 2024)

### PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021	FY 2022	FY 2022	FY 2023	FY 2024
		Actual	Target	Estimate	Forecast	Forecast
Call Monitoring - Screened Calls/Year	300	300	300	300	300	300
Consistent Coaching- One-on-One Meetings with Staff/Year	96	96	96	96	96	96
Completion of the Fixed Network Infrastructure and Customer Service Portal	100%	60%	70%	80%	100%	100%
Early Leak Identification through Water Watch Program- Detected Leaks/Year	1341	1118	1532	1600	1620	1640
Water Savings through Leak Detection- Acre Foot/Year	174	179	199	210	215	220
Select and Implement New ERP Software for Utilities to Replace Existing System	100%	N/A	N/A	N/A	50%	100%
Hours of Training Attended by Employee/Year	8	8	8	8	8	8

### OPERATING EXPENSES:

	2021	2022	2023	% Change	2024	% Change
	Actuals	Revised Budget	Budget	(FY23-22)	Budget	(FY24-23)
Wages & Benefits	\$2,482,048	\$2,359,863	\$2,478,080	5%	\$2,547,138	3%
Outside Labor	-	49,050	50,050	2%	50,050	0%
Professional Development	5,756	21,920	21,920	0%	21,920	0%
Professional Services	452	2,500	2,500	0%	2,500	0%
Personnel Costs	7,318	13,300	13,800	4%	13,800	0%
Utilities	10,642	15,600	15,600	0%	15,600	0%
Materials & Supplies	380,653	499,921	537,006	7%	537,006	0%
Outside Services	37,986	29,857	32,421	9%	34,349	6%
Miscellaneous	18,340	25,200	30,200	20%	35,200	17%
<b>Total</b>	<b>\$2,943,196</b>	<b>\$3,017,211</b>	<b>\$3,181,577</b>	<b>5%</b>	<b>\$3,257,563</b>	<b>2%</b>

### SIGNIFICANT CHANGES:

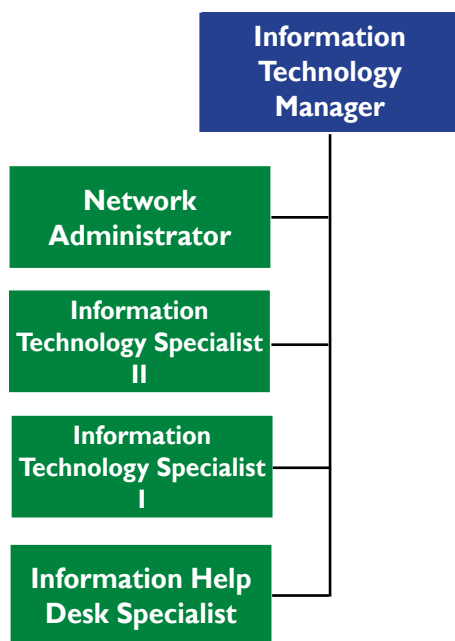
Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included.

# Information Technology

## DESCRIPTION OF SERVICES PROVIDED:

Information Technology (IT) provides comprehensive technology planning, development, integration, operation, maintenance, and support to all areas of the District to maximize efficiency. The department's primary responsibilities include day-to-day network center operation and the provision of a safe and secure network environment for centralized data libraries and equipment. Extended responsibilities include access control systems, audio-visual systems, data storage, database systems, disaster recovery, mobile devices, network intrusion prevention, printers, scanners, multi-function copiers, servers, workstations, software development, software implementation, telecommunications, telephone system, video surveillance security systems, WIFI, and Internet. In FY 2021 and FY 2022, the IT Help Desk received approximately 160 tickets per month. The total number of the tickets is lower compared to FY2019-20 due to the COVID-19 pandemic.

## STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Information Technology Manager	1.00	1.00	1.00	1.00
Network Administrator	1.00	1.00	1.00	1.00
Information Technology Specialist II	1.00	1.00	1.00	1.00
Information Technology Specialist I	1.00	1.00	1.00	1.00
Information Helpdesk Specialist	1.00	1.00	1.00	1.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

## 2021 & 2022 ACCOMPLISHMENTS:

- Implemented work-at-home options for District employees during the COVID-19 pandemic and provided remote access to various hardware and software
  - Provided continued I.T. support to employees throughout the duration of the pandemic and mitigated potential risks that came with working at home like Internet bandwidth and Ransomware
- Upgraded to the Invoice Cloud customer payment portal that went live in November 2020
- Upgraded Firewall and Barracuda Cloud Email Filter to keep the network security system up to date
  - Upgraded the email filter to the cloud version to get ready for Office 365
- Upgraded the CyberLock security system
  - Worked with the Production division to build a new server and successfully upgrade the system
- Upgraded District software from Office 2016 to Office 365 with cloud service
  - Renewed the District's Microsoft Software Assurance agreement which made the cost of the program considerably less expensive than it would be through a normal procurement process
- Upgraded the Server Room Uninterruptible Power Supply (UPS) to maintain system reliability
  - Installed a more powerful three-phase electrical backup unit to extend server room system runtime during a power outage to 60 minutes.
  - Upgraded the electrical connection to have enough power to charge the new UPS in time
- Switched internet circuits to Frontier Communications in 2021
  - Provided the Treatment plants with higher internet bandwidth, lower costs, and better service quality
- Created a new Phishing Email Test and Internet Security program in 2021
  - Dramatically reduced click rates on fraudulent links and malicious emails

## 2023 & 2024 GOALS & OBJECTIVES:

1. Encourage efficient water use practices with customers through education and new technology (Water 1D)
  - Utilize the Fixed Network System and related customer interface technology to assist customers with water use efficiency (Ongoing)
  - Continue to assist Customer Service and support the ITRON Fixed Network MDM technical portion of this project (Ongoing)
2. Use technology to maintain efficient asset management (Water 2D)
  - Begin Phase III of the ERP software upgrade which will involve replacement of the utility billing system and additional staff training (June 2024)
3. Employees are provided with training, professional development, and leadership opportunities to successfully contribute to the organization (Service 1A)
  - Provide ongoing technical services and training to employees as the number of service requests to the I.T. Help Desk continue to increase (Ongoing)
4. The District's culture fosters employee innovation and a Service Beyond Expectation standard (Service 1B)
  - Regularly maintain technologies and upgrade ERP software, Cloud SaaS (Software as a Service), audio/video equipment, Sharepoint, Office 365, Internet Security, and mobile devices (Ongoing)
5. Employees are empowered to contribute innovative ideas and are entrusted to participate through implementation (People 1E)
  - Continue to provide technology training for I.T. staff and all District employees (Ongoing)
  - Encourage I.T. staff to contribute innovative ideas and research new opportunities (Ongoing)
6. Replace the WTF Video Surveillance System
  - Assist the Treatment Division to replace the existing system at three existing treatment plants as well as a newly completed treatment plant (2023)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Help Desk Annual Service Tickets to Supporting increased I.T. Hardware and Software	2,000	1,933	2,100	2,100	2,300	2,300
Data center total data size in Terabytes	42	40	41	41	42	43
Total internet bandwidth in Megabytes	500	450	1000	2000	2100	2500
ERP Enterprise Software Upgrade in Phases	1	1	2	2	3	3
Roll Out Microsoft Office 2016	100%	60%	100%	100%	N/A	N/A
Roll Out Microsoft Office 365	N/A	N/A	40%	50%	80%	100%
Firewall Upgrade and Barracuda Cloud Email Filter Upgrade	1	1	N/A	N/A	N/A	N/A
Server Room UPS Power and Electrical Upgrade	N/A	N/A	1	1	N/A	N/A
Network Security Vulnerability Assessment	N/A	N/A	N/A	N/A	N/A	1
CVWD Customer Portal Upgrade	1	1	1	N/A	N/A	N/A
CVWD Customer Water Usage Portal	1	N/A	1	1	1	1

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$847,554	\$810,401	\$853,519	5%	\$895,630	5%
Professional Development	12,003	33,600	31,700	(6%)	34,700	9%
Professional Services	-	1,000	1,000	0%	1,000	0%
Personnel Costs	550	900	950	6%	1,010	6%
Utilities	178,744	168,600	162,700	(3%)	162,900	0%
Materials & Supplies	73,248	81,700	86,100	5%	92,000	7%
Outside Services	1,311,391	1,049,800	1,290,500	23%	1,340,300	4%
Miscellaneous	55	300	300	0%	300	0%
<b>Total</b>	<b>\$2,437,905</b>	<b>\$2,146,301</b>	<b>\$2,426,769</b>	<b>13%</b>	<b>\$2,527,840</b>	<b>4%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. The Information Technology department has an increase in Outside Services costs due to support service increases in FY 2023 and FY 2024.



# General Services Administration

## DESCRIPTION OF SERVICES PROVIDED:

General Services Administration accounts for district-wide expenses that are general in nature and not attributed to a particular work category. General expenses are accumulated in this division to provide improved means of accounting and monitoring of certain utility expenses, insurance, general office supplies, District membership for industry organizations, and non-utility billing postage costs.

## STAFFING/ACCOMPLISHMENTS/GOALS/PERFORMANCE MEASURES:

This department does not have any staffing allocated to it and only accounts for District-wide expenses; therefore, these items have not been listed.

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Professional Development	\$91,359	\$57,392	\$89,576	56%	\$89,576	0%
Professional Services	-	35,000	2,000	(94%)	2,000	0%
Personnel Costs	-	1,800	1,800	0%	1,800	0%
Insurance	560,816	504,934	673,812	33%	706,652	5%
Utilities	186,269	165,171	211,660	28%	222,725	5%
Materials & Supplies	32,297	40,985	37,985	(7%)	37,985	0%
Outside Services	2,865	2,900	2,900	0%	2,900	0%
Miscellaneous	5,425	7,018	7,016	0%	7,016	0%
<b>Total</b>	<b>\$879,030</b>	<b>\$780,200</b>	<b>\$1,024,749</b>	<b>13%</b>	<b>\$1,068,654</b>	<b>4%</b>

## SIGNIFICANT CHANGES:

Professional Development category increased to due to the reclass of the California Association Local Agency Formation Commissions (CALAFCO) membership dues from the Professional Services category. There is an increase in Liability and Property Insurance as well as Utilities due to outside factors.

# OPERATIONS DIVISION



# Operations Administration

## DESCRIPTION OF SERVICES PROVIDED:

Operations Administration provides leadership and coordination for the activities of the Operations Department. The department is under leadership of the Director of Operations who oversees the management of Sewer Collection and Transmission, Facilities Maintenance, Fleet Maintenance, Production and Telemetry, Water Distribution, Water Treatment, and Water Quality. The Director of Operations actively guides the District’s water resource utilization and allocation strategies and participates in regional water and wastewater planning.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Director of Operations	1.00	1.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	1.00
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Actively managed water resource strategies to realize the benefits of a diverse water supply including: local water resources, water storage and recovery programs and imported water
- Ensured and provided effective, reliable, and uninterrupted water and wastewater service through challenges of COVID-19 pandemic
- Supported accelerated construction of new Cucamonga Basin Well 49 to augment local water supply
- Provided support for finalizing and equipping new Chino Basin Well 48
- Completed several energy efficiency and equipment rehabilitation and/or replacement projects
- Completed several facility and infrastructure rehabilitation and/or replacement projects

## 2023 & 2024 GOALS & OBJECTIVES:

1. Maintain operational flexibility between imported water and groundwater, surface, and recycled water (Water IA)
  - Actively guide the District’s water resource utilization and allocation strategies (Ongoing)
2. Increase collaboration between District teams (Water IE)
  - Continue the collaboration between the Engineering and Operations departments; streamline communication and efficiency of department activities (Ongoing)
3. Continue to develop and implement adopted master plans, CIP Budget and Long-Term Financial Plans to

anticipate current and future needs (Water 2A)

- Manage water, financial, and human resources to effectively navigate and thrive through extraordinary circumstances and events (Ongoing)

4. Encourage employees and Board Members to stay informed of topics that impact our organization (Water 3A)

- Support and augment Board and General Manager/CEO participation at stakeholder and advocacy meetings and events (Ongoing)

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$473,329	\$439,513	\$463,170	5%	\$486,254	5%
Professional Development	251	10,300	10,300	0%	10,300	0%
Professional Services	7,964	8,000	12,000	50%	12,000	0%
Personnel Costs	1,197	1,300	5,300	308%	5,300	0%
Utilities	2,573	1,700	1,700	0%	2,700	59%
Materials & Supplies	1,800	4,500	13,300	196%	13,300	0%
Outside Services	4,142	-	1,500	100%	1,500	0%
Miscellaneous	2,742	4,000	6,200	55%	6,200	0%
<b>Total</b>	<b>\$493,997</b>	<b>\$469,313</b>	<b>\$513,470</b>	<b>9%</b>	<b>\$537,554</b>	<b>5%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Personnel Costs were moved from several operational departments to the administration department. Materials and Supplies, including office supplies and postage were also moved to the administration department.

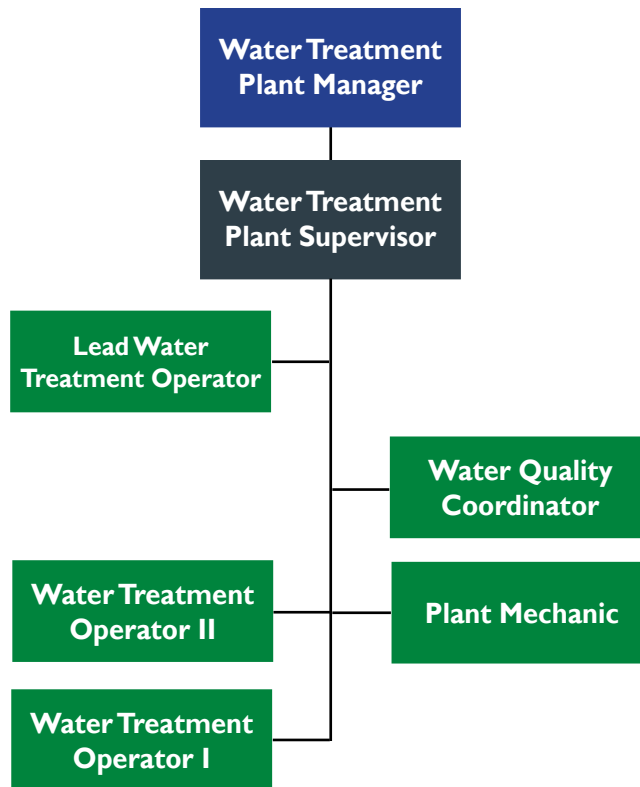


# Water Treatment

## DESCRIPTION OF SERVICES PROVIDED:

Water Treatment responsibilities include District-wide water quality monitoring, state and federal drinking water regulatory compliance, and the operation and maintenance of three surface water treatment facilities: the Lloyd W. Michael Treatment Plant, a 60 million gallon per day (MGD) enhanced-conventional treatment facility; the Royer-Nesbit Treatment Plant, an 11-MGD conventional treatment facility; and the Arthur H. Bridge Treatment Plant, a 3-MGD dual-stage pressure filtration treatment facility. Water sources include local ground water, local surface water, and imported surface water.

## STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Water Treatment Plant Manager	1.00	1.00	1.00	1.00
Water Treatment Plant Supervisor	1.00	1.00	1.00	1.00
Water Quality Coordinator	1.00	1.00	1.00	1.00
Lead Water Treatment Operator	2.00	2.00	2.00	2.00
Water Treatment Operator II	7.00	7.00	7.00	7.00
Water Treatment Operator I	2.00	2.00	2.00	2.00
Plant Mechanic	1.00	1.00	1.00	1.00
<b>Total</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>

### 2021 & 2022 ACCOMPLISHMENTS:

- Implemented new water quality data management program
- Ensured compliance with current regulations and implemented measures necessary to maximize local water resources
- Provided technical oversight, permitting, and staffing for 3A Nitrate Treatment & Reservoir project
- Completed several large capital improvement projects

### 2023 & 2024 GOALS & OBJECTIVES:

1. Maintain operational flexibility between imported water and groundwater, surface, and recycled water (Water 1A)
  - Implement innovative solutions to operate facilities outside design envelopes in response to extraordinary drought conditions and mandates (Ongoing)
2. Increase collaboration between District teams (Water 1E)
  - Continue to implement strategic planning and methods to adjust water supply operations based on real-time system demands, limitations and production goals (Ongoing)
3. Adhere to current and anticipated water quality regulations (Water 2B)
  - Ensure compliance with current regulations and implement measures necessary to maximize local water resources (Ongoing)

### PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Water quality - Percentage of days/year goals is met	100%	100%	100%	100%	100%	100%
Treatment plant filter performance turbidity less than or equal to 0.3 NTU (percent of readings)	>95%	>95%	>95%	>95%	>95%	>95%
Compliance with federal and state regulations - Percentage of days/year goal is met	100%	100%	100%	100%	100%	100%
Local surface water produced (Acre Feet)	2,500	2,500	2,500	2,500	2,500	2,500
Imported surface water produced (Acre Feet)	< 28,368	34,425	< 28,368	11,568	< 19,700	< 19,900

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$2,413,541	\$2,153,742	\$2,247,384	4%	\$2,407,428	7%
Professional Development	13,747	16,100	12,700	(21%)	12,700	0%
Professional Services	-	1,000	1,200	20%	1,200	0%
Personnel Costs	8,183	20,400	15,300	(25%)	15,800	3%
Utilities	451,795	364,200	518,607	42%	549,211	6%
Materials & Supplies	1,607,761	2,713,365	2,257,800	(17%)	2,347,100	4%
Outside Services	352,927	533,140	511,040	(4%)	501,110	(2%)
Miscellaneous	5,394	4,600	5,500	20%	5,500	0%
<b>Total</b>	<b>\$4,853,348</b>	<b>\$5,806,547</b>	<b>\$5,569,531</b>	<b>(4%)</b>	<b>\$5,840,049</b>	<b>5%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Budget increase requested in consideration of current and anticipated inflationary cost in Utilities and Miscellaneous line items.

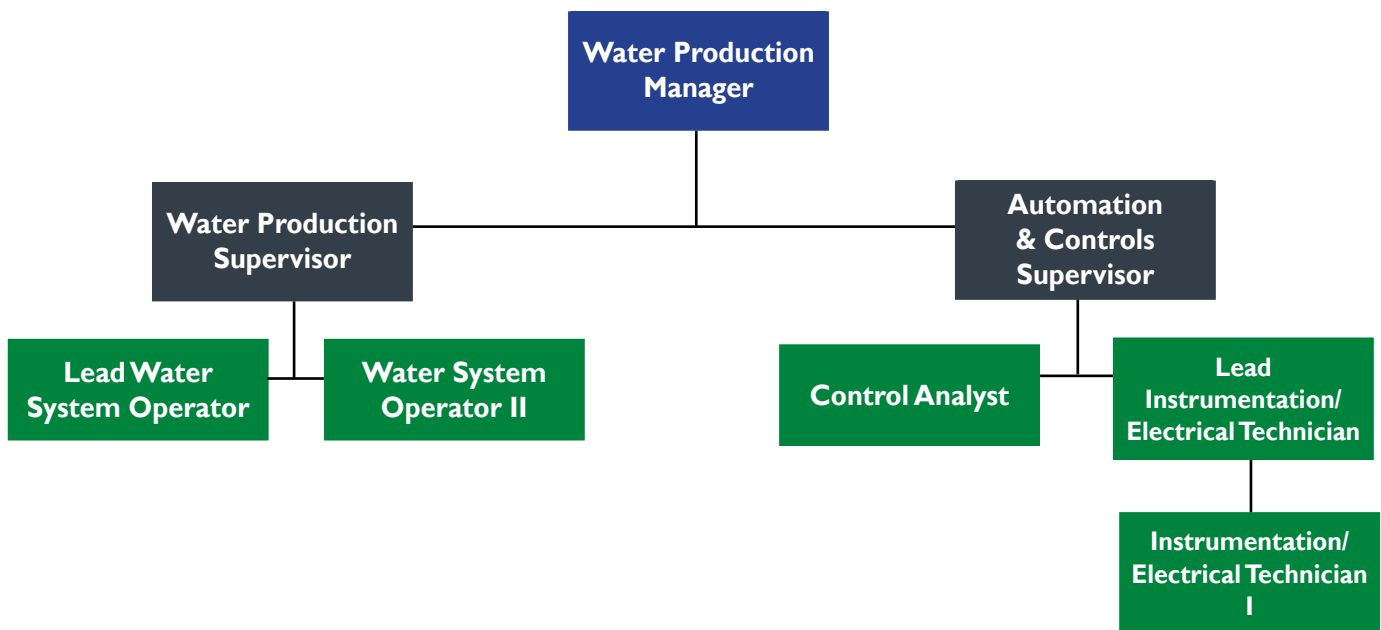
# Production & Telemetry

## DESCRIPTION OF SERVICES PROVIDED:

The Production department's responsibilities include water supply and operations. In addition, the department is responsible for daily monitoring, maintenance, and repair of the District's 29 groundwater wells, 70 boosters, 36 reservoirs, 9 chlorination stations, and 52 control valves.

Telemetry's responsibilities include industrial electrical, communications, and controls for the District's Water Treatment, Water Production, and Sewer Lift Stations. Such responsibilities consist of electrical design, implementation, and maintenance of electrical equipment ranging from marginal voltage Direct Current to 480 volts Alternating Current. Communications include Ethernet and serial networks utilizing wire, fiber optics, and wireless media. Controls focuses on the design, integration, development and implementation of controls systems which leverage technology to facilitate more effective and efficient operational strategies.

## STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Water Production Manager	1.00	1.00	1.00	1.00
Water Production Supervisor	1.00	1.00	1.00	1.00
Lead Water System Operator	-	-	1.00	1.00
Water System Operator II	4.00	4.00	3.00	3.00
Automation & Control Supervisor	-	1.00	1.00	1.00
Controls Analyst	1.00	1.00	1.00	1.00
Lead Instrumentation Technician	1.00	1.00	1.00	1.00
Instrumentation/Electrical Technician I	1.00	1.00	1.00	1.00
<b>Total</b>	<b>9.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

### 2021 & 2022 ACCOMPLISHMENTS:

- Maintained system supply while meeting water quality standards and maximizing energy efficiency
- Completed the installation of all booster and well flow meters
- Identified 6 pumping systems operating outside of acceptable efficiency standards and increased overall plant efficiency through rehabilitation
- Installed new fencing and upgraded landscape at multiple reservoir and pumping facilities
- Increased energy reliability with annual emergency standby generator maintenance programs
- Began the installation of cathodic at various reservoir locations

### 2023 & 2024 GOALS & OBJECTIVES:

1. Maintain operational flexibility between imported water and groundwater, surface, and recycled water (Water 1A)
  - Develop annual resource management strategy for production targets for groundwater, imported water and energy use (Ongoing)
2. Encourage efficient water use practices with customers through education and new technology (Water 1D)
  - Transition landscape at production facilities to demonstrate efficient water use practices (Ongoing)
3. Increase collaboration between District teams (Water 1E)
  - Increase organizational knowledge base with cross training program (Ongoing)
4. Continue to develop and implement adopted master plans, CIP Budget and Long-Term Financial Plans to anticipate current and future needs (Water 2A)
  - Complete the control system network detailed design (2024)
5. Use technology to maintain efficient asset management (Water 2D)
  - Implement asset management programs for preventative maintenance programs on motors and electrical equipment
6. Actively build relationships with policy makers, stakeholders, and regulators (Water 3C)
  - Continue to maintain a productive working relationship and open communications with state regulatory agencies (Ongoing)
7. The District's culture fosters employee innovation and a Service Beyond Expectation standard (Service 1B)
  - Provide technical training in the areas of: Cla-Val operations, industrial networking, programmable logic controllers, electrical safety, water treatment and water distribution (Ongoing)
8. CVWD's preventative maintenance program is the foundation for providing reliable: water, recycled water

and wastewater service (Service 2)

- Continue the implementation of preventative maintenance programs in order to improve mechanical reliability for wells, reservoirs, booster stations, and pressure regulating valves (Ongoing)

### PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Water Production from Cucamonga Basin (Acre Feet)	> 8,000	4,915	9,994	6,700	8,395	8,418
Water Production from Chino Basin (Acre Feet)	15,000	5,723	14,578	15,000	17,600	17,682
Energy Cost (\$/AF of total production)	\$90 - \$180	\$161	\$107	\$110	\$162	\$162

### OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	%
Wages & Benefits	\$1,668,611	\$1,720,568	\$1,773,061	3%	\$1,857,403	5%
Outside Labor	-	7,500	7,500	0%	7,500	0%
Professional Development	7,324	22,000	22,000	0%	22,000	0%
Professional Services	36,015	32,500	30,000	(8%)	30,000	0%
Personnel Costs	6,634	7,600	8,500	12%	8,800	4%
Utilities	7,870,447	5,140,500	7,955,109	55%	8,025,688	1%
Materials & Supplies	303,831	390,700	444,900	14%	461,400	4%
Outside Services	252,183	257,700	305,000	18%	316,000	4%
Miscellaneous	29,730	43,300	43,000	(1%)	44,300	3%
<b>Total</b>	<b>\$10,174,774</b>	<b>\$7,622,368</b>	<b>\$10,589,070</b>	<b>39%</b>	<b>\$10,773,091</b>	<b>2%</b>

### SIGNIFICANT CHANGES:

Wages and benefits have increased due to a COLA placeholder, which has been postponed due to the recent economic uncertainty. A 4% salary band is build-in for employee performance based merit increases, for those who have not hit the top of their salary range. As well as a slight increase in the cost of health insurance. Personnel Costs slightly increased while there is a huge savings in other areas. Budget increase in Materials and Supplies due to general increase in SCADA system licensing costs and additional costs related to nitrate treatment facility. Increase in Utilities, Electricity as a result of shift in production mix towards ground water production. Increase in budget for all other items in consideration of the current and anticipated inflationary costs.

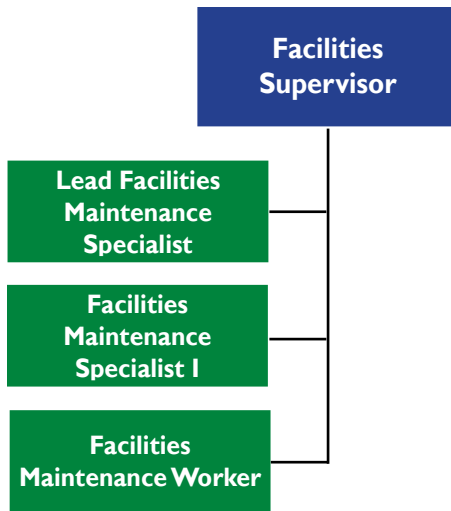


# Facilities

## DESCRIPTION OF SERVICES PROVIDED:

The Facility Maintenance Department is responsible for the operation of building mechanical equipment, general building maintenance and repair, landscape, event setup, and other support activities as required. Physical facilities include the main Ashford campus, the District’s former headquarters, and District water treatment and production sites. The Facilities Division is also responsible for logistical set-up for all District events, including the District’s bi-monthly Board of Director’s and committee meetings.

## STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Facilities Supervisor	1.00	1.00	1.00	1.00
Lead Facilities Maintenance Specialist	1.00	1.00	1.00	1.00
Facilities Maintenance Specialist I	1.00	1.00	1.00	1.00
Facilities Maintenance Worker	1.00	1.00	1.00	1.00
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>

## 2021 & 2022 ACCOMPLISHMENTS:

- Retrofitted all interior campus lighting with high efficiency LED fixtures
- Replaced Admin HVAC pneumatic to DDC
- Completed in-house remodel administration building lunch room
- Expanded in-house Facilities maintenance room
- Completed in-house interior/exterior campus painting
- Activated Klusman warehouse for operations during COVID pandemic
- Continued to implement the District’s new enterprise software program to manage and document department workflow

## 2023 & 2024 GOALS & OBJECTIVES:

1. CVWD’s preventative maintenance program is the foundation for providing reliable: water, recycled water and wastewater service (Service 2)
  - Perform daily maintenance and repair to District buildings and HVAC mechanical controls (Ongoing)
  - Continue to provide preventative, corrective and emergency maintenance (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
HVAC preventative maintenance in number of buildings	32	32	32	32	32	32
General and thorough inspection of all campus buildings (exterior and interior) once a month and generate work orders to address deficiencies	24	24	24	24	24	24
Setup chairs and tables for Board of Directors meetings, trainings, and other events (number of events shown)	235	10 (COVID)	36 (COVID)	72 (COVID)	240	240

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$517,096	\$496,044	\$527,491	6%	\$552,466	5%
Outside Labor	-	6,400	6,400	0%	6,400	0%
Professional Development	800	2,800	2,800	0%	2,800	0%
Personnel Costs	4,889	7,800	7,800	0%	8,100	4%
Utilities	36,884	37,700	45,097	20%	47,379	5%
Materials & Supplies	80,738	99,300	98,800	(1%)	101,900	3%
Outside Services	154,752	242,700	242,900	0%	251,000	3%
Miscellaneous	-	1,000	1,000	0%	1,000	0%
<b>Total</b>	<b>\$795,159</b>	<b>\$893,744</b>	<b>\$932,288</b>	<b>4%</b>	<b>\$971,045</b>	<b>4%</b>

## **SIGNIFICANT CHANGES:**

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Utilities costs are affected by economic inflation factors.



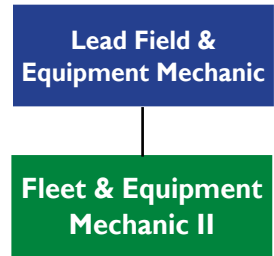
# Fleet

## DESCRIPTION OF SERVICES PROVIDED:

Fleet’s responsibilities include the maintenance and repair of the District’s vehicles and heavy equipment.

## STAFFING:

Position	FY 2021	FY 2022	FY 2023	FY 2024
Lead Fleet & Equipment Mechanic	1.00	1.00	1.00	1.00
Fleet & Equipment Mechanic II	1.00	1.00	1.00	1.00
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>



## 2021 & 2022 ACCOMPLISHMENTS:

- Regularly inspected vehicles on a quarterly schedule, identified and corrected problems to avoid service interruptions
- Scheduled preventative maintenance work maximizing fleet operations
- Continued utilizing All Data Fleet Management Program to schedule maintenance and track all work performed

## 2023 & 2024 GOALS & OBJECTIVES:

1. CVWD staff has the necessary skills, abilities and technology to deliver Service Beyond Expectation (Service I)
  - Perform an average of 350 scheduled preventative maintenance inspections on District’s 100+ vehicles/equipment in order to minimize service interruptions or equipment failure (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Scheduled preventative maintenance work orders for fleet and equipment	350	300	350	360	350	350
Repair (unscheduled) work orders for vehicles	250	291	250	300	300	300

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$310,691	\$304,755	\$282,718	(7%)	\$298,113	5%
Professional Development	622	2,300	1,900	(17%)	1,900	0%
Personnel Costs	753	2,400	2,000	(17%)	2,000	0%
Utilities	1,279	3,400	3,900	15%	3,900	0%
Materials & Supplies	302,698	401,800	441,500	10%	455,900	3%
Outside Services	105,462	163,800	264,000	61%	272,100	3%
<b>Total</b>	<b>\$721,505</b>	<b>\$878,455</b>	<b>\$996,018</b>	<b>13%</b>	<b>\$1,033,913</b>	<b>4%</b>

## SIGNIFICANT CHANGES:

Wages and benefits shows a variance in FY 2023 due a projected department retirement and the savings in wages due to a projection for turnover in the same position. In FY 2024, wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Outside Services budget increase is due to anticipated increase in contract services in this category.

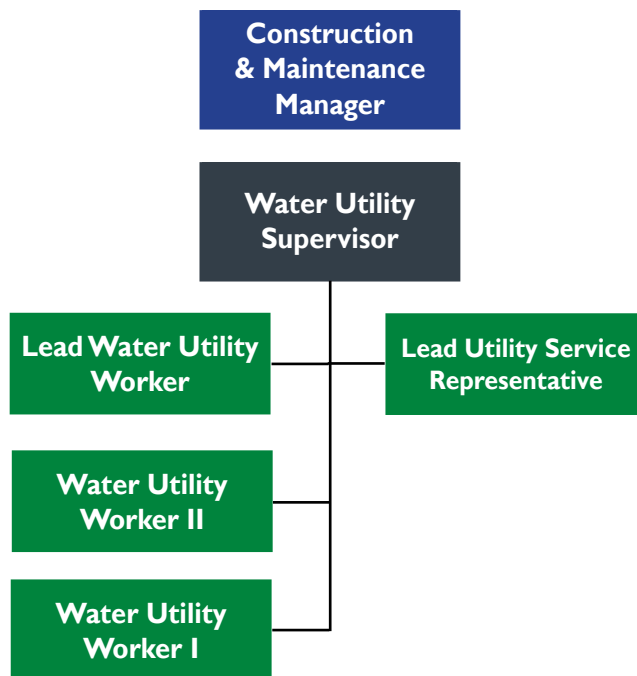


# Water Distribution

## DESCRIPTION OF SERVICES PROVIDED:

Water Distribution’s responsibilities include the maintenance and repair of the District’s water system infrastructure which includes mains, hydrants, valves, services, and implementation of preventative maintenance programs. The division strives to provide prompt turnaround times on all customer requests, exceptional customer service and responds 24 hours a day, 365 days a year to all water emergencies.

## STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Construction & Maintenance Manager	0.75	0.75	0.75	0.75
Water Utility Supervisor	1.00	1.00	1.00	1.00
Lead Utility Service Representative	0.50	0.50	0.50	0.50
Lead Water Utility Worker	4.00	4.00	4.00	4.00
Water Utility Worker II	5.00	5.00	5.00	5.00
Water Utility Worker I	4.00	4.00	4.00	4.00
<b>Total</b>	<b>15.25</b>	<b>15.25</b>	<b>15.25</b>	<b>15.25</b>

## 2021 & 2022 ACCOMPLISHMENTS:

- Exercised 1,296 valves, replaced 322 water services, and flushed 128 dead end mains in FY 2021
- Repaired/Replaced: 32 Fire Hydrant's, 16 valves and 37 mains
- Completed 8,473 USA locating duties
- Exercised 2,616 valves, replaced 471 water services, and flushed 22 dead end mains in FY 2022
- Repaired/Replaced: 48 Fire Hydrant's, 17 valves and 44 mains.
- Completed 8,500 USA locating duties

## 2023 & 2024 GOALS & OBJECTIVES:

1. CVWD's preventative maintenance program is the foundation for providing reliable: water, recycled water and wastewater service (Service 2)
  - Maintain and operate water distribution system which includes exercising 7,000 valves and the replacement of 500 aged water service lines per year (Ongoing)
2. Use technology to maintain efficient asset management (Water 2D)
  - Water/Sewer Maintenance teams continue to collaborate with GIS to ensure GeoViewer computerized maintenance management software data is accurate and representative of field conditions (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021	FY 2022	FY 2022	FY 2023	FY 2024
		Actual	Target	Estimate	Forecast	Forecast
Valve exercising program	7,000	1,296	7,000	2,616	7,000	7,000
1-inch service replacement program	500	322	500	471	500	500
Dead end/blow-off valve flushing	1,500	128	1,500	600	1,500	1,500

## OPERATING EXPENSES:

	2021	2022	2023	% Change (FY23-22)	2024	% Change (FY24-23)
	Actuals	Revised Budget			Budget	
Wages & Benefits	\$2,202,765	\$2,074,018	\$2,259,987	9%	\$2,377,961	5%
Outside Labor	-	15,300	15,300	0%	15,300	0%
Professional Development	11,123	19,100	20,400	7%	20,400	0%
Personnel Costs	13,916	28,300	25,000	(12%)	25,800	3%
Utilities	12,361	15,100	15,100	0%	15,700	4%
Materials & Supplies	606,731	501,400	650,000	30%	670,000	3%
Outside Services	140,571	397,100	422,500	6%	435,700	3%
Miscellaneous	8,455	7,500	9,000	20%	9,000	0%
<b>Total</b>	<b>\$2,995,920</b>	<b>\$3,057,818</b>	<b>\$3,417,287</b>	<b>12%</b>	<b>\$3,569,861</b>	<b>4%</b>

## SIGNIFICANT CHANGES:

Wages and benefits have increased due to a COLA placeholder, which has been postponed due to the recent economic uncertainty. A 4% salary band is build-in for employee performance based merit increases, for those who have not hit the top of their salary range. As well as a slight increase in the cost of health insurance. Budget increase requested in Materials and Supplies and Miscellaneous categories in consideration of the current and anticipated inflationary costs.

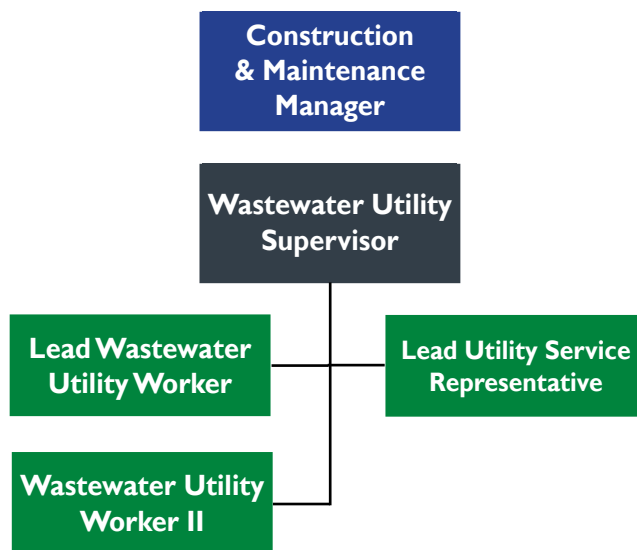


# Collection & Transmission

## DESCRIPTION OF SERVICES PROVIDED:

Collection & Transmission’s responsibilities include the maintenance and repair of the District’s sewer collection system infrastructure which includes sewer mains, sewer laterals, lift stations, and inverted siphons. This division implements the preventative maintenance programs to monitor wastewater flows and clean the system. The division’s mission is to ensure the entire collection system is clean and free-flowing at all times while providing protection to the environment and public health. The division provides 24 hour emergency response to sewer emergency calls.

## STAFFING:



Position	FY 2021	FY 2022	FY 2023	FY 2024
Construction & Maintenance Manager	0.25	0.25	0.25	0.25
Water Utility Supervisor	1.00	1.00	1.00	1.00
Lead Utility Service Representative	0.50	0.50	0.50	0.50
Lead Wastewater Utility Worker	3.00	3.00	3.00	3.00
Water Utility Worker II	4.00	4.00	4.00	4.00
<b>Total</b>	<b>8.75</b>	<b>8.75</b>	<b>8.75</b>	<b>8.75</b>

## 2021 & 2022 ACCOMPLISHMENTS:

- FY21: Inspected 6,650 manholes, cleaned 426 miles and CCTV 90,000 feet of sewer collection system and 36 sewer lateral inspection/repairs
- FY22 (exp.): Inspected 4,332 manholes, cleaned 300 miles and CCTV 15,000 ft. of sewer collection system and 31 sewer lateral inspection/repairs
- Assisted the Engineering Department on 5 siphon reroute and 2 sewer mainline CIP's
- Cleared 8<sup>th</sup> at Vineyard siphon saving over \$50,000.00 in contractor repairs
- Consistently maintained zero sanitary sewer overflows in the District's area of responsibility
- Actively participated in organizations in the wastewater industry
- Continued training and developing staff in industry certifications and techniques

## 2023 & 2024 GOALS & OBJECTIVES:

1. CVWD's preventative maintenance program is the foundation for providing reliable: water, recycled water and wastewater service (Service 2)
  - Maintain and clean sewer mains with the goal of protecting the environment and public health
  - Clean 430 miles of sewer lines and inspect 8,000 manholes every 18 months (Ongoing)
  - Staff development: design and install training facility/simulator for SSO spill estimation (Ongoing)
2. Use technology to maintain efficient asset management (Water 2D)
  - Water/Sewer Maintenance teams to collaborate with GIS in continuing to improve the GeoViewer computerized maintenance management software (Ongoing)

## PERFORMANCE MEASURES:

Performance Measurement	Target	FY 2021 Actual	FY 2022 Target	FY 2022 Estimate	FY 2023 Forecast	FY 2024 Forecast
Total miles of Sewer Line cleaned	430	426	430	300	400	400
Total miles of Sewer Line reviewed with closed-circuit television	75	30	75	30	70	70
Number of sanitary sewer overflows	0	0	0	0	0	0

## OPERATING EXPENSES:

	2021 Actuals	2022 Revised Budget	2023 Budget	% Change (FY23-22)	2024 Budget	% Change (FY24-23)
Wages & Benefits	\$1,481,356	\$1,361,266	\$1,469,750	8%	\$1,530,690	4%
Outside Labor	-	33,000	33,000	0%	33,000	0%
Professional Development	5,826	9,400	9,900	5%	9,900	0%
Personnel Costs	6,433	9,200	8,000	(13%)	8,300	4%
Utilities	6,915	9,600	7,200	(25%)	7,442	3%
Materials & Supplies	72,517	88,900	100,500	13%	104,000	3%
Outside Services	43,803	74,200	95,500	29%	98,400	3%
Miscellaneous	309	-	-	0%	-	0%
<b>Total</b>	<b>\$1,617,159</b>	<b>\$1,585,566</b>	<b>\$1,723,850</b>	<b>9%</b>	<b>\$1,791,732</b>	<b>4%</b>

## **SIGNIFICANT CHANGES:**

Wages and benefits have increased due to a 4% COLA placeholder. The COLA has not yet been implemented due to an ongoing compensation study which may have an impact on the amount of the COLA. This study will not be completed in time for the Budget. A 4% wage increase is built-in for employee performance-based merit increases for those employees who have not reached the top of their salary range. A slight increase in the projected cost of health insurance has also been included. Budget increase requested in Materials and Supplies and Outside Services in consideration of the current and anticipated inflationary costs in these categories.



# ACRONYMS & GLOSSARY

# ACRONYMS

AC	Air Conditioner
ACFR	Annual Comprehensive Financial Report
ACH	Automated Clearing House
ACWA	Association of California Water Agencies
ADA	Americans with Disabilities Act
AED	Automated External Defibrillator
AF	Acre-Foot or Acre-Feet
AFY	Acre-Feet per Year
AGM	Assistant General Manager
AHBWTP	Arthur H. Bridge Water Treatment Plant
AutoCAD	Automated Computer Aided-Design and Drafting
AV	Audiovisual
CAD	Computer-Aided Design
CalPERS	California Public Employees Retirement System
CAP	Customer Assistance Program
CBMWD	Chino Basin Municipal Water District
CBWM	Chino Basin Water Master
CCWD	Cucamonga County Water District
CEO	Chief Executive Officer
CEQA	California Environmental Quality Act
CIP	Capital Improvement Project
Cla-Val	Automatic control valves
CMMS	Computerized Maintenance Management System
COLA	Cost of Living Adjustment
COP	Certificates of Participation
CPA	Certified Public Accountant
CPI	Consumer Price Index
CPR	Cardio-Pulmonary Resuscitation
CSDA	California Special Districts Association
CSMFO	California Society of Municipal Finance Officers
CSTI	California Specialized Training Institute
CVRA	California Voter's Right Act
CVWD	Cucamonga Valley Water District
CWC	Cucamonga Water Company
CWEA	California Water Environment Association
CWSRF	Clean Water State Revolving Fund
DDW	Division of Drinking Water
EAM	Enterprise Asset Management
ECT	Employee Cross Training Program
EDU	Equivalent Dwelling Unit
ELC	Environmental Learning Center
ERP	Enterprise Resource Planning
FDM	Field Deployment Manager
FMLA	Family and Medical Leave Act
FN	Fixed Network
FOG	Fats, Oils, and Grease
FP	Frontier Project

FSE	Food Service Establishment
FTE	Full-Time Equivalent
FY	Fiscal Year-End
FYE	Fiscal Year-End
GAAP	Generally Accepted Accounting Principles
GAC	Ganular Activated Carbon
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographical Information System
GM	General Manager
GPA	Government and Public Affairs
GPS	Global Positioning System
HCF	Hundred cubic feet
HR	Human Resources
HVAC	Heating, Ventilation, and Air Conditioning
I.T.	Information Technology
IEUA	Inland Empire Utilities Agency
IVR	Interactive Voice Response
JCSD	Jurupa Community Services District
JPA	Joint Powers Authority
JPIA	Joint Powers Insurance Authority
LAFCO	Local Agency Formation Commission
LAIF	Local Agency Investment Fund
LMWTP	Lloyd W. Michael Water Treatment Plant
LWMWTP	Lloyd W. Michael Water Treatment Plant
MDM	Mobile Device Management
MG	Million gallons
MGD	Million gallons per day
MWD	Metropolitan Water District of Southern California
N/A	Not Applicable
NPDES	National Pollutant Discharge Elimination System
NTF	Nitrate Treatment Facility
NTU	Nephelometric Turbidity Units
OBMPU	Optium Basin Management Plan Update
OPEB	Other Post-Employment Benefits
PARS	Public Agency Retirement Service
Pay-Go	Pay as You Go
PLC	Programmable Logic Controllers
PSI	Pounds per square inch
RCMU	Rancho Cucamonga Municipal Utility
RFP	Request for Proposal
RTS	Readiness to Serve
SB	Senate Bill
SCADA	Supervisory Control and Data Acquisition
SCE	Southern California Edison
SGMA	Sustainable Groundwater Management Act
SOP	Standard Operating Procedure
SOW	Statement of Work
SQL	Structured Query Language
SSMP	Sewer System Management Plan

SWRCB	State Water Resources Control Board
SYR	Safe Yield Reset
TBD	To Be Determined
UCR	University of California Riverside
USFS	United States Forest Service
UV	Ultra Violet
VCP	Vitrified Clay Pipe
VOIP	Voice Over Internet Protocol
VPN	Virtual Private Network
WDR	Waste Discharge Requirement
WSCP	Water Shortage Contingency Plan
WSSCP	Water Supply Shortage Contingency Plan
WTP	Water Treatment Plant
WWP	Water Watch Program

## GLOSSARY

**Account** – A systematic arrangement showing the effect of a business transaction. A separate account exists for each asset, liability, equity, revenue, and expense

**Accrual Basis of Accounting** – The method of recording financial transactions in the accounting period in which revenues are earned and expenses are incurred, rather than only after cash is received or paid

**Acre-Feet** – The volume of water that would cover one acre to a depth of one foot. Equal to 325,851 gallons or 43,560 cubic feet of water

**Adoption** – Formal action by the Board of Directors

**Amortization** – The paying off of debt in regular installments over a period of time

**Annual Comprehensive Financial Report** – The official annual report, including financial statements, statistical information, and extensive narration, which goes beyond the minimum financial reporting

**App** – Application software

**Appropriation** – The act of setting aside money for a specific purpose

**Assets** – Resources owned or held by an entity which have monetary value

**AutoCAD** – Automated Computer Aided-Design and Drafting

**Automated Clearing House** – electronic payment to vendors

**Balanced Budget** – A budget for which expenses are equal to income

**Budget** – The District’s financial plan balancing proposed expenses for a certain period of time to the expected revenue for that same period

Capital Expenses – Expenses which result in the acquisition of, or addition to, fixed assets, including land, buildings, improvements, machinery, and equipment

Capital Improvement Project – An addition of a new pipeline or facility, a renovation or major maintenance to existing facilities, a major landscape improvement, land, or one-time major equipment purchase

Certificates of Participation – A form of lease-purchase financing used to construct or acquire capital facilities and equipment

Cla-Val – Automatic control valves

Computer Aided Design – The use of a wide range of computer-based tools that assist engineers, engineering technicians, and other design professionals in their design activities.

Debt – The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on long-term debt

Depreciation – A portion of the cost of a fixed asset which is charged as an expense during a year, representing an estimate of the value of the asset used up during that year as a result of wear, deterioration, obsolescence, or action of the physical elements

Enterprise Fund – A fund which accounts for the financing of a self-supporting enterprise for which a fee is charged to external users for goods or services

Enterprise Resource Planning – is business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back office functions related to technology, services and human resources

Equivalent Dwelling Unit – A standard unit of measurement of water discharged into the sewer collection and treatment system equal to the average discharge from a detached single-family unit

Expenses – An outflow of assets, not necessarily in cash, in exchange for materials or services received for the ordinary course of business

Fiscal Year – A twelve-month period of time to which the annual budget applies and, at the end of which an entity determines its financial position and the results of its operations, in this case from July 1 to June 30

Fixed Asset – A tangible item which provides benefit over more than one year, such as property, plant, and equipment

Fixed Network – A wireless network technology which allows the remote collection of data from water meter devices

Fund – A set of accounts used to account for a specific activity, such as a water system or sewer treatment plant

Fund Balance/Net Position – The difference between the assets and liabilities for a particular fund at any given point in time

Generally Accepted Accounting Principles – The uniform accounting principles, standards, and procedures for the presentation of financial reports. For local governments, GAAP is set by the Government Accounting Standards

## Board

Geographical Information System – An information system integrating maps with electronic data

Hundred cubic feet – Unit of measure of water volume equivalent to 748 gallons or 1/435.6 acre-feet

Inland Empire Utilities Agency (IEUA)– A supplemental water supplier and regional wastewater treatment agency with domestic and industrial disposal systems and energy recovery/production facilities

Metropolitan Water District of Southern California (MWD)– Imports water from the Colorado River and Northern California Bay Delta and sells it at wholesale to its member agencies

Operating Expenses – All costs associated with doing the day-to-day business of the District which are not considered capital improvements or debt repayments

Projected – An estimate of revenues and/or expenses based on past trends, the present economic situation, and future financial forecasts

Public Agency Retirement Service (PARS)– A supplemental retirement plan

Request for Proposal – is utilized by the District to solicit vendor bids

Reserves – Assets that are set aside in an account for a specific future use

Resolution – A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute

Southern California Edison (SCE)– The primary electricity supply company for much of Southern California

State Water Resources Control Board – An oversight board for the California Environmental Protection Agency

Voice over IP (VOIP)– Is a methodology and group of technologies for the delivery of voice communications and multimedia sessions over Internet Protocol (IP) networks

WIFI – a facility allowing computers, smartphones, or other devices to connect to the Internet or communicate with one another wirelessly within a particular area



Cucamonga Valley  
Water District

*Service Beyond Expectation*

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