West Valley Water District

BUDGET

RIALTO, CA

FISCAL YEAR 2026-2027



West Valley Water District
Budget Fiscal Year 2026 - 2027



Adopted Version - 6/18/2026

Last updated 10/29/26

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INTRODUCTION

Budget Award

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

West Valley Water District
California

For the Fiscal Year Beginning

July 01, 2025

Christopher P. Morrill

Executive Director



General Manager's Message

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

On behalf of the West Valley Water District (District), I am pleased to present Fiscal Year (FY) 2026-27 Operating and Capital Budgets. The Budget is the District's financial plan for the next fiscal year and shows a continuing commitment to operational excellence and maximizing efficiencies. The annual Budget supports the District's mission of providing our customers with high-quality, reliable, sustainable, and cost-effective drinking water services while maintaining a strong financial position.

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

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

Factors Impacting the District

Short-Term

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

The Districts' initiative to align costs with rates continued as the Cost of Service Study was completed during Fiscal Year 2025-26. The resulting rate adjustments took effect in January 2026, with additional changes scheduled for January 2027. These updates support short-term financial sustainability by ensuring that rates are properly aligned with the Districts' cost structure.

Long-Term

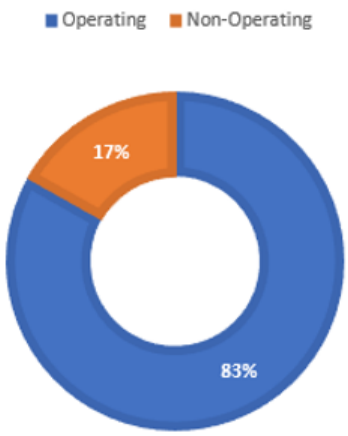
The District faces ongoing challenges of replacing aging infrastructure and building new improvements to support continued growth and improve water deliveries. The District has updated its Ten-Year Capital Improvement Program (CIP) as part of the Cost-of-Service Study. The planned CIP budget for Fiscal Year 2026-27 is $43.8 million, utilizing various funding sources such as operating revenue, capacity charges, and use of available restricted capacity fee funds. The Budget prioritizes timely replacement and rehabilitation of aging assets, investment in expansion and improvement of facilities to meet anticipated growth and regulatory compliance requirements.

Budget Highlights

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

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

Uses of Funds
Expenses
FY 2026-27
$47,057,954



The total budget for FY 2026-27 is $47.0 million with $39.1 million (83.2%) in operating and $7.9 million (16.8%) in capital and debt. The Operating Budget increased by $3.06 million (8%) and the Non-Operating Budget decreased by $2.4 million (23%) as compared to the FY 2025-26 budget.

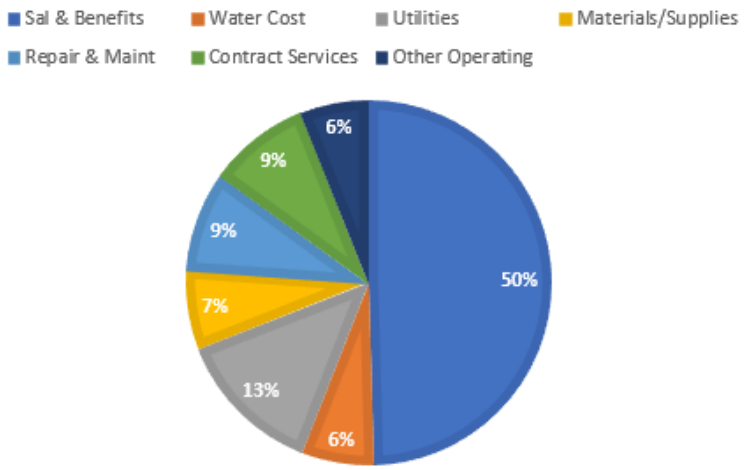
Budgetary changes are explained in more detail in the following sections.

Operating Expense

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

By Type

The total Operating Budget is $39.1 million for FY 2026-27. The graph below illustrates the operating expenses by major categories:



The graph above shows the two largest expenditure types: (1) Salaries & Benefits (2) Utilities. These two expenditure types make up 63% of the operating expenses, and are discussed in detail below.

Salaries & Benefits

Personnel-related costs represent the largest portion of the Operating Budget. The District continuously works to improve operational efficiencies throughout all areas. Several organizational assessments have been completed to control staffing levels, ensure high quality service to the community, and manage growth within the District's boundaries.

For FY 2026-27, an increase of $1,698,188 (9.6%) in salaries and benefits is included in the adopted budget. On average, Merit (Step) increases for employees who have not reached the top step in their pay range, subject to annual performance evaluations, drive this increase. Salaries and benefits for the fiscal year are based on the current Memorandum of Understanding (MOU), which includes a salary Cost of Living Adjustment (COLA) increase of 4% starting July 1, 2026.

The District maintained 88 full-time positions in FY 2026–27 as in FY2025-26.

Utilities

The second-largest operating expense is utilities. The major component of utilities is electrical power. Electrical power is used to extract groundwater through wells, to treat imported water, surface water, and groundwater when necessary, and to distribute water throughout nine pressure zones within the District using booster pumps. There was a small decrease of $21,590 (0.42%) in utilities in the FY 2026-27 adopted budget.

Repair & Maintenance

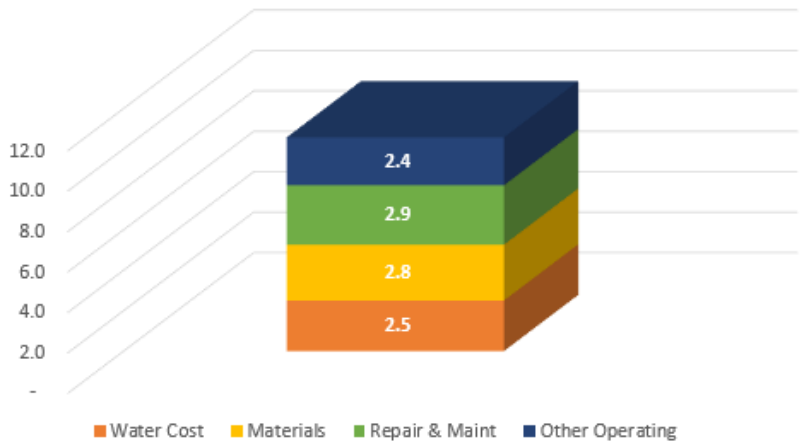
The third-largest operating expense is the Repair and Maintenance fund for ongoing needs for water maintenance, facilities maintenance, and fleet maintenance in order to meet the District's goals and objectives. A total of $3.4 million has been allocated for repair and maintenance related to water, facilities, and fleet in the FY2026-27 adopted budget. In recent years, the District has made efforts to replace aging vehicles and aging infrastructure. This effort continues during FY26–27 and the budget has been increased.

Contract Services

The cost of contract services for FY 2026-27 is $3.5 million, an increase of $211,350 (6%) from the prior year, FY2025-26. This major increase is due to several studies that will be completed during the year, such as the Water Facilities Master Plan, and ten-year CIP projects.

Other Operating Expenses

The graph below displays expenditures by type for the remaining 28% of operating expenses:

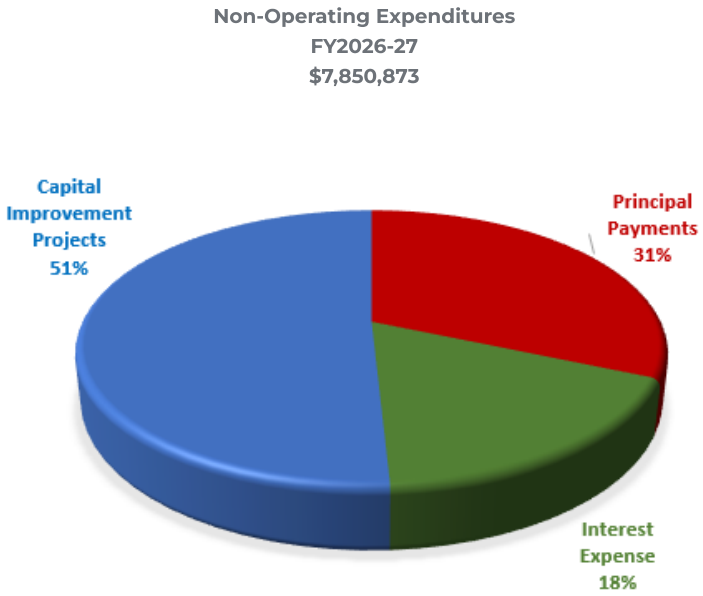


Water costs increased by 6% or $138,117 in FY2026-27. This increase is minor, and it's just an inflation adjustment for water costs.

Non-Operating Expenditures Budget

The Non-Operating Expenditures Budget for FY 2026-27 is $7.9 million, 17% of the entire Expenditures budget. Non-operating expenditures includes the cost of Capital Improvement Projects (CIP) for District infrastructure and the annual debt service payments on long-term debt — both principal and interest.

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



The largest non-operating expenditure is CIP. FY 2026-27 budget includes $4.0 million for CIP expenditures from which will be funded using operating reserves. In an effort to maintain long-term financing needs, the District continues to aggressively pursue grant and loan financing options to help with the ongoing need to replace aging infrastructure. Detailed funding information can be found in the Capital Improvement Section of this document.

Below is a list of some of the major projects included in the CIP budget of FY 2026-27:

CIP Project Description	Project Total
Lord Ranch Facility Improvements	12,370,919
Bloomington Alley Way Main Replacement Phase 3B	4,020,000
OPR WFF - 7.2 mgd Treatment Plant Expansion	3,938,603
Reservoir 2-3 Re-coating and Modifications	2,982,515
Bloomington Alley Way Main Replacement Phase 3C	2,869,069
Other Small Projects [47]	17,280,703
Total	43,461,808

Below is a brief description of the five largest projects:

Lord Ranch Facility Improvements

The proposed project consists of a 1-million gallon (1.0mg) steel welded reservoir and pump station to be constructed within Zone 4 of the District's Service Area. The reservoir will measure 80 feet in diameter and 32 feet in height, with two 30-inch pipelines connecting the proposed reservoir and pump station to existing facilities. The pumping station would be sized with eight booster pumps with an approximately 2,980 gallons per minute (gpm) capacity and a station capacity of approximately 20.0 million gallons per day (mgd) (20,860 gpm with one pump on standby). The pumping station would initially be equipped with four pumps for a capacity of 8.6 mgd or 8,940 gpm with one pump on standby. For security purposes, the project also includes the construction of approximately 1.82 acres of asphalt driveways and paved areas around the proposed pump station, reservoir, and treatment facility. The project will install perimeter fencing and a wall for security and add site access controls.

Bloomington Alleyway Main Replacement Phase 3B

The project includes a new 8-inch (8") approximately 5,800 linear feet and new 12-inch (12") approximately 400 linear feet water distribution pipelines within the public right-of-way connecting to existing distribution mains at Locust and Cedar Avenues along 7th and 9th Streets, including reconnecting services with new piping from the main to the front of the properties within the area. The current mains servicing the area are nearing the useful service life and located in difficult alleyways at the rear of the properties. This project is in support of the District's Strategic Plan Goal to manage and deliver a safe, reliable, and sustainable water supply and strategy to apply planning efforts with best practices.

Oliver P. Roemer (OPR) Water Filtration Facility (WFF) – 7.2 MGD Treatment Plant Expansion

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

Reservoir 2-3 Re-coating and Modifications

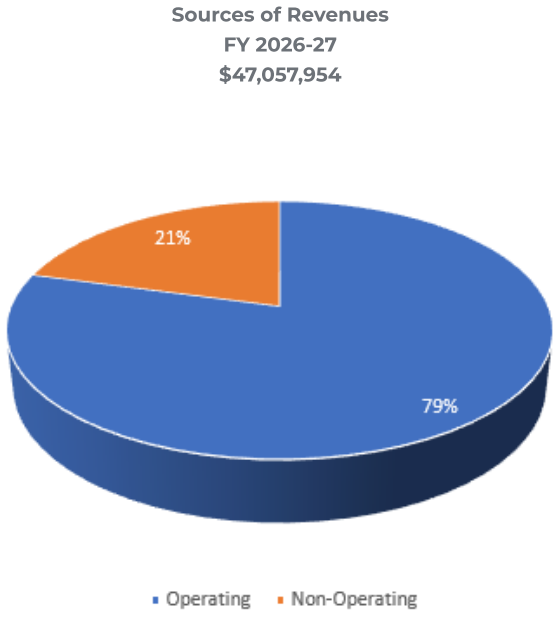
In partnership with a developer funded project this project will provide a new coating, install safety upgrades and install a new cathodic protection system to the existing 4 million gallon welded steel tank in Zone 2.

Bloomington Alley Way Main Replacement Phase 3C

This project will replace roughly 7,000 linear feet of 8-, 12- and 24-inch water mains in the Bloomington area near 7th Street, 9th Street, Maple Avenue, Cedar Avenue, and Linden Avenue. The current mains servicing this area are nearing the end of their useful lives and are in difficult to access alleyways.

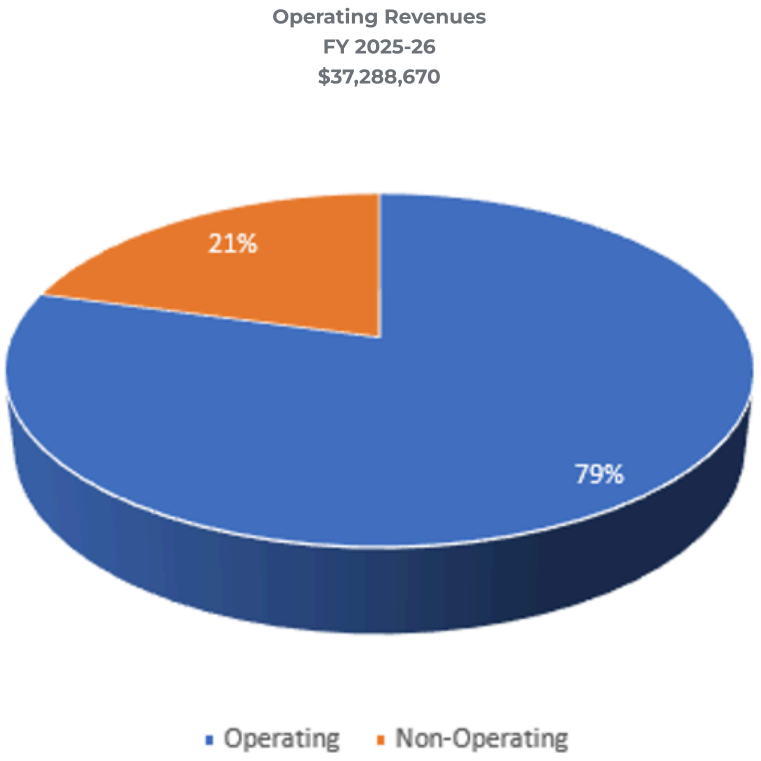
Sources of Revenues

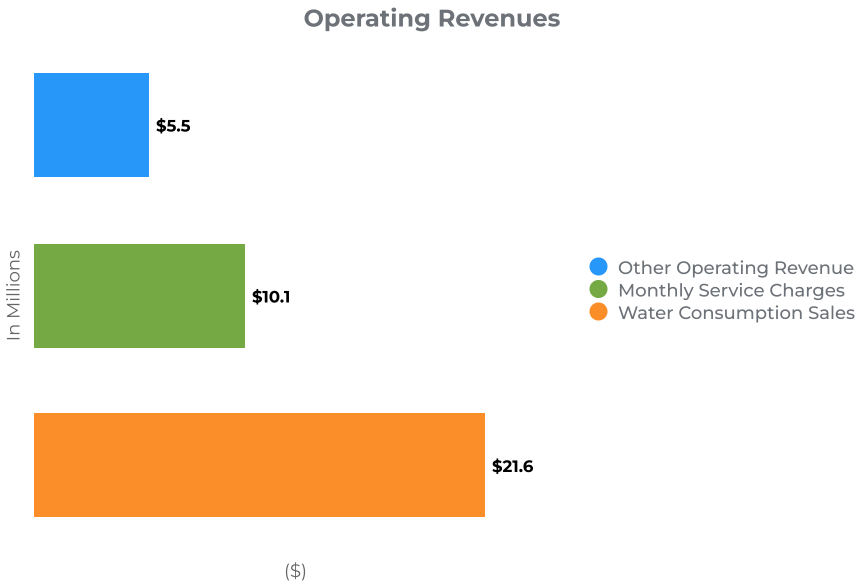
Total Revenue Budget is $47 million for FY 2026-27. The main sources of revenue are Operating Revenues and Non-Operating Revenues.


Sources of Revenues
FY 2026-27
$47,057,954
21%
79%
Operating
Non-Operating

Operating Revenues Budget

The District's Operating Revenues consists of Water Consumption Sales, Monthly Service Charges, and Other Operating Revenue. The revenues are derived from monthly user fees from the District's drinking water customers. The District receives 78% of its revenues from consumption rates and user fees. The proposed Operating Revenues are $37.2 million for FY 2026-27.



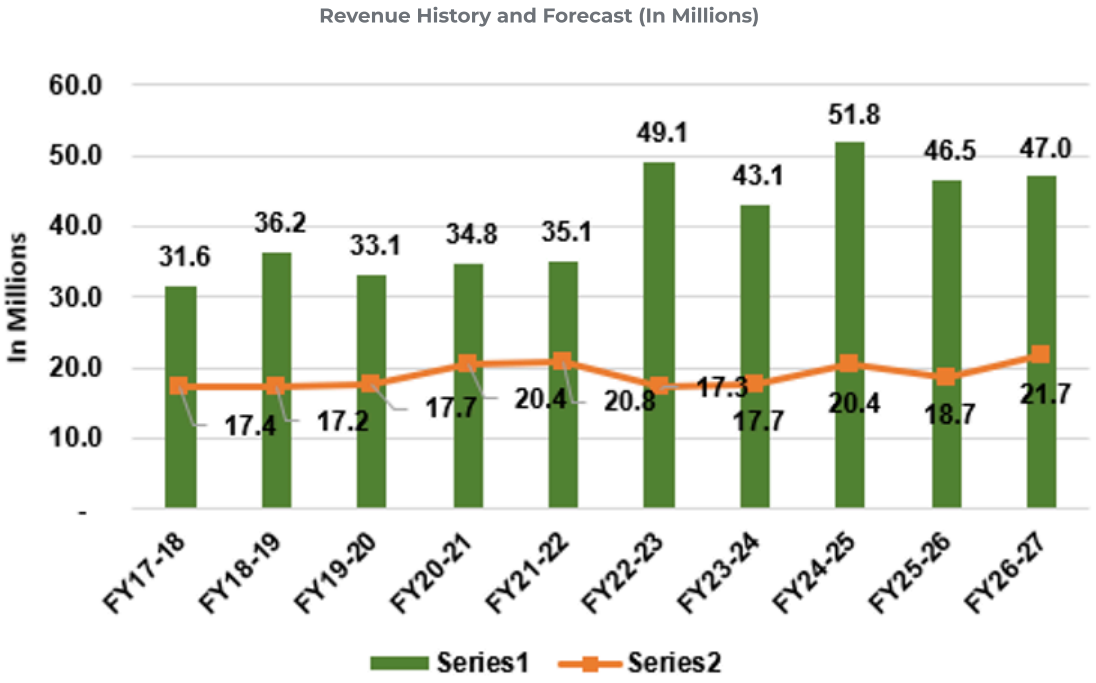


Water Consumption Sales

The proposed Water Consumption Sales budget is $21.6 million for FY 2026-27. This category is 46% of total revenues for FY 2026-27. The District produces potable water for sale as follows: single-family, commercial, landscape irrigation, fire service, multi-family, institutional, hydrant, industrial, agricultural irrigation, and wholesale water. All customers are billed monthly on the amount of water used, which is metered and measured in hundred cubic feet (HCF) units where 1 HCF is equal to 748 gallons.

The District bills for water consumption in three ascending rate tiers. The tiers are based on the amount of water used. Tier 1= 0-10 Units, Tier 2= 11-30 Units, and Tier 3= 31+ Units. The District's rate structure encourages customers to control water usage, complies with existing state laws, and helps the District comply with state mandates during drought and emergency conditions.

The projections for Water Consumption Sales are based on water sales in volume, and the tier rates that will be effective throughout the year. The graph below shows historical Water Consumption Sales.



Monthly Service Charges

The proposed Monthly Service Charges budget is $10.1 million (22%) for FY 2026-27. The Monthly Service Charges consist of a fixed charge assessed to customers based on the size of the meter serving their property. This covers costs associated with meter reading, billing, customer service, and other administrative support functions. Service rates were changed in January 2026. Revenues are scheduled to increase as a result of District growth.

Other Operating Revenues

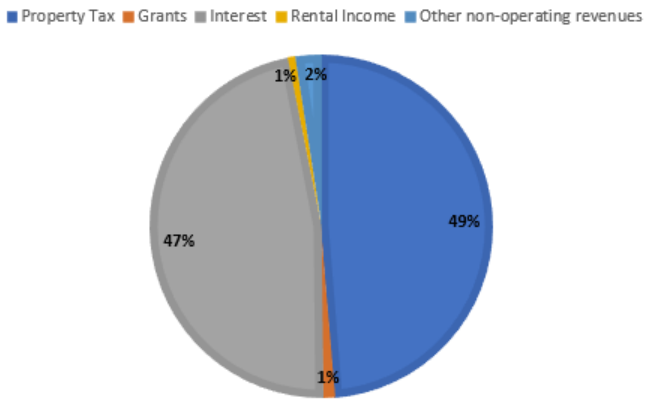
The District's other operating revenues are mostly derived from reimbursements from United Technologies Corporation (UTC) for the operation of the Fluidized Bed Reactor Treatment System (FBR), Baseline Feeder operations, delinquent charges, administration fees, and meter installation charges. The proposed Other Operating Revenues budget is $5.5 million in FY 2026-27.

Reimbursements from UTC for the operation of FBR is 42% of Other Operating Revenues and Baseline Feeder operations consist of 33%. Delinquent charges are 17% of the category, the last major category is Administrative Fees at 8%.

Non-Operating Revenues Budget

Property taxes are the largest category of Non-Operating Revenues; they make up 49% of the total budgeted non-operating revenues. The second-largest category is interest and investment income, making up 47% of the non-operating revenues. The proposed Non-Operating Revenues budget is $9.7 million in FY2026-27.

Non-Operating Revenues
FY 2026-27
$9,769,285



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

Property tax is received from the County of San Bernardino and County of Riverside, collected from properties within the District's boundaries. The District uses these funds to offset operational and non-operational expenses. The Property Tax budget is $4.7 million for FY 2026-27. As time goes on, the District continues to grow due to the constant development in the service area of the District. This, along with an expected decrease in interest rates caused property taxes to become the higher expected portion of non-operating revenue.

Other sources of revenue include grant revenue, rental income from cellular antenna leases, expense reimbursements, and a one-time payment due to an expected settlement.

Conclusion

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

The success of the District as an organization is vastly enhanced by the practices and policies put in place by the Board of Directors to ensure the strength and stability of the Agency. This budget accurately reflects the policies, priorities, and direction of the Board of Directors, and provides a sound financial plan for FY 2026-27.

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

RESOLUTION NO. 2026-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST VALLEY WATER DISTRICT ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEAR 2026-2027

WHEREAS, West Valley Water District is a Public Agency of the State of California, established under Division 12 of the Water Code of the State of California; and

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

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

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE WEST VALLEY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Board of Directors desires to have a budget review process, which provides for the Board of Directors participation and includes executive staff member comments in the development of the budget.

SECTION 2. The Board of Directors desires to adopt a budget for each fiscal year that provides for adequate maintenance of infrastructure and orderly replacement of equipment.

SECTION 3. The Board of Directors desires to adopt a budget where revenues are sufficient to meet expenses.

SECTION 4. The Board of Directors hereby authorizes the General Manager to present a budget to the Board of Directors for adoption prior to the beginning of each fiscal year.

SECTION 5. The Board of Directors authorizes the General Manager, if the revenue of the proposed budget is not sufficient to meet expenses, to propose alternatives to balance the budget, including use of reserves or other methods, with Board approval.

SECTION 6. The Board of Directors hereby establishes that additional funds may be considered for use during the fiscal year as needs arise with the approval of the Board of Directors.

SECTION 7. The Board of Directors hereby establishes that quarterly financial reports will be prepared by the Chief Financial Officer comparing actual revenues and expenses to budget amounts.

SECTION 8. The Board of Directors of the West Valley Water District does hereby adopt the reference Operations and Capital Improvement Budget for Fiscal Year 2026-2027.

BE IT FURTHER RESOLVED that said Resolution shall be effective July 1, 2026.

PASSED, APPROVED AND ADOPTED this 18th day of June, 2026.

KELVIN MOORE
President
Board of Directors
West Valley Water District

ATTEST:

KARA JOHNSON
Acting Board Secretary

CERTIFICATION

I, Kara Johnson, Acting Board Secretary of the West Valley Water District, do hereby certify that the foregoing Resolution No. 2026-10 was duly adopted by the Board of Directors of the West Valley Water District at a regular meeting held on June 18, 2026, by the following vote:

AYES:	BOARD MEMBERS: BENNETT, JENKINS, YOUNG, GARCIA, MOORE
NOES:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:

Dated: June 18, 2026

Kara Johnson
Acting Board Secretary

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History & Profile

West Valley Water District serves over 100,000 people, spanning two counties in Southern California in a 32 square-mile area, including portions of the communities of Bloomington, Colton, Fontana, Rialto, Unincorporated San Bernardino, and Jurupa Valley.

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



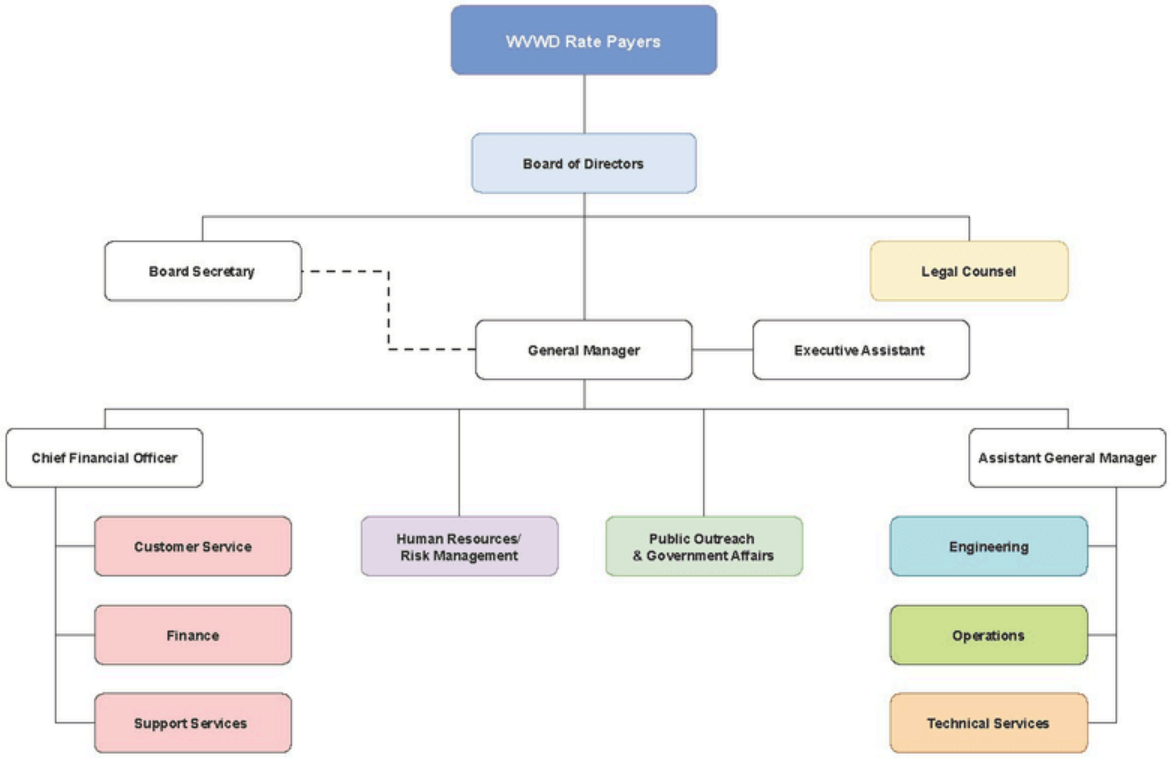
During the 1970's and 1980's, the District grew and homes, businesses and schools soon surpassed agricultural water use. There were other mergers where smaller water companies became a part of the District. By the end of the 1980's, our water facilities included 180 miles of pipeline, 12 reservoirs and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

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



Currently, we have eight treatment plants, 415 miles of pipeline, 23 reservoirs, 19 wells, and approximately 25,500 service connections. Our customers continue to enjoy clean, affordable drinking water that is still less than a penny a gallon. The District looks forward to serving its customers and the community for many years to come.

Organization Chart



Vision, Mission & Statement of Values

Mission Statement

The West Valley Water District provides our community with high-quality and reliable water service in a cost-effective and sustainable manner.

Vision Statement

West Valley Water District will be a model for innovation and sustainability, with a commitment to our growing communities and our employees.

Statement of Values

Innovation

West Valley Water District fosters innovation, creativity, and ingenuity as we constantly seek to strengthen our services, programs, and practices.

Regional Partner

West Valley Water District is a proactive leader and partner in regional collaboration projects and programs that improve our community and the water supply.

Preferred Workplace

West Valley Water District offers an empowering work environment that promotes diversity, equity, and inclusion where employees can succeed.

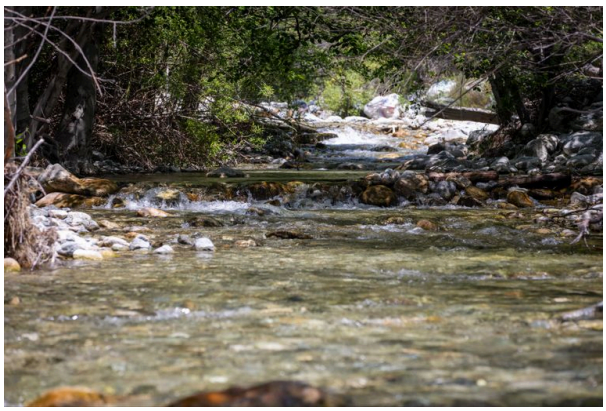
Public Trust & Integrity

West Valley Water District fosters a culture of openness, transparency, and accountability to our community and stakeholders.

Sustainability

West Valley Water District is committed to innovative solutions that support the long-term success of our organization.

Sources of Water



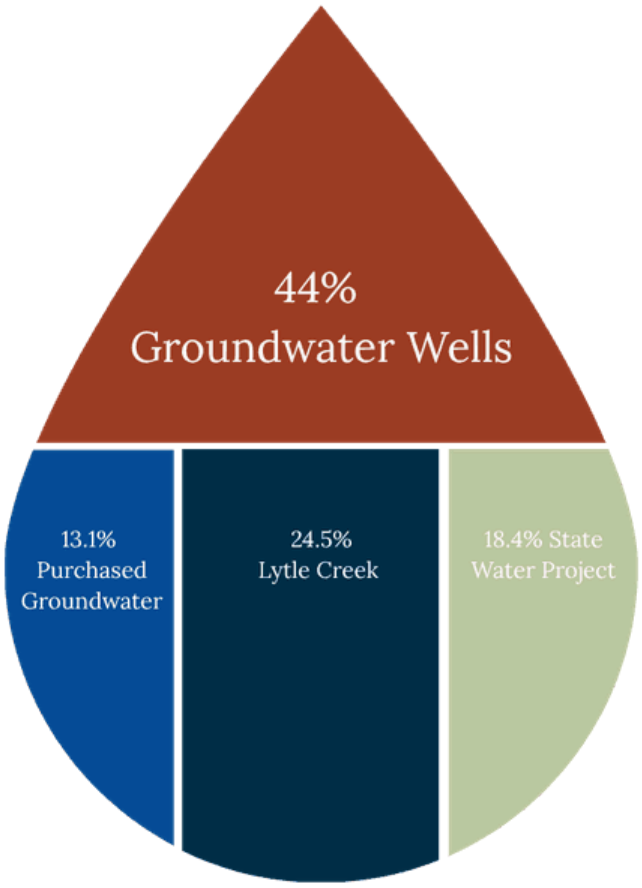
West Valley Water District obtains water from both local and imported sources to serve its customers and routinely tests for contaminants from these sources in accordance with Federal and State Regulations.

Local sources are divided into two categories; groundwater and surface water. Groundwater provides 44% of the District's water supply, the four local basins being used are: Bunker Hill Basin, Lytle Creek Basin, North Riverside Basin, and Rialto-Colton Basin. Also, 13.1% of groundwater is purchased from San Bernardino Valley Municipal Water District (Valley District) through the Baseline Feeder Project and from local wells in the Bunker Hill Basin.

Local surface water accounts for 24.5% of water supply, the source is Lytle Creek in the San Bernardino Mountains. This water is treated at WVWD's Oliver P. Roemer Water Filtration Facility.

Imported water consists of 18.4% of water supply, the source is surface water purchased from the State Water Project through Valley District. This water is also treated at WVWD's Oliver P. Roemer Water Filtration Facility.

Sources Breakdown



Population Overview

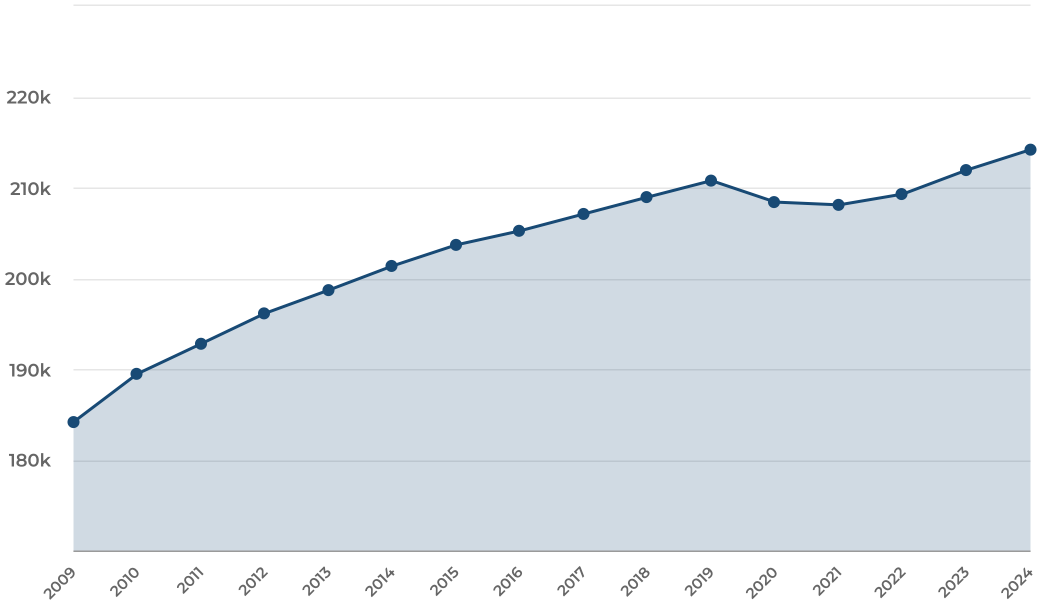
TOTAL POPULATION

214,169

▲ 1.1%
vs. 2023

GROWTH RANK

83 out of **509**
Municipalities in California



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

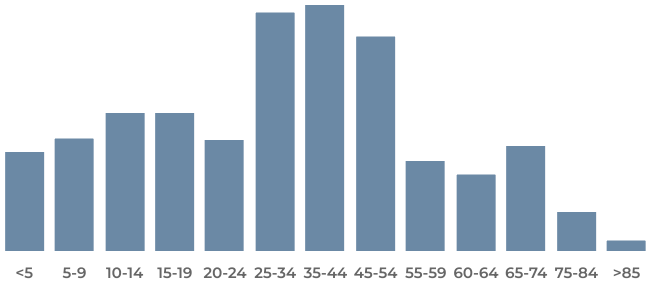
DAYTIME POPULATION

199,666

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

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

POPULATION BY AGE GROUP



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

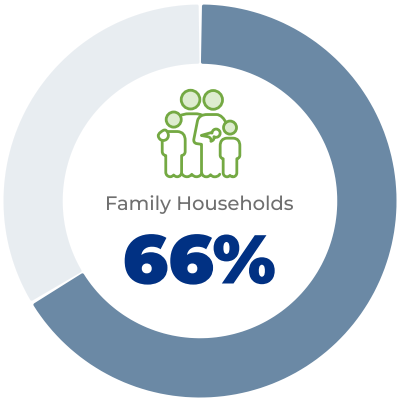
** Data Source: American Community Survey 5-year estimates*

Household Analysis

TOTAL HOUSEHOLDS

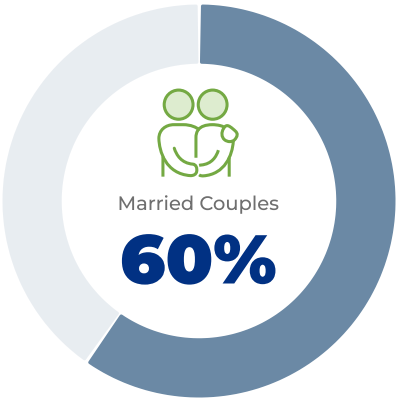
58,362

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



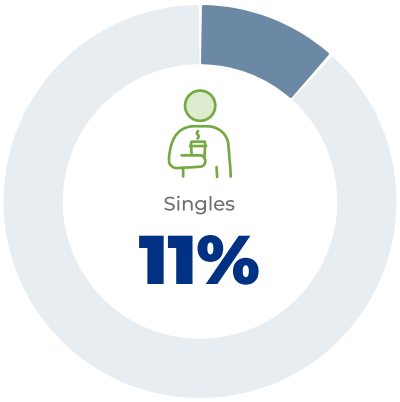
▲ 23%

higher than state average



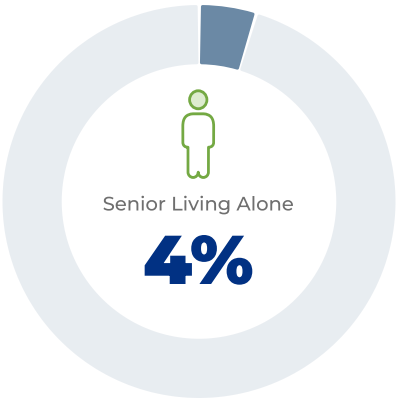
▲ 20%

higher than state average



▼ 53%

lower than state average



▼ 57%

lower than state average

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

Economic Analysis

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



HOUSEHOLD INCOME

Above $200,000

14%

▼ 32%
lower than state average

Median Income

$102,821

▲ 4%
higher than state average

Below $25,000

9%

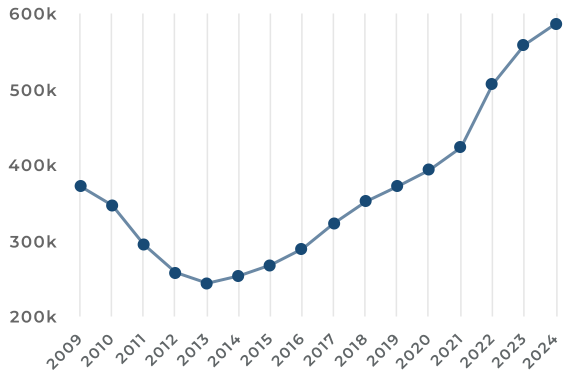
▼ 29%
lower than state average

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

Housing Overview

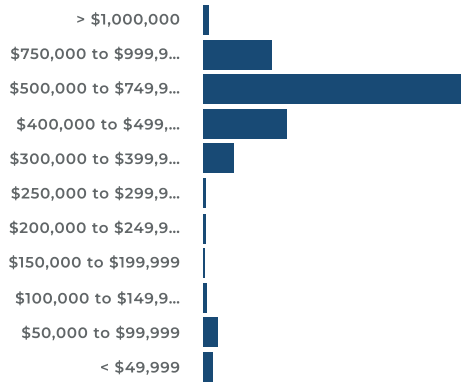
2024 MEDIAN HOME VALUE

$586,800



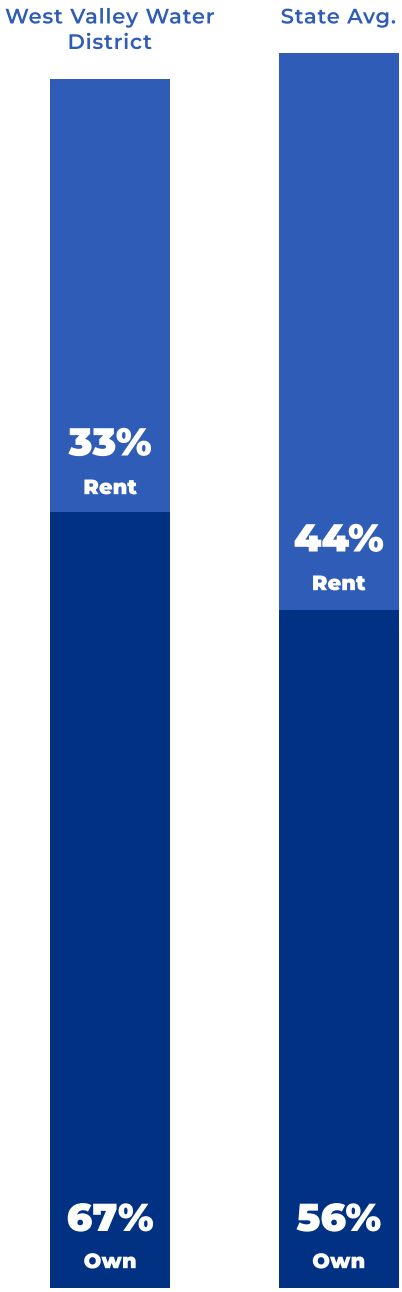
** Data Source: 2024 US Census Bureau (http://www.census.gov/data/developers/data-sets.html), American Community Survey. Home value data includes all types of owner-occupied housing.*

HOME VALUE DISTRIBUTION



** Data Source: 2024 US Census Bureau (http://www.census.gov/data/developers/data-sets.html), American Community Survey. Home value data includes all types of owner-occupied housing.*

HOME OWNERS VS RENTERS



** Data Source: 2024 US Census Bureau (http://www.census.gov/data/developers/data-sets.html), American Community Survey. Home value data includes all types of owner-occupied housing.*

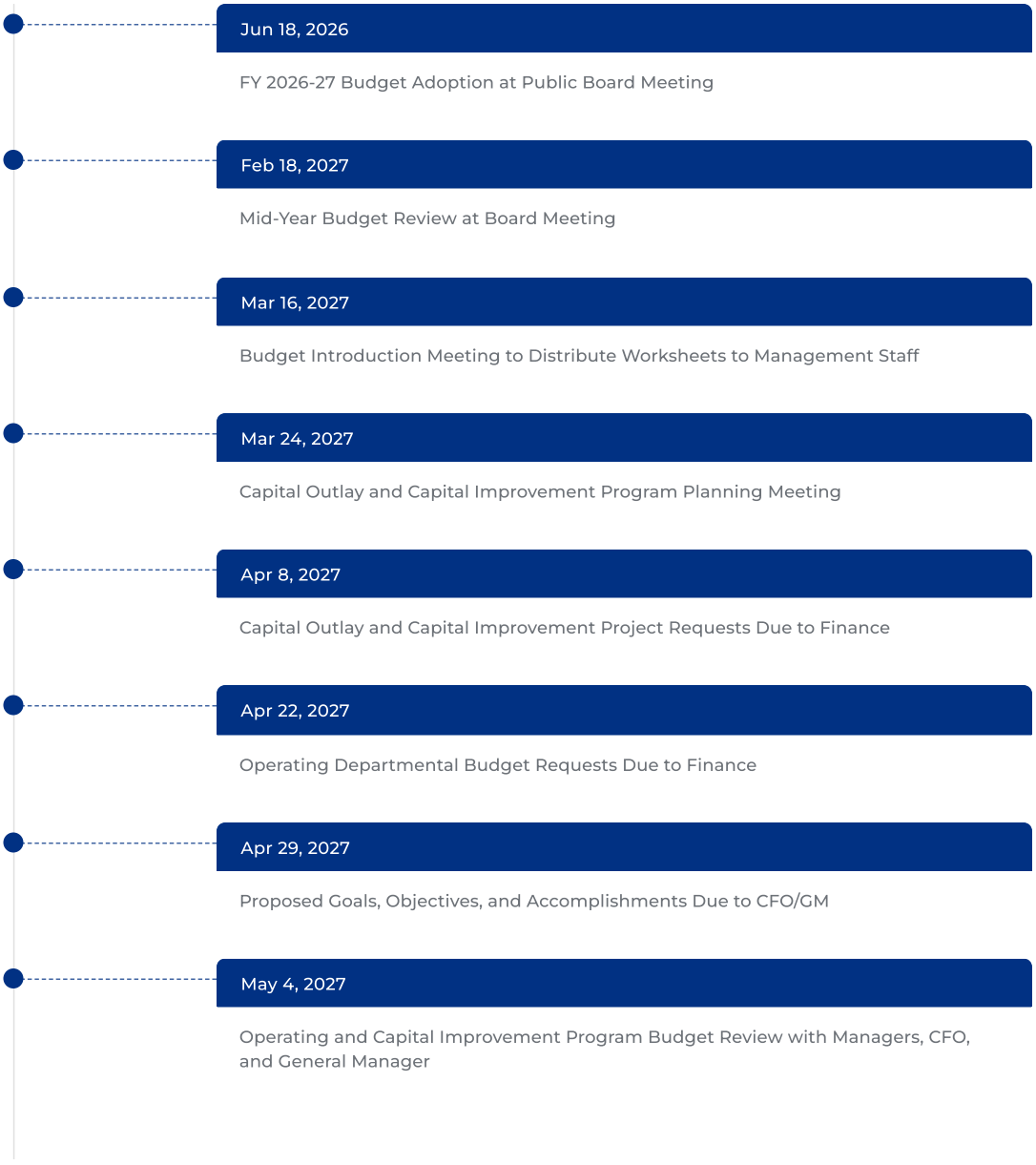
Budget Process & Timeline

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

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

- Accurate projections of capital budget needs, including maintenance and replacement.
- Reserve funding in accordance with the Reserve Policy to meet future growth demands and maintain financial stability.
- Pursue low interest loans for capital development projects.

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



May 17, 2027

Meet with Committees to present FY 2027-28 Budget and discuss proposed Departmental Goals, Objectives, Accomplishments and Revenue Projections.

May 19, 2027

FY 2027-28 Budget Complete with all Revisions

May 20, 2027

FY 2027-28 Budget Presentation at Public Board Meeting

Jun 14, 2027

Meet with Committees to Present Draft Budget for FY 2027-28

Jun 17, 2027

FY 2027-28 Budget Adoption at Public Board Meeting

Budget Control & Adjustments

In January of each year, District management meets to analyze revenues and spending to determine whether realized revenue has exceeded revenue projections to the extent that additional program services or capital projects can be proposed, and to determine whether transfers between budget line items are necessary to ensure that budget limitations are not exceeded.

Requests for budget adjustments are submitted by department managers to Executive Management for review, who then forward the requested adjustments to the Finance Department for incorporation into proposed budget amendments to be presented to the Governing Board at the Mid-Year Budget Review in February.

If revenue shortfalls or unanticipated costs are realized, and transfers between line items cannot meet the projected deficit, a recommendation to defer capital projects or draw on reserves is usually required to meet the shortfall. All proposed changes are presented to the Governing Board at the Mid-Year Budget Review.

Amendments to the Budget

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

Basis of Budgeting

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

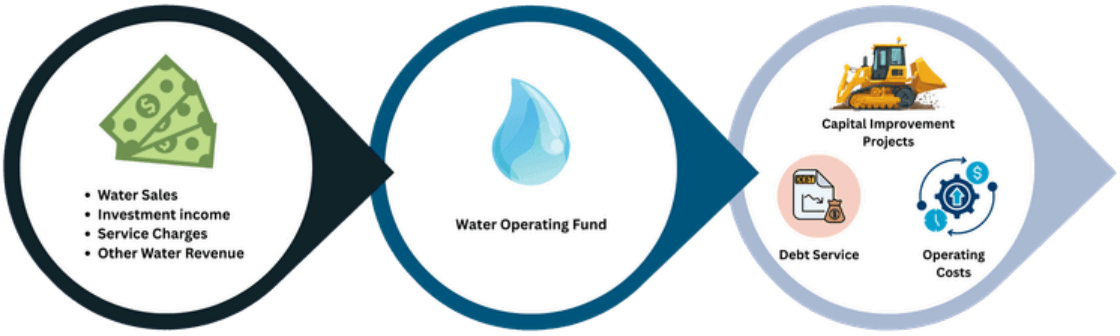
However, for budget purposes, the accrual basis is not the most effective since it does not allow discrete presentation of some significant uses of current financial resources. In these cases, GAAP is not followed, and instead those uses of current financial resources are shown as expenditures rather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

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

Fund Structure

GAAP requires special districts to account its activities as a single, governmental enterprise fund. The activities of enterprise funds closely resemble those of ongoing businesses in that rates and fees charged for services are intended to fund the cost of operational and capital needs.

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



What is a Budget?

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

Budget Guide

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

INTRODUCTION

General information about the District such as: mission statement, vision, statement of values, District history, organizational chart, and the demographics of the District. Demographics will include statistics of the District's customers.

BUDGET OVERVIEW

This section includes a budget summary, the District's Priorities and Goals, and the Long-Term Financial Plan Narrative.

FINANCIAL SUMMARY

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

DIVISION SUMMARIES

This section provides a summary of each division's operating expenditures and comprehensive information. The FY 2026-27 Budget is organized into the following divisions:

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

EACH DIVISION SECTION INCLUDES:

- *SERVICES WE PROVIDE:* THIS SECTION INCLUDES A BASIC DESCRIPTION OF THE RESPONSIBILITIES OF EACH DIVISION.
- *PERSONNEL:* THIS SECTION IS THE CHAIN OF COMMAND FOR DIVISION PERSONNEL.
- *SIGNIFICANT CHANGES:* THIS SECTION IDENTIFIES CAUSES OF SIGNIFICANT CHANGES TO DIVISION FUNDING.
- *ACCOMPLISHMENTS:* THIS SECTION INCLUDES HIGHLIGHTS FROM FY 2025-26.
- *GOALS & OBJECTIVES:* THIS SECTION IDENTIFIES SPECIFIC GOALS AND OBJECTIVES FOR FY 2026-27.
- *KEY PERFORMANCE INDICATORS:* THESE TABLES PRESENT MEASURES THAT HELP THE DISTRICT DEFINE AND EVALUATE A DIVISION'S PERFORMANCE.
- *DIVISION BUDGET DETAIL:* THIS SECTION IS A BREAKDOWN OF THE PROGRAM EXPENDITURES BY CATEGORY OR LINE ITEM.
- *ORGANIZATIONAL CHART:* THIS SECTION ILLUSTRATES THE CHAIN OF COMMAND FOR DIVISION PERSONNEL.

CAPITAL BUDGET & DEBT MANAGEMENT

This section is an overview of the District's Capital Improvement Projects for the current and prior Fiscal Year. It includes a summary of the District's completed projects, planned projects for the current fiscal year, a brief description of all planned projects, and lastly, a summary of the District's outstanding debt.

FINANCIAL POLICIES

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

APPENDIX

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

BUDGET OVERVIEW

Executive Overview

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

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

The total budget for FY 2026-27 is $47.0 million with $39.1 million (83%) in operating and $7.9 million (17%) in capital and debt. The Operating Budget increased by $4M (14%) and the Non-Operating Budget decreased by $376,901 (4%) as compared to the FY 2025-26 budget.

Operating Expenses

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

About 47% of the operating expenses are related to water production, treatment, and distribution. Water treatment (17%), Pumping (15%), Transmission & Distribution (8%), and Source of Supply (6%).

Salaries & Benefits

Personnel related costs represent the largest portion of the Operating Budget. The District continuously works to improve operational efficiencies throughout all areas. Several organizational assessments have been completed to control staffing levels, ensure high quality service to the community, and manage growth within the District's boundaries. For FY 2026-27, an increase of 9.6% in salaries and benefits is included in the adopted budget. New salary schedules were approved by the Board in FY26. Merit (Step) increases for employees who have not reached the top step in their pay range, subject to annual performance evaluations, as well as a scheduled Cost of Living Adjustment (COLA) raise given to all District employees beginning July 2026, also drove this increase. Salaries and benefits for the fiscal year are also based on the current Memorandum of Understanding (MOU).

Electricity

Electrical power is used to extract groundwater through wells, to treat imported water, surface water, and groundwater when necessary, and to distribute water throughout nine pressure zones within the District using booster pumps. The FY26-27 budget for electricity is $5.1 million.

Conclusion

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

Budget Summary

The budget for FY 2027 is balanced and reflects the District's commitment to sustainable cost containment and fiscal responsibility. The District projects that it will receive $47,057,954 in revenue from water sales and other funding sources during FY 2027. For expenditures, it projects a total of $47,057,954, which means the District has a balanced budget for FY 2027. The District projects to fund $4.0 million of its Capital Improvement Projects from its revenue sources. The table below presents a summary of revenue by type, and expenditures by division except for interest, and is followed by a discussion of revenue and expenditures.

	FY 2024-25 Budget	FY 2025-26 Budget	FY 2026-27 Budget
Revenues			
Water Consumption Sales	19,360,000	18,665,400	21,666,206
Monthly Service Charges	8,944,000	8,950,000	10,121,439
Other Operating Revenue	4,752,616	5,106,305	5,501,025
Other Non-Operating Revenue	9,504,787	13,751,067	9,769,284
Total Revenues	42,561,403	46,472,772	47,057,954
Expenditures			
Source of Supply	2,310,700	2,360,380	2,498,497
Production - Pumping	5,177,350	5,585,050	6,045,750
Water Quality Department	855,225	841,900	885,600
Water Treatment - Perchlorate	685,000	605,000	622,000
Water Treatment - FBR/FXB	2,389,005	2,067,721	2,484,700
Water Treatment - Roemer/Arsenic	2,348,920	2,726,685	3,582,450
Maintenance - Transmission and Distribution	3,303,500	3,043,000	3,070,500
Customer Service	1,083,500	1,238,300	1,105,700
Meter Reading	1,094,100	1,026,200	1,114,600
Billing	614,800	677,100	762,600
Administration	2,337,295	2,664,425	2,552,444
General Operations	3,087,098	3,234,919	3,774,319
Accounting	928,430	1,174,150	1,293,670
Engineering	2,173,300	2,786,875	2,797,096
Information Technology	1,662,116	1,890,830	1,970,110
GIS	310,200	291,200	375,300
Board of Directors	339,500	347,000	645,400
Human Resources/Risk Management	949,730	940,300	1,007,795
Purchasing	734,300	792,900	809,650
Public Affairs	1,520,985	1,616,795	1,635,450
Grants & Rebates	325,000	195,000	173,450
Interest Expense - Long-Term Debt	918,615	1,234,658	1,387,055
Total Expenditures	35,148,669	37,340,388	40,594,136
Debt Service	2,039,629	1,142,629	2,472,825
Operating Revenue to Fund CIP	5,373,105	7,989,755	3,990,993
Net Surplus (Deficit)*	-	-	-

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

Summary of Changes

In accordance with the District's budget process, Finance will meet with all departments and ensure that all operational needs have been accounted for and addressed in the proposed budget. Once the proposed budget is complete, a Public Board Meeting is held to openly present and discuss both the Operating and Capital Budget. Should the Board of Directors feel the need, they can request any changes made to the budget as they see fit. The proposed budget for FY2026-27 was adopted without any changes during the board meeting held on June 18, 2026.

Strategic Plan

Goals & Strategies

1. Manage and Deliver a Safe, Reliable, and Sustainable Water Supply

a) Increase System Capacity for Anticipated Growth
b) Repair and Replace Aging Infrastructure
c) Provide Effective Source Water Treatment
d) Fortify a Resilient Water Supply
e) Ensure Operational Continuity through Comprehensive Physical and Cybersecurity

2. Be an Exemplary Employer

a) Attract and Retain High Performing Employees
b) Prioritize Staff Development, Career Opportunities, and Sucession Planning
c) Advance Community Workforce Development
d) Foster a One District Team Collaboration
e) Cultivate and Empowering and Supportive Culture
f) Upgrade and Modernize Facilities
g) Promote a Professional Environment of Diversity, Equity, and Inclusion

3. Develop and Grow Effective Communication and Advocacy Practices

a) Advance Effective Internal and External Communication Processes
b) Present the District as a Proactive Community Partner
c) Grow Conservation Education and Marketing
d) Expand Educational Outreach Programs
e) Promote Public Awareness of the Value of WVWD
f) Increase Efficacy of Advocacy Efforts at the Local, State, and National Level
g) Seek New Partnerships to Address Existing and Future Opportunities and Changes

4. Strengthen Partnerships with Outside Agencies

a) Engage in Regional Projects, Advocacy, and Grant Pursuits
b) Be Recognized as a Leader and an Effective Regional Collaborator
c) Establish and Maintain Relationships with Community-Based Organizations
d) Develop and Maintain Strong Relationships with Local, State, and Federal Agencies

5. Sound Planning, Innovation, and Best Practices

a) Increase Operational Efficiency, Resiliency, and Reliability
b) Explore Innovative Solutions and Implement them if Feasible and Cost-Effective
c) Identify Long-Term Water Supply, Infrastructure, and Facility Needs
d) Study the Feasibility of Sustainable Energy Alternatives
e) Define, Develop, and Implement Best Practices

6. Effective Financial Stewardship

a) Develop an Effective Ongoing Grants Program
b) Continuously Explore and Implement Cost-Saving Initiatives
c) Prioritize Long-Term Financial Stability
d) Maintain a Data Driven Approach and Financial-Based Decision-Making

7. Health, Safety, and Regulatory Compliance

a) Prepare for and Comply with Evolving Water Regulations
b) Establish Compliance Programs for Staff
c) Effectively Manage Employee Risk and Environmental Health
d) Meet Water Use Efficiency Objectives
e) Develop and Implement a Robust Emergency Preparedness Plan

8. Superior Customer Service

a) Define and Measure Internal and External Customer Service
b) Empower Employees to Provide Caring, Individualized, Outstanding Customer Service
c) Provide Easy and Transparent Access to Public Records and Information
d) Communicate Effectively with Customers

Long-Term Financial Plan Narrative

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

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

The achievement of these goals is subject to certain assumptions but will remain a priority as they support the District Vision and Strategic Plan. To build the budget for the upcoming fiscal year and to forecast 4 subsequent years, FY 2027 to FY2031. This financial forecast is designed to provide a general understanding of how revenues and expenditures are expected to affect the District. This forecast also highlights the funding of capital projects and expense amounts each year. General inflators and historical trends were used for the estimates and the graph has footnotes.

The approval of Proposition 218 positions West Valley Water District to implement a structured, multi-year rate plan designed to support the District's long-term financial stability. The scheduled rate adjustments over the next five years, with the next rate change becoming effective in January 2027, are essential to ensuring that revenues keep pace with increasing operational costs, infrastructure rehabilitation needs, regulatory compliance requirements, and investments in system reliability. By adopting this gradual and predictable rate schedule, the District can maintain healthy financial reserves, fund critical capital projects, and continue delivering safe, reliable water service to the community. This forward-looking approach provides financial sustainability while minimizing the risk of sudden or significant rate shocks in the future.

General Fund Forecast

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

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

West Valley Water District

10-Year Financial Plan for Fiscal Years 2026 – FY 2035

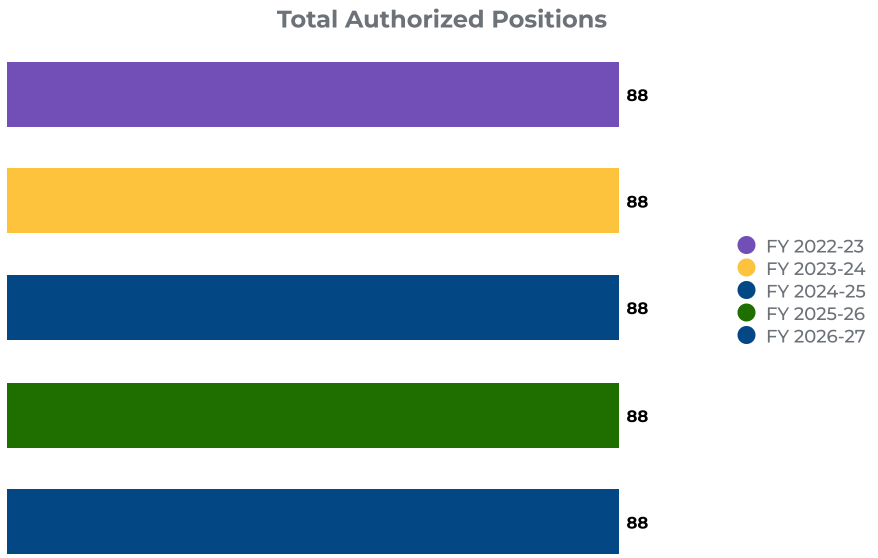
	A	B	C	D	E	F	G	H	I	J	K
Line	Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
		Estmated	Projected								
1	Rate Revenue % Increases	0.0%	7.5%	7.5%	7.5%	7.5%	7.5%	4.5%	4.5%	4.5%	4.5%
2											
3	Revenue at Existing Rates	$27,894,159	$28,683,169	$29,345,189	$29,965,773	$30,661,553	$31,364,280	$32,096,337	$32,837,330	$33,597,710	$34,377,986
4	Revenues from Rate Increases	$0	$1,075,619	$3,383,867	$5,962,018	$8,857,602	$12,092,474	$15,018,871	$17,534,736	$20,260,001	$23,210,404
5	Total Rate Revenues	$27,894,159	$29,758,787	$32,729,056	$35,927,792	$39,519,155	$43,456,754	$47,115,208	$50,372,067	$53,857,711	$57,588,391
6											
7	Other Operating Revenue	$3,781,114	$5,106,180	$5,106,180	$5,106,180	$5,106,180	$5,106,180	$5,106,180	$5,106,180	$5,106,180	$5,106,180
8	Non-Operating Revenue	$5,773,116	$9,882,555	$8,153,061	$6,855,836	$5,615,171	$5,426,119	$5,509,161	$5,579,934	$5,743,801	$5,925,502
9	Total Revenues	$37,448,389	$44,747,522	$45,988,297	$47,889,808	$50,240,506	$53,989,053	$57,730,549	$61,058,181	$64,707,693	$68,620,073
10											
11	Operating Expenses	$30,380,331	$36,105,730	$37,580,722	$39,226,546	$40,946,447	$42,626,838	$44,378,903	$46,332,332	$48,242,426	$50,234,311
12	Debt Service	$2,103,863	$2,454,320	$3,791,340	$3,784,590	$6,720,003	$6,718,519	$6,388,268	$6,388,268	$6,388,268	$6,388,268
13	Rate Funded Capital	$4,815,592	$14,277,116	$7,426,710	$7,031,962	$11,534,974	$6,381,882	$5,651,236	$8,637,680	$5,941,437	$6,233,101
14	Total Expenditures	$37,299,785	$52,837,166	$48,798,773	$50,043,097	$59,201,424	$55,727,240	$56,418,406	$61,358,280	$60,572,132	$62,855,680
15											
16	Net Operating Cash Flow	$148,604	($8,089,644)	($2,810,476)	($2,153,289)	($8,960,919)	($1,738,187)	$1,312,143	($300,099)	$4,135,561	$5,764,393
17											
18	Debt Service Coverage	3.36	3.52	2.22	2.29	1.38	1.69	2.09	2.31	2.58	2.88
19	Target Debt Service Coverage	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
20	Variance from Target	1.61	1.77	0.47	0.54	(0.37)	(0.06)	0.34	0.56	0.83	1.13
21											
22	Water Operating Fund										
23	Beginning Balance	$64,905,549	$40,944,867	$32,855,223	$30,044,748	$27,891,458	$18,930,540	$17,192,353	$17,838,166	$17,538,066	$21,673,627
24	Sources of Funds	$37,448,389	$44,747,522	$45,988,297	$47,889,808	$50,240,506	$53,989,053	$57,730,549	$61,058,181	$64,707,693	$68,620,073
25	Uses of Funds	$37,299,785	$52,837,166	$48,798,773	$50,043,097	$59,201,424	$55,727,240	$57,084,736	$61,358,280	$60,572,132	$63,525,978
26	Ending Balance	$40,944,867	$32,855,223	$30,044,748	$27,891,458	$18,930,540	$17,192,353	$17,838,166	$17,538,066	$21,673,627	$26,767,722
27											
28	Target	$15,190,165	$18,052,865	$18,790,361	$19,613,273	$20,473,223	$21,313,419	$22,189,451	$23,166,166	$24,121,213	$25,117,156
29	Variance from Target	$25,754,702	$14,802,358	$11,254,386	$8,278,185	($1,542,684)	($4,121,066)	($4,351,286)	($5,628,100)	($2,447,586)	$1,650,566
30											
31	Water Capital Fund										
32	Beginning Balance	$8,706,655	$21,932,897	$20,690,362	$18,510,630	$17,316,746	$47,564,368	$1,495,567	$2,171,920	$2,209,549	$2,248,715
33	Sources of Funds	$26,018	$852,465	$980,025	$806,116	$51,297,622	$981,199	$726,353	$87,629	$89,165	$761,062
34	Uses of Funds	$16,138,408	$2,095,000	$3,159,757	$2,000,000	$21,050,000	$47,050,000	$50,000	$50,000	$50,000	$50,000
35	Ending Balance	$21,932,897	$20,690,362	$18,510,630	$17,316,746	$47,564,368	$1,495,567	$2,171,920	$2,209,549	$2,248,715	$2,959,777
36											
37	Target	$4,093,029	$2,396,617	$2,007,990	$2,896,244	$1,607,971	$1,425,309	$2,171,920	$1,497,859	$1,570,775	$2,959,777
38	Variance from Target	$17,839,868	$18,293,745	$16,502,640	$14,420,502	$45,956,398	$70,258	$0	$711,690	$677,940	$0
39											
40	Total Operating and Capital Reserves										
41	Beginning	$73,612,204	$62,877,764	$53,545,585	$48,555,378	$45,208,204	$66,494,908	$18,687,920	$20,010,086	$19,747,616	$23,922,342
42	Ending	$62,877,764	$53,545,585	$48,555,378	$45,208,204	$66,494,908	$18,687,920	$20,010,086	$19,747,616	$23,922,342	$29,727,499

Position Summary Schedule

West Valley Water District continues to evaluate staffing needs to ensure all services are addressed by first-class personnel. This process is supported by the strategic direction and succession planning efforts approved by the Board of Directors. There are no position changes for FY2026-27 as of the budget approval date.

The table below summarizes the number of full-time personnel by Division. All authorized positions are funded in the proposed budget for FY 2026-27. A total of four part-time positions and three intern positions for the division of Geographic Information System and Public Affairs that were excluded from the total positions.

Department		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
5210	Water Production	9	9	9	9	9
5310	Water Quality	4	4	4	4	4
5350	FBR Water Treatment Plant	4	4	4	4	4
5390	Roemer Water Treatment Plant	3	3	3	3	3
5410	Transmission & Distribution	11	12	12	12	12
5510	Customer Service	9	9	9	9	8
5520	Meter Reading	7	7	7	7	6
5530	Billing	3	3	3	3	3
5610	Administration	5	5	5	5	5
5620	Accounting	5	5	5	5	5
5630	Engineering	10	10	10	10	11
5640	Business Systems/IT	4	4	4	4	4
5645	Geographic Information System	1	1	1	1	2
5660	Human Resources	3	3	3	3	3
5680	Purchasing	4	5	5	5	5
5710	Public Affairs	4	4	4	4	4
TOTAL		**86**	**88**	**88**	**88**	**88**



Employee Compensation

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

EMPLOYEE BENEFITS

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

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

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

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

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

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

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

Holidays – Full-time employees are entitled to 13 designated holidays and 2 personal days per year.

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

Educational Reimbursement Program – Employee is responsible for paying for the courses at the time of enrollment. Upon receiving approval from the Human Resources Department, and completing the course with a passing grade of a C or better, the employee will be eligible to receive up to $5,000 per fiscal year for certain expenses such as registration fees, tuition, books, parking, and/or lab fees.

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

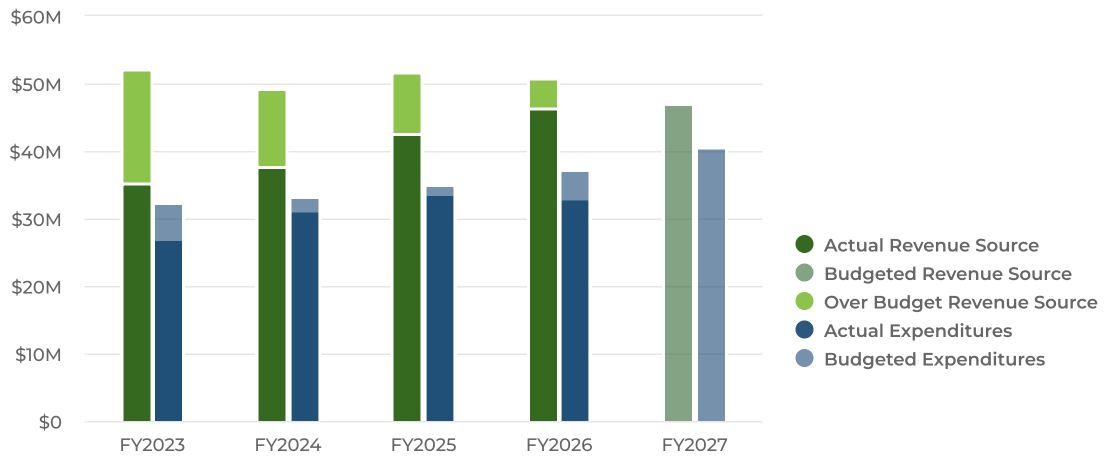
FUND SUMMARIES

Water Operations Fund

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

Summary

West Valley Water District is projecting $47.06M of revenue in FY2027, which represents a 1.3% increase over the prior year. Budgeted expenditures are projected to increase by 8.7% or $3.25M to $40.59M in FY2027.



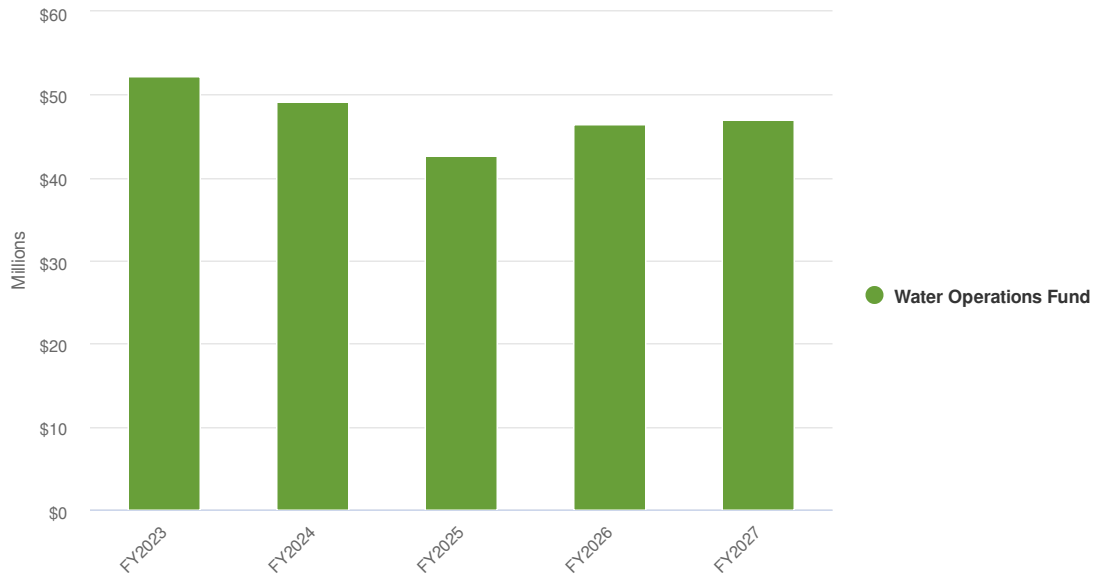
Water Operations Fund Comprehensive Summary

Name	FY2026 Budget	FY2026 Actual	FY2027 Budget
Beginning Fund Balance:	**$123,213,824**	**$123,213,824**	**$113,333,913**
Revenues			
Sales - Water Consumption	$18,665,400	$20,263,890	$21,666,206
Sales - Water Service Charges	$8,890,060	$9,525,047	$10,061,439
Other Operating Revenue	$5,166,245	$5,617,674	$5,561,025
Property Taxes	$4,400,030	$4,919,651	$4,760,442
Grants and Reimbursements	$1,520,000	$49,454	$107,500
Interest & Investment Earnings	$4,200,000	$4,503,152	$4,629,709
Rental Revenue	$41,000	$40,661	$41,000
Other Non-Operating	$3,590,037	$3,804,946	$230,633
Capacity Charges	$0	$2,222,474	$0
Total Revenues:	**$46,472,772**	**$50,946,949**	**$47,057,954**
Expenditures			
Labor	$11,690,600	$11,117,176	$12,729,100
Benefits	$6,897,969	$5,179,267	$7,456,309

Name	FY2026 Budget	FY2026 Actual	FY2027 Budget
Professional Development	$487,707	$413,934	$461,560
Source of Supply	$2,360,380	$1,832,287	$2,498,497
Contract Services	$2,532,900	$1,781,467	$2,116,050
Legal Services	$490,000	$589,882	$500,000
Rentals	$22,000	$18,522	$18,000
Materials and Supplies	$1,485,774	$1,110,020	$2,445,350
Miscellaneous	$1,492,950	$1,454,396	$1,540,250
Community Outreach	$390,000	$309,007	$387,750
Repair and Maintenance	$3,033,200	$3,398,971	$3,563,660
Utilities	$5,222,250	$5,451,147	$5,274,160
Amortization of Water Participation Rights	$0	$305,329	$0
Interest Expense	$1,228,043	$1,298,661	$1,380,440
Debt Issuance Cost	$6,615	$6,615	$6,615
Change in Contingent Liability	$0	$450,000	$0
Administrative Governance	$0	$0	$188,200
Risk Management	$0	$0	$28,195
Intergovernmental Capital Contributions	$0	-$1,520,000	$0
Total Expenditures:	**$37,340,388**	**$33,196,682**	**$40,594,136**
Total Revenues Less Expenditures:	**$9,132,384**	**$17,750,267**	**$6,463,818**
Ending Fund Balance:	**$132,346,208**	**$140,964,091**	**$119,797,731**

Revenue by Fund

Budgeted and Historical 2027 Revenue by Fund



Name	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Water Operations Fund	$46,472,772	$50,946,949	$47,057,954	1.3%

Name	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Total Water Operations Fund:	**$46,472,772**	**$50,946,949**	**$47,057,954**	**1.3%**

Revenues by Source

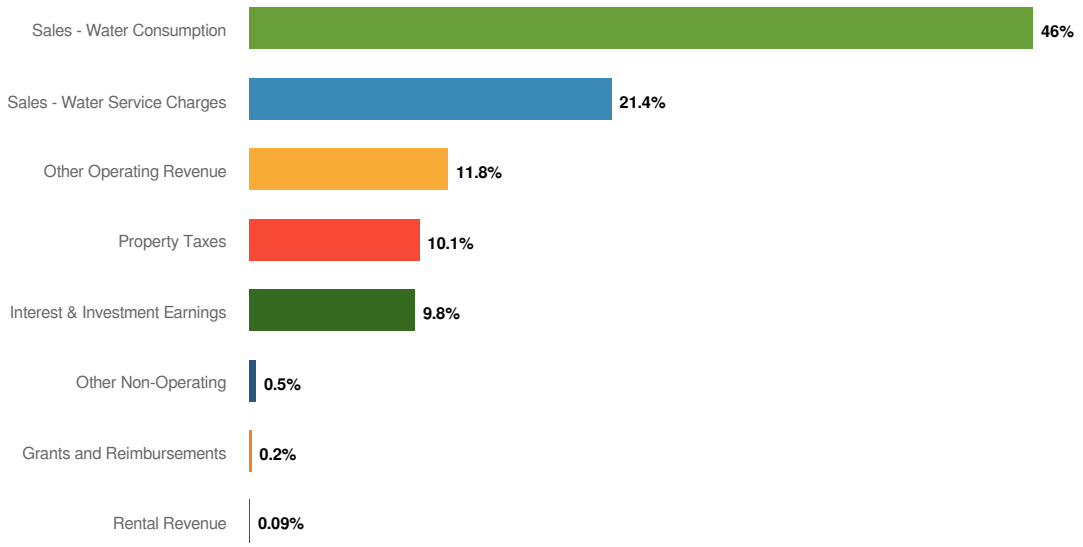
The District receives funding from a variety of sources: domestic water sales, property taxes, monthly domestic water service charges, investment income, rental income, assessments that support future development, and charges for miscellaneous services.

For Fiscal Year 2026-27, the projected revenue total is $47,057,954. Water consumption sales are 46% of total revenues. In addition, proceeds from monthly service charges are 22%. Other operating revenue proceeds are 12%, with other non-operating revenue at 21% of total revenues.

The District has three revenue categories based on rates:

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

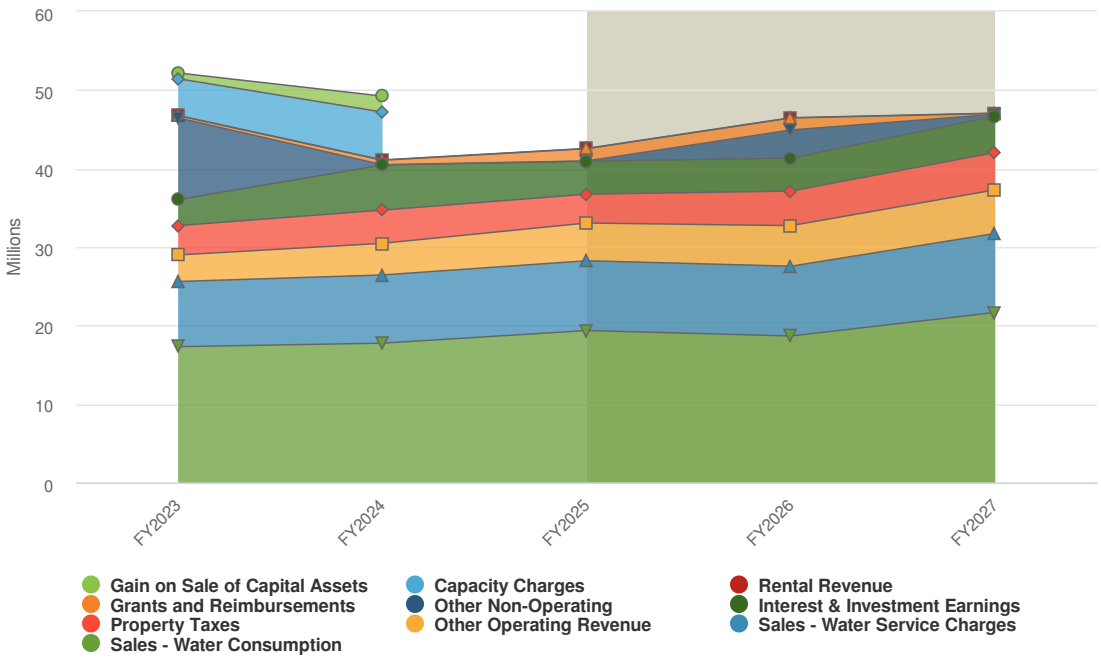
Projected 2027 Revenues by Source



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

The District will provide water service to approximately 26,000 potable customers by the end of FY 2026. An estimated 93 percent of the potable customers are residential. The remaining 7 percent are comprised of fire service, business, commercial, and agricultural.

Budgeted and Historical 2027 Revenues by Source



Grey background indicates budgeted figures.

Name	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Revenue Source				
Sales - Water Consumption	$18,665,400	$20,263,890	$21,666,206	16.1%
Sales - Water Service Charges	$8,890,060	$9,525,047	$10,061,439	13.2%
Other Operating Revenue	$5,166,245	$5,617,674	$5,561,025	7.6%
Property Taxes	$4,400,030	$4,919,651	$4,760,442	8.2%
Grants and Reimbursements	$1,520,000	$49,454	$107,500	-92.9%
Interest & Investment Earnings	$4,200,000	$4,503,152	$4,629,709	10.2%
Rental Revenue	$41,000	$40,661	$41,000	0%
Other Non-Operating	$3,590,037	$3,804,946	$230,633	-93.6%
Capacity Charges	$0	$2,222,474	$0	0%
Total Revenue Source:	**$46,472,772**	**$50,946,949**	**$47,057,954**	**1.3%**

Revenue Major Changes

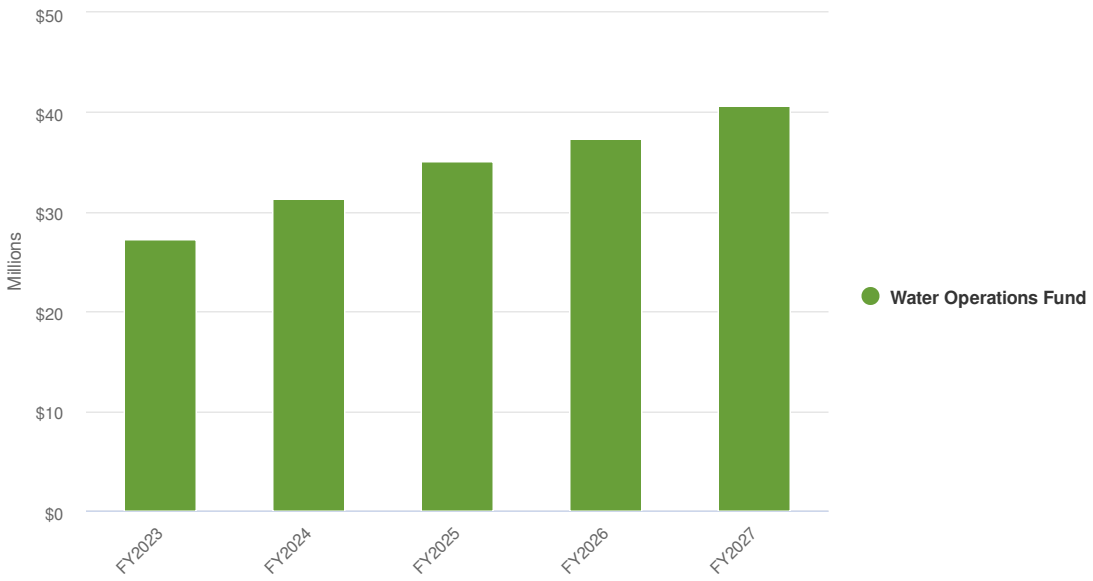
West Valley Water District utilizes historical information and input directly from retail customers to determine the budgeted water sales for the next Fiscal Year. The District uses delivery estimates, historical information along with projected water demand based on production and consumption trends.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

Expenditures by Fund

The District prepares its annual budget based on operating expenses proposed by Division managers, scheduled debt service payments, and capital expenditures prioritized in the District's Capital Improvement Plan.

For fiscal year 2027, the projected expense total is $47,057,954, which includes debt service and contribution to capital projects. The main operating expenses for the District are functions regarding the production of water and its distribution. The functions are Source of Supply, Pumping, Water Treatment, and Transmission & Distribution for a total of $18,303,897. This was an increase of approximately 8.3% in FY 2027 compared to FY 2026 which was $16,906,334.

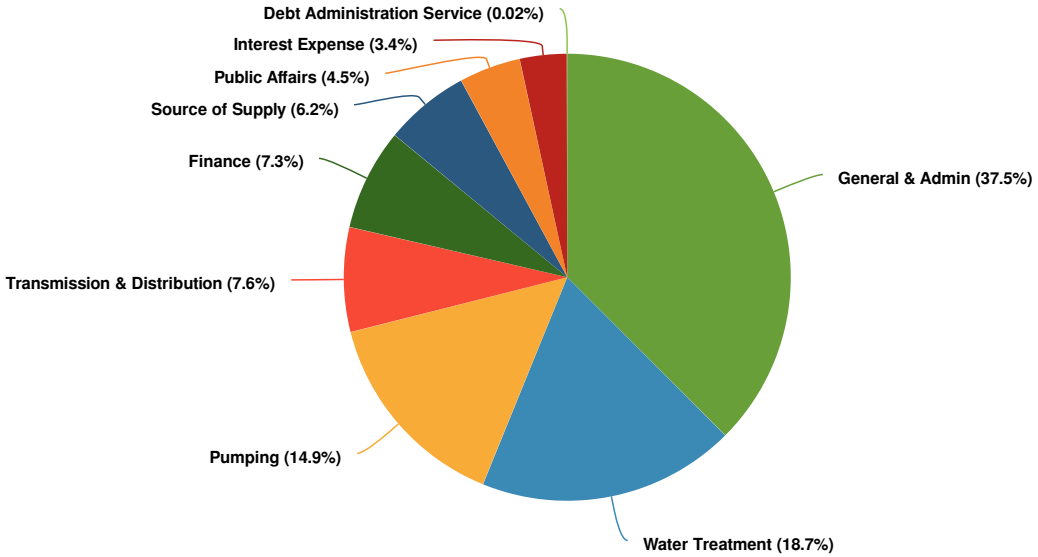
Budgeted and Historical 2027 Expenditures by Fund



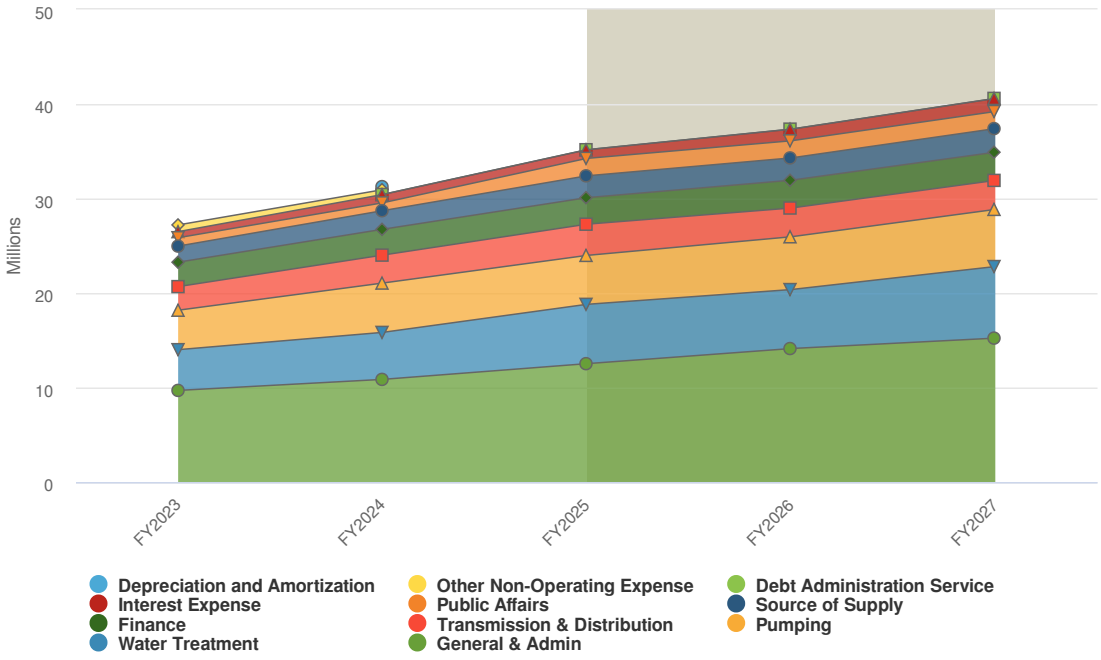
Name	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Water Operations Fund	$37,340,388	$33,196,682	$40,594,136	8.7%
Total Water Operations Fund:	**$37,340,388**	**$33,196,682**	**$40,594,136**	**8.7%**

Expenditures by Function

Budgeted Expenditures by Function



Budgeted and Historical Expenditures by Function

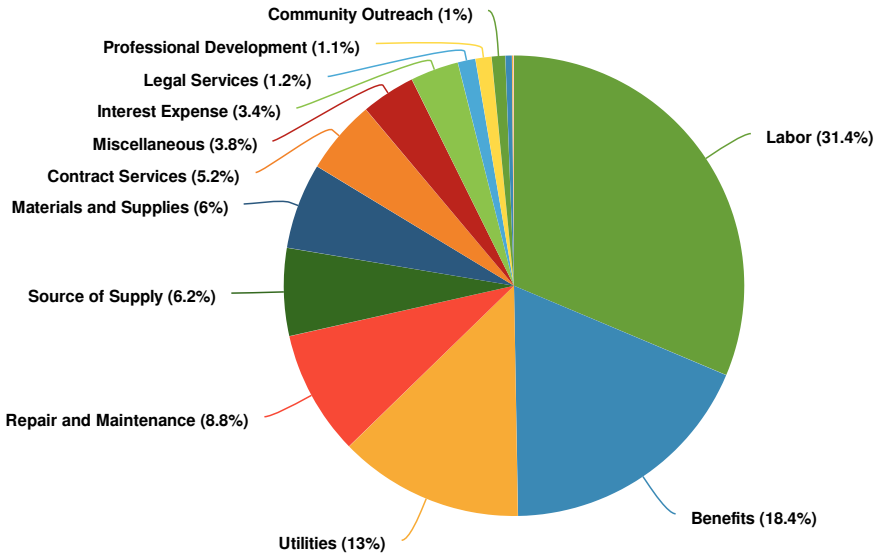


Grey background indicates budgeted figures.

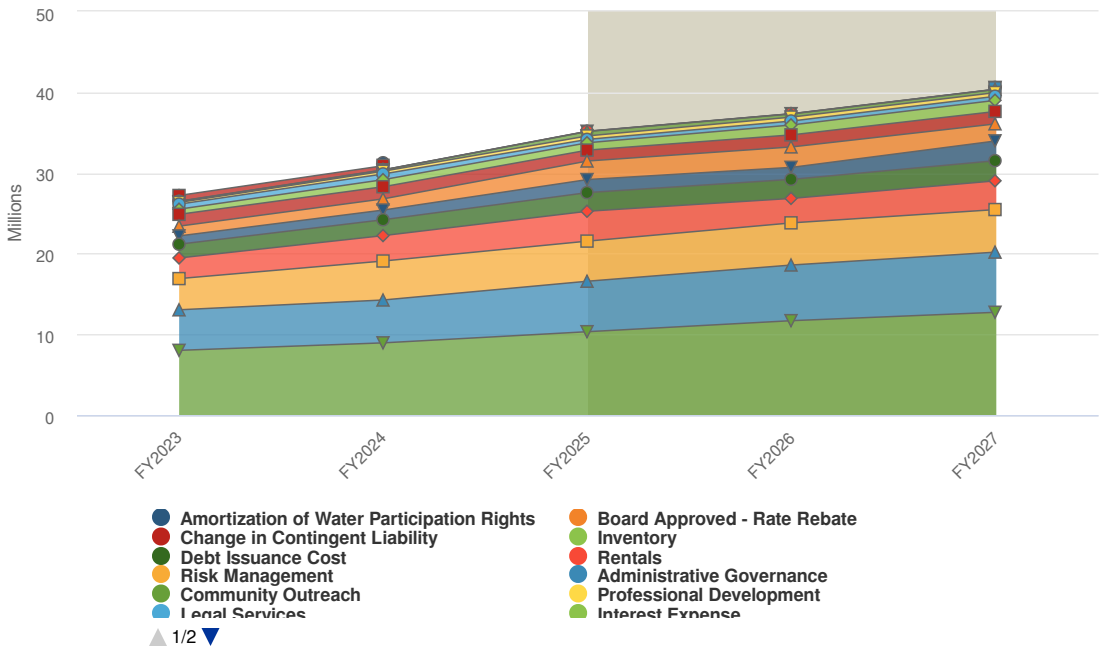
Name	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Expenditures				
Source of Supply	$2,360,380	$1,832,287	$2,498,497	5.9%
Pumping	$5,585,050	$6,151,642	$6,045,750	8.2%
Water Treatment	$6,241,306	$5,550,906	$7,574,750	21.4%
Transmission & Distribution	$3,043,000	$2,801,079	$3,070,500	0.9%
Finance	$2,941,600	$2,823,019	$2,982,900	1.4%
General & Admin	$14,122,599	$12,018,159	$15,225,784	7.8%
Public Affairs	$1,811,795	$1,478,984	$1,808,900	-0.2%
Depreciation and Amortization	$0	$305,329	$0	0%
Other Non-Operating Expense	$0	$450,000	$0	0%
Interest Expense	$1,228,043	$1,298,661	$1,380,440	12.4%
Debt Administration Service	$6,615	$6,615	$6,615	0%
Developer Contributions	$0	-$1,520,000	$0	0%
Total Expenditures:	**$37,340,388**	**$33,196,682**	**$40,594,136**	**8.7%**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Budgeted and Historical Expenditures by Expense Type



Grey background indicates budgeted figures.

Name	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Expense Objects				
Labor	$11,690,600	$11,117,176	$12,729,100	8.9%
Benefits	$6,897,969	$5,179,267	$7,456,309	8.1%
Professional Development	$487,707	$413,934	$461,560	-5.4%
Source of Supply	$2,360,380	$1,832,287	$2,498,497	5.9%
Contract Services	$2,532,900	$1,781,467	$2,116,050	-16.5%
Legal Services	$490,000	$589,882	$500,000	2%
Rentals	$22,000	$18,522	$18,000	-18.2%
Materials and Supplies	$1,485,774	$1,110,020	$2,445,350	64.6%
Miscellaneous	$1,492,950	$1,454,396	$1,540,250	3.2%
Community Outreach	$390,000	$309,007	$387,750	-0.6%
Repair and Maintenance	$3,033,200	$3,398,971	$3,563,660	17.5%
Utilities	$5,222,250	$5,451,147	$5,274,160	1%
Amortization of Water Participation Rights	$0	$305,329	$0	0%
Interest Expense	$1,228,043	$1,298,661	$1,380,440	12.4%
Debt Issuance Cost	$6,615	$6,615	$6,615	0%
Change in Contingent Liability	$0	$450,000	$0	0%
Administrative Governance	$0	$0	$188,200	N/A
Risk Management	$0	$0	$28,195	N/A
Intergovernmental Capital Contributions	$0	-$1,520,000	$0	0%

Name	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Total Expense Objects:	**$37,340,388**	**$33,196,682**	**$40,594,136**	**8.7%**

Fund Balance



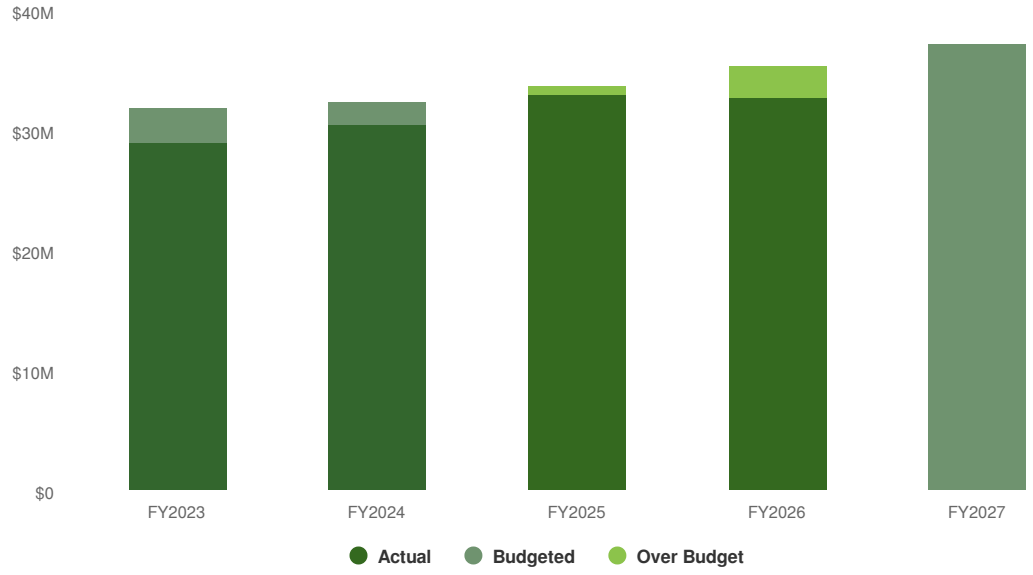
Financial Summary	FY2025	FY2026	FY2027	% Change
Fund Balance	—	—	—	
Unassigned	$66,205,870	$61,665,166	$64,690,775	4.9%
Restricted	$57,007,954	$51,668,747	$55,106,956	6.7%
Total Fund Balance:	**$123,213,824**	**$113,333,913**	**$119,797,731**	**5.7%**

FUNDING SOURCES

Operating Revenues Summary

$37,288,670 **$4,566,965**
(13.96% vs. prior year)

Operating Revenues Proposed and Historical Budget vs. Actual



Revenue by Fund

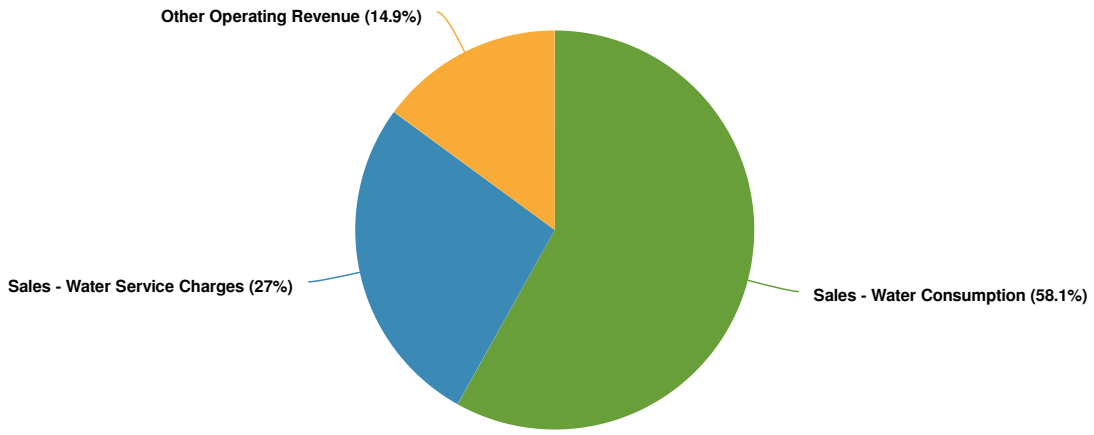
Name	Account ID	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Water Operations Fund					
Sales - Water Consumption					
Water Domestic / Tier 1	100-4000-400-4001	$5,431,500	$5,645,158	$5,349,037	-1.5%
Water Domestic / Tier 2	100-4000-400-4002	$6,528,000	$6,299,418	$6,819,945	4.5%
Water Domestic / Tier 3	100-4000-400-4003	$5,800,000	$4,788,194	$1,122,161	-80.7%
Water Non-Residential / Tier 1	100-4000-400-4004	$0	$110,859	$275,348	N/A
Revenue / Water-Hydrant	100-4000-400-4007	$400,000	$340,156	$472,550	18.1%
Revenue / Water-Unauth Use Fir Ser	100-4000-400-4008	$320,000	$201,398	$347,506	8.6%
Revenue / Wholesale Water Sales	100-4000-400-4009	$185,000	$220,832	$197,315	6.7%
Water Revenue & Unauth / Unbilled Year End	100-4000-400-4010	$0	$251,520	$0	0%

Name	Account ID	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Revenue / Water Revenue & Unauth	100-4000-400-4011	$900	$0	$1,000	11.1%
Water Non-Residential / Tier 2	100-4000-400-4013	$0	$186,060	$844,013	N/A
Water Non-Residential / Tier 3	100-4000-400-4014	$0	$2,220,295	$6,237,330	N/A
Total Sales - Water Consumption:		**$18,665,400**	**$20,263,890**	**$21,666,206**	**16.1%**
Sales - Water Service Charges					
Revenue / Domestic Mo Ser Chg	100-4010-401-4050	$8,400,000	$8,892,569	$9,658,987	15%
Revenue / Fire Service Mo Ser Chg	100-4010-401-4051	$400,000	$554,328	$235,642	-41.1%
Revenue / Hydrants Mo Ser Chg	100-4010-401-4052	$90,000	$78,150	$166,810	85.3%
Revenue / Backflow Install Chg	100-4010-401-4114	$60	$0	$0	-100%
Total Sales - Water Service Charges:		**$8,890,060**	**$9,525,047**	**$10,061,439**	**13.2%**
Other Operating Revenue					
Revenue / Backflowdevice Mo Ser Chg	100-4020-405-4054	$60,000	$64,580	$60,000	0%
Revenue / Cash Variance	100-4020-405-4100	$0	$109	$0	0%
Revenue / Delinquent Charge	100-4020-405-4101	$645,000	$788,480	$708,017	9.8%
Revenue / Delq Collection Fee	100-4020-405-4102	$0	$10,980	$13,152	N/A
Revenue / Fines-Unauth Water Use	100-4020-405-4103	$6,000	$18,875	$9,259	54.3%
Revenue / Pulled Meter Charge	100-4020-405-4104	$125	$0	$0	-100%
Revenue / Returned Check Charge	100-4020-405-4105	$10,000	$10,600	$10,383	3.8%
Revenue / Turn On/Turn Off Non Pay	100-4020-405-4106	$13,000	$175,475	$149,310	1,048.5%
Revenue / Lien Fee	100-4020-405-4107	$60	$4,330	$1,532	2,453.3%
Revenue / Special Turn On Charges	100-4020-405-4108	$6,000	$6,225	$6,312	5.2%
Revenue / Fire Flow Test	100-4020-405-4110	$10,000	$6,060	$8,780	-12.2%
Revenue / Inspection	100-4020-405-4111	$115,000	$103,883	$136,756	18.9%
Revenue / Meter Installation Charge	100-4020-405-4112	$240,000	$72,378	$224,704	-6.4%
Revenue / Plan Check Fees	100-4020-405-4113	$30,000	$34,632	$39,311	31%
Revenue / Water Service Ap Fee	100-4020-405-4115	$42,000	$37,264	$42,869	2.1%

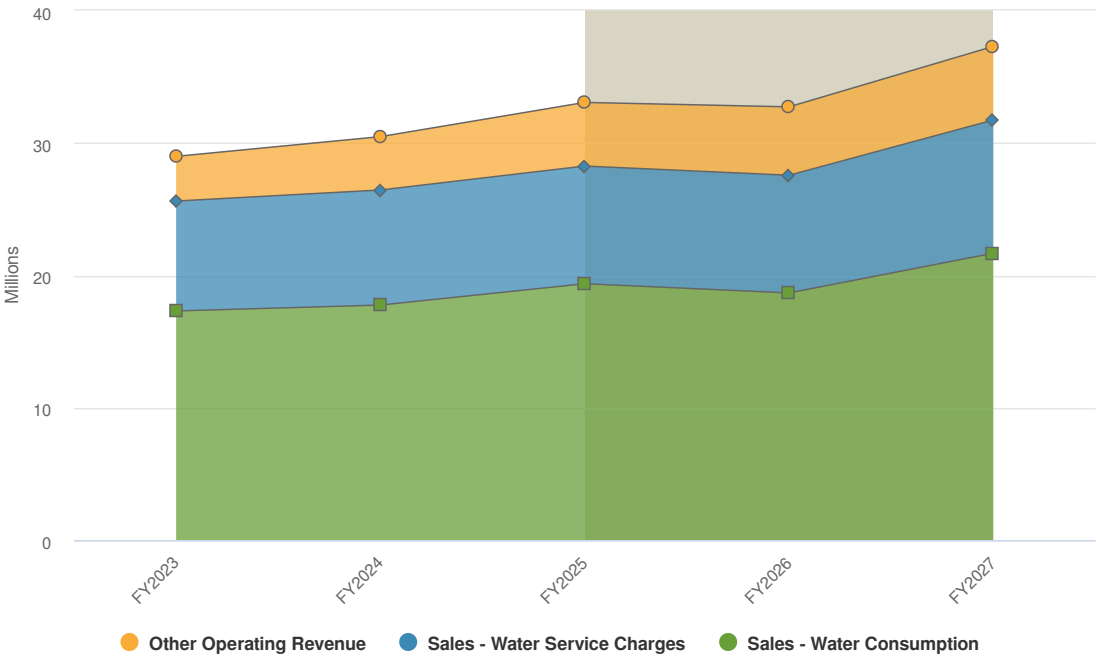
Name	Account ID	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Revenue / Unclaimed Customer Refund	100-4020-405-4116	$9,000	$0	$2,327	-74.1%
Operating Revenue / Miscellaneous	100-4020-405-4117	$5,000	$6,907	$4,632	-7.4%
Revenue / Copies & Standards	100-4020-405-4118	$40	$0	$16	-58.9%
Other Income / Administrative Fee	100-4020-405-4120	$300,000	$313,470	$305,733	1.9%
Other Income / Document Fee	100-4020-405-4122	$20	$0	$10	-50%
Other Income / Revenue-Other Activities	100-4020-405-4123	$5,000	$40,985	$5,000	0%
Other Income / Energy Programs	100-4020-405-4124	$0	$14,164	$10,336	N/A
Other Income / Field Equip Reimbursement	100-4020-405-4125	$150,000	$132,710	$149,122	-0.6%
Other Income / Conservation Rebate Reimb	100-4020-405-4126	$0	$186,408	$64,757	N/A
Other Income / Baseline Feeder Operat'ns	100-4020-405-4127	$1,250,000	$1,506,054	$1,350,000	8%
Other Income / Reimb. 3A1 Pump	100-4020-405-4128	$120,000	$133,956	$128,585	7.2%
Other Income / Reimbursement - UTC Routine	100-4020-405-4131	$1,600,000	$1,750,581	$1,700,000	6.3%
Other Income / Rialto-Tr Plant	100-4020-405-4132	$550,000	$198,568	$430,121	-21.8%
Total Other Operating Revenue:		**$5,166,245**	**$5,617,674**	**$5,561,025**	**7.6%**
Total Water Operations Fund:		**$32,721,705**	**$35,406,610**	**$37,288,670**	**14%**

Revenues by Source

Projected 2027 Revenues by Source



Budgeted and Historical 2027 Revenues by Source



Grey background indicates budgeted figures.

Name	Account ID	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Revenue Source					

Name	Account ID	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Sales - Water Consumption					
Water consumption sales					
Water Domestic / Tier 1	100-4000-400-4001	$5,431,500	$5,645,158	$5,349,037	-1.5%
Water Domestic / Tier 2	100-4000-400-4002	$6,528,000	$6,299,418	$6,819,945	4.5%
Water Domestic / Tier 3	100-4000-400-4003	$5,800,000	$4,788,194	$1,122,161	-80.7%
Water Non-Residential / Tier 1	100-4000-400-4004	$0	$110,859	$275,348	N/A
Revenue / Water-Hydrant	100-4000-400-4007	$400,000	$340,156	$472,550	18.1%
Revenue / Water-Unauth Use Fir Ser	100-4000-400-4008	$320,000	$201,398	$347,506	8.6%
Revenue / Wholesale Water Sales	100-4000-400-4009	$185,000	$220,832	$197,315	6.7%
Water Revenue & Unauth / Unbilled Year End	100-4000-400-4010	$0	$251,520	$0	0%
Revenue / Water Revenue & Unauth	100-4000-400-4011	$900	$0	$1,000	11.1%
Water Non-Residential / Tier 2	100-4000-400-4013	$0	$186,060	$844,013	N/A
Water Non-Residential / Tier 3	100-4000-400-4014	$0	$2,220,295	$6,237,330	N/A
Total Water consumption sales:		**$18,665,400**	**$20,263,890**	**$21,666,206**	**16.1%**
Total Sales - Water Consumption:		**$18,665,400**	**$20,263,890**	**$21,666,206**	**16.1%**
Sales - Water Service Charges					
Water service charges					
Revenue / Domestic Mo Ser Chg	100-4010-401-4050	$8,400,000	$8,892,569	$9,658,987	15%
Revenue / Fire Service Mo Ser Chg	100-4010-401-4051	$400,000	$554,328	$235,642	-41.1%
Revenue / Hydrants Mo Ser Chg	100-4010-401-4052	$90,000	$78,150	$166,810	85.3%
Revenue / Backflow Install Chg	100-4010-401-4114	$60	$0	$0	-100%
Total Water service charges:		**$8,890,060**	**$9,525,047**	**$10,061,439**	**13.2%**
Total Sales - Water Service Charges:		**$8,890,060**	**$9,525,047**	**$10,061,439**	**13.2%**
Other Operating Revenue					
Other operating revenue					
Revenue / Backflowdevice Mo Ser Chg	100-4020-405-4054	$60,000	$64,580	$60,000	0%
Revenue / Cash Variance	100-4020-405-4100	$0	$109	$0	0%
Revenue / Delinquent Charge	100-4020-405-4101	$645,000	$788,480	$708,017	9.8%

Name	Account ID	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Revenue / Delq Collection Fee	100-4020-405-4102	$0	$10,980	$13,152	N/A
Revenue / Fines-Unauth Water Use	100-4020-405-4103	$6,000	$18,875	$9,259	54.3%
Revenue / Pulled Meter Charge	100-4020-405-4104	$125	$0	$0	-100%
Revenue / Returned Check Charge	100-4020-405-4105	$10,000	$10,600	$10,383	3.8%
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Revenue / Special Turn On Charges	100-4020-405-4108	$6,000	$6,225	$6,312	5.2%
Revenue / Fire Flow Test	100-4020-405-4110	$10,000	$6,060	$8,780	-12.2%
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Revenue / Meter Installation Charge	100-4020-405-4112	$240,000	$72,378	$224,704	-6.4%
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Revenue / Water Service Ap Fee	100-4020-405-4115	$42,000	$37,264	$42,869	2.1%
Revenue / Unclaimed Customer Refund	100-4020-405-4116	$9,000	$0	$2,327	-74.1%
Operating Revenue / Miscellaneous	100-4020-405-4117	$5,000	$6,907	$4,632	-7.4%
Revenue / Copies & Standards	100-4020-405-4118	$40	$0	$16	-58.9%
Other Income / Administrative Fee	100-4020-405-4120	$300,000	$313,470	$305,733	1.9%
Other Income / Document Fee	100-4020-405-4122	$20	$0	$10	-50%
Other Income / Revenue-Other Activities	100-4020-405-4123	$5,000	$40,985	$5,000	0%
Other Income / Energy Programs	100-4020-405-4124	$0	$14,164	$10,336	N/A
Other Income / Field Equip Reimbursement	100-4020-405-4125	$150,000	$132,710	$149,122	-0.6%
Other Income / Conservation Rebate Reimb	100-4020-405-4126	$0	$186,408	$64,757	N/A
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Other Income / Rialto-Tr Plant	100-4020-405-4132	$550,000	$198,568	$430,121	-21.8%
Total Other operating revenue:		**$5,166,245**	**$5,617,674**	**$5,561,025**	**7.6%**

Name	Account ID	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
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Total Revenue Source:		**$32,721,705**	**$35,406,610**	**$37,288,670**	**14%**

Revenue by Type

Name	Account ID	FY2026 Budget	FY2026 Actual	FY2027 Budget	FY2026 Budget vs. FY2027 Budget (% Change)
Revenue					
Water consumption sales					
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Total Revenue:		**$32,721,705**	**$35,406,610**	**$37,288,670**	**14%**

Methodological Assumptions Underlying Revenue Estimates

The District's FY 2026-27 revenue projections are developed using a methodology that relies on multi-year historical trends in water consumption, service charge revenue, and other operating revenue categories. Budget-to-actual patterns from prior fiscal years serve as the foundation for forecasting future performance, with particular consideration given to the stability and variability observed across major revenue sources such as Sales – Water Consumption, Sales – Water Service Charges, and Other Operating Revenue.

In preparing the FY 2026–27 estimates, the District incorporates both historical performance indicators and known structural adjustments to the rate schedule. Specifically, the projections include the rate increases that go into effect January 2027, ensuring that expected revenue aligns with the Board-approved rate structure and anticipated consumption behavior. These rate adjustments are integrated into the forecast to more accurately reflect the District's evolving cost-of-service requirements and long-term financial planning goals.

Together, the use of historical data, observed trends, and authorized rate modifications provides a consistent and supportable basis for the FY 2026-27 revenue estimates. This approach ensures that projected revenues are realistic, data-driven, and aligned with the District's strategic financial objectives.

DIVISION SUMMARIES

Board of Directors



Kelvin Moore
President, Division 3



Angela Garcia
Vice President, Division 1



Dan Jenkins
Director, Division 2



Estevan Bennett
Director, Division 4



Greg Young
Director, Division 5

SERVICES WE PROVIDE

The Board of Directors of the West Valley Water District is the legislative body of the District, comprised of five elected members who serve as representatives of, and are accountable to, the District's ratepayers and residents within the service area. The major functions of the Board of Directors include establishing the District's strategic direction and policies; serving as stewards of the District's resources; reviewing the District's operations and fiscal position; ensuring compliance with applicable state and federal regulations; and employing executive management to assist in the overall administration and operation of the District.

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Approved a new five-year rate plan to continue funding critical system upgrades and supporting projects that enhance the District's long-term water reliability and resilience.
- Secured $1,000,000 in community project funding through collaboration with Congressman Pete Aguilar to strengthen critical water infrastructure and support key resiliency initiatives, including upgrades to the District's Supervisory Control and Data Acquisition (SCADA) system.
- Secured a $112,500 WaterSMART Grant to support the District's water-use efficiency programs and conservation efforts.
- The groundbreaking of the Bloomington Alleyway Main Replacement Project, a critical infrastructure project designed to modernize the District's water system and improve service reliability.
- Established STEM Day (formerly known as Earth Day) as an annual educational event connecting local school districts with the District through behind-the-scenes tours of the treatment facility, hands-on experiences with District technology, and opportunities to engage directly with water industry professionals.

FY 2026-27 GOALS & OBJECTIVES

- Update the Board Policies & Procedures Manual to better align with current best business practices, industry standards, and governance practices.
- Obtain the District Certificate of Transparency through the California Special Districts Association, supporting the District's commitment to transparency and accountability.
- Complete the Capital Improvement Projects (CIP) Master Plan to establish a comprehensive framework for prioritizing and managing the District's long-term capital investments and projects.
- Complete the Oliver P. Roemer Water Filtration Facility, marking a significant investment in the District's water treatment capacity and long-term water reliability.
- Complete the SCADA System Master Plan to establish a long-term strategy for modernizing and enhancing the District's infrastructure.
- Develop District branding guidelines to establish a consistent visual identity and strengthen the District's public communications.
- Introduce Hydrovan, a mobile water education and outreach van designed to promote the benefits of drinking tap water and increase community engagement.
- Complete the Water Use Efficiency Master Plan to establish long-term strategies for improving water-use efficiency and supporting conservation efforts.
- Modernize the District's website, including transitioning to a .gov domain and implementing accessibility improvements to better serve the public and comply with the Americans with Disabilities Act (ADA).

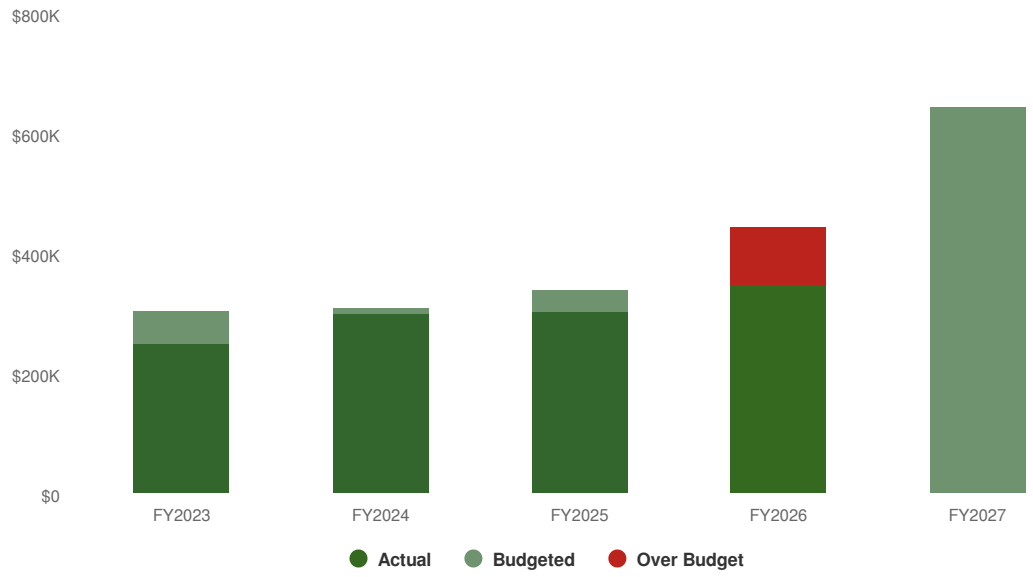
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Constituently evaluate opportunities for additional regional and statewide leadership.	Ongoing	Ongoing	Ongoing
Participate in Water Industry Professional Development opportunities.	5/Year	3	3
Submit all documentation by deadlines pursuant to transparency policies.	100%	100%	100%
Act on project related agenda items presented by staff.	100%	100%	100%

Expenditures Summary

$645,400 **$298,400**
(85.99% vs. prior year)

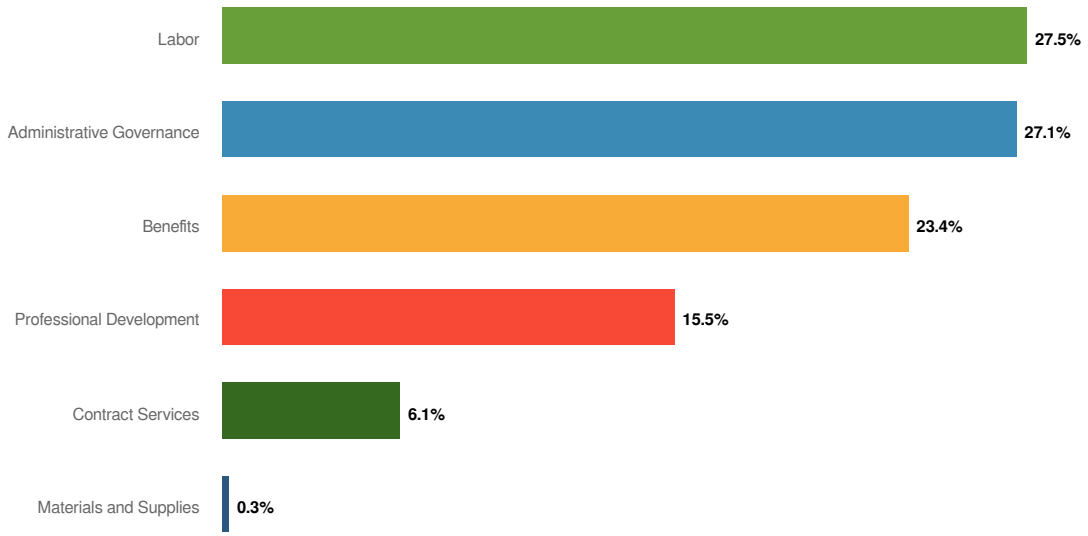
Board of Directors Proposed and Historical Budget vs. Actual



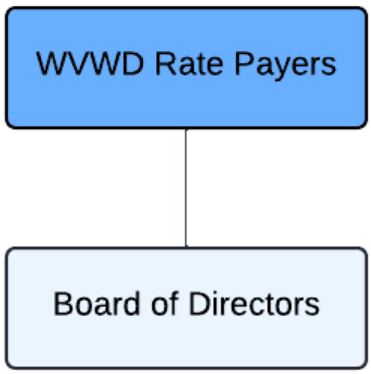
Name	Account ID	FY2024 Budget	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures					
General & Admin					
Board Of Directors					
Labor / Part Time Or Temporary	100-5650-500-5002	$122,400	$128,500	$110,389	$134,900
Benefits / FICA	100-5650-510-5101	$7,600	$8,000	$7,210	$8,400
Benefits / Medicare	100-5650-510-5102	$1,800	$1,900	$1,686	$2,000
Expense / Workers Comp Insurance	100-5650-510-5103	$800	$800	$651	$1,000
Benefits / Hosp/Med Insurance	100-5650-510-5120	$104,000	$120,500	$102,718	$117,600
Benefits / Dental	100-5650-510-5121	$8,700	$8,800	$7,598	$7,900
Benefits / Vision Care Insurance	100-5650-510-5122	$1,300	$1,300	$1,155	$1,300
Benefits / Disability Insurance	100-5650-510-5123	$300	$300	$280	$1,500
Benefits / Life Insurance	100-5650-510-5125	$3,200	$3,200	$3,022	$3,400
Expense / Training	100-5650-515-5200	$10,600	$12,800	$11,810	$13,000
Miscellaneous / Trans/Meals/Lodging	100-5650-515-5202	$14,400	$14,400	$21,284	$15,000
Professional Services / Other Consultants	100-5650-525-5340	$33,600	$37,200	$33,000	$39,000
Operating Supplies / Miscellaneous	100-5650-530-5403	$1,000	$1,800	$2,382	$2,000
Total Board Of Directors:		**$309,700**	**$339,500**	**$303,185**	**$347,000**
Total General & Admin:		**$309,700**	**$339,500**	**$303,185**	**$347,000**
Total Expenditures:		**$309,700**	**$339,500**	**$303,185**	**$347,000**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Accounting



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- Lupe Sotomayor was hired as the Senior Accountant.

FY 2025-26 ACCOMPLISHMENTS

- Completed the rate study and all Prop 218 requirements with Board approval.
- Completed the integration with the IPaySmart payment portal.
- Updated the Investment and Reserve Policies.
- Obtained the Triple Crown designation from Government Finance Officers Association (GFOA).
- Completed monthly financial reports in a timely manner.

FY 2026-27 GOALS & OBJECTIVES

- Maintain responsible stewardship of District funds both in the present and in anticipation of the future.
- Maintain strong financial policies and management practices to preserve and enhance the District's financial position.
- Review and make any needed changes to the Capitalization policy.
- Review and make any needed changes to the Capitalization policy.
- Review and implement financial GASB 103 reporting standards.
- Establish a Trust 115 account for pension liability.

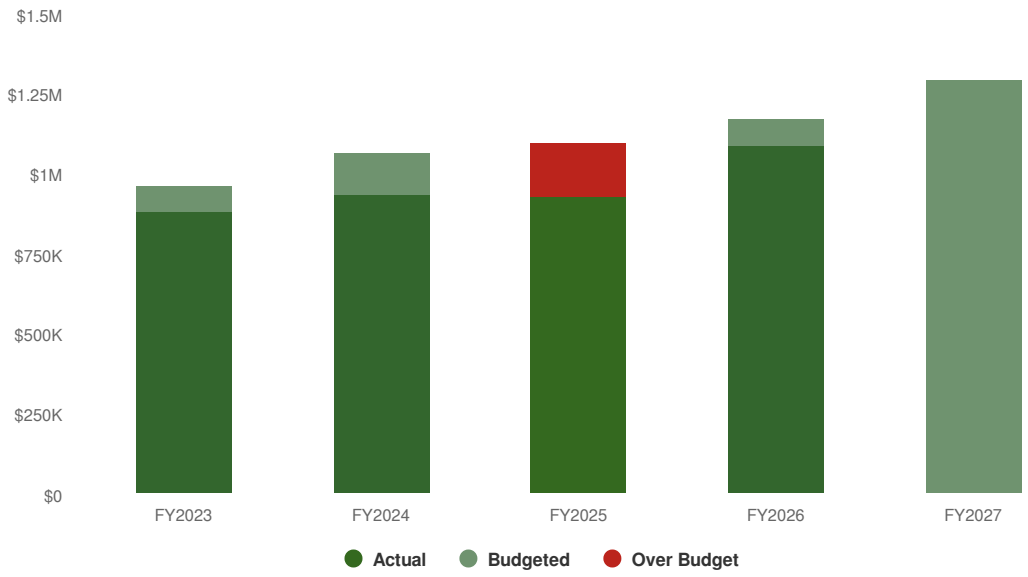
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Days to prepare and present the Annual Report after fiscal year-end	182 days	177 days	148 days
Provide quarterly performance reports	4	4	4
Provide monthly budget vs actuals reports	12	12	12
Number of fiscal policies updated/enhanced and reviewed with the Board.	2	2	2
Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for Annual Report.	15	14	15
Consecutive years Certificate of Achievement for Excellence in Financial Reporting received for PAFR	5	4	5

Expenditures Summary

$1,293,670 **$119,520**
(10.18% vs. prior year)

Accounting Proposed and Historical Budget vs. Actual

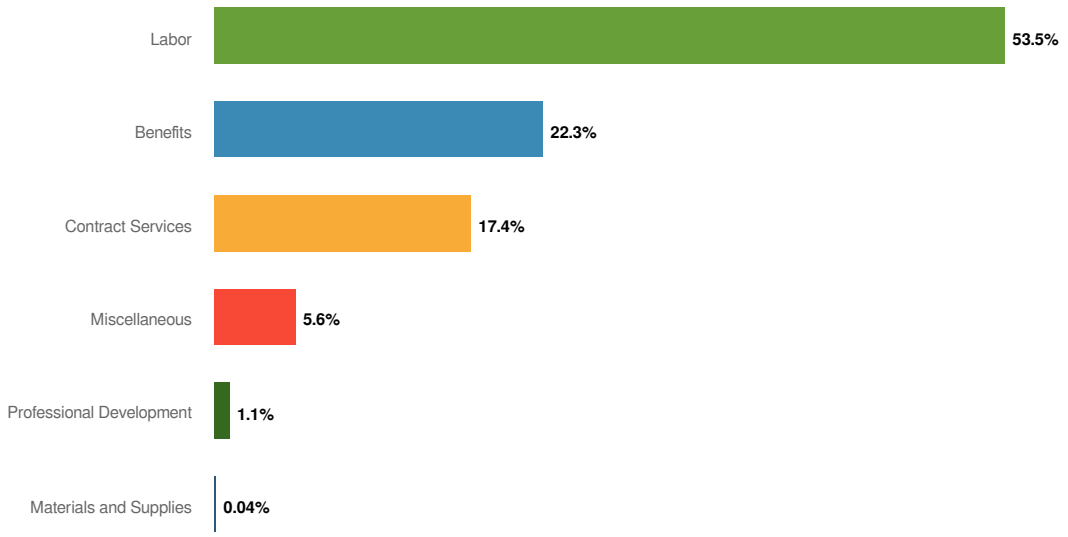


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
General & Admin				
Accounting				
Labor / Full Time	100-5620-500-5001	$415,200	$579,398	$612,600
Labor / Overtime	100-5620-500-5003	$14,500	$10,631	$12,000
Labor / Bilingual Compensation	100-5620-500-5020	$2,600	$2,600	$2,600
Benefits / Deferred Comp-ER Match	100-5620-510-5100	$9,800	$7,740	$9,800

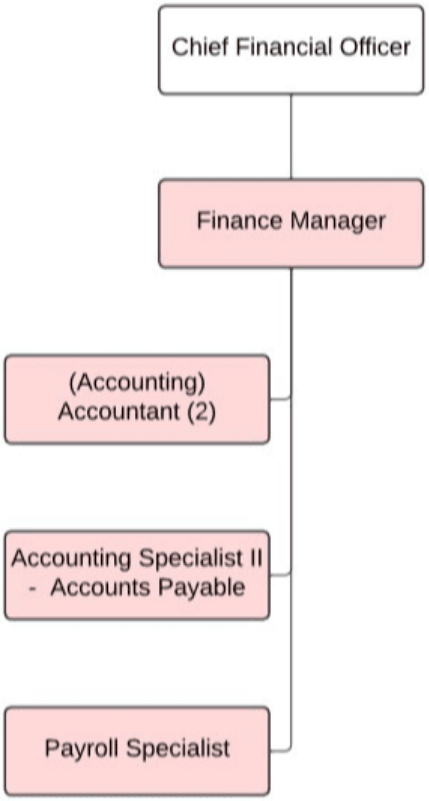
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Benefits / FICA	100-5620-510-5101	$32,400	$36,813	$38,100
Benefits / Medicare	100-5620-510-5102	$7,600	$8,610	$9,100
Expense / Workers Comp Insurance	100-5620-510-5103	$2,900	$7,614	$4,000
Expense / PERS - ER Contribution - Classic Members	100-5620-510-5105	$24,500	$25,849	$27,400
Expense / PERS - ER Contribution - PEPRA Members	100-5620-510-5106	$23,600	$26,842	$28,400
Expense / PERS - EPMC - Classic Members	100-5620-510-5107	$13,700	$14,452	$15,300
Benefits / Hosp/Med Insurance	100-5620-510-5120	$132,600	$105,747	$117,000
Benefits / Dental	100-5620-510-5121	$8,800	$7,197	$7,400
Benefits / Vision Care Insurance	100-5620-510-5122	$1,300	$1,163	$1,300
Benefits / Disability Insurance	100-5620-510-5123	$1,800	$2,782	$8,100
Benefits / EAP	100-5620-510-5124	$100	$148	$200
Benefits / Life Insurance	100-5620-510-5125	$2,000	$1,952	$3,300
Expense / Training	100-5620-515-5200	$5,000	$1,829	$5,000
Miscellaneous / Subscription & Membrships	100-5620-515-5201	$2,730	$2,652	$3,450
Miscellaneous / Trans/Meals/Lodging	100-5620-515-5202	$4,000	$5,642	$6,000
Professional Services / Auditing	100-5620-525-5310	$52,000	$52,925	$55,000
Professional Services / Fiscal Agent	100-5620-525-5312	$10,000	$11,230	$12,000
Professional Services / Other Consultants	100-5620-525-5340	$93,800	$119,390	$123,600
Operating Supplies / Miscellaneous	100-5620-530-5403	$500	$319	$500
Miscellaneous / Bank Account Analysis	100-5620-536-5302	$66,000	$63,997	$72,000
Operating Supplies / Uniforms	100-5620-536-5475	$1,000	$0	$0
Total Accounting:		**$928,430**	**$1,097,521**	**$1,174,150**
Total General & Admin:		**$928,430**	**$1,097,521**	**$1,174,150**
Total Expenditures:		**$928,430**	**$1,097,521**	**$1,174,150**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Administration



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Managed the development and implementation of 196 Work Plan Goals district-wide. Approximately 85% seeing excellent progress or already completed.
- Developed a reorganization plan for Operations – consolidating the treatment and production functions for improved cost-effectiveness and employee development opportunities.
- Developed and implemented career progression series job descriptions in customer service and operations.
- Updated and improved Board Policies and Procedures in collaboration with Policy Review and Oversight Committee and legal counsel in response to new state requirements and identification of best practices.
- Updated and improved the Personnel Policies and Procedures in collaboration with HR and Legal. Implementing new policy in compliance with new state and federal requirements and best practice.
- Completed a records destruction project in line with our records retention policy.
- Coordinated a summer internship program for local high school students, collaborating with departments District-wide and local school districts.
- Coordinating ongoing grants administration and compliance.

FY 2026-27 GOALS & OBJECTIVES

- Implement effective Board election process. Elections in November.
- Revisit the District's Strategic Plan after Board elections. Revise plan as necessary to carry out our Mission and Values. Develop an updated set of Work Plan Goals. Revise reporting process.
- Complete the first-ever summer internship program for local high school students. Consider potential improvements and expansion of the program. Coordinate with other internship related programs.
- Expand relationships with our local school districts to collaborate on educational programs.
- Collaborate with local organizations to create education/internship programs that benefit the community, and share employment opportunities directly with the community.
- Complete new Board Policies and Procedures with approval and adoptino by the Board of Directors.
- Evaluate and improve the district's Emergency Response Planning processes.Develop alternatives for additional career progression job series.
- Develop a succession planning process.
- Develop AI Policy. Investigate opportunities to utilize AI to increase the value and cost-effectiveness district-wide.
- Begin exploring options for a document management system that will support our records retention program.
- Develop and maintain district-wide identification and tracking of plans and reports, and legal agreements.

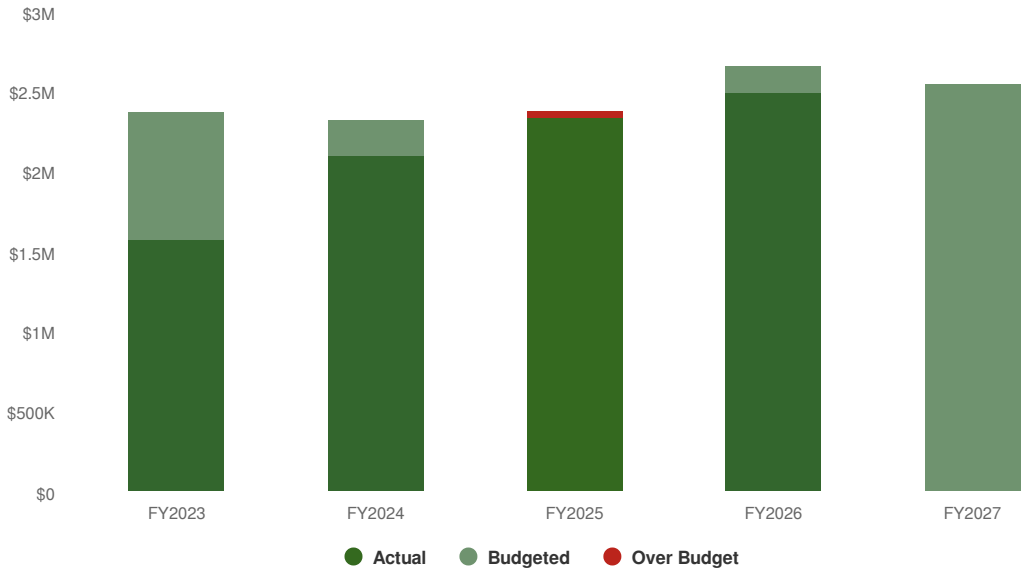
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Publish Open Meeting/Public Notices on or before statutory requirement.	100%	100%	100%
Continue to improve district wide policies and procedures to comply with current laws/regulations.	100%	100%	100%
Participate in professional development opportunities	5	6	5

Expenditures Summary

$2,552,444 **-$111,981**
(-4.20% vs. prior year)

Administration Proposed and Historical Budget vs. Actual

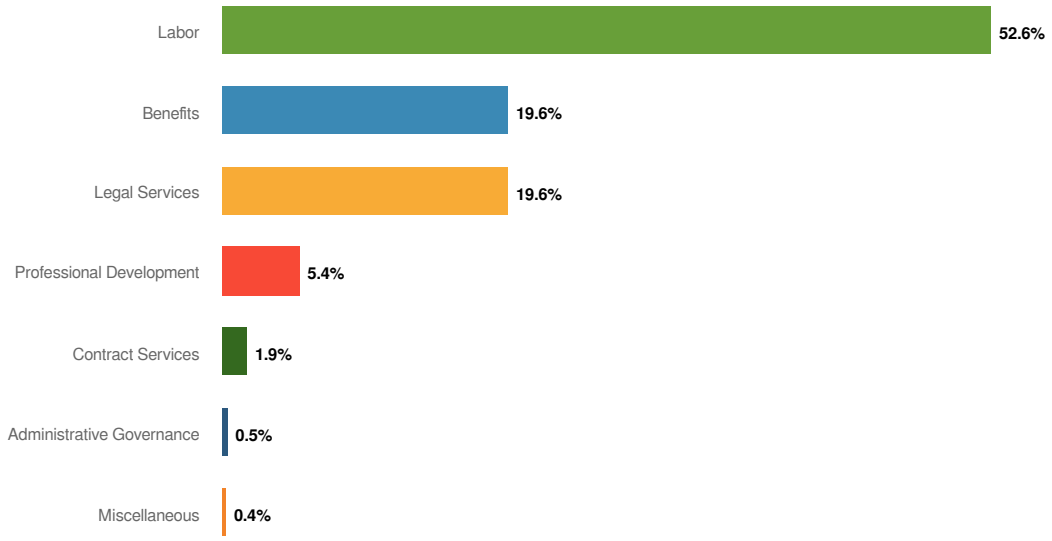


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
General & Admin				
Administration				
Labor / Full Time	100-5610-500-5001	$1,086,600	$1,015,602	$1,254,500
Labor / Part Time Or Temporary	100-5610-500-5002	$0	$114,715	$0
Labor / Overtime	100-5610-500-5003	$100	$1,162	$2,000
Labor / Bilingual Compensation	100-5610-500-5020	$900	$1,375	$1,300
Benefits / Deferred Comp-ER Match	100-5610-510-5100	$40,300	$55,575	$45,300
Benefits / FICA	100-5610-510-5101	$46,600	$45,933	$50,500
Benefits / Medicare	100-5610-510-5102	$17,100	$17,192	$19,300
Expense / Workers Comp Insurance	100-5610-510-5103	$6,200	$6,986	$8,200
Benefit / Vehicle Allowance	100-5610-510-5104	$18,200	$13,650	$0
Expense / PERS - ER Contribution - Classic Members	100-5610-510-5105	$69,400	$122,689	$131,600
Expense / PERS - ER Contribution - PEPRA Members	100-5610-510-5106	$37,900	-$4,536	$9,400
Expense / PERS - EPMC - Classic Members	100-5610-510-5107	$38,800	$68,412	$73,500
Benefits / Hosp/Med Insurance	100-5610-510-5120	$103,400	$91,594	$128,900
Benefits / Dental	100-5610-510-5121	$6,400	$5,584	$7,900
Benefits / Vision Care Insurance	100-5610-510-5122	$1,300	$1,036	$1,300
Benefits / Disability Insurance	100-5610-510-5123	$3,200	$3,293	$14,800
Benefits / EAP	100-5610-510-5124	$100	$129	$200
Benefits / Life Insurance	100-5610-510-5125	$2,700	$2,369	$3,600
Expense / Training	100-5610-515-5200	$20,700	$26,173	$35,000
Miscellaneous / Subscription & Membrships	100-5610-515-5201	$57,995	$61,556	$62,725

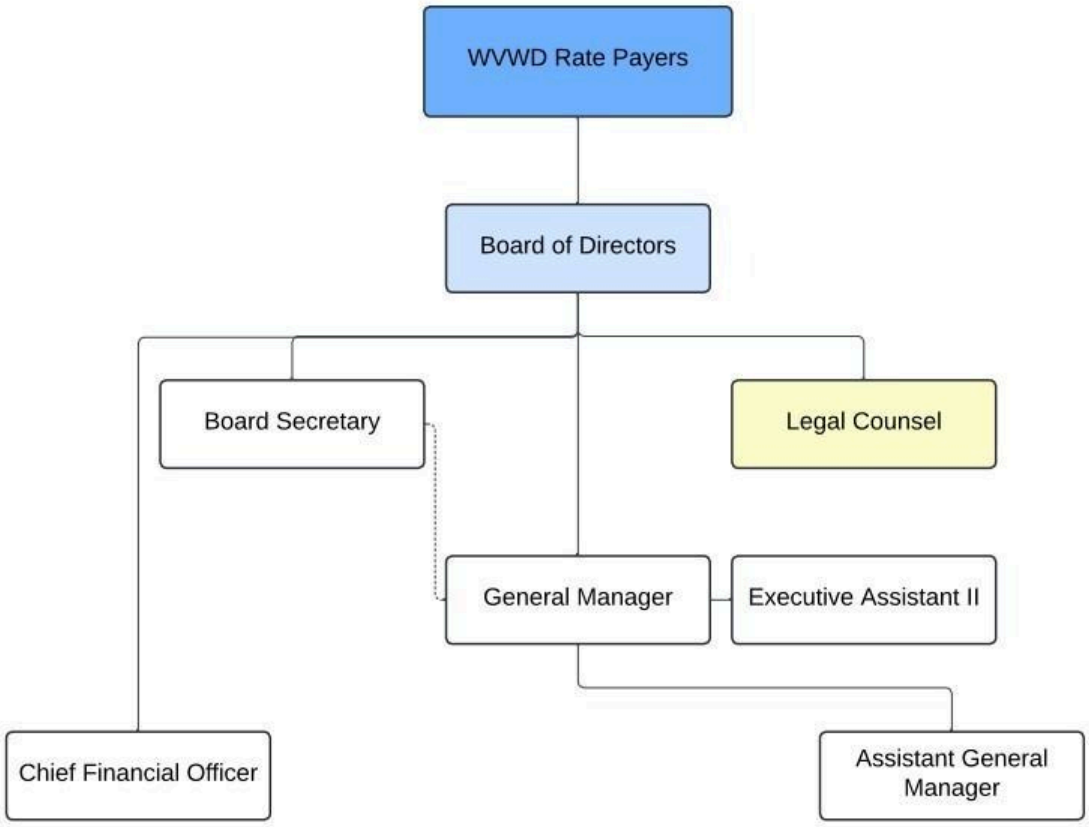
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Miscellaneous / Trans/Meals/Lodging	100-5610-515-5202	$98,000	$125,134	$109,700
Professional Services / Other Consultants	100-5610-525-5340	$210,200	$58,679	$205,200
Professional Services / Legal	100-5610-526-5330	$420,000	$544,971	$490,000
Miscellaneous / Printing	100-5610-536-5411	$5,000	$1,033	$5,000
Miscellaneous / Election Expense	100-5610-536-5452	$15,000	$549	$0
Miscellaneous / Office Supplies	100-5610-536-5454	$1,600	$3,824	$2,000
Operating Supplies / Uniforms	100-5610-536-5475	$2,500	$103	$2,500
Programs / Regional Programs	100-5610-537-5505	$27,100	$0	$0
Total Administration:		**$2,337,295**	**$2,384,781**	**$2,664,425**
Total General & Admin:		**$2,337,295**	**$2,384,781**	**$2,664,425**
Total Expenditures:		**$2,337,295**	**$2,384,781**	**$2,664,425**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Billing



SERVICES WE PROVIDE

Billing is responsible for providing billing for water services, they coordinate the billing and receipting of approximately 25,500 accounts per month. Staff enters adjustments to customer accounts if needed, response to billing inquiries, and resolve customer concerns about service delivery through coordination with field personnel.

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Automated the billing-sorting workflow for reminder notices, reducing manual tagging and streamlining service-order matching time.
- Cross-trained Customer Service Representatives in Billing processes, enhancing team versatility and reducing processing delays across departments.
- Partnered with Tyler experts to complete advanced system training, significantly improving the effectiveness and reliability of Delinquency and Lien processing.
- Started placing liens on delinquent accounts, enhancing the enforcement of outstanding balances and improving overall revenue recovery.

FY 2026-27 GOALS & OBJECTIVES

- Continue working with the Meter Department and Sensus Aquametric on Advanced Metering Infrastructure (AMI)
- Provide Customer base with updated ways to view billing statements through our new payment system Ipaysmart.
- Continue to cross-training and collaborate with all departments to provide error-free billing and customer service.
- Identify areas of improvement in the billing process with the integration of the iPaySmart payment processor.
- Create and present monthly billing metric reports to the Board of Directors to support data-driven decision-making and strategic planning.
- Continue to revise Standard Operating Procedures (SOP) manuals.

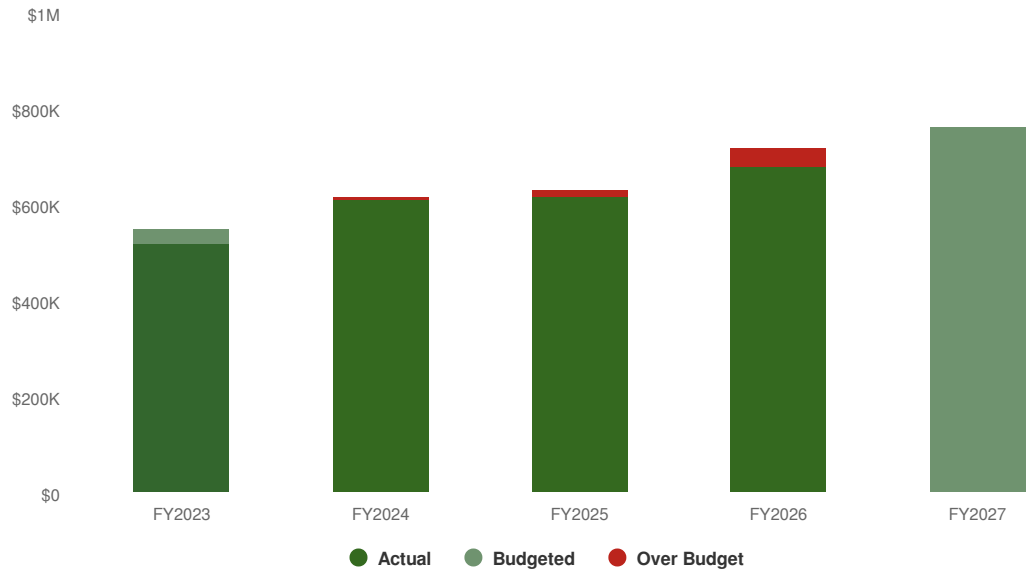
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Provide monthly water audit data to General Services	12	12	12
Process all customer billing adjustments	<20 days	18 days	19
Finalize implementation of Tyler Utility Billing delinquency process.	100%	90%	100%
Maintain Assessor's Parcel Number (APN) rejection rate of 2% or less	100%	95%	96%

Expenditures Summary

$762,600 **$85,500**
(12.63% vs. prior year)

Billing Proposed and Historical Budget vs. Actual

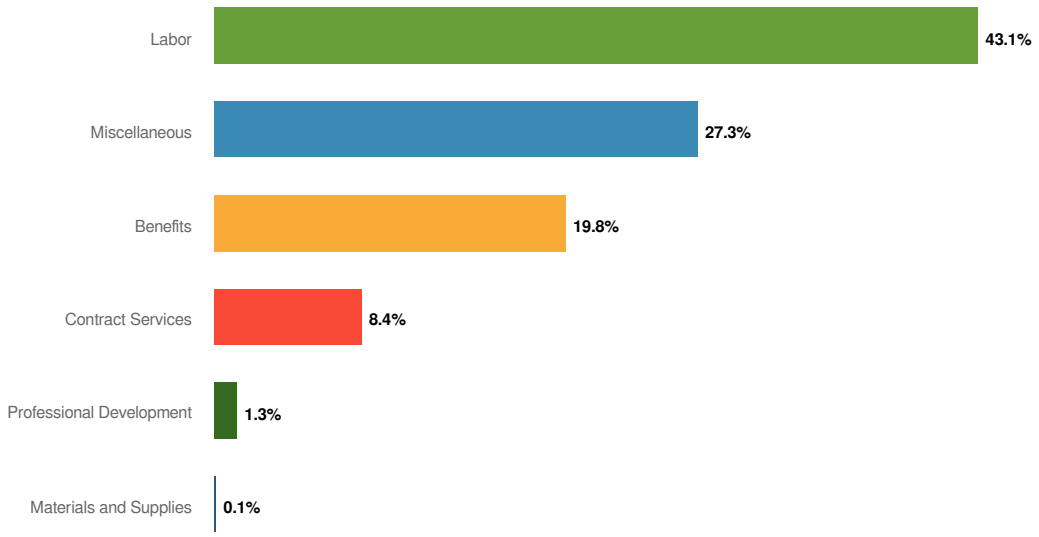


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
Finance				
Billing				
Labor / Full Time	100-5530-500-5001	$262,800	$253,510	$303,400
Labor / Overtime	100-5530-500-5003	$1,500	$387	$500
Labor / Bilingual Compensation	100-5530-500-5020	$1,300	$1,300	$1,300
Benefits / Deferred Comp-ER Match	100-5530-510-5100	$5,900	$5,112	$5,900
Benefits / FICA	100-5530-510-5101	$16,700	$16,267	$19,300

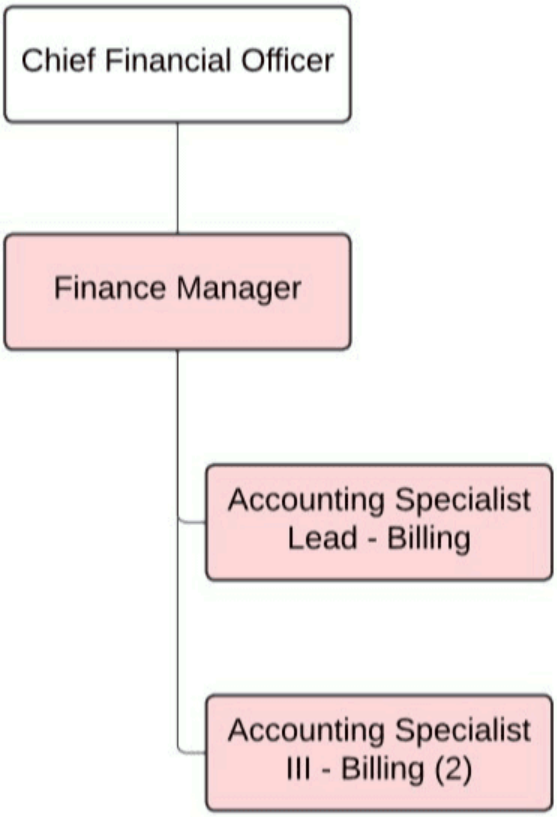
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Benefits / Medicare	100-5530-510-5102	$3,900	$3,804	$4,500
Expense / Workers Comp Insurance	100-5530-510-5103	$1,500	$1,320	$1,900
Expense / PERS - ER Contribution - Classic Members	100-5530-510-5105	$23,700	$24,061	$26,300
Expense / PERS - ER Contribution - PEPRA Members	100-5530-510-5106	$5,200	$4,853	$6,500
Expense / PERS - EPMC - Classic Members	100-5530-510-5107	$13,300	$13,453	$14,700
Benefits / Hosp/Med Insurance	100-5530-510-5120	$63,800	$51,912	$57,900
Benefits / Dental	100-5530-510-5121	$3,800	$3,613	$3,800
Benefits / Vision Care Insurance	100-5530-510-5122	$800	$733	$800
Benefits / Disability Insurance	100-5530-510-5123	$900	$1,505	$4,100
Benefits / EAP	100-5530-510-5124	$100	$89	$100
Benefits / Life Insurance	100-5530-510-5125	$1,200	$1,150	$1,700
Expense / Training	100-5530-515-5200	$3,000	$320	$3,000
Miscellaneous / Trans/Meals/Lodging	100-5530-515-5202	$2,000	$0	$2,000
Outside Labor/Contractors / Printing	100-5530-525-5304	$48,000	$56,187	$52,000
Operating Supplies / Miscellaneous	100-5530-530-5403	$800	$228	$800
Postage & Shipping	100-5530-536-5471	$154,000	$190,285	$166,000
Operating Supplies / Uniforms	100-5530-536-5475	$600	$547	$600
Total Billing:		**$614,800**	**$630,637**	**$677,100**
Total Finance:		**$614,800**	**$630,637**	**$677,100**
Total Expenditures:		**$614,800**	**$630,637**	**$677,100**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Customer Service



FY 2025-26 ACCOMPLISHMENTS

- Established Standard Operating Procedures (SOPs) for all routine customer service activities.
- Developed and deployed an online application for new service water sign up.
- Researched and tested a way to notify landlords and property managers when tenants are delinquent on their account.
- Notified customers about the new online payment portal and achieved 41% of online users.
- Successfully achieved weekly team meetings that improved communication amongst the team.

FY 2026-27 GOALS & OBJECTIVES

- Promote paperless billing options for customers.
- Implement a consistent process for tracking and monitoring customer feedback received through the existing phone survey, and develop and implement an online customer survey to expand opportunities for collecting and evaluating customer feedback.
- Use established Standard Operating Procedures (SOPs) to standardize processes, ensure consistency, and promote efficient and effective operations.
- Continue to foster open communication by conducting weekly team meetings and morning huddles to review current challenges, share updates, and maintain alignment among team members.
- Monitor call center metrics and use data for decision-making, identify trends, and improve operational efficiency and customer service.

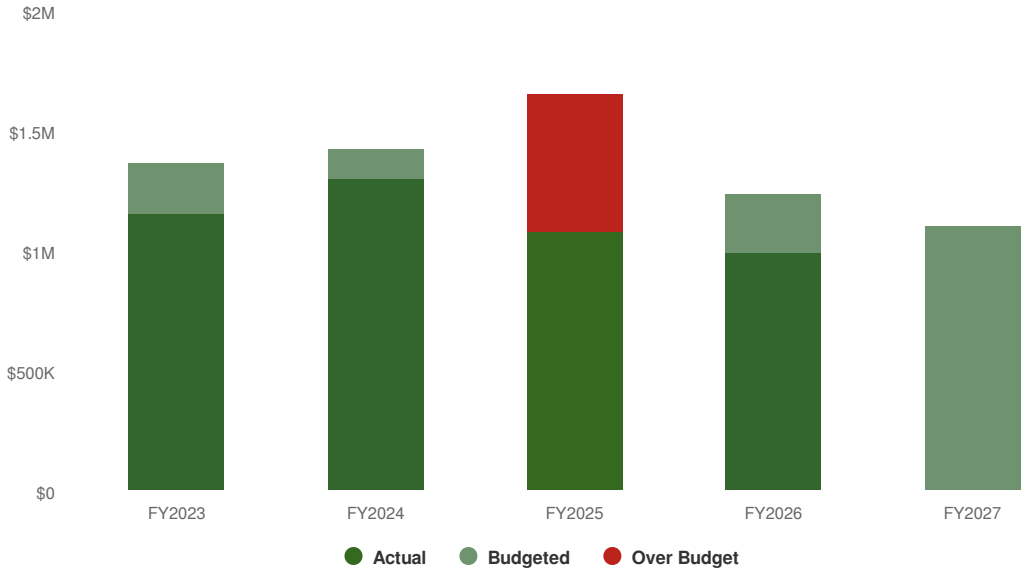
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Average customer wait time	<3	<3	<3
Average abandon rate	5%	5%	5%
CSR Cash drawer variance	≤$2	<$1	<$1
Number of customer service training hours per employee.	12	12	12

Expenditures Summary

$1,105,700 -$132,600
(-10.71% vs. prior year)

Customer Service Proposed and Historical Budget vs. Actual

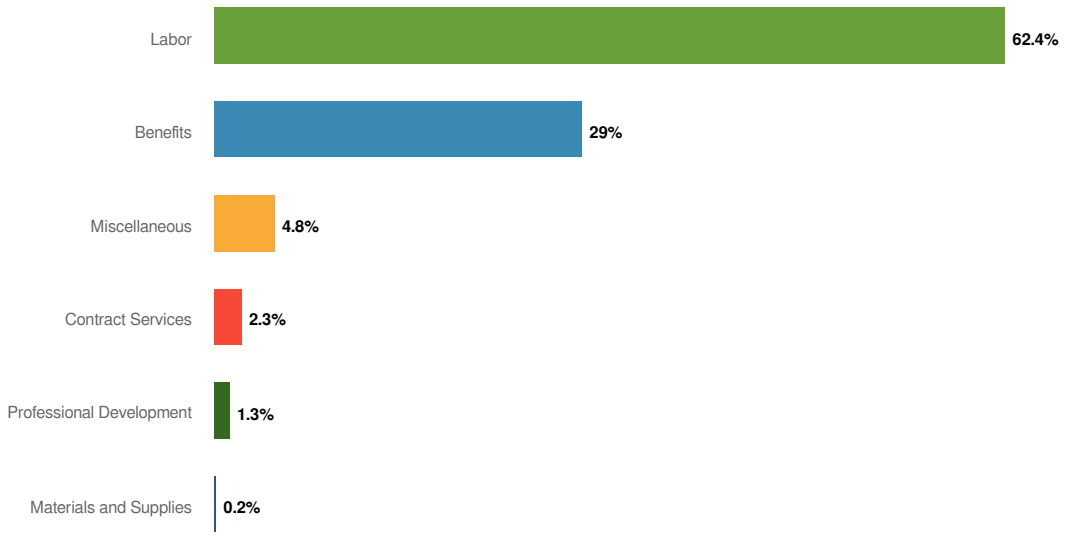


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
Finance				
Customer Service				
Labor / Full Time	100-5510-500-5001	$593,200	$541,791	$684,300
Labor / Overtime	100-5510-500-5003	$7,000	$14,991	$9,000
Labor / Bilingual Compensation	100-5510-500-5020	$2,000	$1,838	$2,600
Benefits / Deferred Comp-ER Match	100-5510-510-5100	$17,600	$3,675	$17,600
Benefits / FICA	100-5510-510-5101	$38,600	$34,850	$44,500

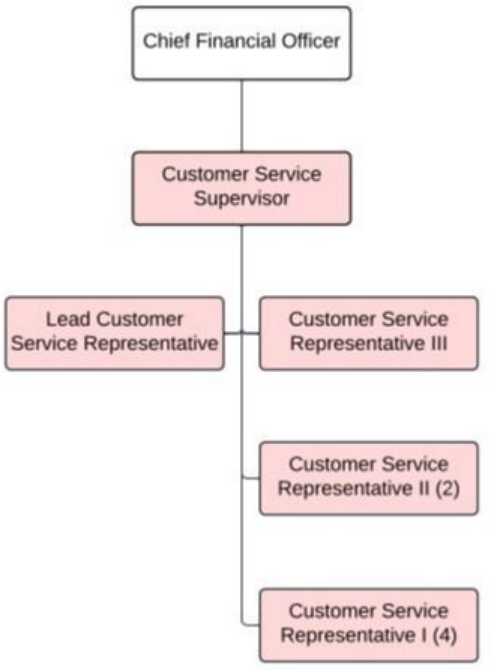
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Benefits / Medicare	100-5510-510-5102	$9,000	$8,150	$10,400
Expense / Workers Comp Insurance	100-5510-510-5103	$3,400	$5,312	$4,600
Expense / PERS - ER Contribution - Classic Members	100-5510-510-5105	$16,300	$17,174	$18,200
Expense / PERS - ER Contribution - PEPRA Members	100-5510-510-5106	$36,300	$29,834	$42,900
Expense / PERS - EPMC - Classic Members	100-5510-510-5107	$9,100	$9,602	$10,200
Expense / PERS - Pension Expense - GASB 68	100-5510-510-5109	$400	$0	$0
Benefits / Hosp/Med Insurance	100-5510-510-5120	$202,800	$157,641	$220,600
Benefits / Dental	100-5510-510-5121	$12,200	$9,652	$13,200
Benefits / Vision Care Insurance	100-5510-510-5122	$2,300	$1,985	$2,300
Benefits / Disability Insurance	100-5510-510-5123	$2,100	$3,447	$10,400
Benefits / EAP	100-5510-510-5124	$300	$241	$400
Benefits / Life Insurance	100-5510-510-5125	$3,600	$3,215	$6,300
Expense / Training	100-5510-515-5200	$3,000	$640	$15,000
Miscellaneous / Trans/Meals/Lodging	100-5510-515-5202	$500	$129	$1,500
Outside Labor/Contractors / Remote Site Fees	100-5510-525-5305	$45,100	$237,594	$15,100
Professional Services / Armored Transport	100-5510-525-5309	$6,800	$7,325	$7,300
Outside Labor / Contractors	100-5510-525-5319	$0	$89,580	$0
Professional Services / Other Consultants	100-5510-525-5340	$0	$0	$20,000
Operating Supplies / Miscellaneous	100-5510-530-5403	$2,500	$2,414	$2,500
Miscellaneous / Bank Card Expense	100-5510-536-5320	$65,000	$473,402	$75,000
Other Expenses / Equipment	100-5510-536-5412	$2,800	$2,145	$2,800
Operating Supplies / Uniforms	100-5510-536-5475	$1,600	$965	$1,600
Total Customer Service:		**$1,083,500**	**$1,657,593**	**$1,238,300**
Total Finance:		**$1,083,500**	**$1,657,593**	**$1,238,300**
Total Expenditures:		**$1,083,500**	**$1,657,593**	**$1,238,300**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Engineering



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Substantially completed construction and commissioning of the Roemer Water Treatment Plant Expansion.
- Continued construction of CIP-identified projects, including the Lord Ranch Improvements and Bloomington Water Main Replacement projects.
- Secured funding for the Well 36A Project and initiated engineering services.
- Continued participation in regional water-supply activities, including the Rialto Basin Groundwater Council, Cactus Basin TAG, and adoption of the Regional Urban Water Management Plan.
- Secured funding for outdoor water-efficiency rebate programs.
- Continued development of the Water Use Efficiency Master Plan and Water Master Plan.

FY 2026-27 GOALS & OBJECTIVES

- Coordinate Capital Improvement Program and development projects to support planned growth and future development.
- Onboard a Design Build Entity for the New Headquarters Project.
- Complete an updated Capacity Fee Study.
- Participate in and advance regional water-supply reliability projects.
- Identify and implement a compliance pathway for the Conservation as a California Way of Life regulations.

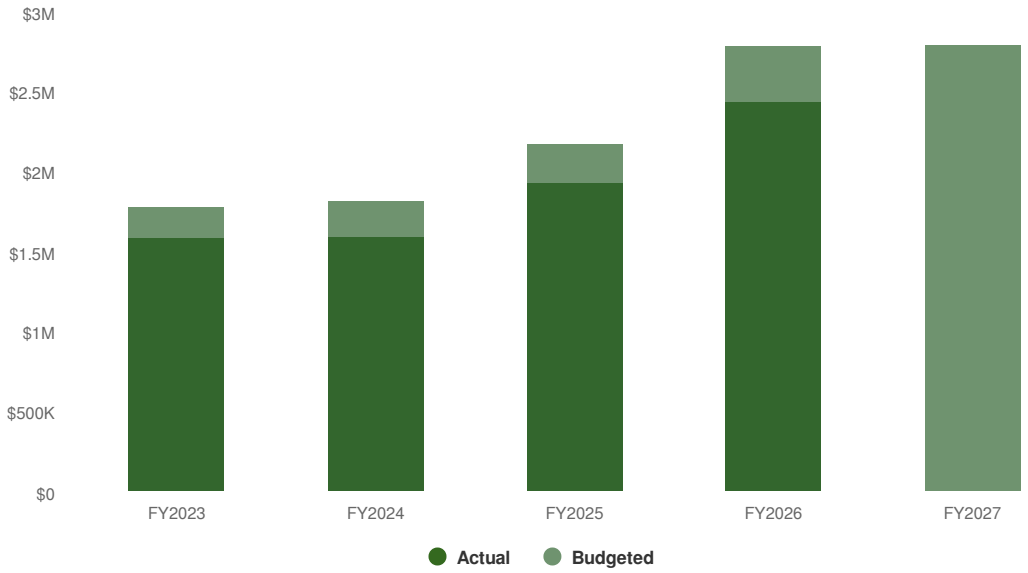
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Initiate Fully Funded CIP Projects for the fiscal year.	100%	100%	95%
Complete CIP phases scheduled for the current fiscal year.	100%	85%	90%
Issue billing letters for developers related charges within 1 week.	100%	100%	100%
Complete development infrastructure plan reviews within 3 weeks.	100%	100%	100%

Expenditures Summary

$2,797,096 **$10,221**
(0.37% vs. prior year)

Engineering Proposed and Historical Budget vs. Actual

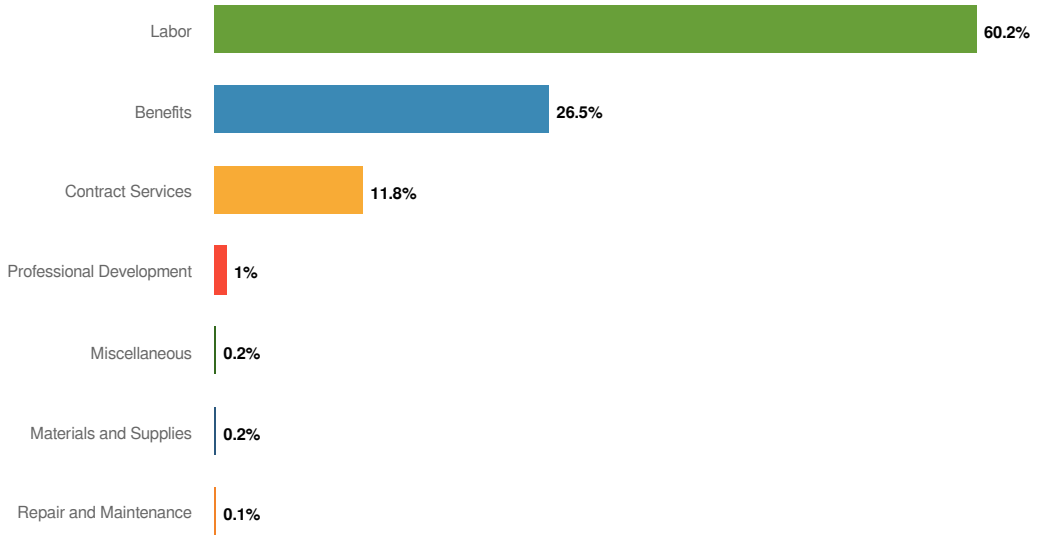


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
General & Admin				
Engineering				
Labor / Full Time	100-5630-500-5001	$1,267,000	$1,278,778	$1,565,400
Labor / Part Time Or Temporary	100-5630-500-5002	$45,600	$0	$0
Labor / Overtime	100-5630-500-5003	$3,000	$634	$3,000
Labor / Bilingual Compensation	100-5630-500-5020	$1,300	$1,350	$2,000
Benefits / Deferred Comp-ER Match	100-5630-510-5100	$19,500	$14,815	$21,500
Benefits / FICA	100-5630-510-5101	$70,600	$78,387	$91,900
Benefits / Medicare	100-5630-510-5102	$17,700	$18,784	$23,400
Expense / Workers Comp Insurance	100-5630-510-5103	$15,900	$35,031	$23,100
Expense / PERS - ER Contribution - Classic Members	100-5630-510-5105	$65,900	$75,579	$118,500
Expense / PERS - ER Contribution - PEPRA Members	100-5630-510-5106	$50,800	$47,071	$44,600
Expense / PERS - EPMC - Classic Members	100-5630-510-5107	$36,900	$42,257	$0
Benefits / Hosp/Med Insurance	100-5630-510-5120	$245,300	$218,305	$283,400
Benefits / Dental	100-5630-510-5121	$15,000	$13,997	$15,700
Benefits / Vision Care Insurance	100-5630-510-5122	$2,600	$2,229	$2,800
Benefits / Disability Insurance	100-5630-510-5123	$4,700	$5,827	$20,700
Benefits / EAP	100-5630-510-5124	$300	$274	$500
Benefits / Life Insurance	100-5630-510-5125	$4,300	$3,878	$7,500
Expense / Training	100-5630-515-5200	$5,900	$7,543	$17,175
Miscellaneous / Dues & Subscriptions	100-5630-515-5201	$12,400	$10,688	$15,000
Miscellaneous / Trans/Meals/Lodging	100-5630-515-5202	$2,400	$290	$2,500

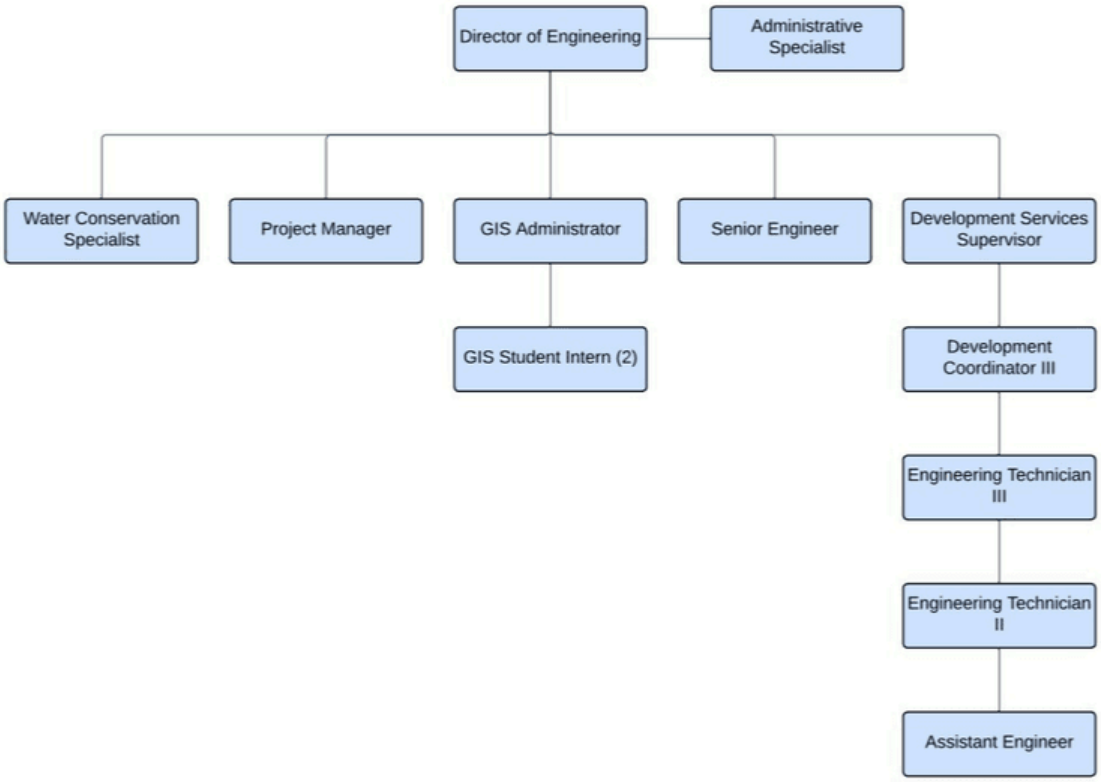
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Professional Services / Other Consultants	100-5630-525-5340	$279,000	$74,059	$520,000
Operating Supplies / Miscellaneous	100-5630-530-5403	$500	$1,201	$2,500
Operating Supplies / Uniforms	100-5630-536-5475	$4,700	$3,567	$4,700
Repair & Maintenance / Office Equipment	100-5630-540-5610	$2,000	$378	$1,000
Total Engineering:		**$2,173,300**	**$1,934,921**	**$2,786,875**
Total General & Admin:		**$2,173,300**	**$1,934,921**	**$2,786,875**
Total Expenditures:		**$2,173,300**	**$1,934,921**	**$2,786,875**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Geographic Information System



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No signficant changes.

FY 2025-26 ACCOMPLISHMENTS

- Using Drone to map Production sites and other District Faciliites.
- Developed complete workflow and reports for Site Survey inspections.
- Created new leak tracking workflow to meet new upcoming DWR requirements.
- Utility Network Migration completed. Valve isolation tracing is now possible and is being rolled into mobile applications.

FY 2026-27 GOALS & OBJECTIVES

- Complete Drone mapping of remaining District Facilities
- Create new service online application worklflow
- Developer CIP tracking workflow and public CIP map application
- Develop Vehicle Inspection reporting/tracking solution
- Complete Service Order/Work Report Requirements and Prototype

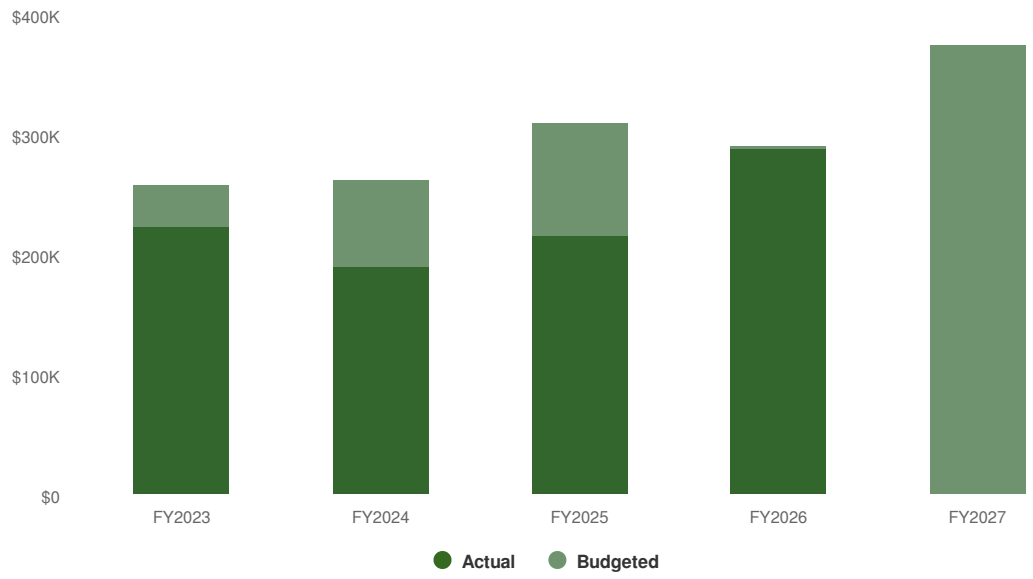
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Field Application activities layers added to GIS Viewer	100%	20%	100%
All Developer Projects added to GIS	100%	0%	20%
Tyler Customer Services in GIS	100%	0%	100%
Tokay Backflows in GIS	100%	0%	100%

Expenditures Summary

$375,300 **$84,100**
(28.88% vs. prior year)

Geographic Information System Proposed and Historical Budget vs. Actual

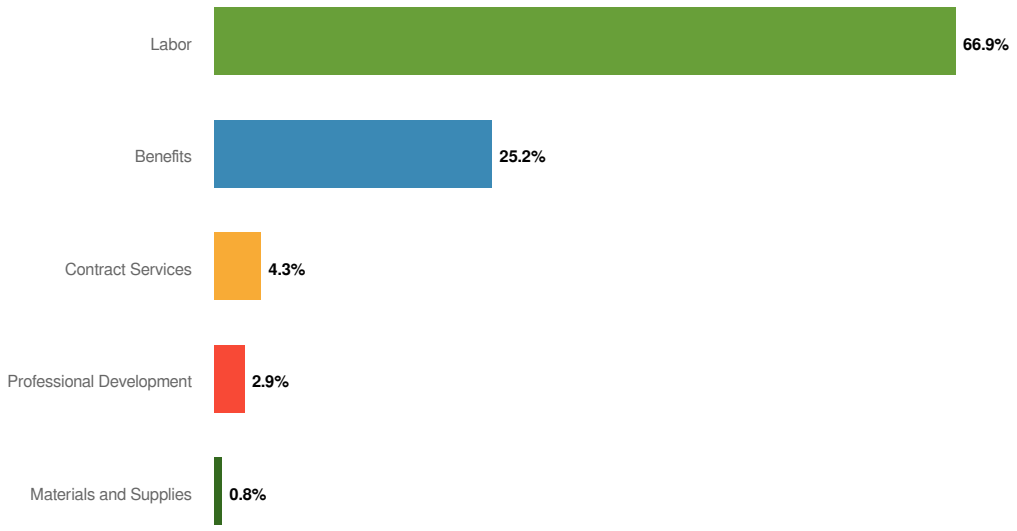


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
General & Admin				
GIS				
Labor / Full Time	100-5645-500-5001	$177,600	$138,848	$152,400
Labor / Part Time Or Temporary	100-5645-500-5002	$42,400	$19,212	$42,400
Labor / Overtime	100-5645-500-5003	$700	$302	$700
Benefits / Deferred Comp-ER Match	100-5645-510-5100	$2,000	$0	$2,000
Benefits / FICA	100-5645-510-5101	$11,100	$9,784	$15,500

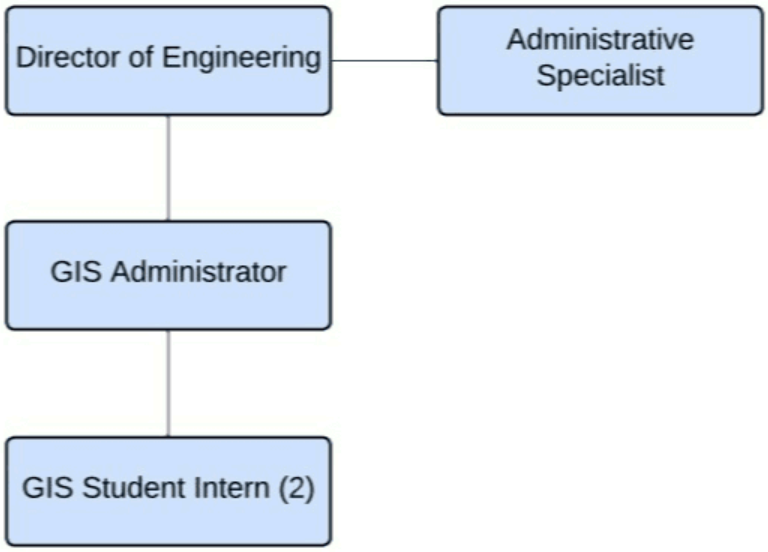
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Benefits / Medicare	100-5645-510-5102	$2,600	$2,288	$3,600
Expense / Workers Comp Insurance	100-5645-510-5103	$1,000	$865	$1,700
Expense / PERS - ER Contribution - PEPRA Members	100-5645-510-5106	$10,400	$11,302	$12,100
Benefits / Hosp/Med Insurance	100-5645-510-5120	$32,200	$28,741	$29,000
Benefits / Dental	100-5645-510-5121	$2,100	$2,032	$2,100
Benefits / Vision Care Insurance	100-5645-510-5122	$300	$245	$300
Benefits / Disability Insurance	100-5645-510-5123	$500	$682	$1,900
Benefits / EAP	100-5645-510-5124	$0	$30	$0
Benefits / Life Insurance	100-5645-510-5125	$400	$384	$600
Expense / Training	100-5645-515-5200	$8,900	$1,013	$8,900
Miscellaneous / Trans/Meals/Lodging	100-5645-515-5202	$1,500	$0	$1,500
Professional Services / Programmer	100-5645-525-5316	$16,000	$0	$16,000
Miscellaneous / Computer Supplies & Maint	100-5645-530-5410	$500	$0	$500
Total GIS:		**$310,200**	**$215,728**	**$291,200**
Total General & Admin:		**$310,200**	**$215,728**	**$291,200**
Total Expenditures:		**$310,200**	**$215,728**	**$291,200**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Human Resources



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Completed the update and adoption of comprehensive HR Policies and Procedures that reflect current legal requirements and align with industry's best practices.
- Completed the consolidation of multiple 457(b) plan providers into one streamlined platform, included a 401(a) into the plan, and enhanced fiduciary oversight and improving plan value for participants.
- Assisted in initiating the development of an educational outreach program aimed at informing and inspiring students at local high schools about careers in the water industry.
- Continuous enhancement of internal communication and team cohesion.
- Established and implemented a structured 1000-hour internship program in various departments to provide hands-on experience and attract and retain emerging talent.

FY 2026-27 GOALS & OBJECTIVES

- Implement Neogov PERFORM to automate evaluations, promote real-time feedback, and transition to a paperless system aligned with green initiatives.
- Complete a reorganization of the Treatment and Production Division to consolidate both divisions and provide opportunity for career growth. Negotiate the effects with the Union.
- Strengthen the District's commitment to employee safety and regulatory compliance by updating/amending and implementing proactive training, hazard identification, and strategic oversight of health and safety practices (i.e., Fire and Earthquake Drills, Active Shooter Training)
- Update and implement a new online process for Health Benefits tracking, enrollment and billing.
- Change the STD/LTD/Voluntary Life provider to enhance the process of claims and voluntary life products handling and reduce the cost of while expanding value in vision and life coverage. Cost savings of approximately 30%
- Continue to seek and secure Employment Practices Liability Insurance coverage with ACWA JPIA to protect WVWD from adverse employment actions.

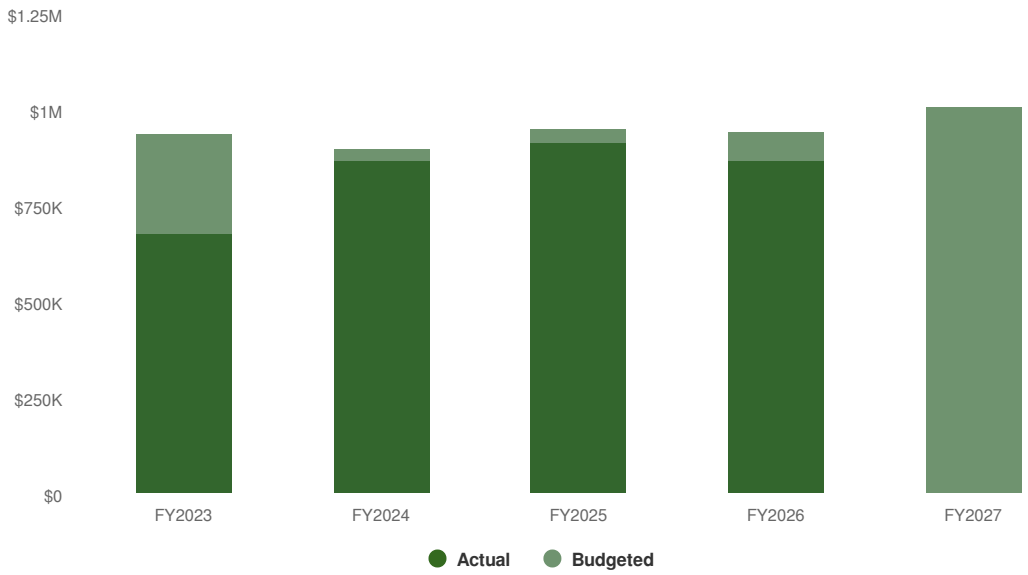
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Percentage of annual non-retirement employee turnover.	<6%	10%	6%
Annual performance appraisals completed in a timely manner.	95%	56%	61%
New Hires	N/A	12	12
Promotions	N/A	1	2
Reclassifications - Series/Reorganization	N/A	N/A	4
Recruitments	N/A	13	14
Average time to hire - Total days	75	70	85

Expenditures Summary

$1,007,795 **$67,495**
(7.18% vs. prior year)

Human Resources Proposed and Historical Budget vs. Actual

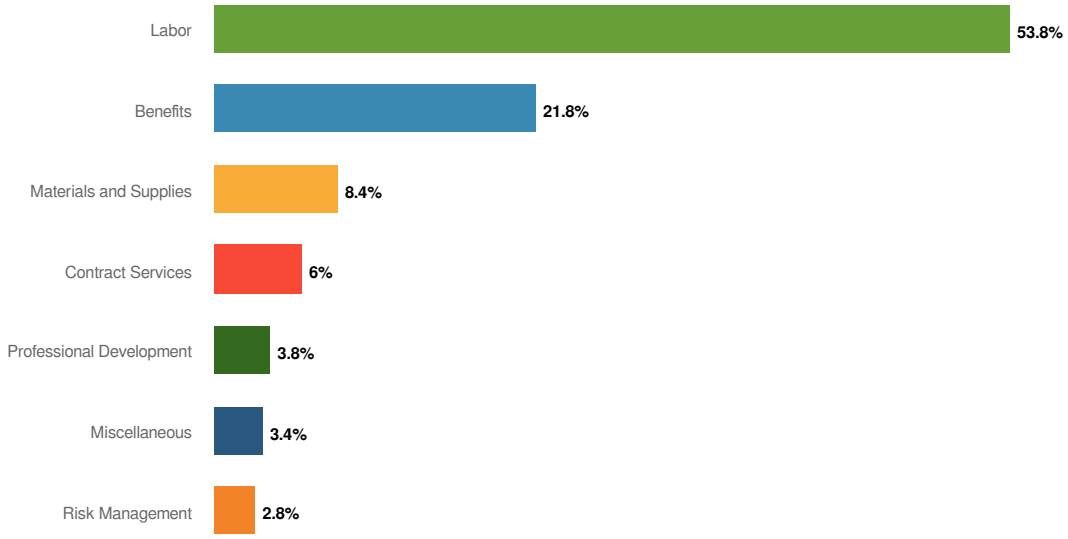


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
General & Admin				
Human Resources/Risk Management				
Labor / Full Time	100-5660-500-5001	$440,100	$463,874	$480,400
Labor / Overtime	100-5660-500-5003	$3,000	$1,618	$3,000
Labor / Bilingual Compensation	100-5660-500-5020	$2,000	$1,950	$2,000
Benefits / Deferred Comp-ER Match	100-5660-510-5100	$5,900	$6,094	$5,900
Benefits / FICA	100-5660-510-5101	$25,900	$28,065	$27,600
Benefits / Medicare	100-5660-510-5102	$6,900	$7,283	$7,500
Expense / Workers Comp Insurance	100-5660-510-5103	$2,500	$2,907	$3,200
Expense / PERS - ER Contribution - Classic Members	100-5660-510-5105	$40,700	$41,475	$43,900
Expense / PERS - ER Contribution - PEPRA Members	100-5660-510-5106	$9,200	$9,553	$10,300
Expense / PERS - EPMC - Classic Members	100-5660-510-5107	$22,800	$23,189	$24,500
Benefits / Hosp/Med Insurance	100-5660-510-5120	$69,800	$75,563	$74,200
Benefits / Dental	100-5660-510-5121	$4,400	$4,983	$4,400
Benefits / Vision Care Insurance	100-5660-510-5122	$800	$796	$800
Benefits / Disability Insurance	100-5660-510-5123	$1,600	$2,232	$6,200
Benefits / EAP	100-5660-510-5124	$100	$97	$100
Benefits / Life Insurance	100-5660-510-5125	$1,600	$1,726	$1,900
Expense / Training	100-5660-515-5200	$58,780	$38,505	$42,800
Miscellaneous / Subscription & Membrships	100-5660-515-5201	$14,200	$13,714	$13,400
Miscellaneous / Trans/Meals/Lodging	100-5660-515-5202	$4,900	$10,455	$10,000
Professional Services / Other Consultants	100-5660-525-5340	$140,000	$52,612	$80,000

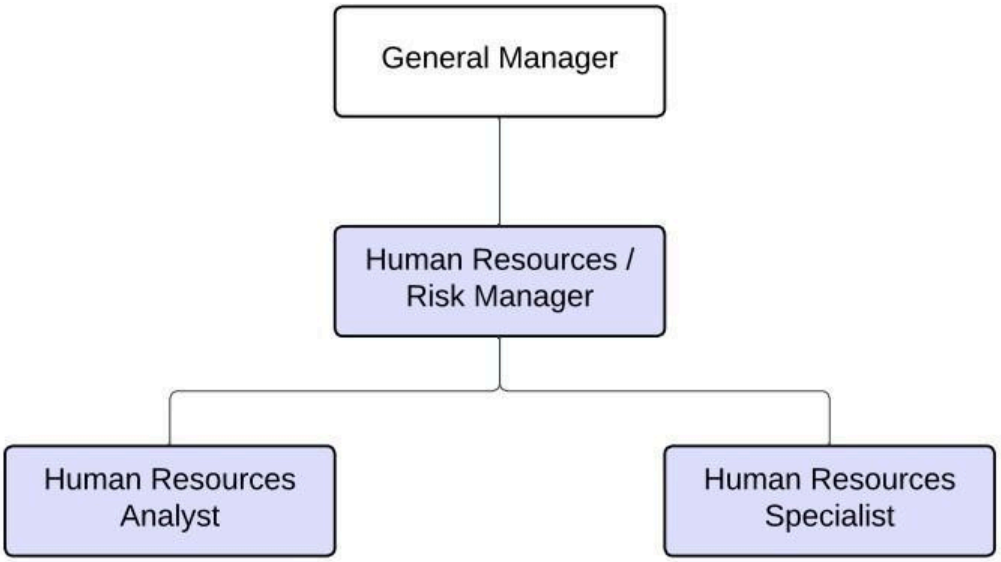
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Operating Supplies / Miscellaneous	100-5660-530-5403	$8,200	$6,556	$1,200
Operating Supplies / Safety	100-5660-530-5405	$11,150	$22,901	$20,000
Operating Supplies / Recognition Supply	100-5660-530-5406	$40,200	$37,021	$42,000
Miscellaneous / Employee Wellness Program	100-5660-536-5453	$18,500	$20,138	$18,500
Miscellaneous / Recruitment	100-5660-536-5474	$16,500	$42,473	$16,500
Total Human Resources/Risk Management:		**$949,730**	**$915,778**	**$940,300**
Total General & Admin:		**$949,730**	**$915,778**	**$940,300**
Total Expenditures:		**$949,730**	**$915,778**	**$940,300**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Technical Services



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Completed a project to implement a new agenda management system, Agenda Link.
- Completed a project to add security cameras to Headquarters, Roemer Treatment Plant, and 12 other remote facilities. Also integrated the access control and burglar alarm systems into the security camera system.
- Completed a project to install a fiber internet connection at the Roemer Treatment Plant.
- Completed a project to replace the core network switches, which were approaching the end of their life cycle.
- Secured a grant in the amount of $250,000 from the CalOES Cybersecurity Grant Program to support the development of a SCADA Master Plan.
- Provided technical assistance to the Finance Department to implement the new water rate tiers.
- Completed a project to conduct internal and external penetration testing.

FY 2026-27 GOALS & OBJECTIVES

- Develop an IT Master Plan.
- Implement an API between the District's utility billing system and its online payments system, iPaySmart, to streamline the payment posting process.
- Expand the District's portfolio of Zero-Trust tools.
- Update existing IT policies and/or develop new policies as appropriate.
- Coordinate a project to redesign the District's website to: ensure compliance with accessibility regulations, incorporate the District's Branding Guidelines, and to complete the transition to westvalleywaterca.gov.

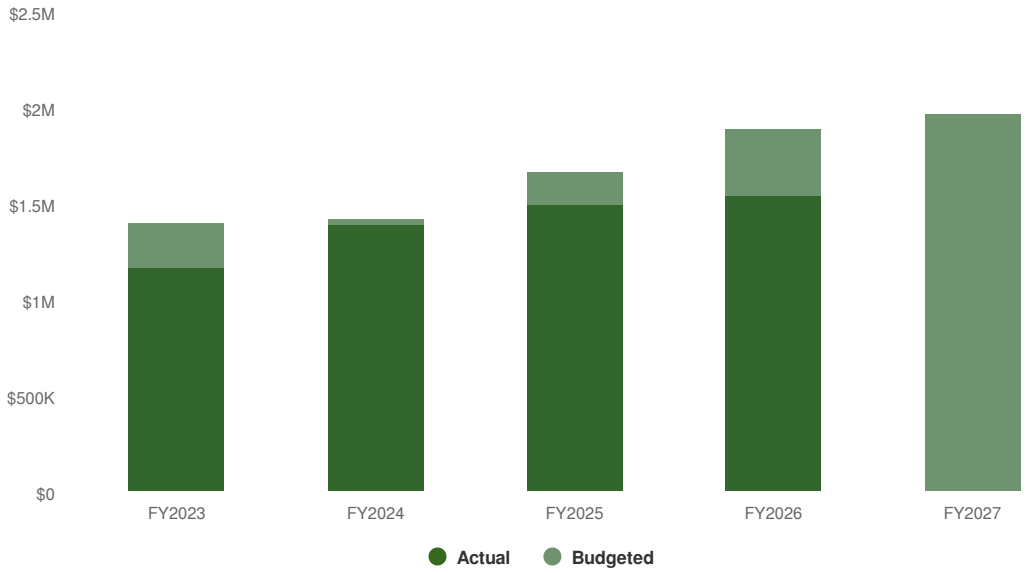
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Maximize system availability	99%	99%	99%
Increase Cybersecurity awareness by providing quarterly training topics	4	3	0
Complete disaster recovery drill (system restoration, power outages, emergency notifications)	1	1	2
Provide training for new employees	N/A	15	0

Expenditures Summary

$1,970,110 **$79,280**
(4.19% vs. prior year)

Technical Services Proposed and Historical Budget vs. Actual

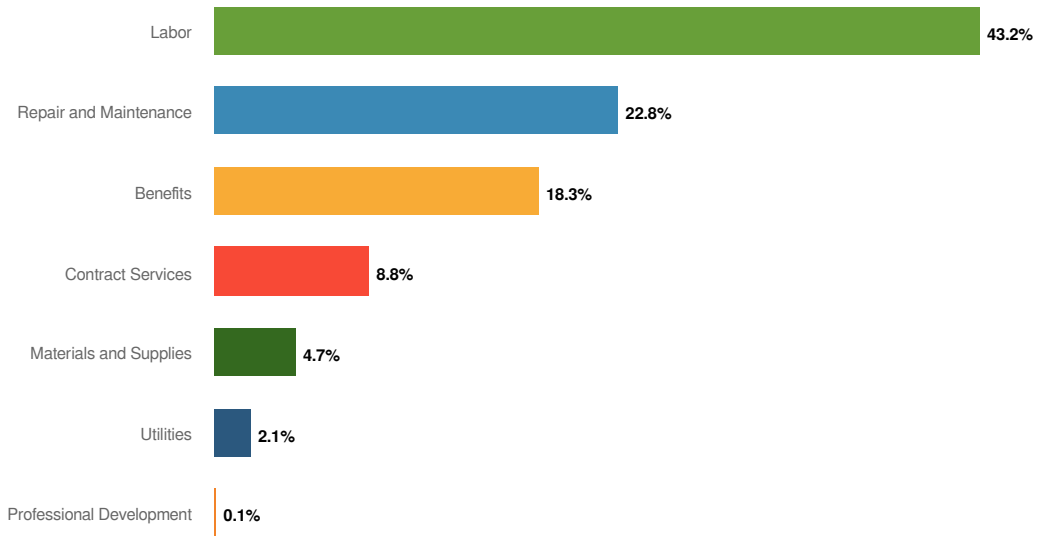


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
General & Admin				
Business Systems				
Labor / Full Time	100-5640-500-5001	$677,300	$701,983	$722,200
Labor / Overtime	100-5640-500-5003	$15,000	$8,967	$15,000
Labor / Bilingual Compensation	100-5640-500-5020	$700	$650	$700
Benefits / Deferred Comp-ER Match	100-5640-510-5100	$7,800	$7,792	$7,800
Benefits / FICA	100-5640-510-5101	$36,200	$36,791	$38,700
Benefits / Medicare	100-5640-510-5102	$10,300	$10,362	$10,900
Expense / Workers Comp Insurance	100-5640-510-5103	$3,700	$3,594	$4,600
Expense / PERS - ER Contribution - Classic Members	100-5640-510-5105	$80,700	$81,115	$86,400
Expense / PERS - EPMC - Classic Members	100-5640-510-5107	$45,100	$45,352	$48,300
Expense / PERS - Pension Expense - GASB 68	100-5640-510-5109	$550	$0	$0
Benefits / Hosp/Med Insurance	100-5640-510-5120	$103,300	$100,354	$111,000
Benefits / Dental	100-5640-510-5121	$7,300	$7,216	$7,300
Benefits / Vision Care Insurance	100-5640-510-5122	$1,000	$952	$1,000
Benefits / Disability Insurance	100-5640-510-5123	$2,000	$2,749	$8,800
Benefits / EAP	100-5640-510-5124	$100	$119	$200
Benefits / Life Insurance	100-5640-510-5125	$2,100	$2,062	$2,100
Expense / Training	100-5640-515-5200	$2,400	$2,316	$4,400
Miscellaneous / Dues & Subscriptions	100-5640-515-5201	$1,330	$130	$2,730
Miscellaneous / Trans/Meals/Lodging	100-5640-515-5202	$300	$0	$1,500
Professional Services / Programmer	100-5640-525-5316	$125,000	$7,690	$265,000

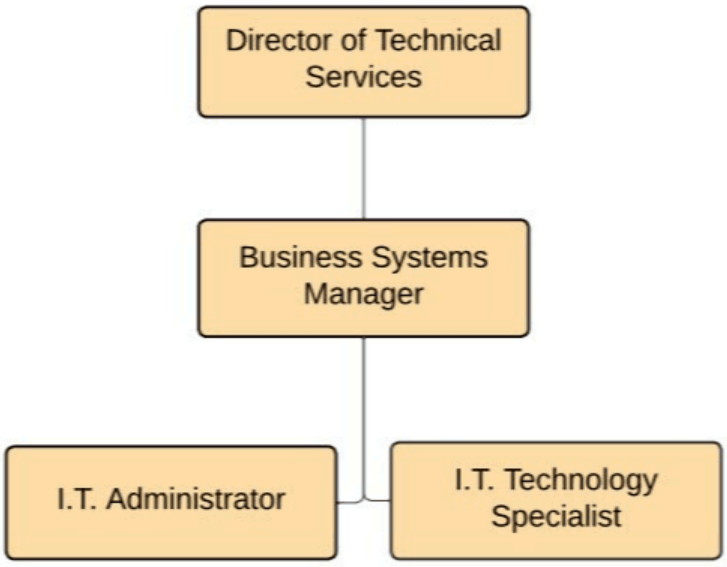
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Miscellaneous / Computer Supplies & Maint	100-5640-530-5410	$88,600	$91,552	$92,000
Repair & Maintenance / Contracts And Licensing	100-5640-540-5604	$407,336	$345,068	$402,200
Miscellaneous / High Speed Internet Ser	100-5640-550-5651	$44,000	$37,198	$58,000
Total Business Systems:		**$1,662,116**	**$1,494,014**	**$1,890,830**
Total General & Admin:		**$1,662,116**	**$1,494,014**	**$1,890,830**
Total Expenditures:		**$1,662,116**	**$1,494,014**	**$1,890,830**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Meter Reading



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Completion of Annual Large Meter Testing
- Replacement of large meters under registering via large meter test
- Completion of metering all District sites irrigation for water loss auditing
- Meter staff taking on larger meter repalcement with retrofitting pipes and torching out rusted parts.

FY 2026-27 GOALS & OBJECTIVES

- Replacement of two inch meters not fully AMI capable and reaching 10 year mark
- Testing of large meters 3" and larger and replace as needed.
- Complete Route 3 CIP AMI updates
- Install Ally Meters in all pressure zones of Distribution system to monitor high and low sides of zone.

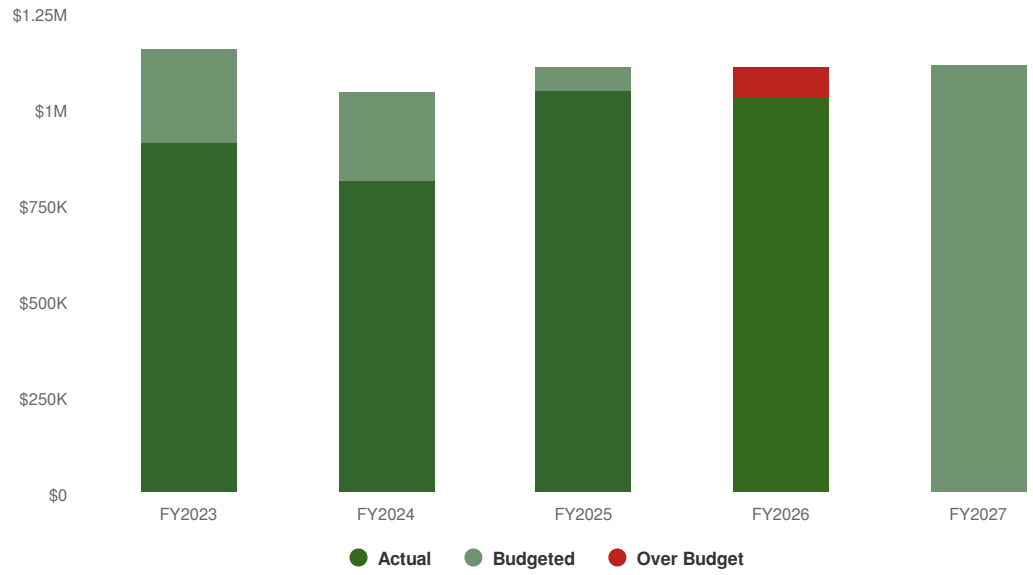
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Number of employees trained on the AMI Project	7	2	2
Inspection program developed for facilities in AMI areas that are no longer read manually	1	3	3
Migrate digital water loss data to ARC GIS for tracking purposes	100%	15%	25%
Test all large meters for accuracy	100%	100%	100%
Collaborate with Distribution and Billing divisions to update meter replacements	100%	15%	100%
Annual Report filed on small meter testing	Yes	Yes	Yes

Expenditures Summary

$1,114,600 $88,400
(8.61% vs. prior year)

Meter Reading Proposed and Historical Budget vs. Actual

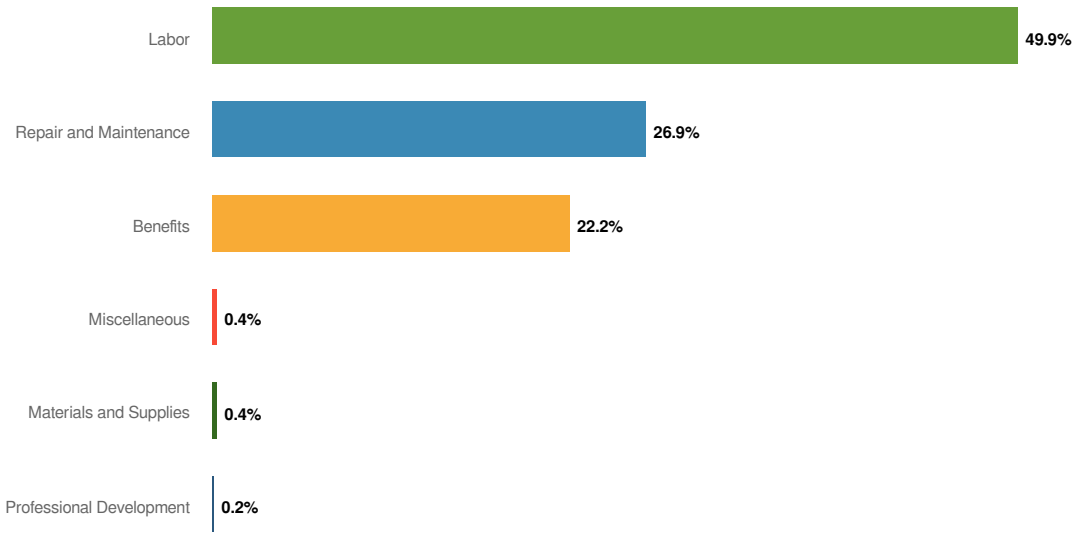


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
Finance				
Meter Reading				
Labor / Full Time	100-5520-500-5001	$521,600	$408,960	$475,500
Labor / Overtime	100-5520-500-5003	$20,000	$11,527	$10,000
Labor / On Call	100-5520-500-5004	$7,300	$5,130	$7,300

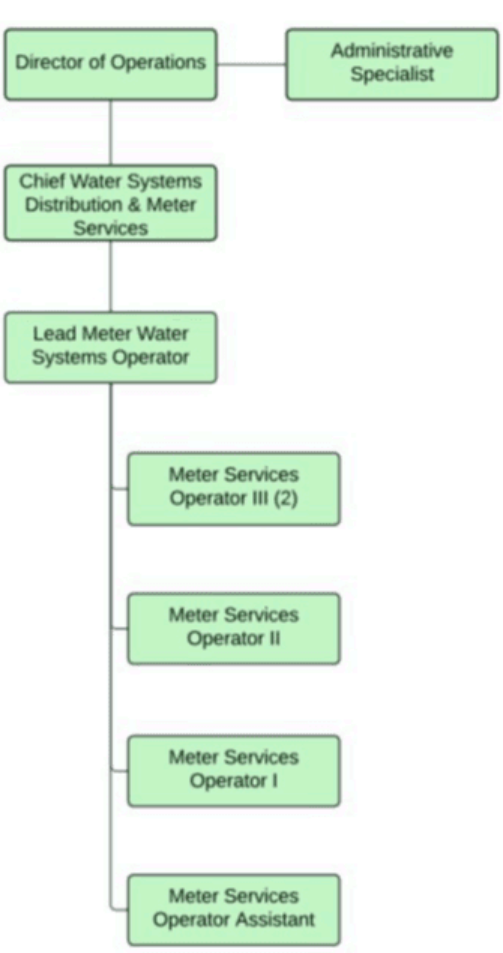
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Labor / Bilingual Compensation	100-5520-500-5020	$700	$975	$1,300
Benefits / Deferred Comp-ER Match	100-5520-510-5100	$13,700	$5,706	$11,700
Benefits / FICA	100-5520-510-5101	$33,500	$26,872	$30,400
Benefits / Medicare	100-5520-510-5102	$7,800	$6,284	$7,100
Expense / Workers Comp Insurance	100-5520-510-5103	$7,500	$4,615	$3,400
Expense / PERS - ER Contribution - Classic Members	100-5520-510-5105	$11,800	$0	$0
Expense / PERS - ER Contribution - PEPRA Members	100-5520-510-5106	$33,400	$31,431	$37,400
Expense / PERS - EPMC - Classic Members	100-5520-510-5107	$6,600	$0	$0
Expense / PERS - Pension Expense - GASB 68	100-5520-510-5109	$300	$0	$0
Benefits / Hosp/Med Insurance	100-5520-510-5120	$148,400	$113,766	$132,600
Benefits / Dental	100-5520-510-5121	$8,800	$7,293	$9,200
Benefits / Vision Care Insurance	100-5520-510-5122	$1,800	$1,335	$1,500
Benefits / Disability Insurance	100-5520-510-5123	$2,000	$2,593	$7,300
Benefits / EAP	100-5520-510-5124	$200	$163	$300
Benefits / Life Insurance	100-5520-510-5125	$2,800	$2,102	$4,800
Expense / Training	100-5520-515-5200	$2,000	$620	$2,000
Miscellaneous / Trans/Meals/Lodging	100-5520-515-5202	$500	$0	$1,000
Operating Supplies / Shop	100-5520-530-5407	$14,400	$14,052	$4,000
Operating Supplies / Uniforms	100-5520-536-5475	$4,400	$5,603	$4,400
Miscellaneous / AMR Meter Replacement Prgram	100-5520-540-5601	$19,000	$11,544	$15,000
Repair & Maintenance / Meters & AMRs	100-5520-540-5608	$240,000	$386,035	$260,000
Total Meter Reading:		**$1,108,500**	**$1,046,604**	**$1,026,200**
Total Finance:		**$1,108,500**	**$1,046,604**	**$1,026,200**
Total Expenditures:		**$1,108,500**	**$1,046,604**	**$1,026,200**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Public Outreach and Government Affairs



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Conducted community meetings, events, presentations and targeted outreach, including support for a successful rate-setting process.
- Continued water education, school outreach, conservation programming and student engagement.
- Increased social media engagement through all platforms.
- Supported more than 50 community events through outreach, engagement, and sponsorship opportunities, increasing WVWD's visibility and connection with the communities it serves.
- Monitored 50+ bills and took formal positions on 16 during the 2025 legislative year; participated in Sacramento and Washington, D.C. advocacy. POGA's efforts also earned ACWA Region 9 recognition and the Overall ACWA Outreach Award for excellence in outreach and communications.
- Earned industry recognition for excellence in public communications and video storytelling, including CAPIO STAR Awards and PRSA Inland Empire recognition for outreach and video work. WVWD received first place at the 2025 CAPIO STAR Awards for the Water. Service. Community. video series

FY 2026-27 GOALS & OBJECTIVES

- Plan and execute the Oliver P. Roemer Water Treatment Plant Upgrade ribbon-cutting ceremony.
- Complete and implement Strategic Internal/External Communications Plan; measure campaign reach, engagement and outcomes.
- Complete and implement WVWD's first Crisis Communication Plan; conduct bi-annual review/tabletop exercise.
- Implement Branding Guidelines and establish brand compliance across public-facing materials.
- Strengthen WVWD's brand identity through implementation of Branding Guidelines, consistent templates and materials, and improved ADA accessibility.
- Develop and launch a new WVWD website that provides a more accessible, userfriendly, and engaging digital experience for customers and the community. The new website will improve navigation, simplify access to essential information and services, strengthen mobile and ADA accessibility, and provide a stronger platform for District communications, outreach, and customer engagement.
- Strengthen local, state and federal relationships; track legislative meetings, advocacy actions, positions, funding opportunities and outcomes.
- Launch and evaluate signature initiatives such as Creek Mobile, Find Your Flow – Careers in Water, 75th Anniversary programming and other strategic campaigns.
- Implement tours for community and students at the Roemer Facility.
- Increase external funding opportunities by supporting grant identification, applications, advocacy, and communications associated with state and federal funding programs.
- Strengthen public trust and transparency through proactive communication about District projects, investments, water reliability, rates, infrastructure, and community benefits.

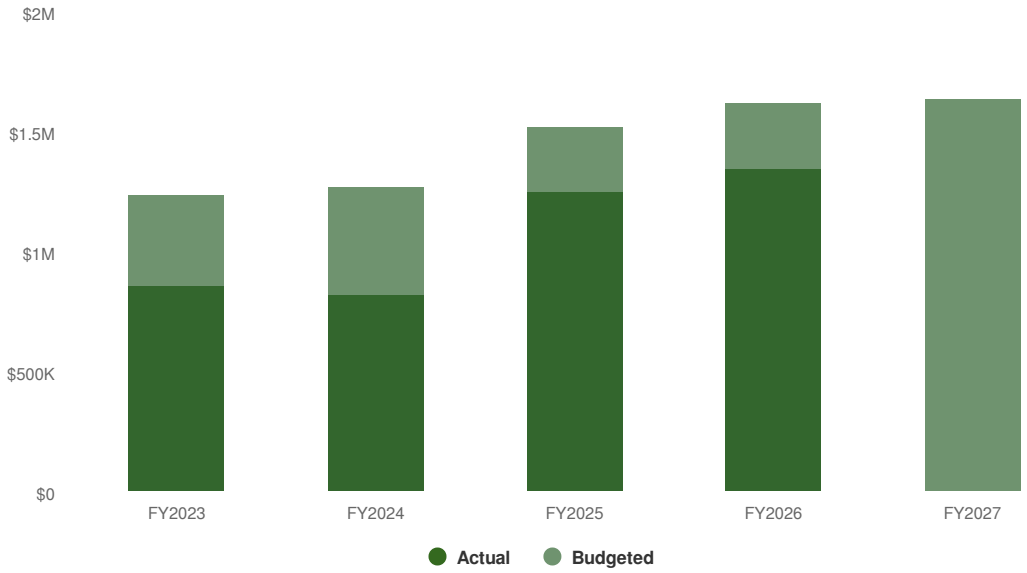
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Identify water and infrastructure bills and submit letters of support/opposition.	50	50	50
Attend community events monthly and STEM Day Celebration	75	75	75
Increase digital engagement	20%	20%	25%
Seek industry awards	2	2	6
Increase communication efforts	100%	100%	100%

Expenditures Summary

$1,635,450 $18,655
(1.15% vs. prior year)

Public Outreach and Government Affairs Proposed and Historical Budget vs. Actual

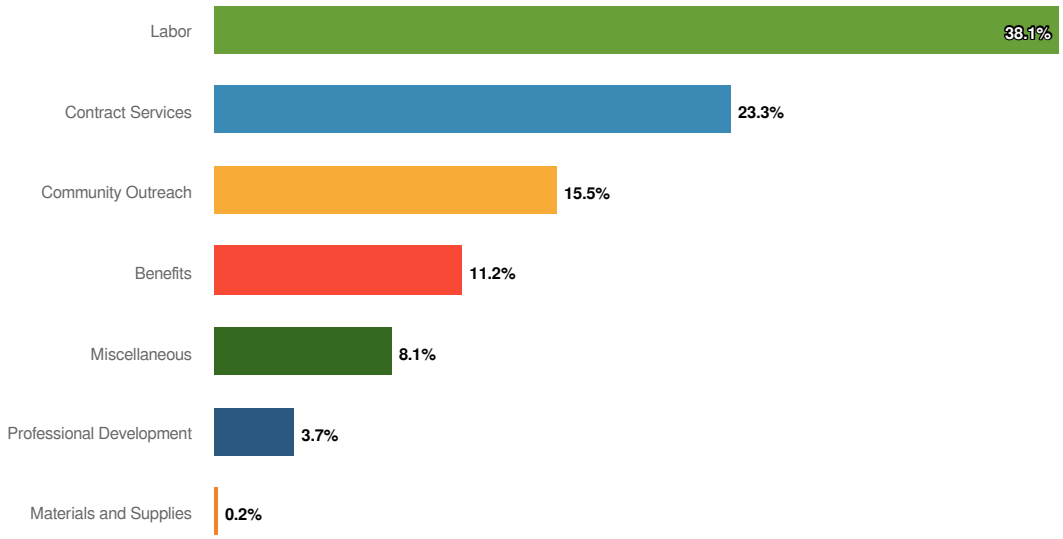


Name	Account ID	FY2024 Budget	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures					
Public Affairs					
Public Affairs					
Labor / Full Time	100-5710-500-5001	$421,500	$477,100	$452,057	$494,200
Labor / Part Time Or Temporary	100-5710-500-5002	$42,400	$42,400	$0	$22,000
Labor / Overtime	100-5710-500-5003	$14,000	$19,000	$30,651	$25,000
Labor / Bilingual Compensation	100-5710-500-5020	$700	$2,000	$1,100	$1,000
Benefits / Deferred Comp-ER Match	100-5710-510-5100	$7,800	$7,800	$4,914	$7,800
Benefits / FICA	100-5710-510-5101	$29,200	$30,900	$30,354	$30,700
Benefits / Medicare	100-5710-510-5102	$6,800	$7,200	$7,099	$7,500
Expense / Workers Comp Insurance	100-5710-510-5103	$2,700	$2,700	$6,066	$3,300
Expense / PERS - ER Contribution - Classic Members	100-5710-510-5105	$15,400	$9,700	$814	$0
Expense / PERS - ER Contribution - PEPRA Members	100-5710-510-5106	$22,800	$27,500	$34,661	$36,600
Expense / PERS - EPMC - Classic Members	100-5710-510-5107	$8,600	$5,400	$455	$0

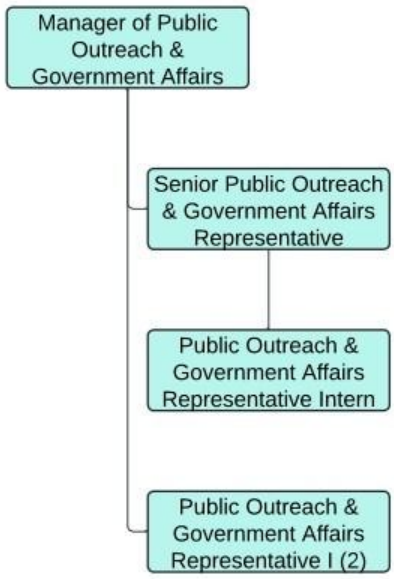
Name	Account ID	FY2024 Budget	FY2025 Budget	FY2025 Actual	FY2026 Budget
Benefits / Hosp/Med Insurance	100-5710-510-5120	$90,300	$102,900	$58,474	$87,000
Benefits / Dental	100-5710-510-5121	$5,700	$6,400	$3,509	$5,000
Benefits / Vision Care Insurance	100-5710-510-5122	$1,000	$1,000	$898	$1,000
Benefits / Disability Insurance	100-5710-510-5123	$1,400	$1,500	$2,198	$7,100
Benefits / EAP	100-5710-510-5124	$100	$100	$115	$200
Benefits / Life Insurance	100-5710-510-5125	$1,700	$1,600	$1,705	$2,800
Expense / Training	100-5710-515-5200	$8,800	$13,945	$8,288	$16,445
Miscellaneous / Subscription & Membrships	100-5710-515-5201	$9,300	$18,340	$15,310	$15,650
Miscellaneous / Trans/Meals/Lodging	100-5710-515-5202	$15,000	$20,000	$18,000	$22,000
Professional Services / Other Consultants	100-5710-525-5340	$355,500	$448,500	$386,181	$451,000
Operating Supplies / Miscellaneous	100-5710-530-5403	$2,500	$2,500	$2,472	$3,000
Miscellaneous / Printing	100-5710-536-5411	$56,500	$50,000	$43,937	$91,500
Postage & Shipping	100-5710-536-5471	$25,000	$25,000	$5,103	$90,000
Operating Supplies / Uniforms	100-5710-536-5475	$1,500	$1,000	$378	$1,000
Programs / Outreach Programs	100-5710-537-5502	$95,000	$134,500	$107,693	$133,000
Programs / Sponsorships	100-5710-537-5506	$28,000	$62,000	$29,622	$62,000
Total Public Affairs:		**$1,269,200**	**$1,520,985**	**$1,252,055**	**$1,616,795**
Total Public Affairs:		**$1,269,200**	**$1,520,985**	**$1,252,055**	**$1,616,795**
Total Expenditures:		**$1,269,200**	**$1,520,985**	**$1,252,055**	**$1,616,795**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Support Services



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Purchased 5 work trucks, and 2 administrative vehicles.
- 181 Facilities tickets and 140 were completed. 11 remain open and in progress.
- Cleaned out 75% of the warehouse area.
- Disposed of surplus furniture, IT equipment, and fleet vehicles that were deemed not useful.
- Support Services Supervisor role was filled. Alignment with Be an Exemplary Employer a) Attract and Retain High Performing Employees.
- Roof repairs for the District's Booster stations were completed and the project was closed.
- A total of 587 Purchase Orders were completed.
- Completed all staff training for Tyler.

FY 2026-27 GOALS & OBJECTIVES

- Procure, purchase, and equip new vehicle fleet replacements
- Implement the Project Management Evaluation Module for the Request for Proposal (RFP) process
- Provide yearly Tyler training for staff
- Streamline the agreement process
- Identify and implement two procedures for inventory control process improvement
- Complete 100% of the warehouse cleanup
- Close and complete 95% of facilities' tickets submitted for the current fiscal year
- Complete resealing and re-striping of the headquarters parking lot

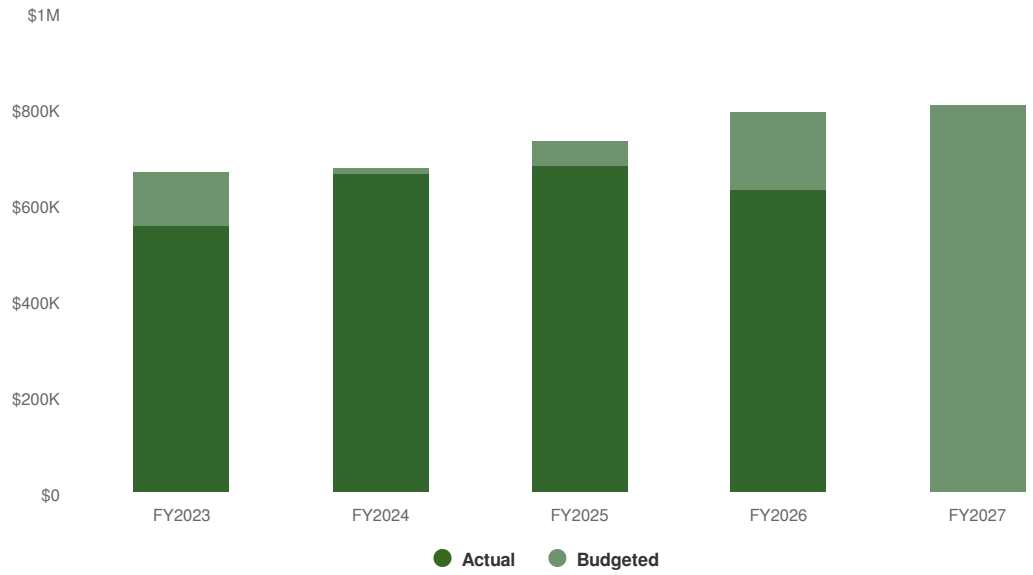
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Complete and close out 90% of facilities mainteance tickets	90%>	-	76%
Provide Purchase Order Report to the Board each month.	12	12	12
Reduce Inventory Cost	≤$20k	$5k	$6k
Replace aging fleet	5/Per-YR	5	9

Expenditures Summary

$809,650 $16,750
(2.11% vs. prior year)

Support Services Proposed and Historical Budget vs. Actual

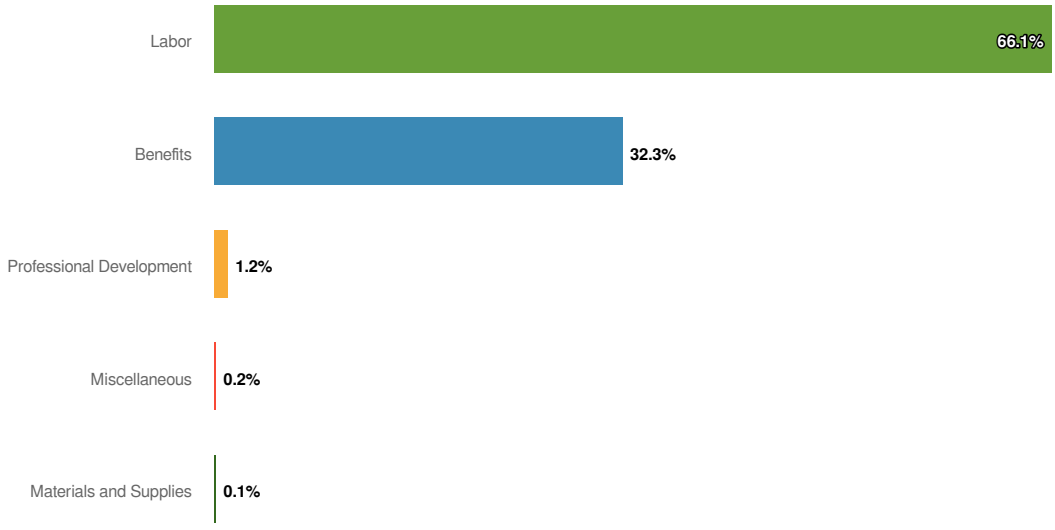


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
General & Admin				
Purchasing				
Labor / Full Time	100-5680-500-5001	$474,200	$443,846	$514,400
Labor / Overtime	100-5680-500-5003	$3,000	$19,926	$5,000
Labor / Bilingual Compensation	100-5680-500-5020	$700	$1,138	$1,300
Labor / Class A Drivers License	100-5680-500-5021	$700	$0	$0
Benefits / Deferred Comp-ER Match	100-5680-510-5100	$9,800	$3,387	$9,800

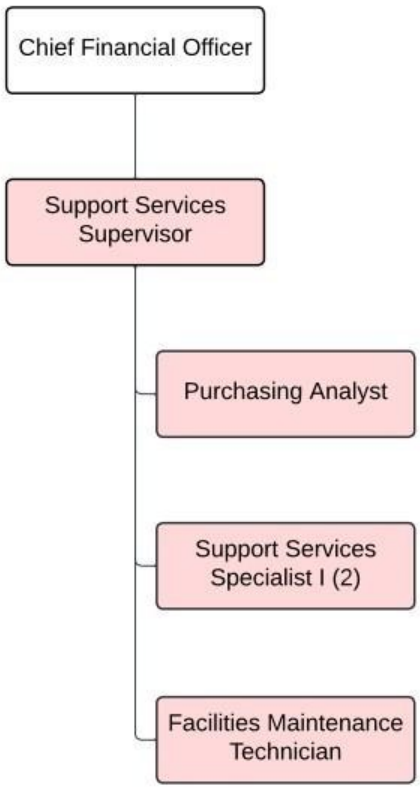
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Benefits / FICA	100-5680-510-5101	$30,600	$28,955	$32,700
Benefits / Medicare	100-5680-510-5102	$7,200	$6,772	$7,600
Expense / Workers Comp Insurance	100-5680-510-5103	$6,200	$5,022	$7,800
Expense / PERS - ER Contribution - Classic Members	100-5680-510-5105	$10,900	$15,751	$22,200
Expense / PERS - ER Contribution - PEPRA Members	100-5680-510-5106	$30,100	$24,261	$26,700
Expense / PERS - EPMC - Classic Members	100-5680-510-5107	$6,100	$8,806	$12,400
Expense / PERS - Pension Expense - GASB 68	100-5680-510-5109	$300	$0	$0
Benefits / Hosp/Med Insurance	100-5680-510-5120	$129,500	$100,801	$119,800
Benefits / Dental	100-5680-510-5121	$9,400	$7,096	$7,900
Benefits / Vision Care Insurance	100-5680-510-5122	$1,300	$1,092	$1,300
Benefits / Disability Insurance	100-5680-510-5123	$1,700	$2,560	$8,200
Benefits / EAP	100-5680-510-5124	$100	$136	$200
Benefits / Life Insurance	100-5680-510-5125	$2,000	$1,861	$3,700
Expense / Training	100-5680-515-5200	$2,500	$2,848	$3,000
Miscellaneous / Subscription & Membrships	100-5680-515-5201	$1,600	$1,656	$2,000
Miscellaneous / Trans/Meals/Lodging	100-5680-515-5202	$3,000	$1,702	$3,500
Operating Supplies / Miscellaneous	100-5680-530-5403	$1,000	$420	$1,000
Operating Supplies / Uniforms	100-5680-536-5475	$2,400	$4,035	$2,400
Total Purchasing:		**$734,300**	**$682,070**	**$792,900**
Total General & Admin:		**$734,300**	**$682,070**	**$792,900**
Total Expenditures:		**$734,300**	**$682,070**	**$792,900**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Source of Supply & Production



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Well 1A rehabilitation was completed.
- Roemer SCADA improvement project has been completed.
- Booster rehabilitation has been completed for the 6-1 booster station.
- Cleaned and inspected zone 8, 7 and rehaded 2-3 reservoirs.

FY 2026-27 GOALS & OBJECTIVES

- Replace broken water meters at 5-1, 5-2, 6-1, 6-2, 7-1 pump stations.
- Replace SCADA communications at well 18 and 42.
- Replace the south well 16'' water meter.
- Replace the cla-valve controller at the meridian turnout.

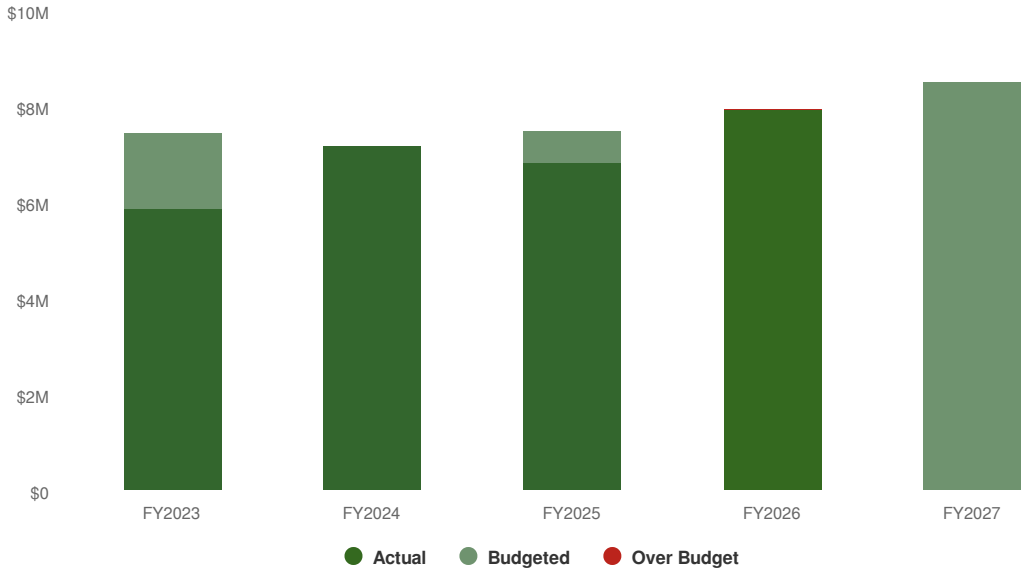
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Perform upgrades to SCADA radios as recommended by consultant and/or staff.	10	10	10
Perform or schedule repairs recommended by reservoir inspection report.	100%	100%	100%
Implement available SCADA software updates.	All	Ongoing	Ongoing
Perform repairs recommended from electrical inspection report.	100%	100%	100%

Expenditures Summary

$8,544,247 $598,817
(7.54% vs. prior year)

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

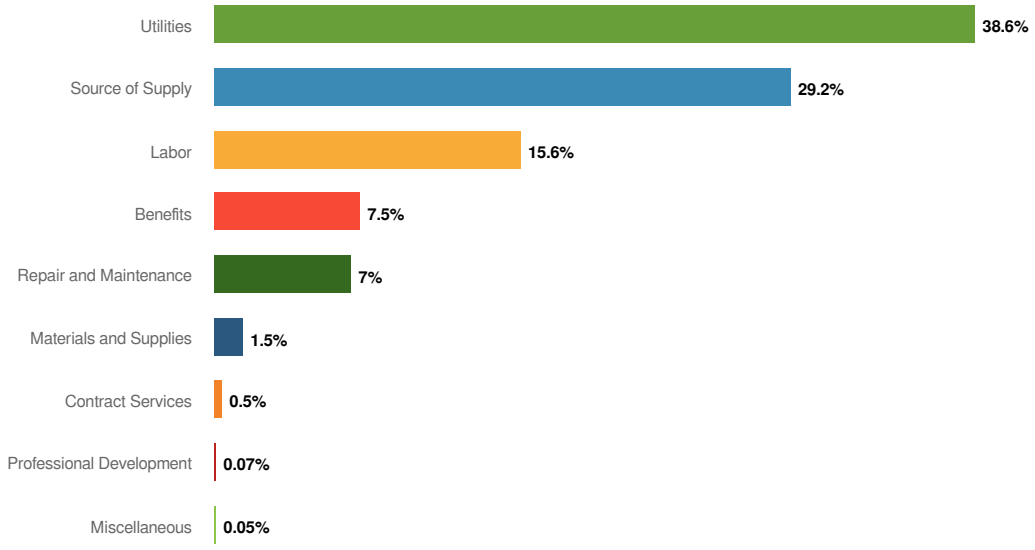


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
Source of Supply				
Source Of Supply				
Purchased Water / City Of San Bernardino	100-5110-520-5250	$201,000	$211,344	$201,280
Purchased Water / Fontana Union	100-5110-520-5251	$25,000	$14,469	$25,000
Purchased Water / Muni	100-5110-520-5252	$764,100	$702,933	$1,206,000
Purchased Water / State Water Project	100-5110-520-5253	$621,600	$562,480	$714,100
Other Miscellaneous / Chino Basin Watermaster	100-5110-520-5254	$26,000	$22,017	$26,000

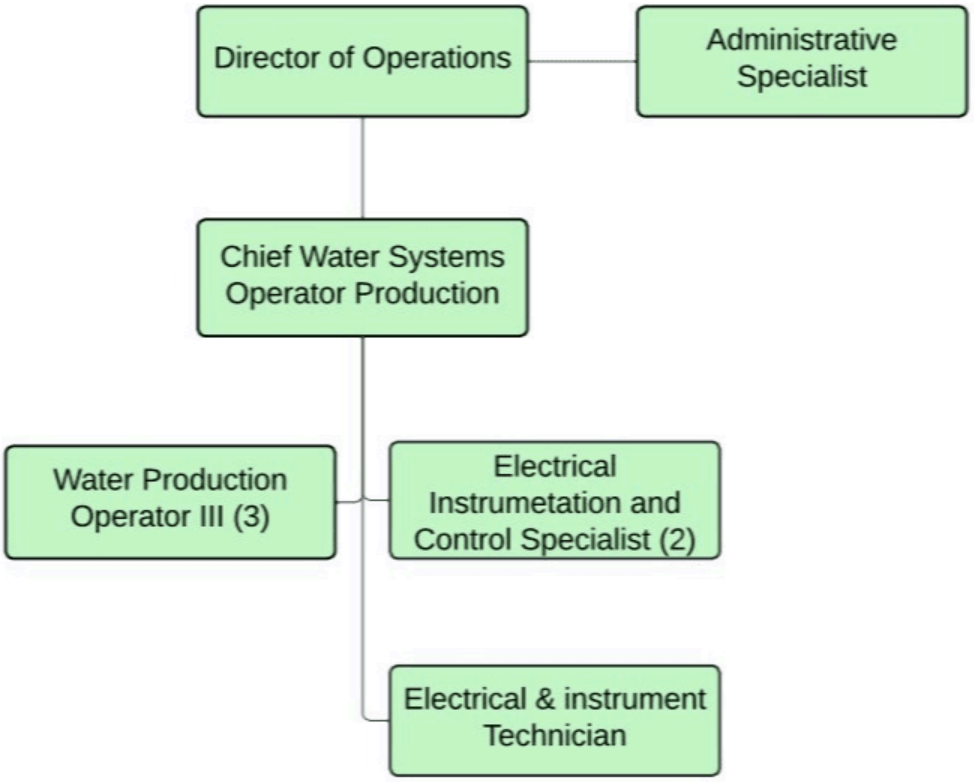
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Purchased Water / I.E. Utilities Agency	100-5110-520-5255	$373,000	$238,842	$188,000
Purchased Water / SBBA Agreement	100-5110-520-5256	$300,000	$0	$0
Total Source Of Supply:		**$2,310,700**	**$1,752,084**	**$2,360,380**
Total Source of Supply:		**$2,310,700**	**$1,752,084**	**$2,360,380**
Pumping				
Production				
Labor / Full Time	100-5210-500-5001	$1,013,800	$1,109,378	$1,187,300
Labor / Overtime	100-5210-500-5003	$35,000	$47,867	$45,000
Labor / On Call	100-5210-500-5004	$18,000	$22,042	$20,000
Benefits / Deferred Comp-ER Match	100-5210-510-5100	$17,600	$15,519	$17,600
Benefits / FICA	100-5210-510-5101	$60,500	$69,549	$69,600
Benefits / Medicare	100-5210-510-5102	$15,100	$17,349	$17,600
Expense / Workers Comp Insurance	100-5210-510-5103	$43,400	$54,357	$63,400
Expense / PERS - ER Contribution - Classic Members	100-5210-510-5105	$104,600	$113,653	$121,200
Expense / PERS - ER Contribution - PEPRA Members	100-5210-510-5106	$11,300	$12,250	$14,200
Expense / PERS - EPMC - Classic Members	100-5210-510-5107	$58,500	$63,544	$67,800
Benefits / Hosp/Med Insurance	100-5210-510-5120	$188,000	$181,537	$200,100
Benefits / Dental	100-5210-510-5121	$12,200	$12,083	$12,300
Benefits / Vision Care Insurance	100-5210-510-5122	$2,300	$2,173	$2,300
Benefits / Disability Insurance	100-5210-510-5123	$3,500	$5,291	$16,000
Benefits / EAP	100-5210-510-5124	$300	$267	$400
Benefits / Life Insurance	100-5210-510-5125	$3,700	$3,690	$5,600
Expense / Training	100-5210-515-5200	$5,600	$3,942	$4,000
Miscellaneous / Trans/Meals/Lodging	100-5210-515-5202	$2,300	$0	$1,500
Professional Services / Lab Tests	100-5210-525-5301	$7,000	$3,240	$4,500
Outside Labor/Contractors / Telemetering	100-5210-525-5306	$5,000	$0	$5,000
Meter Testing	100-5210-525-5321	$15,000	$4,080	$15,000
Operating Supplies / Chemicals	100-5210-530-5401	$125,000	$120,366	$100,000
Operating Supplies / Uniforms	100-5210-536-5475	$4,000	$4,680	$4,000
Repair & Maintenance / Structures/Facility/Equip	100-5210-540-5614	$285,000	$334,572	$290,000
Utility Services / Electric	100-5210-550-5652	$3,140,000	$2,877,894	$3,300,000
Utility Services / Water	100-5210-550-5655	$650	$556	$650
Total Production:		**$5,177,350**	**$5,079,878**	**$5,585,050**
Total Pumping:		**$5,177,350**	**$5,079,878**	**$5,585,050**
Total Expenditures:		**$7,488,050**	**$6,831,963**	**$7,945,430**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Transmission & Distribution



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Distribution researched and identified unmapped zone tie in for zone zone 2 and 3 area.
- Continuation of retrofitting damaged and or leaking hydrants with check valve and or new hydrant per standard drawings to mnimze water loss and liabilty concerns when hit.
- Coordinated installation of two valve insertions to minimize future shutdown areas and to minimize damaged valve replacement needed.
- Cut and plug of one side at Sycamore of 4" water line that impedes into customers back yard before City of Rialto Sewer Project and repaving of street. Other side to be coordinated for shutdown needed.

FY 2026-27 GOALS & OBJECTIVES

- Maintain and or increase valve exercising program to incorporate critical valve freqeuncy and guidelines to meet CA SWRCB requirements
- Propose New Valve Truck for CIP budget to safely, and efficently increase valve exercising output with two vehicles
- Regrade and install asphalt grindings to Linden Yard and Lord Ranch site to make site more aesthetically clean and minimize landscape needs
- Map out and coordinate valve insertion in Distribution system to mnimize large shutdown areas in event of emergencies

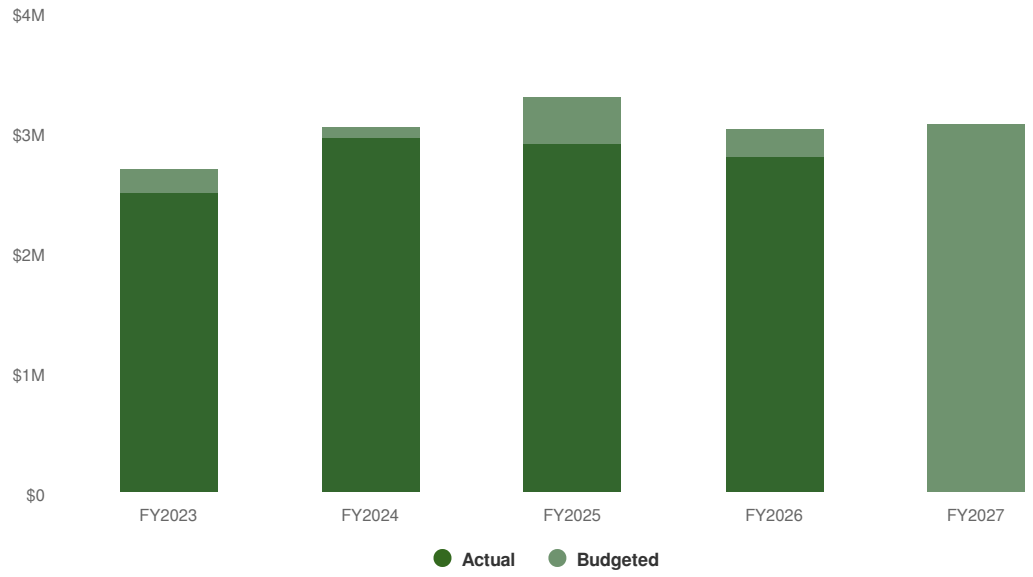
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Track/administer ongoing District Valve Exercise Program	1,000	2,366	2,898
Track repairs to District distribution system via ARC GIS.	100%	100%	100%
Cross train meter staff in pipeline construction	1	0	0
Reduce completion time of District distribution leak	Ongoing	Ongoing	Ongoing
Upgrade old fire hydrants needing break away check valves.	50	5	6
Sift out native excavated material and recycle in backfilling of trench.	100%	100%	100%
Digitally track water loss using ARC GIS.	100%	0%	100%
Replace leaking, damaged, worn hydrants and add check valve	-	20	14

Expenditures Summary

$3,070,500 $27,500
(0.90% vs. prior year)

Transmission & Distribution Proposed and Historical Budget vs. Actual

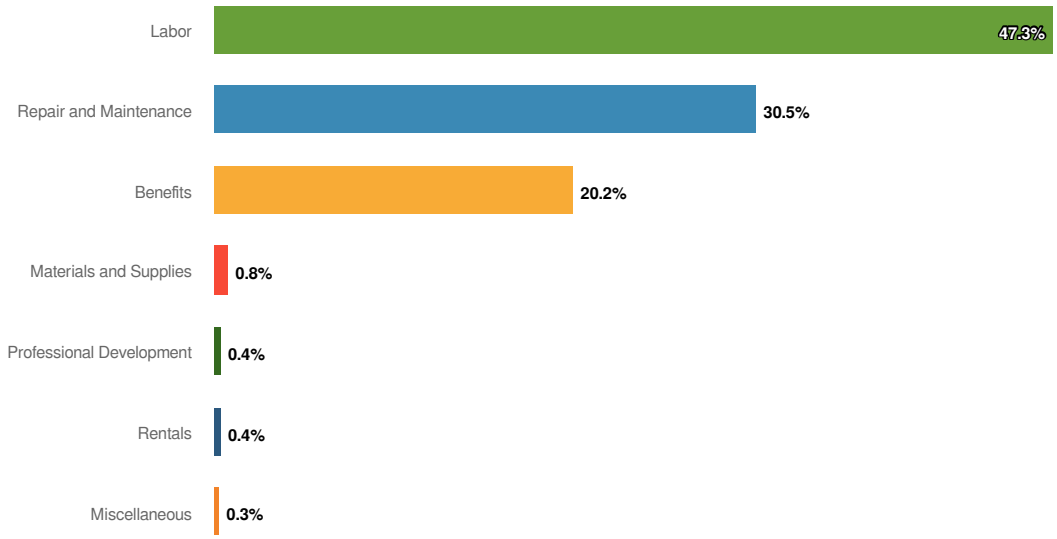


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
Transmission & Distribution				
Maintenance - T & D				
Labor / Full Time	100-5410-500-5001	$1,061,000	$1,031,559	$1,151,700
Labor / Part Time Or Temporary	100-5410-500-5002	$0	$52,782	$80,000

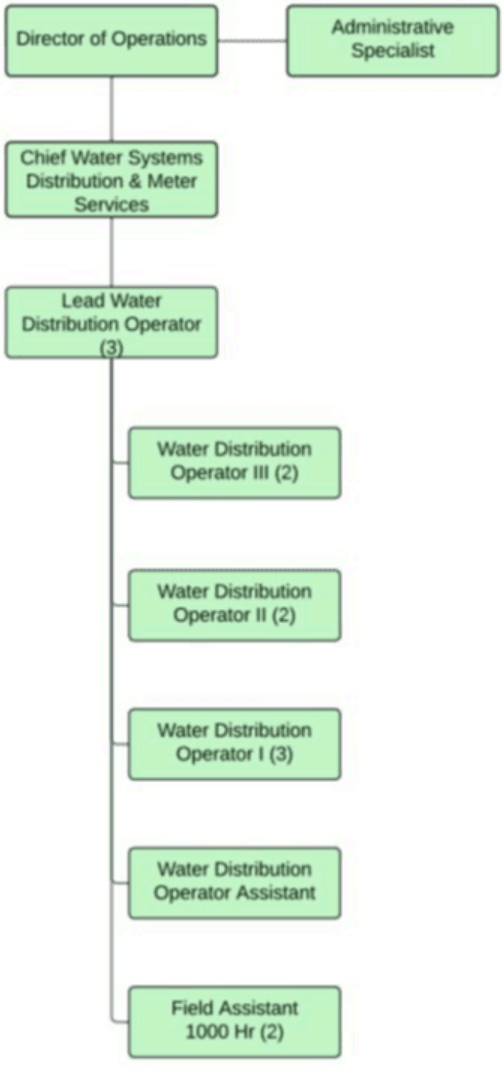
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Labor / Overtime	100-5410-500-5003	$60,000	$84,956	$60,000
Labor / On Call	100-5410-500-5004	$10,000	$18,511	$15,000
Labor / Bilingual Compensation	100-5410-500-5020	$3,300	$2,600	$3,300
Labor / Class A Drivers License	100-5410-500-5021	$3,300	$3,563	$3,300
Benefits / Deferred Comp-ER Match	100-5410-510-5100	$23,400	$13,463	$23,400
Benefits / FICA	100-5410-510-5101	$67,900	$74,776	$82,100
Benefits / Medicare	100-5410-510-5102	$15,900	$17,488	$19,200
Expense / Workers Comp Insurance	100-5410-510-5103	$54,700	$58,683	$76,700
Expense / PERS - ER Contribution - Classic Members	100-5410-510-5105	$39,200	$26,888	$19,100
Expense / PERS - ER Contribution - PEPRA Members	100-5410-510-5106	$51,800	$62,810	$79,000
Expense / PERS - EPMC - Classic Members	100-5410-510-5107	$21,900	$15,033	$10,700
Expense / PERS - Pension Expense - GASB 68	100-5410-510-5109	$600	$0	$0
Benefits / Hosp/Med Insurance	100-5410-510-5120	$261,100	$226,071	$259,700
Benefits / Dental	100-5410-510-5121	$16,700	$14,453	$15,700
Benefits / Vision Care Insurance	100-5410-510-5122	$3,100	$2,812	$3,000
Benefits / Disability Insurance	100-5410-510-5123	$3,500	$5,479	$17,200
Benefits / EAP	100-5410-510-5124	$400	$350	$500
Benefits / Life Insurance	100-5410-510-5125	$4,700	$4,630	$7,200
Expense / Training	100-5410-515-5200	$6,500	$4,675	$10,000
Miscellaneous / Trans/Meals/Lodging	100-5410-515-5202	$2,300	$590	$3,000
Rentals / Equipment	100-5410-528-5381	$16,000	$15,847	$16,000
Operating Supplies / Shop Supplies	100-5410-530-5408	$20,000	$18,691	$20,000
Operating Supplies / Uniforms	100-5410-536-5475	$9,200	$13,194	$9,200
Repair & Maintenance / Domestic Mains	100-5410-540-5605	$814,000	$611,936	$600,000
Repair & Maintenance / Fire Hydrants	100-5410-540-5606	$166,000	$194,011	$120,000
Repair & Maintenance / Street Patching	100-5410-540-5612	$525,000	$295,807	$300,000
Repair & Maintenance / Structures & Improvements	100-5410-540-5613	$10,000	$9,708	$10,000
Repair & Maintenance / Tools	100-5410-540-5615	$17,000	$16,835	$20,000
Repair & Maintenance / Facilities Repairs	100-5410-540-5616	$15,000	$11,658	$8,000
Total Maintenance - T & D:		**$3,303,500**	**$2,909,858**	**$3,043,000**
Total Transmission & Distribution:		**$3,303,500**	**$2,909,858**	**$3,043,000**
Total Expenditures:		**$3,303,500**	**$2,909,858**	**$3,043,000**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Water Quality



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Residential lead and copper sampling completed.
- Worked with Customer Service to have new and updated accounts completed the self-survey.
- Update flushing program. Achieved flushing dead end hydrants once annually.
- Lead service line inventory is updated and reported to DDW
- Tokay SQL - clean up and fix backflow accounts - on-going.
- Completed District Cross-Connection Control Policy Handbook and ordinance.
- 100% compliance sampling.

FY 2026-27 GOALS & OBJECTIVES

- Tokay SQL - 100% backflows tested
- Set up WebTest for backflow testers to enter test reports
- Send out letters for K-8 & Child Care Centers to set up lead sampling
- Confirm District population and prepare for lead & copper sampling
- Achieve flushing dead end hydrants twice annually and upload to GIS
- Complete 2200 site surveys for cross-connection
- Annual review and update for all District sites in CERS
- 100% compliance sampling.

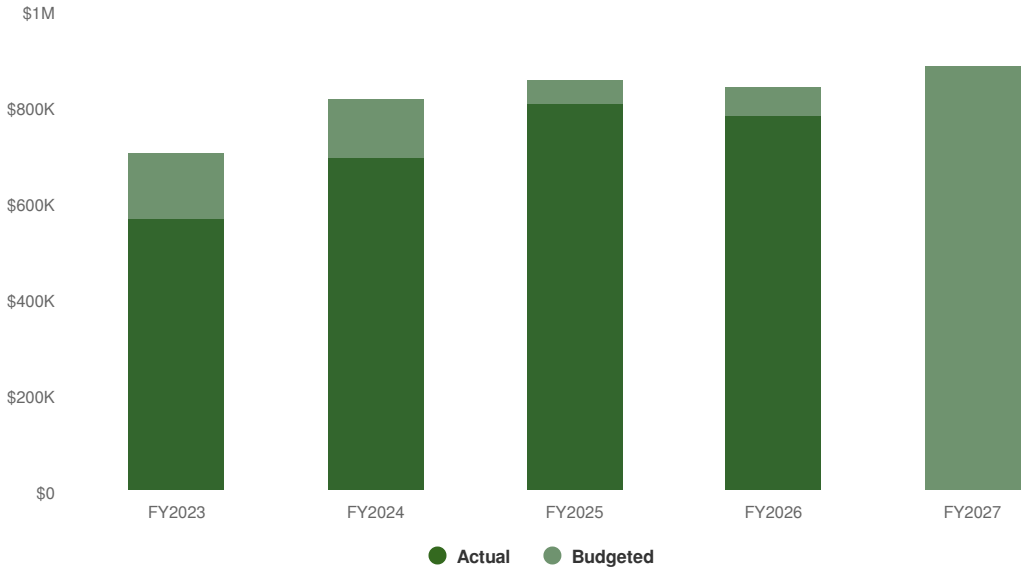
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Distribution Sampling	2,850	2,850	2,628
Residential lead and copper sampling	100%	100%	100%
Dead end hydrant flushing	250	155	42
Annual backflow testing in the District's service area	1,700	1,360	1,413
Well Sampling	250	161	322

Expenditures Summary

$885,600 $43,700
(5.19% vs. prior year)

Water Quality Proposed and Historical Budget vs. Actual

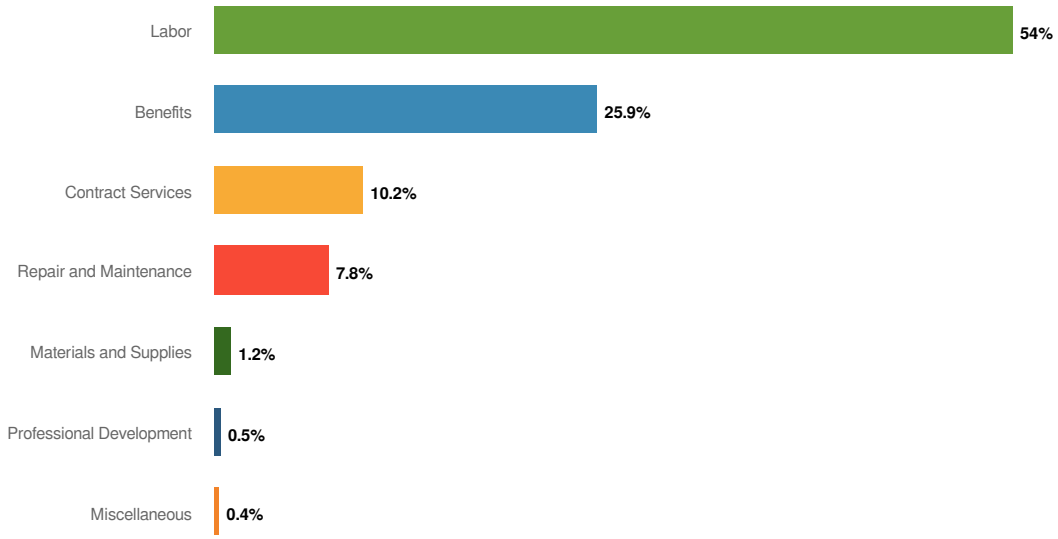


Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
Water Treatment				
Water Quality				
Labor / Full Time	100-5310-500-5001	$393,300	$392,731	$420,900
Labor / Overtime	100-5310-500-5003	$13,000	$34,020	$17,000
Labor / On Call	100-5310-500-5004	$1,000	$7,886	$5,000
Labor / Bilingual Compensation	100-5310-500-5020	$1,300	$1,300	$1,300
Labor / Class A Drivers License	100-5310-500-5021	$400	$0	$400

Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Benefits / Deferred Comp-ER Match	100-5310-510-5100	$7,800	$6,118	$7,800
Benefits / FICA	100-5310-510-5101	$25,200	$27,543	$26,900
Benefits / Medicare	100-5310-510-5102	$5,900	$6,441	$6,300
Expense / Workers Comp Insurance	100-5310-510-5103	$20,000	$21,345	$24,800
Expense / PERS - ER Contribution - Classic Members	100-5310-510-5105	$12,300	$12,048	$12,900
Expense / PERS - ER Contribution - PEPRA Members	100-5310-510-5106	$22,800	$22,513	$25,000
Expense / PERS - EPMC - Classic Members	100-5310-510-5107	$6,900	$6,736	$7,200
Expense / PERS - Pension Expense - GASB 68	100-5310-510-5109	$200	$0	$0
Benefits / Hosp/Med Insurance	100-5310-510-5120	$87,900	$87,265	$99,800
Benefits / Dental	100-5310-510-5121	$6,500	$6,406	$6,500
Benefits / Vision Care Insurance	100-5310-510-5122	$1,000	$962	$1,000
Benefits / Disability Insurance	100-5310-510-5123	$1,400	$2,125	$5,700
Benefits / EAP	100-5310-510-5124	$100	$117	$200
Benefits / Life Insurance	100-5310-510-5125	$1,600	$1,615	$2,700
Expense / Training	100-5310-515-5200	$4,000	$3,094	$4,000
Miscellaneous / Trans/Meals/Lodging	100-5310-515-5202	$1,500	$18	$1,500
Professional Services / Lab Tests	100-5310-525-5314	$95,000	$48,228	$70,000
Outside Labor / Contractors	100-5310-525-5319	$27,500	$12,792	$10,000
Operating Supplies / Chemicals	100-5310-530-5401	$7,000	$5,765	$5,000
Operating Supplies / Shop	100-5310-530-5407	$3,500	$6,089	$6,000
Operating Supplies / Uniforms	100-5310-536-5475	$3,125	$5,156	$4,000
Repair & Maintenance / Chlorination Equipment	100-5310-540-5602	$75,000	$50,005	$40,000
Repair & Maintenance / Structures/Facility/Equip	100-5310-540-5614	$30,000	$36,714	$30,000
Total Water Quality:		**$855,225**	**$805,031**	**$841,900**
Total Water Treatment:		**$855,225**	**$805,031**	**$841,900**
Total Expenditures:		**$855,225**	**$805,031**	**$841,900**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Water Treatment



SERVICES WE PROVIDE

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

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Refurbished trident filter number 4, 5, and upgrade the fitter's air scouring system at the Oliver P. Roemer Treatment Plant.
- Expand the Oliver P. Roemer filtration capacity from 14.4 to 21.6 million gallons daily.
- Replaced the online perchlorate analyzer at the FBR treatment plant and installed a sound barrier at well 6.
- Rehab well 11 and installed a new transducer at well 11.
- Recoated the arsenic treatment plant and installed a new online arsenic analyzer.
- Replaced the breaker at the Hydro Electric Power Plant and purchased an extra breaker. Replaced the SCADA software from Tesco and upgraded to an Allen Brady open platform.

FY 2026-27 GOALS & OBJECTIVES

- Develop flow standards of 21.6 MGD for the Oliver P. Roemer Treatment Plant by utilizing more State Project Water.
- Exchange forty tons of granular activated carbon at the Oliver P. Roemer Treatment Plant, and continuously monitor the water quality from the carbon vessels.
- Replace the filter, two backwash valves, and replace train 120B booster pump.
- Install new level transducers in the ACH and Cl2 chemical tanks.
- Replace SCADA at the arsenic treatment plant and install the program for the new blending plan.
- Install new valve actuators on the decant ponds 1-4 and 5-6.

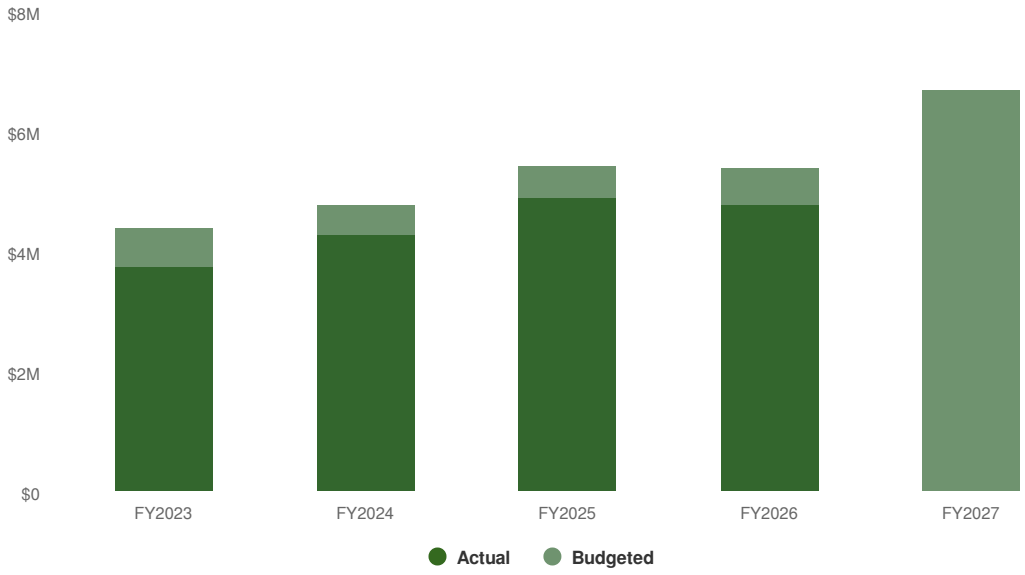
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Compliance with Federal and State regulations	100%	100%	100%
FBR - Maximize utilization of plant capacity through minimzation of owntime an dmonitoring of raw water	2.9 MGD	2.9 MGD	2.9 MGD
Roemer - Maximize utilization of plant capacity through minimization of downtime and monitoring of raw water	13.5 MGD	13.5 MGD	21.6 MGD
Percentage of plant equipment and motors on preventive maintenance schedules	100%	100%	100%
Number of staff with T4 certification or higher	4	4	4

Expenditures Summary

$6,689,150 $1,289,744
(23.89% vs. prior year)

Water Treatment Proposed and Historical Budget vs. Actual



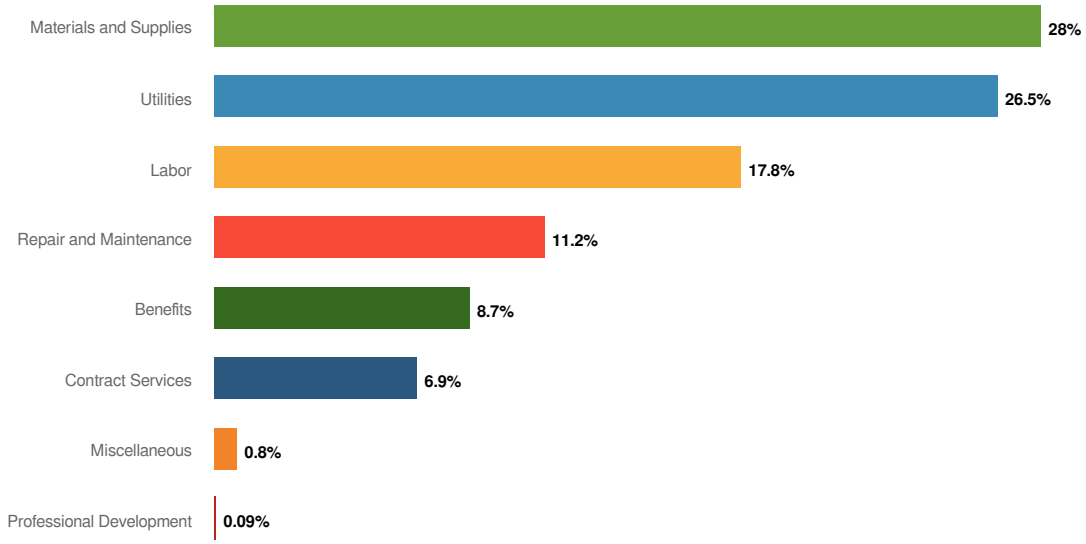
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
Water Treatment				
Water Treatment - Perchlorate				
Professional Services / Lab Tests	100-5320-525-5314	$25,000	$18,973	$20,000
Operating Supplies / Chemicals	100-5320-530-5401	$30,000	$7,321	$10,000

Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Operating Supplies / Resin Exchange	100-5320-530-5404	$300,000	$0	$300,000
Repair & Maintenance / Structures/Facility/Equip	100-5320-540-5614	$30,000	$20,654	$25,000
Utility Services / Electric	100-5320-550-5652	$300,000	$185,935	$250,000
Total Water Treatment - Perchlorate:		**$685,000**	**$232,883**	**$605,000**
Water Treatment - FBR/FXB				
Labor / Full Time	100-5350-500-5001	$475,400	$513,549	$445,700
Labor / Overtime	100-5350-500-5003	$31,000	$26,104	$26,000
Labor / On Call	100-5350-500-5004	$22,000	$26,722	$27,000
Labor / Bilingual Compensation	100-5350-500-5020	$500	$325	$500
Labor / Class A Drivers License	100-5350-500-5021	$700	$650	$700
Benefits / Deferred Comp-ER Match	100-5350-510-5100	$7,800	$5,331	$5,900
Benefits / FICA	100-5350-510-5101	$30,100	$33,038	$27,800
Benefits / Medicare	100-5350-510-5102	$7,000	$7,727	$6,600
Expense / Workers Comp Insurance	100-5350-510-5103	$23,300	$25,638	$25,100
Expense / PERS - ER Contribution - Classic Members	100-5350-510-5105	$45,300	$45,935	$38,600
Expense / PERS - ER Contribution - PEPRA Members	100-5350-510-5106	$7,000	$8,595	$9,100
Expense / PERS - EPMC - Classic Members	100-5350-510-5107	$25,300	$25,683	$21,600
Expense / PERS - Pension Expense - GASB 68	100-5350-510-5109	$360	$0	$0
Benefits / Hosp/Med Insurance	100-5350-510-5120	$109,400	$102,772	$96,000
Benefits / Dental	100-5350-510-5121	$7,300	$6,841	$6,200
Benefits / Vision Care Insurance	100-5350-510-5122	$1,000	$942	$800
Benefits / Disability Insurance	100-5350-510-5123	$1,600	$2,360	$5,300
Benefits / EAP	100-5350-510-5124	$100	$114	$100
Benefits / Life Insurance	100-5350-510-5125	$1,600	$1,581	$1,300
Expense / Training	100-5350-515-5200	$2,120	$830	$1,700
Miscellaneous / Trans/Meals/Lodging	100-5350-515-5202	$1,200	$1,255	$2,221
Professional Services / Lab Tests	100-5350-525-5314	$65,000	$65,586	$75,000
Professional Services / Misc Studies	100-5350-525-5315	$0	$6,837	$0
Professional Services / Other Consultants	100-5350-525-5340	$105,225	$94,960	$112,000
Operating Supplies / Chemicals	100-5350-530-5401	$443,500	$288,479	$357,000
Miscellaneous / Permits & Fees	100-5350-536-5473	$50,000	$21,052	$47,000
Operating Supplies / Uniforms	100-5350-536-5475	$2,200	$3,924	$3,500
Repair & Maintenance / Structures/Facility/Equip	100-5350-540-5614	$350,000	$247,013	$175,000
Utility Services / Electric	100-5350-550-5652	$573,000	$542,107	$550,000
Total Water Treatment - FBR/FXB:		**$2,389,005**	**$2,105,947**	**$2,067,721**
Water Treatment - Roemer/Arsenic				
Labor / Full Time	100-5390-500-5001	$336,300	$383,620	$535,000
Labor / Overtime	100-5390-500-5003	$57,000	$48,493	$47,000
Labor / On Call	100-5390-500-5004	$25,000	$30,130	$30,000
Labor / Bilingual Compensation	100-5390-500-5020	$1,300	$1,300	$1,300
Benefits / Deferred Comp-ER Match	100-5390-510-5100	$5,900	$6,210	$7,800
Benefits / FICA	100-5390-510-5101	$21,800	$31,606	$34,200

Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Benefits / Medicare	100-5390-510-5102	$5,100	$7,449	$8,000
Expense / Workers Comp Insurance	100-5390-510-5103	$16,800	$23,648	$30,600
Expense / PERS - ER Contribution - Classic Members	100-5390-510-5105	$40,900	$52,456	$64,600
Expense / PERS - EPMC - Classic Members	100-5390-510-5107	$22,900	$29,329	$36,100
Expense / PERS - Pension Expense - GASB 68	100-5390-510-5109	$300	$0	$0
Benefits / Hosp/Med Insurance	100-5390-510-5120	$90,500	$90,695	$116,100
Benefits / Dental	100-5390-510-5121	$4,900	$5,239	$6,100
Benefits / Vision Care Insurance	100-5390-510-5122	$800	$774	$1,000
Benefits / Disability Insurance	100-5390-510-5123	$1,200	$1,854	$7,200
Benefits / EAP	100-5390-510-5124	$100	$94	$200
Benefits / Life Insurance	100-5390-510-5125	$1,200	$1,218	$2,500
Expense / Training	100-5390-515-5200	$2,520	$1,723	$1,650
Miscellaneous / Trans/Meals/Lodging	100-5390-515-5202	$2,100	$651	$1,261
Professional Services / Janitorial	100-5390-525-5313	$13,000	$5,665	$12,000
Professional Services / Lab Tests	100-5390-525-5314	$45,000	$30,877	$50,000
Professional Services / Misc Studies	100-5390-525-5315	$2,100	$1,517	$8,200
Professional Services / Sludge Disposal	100-5390-525-5317	$184,000	$26,312	$80,000
Professional Services / Other Consultants	100-5390-525-5340	$80,000	$65,648	$82,500
Operating Supplies / Chemicals	100-5390-530-5401	$284,100	$346,761	$304,774
Operating Supplies / Uniforms	100-5390-536-5475	$2,500	$2,012	$2,500
Other Miscellaneous / District Cost	100-5390-540-5600	$48,000	$0	$30,000
Repair & Maintenance / Structures/Facility/Equip	100-5390-540-5614	$290,000	$495,843	$319,000
Communication Services / Telephone	100-5390-550-5650	$9,700	$1,565	$3,500
Utility Services / Electric	100-5390-550-5652	$750,000	$853,163	$900,000
Utility Services / Gas	100-5390-550-5653	$700	$194	$400
Utility Services / Trash	100-5390-550-5654	$3,200	$2,882	$3,200
Total Water Treatment - Roemer/Arsenic:		**$2,348,920**	**$2,548,926**	**$2,726,685**
Total Water Treatment:		**$5,422,925**	**$4,887,756**	**$5,399,406**
Total Expenditures:		**$5,422,925**	**$4,887,756**	**$5,399,406**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



Water Conservation



SERVICES WE PROVIDE

The Water Conservation Department develops and implements water conservation policies, programs, and initiatives while ensuring compliance with state and local regulations and supporting water efficiency improvements through surveys, inspections, and customer outreach. Collaborates with District staff, regulatory agencies, community organizations, businesses, and industry professionals to address compliance requirements, resolve concerns, promote efficient water use, and strengthen partnerships that support conservation goals. Prepares technical and regulatory reports, analyzes and tracks data, provides guidance on compliance and process changes.

SIGNIFICANT CHANGES

- No significant changes.

FY 2025-26 ACCOMPLISHMENTS

- Submitted required state reports in a timely manner, including the Annual Water Shortage and Demand Assessment, Urban Water Use Objective, Water Loss Reporting, and Pressure Management Questionnaire.
- Completed major turf removal projects at Joe Baca Middle School, Bloomington High School, and Rosena Ranch HOA, advancing water conservation efforts ahead of the AB1572 requirements.
- Hosted public workshops tailored to the needs of both contractors and the general public, providing education and resources on water conservation.

FY 2026-27 GOALS & OBJECTIVES

- Complete the Water Use Efficiency Master Plan to outline what the District will do and implement to meet compliance and state requirements.
- Submit the Urban Water Use Objective and Water Loss Reports.
- Relaunch rebate programs that include turf removal, nozzles, WBIC's, washers and toilets.

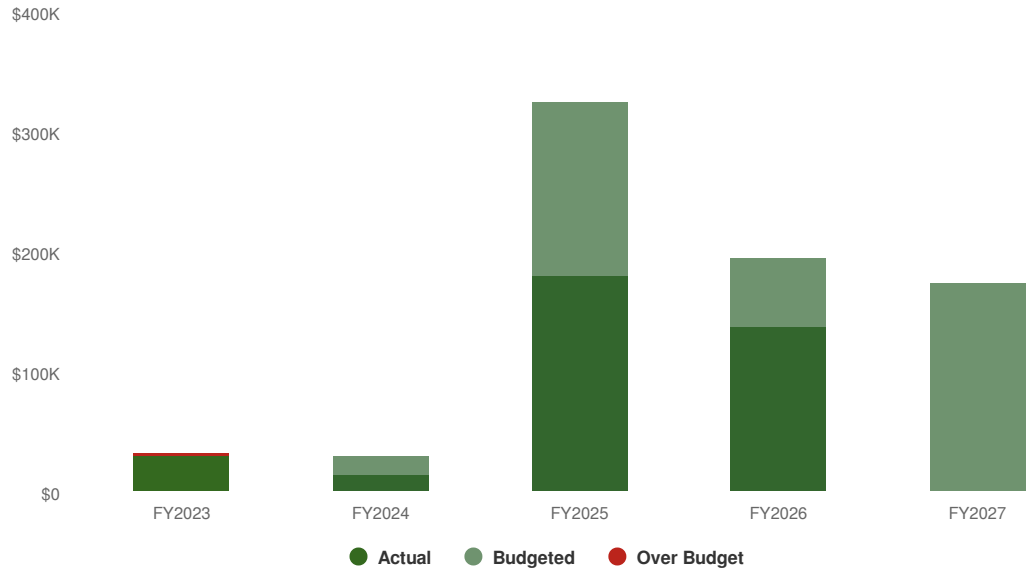
Key Performance Indicators

Performance Indicator	Target	FY24-25 Results	FY25-26 Results
Meet SWRCB conservation goal.	Yes	Yes	Yes
Water workshops	3	6	3

Expenditures Summary

$173,450 -$21,550
(-11.05% vs. prior year)

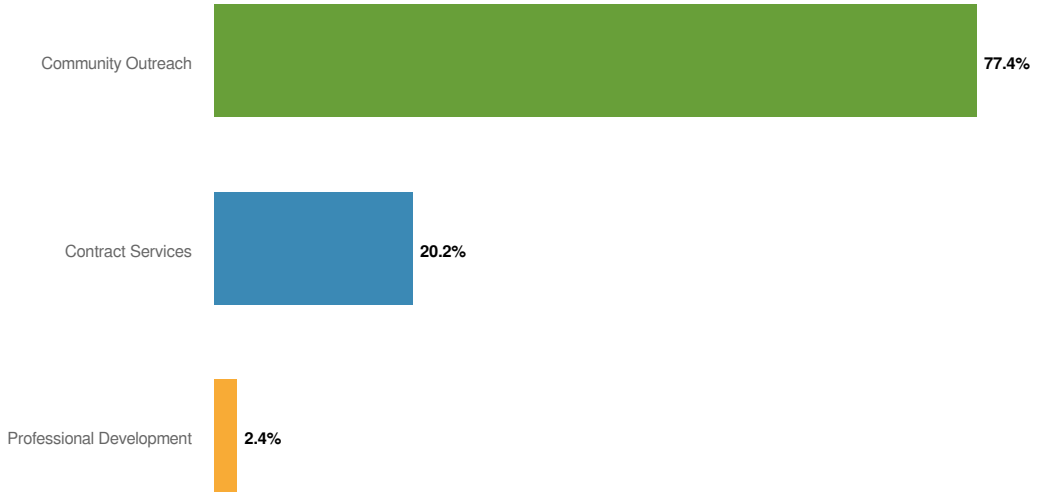
Water Conservation Proposed and Historical Budget vs. Actual



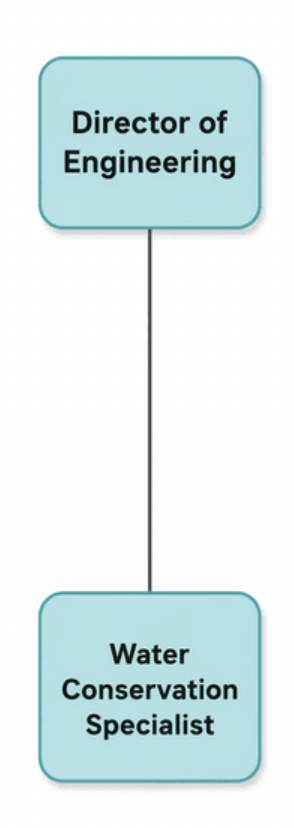
Name	Account ID	FY2025 Budget	FY2025 Actual	FY2026 Budget
Expenditures				
Public Affairs				
Grants & Rebates				
Professional Services / Other Consultants	100-5720-525-5340	$0	$27,084	$0
Programs / Rebate	100-5720-537-5503	$325,000	$152,387	$195,000
Total Grants & Rebates:		**$325,000**	**$179,470**	**$195,000**
Total Public Affairs:		**$325,000**	**$179,470**	**$195,000**
Total Expenditures:		**$325,000**	**$179,470**	**$195,000**

Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Organizational Chart



CAPITAL BUDGET

Capital Expenditure

Capital expenditure is comprised of Capital Improvement Projects (new system assets), Replacement and Rehabilitation Projects, and Capital Outlay (fleet and equipment). The 5-year total expenditure is projected to be $168,487,724. Details of projects that will start during FY 2027, can be found in the following section under Capital Projects.

Capital Improvement Projects have become extremely important for the District in recent years. Not only is there a constant need and desire for improvement, but over the years, infrastructure has become an area of high risk. COVID-19 brought forth many challenges that are still affecting the District today, the most notable challenge being inflation. High rising costs due to inflation have impacted the District and caused priorities to shift. Short and long-term infrastructure needs have become the priority as the District prioritizes the operation.

The Operations Department collaborates with the Engineering Department to identify and prioritize the capital expenditure needs of the District. The five-year CIP plan was modified to have less of an impact on the District reserves. Future capital needs will reduce capital reserves.



Completed Projects Fiscal Year 2025-26

CIP Project Description	Project Number	Project Cost
COMPLETED PROJECTS		
Alder Ave Road Improvements	W24008	142,805
Replace 24" Roemer Valve	W25013	5,414
Booster Station 6-1 Rehabilitation	W25016	51,402
Booster Station 6-2 Rehabilitation	W25017	45,088
Trucks Full Equipped (Qty 5)	W25026	226,613
Headquarters Pergola Coating	W25047	9,500
Roemer GAC Vessel Media Replacement	W26006	671,060
Backhoe Loader for Roemer	W26022	214,526
Server Room Mini Split AC	W26026	6,550
Booster 4-2 Roof Replacement	W26029	52,270
SCADA Upgrade Asset Life 3yrs	W23015	182,740
Fleet Trucks - Fully Equiped	W23016	179,950
VFD for Well 41 (Well Pumping Equip)	W23020	16,901
Wrought Iron Fence Zone 6 Reservoir Complex	W24007	128,473
#5 Clarifier Diffuser Replacement of Clog Nozzle	W24029	33,840
Facilities Improvements	W25007	87,611
Chlorine Bldg Replacement Prefabricated concrete bldgs (Wells 8 and 41)	W25010	150,797
Chain of Flight (Qty 3)	W25012	7,764
Two Yard Dump Truck	W25022	59,183
GPS Receiver Bundles (Qty 2)	W25027	43,211
Yuneec H520 Drone Bundle	W25028	37,031
Butterfly Valves for Roemer Treatment Plant	W25031	51,141
3 New Hydrants in Fontana	W25035	109,525
Replace Chemical Pumps at Roemer	W25039	46,198
Coating the Vessels Arsenic Treatment Plant	W25041	59,585
EV Charging Station	W25042	22,865
Replace Pre-Treatment Chain of Flight Control	W25043	27,575
Annual R/R Meter Vault Lid Retro Fits	W26004	18,000
Annual R/R System Valve Replacement	W26005	101,045
Booster Station 5-1 (Pump 4)	W26009	62,754
Booster Station 7-1 (Pump 4)	W26010	66,574
Roemer Storage Units for Backflow (Qty 5)	W26012	12,982
Pump for Roemer - Roemer Effluent Spare Booster	W26014	66,983
Rebuilding Wearable Components on Chain of Flight	W26015	51,793
Rehab Trident Filter No. 4	W26016	573,834
H7 Pipeline Camera System Mains Equipment Asset Life - 5 yea	W26023	9,994
New VFD Drives for Pretreatment	W26031	23,225
PV100-D1W-T Vacuum & Pressure Washer Asset Life - 5 years	W26033	45,581
CLA-VAL at Zone 6 Replacement	W26035	32,722
12" Check Valve Pump Station 4-1	W26036	27,500
Annual R/R - Meter and MXUs	W22003	79,645
FXB Repurposing	W22005	23,973
BLF North Well Rehab	W22031	59,575
InfoWater Pro Hydraulic Water Modeling Software	W22034	28,387
South Well Rehab - BLF	W23021	188,959
Flocculaters Assembly (Roemer)	W24023	33,418
Coating Filter Exterior Roemer Filter #1	W25044	7,400
Coating Filter Exterior Roemer Filter #3	W25045	7,400
Emergency BLF N Well Repair & Rehab	W26028	321,135
	Total Cost	$4,512,498

Fiscal Year 2026-27 Proposed Funding

CIP Project Description	Operating Revenue	Capacity Charges	Reimbursement Agreements	Grant Funding	Project Total
REPLACEMENT / REHABILITATION OF SYSTEM ASSETS					
Well 1A	311,935				$ 311,935
Well Rehab	590,000				$ 590,000
Reservoir 2-3 Re-coating and Modifications	2,982,515				$ 2,982,515
Reservoir 4-1	1,300,000				$ 1,300,000
Pressure/Alltitude Control Valve Replacement	250,000				$ 250,000
Bloomington Alley Way Main Replacement Phase 3B	4,020,000				$ 4,020,000
Bloomington Alley Way Main Replacement Phase 3B				2,000,000	$ 2,000,000
Bloomington Alley Way Main Replacement Phase 3C				1,520,000	$ 1,520,000
Bloomington Alley Way Main Replacement Phase 3C	2,869,069				$ 2,869,069
I-10 Cedar Avenue Interchange improvement project			240,034		$ 240,034
I-10 Cedar Avenue Interchange improvement project Phase III	694,686				$ 694,686
Annual R/R - Meters and MXU's (QTY 714) FY2025	150,000				$ 150,000
Annual R/R - System Valve Replacement	100,000				$ 100,000
Facilities Master Plan	850,000				$ 850,000
Facilities Improvements	200,000				$ 200,000
Roemer Booster Pumps Rehab	103,000				$ 103,000
Booster Station 5-2 (Pump 6)	143,540				$ 143,540
Booster Station 7-1 (Pump 4)	143,540				$ 143,540
Chlorine Building Replacement - 2 Prefabricated Concrete Buildings (Wells 2,42	142,500				$ 142,500
Roemer storage unit for backflow (Qty 5)	20,000				$ 20,000
Coat existing Trident Filters at Roemer (Qty 6)	90,000				$ 90,000
24" Backwash Meter at Roemer	40,000				$ 40,000
CLA-VAL at Zone 6 Replacement	33,500				$ 33,500
Hydro Power Plant	70,000				$ 70,000
Booster Station Plant	100,000				$ 100,000
4 New Chlorine Tanks	30,000				$ 30,000
Install Cages for Critical CLA-VALs	100,000				$ 100,000
Retrofit 5 Air Gaps to Meet Regulatory requirements	100,000				$ 100,000
Booster Station 5-1	100,000				$ 100,000
Rehabiliate Trident Filter No 4, media replacement, and install new air scour sy	100,000				$ 100,000

Fiscal Year 2026-27 Proposed Funding (Continued)

CIP Project Description	Operating Revenue	Capacity Charges	Reimbursement Agreements	Grant Funding	Project Total
NEW SYSTEM ASSETS					
OPR WFF - 7.2 mgd Treatment Plant Expansion		3,938,603			$ 3,938,603
Roemer Process Enhancements		650,000			$ 650,000
Construct new IEUA area well		1,500,000			$ 1,500,000
Construct new well - Well 36A Bunker Hill		700,000			$ 700,000
Lord Ranch Facility Improvements		12,370,919			$ 12,370,919
Pump Station 2-1 Improvements		375,000			$ 375,000
Emergency Generators Zone 5 PS 5-2	180,000				$ 180,000
Emergency Generators Zone 5 PS 5-2				520,000	$ 520,000
Zone 8 - Reservoir 8-3 (2.0MG)		50,000			$ 50,000
Pepper Avenue @ I-10 Freeway Zone 2 - 24" Trans Main Railway - Design & Construction		1,241,391			$ 1,241,391
Zone 7 - 18" Transmission main within future ROW from Citrus Ave to Lytle Creek Rd		300,000			$ 300,000
CAPITAL OUTLAY - FLEET/EQUIPMENT					
SCADA Master Plan & Implementation	1,000,000				$ 1,000,000
SCADA Master Plan & Implementation				250,000	$ 250,000
Regrading, resealing, restriping at Headquarters	255,827				$ 255,827
Work Report and Service Order Intregation with GIS and Tyler	20,000				$ 20,000
Trucks Fully Equipped Anually FY2026	267,899				$ 267,899
Trucks Fully Equipped Anually FY2027	250,000				$ 250,000
POGA Event Van	56,533				$ 56,533
Pool and Administrative Vehicles (10 Years/100K Miles Life Cycle)	70,319				$ 70,319
New breaker for Roemer Hydroelectric Generation Plant	40,000				$ 40,000
Core network switches	35,000				$ 35,000
Website Redesign	116,000				$ 116,000
5 Yard Dump Truck	160,000				$ 160,000
Annual Capital Outlay	20,000				$ 20,000
GRAND TOTAL	**$ 18,105,863**	**$ 21,125,913**	**$ 240,034**	**$ 4,290,000**	**$ 43,761,810**

CIP Five Year Schedule

Capital Improvement Plan
Proposed Five Year Funding Schedule - Fiscal Year 2027-31

Project Number	Funding Source	CIP Project Description	Carryover Balance	FY26-27 Budget Request	5 Year Work Plan Year 1 FY 2026-27	Year 2 FY 2027-28	Year 3 FY 2028-29	Year 4 FY 2029-30	Year 5 FY 2030-31	Approved Total Project Cost
		REPLACEMENT / REHABILITATION OF SYSTEM ASSETS								
		WELLS AND PUMPING EQUIPMENT REHABILITATION								
W25001	RR	Well 1A	311,935	-	311,935	-	-	-	-	311,935
New	RR	Well 15	-	-	-	130,000	-	-	-	130,000
New	RR	Well 23A	-	-	-	80,000	-	-	-	80,000
New	RR	Well 54	-	-	-	150,000	-	-		150,000
New	RR	Well 18A	-	-	-	-	130,000	200,000		330,000
New	RR	Well 8A	-	-	-	-	130,000	-		130,000
New	RR	Well 30	-	-	-	-	130,000	-		130,000
New	RR	Well Rehab	-	590,000	590,000	-	130,000	150,000	360,000	1,230,000
		RESERVOIRS REHABILITATION								
W23001	RR	Reservoir 2-3 Re-coating and Modifications	2,982,515	-	2,982,515	-	-	-	-	2,982,515
W26001	RR	Reservoir 4-1 Rehabilitation	169,884	1,130,116	1,300,000	-	-	-	-	1,300,000
New	RR	Reservoir 4-2 Rehabilitation	-	-	-	1,300,000	-	-	-	1,300,000
W24000	RR	Reservoir 5-2	-	-	-	150,000	3,400,000	-	-	3,550,000
New	RR	Reservoir 7-1	-	-	-	-	220,000	-	-	220,000
New	RR	Reservoir 3-1	-	-	-	-	800,000	-	-	800,000
New	RR	Reservoir 3-3	-	-	-	-	-	1,000,000	-	1,000,000
New	RR	Reservoir 5-3	-	-	-	-	-	400,000	-	400,000
W25003	RR	Reservoir 6-2	-	-	-	-	-	1,000,000	-	1,000,000
New	RR	Reservoir 6-3	-	-	-	-	-	-	1,000,000	1,000,000
New	RR	Pressure/Alltitude Control Valve Replacement	-	250,000	250,000	250,000	250,000	-	-	750,000
		WATER MAIN REPLACEMENT								
W25036	RR	Bloomington Alley Way Main Replacement Phase 3B	9,503	4,010,497	4,020,000	-	-	-	-	4,020,000
W25036	GF	Bloomington Alley Way Main Replacement Phase 3B	-	2,000,000	2,000,000	-	-	-	-	2,000,000
W25037	GF	Bloomington Alley Way Main Replacement Phase 3C	1,520,000	-	1,520,000	-	-	-	-	1,520,000
W25037	RR	Bloomington Alley Way Main Replacement Phase 3C	2,869,069	-	2,869,069	-	-	-	-	2,869,069
W19055	RA	I-10 Cedar Avenue Interchange improvement project	240,034	-	240,034	-	-	-	-	240,034
W19055	RR	I-10 Cedar Avenue Interchange improvement project Phase III	694,686	-	694,686	-	-	-	-	694,686
New	RR	As-Needed Pipeline Replacement Program	-	-	-	500,000	500,000	500,000	500,000	2,000,000
New	RR	Zone 3 Distribution Pipeline Replacement - 8" San Bernardino Blvd.	-	-	-	-	-	-	200,000	200,000
New	RR	Zone 3 Distribution Pipeline Replacement - 8" in Valley/Pomona	-	-	-	-	-	-	3,000,000	3,000,000
New	RR	Orchard Street South of Slover Avenue	-	-	-	-	351,000	-	-	351,000
New	RR	San Bernardino Avenu from Cedar Avenue to Larch Avenue	-	-	-	-	-	-	936,000	936,000
New	RR	Hawthorne Avenue from Linden to Cedar Avenue	-	-	-	-	-	-	900,000	900,000
New	RR	Locust Avenur from Slvoer to Mindanao	-	-	-	-	-	-	900,000	900,000

Capital Improvement Plan
Proposed Five Year Funding Schedule - Fiscal Year 2027-31

Project Number	Funding Source	CIP Project Description	Carryover Balance	FY26-27 Budget Request	Year 1 FY 2026-27	Year 2 FY 2027-28	Year 3 FY 2028-29	Year 4 FY 2029-30	Year 5 FY 2030-31	Approved Total Project Cost
		SYSTEM APPURTENANCES REHABILITATION & REPLACEMENT								
W26003	RR	Annual R/R - Meters and MXU's (QTY 714) FY2025	134,027	15,973	150,000	150,000	150,000	150,000	150,000	750,000
W26004	RR	Annual R/R - Meter Vault Lid Retro Fits (QTY 4) FY2025	-		-	30,000	30,000	30,000	30,000	120,000
W26005	RR	Annual R/R - System Valve Replacement	-	100,000	100,000	100,000	100,000	100,000	100,000	500,000
		FACILITIES AND PLANTS REHABILITATION & REPLACEMENT								
W22006	RR	Facilities Master Plan	625,225	224,775	850,000	-	-	-		850,000
W25007	RR	Facilities Improvements		200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
W26008	RR	Roemer Booster Pumps Rehab		103,000	103,000	103,000	149,000	143,000	126,000	624,000
W26009	RR	Booster Station 5-2 (Pump 6)	143,540	-	143,540			50,000		193,540
W26010	RR	Booster Station 7-1 (Pump 4)	143,540	-	143,540		50,000			193,540
W26011	RR	Chlorine Building Replacement - 2 Prefabricated Concrete Buildings (Wells 2,40)	42,500	100,000	142,500	170,000				312,500
W26012	RR	Roemer storage unit for backflow (Qty 5)	20,000	-	20,000					20,000
W26013	RR	Coat existing Trident Filters at Roemer (Qty 6)	90,000	-	90,000					90,000
W26032	RR	24" Backwash Meter at Roemer	40,000	-	40,000					40,000
W26035	RR	CLA-VAL at Zone 6 Replacement	33,500	-	33,500					33,500
New	RR	Hydro Power Plant	-	70,000	70,000				25,000	95,000
New	RR	Booster Station Rehab	-	100,000	100,000	40,000	-	50,000		190,000
New	RR	4 New Chlorine Tanks	-	30,000	30,000					30,000
New	RR	Install Cages for Critical CLA-VALs	-	100,000	100,000					100,000
New	RR	Retrofit 5 Air Gaps to Meet Regulatory requirements	-	100,000	100,000					100,000
New	RR	Flocculaters Assembly	-			95,000		95,000		190,000
New	RR	Booster Pump 2-3	-	-			40,000			40,000
New	RR	Chain Of Flight	-	-			40,000			40,000
New	RR	Booster Station 5-1	-	100,000	100,000		50,000			150,000
New	RR	Booster Station 6-1	-	-			50,000			50,000
New	RR	Booster Station 6-2	-	-					50,000	50,000
New	RR	Booster Station 8-2	-	100,000	100,000				50,000	150,000
		SUBTOTAL FOR REPLACEMENT / REHABILITATION OF SYSTEM ASSETS	10,069,958	9,324,361	19,394,319	3,448,000	6,900,000	4,068,000	8,527,000	42,337,319

Capital Improvement Plan
Proposed Five Year Funding Schedule - Fiscal Year 2027-31

Project Number	Funding Source	CIP Project Description	Carryover Balance	FY26-27 Budget Request	Year 1 FY 2026-27	Year 2 FY 2027-28	Year 3 FY 2028-29	Year 4 FY 2029-30	Year 5 FY 2030-31	Approved Total Project Cost
		NEW SYSTEM ASSETS								
		FACILITIES								
New	BD	New Headquarters Progressive Design Build	-	-	-	5,000,000	30,000,000	35,000,000		70,000,000
		SOURCE OF SUPPLY								
W19041	CC	OPR WFF - 7.2 mgd Treatment Plant Expansion	3,938,603	-	3,938,603					3,938,603
New	CC	Roemer Process Enchancements	-	650,000	650,000	-	-	-	-	650,000
W22009	CC	Construct new IEUA area well	9,908	1,490,092	1,500,000	2,000,000				3,500,000
W26017	CC	Construct new well - Well 36A	200,000	500,000	700,000	1,500,000	2,000,000	-	-	4,200,000
New	GF	Construct new well - Well 36A	-	-	-	959,757	-	-	-	959,757
		PUMPS AND BOOSTER PLANTS								
W15004	CC	Lord Ranch Facility Improvements	11,170,919	1,200,000	12,370,919	-	-	-	-	12,370,919
W26018	CC	Pump Station 2-1 Improvements	50,000	325,000	375,000					375,000
W22010	RR	Emergency Generators Zone 5 PS 5-2	180,000		180,000					180,000
W22010	GF	Emergency Generators Zone 5 PS 5-2	470,000	50,000	520,000					520,000
W18021	CC	Pump Station 7-2 - Design & Construction	-	-	-	-	3,100,000	3,226,029	-	6,326,029
		RESERVOIRS								
W19008	CC	Zone 8 - Reservoir 8-3 (2.0MG)	50,000	-	50,000	2,677,848	1,759,282	-	-	4,487,130
New	CC	Reservoir 6-5 (6.0MG)	-	-	-	-	-	250,000	6,177,000	6,427,000
New	CC	R6-6 Property Acquisition	-	-	-	-	-	-	800,000	800,000
		WATER MAINS								
W15008	CC	Pepper Avenue @ I-10 Freeway Zone 2 - 24" Trans Main Railway - Design & Construction	48,950	1,192,441	1,241,391	-	-	-	-	1,241,391
New	RR	Zone 3A - 10-12" pipeline in Cactus Ave	-	-	-	-	-	160,000	-	160,000
New	CC	Zone 7 - 18" Transmission main in Seqovia Ln from Sierra to Citrus Ave	-	-	-	-	-	1,000,000	1,000,000	2,000,000
New	CC	Zone 7 - 18" Transmission main in Seqovia Ln from Sierra to Citrus Ave	-	300,000	300,000	-	-	-	-	300,000
		SUBTOTAL FOR NEW SYSTEM ASSETS	16,118,379	5,707,533	21,825,912	12,137,605	36,859,282	39,636,029	7,977,000	118,435,828

Capital Improvement Plan
Proposed Five Year Funding Schedule - Fiscal Year 2027-31

Project Number	Funding Source	CIP Project Description	Carryover Balance	FY26-27 Budget Request	Year 1 FY 2026-27	Year 2 FY 2027-28	Year 3 FY 2028-29	Year 4 FY 2029-30	Year 5 FY 2030-31	Approved Total Project Cost
		CAPITAL OUTLAY - FLEET/EQUIPMENT								
W25021	RR	SCADA Master Plan & Implementation	990,737	9,263	1,000,000	1,000,000	1,000,000	1,000,000	-	4,000,000
W25021	GF	SCADA Master Plan & Implementation	250,000		250,000	-	-	-	-	250,000
W24010	RR	Regrading, resealing, restriping at Headquarters	105,827	150,000	255,827	-	-	-	-	255,827
W25030	RR	Work Report and Service Order Intregation with GIS and Tyler	20,000	-	20,000	-	-	-	-	20,000
W26019	RR	Trucks Fully Equipped Annually FY 2026	267,899	-	267,899					267,899
New	RR	Trucks Fully Equipped Annually FY 2027		250,000	250,000	150,000	150,000	150,000		700,000
W26020	RR	POGA Event Van	56,533	-	56,533	-	-	-	-	56,533
W26021	RR	Pool and Administrative Vehicles (10 Years/100K Miles Life Cycle)	70,319	-	70,319	50,000	-	50,000		170,319
W26024	RR	New breaker for Roemer Hydroelectric Generation Plant	40,000	-	40,000	-	-	-	-	40,000
W26025	RR	Core network switches	35,000	-	35,000	-	-	-	-	35,000
New	RR	Website Redesign	-	116,000	116,000	-	-	-	-	116,000
New	RR	5 Yard Dump Truck	-	160,000	160,000					160,000
New	RR	1x Engineering Copier (10 Year Life Cycle)	-	-	-	15,000	-	-	-	15,000
New	RR	1x Customer Service Black and White Copier (10 Year Life Cycle)	-	-	-	8,000	-	-	-	8,000
New	RR	Annual Capital Outlay	-	20,000	20,000	400,000	400,000	400,000	400,000	1,620,000
		SUBTOTAL FOR CAPITAL OUTLAY - FLEET/EQUIPMENT	1,836,315	705,263	2,541,578	1,623,000	1,550,000	1,600,000	400,000	7,714,578
		GRAND TOTAL	28,024,651	15,737,157	43,761,808	17,208,605	45,309,282	45,304,029	16,904,000	168,487,724
CONT		**CONTINGENCY**		786,858						

CIP Budget Summary

Subtotal Replacement Assets:	10,069,958	9,324,361	19,394,319	3,448,000	6,900,000	4,068,000	8,527,000	42,337,319
Subtotal New Assets:	16,118,379	5,707,533	21,825,912	12,137,605	36,859,282	39,636,029	7,977,000	118,435,828
Subtotal Capital Outlay:	1,836,315	705,263	2,541,578	1,623,000	1,550,000	1,600,000	400,000	7,714,578
Totals:	28,024,651	15,737,157	43,761,808	17,208,605	45,309,282	45,304,029	16,904,000	168,487,724
	-	-	-	-	-	-	-	-

CIP District Funding Source Summary

RR	**Contribution from Operating Revenue/Capital Project Fund**	10,076,238	8,029,624	18,105,862	5,071,000	8,450,000	5,828,000	8,927,000	46,381,862
CC	**Restricted Capacity Charges Fund**	15,468,379	5,657,533	21,125,912	6,177,848	6,859,282	4,476,029	7,977,000	46,616,071
RA	**Reimbursement Agreement (SBCTA)**	240,034	-	240,034	-	-	-	-	240,034
GF	**Grant Funding**	2,240,000	2,050,000	4,290,000	959,757	-	-	-	5,249,757
BD	**Bond Proceeds**	-	-	-	5,000,000	30,000,000	35,000,000	-	70,000,000
	Totals:	28,024,651	15,737,157	43,761,808	17,208,605	45,309,282	45,304,029	16,904,000	168,487,724

Capital Projects

Replacement/ Rehabilitation of System Assets

Well 1A

This project involves having a Pump Contractor pull the pumping equipment out of the well, perform a video survey of the well. Perform any well work indicated by the video survey, recondition the pumping equipment and electric motor, and reinstall the pumping equipment.

Cost: $311,935

Well Rehab

This capital project involves the rehabilitation of an existing well to restore and maintain its operational performance, reliability, and efficiency. The project may include inspection, cleaning, removal of accumulated deposits, rehabilitation of well components, and necessary repairs to improve well performance and extend its useful service life. The work will help address declining well efficiency, reduce the risk of equipment failure, and maintain a reliable water supply.

Cost: $590,000

Reservoir R2-3 Re-coating and Modifications

In partnership with a developer-funded project, this project will provide a new coating, install safety upgrades and install a new cathodic protection system to the existing 4 million gallon welded steel tank in Zone 2.

Cost: $2,982,515

Reservoir R4-1

This project will provide a new coating and rehab to prolong the life of the welded steel tank located in Zone 4. This rehab will ensure the steel does not rust as the District continues to prioritize the life-span of the equipment.

Cost: $1,300,000

Pressure/Alltitude Control Valve Replacement

This project rebuilds CLA valves that lets water from one zone in to the other, allowing water to move between different zones.

Cost: $250,000

Bloomington Alley Way Main Replacement Phase 3B

This project includes a new 8-inch (8") approximately 5,800 linear feet and new 12-inch (12") approximately 400 linear feet water distribution pipelines within the public right-of-way connecting to existing distribution mains at Locust and Cedar Avenues along 7th and 9th Streets, including reconnecting services with new piping from the main to the front of the properties within the area. The current mains servicing the area are nearing the useful service life and located in difficult alleyways at the rear of the properties. This project is in support of the District's Strategic Plan Goal to manage and deliver a safe, reliable, and sustainable water supply and strategy to apply planning efforts with best practices.

Cost: $6,020,000

Bloomington Alley Way Main Replacement Phase 3C

This project will replace roughly 7,000 linear feet of 8, 12 and 24 inch water mains in the Bloomington area near 7th Street, 9th Street, Maple Avenue, Cedar Avenue, and Linden Avenue. The current mains servicing this area are nearing the end of their useful lives and are located in difficult to access alleyways.

Cost: $4,389,069

I-10 Cedar Avenue Interchange Improvement Project

This project is replacing and relocating water pipelines and appurtenances near the I-10 Freeway intersection with Cedar Avenue. The current overpass of Cedar Avenue is being expanded, which requires the relocation of the existing 8 and 12 inch pipelines crossing the freeway. The project is also replacing aging piping in Valley Boulevard and across the adjacent railroad crossing.

Cost: $240,034

I-10 Cedar Avenue Interchange Improvement Project Phase III

San Bernardino County Transportation Authority (“SBCTA”) and San Bernardino County (“County”), in cooperation with the California Department of Transportation (“Caltrans”) and the Federal Highway Administration (“FHWA”), are improving the Interstate 10 (“I-10”)/Cedar Avenue interchange in the unincorporated community of Bloomington. The project is widening the Cedar Avenue Overcrossing Bridge, UPRR/Cedar Avenue Overhead Bridge, and modify the existing entrance and exit ramps to the I-10 Freeway. WVWD’s water facilities are located within SBCTA’s proposed improvements along Cedar Avenue. Approximately 2,600 linear feet of 12-inch water main and 1,300 linear feet of 8-inch water main will need to be relocated. As part of the bridge widening project, the existing 8-inch and 12-inch water mains will need to be replaced withing steel casings. SBCTA is the lead agency on the project and has a reimbursement agreement with the District to covers costs associated with design and inspection of the relocated facilities. Work requires relocating the existing water main, meters, valves, and fire hydrants.

Cost: $694,686

Annual R/R - Meters and MXU's FY2025

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

Cost: $150,000

Annual R/R - System Valve Replacement

Installation of new valves to maximize infrastructure by ensuring valves are operational and easy to locate, especially during emergencies. This prevents future issues with regular maintenance and optimized repairs.

Cost: $100,000

Facilities Master Plan

The Facilities Master plan, an ongoing project, is currently in its planning and design phase. This will provide a condition assessment of the District's current headquarters and provide an alternative analysis for the modernization of the District headquarters.

Cost: $850,000

Facilities Improvements

Improvements throughout the District's facilities as needed.

Cost: $200,000

Roemer Booster Pumps Rehab

Rehab of either influent or effluent pumps as needed.

Cost: $103,000

Booster Station 5-2

Upgrading booster pump station 5-2 will increase production and reliability. Booster pump station 3A-1 is needed to supply future demands and provide redundancy.

Cost: $143,540

Booster Station 7-1

Upgrading booster pump station 7-1 will increase production and reliability. Booster pump station 3A-1 is needed to supply future demands and provide redundancy.

Cost: $143,540

Chlorine Building Replacement - 2 Prefabricated Concrete Buildings (Wells 2,42)

This project involves replacing existing 6'x8' chlorine buildings at well sites with pre-fab concrete structures.

Cost: $142,500

Roemer storage unit for backflow (Qty 5)

Roemer requires the installation of five storage units for backflow prevention devices.

Cost: $20,000

Coat existing Trident Filters at Roemer (Qty 6)

New paint coat for the six existing Trident Filters at Roemer. This will extend the life of the filters.

Cost: $90,000

24" Backwash Meter at Roemer

This project will replace the meters utilized to backwash. The meters run for so many hours and cleaning is required.

Cost: $40,000

CLA-VAL at Zone 6 Replacement

The project will help maintain the integrity of the chlorine storage system and ensure a dependable supply of chemicals for effective water disinfection.

Cost: $33,500

Hydro Power Plant

This project will repair turbans that spin and make power through water pressure.

Cost: $70,000

Booster Station Plant

This capital project involves the rehabilitation of an existing booster pump to restore and maintain its operational efficiency, reliability, and performance. The project will include inspection, repair or replacement of worn components, and necessary maintenance to improve pump operation and extend its useful service life. The rehabilitation will help reduce the risk of equipment failure, minimize maintenance costs, and ensure reliable water system pressure and distribution.

Cost: $100,000

4 New Chlorine Tanks

This capital project involves the purchase of four new chlorine storage tanks to support safe and reliable water treatment operations. The new tanks will provide adequate chemical storage capacity, improve operational reliability, and support continued compliance with applicable safety and regulatory requirements. The project will help maintain the integrity of the chlorine storage system and ensure a dependable supply of chemicals for effective water disinfection.

Cost: $30,000

Install Cages for Critical CLA-VALs

This capital project involves the installation of protective cages around existing pressure reducing valves (PRVs) to prevent unauthorized access, vandalism, and potential damage to critical water system infrastructure. The cages will improve equipment security, protect essential system components, and support the safe and reliable operation of the water distribution system.

Cost: $100,000

Retrofit 5 Air Gaps to Meet Regulatory Requirements

This capital project involves retrofitting the overflow piping at existing water storage tanks to provide compliant air gaps in accordance with applicable regulatory requirements. The improvements will help prevent potential cross-connections and contamination of the potable water supply, improve system protection, and ensure compliance with current drinking water regulations and standards.

Cost: $100,000

Booster Station 5-1

This capital project involves the rehabilitation of an existing booster pump to restore and maintain its operational efficiency, reliability, and performance. The project will include inspection, repair or replacement of worn components, and necessary maintenance to improve pump operation and extend its useful service life. The rehabilitation will help reduce the risk of equipment failure, minimize maintenance costs, and ensure reliable water system pressure and distribution.

Cost: $100,000

Rehabilitate Trident Filter No4, media replacement, and install new air scour system

The Roemer Treatment Plant Trident Filter Number 4, needs a media replacement and a new air scour system.

Cost: $100,000

New System Assets

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

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

Cost: $3,938,603

Roemer Process Enhancements

The project will evaluate and implement solutions to meet operations needs identified after the completion of the Roemer Water Filtration Expansion Project and includes; 1) upgrades to offsite radio and control equipment to regulate water deliveries to the City of Rialto, 2) evaluation of turbidity measurement improvements for onsite return/recycled flows, and 3) upgrades to the return/recycle pumps to pump solids during recovery pond cleaning events.

Cost: $650,000

Construct new IEUA area well

Well 57 will construct a new water well within the IEUA service area. The project includes a 12-inch diameter pipeline connection to the District's distribution system in Knox Avenue, a drain line to a local storm drain, a well-head chlorination system, electrical switch gear and a new electrical service.

Cost: $1,500,000

Construct new Bunker Hill Well - Well 36A Bunker Hill

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

Cost: $700,000

Lord Ranch Facility Improvements

The proposed project consists of a 1-million gallon (1.0mg) steel welded reservoir and pump station to be constructed within Zone 4 of the District's Service Area. The reservoir will measure 80 feet in diameter and 32 feet in height, with two 30-inch pipelines connecting the proposed reservoir and pump station to existing facilities. The pumping station would be sized with eight booster pumps with an approximately 2,980 gallons per minute (gpm) capacity and a station capacity of approximately 20.0 million gallons per day (mgd) (20,860 gpm with one pump on standby). The pumping station would initially be equipped with four pumps for a capacity of 8.6 mgd or 8,940 gpm with one pump on standby. For security purposes, the project also includes the construction of approximately 1.82 acres of asphalt driveways and paved areas around the proposed pump station, reservoir, and treatment facility. The project will install perimeter fencing and a wall for security and add site access controls

Cost: $12,370,919

Pump Station 2-1 Improvements

The project involves the improvements at Pump Station 2-1. The scope of work includes upgrading the mechanical screens, rehabilitating the wet wells, and replacing some pumps.

Cost: $375,000

Emergency Generators Zone 5 PS 5-2

Pump station 5-2 was originally built with the space to add a 500kW generator. This grant funded project will purchase and install a new diesel fueled generator and an auxillary diesel fuel tank to power the critial power demands of pump station 5-2 in the event of a power outage. For this project, the District was able to obtain $325,000 in Grant funding that will supplement the expense.

Cost: $700,000

Zone 8 - Reservoir 8-3 (2.0MG)

This project will construct a new welded steel reservoir supplying zone 8 to accommodate future development in the highest pressure zone in the District's service area. The new reservoir will require extensive site grading and improvements. Additionally, the project will improve site access by improving the dirt access road and providing power to new instrumentation.

Cost: $50,000

Pepper Avenue @ I-10 Freeway Zone 2 - 24" Trans Main Railway - Design & Construction

This project will install addition main line across the railway at Pepper Avenue to connect the north and south water distrubution system. The Project will include approximately 600 linear feet of 24 inch cement lined and mortar coated steel pipe within a 36 inch casing that will be jack and bored beneath the railway and include all neccessary appurtenances (valves, air and vcume relief valves, blow-offs, etc).

Cost: $1,241,391

Zone 7 - 18" Transmission main within future ROW from Citrus Ave to Lytle Creek Rd

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

Cost: $300,000

Capital Outlay- Fleet/Equipment

SCADA Master Plan & Implementation

This project involves creating a Master Plan to replace and modernize the existing 35-year-old SCADA System. The SCADA system is a vital piece of the District's operation. The District was able to obtain $250,000 in Grant Funding to supplement the project cost.

Cost: $1,250,000

Regrading, resealing, restriping at Headquarters

The District's headquarters parking area and surroundings need regrading, resealing, and restriping to meet ADA Compliance

Cost: $255,827

Work Report and Service Order Integration with GIS and Tyler

Last year, Tyler was integrated with GIS for meter information. This year the goal is to integrate Tyler Service Orders with GIS as well as provide a Work Report form to reduce hand written Work Report information and improve communication. A lot of time is wasted using and copying paper for service orders and work reports, and the associated data entry.

Cost: $20,000

Fleet Trucks Fully Equipped

Purchase and Equip 5x new work trucks to continue Operations safely and efficiently.

Cost: $517,899

Public Affairs & Government Outreach Event Van

Purchase and Equip an electric van that will be designated to the Public Affairs Department as they require travel with items such as tables, trinkets to give to the community at community events, and any other necessary marketing items.

Cost: $56,533

Pool and Administrative Vehicles (10 Years/100k Miles Life Cycle)

Purchase additional vehicles to replace the aging fleet. Currently, the District is aiming to maintain vehicles below the 10 year/100k mile mark in order to avoid spending on vehicle repairs.

Cost: $70,319

New breaker for Roemer Hydroelectric Generation Plant

The Romer Hydroelectric Generation Plant needs a new breaker. The purpose of the electric breaker is to protect electrical circuits from damage caused by overloads, short circuits, and other faults by interrupting the flow of electricity.

Cost: $40,000

Core network switches

The server room needs new core network switches which are used for routing and data switching. Core switches connect distribution switches, allowing efficient communication and data transfer between multiple networks.

Cost: $35,000

Website Redesign

The new website redesign project focuses on modernizing the site's look and feel, improving navigation, and enhancing user experience.

Cost: $116,000

Five Yard Dump Truck

This capital project involves the purchase of a 5-yard dump truck to support the collection, transport, and disposal of sludge generated during water treatment operations. The vehicle will improve operational efficiency, provide reliable sludge-handling capabilities, and reduce dependence on external hauling services. The purchase will support routine treatment plant maintenance and ensure effective management and disposal of treatment residuals in accordance with applicable environmental and regulatory requirements.

Cost: $160,000

Annual Capital Outlay

This project supports operational needs such as equipment, facilities, technology, and fleet.

Cost: $20,000

DEBT

Debt Summary

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

The District's debt service payments in FY2026-27 will be $3,859,880 on total outstanding debt of $76,592,872 as of June 30, 2026.

Types of Debt

REVENUE BONDS

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

- **Series 2016A Refunding Revenue Bonds:** issued to provide funds, together with certain other moneys: (i) to prepay all amounts payable under the Series 2006D-2 Bonds installment purchase agreement between the District and California Statewide Communities Development Authority; and (ii) pay cost of issuance of the 2016A Bonds. The bonds were in the aggregate principal amount of $22,035,000 with an interest ranging from 2% to 5% per annum. As of June 30, 2026, the outstanding balance of the financing was in the amount of $17,925,000.

HYDROELECTRIC PLANT

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

- **Hydroelectric Plant:** In December 20, 2016, the District entered into an agreement with San Bernardino Valley Municipal Water District ("Valley District) to finance and construct Roemer Hydroelectric Station. In the agreement, the Valley District agreed to finance the cost of the project total amount of $3,310,151 with the interest that the Valley District shall be revenue neutral in this financing arrangement. As of June 30, 2026, the outstanding balance of the financing was in the amount of $661,351.

WATER PARTICIPATION RIGHTS CONTRACT PAYABLE

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

- **Water Participation Rights:** In 2012, the District acquired water participation rights from the San Bernardino Valley Municipal Water District. These rights entitle the District to purchase water from the Baseline Feeder system. The payment for the rights is calculated at 5,000-acre feet at $90 per acre foot, per year, payable in monthly installments of $25,444, until January 31, 2041. The annual amount is $305,329, for usage fee. Purchased water is billed in addition to the minimum fee. As of June 30, 2026, the balance for future water rights payments was in the amount of $4,579,931.

CA DRINKING WATER STATE REVOLVING FUND (CA DWSRF)

A State Revolving Fund (SRF) Loan was issued to fund the Oliver P. Roemer Expansion Plant.

- **SRF Loan:** In 2023, the District decided to strategically expand it's operations and decided to expand the Oliver P. Roemer Water Filtration Facility. This would allow the District to treat an additional 7.2 million gallons per day (MGD) of State Water Project Water. This expansion was needed due to infrastructure replacement and upgrade needs, increased demand, and to offset peak summer usage and to regain groundwater well supply lost. The expansion will be constructed in phases. In FY26, the District estimates that the final phase of the project will be completed, and operations should begin soon after. As of June 30, 2026, the outstanding balance of the financing was in the amount of $46,665,000.

Below is a schedule of FY 2026-27 debt service payments:

Debt Issue	Principal	Interest	Total
Series 2016A Refunding Revenue Bond	515,000	795,000	1,310,000
Hydroelectric Plant	331,100	78,740	409,840
Water Participation Rights	305,329	-	305,329
CA DWSRF Loan	1,321,396	513,315	1,834,711
Total	**2,472,825**	**1,387,055**	**3,859,880**

Impact of Current Debt Levels

As detailed above, debt service for FY 2026-27 on all outstanding debt is $3,859,880 – this is an increase of $1,489,208 from debt service payments in FY 2025-26. The increase in debt service payment was due to rate increases by the Federal Reserve which affect the Hydroelectric Plant debt. Also, the CA Drinking Water State Revolving Fund (CA DWSRF) issued a loan to the District in the amount of $46M. The first principal payment is due in FY27, in FY26 only interest is owed.

$3,859,880 represents 8.2% of the District's total budget for FY 2026-27. This level of debt service does not affect utility services provided to District ratepayers but does directly impact the number of Capital Projects that can be funded by operating revenues.

Debt Schedule

Below is a schedule of all outstanding debt:

Water Fund

Fiscal Year	Principal	Interest	Total
2027	2,472,825	1,387,055	3,859,880
2028	2,512,360	1,346,770	3,859,130
2029	2,225,956	1,226,334	3,452,290
2030	2,295,813	7,306,728	9,602,541
2031-2034	9,026,667	4,368,695	13,395,362
2035-39	11,227,114	1,720,786	17,332,950
2040-44	13,619,200	2,753,413	16,372,613
2045-49	11,858,906	1,244,250	13,103,156
Total	**$ 55,238,841**	**$ 21,354,031**	**$ 76,592,872**

Debt Service Coverage

The District has no policy limitation, and there is no statutory limitation, on the amount of debt that may be issued by the District, however, bond covenants for the District's 2016 Revenue Bonds require an additional bonds test prior to issuing additional obligations payable from Net Operating Revenue. The test determines the amount of additional debt that may be issued by calculating the amount of net revenue available for additional debt service payments.

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

The FY 2026-27 proposed operating budget provides the net revenue to debt ratios shown in the table below:

Debt Service Coverage

Water Fund	Total
Revenue	
Sales & Services	31,787,645
Other Charges	5,501,025
Other Non-Operating	9,769,284
Total Revenues	47,057,954
Operating Expenses	
Departments	39,207,081
Total Operating Expenses	39,207,081
Net Revenue	7,850,873
Bond Debt Service	3,859,880
Debt Coverage Ratio	**2.03**

Bond Ratings

Credit risk is the risk that District creditors will suffer financial loss if the District fails to fulfill its obligation to make timely payments to holders of District debt. Risk is measured by the assignment of a rating to the District's bonds by a nationally recognized credit rating organization. Strong credit ratings provide benefits to District ratepayers in the form of reduced debt service costs. Practical financial management policies have resulted in a bond rating of AA- from Standard & Poor's. The District was issued a rating in August 2025.

FINANCIAL POLICIES

Summary of Financial Policies

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

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

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

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

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

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

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

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

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

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

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

Procurement Policies & Procedures

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

Goals

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

Budget/Carryover/Reserve/Debt Management Policy

BUDGET/CARRYOVER/RESERVE/DEBT MANAGEMENT POLICY

SECTION 1: PURPOSE

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

SECTION 2: GENERAL POLICY

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

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

SECTION 3: RESPONSIBILITY

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

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

- Preparing and presenting to the Board, interim revenue and expenditure trends to allow evaluation of potential discrepancies from budget assumptions.
- Perform and present to the Board, current and future cost implications for operating or capital improvement costs before the Board commits to new spending.
- Perform quarterly reports to the Board of:
- Budget vs Actual Variances
- Transfers of appropriations
- Transfers between reserve accounts
- Reserve target level compliance
- Development and maintenance of adequate billing and collection measures.
- Have a back-up protocol to ensure continuity and timeliness of operations during vacations and other leaves.
- Must actively participate in and support the implementation of the internal controls contained in this policy and all other policies, and immediately follow up if deviation is suspected, in order to avoid the appearance and existence of fraud, misappropriation of District assets, or of conflicts of interest.
- Additional responsibilities are stated in the remaining sections within this policy.

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

SECTION 4: DEFINITIONS

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

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

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

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

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

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

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

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

Cash Account(s) – Accounts used to track cash and/or cash equivalent assets for accounting or reporting purposes. For purposes of investment, the District may commingle unrestricted accounts and reserve funds, so long as the District's Investment Policy permits such.
Balanced Budget – The sum of estimated revenues and use of reserves is equal to or greater than current estimated expenditures.
Fund Balance – The total accumulation of operating surpluses and deficits.

SECTION 5: BUDGET DEVELOPMENT OVERVIEW

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

SECTION 6: PROGRAM BASED BUDGET

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

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

1. Long-Term Initiatives (10-year foresight)
- o Evaluate District's vision, mission, and values.
- o Evaluate District's goals and objectives of the above.
- o Evaluate District's prioritization of the above.
- o Evaluate District's expected outcomes of the above.

2. Short-Term Initiatives (1 to 5-year foresight)
- o Evaluate short-term goals.
- o Evaluate service level assumptions.
- o Evaluate budget impact - revenues and expenditures.
- o Evaluate staffing level changes.

3. Significant Changes (1 year look back)
- o Evaluate specific issues and action causing significant changes.
  - ▪ Policy issues
  - ▪ Economic factors
  - ▪ Regulatory issues
  - ▪ Legislative challenges
- o Evaluate emerging issues or changes in priorities.

4. Goals and Objectives by Department (1-year foresight)
- o Evaluate department goals and objectives.
- o Evaluate how department goals are linked to overall District goals.
- o Evaluate short-term objectives, measurable results to be achieved.
- o Evaluate the timeframe for achieving those objectives.

5. Net Position or Define net position
- o Prepare a five-year historical trend.
- o Prepare a ten-year forecast.

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

7. Program - Based Budget Will Link Resources with Results
- o Identifying community needs for essential services.
- o Describing the programs required to provide the essential services.

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

SECTION 7: REVENUE BUDGET DEVELOPMENT

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

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

SECTION 8: USER FEES/RATES

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

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

SECTION 9: EXPENDITURE BUDGET DEVELOPMENT

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

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

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

SECTION 10: ACCRUING LIABILITIES

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

SECTION 11: FORECASTING

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

SECTION 12: RESERVE POLICIES

RESERVE POLICY PURPOSE:

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

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

RESERVE TRACKING PROCEDURES:

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

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

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

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

RESERVE MAINTENANCE:

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

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

RESERVE TARGET LEVELS:

The following represents the Districts target reserve levels by type:

I. RESTRICTED FUNDS

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

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

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

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

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

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

II. CAPITAL RESERVE FUNDS

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

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

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

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

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

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

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

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

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

III. LIQUIDITY FUNDS

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

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

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

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

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

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

Target Level – Funding shall be targeted at a minimum amount equal to 90 days of the District's budgeted total operating expenses, and the maximum amount shall not exceed 120 days of the budgeted total operating expenses.

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

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

SECTION 13: BUDGET SURPLUSES AND DEFICITS

SURPLUSES:

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

- Meet reserve policies
- Avoidance of future debt

- Reduction of outstanding debt

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

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

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

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

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

DEFICITS:

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

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

SECTION 14: DEBT MANAGEMENT POLICY

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

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

Purposes for Which Debt May Be Issued

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

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

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

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

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

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

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

Types of Debt

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

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

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

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

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

Relationship of Debt to Capital Improvement Program and Budget

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

pay the amount of the arbitrage to the Federal Government as required by Internal Revenue Service Regulation 1.148-11. The District will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. For each bond issue not used within the established time frame, the recordkeeping shall include tracking investment earnings on bond proceeds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt.

- The District will comply with all covenants stated in the bond contract or equivalent
- The District will comply with all state reporting requirements for issuance of debt, including a report to the CDIAC of any proposed debt issuance no later than 30 days prior to the sale of any debt issue. The report shall include a certification by the issuer that it has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with these policies. The District shall also submit a report to CDIAC of final sale no later than 21 days after sale of debt, by any method approved by the CDIAC. The report on final sale shall include a copy of the official statement for the issue or, if there is no official statement, the other disclosure documents and indenture.
- The District will meet secondary disclosure requirements in a timely and comprehensive manner, as stipulated by the SEC Rule 15c2-12. The CFO shall be responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) system, the central depository designated by the SEC for ongoing disclosures by municipal issuers. The CFO is responsible for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies, including the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The District may also employ the services of firms that improve the availability of or supplement the District's EMMA filings.
- The proceeds of the bond sales will be invested until used for the intended project in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of safety. The District Investment Policy and the bond indentures govern objectives and criteria for investment of bond proceeds. The CFO or designee, or the bond trustees under the direction of the CFO or designee, will invest the bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.
- In certain cases, particularly for bond reserve funds, it may be fiscally prudent to invest funds using a forward delivery agreement or some other type of guaranteed investment contract. Such agreements should be obtained under a competitive bid process under consultation with the Financial Advisor.
- State and Local Government Securities (SLGS) are the preferred investment option rather than open market securities for escrows for refunded bonds to allow for better matching of settlement dates and fewer arbitrage regulation compliance issues.

Internal Control Procedures

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

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

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

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

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

SECTION 15: AFTER ADOPTION OF THE BUDGET

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

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

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

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

PERFORMANCE MEASUREMENT

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

SECTION 16: TRANSFERS

TRANSFERS OF APPROPRIATIONS:

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

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

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

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

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

SECTION 17: CARRYOVERS
On an annual basis, after the year-end audit has been completed, the CFO or designee shall produce a schedule of all fund surpluses and deficits, with projections of reserve requirements and plan for the use of an excess surplus for the current year. These will be Carryovers.

Automatic Carryovers include:

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

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

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

Procurement Policies & Procedures

PREFACE

OPEN AND TRANSPARENT

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

SECTION I: PURPOSE

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

SECTION 2: GENERAL POLICY & OBJECTIVES

The general purchasing policy is as follows:

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

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

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

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

Applicability:

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

SECTION 3: PROCUREMENT AUTHORITY

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

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

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

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

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

APPENDIX

Glossary

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

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

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

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

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

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

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

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

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

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

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

Balanced Budget: The sum of estimated revenues and use of reserves is equal to or greater than current expenditures.

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

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

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

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

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

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

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

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

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

Capital Expenditure: Funds allocated to acquire, upgrade, and maintain essential physical assets like property, technology, or equipment that is crucial for expanding operational capacity and securing long-term economic benefits.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Program: A combination of activities to accomplish an end.

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

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

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

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

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors’ analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

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

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

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

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

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

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

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

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

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

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

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

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

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

West Valley Water District



2026 - 2027

Office Hours

Monday 8:00 am - 5:30 pm
Tuesday 9:00 am - 5:30 pm
Wednesday 8:00 am - 5:30 pm
Thursday 8:00 am - 5:30 pm
Friday 8:00 am - 5:30 pm

Customer Service

(909) 875-1804, option 3
(909)875-1849 - Fax
customerservice@wvwd.org

Emergency Services

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