



**BOARD OF DIRECTORS  
EAST BAY MUNICIPAL UTILITY DISTRICT**

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375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

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***Notice of Special Meeting***

**Fiscal Years 2024 and 2025**

**Budget Workshop No. 2**

**Tuesday, March 28, 2023**

**9:00 a.m.**

**Training Resource Center, 2<sup>nd</sup> Floor**

**375 11th Street**

**Oakland, California**

At the call of President Andy Katz, the Board of Directors has scheduled Fiscal Years 2024 and 2025 Budget Workshop No. 2 for 9:00 a.m. on Tuesday, March 28, 2023, in the Administration Building Training Resource Center at 375 11th Street, Oakland, California.

The Board will meet in workshop session where staff will review the proposed Fiscal Year 2024 and Fiscal Year 2025 budget, rates, operating and capital priorities, and staffing. Additionally, staff will provide responses to questions raised during Budget Workshop No. 1 held on January 24, 2023.

Dated: March 23, 2023

A handwritten signature in blue ink that reads 'Rischa S. Cole'.

Rischa S. Cole

Secretary of the District

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EAST BAY MUNICIPAL UTILITY DISTRICT**

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**AGENDA**

**Special Meeting**

**Fiscal Years 2024 and 2025**

**Budget Workshop No. 2**

**Tuesday, March 28, 2023**

**9:00 a.m.**

**Training Resource Center, 2<sup>nd</sup> Floor**

**375 11th Street**

**Oakland, California**

**\*\*\* Please see appendix for public participation instructions\*\*\***

**ROLL CALL:**

**PUBLIC COMMENT:** The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

**DISCUSSION:**

1. Staff will review the proposed Fiscal Year 2024 and Fiscal Year 2025 budget, rates, operating and capital priorities, and staffing. Additionally, staff will provide responses to questions raised during Budget Workshop No. 1 held on January 24, 2023. (Skoda)

**ADJOURNMENT:**

**Disability Notice**

*If you require a disability-related modification or accommodation to participate in an EBMUD public meeting please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.*

**Document Availability**

*Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at [www.ebmud.com](http://www.ebmud.com).*

W:\Agendas\Agendas 2023\2023\_Special Mtgs & Workshops Agendas\03282023\_FY24-25\_Budget Workshop 2\_agenda.docx



## APPENDIX

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### Fiscal Years 2024 and 2025 Budget Workshop No. 2 Tuesday, March 28, 2023 – 9:00 a.m.

*EBMUD public meetings of the Board will be conducted in person and via Zoom.  
These meetings are recorded, live-streamed, and posted on the District's website.*

#### Online\*

<https://ebmud.zoom.us/j/94804788254?pwd=Z2duWU9RZzVqb3RMd1RlNXVISjNsUT09>

Webinar ID: 948 0478 8254

Passcode: 467920

#### By Phone

Telephone: 1 669 900 6833

Webinar ID: 948 0478 8254

Passcode: 467920

International numbers available: <https://ebmud.zoom.us/u/kb5JZuQJvV>

\*To familiarize yourself with Zoom, please visit <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

**Providing public comment** - *The EBMUD Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.*

- Each speaker is allotted 3 minutes to speak; the Board President has the discretion to amend this time based on the number of speakers
- The Secretary will track time and inform each speaker when the allotted time has concluded
- Comments on **non-agenda items** will be heard at the beginning of the meeting
- Comments on **agenda items** will be heard when the item is up for consideration
- The Secretary will call each speaker in the order received

#### In person

- Fill out and submit a blue speaker card which is available in the meeting room

#### Via Zoom

- Use the raise hand feature in Zoom to indicate you wish to make a public comment  
<https://support.zoom.us/hc/en-us/articles/205566129-Raising-your-hand-in-a-webinar>
  - If you participate by phone, press \*9 to raise your hand
- When prompted by the Secretary, please state your name, affiliation if applicable, and topic

#### Submitting written comments or materials

- Email written comments or other materials for the Board of Directors to [SecOffice@ebmud.com](mailto:SecOffice@ebmud.com)
- Please indicate the meeting date and agenda item number or non-agenda item in the subject of the email. Contact information is optional.
- **Please email by 4 p.m. the day prior to the scheduled regular meeting;** written comments and other materials submitted to the Board of Directors will be filed in the record.

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To view the livestream of meetings of the Board, please visit:  
<https://www.ebmud.com/about-us/board-directors/board-meetings/>

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## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: March 23, 2023

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Budget Workshop No. 2 – March 28, 2023 and Follow-Up from Budget Workshop No. 1

### SUMMARY

Budget Workshop No. 2, scheduled on March 28, 2023, will review the proposed Fiscal Year 2024 (FY 2024) and Fiscal Year 2025 (FY 2025) budget, rates, operating and capital priorities, and staffing. Additionally, responses will be provided to questions raised during the January 24, 2023 Budget Workshop No. 1. At the request of the Board during Budget Workshop No. 1, the draft presentation was sent to the Board on March 16, 2023.

### DISCUSSION

During Budget Workshop No. 1, staff reviewed the budget process and strategic plan, the major drivers and themes in the development of the FY 2024 and FY 2025 biennial budget, and the current economic landscape. Staff discussed specifics about the Water and Wastewater systems and presented the five-year rate forecasts for each system based on two five-year Capital Improvement Program (CIP) scenarios. Finally, staff focused on notable areas in the Biennial Budget based on the July 2020 Strategic Plan and Board priorities.

For the Water System, the proposed rate increases are 8.5 percent in FY 2024 and 8.5 percent in FY 2025. The average single-family residential customer (using about 200 gallons per day) will see an increase of about 19 cents per day in the first year of the budget and an increase of 21 cents per day in the second year. For the Wastewater System, the proposed rate increases are also 8.5 percent in FY 2024 and 8.5 percent in FY 2025. The average single-family residential wastewater customer will see an increase of about 7 cents per day in the first year and an increase of 7 cents per day in the second year.

The need for these rate increases is driven in part by inflationary pressures on energy and chemicals. Additionally, labor costs have grown significantly and are expected to continue to grow, driven by inflation-linked wage increases negotiated with the District's labor unions, as well as added positions in vital areas. Additionally, the proposed rate increases will support key Board priorities, including:

- Necessary growth in the CIP to invest in the next 100 years of service
- Increased staff to support the expanded capital program
- Investments in internships and development of a more diverse hiring pipeline, as well as greater resources for consolidated educational and community outreach programs
- An enhanced Customer Assistance Program

During Budget Workshop No. 2, staff will present the proposed FY 2024 and FY 2025 biennial budget and rates, fees, and charges subject to Proposition 218 requirements. Attached to this memo are the workshop presentation, proposed biennial budget, and a memo on the FY 2024 and FY 2025 Recommended Revisions to the Water and Wastewater Systems' Schedule of Rates and Charges Subject to Proposition 218, which will be covered in more detail in the Biennial Report and Recommendation of the General Manager Fiscal Years 2024 and 2025 Revisions to the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges, and Other Fees to be filed at the May 9, 2023 Board meeting. This workshop is the last expected meeting before the issuance of the Proposition 218 notice. After Board review of the Proposition 218 notice at the March 28 workshop, mailing of the notices would begin in early April and is expected to be completed by April 24, 2023.

### **Follow-Up to Topics or Questions Raised at Budget Workshop No. 1**

At Budget Workshop No. 1, the Board requested additional information on several topics. Budget Workshop No. 2 will include a discussion of those items, including:

- Major projects that were deferred in the five-year CIP, major projects in Years 6 to 10 of the CIP, types of external funding available to fund the CIP, the impact of the CIP on customers and the community
- History of budgeted positions compared to filled positions
- Interest rates paid on the District's debt
- Details on the workforce and ownership for Fully Maintained and Operated contractors
- Education and outreach programs, particularly opportunities for students from underserved communities to access the District's watersheds
- Positions and funding related to diversity, equity, and inclusion

### **NEXT STEPS**

This item will be presented at Budget Workshop No. 2 on March 28, 2023.

CCC:SDS:SAF

Attachments:

1. Budget Workshop No. 2 Presentation
2. FY 2024 and FY 2025 Recommended Revisions to the Water and Wastewater Systems' Schedule of Rates and Charges Subject to Proposition 218 memo



# Biennial Budget Fiscal Years 2024 & 2025

Board Workshop No.2

March 28, 2023

## Today's Speakers



**Sophia Skoda**  
Director of Finance



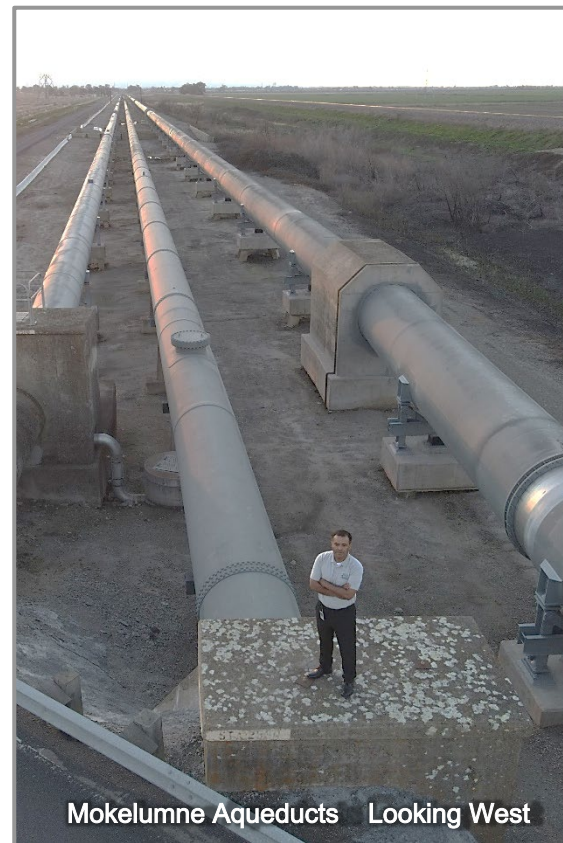
**Sam Feldman**  
Manager of Budget

## Budget Workshop No. 2

- Introduction
- Follow-up from Workshop No. 1
- FY2024 & FY2025 Budget Summary
- Water System

### *Break*

- Wastewater System
- Rates & Charges
- Outreach & Next Steps



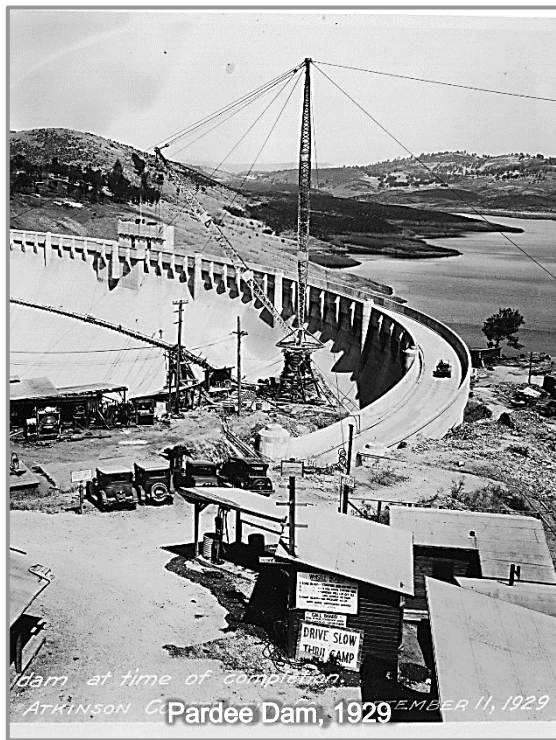
FY 2024 & FY 2025 Biennial Budget

# Introduction





# Supporting Our Next Century of Service



For 100 years, EBMUD has provided clean, reliable, affordable drinking water to the East Bay, and for more than 70 years has treated wastewater and protected the SF Bay.

This budget represents a major investment in our next 100 years.



## Challenges Now & Ahead

- Aging infrastructure
- Climate change
  - Droughts, floods, and fires
- Emerging contaminants
- Nutrients
- Changing regulations
- Inflationary cost pressures
  - Equipment, energy, chemicals, and labor







## Generational Investments

- Most capital-intensive period in EBMUD history: 5-year capital improvement program increased by more than \$500 million compared to prior budget
- Rate increases in FY2024 & FY2025 will accelerate investments in resilient and reliable water and wastewater systems of the future
- Debt issuance supports intergenerational equity – future customers pay for today's investments that will benefit them

**This budget invests in our community's future.**

## Long-Term Financial Stability

- Financial sustainability necessary in planning for the next century of service
- Long-term stability requires:
  - Expense controls when possible
  - Affordable rates that fund what is necessary to deliver good service
  - Responsible debt issuance
  - Leveraging external funding
- EBMUD is the only water utility in California to achieve a Aaa rating with Moody's

This budget supports long -term financial stability.

### Bond Ratings      Water/Wastewater

MOODY'S  
INVESTORS SERVICE

Aaa/Aa1

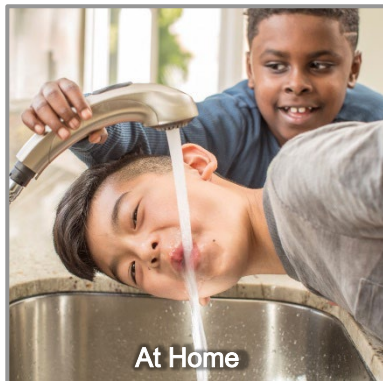
S&P Global

AAA/AAA

### Budget Awards



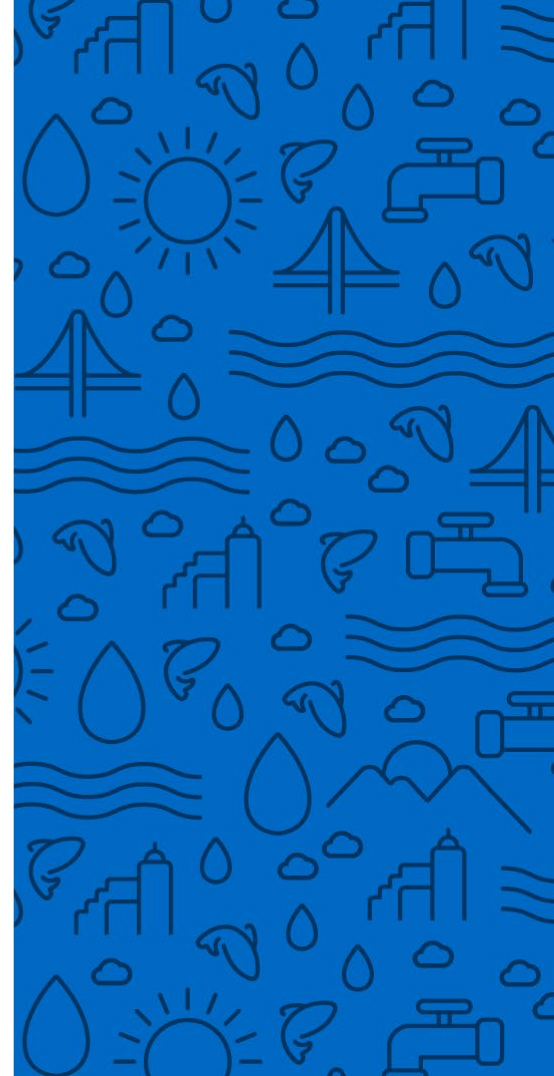
## Financial, Community & Environmental Stewards



- EBMUD is a not-for-profit public utility; rate dollars directly fund operations and capital improvements, not shareholders.
- This budget prepares us to meet our next century, with rates that are as low as possible to maintain our great service.
- Board direction today will support our community and staff, and formally launch the community engagement process, including meeting Proposition 218 requirements.

FY 2024 & FY 2025 Biennial Budget

# Follow -Up from Workshop No. 1



## Water – Major Deferred Projects in the Five-Year CIP

Project	Timing	Amount
Walnut Creek Water Treatment Plant – Filter Upgrades	2-year delay in construction	\$ 52M
Walnut Creek Water Treatment Plant – Pretreatment	1-year delay in construction	\$ 48M
Lafayette Reservoir Relining	1-year delay in construction	\$ 42M
Mokelumne Aqueduct No. 2 Phase 3 Lining	1-year delay in construction	\$ 42M
Pipeline Rebuild	27.5 miles in FY2027 & FY2028 and 30 miles starting in FY2029 (2 year delay)	\$ 32M
Central Reservoir	2-year delay in construction	\$ 22M
Pardee Tunnel Access Improvements	3-year delay in construction	\$ 18M
San Leandro Channel (Alameda Crossing 2)	3-year delay in construction	\$ 14M
Leland Reservoir	1-year delay in construction	\$ 8M

## Water – Major Projects in Years 6 to 10 of the CIP

Project	Projected Start of Construction
Acalanes Aqueduct	FY2033
Central Reservoir Replacement	FY2029
Sobrante Water Treatment Plant Reliability Improvements	FY2030
Jones Tract Scour Protection	FY2029
Sequoia Aqueduct Pipeline	FY2030
San Joaquin County-EBMUD Groundwater Banking	FY2031
Walnut Creek VFDs	FY2029
Mokelumne Aqueduct No.3 Lining Replacement	FY2030
Mokelumne Aqueduct No.2 Phase 3 Lining Replacement	FY2029



## Wastewater - Deferred Projects in the Five-Year CIP

Project	Timing	Amount
Dewatering Building	1 year extension of construction	\$ 12M
Interceptors		
Alameda Channel	1 year extension of construction	\$ 11M
North/Emeryville	1 year extension of construction	
South/Embarcadero	1 year extension of construction	
Seismic Retrofits and other Aging Infrastructure	1 year delay for some projects; Construction extension for others	\$ 20M

## Wastewater – Major Projects in Years 6 to 10 of the CIP

Project	Projected Start of Construction
Seismic Retrofit of Primary Sed Tanks	FY2028
Secondary Clarifier Rehabilitation	FY2028
Seismic Ground Mitigation for Effluent Channel	FY2028
Blend Tank De-gritting Facility	FY2028
Special Structures Sewer Rehab Ph 2	FY2028
Outfall Assessment and Lining	FY2031
North Interceptor at University Avenue	FY2030



## Federal, State and Grant Funding for CIP

- Opportunities in Infrastructure Renewal Act, and other federal programs, including FEMA
- Adding 1 position as grant writer

### *Example FEMA Opportunity, for Wastewater:*

- \$30 million grant would fund the seismic retrofit of the Influent Pump Station
- Most critical process function at the Main Wastewater Treatment Plan (MWWTP)
- Loss of functionality would result in:
  - Complete loss of function of the MWWTP
  - Potential sewer system overflows



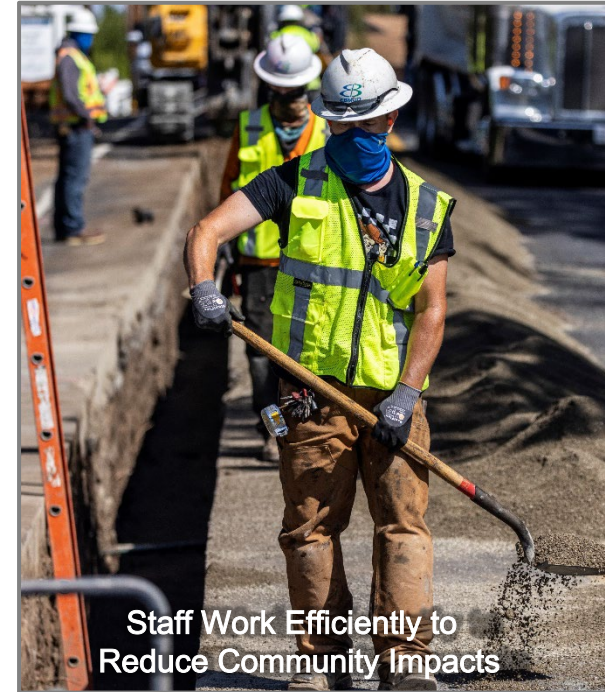
Motors and Drivers for Influent Pump Station at the MWWTP

## Planned Capital Infrastructure Equity Toolkit Pilot

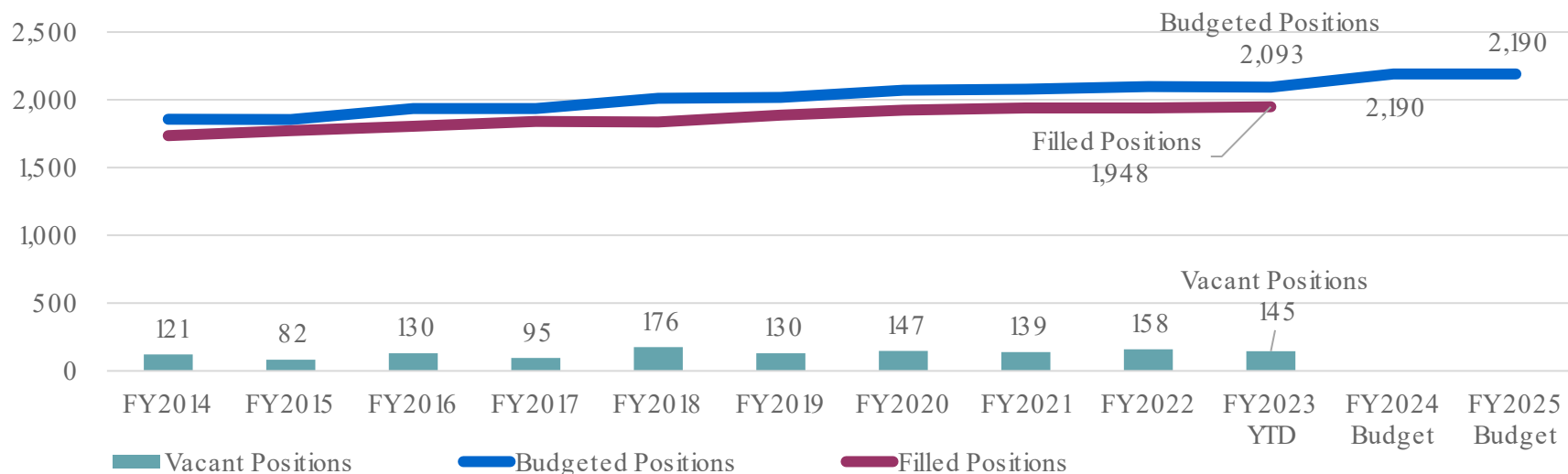
Project Phase	Actions	Examples/Opportunities
Capital Planning	Ask if the project considers disparities in service and service quality.	Community meetings should consider work schedules and childcare for different communities.
Project Design	Consider positive co-benefits and how to reduce project impacts.	Have enhancements been considered for communities with lower public participation?
Pre-construction Impact Evaluation	Consider positive co-benefits and how to reduce construction impacts.	How can the project benefit small businesses who will be impacted by the project?
Finance	Consider affordability impacts.	What state, local, or federal funding opportunities have been reviewed?
Contracting and Procurement	Prioritize CEP participation.	Can project be broken down to sizes that might allow for more CEP opportunity?
Customer Service & Communications	Increase access to information.	Information about good jobs in W/WW may be valuable to many communities.
Environmental Stewardship	Consider stewardship opportunities.	What enhancements could be made?
Construction	Mitigate impacts.	Stay in regular contact with community.

## Impact of CIP on Customers & Community

- Equity Core Team currently in Community Engagement phase as a pilot on two projects:
  - Fontaine Pumping Plant & Large Diameter Pipeline
  - East 16<sup>th</sup> Street Cluster Pipeline
- Pilot project applies an equity lens to CIP with an emphasis on four foundational questions:
  - Who benefits, who is burdened by this work?
  - Who is missing from our planning dialogues?
  - How will we measure community impacts?
  - How do we address or mitigate negative, adverse, and unintended consequences?



## Budgeted vs Filled Position History

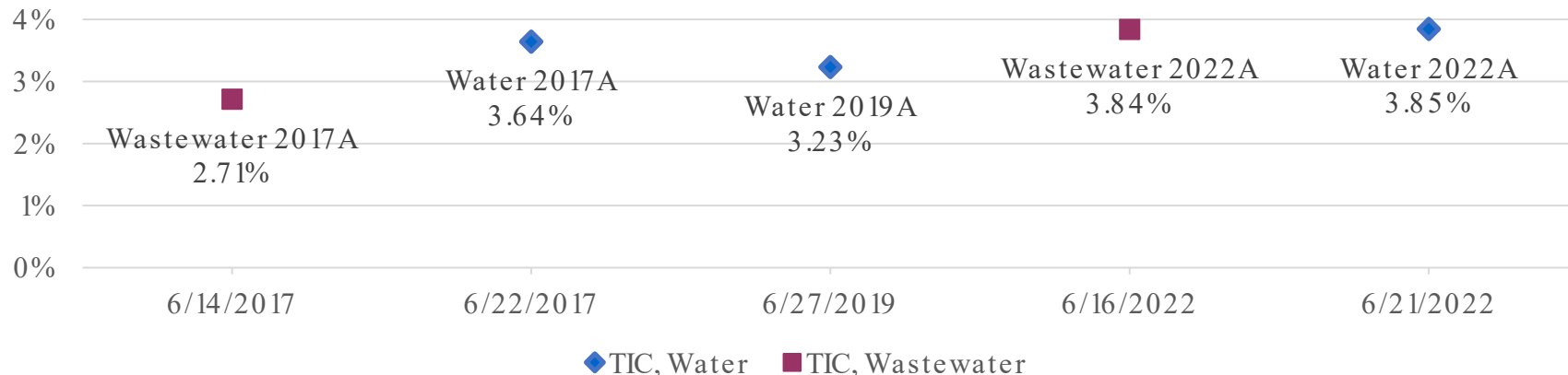


- Year-to-Date vacancy rate in FY2023 is 6.9%, which is a typical rate and reflects regular turnover due to promotions, retirements, and other separations, as well as temporary assignments.
- Note: this is displayed by position count, not FTEs as shown later in the presentation. Only reflects positions that are funded; positions are left unfunded only if they are not expected to be filled during the fiscal years.

## Interest Rates Paid on Debt

- Interest rates fluctuate based on various market forces
- New money bonds issued at a true interest cost (TIC) of ~3.85% in June 2022
- Commercial paper reset rates were 0.65% to 3.15% in 2023 through March 9

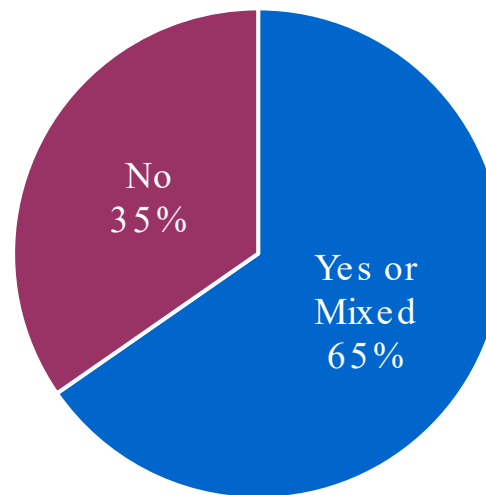
EBMUD Long-Term Bond Interest Rates



## FM&O Contracts and Supplier Responsibility

- 65% of FM&O contractors have union staff
- 30 of 39 firms responded to survey
- 4,302 total employees represented in survey

FM&O Contractors with Union Staff

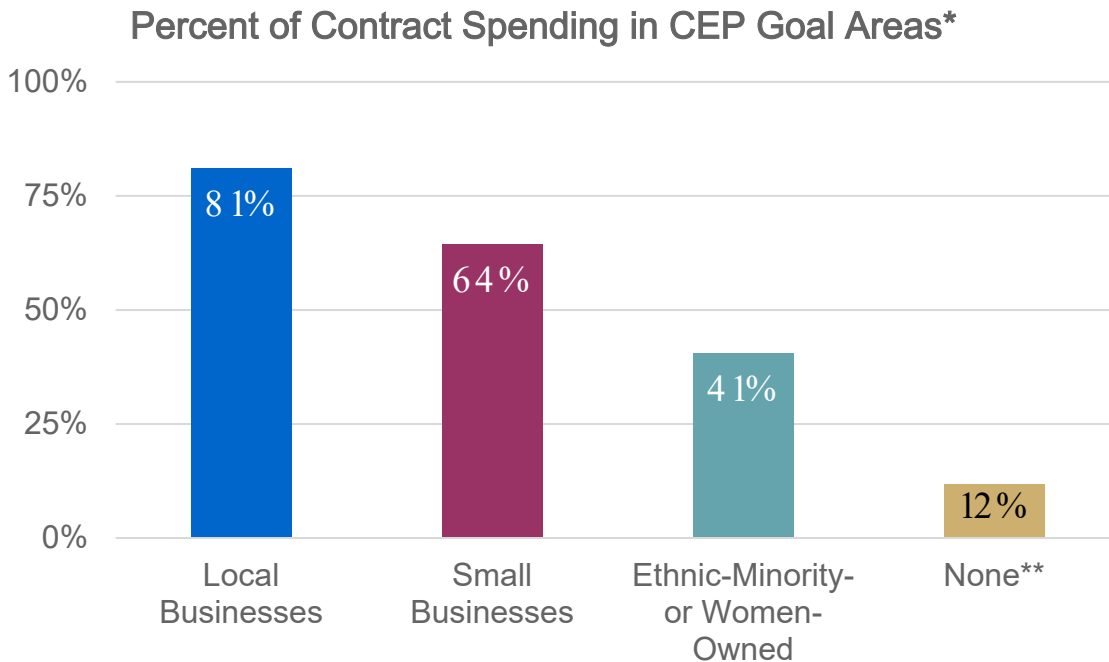


■ Yes or Mixed ■ No

FM&O is “Fully Maintained and Operated”

## FM&O Contracts and Supplier Responsibility

88% of FM&O spending in FY2022 was for contractors meeting one or more CEP goals



\*Business can be in more than one category; totals are more than 100%.

\*\*Data does not separate “none” category, so this is a maximum.

## Education & Outreach Programs in the Budget

- Adding 1 FTE in Public Affairs to coordinate all District-wide educational programs
- Will include evaluation of community outreach opportunities, including transportation to bring students to the watershed, focused on underserved communities
- Will also include evaluation of funding opportunities to support potential community partners, such as REI Outdoor Education, Bay Area Wilderness Training, Wholly H2O





## Positions to Support Diversity, Equity and Inclusion

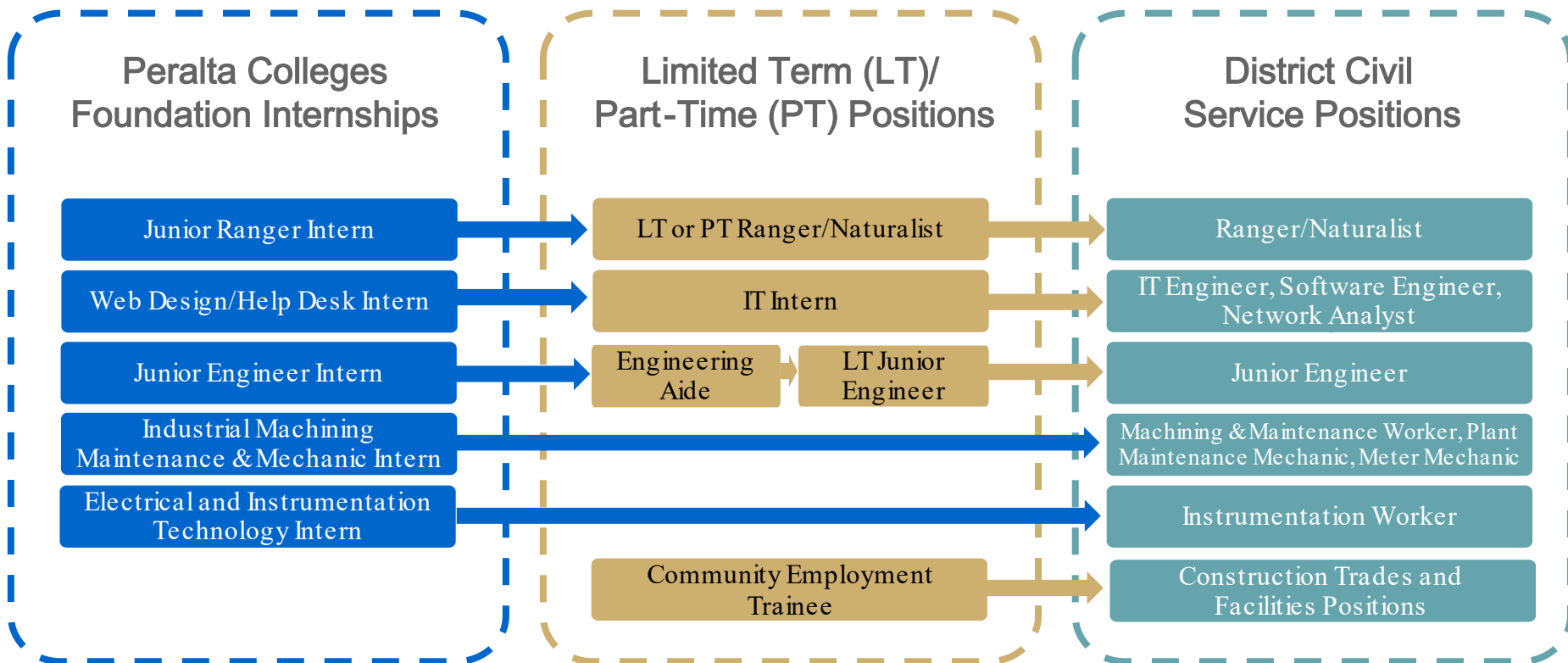
- Office of Diversity, Equity and Culture is growing by 31 positions, to 62 total positions
- 21 of 62 (34%) are regular, full-time staff
  - Contract Equity
  - Internal Training and Development
  - Supporting Diversity, Equity, Inclusion initiatives
- 41 of 62 (66%) are for workforce development
- Comparative agencies\* have between 15 – 40 college-level internship positions annually, in addition to trade apprenticeships.

\*Metropolitan Water District of Southern California, LADWP, SFPUC, San Diego, and Valley Water



Laney College Maintenance Machinist  
Interns Receive Completion  
Certificates

## Internships & Workforce Development Supports Recruitment for Full -Time Staff



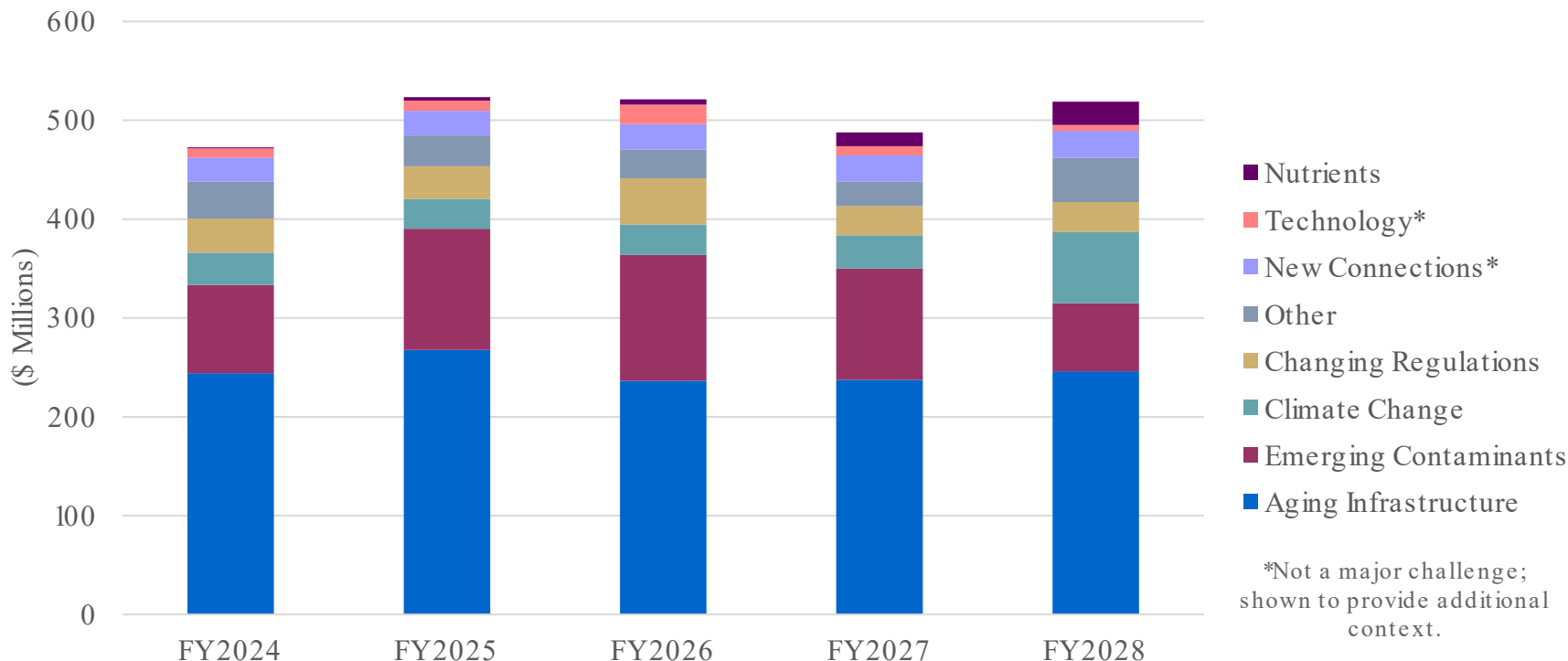
## Funding for Diversity, Equity and Inclusion

- Increasing non-labor funding by \$395,000 (+22%) for ODEC to:
  - Support DEI Strategic Plan and Two-Year Action Plan
  - Increase training and development
  - Accelerate workforce development
  - Prepare internal staff for management positions
- Funding increasing District-wide for translation and language services



Drought Messaging Is Provided in English, Spanish and Chinese

## CIP Addresses Major Challenges & Board Priorities



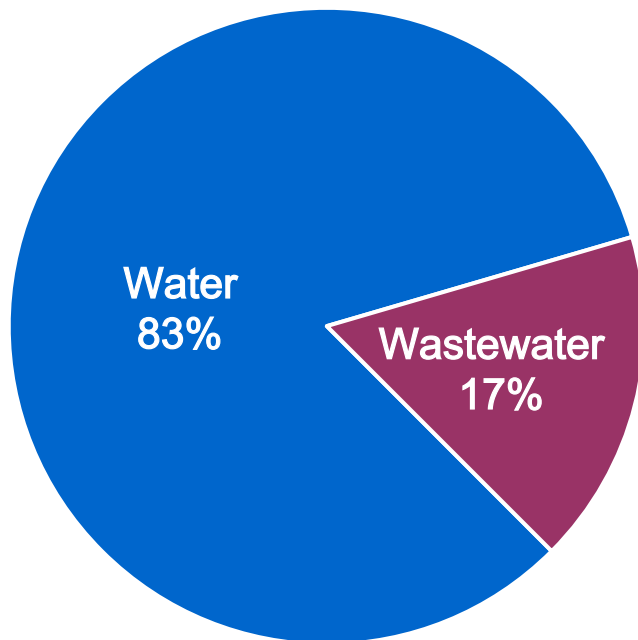
FY 2024 & FY 2025 Biennial Budget

# Budget Summary

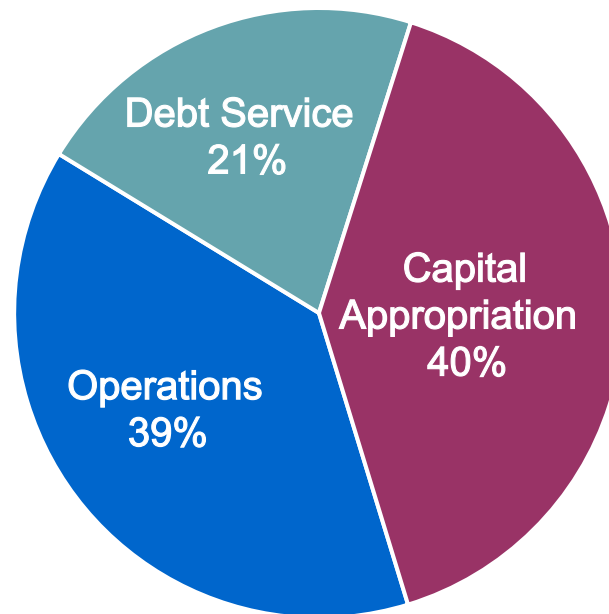


## Overview of Appropriations for Two-Year Budget

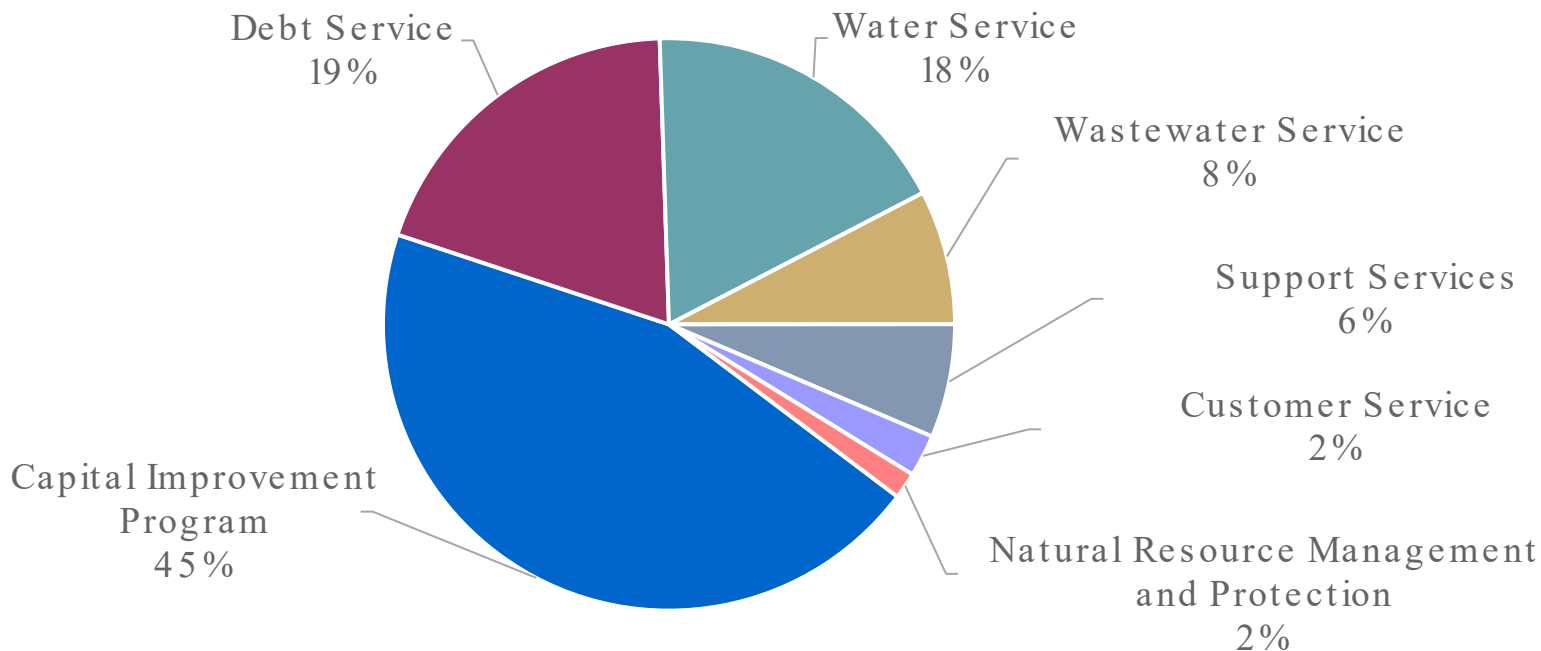
Appropriations by System



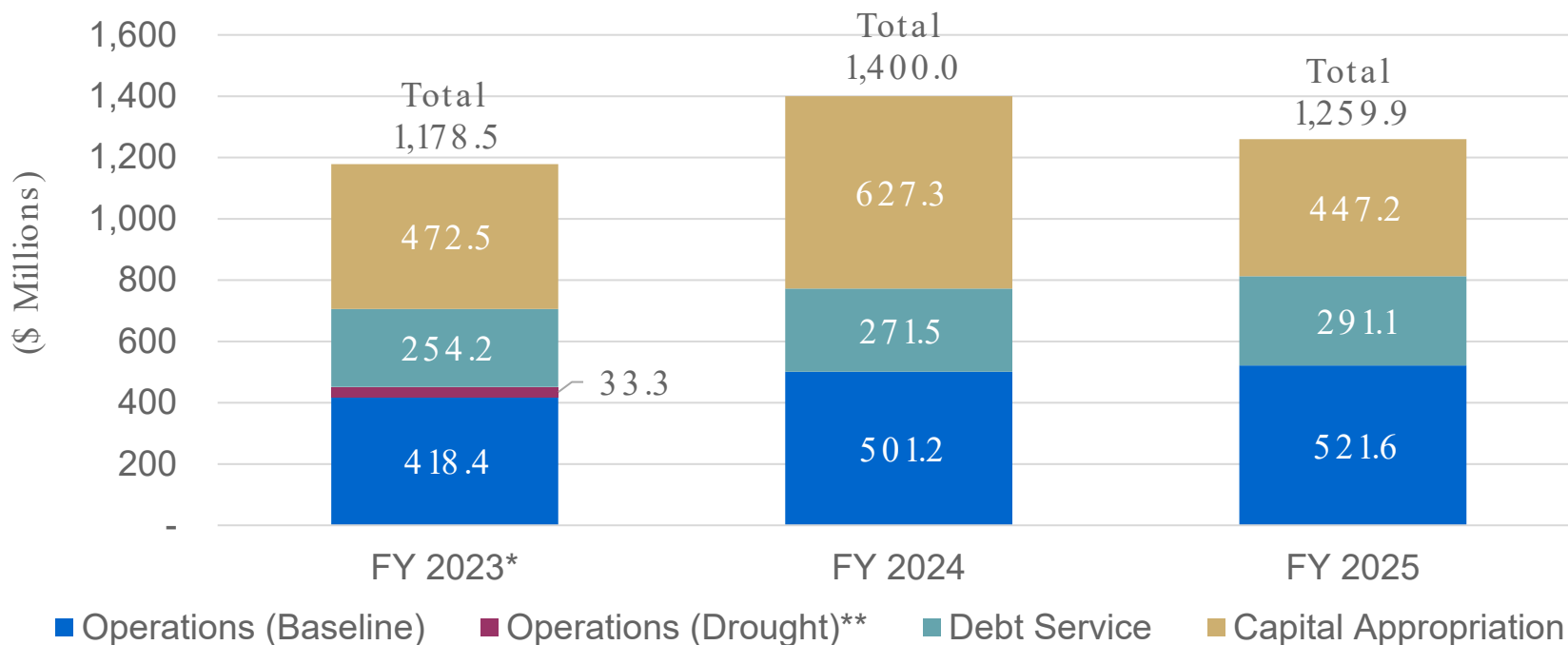
Appropriations by Category



## Appropriations Support Necessary Services



## Appropriations – Combined Water & Wastewater



\*As approved in June 2022. \*\*Only during declared droughts; we are not budgeting for this in FY2024 and FY2025.



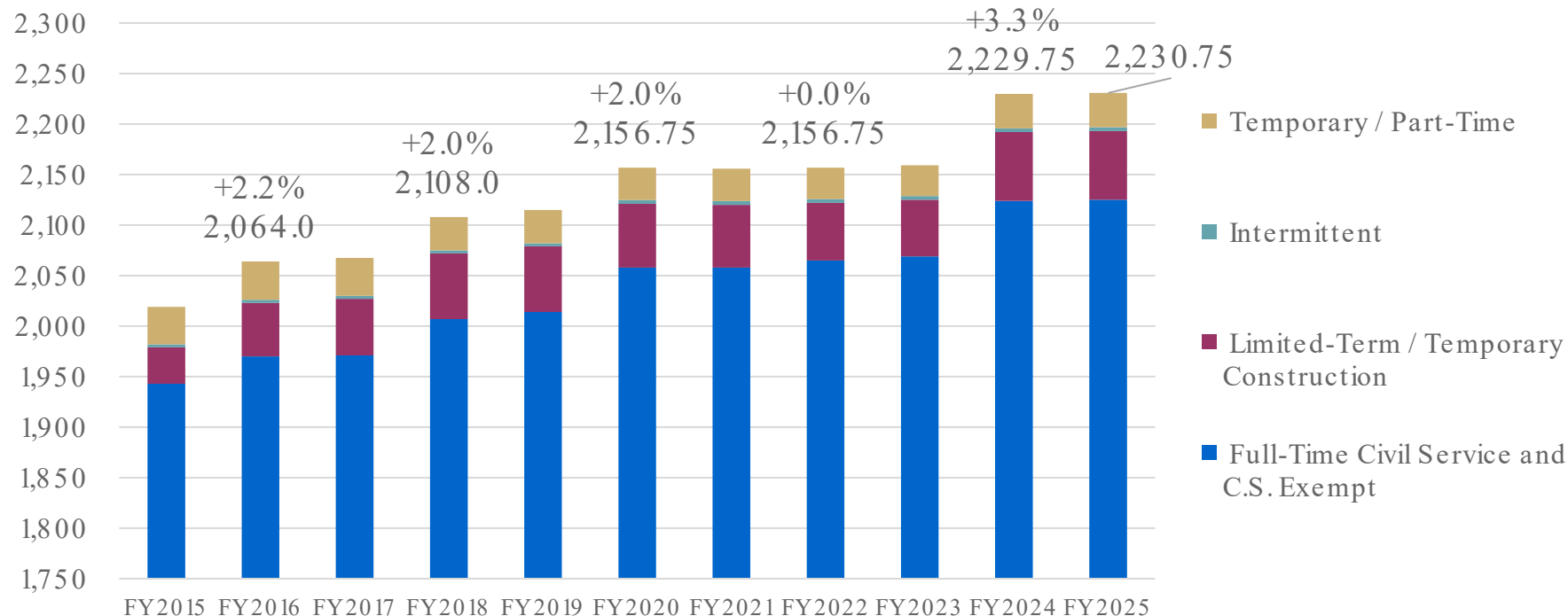
## Major Drivers of Increased Expenses

- Capital Investments
  - +\$500 million in Five-Year CIP (+24%) compared to Previous Five-Year CIP
- Operating Labor
  - +\$54 million in FY2024 (+17%) vs FY2023
- Chemicals
  - +\$15.6 million in FY2024 (+112%) vs FY2022
- Energy
  - +\$5.5 million in FY2024 (+33%) vs FY2022

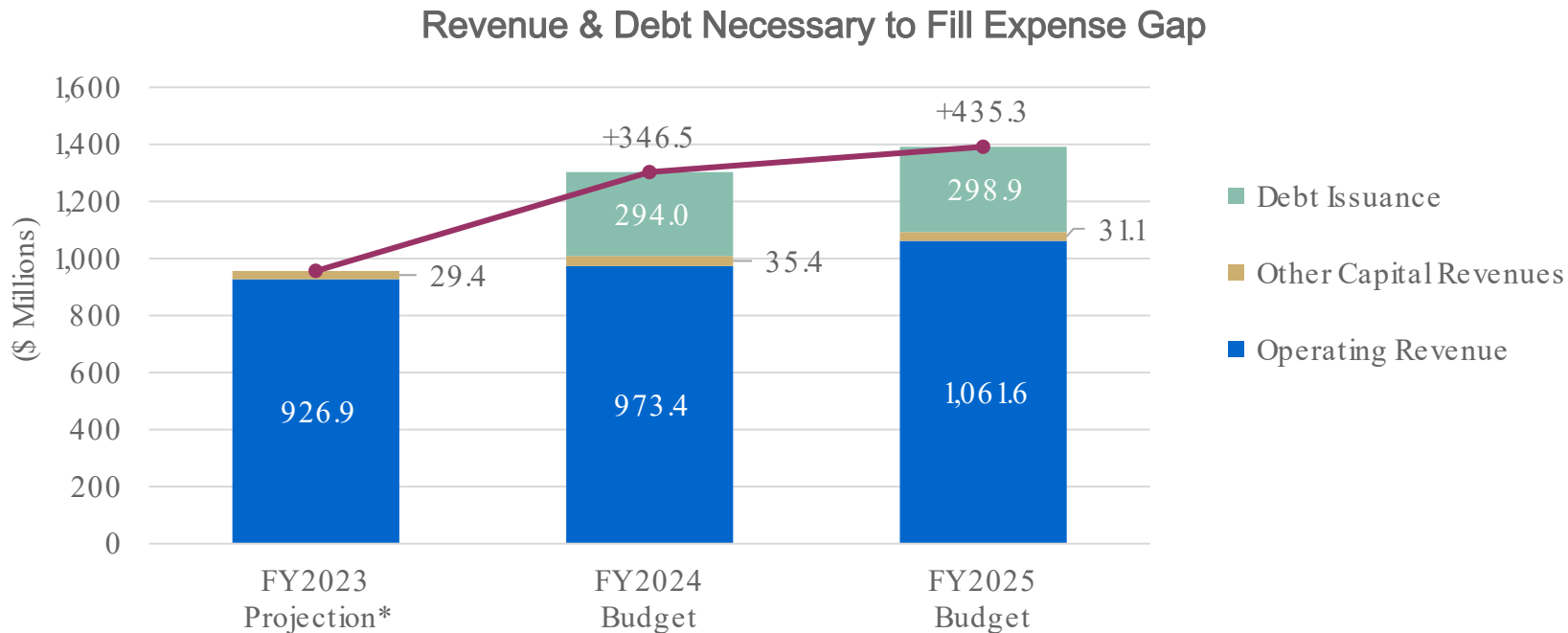


Alum Tanks and Cationic Polymer  
Pumps at Sobrante Water  
Treatment Plant

## Growing Staff by 71.5 FTE (3.3%) by FY 2025



## Increased Expenses Require Increased Revenue & Debt Issuance



\*Projection is through first six months of the year.

FY 2024 & FY 2025 Biennial Budget

# Water System



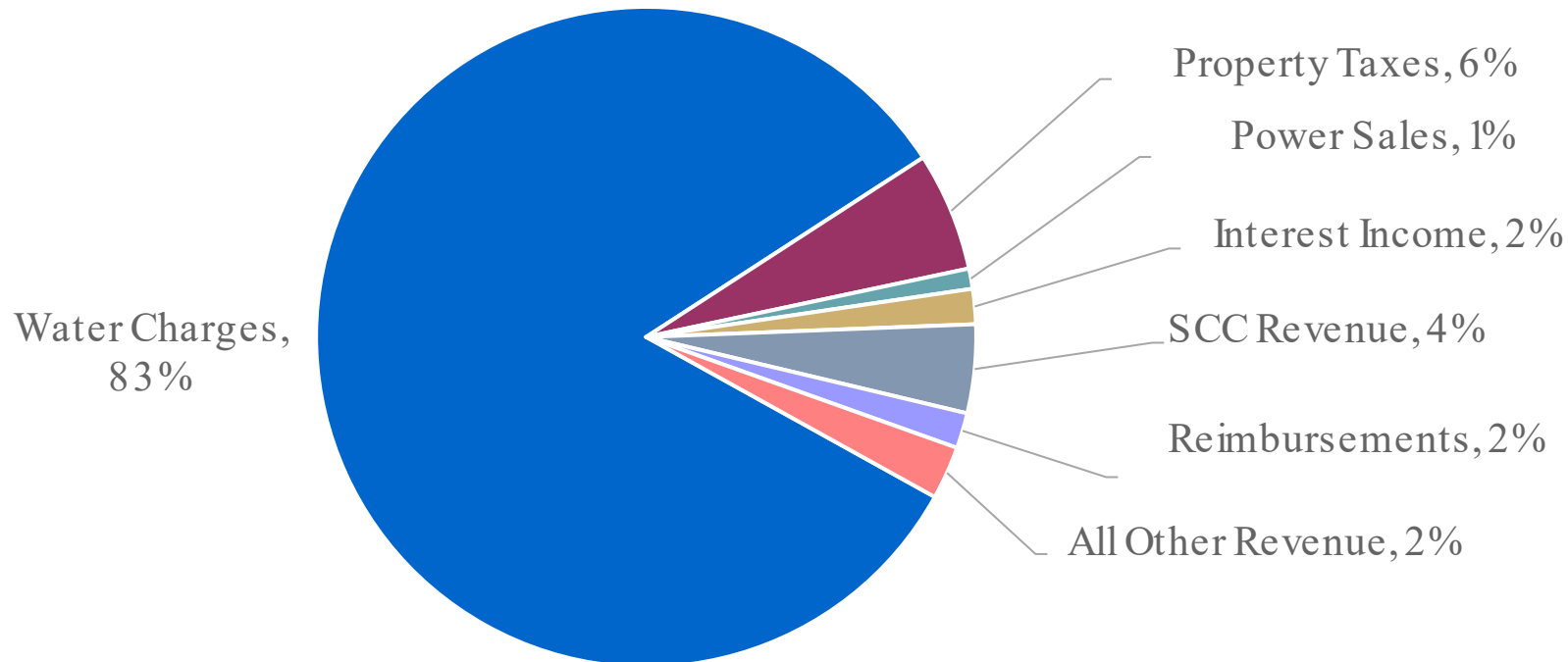
## Key Budget Assumptions

	FY 2022	FY 2023	FY 2024 Proposed Budget	FY 2025 Proposed Budget
<b>Water Sales (MGD)</b>	143.9 (Actual)	145.8* (Budgeted)	139.7	143.9
<b>% Rate Increase</b>	4.00%	4.00%	8.50%	8.50%
<b>Average Monthly Single-Family Residential Bill (based on 8 CCF/Month)**</b>	\$66.00	\$68.66	\$74.49	\$80.79
<i>Cost Per Day</i>	\$2.17	\$2.25	\$2.44	\$2.65
<i>Increase in Cost Per Day</i>	-	-	19¢	21¢
<b>Debt Service Coverage</b>	2.35x	2.02x	1.94x	2.06x

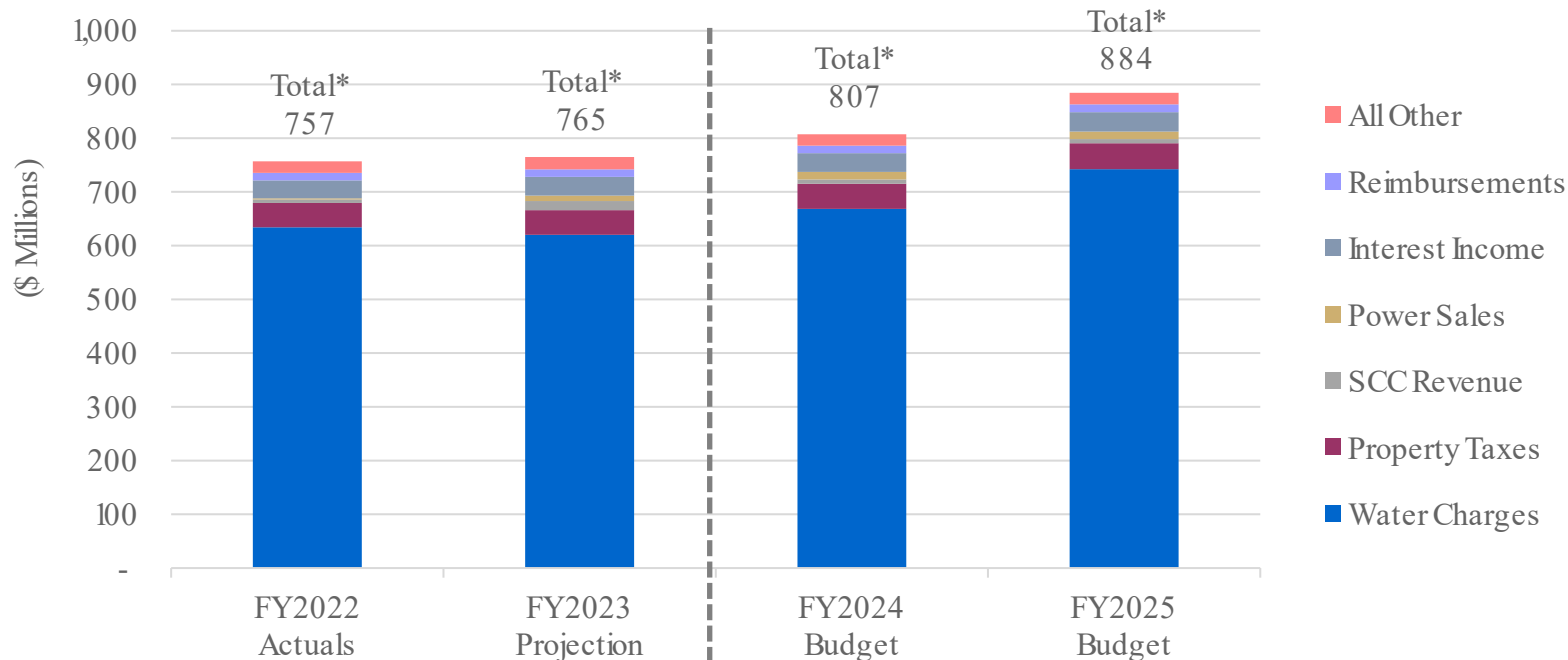
\*Due to the drought, actual Water Sales in FY2023 is expected to be 137 MGD, 6% lower than budget.

\*\*One CCF is about 748 gallons. Excludes drought surcharge, which was suspended as of March 1, 2023.

## Water Operating Revenues in FY 2024 & FY 2025

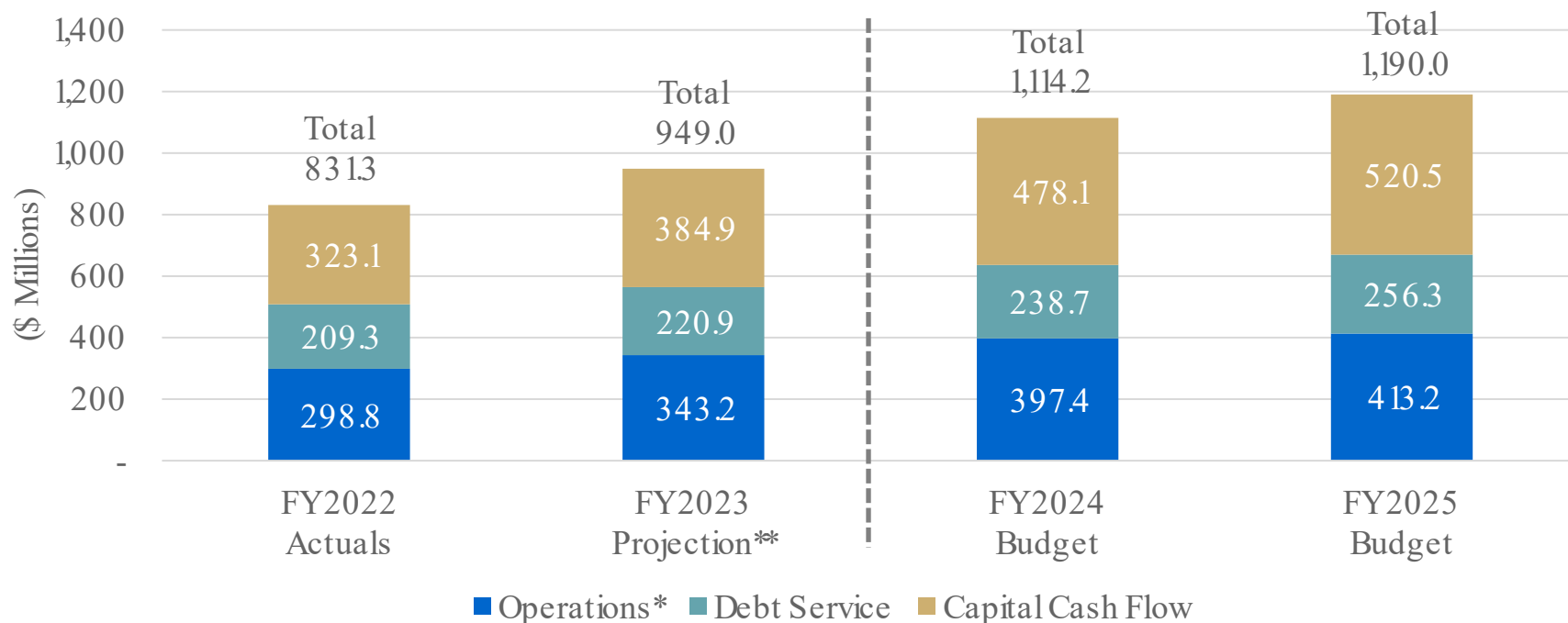


## Water Operating Revenues



\*For comparison purposes, excludes drought revenues in FY 2023 as those are not budgeted in FY 2024 and FY 2025 and were not earned in FY 2022.

## Water Expenses

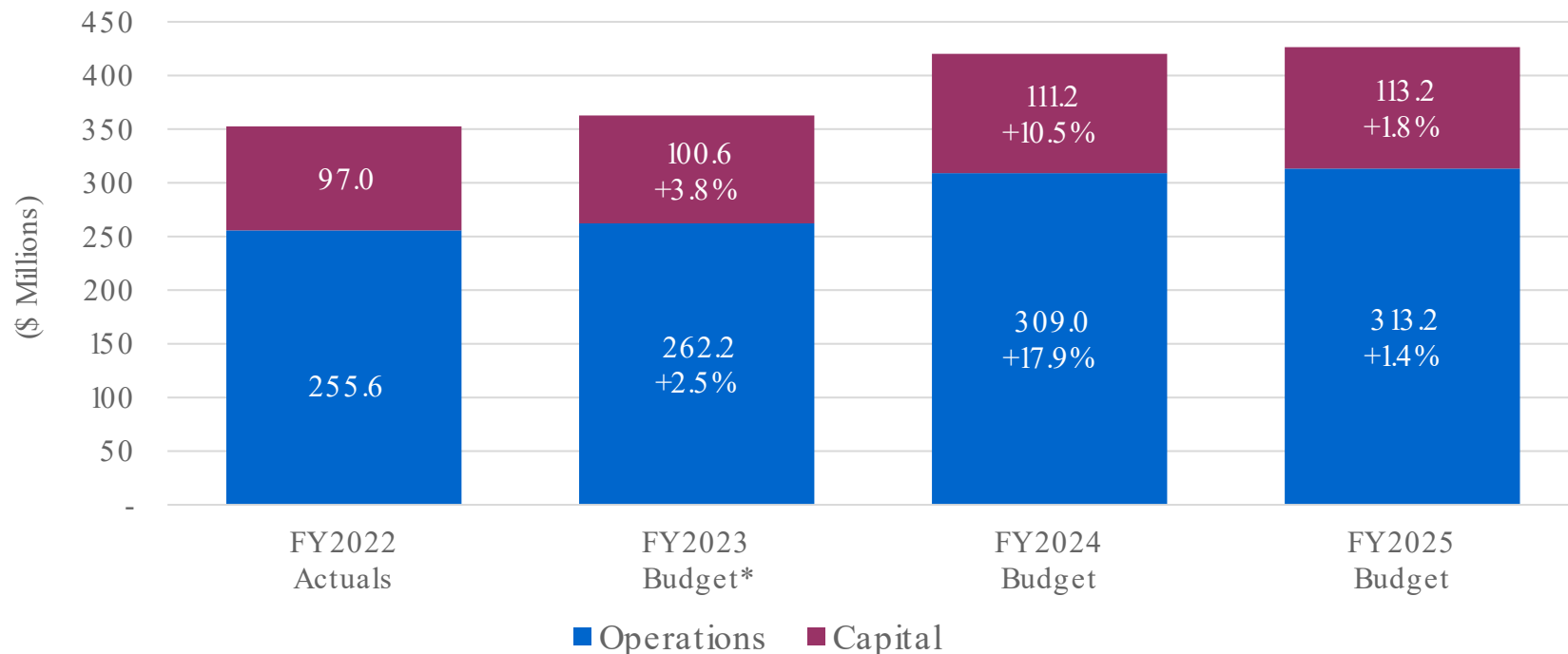


\*Operations excludes drought costs as drought expenses are not budgeted for FY 2024 or FY 2025.

\*\*Excludes one-time expenses related to accelerated debt repayment. Projected as of first six months of the year.



## Labor Expenses—Baseline Operations & Capital



\*Excludes drought costs as drought expenses are not budgeted for FY 2024 or FY 2025.

## Staffing Summary and Comparison (FTE)

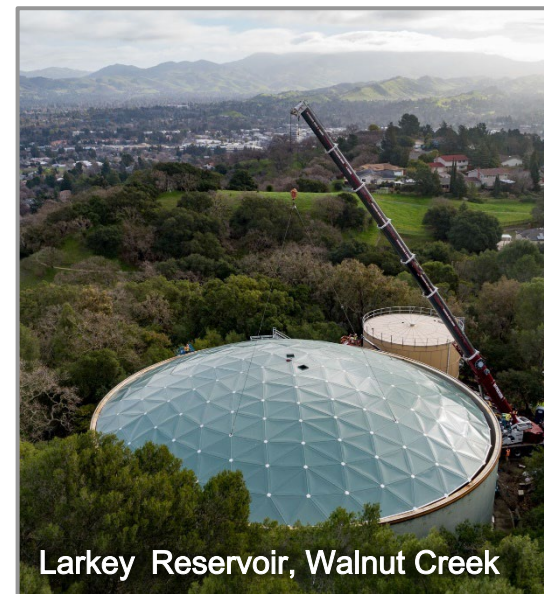
Position Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Full-Time (Civil Service and C.S. Exempt)	1,775.00	1,780.00	1,783.00	1,830.00	1,831.00
Limited-Term / Temp. Construction	57.00	54.00	53.00	59.00	59.00
Intermittent	3.75	3.75	3.75	3.75	3.75
Temporary / Part-Time	31.50	30.50	30.00	33.00	33.00
<b>Total FTE</b>	<b>1,867.25</b>	<b>1,868.25</b>	<b>1,869.75</b>	<b>1,925.75</b>	<b>1,926.75</b>
<b>FTE Change from Previous Fiscal Year</b>		<b>1.00</b>	<b>1.50</b>	<b>56.00</b>	<b>1.00</b>

## Added Staff & Conversions to Regular Full-Time

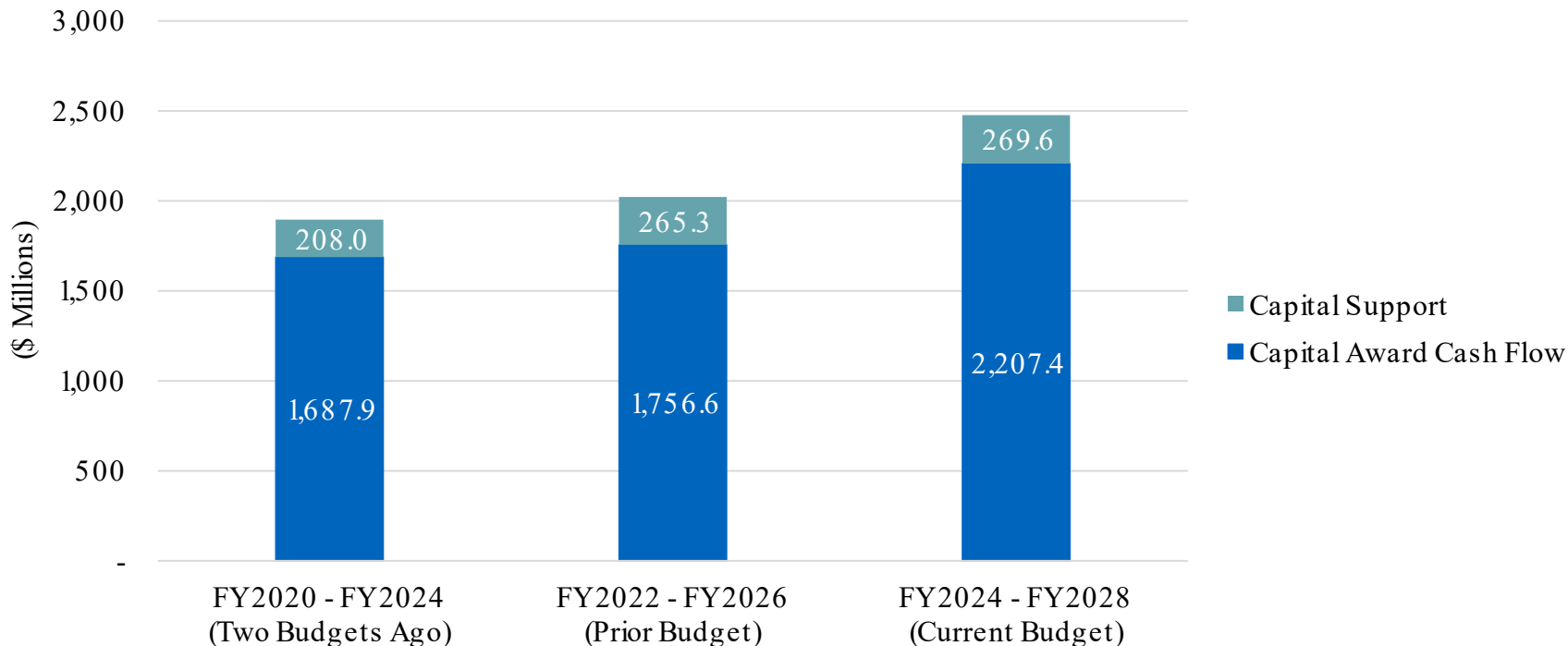
	Total Affected FTE	Net Change in FTE
Aging Infrastructure and Reduce FM&O and Contracting Out	27.00	21.00
Aging Infrastructure	15.00	15.00
Support for Staff	5.00	5.00
Workforce Development	6.00	4.00
Meter Replacement Project	3.00	3.00
Cybersecurity	2.00	2.00
Technology & Innovation	4.00	2.00
Support Peak New Connections	1.00	1.00
Grant Writing	1.00	1.00
CIP Outreach	1.00	1.00
Regulatory Changes	1.00	1.00
Education & Community Outreach	1.00	1.00
<b>Total Increase in FTE for Water System by FY 2025</b>		<b>57.00</b>

## Water System Investments of \$2.5 Billion

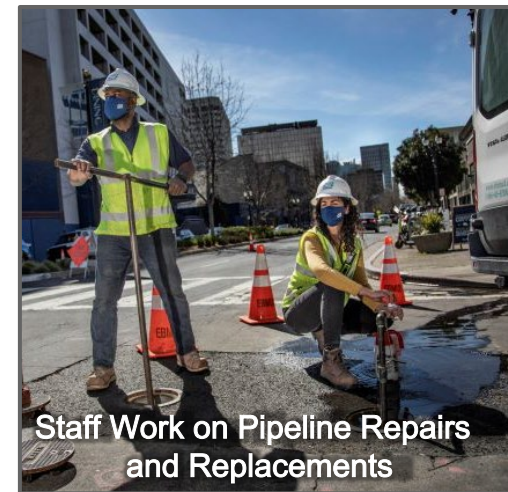
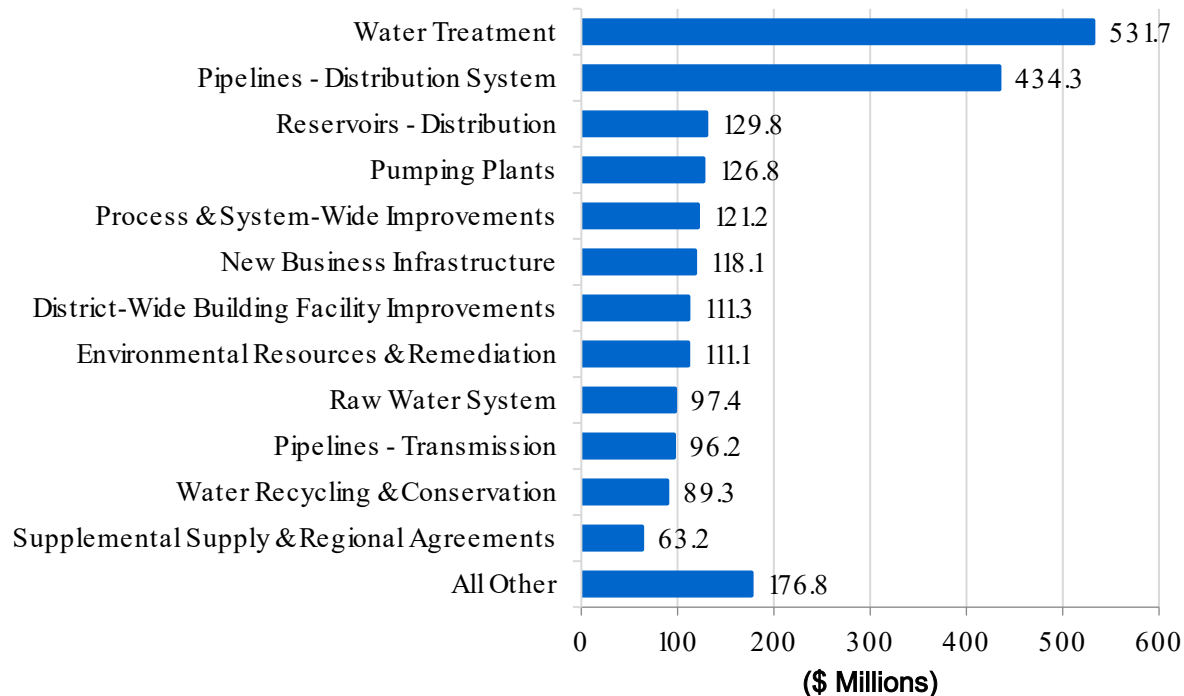
- 127 miles of pipelines replaced over next 5 years
- Orinda Water Treatment Plant
  - New UV disinfection, chlorine contact basin
- Upper San Leandro Water Treatment Plant
  - Improve capacity, seismic reliability, chemical safety
- Lafayette Reservoir
  - Outlet tower seismic retrofit
- Sobrante Water Treatment Plant
  - Improve chemical safety system
- Neighborhood reservoir and pumping plant replacements
  - Increase pumping capacity, improve reliability



## Five-Year Water CIP Growing by \$455 million



# Largest Award Purposes in the Five-Year CIP



## Debt Outstanding Growing by \$351 million

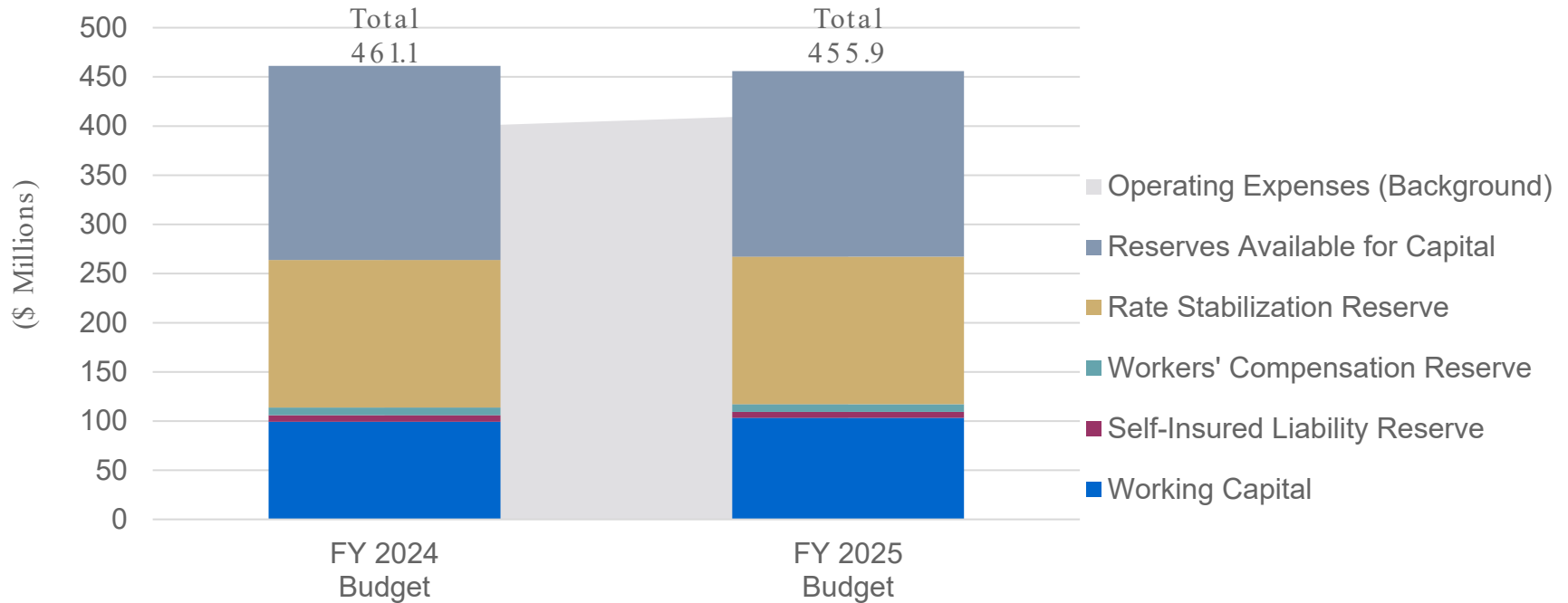
Outstanding Debt and Debt Service (\$ Millions)		
	FY 2024	FY 2025
<b>Beginning of Year Outstanding Debt</b>	<b>2,605.6</b>	<b>2,785.2</b>
Debt Retired	95.4	103.7
New Bonds & Loans	275.0	275.0
<b>Total Outstanding Debt</b>	<b>2,785.2</b>	<b>2,956.5</b>
Debt Service, Existing Debt	218.8	218.5
Debt Service, New Debt	17.9	35.8
Debt Servicing Costs	1.9	2.0
<b>Total Debt Service</b>	<b>238.6</b>	<b>256.3</b>
<b>Debt Service Coverage</b>	<b>1.94x</b>	<b>2.06x</b>

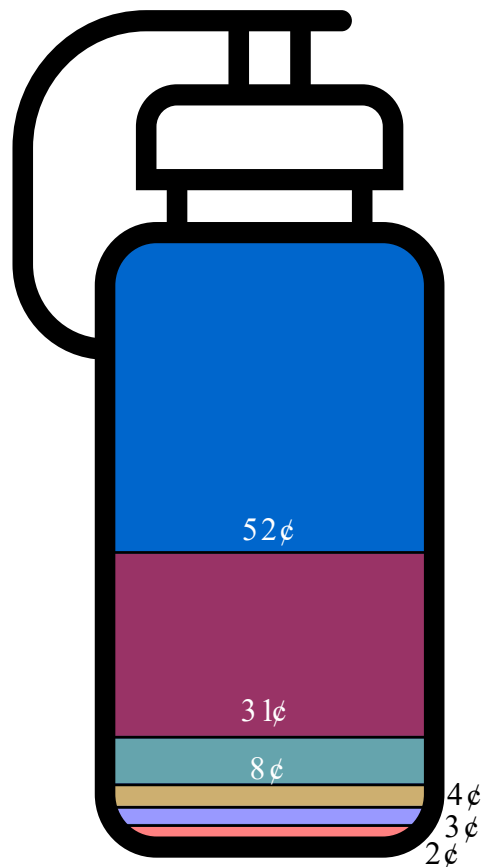
## Debt Funding of Capital Remains Below 65% Policy Limit

Projected Debt Funding of Capital (\$ Thousands)		
	FY 2024	FY 2025
<b>Capital Expenses</b>		
Capital Cash Flow	426,131	468,545
Capital Support	52,000	52,000
<b>Total Capital Expenses</b>	<b>478,131</b>	<b>520,545</b>
<b>Funding Sources</b>		
New Bond Proceeds	269,500	269,500
Other Sources	208,631	251,045
<b>Total Sources</b>	<b>478,131</b>	<b>520,545</b>
<b>Debt Percentage of Capital Funding</b>	<b>56.4%</b>	<b>51.8%</b>



## Reserves Remain Above Policy Goals





## Rate Dollars Fund Important Water Services

52¢	Infrastructure improvements Pipelines, treatment plants, reservoirs, pumping plants
31¢	Daily operations of water service Treatment, delivery, system maintenance, storage
8¢	Administration Support services, such as purchasing, HR, equity programs, etc.
4¢	Customer service Call center, billing, water conservation, education
3¢	Natural resource management Watershed management, public recreation, fisheries program
2¢	Regulatory and environmental compliance Meeting or surpassing drinking water and other regulations

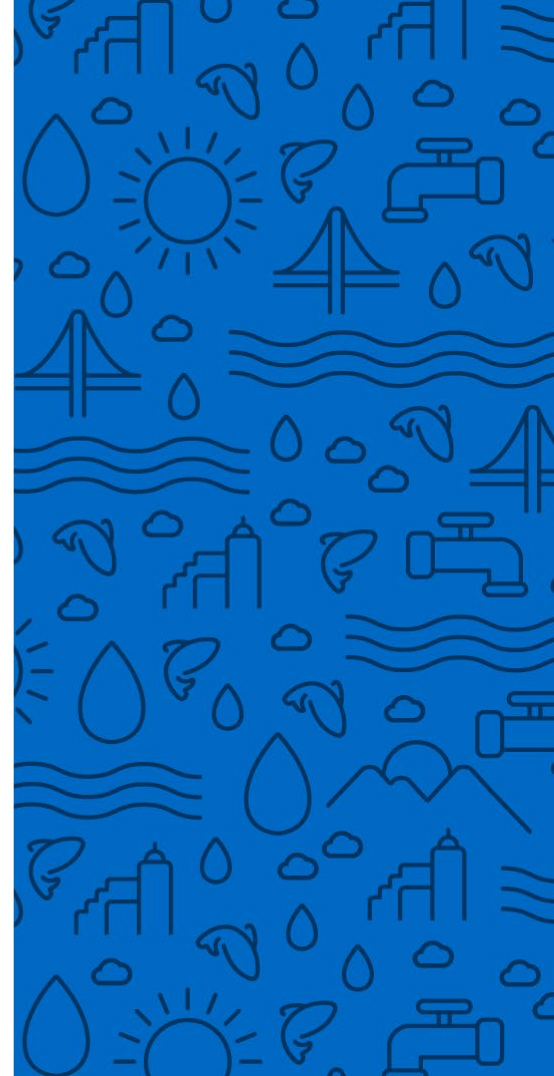
# Workshop Break

Then:

- Wastewater System
- Rates & Charges
- Board Discussion and Input

FY 2024 & FY 2025 Biennial Budget

# Wastewater System

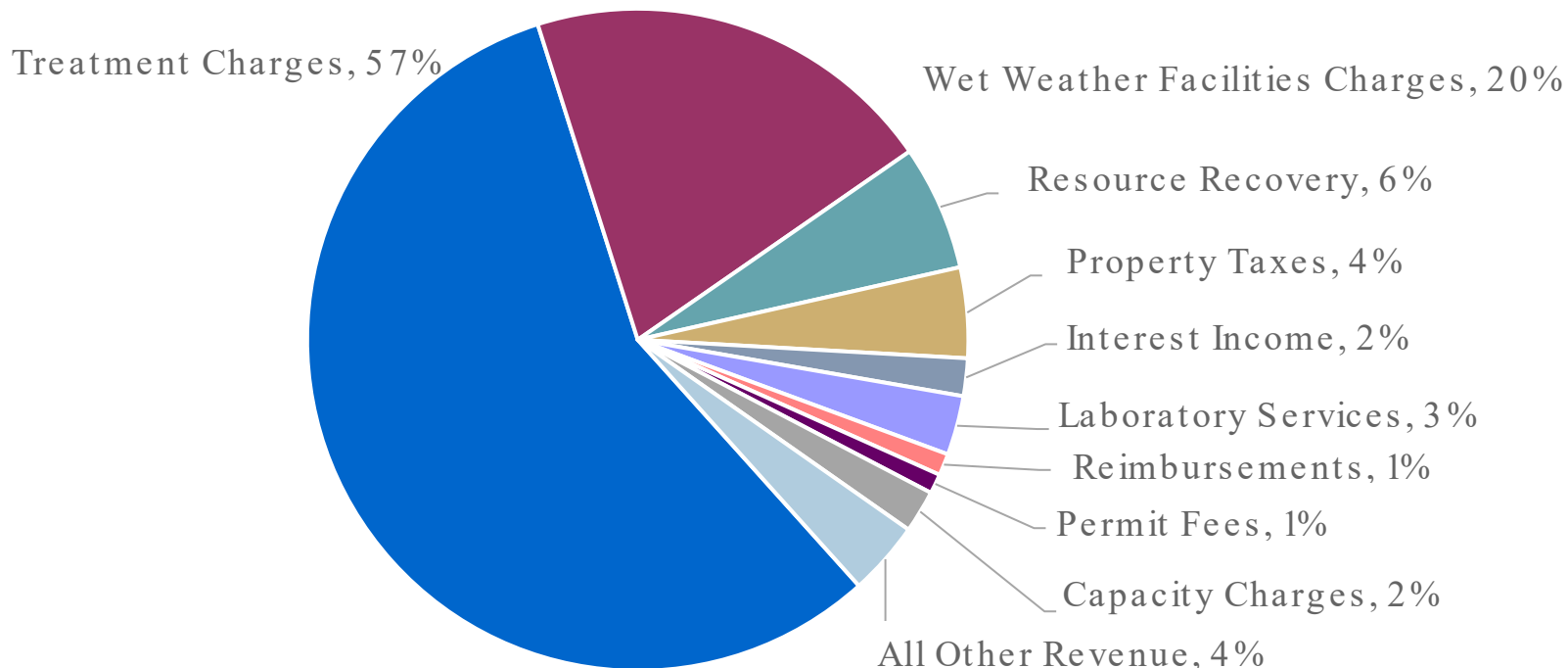


## Key Budget Assumptions

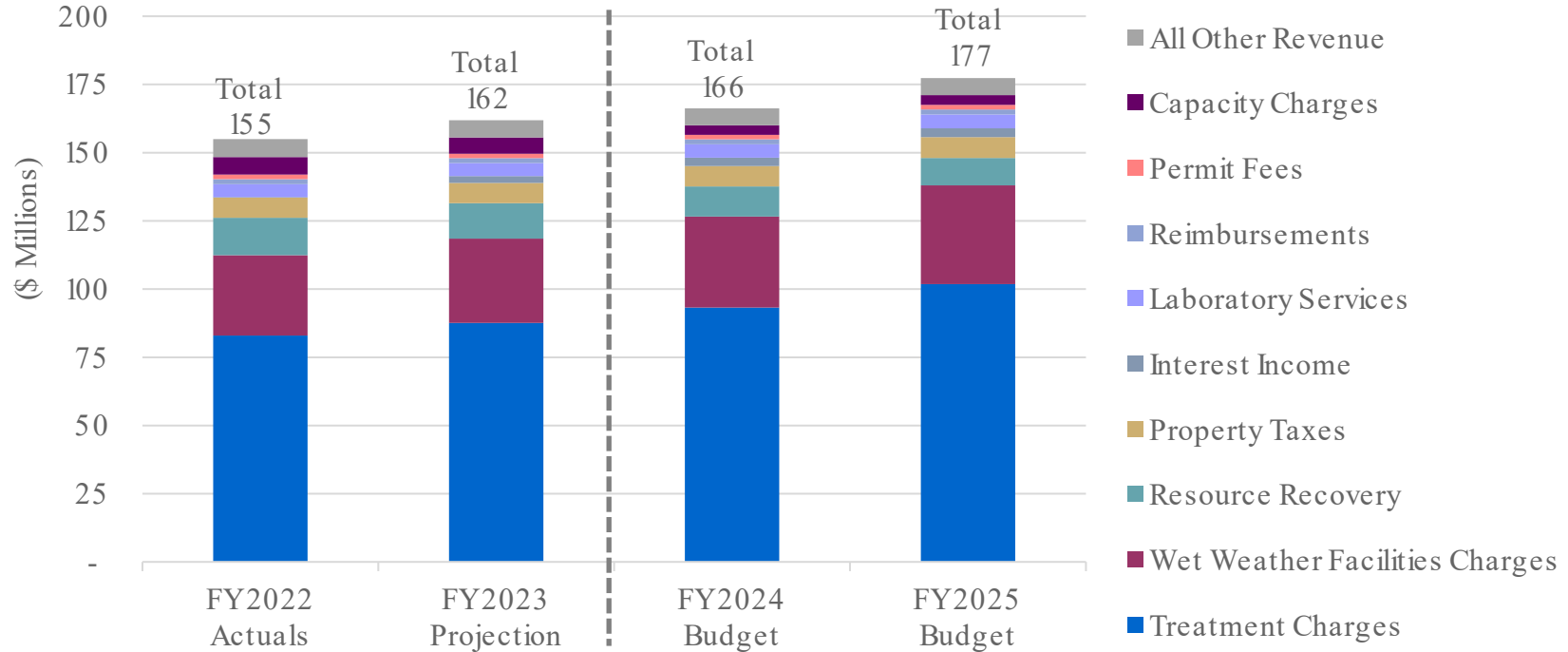
	FY 2022	FY 2023	FY 2024	FY 2025
	Actuals	Budget	Proposed Budget	
<b>% Rate Increase</b>	4.00%	4.00%	8.50%	8.50%
<b>Average Monthly Single -Family Residential Bill</b> (based on 6 CCF/Month*)	\$23.91	\$24.89	\$26.98	\$29.24
<i>Cost Per Day</i>	79¢	82¢	89¢	96¢
<i>Increase in Cost Per Day</i>	-	3¢	7¢	7¢
<b>Debt Service Coverage</b>	2.63 x	2.13 x	1.98 x	2.06 x

\*One CCF is about 748 gallons.

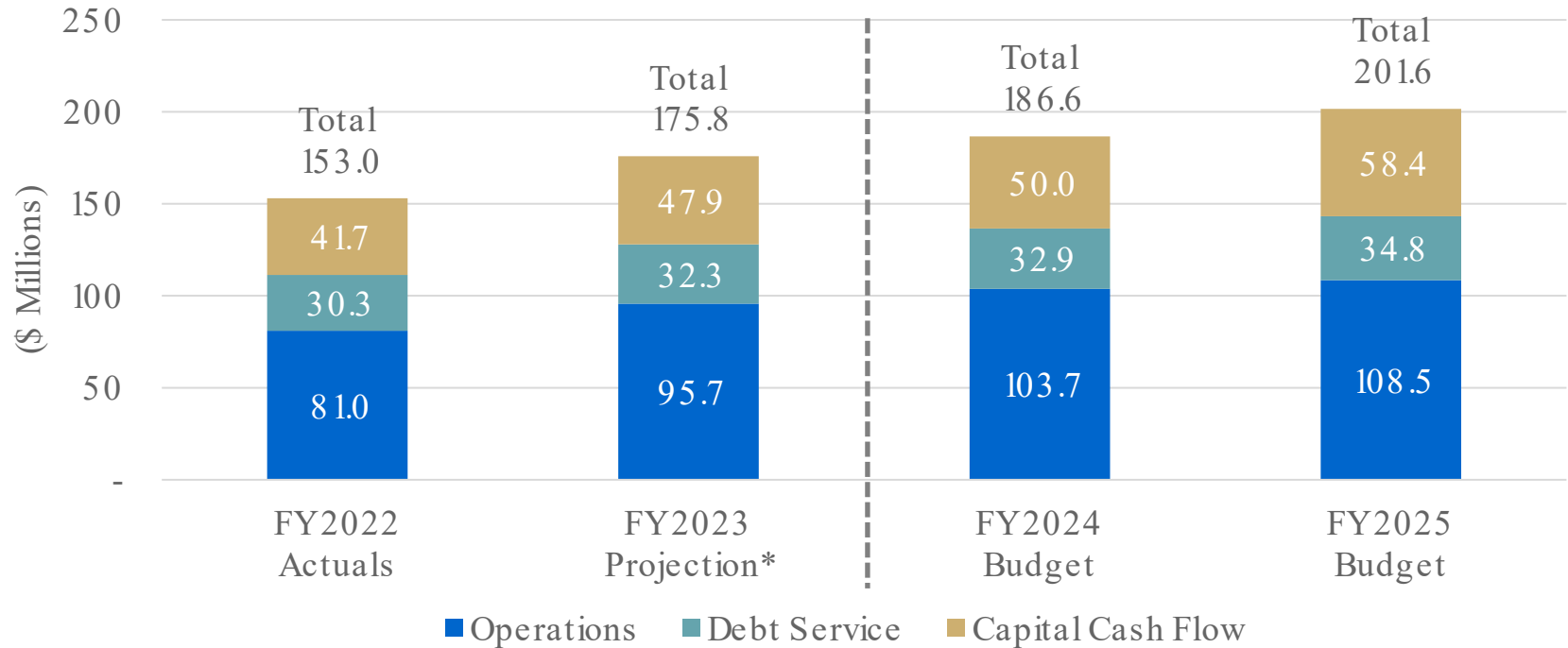
## Wastewater Operating Revenues for FY 2024 & FY 2025



## Wastewater Operating Revenues



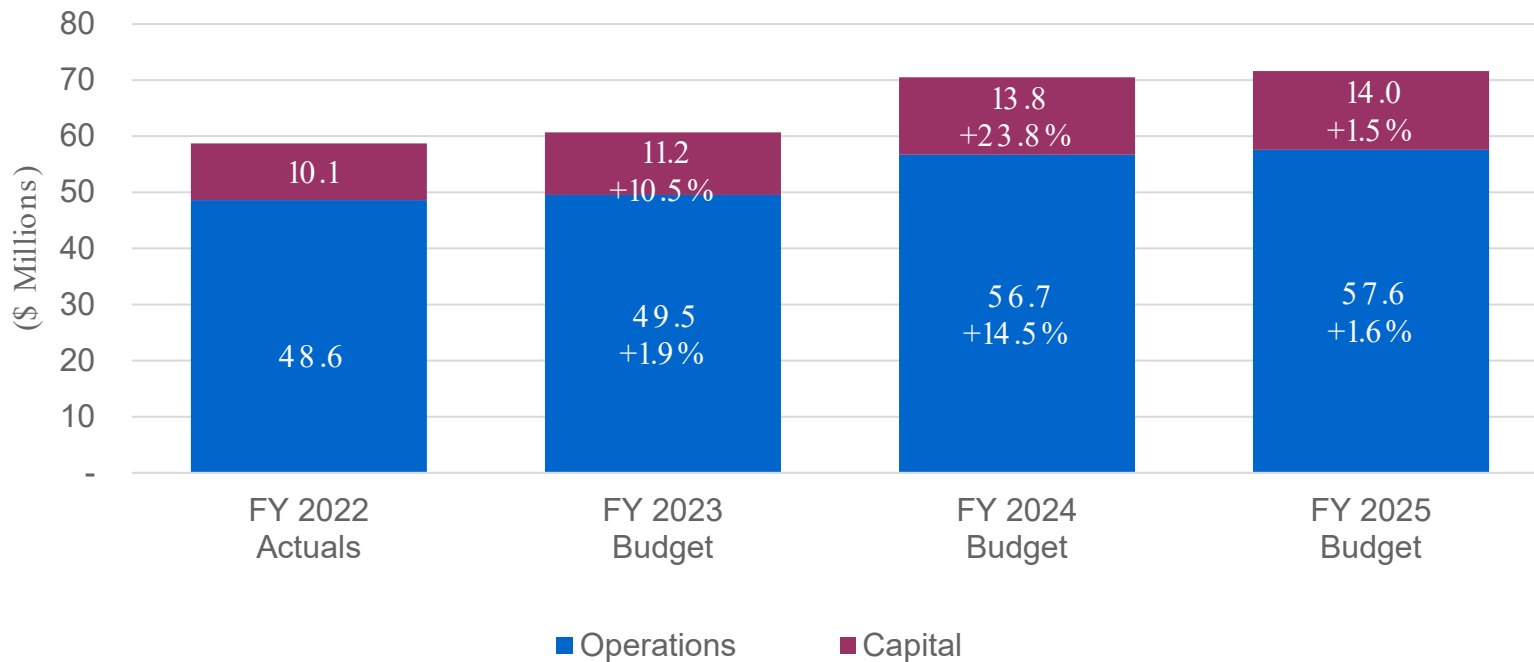
## Wastewater Expenses



\*Excludes one-time expenses related to accelerated debt repayment. Projected as of first six months of the year.



## Labor Expenses— Operations & Capital



## Staffing Summary and Comparison (FTE)

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Full-Time (Civil Service and C.S. Exempt)	283.00	285.00	286.00	294.00	294.00
Limited-Term / Temp. Construction	5.00	3.00	3.00	9.00	9.00
Intermittent	-	-	-	-	-
Temporary / Part-Time	0.50	0.50	0.50	1.00	1.00
<b>Total FTE</b>	<b>288.50</b>	<b>288.50</b>	<b>289.50</b>	<b>304.00</b>	<b>304.00</b>
<b>FTE Change from Previous Fiscal Year</b>		-	1.00	14.50	-

## Added Staff & Conversions to Regular Full-Time

	Total Affected FTE	Net Change in FTE
Aging Infrastructure	8.00	8.00
Aging Infrastructure and Reduce Contracting Out	4.00	4.00
Improved Power Operator Coverage	1.00	1.00
Potential Partnership on Private Sewer Lateral Inspections	1.00	1.00
Workforce Development	0.50	0.50
Total Increase in FTE for Wastewater by FY 2025		14.50

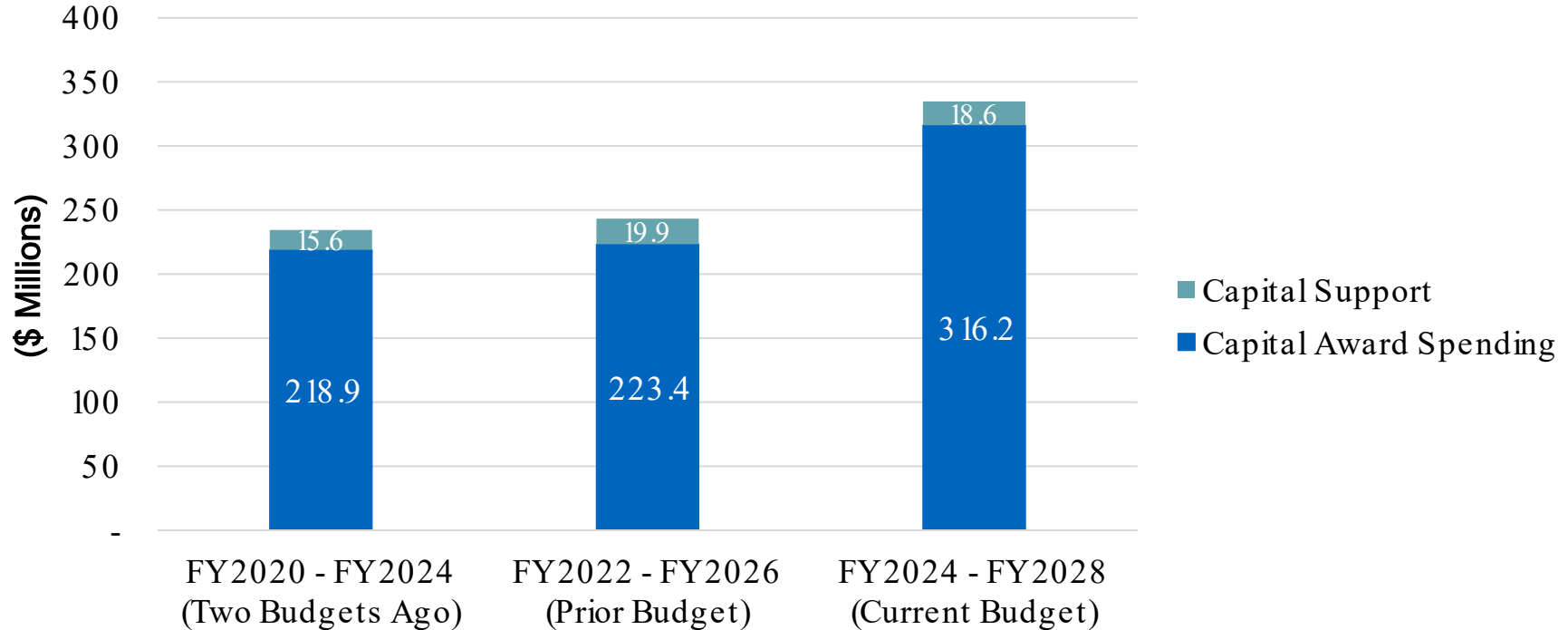
## Wastewater System Investments of \$335 Million

- Rehabilitation of five sewer pipeline segments connecting cities to wastewater treatment
- Rehab of secondary reactors and clarifiers
- Influent pump station
- Modernized oxygen plant
- Nutrient removal project
- New dewatering building
- Seismic retrofit of buildings

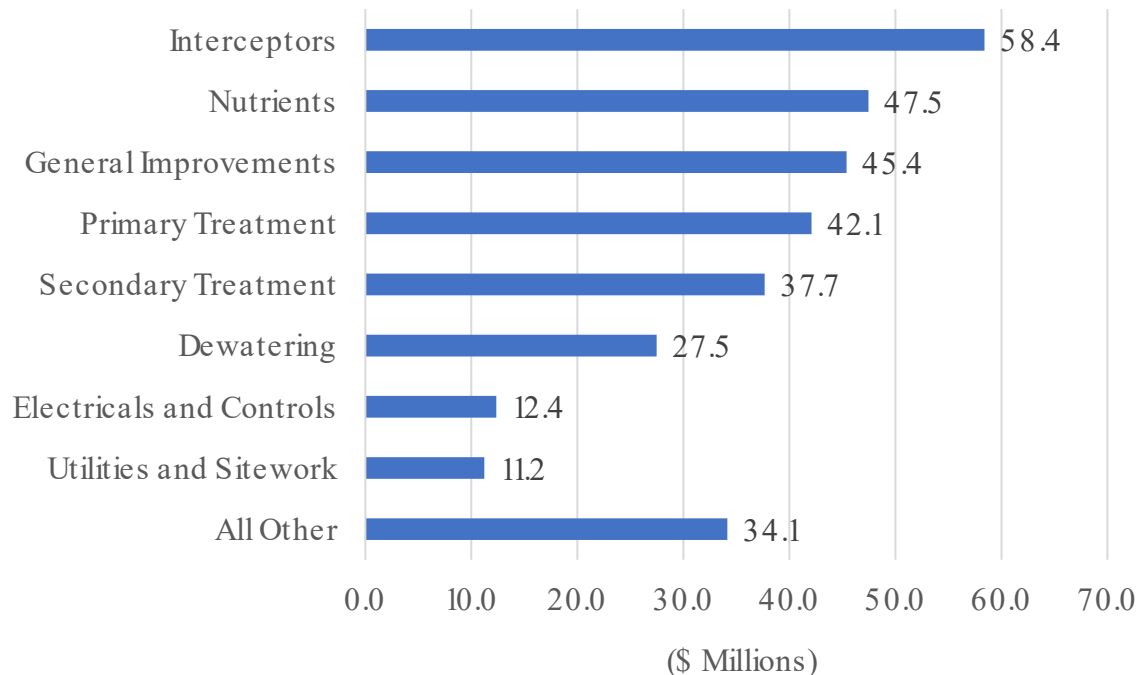


Main Wastewater  
Treatment Plant

## Five-Year Wastewater CIP Growing by \$91.5 million



## Major Awards in the Five-Year CIP



## Debt Outstanding Growing by \$24.5 million

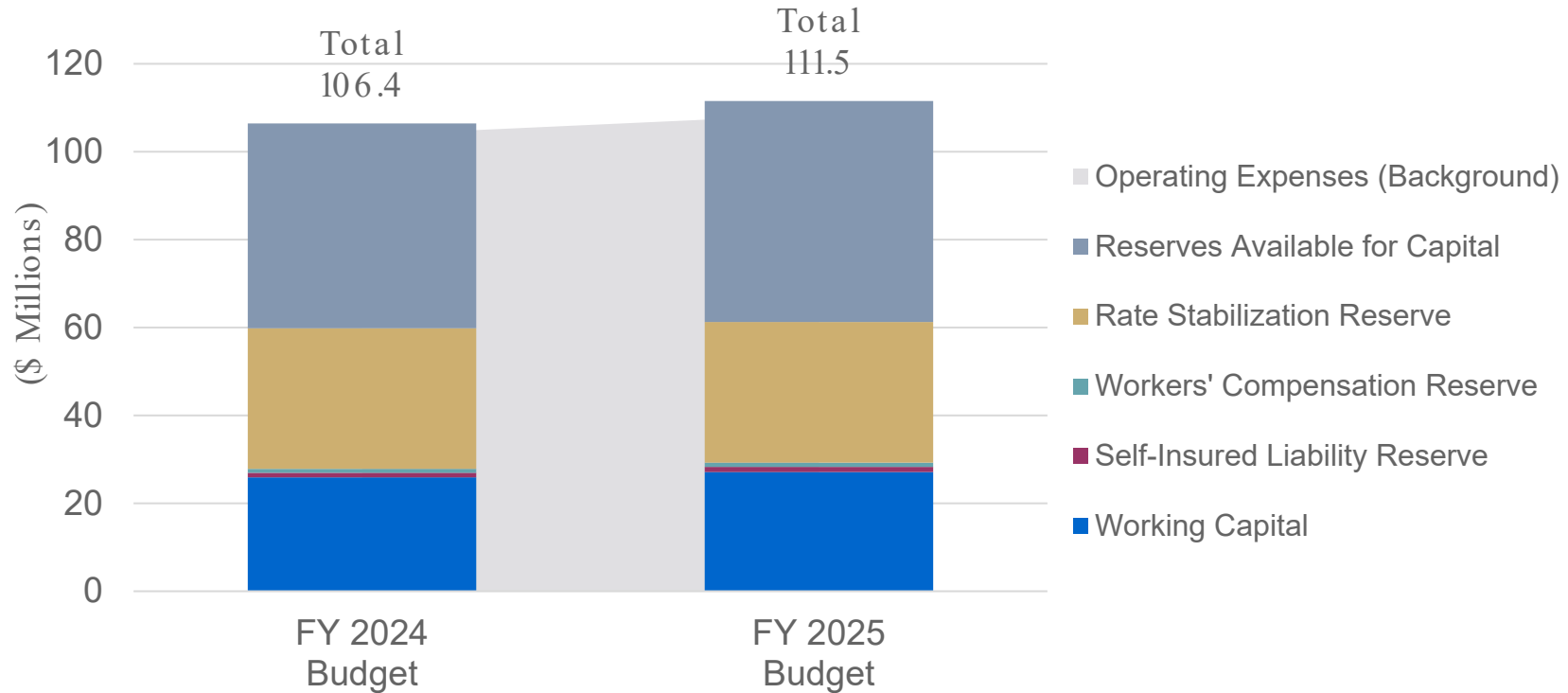
Outstanding Debt and Debt Service (\$ Millions)		
	FY 2024	FY 2025
<b>Beginning of Year Outstanding Debt</b>	<b>338.3</b>	<b>348.6</b>
Debt Retired	14.7	15.8
New Bonds & Loans	25.0	30.0
<b>Total Outstanding Debt</b>	<b>348.6</b>	<b>362.8</b>
Debt Service, Existing Debt	31.2	31.2
Debt Service, New Debt	1.6	3.6
Debt Servicing Costs	0.0	0.0
<b>Total Debt Service</b>	<b>32.9</b>	<b>34.8</b>
<b>Debt Service Coverage</b>	<b>1.98x</b>	<b>2.06x</b>

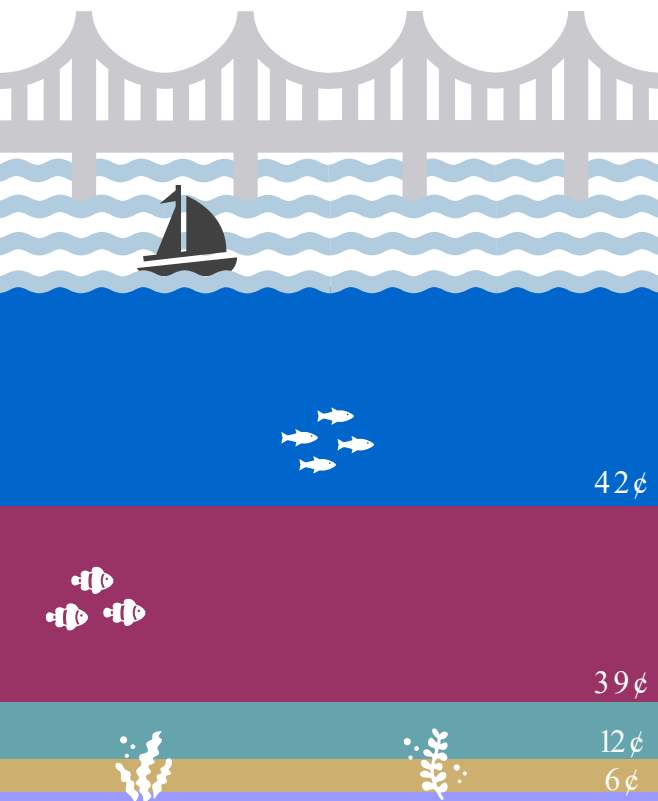
## Debt Funding of Capital Remains Below 65% Policy Limit

Projected Debt Funding of Capital (\$ Thousands)		
	FY 2024	FY 2025
<b>Capital Expenses</b>		
Capital Cash Flow	46,430	54,774
Capital Support	3,600	3,600
<b>Total Capital Expenses</b>	<b>50,030</b>	<b>58,374</b>
<b>Funding Sources</b>		
New Bond Proceeds	24,500	29,400
Other Sources	25,530	28,974
<b>Total Sources</b>	<b>50,030</b>	<b>58,374</b>
<b>Debt Percentage of Capital Funding</b>	<b>49.0%</b>	<b>50.4%</b>



## Reserves Remain Above Policy Goals





## Rate Dollars Fund Important Services

42¢	Infrastructure improvements Wastewater treatment plant facilities, sewer interceptors
39¢	Daily operations of wastewater treatment Operations and maintenance of treatment and wet weather facilities
12¢	Environmental & regulatory compliance Pollution prevention, water quality lab, inflow/infiltration control
6¢	Administration Support services, such as purchasing, HR, equity programs, etc.
1¢	Customer service Call center, billing, education

1¢

FY 2024 & FY 2025 Biennial Budget

# Recommended Rates & Charges



## Key Rate Planning Assumptions

### Both Systems:

- Increased borrowing rate: 5%
- Increased interest earning rate: 3% compared to 0.25%
- Connection charge revenue lower than FY2023 projections

### Water:

- Water sales: 139.7 MGD in FY2024, 143.9 in FY2025
- Power revenue will not be as high as FY2023
- Commercial paper interest costs: growing to 4% through FY2025, then 3% starting in FY2026

### Wastewater:

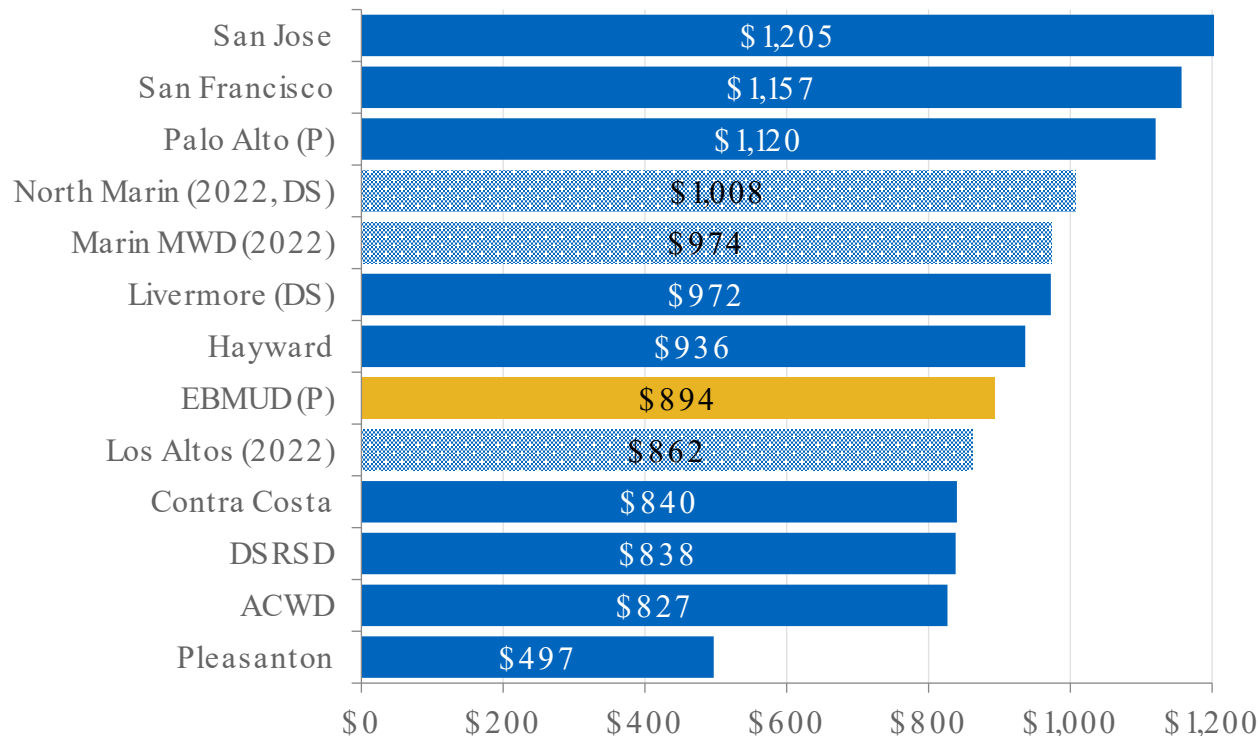
- Reduced Resource Recovery and PGS energy revenue

## Rate Increases Fund Investments in the Future

	FY2022	FY2023	FY 2024	FY 2025	FY2026	FY2027	FY2028
	Actuals	Projected	Budget		Forecast		
Water System							
Water Sales (MGD)	143.9	137.0	139.7	143.9	148.2	151.2	152.8
% Rate Increase	4.00%	4.00%	8.50%	8.50%	6.00%	6.00%	6.00%
Average Monthly Single-Family Residential Bill (based on 8 CCF)	\$66.00	\$68.66	\$74.49	\$80.79	\$85.64	\$90.78	\$96.22
Wastewater System							
% Rate Increase	4.00%	4.00%	8.50%	8.50%	6.00%	6.00%	6.00%
Average Monthly Single-Family Residential Bill (based on 6 CCF)*	\$23.91	\$24.89	\$26.98	\$29.24	\$30.98	\$32.83	\$34.79

\*Excludes Wet Weather Facilities Charge

## Annual Water Charges\* for Single-Family Residential



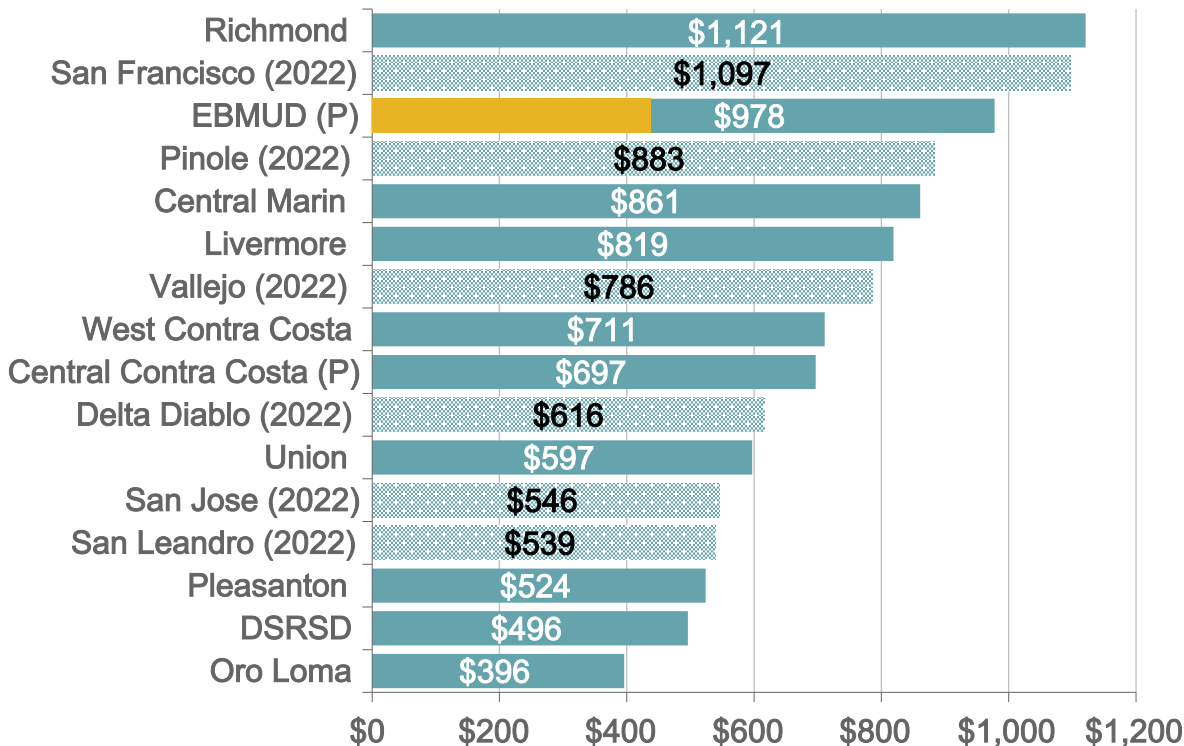
\*Displays the costs based on EBMUD's average SFR water use of 8 ccf/mo. Actual average consumption at other agencies may be lower or higher.

(P) = FY2024 Proposed Rate

(2022) = Rate as of 7/1/2022, proposed rates not yet available

(DS) = Includes drought-related charges.

## Annual Wastewater Bill\* for Single -Family Residential



Includes collection and treatment based on flow of 6 ccf/mo.

EBMUD rate based on proposed Treatment rate, SF Bay Residential Pollution Prevention Fee, and Wet Weather Fee (\$460/year) plus average community collection charge (\$518/year).

(P) = FY2024 Proposed Rate

(2022) = Rate as of 7/1/2022, proposed rates not yet available

## Water Charges Primarily Driven by Usage

Water Charges (\$ Millions)				
	FY 2024		FY 2025	
	Amount	% of Total	Amount	% of Total
Monthly Service Charge	200.2	30%	217.8	29%
Volume Charge	433.4	65%	485.7	65%
Elevation Surcharge	34.7	5%	38.9	5%
<b>Total</b>	<b>668.3</b>	<b>100%</b>	<b>742.4</b>	<b>100%</b>

\*Excludes Wet Weather Facilities Charge



## Single-Family Residential Water Charges on Water Bill

	Use*	FY 2023	FY 2024			FY 2025		
		Bill	Bill	\$ Change	% Change	Bill	\$ Change	% Change
25 <sup>th</sup> Percentile	4	\$ 48.54	\$ 52.66	\$ 4.12	8.5%	\$ 57.12	\$ 4.46	8.5%
50 <sup>th</sup> Percentile (median use)	6	\$ 57.74	\$ 62.64	\$ 4.90	8.5%	\$ 67.94	\$ 5.30	8.5%
75 <sup>th</sup> Percentile	10	\$ 81.30	\$ 88.21	\$ 6.91	8.5%	\$ 95.67	\$ 7.46	8.5%
95 <sup>th</sup> Percentile	24	\$ 186.02	\$ 201.85	\$ 15.83	8.5%	\$ 218.95	\$ 17.10	8.5%
Average Single Family Residential Use**	8	\$ 68.66	\$ 74.49	\$ 5.83	8.5%	\$ 80.79	\$ 6.30	8.5%

\*Use presented in CCF per month. One CCF is about 748 gallons.

\*\*8 CCF/month represents recent average single-family residential use.

## Single-Family Residential Water Charges – Quintiles

	Use*	FY 2023	FY 2024			FY 2025		
		Bill	Bill	\$ Change	% Change	Bill	\$ Change	% Change
20 <sup>th</sup> Percentile	3	\$ 43.94	\$ 47.67	\$ 3.73	8.5%	\$ 51.71	\$ 4.04	8.5%
40 <sup>th</sup> Percentile	5	\$ 53.14	\$ 57.65	\$ 4.51	8.5%	\$ 62.53	\$ 4.88	8.5%
60 <sup>th</sup> Percentile	7	\$ 62.34	\$ 67.63	\$ 5.29	8.5%	\$ 73.35	\$ 5.72	8.5%
80 <sup>th</sup> Percentile	11	\$ 87.62	\$ 95.07	\$ 7.45	8.5%	\$ 103.11	\$ 8.04	8.5%
95 <sup>th</sup> Percentile	24	\$ 186.02	\$ 201.85	\$ 15.83	8.5%	\$ 218.95	\$ 17.10	8.5%

\*Use is for top of the quintile and is presented in CCF per month; one CCF is about 748 gallons.

\*\*8 CCF/month represents recent average single-family residential use.

## Multi-Family Residential (MFR) and Non-Residential Water Charges on Water Bill

	Meter Size	Use*	FY 2023	FY 2024			FY 2025		
			Bill	Bill	\$ Change	% Change	Bill	\$ Change	% Change
MFR 4 units	1"	25	\$ 208.03	\$ 225.65	\$ 17.62	8.5%	\$ 244.85	\$ 19.20	8.5%
MFR 5+ units	1"	50	\$ 370.53	\$ 401.90	\$ 31.37	8.5%	\$ 436.10	\$ 34.20	8.5%
Commercial	1"	50	\$ 369.03	\$ 400.40	\$ 31.37	8.5%	\$ 434.60	\$ 34.20	8.5%
Industrial	2"	500	\$ 3,365.17	\$ 3,651.23	\$ 286.06	8.5%	\$ 3,963.23	\$ 312.00	8.5%

\*Use presented in CCF per month. One CCF is about 748 gallons.

## Wastewater Charges on Water Bill

	Meter Size	Use*	FY 2023 Bill	FY 2024			FY 2025		
			Bill	Bill	\$ Change	% Change	Bill	\$ Change	% Change
Average Single-Family Residential	5/8"	6	\$ 24.89	\$ 26.98	\$ 2.09	8.4%	\$ 29.24	\$ 2.26	8.4%
Maximum Single-Family Residential	5/8"	9	\$ 29.18	\$ 31.63	\$ 2.45	8.4%	\$ 34.28	\$ 2.65	8.4%
MFR 4 units	1"	25	\$ 77.32	\$ 83.79	\$ 6.47	8.4%	\$ 90.77	\$ 6.98	8.3%
MFR 5+ units	1"	50	\$ 168.39	\$ 182.56	\$ 14.17	8.4%	\$ 197.79	\$ 15.23	8.3%
Commercial	1"	50	\$ 172.87	\$ 187.04	\$ 14.17	8.2%	\$ 202.27	\$ 15.23	8.1%
Industrial	2"	500	\$ 10,158.37	\$ 11,004.04	\$ 845.67	8.3%	\$ 11,924.77	\$ 920.73	8.4%

\*Use presented in CCF per month. One CCF is about 748 gallons.

## Wastewater Wet Weather Facilities Charge on Property Tax Bill

	FY 2023	FY 2024			FY 2025		
	Charge	Charge	\$ Change	% Change	Charge	\$ Change	% Change
Small Lot 5,000 sq. ft. or less	\$ 125.16	\$ 135.82	\$ 10.66	8.5%	\$ 147.38	\$ 11.56	8.5%
Medium Lot 5,001 - 10,000 sq.ft.	\$ 195.50	\$ 212.12	\$ 16.62	8.5%	\$ 230.16	\$ 18.04	8.5%
Large Lot 10,000 sq. ft. or larger	\$ 446.80	\$ 484.78	\$ 37.98	8.5%	\$ 526.00	\$ 41.22	8.5%

Wet Weather Facilities Charges are not a property tax, but they appear on the property tax bill for all parcels that have connections to local wastewater collection systems within the District's wastewater service area. Wet Weather Facilities include large storage systems and wastewater system infrastructure designed to prevent heavy storms from causing raw sewage overflows into San Francisco Bay.

# Review Draft Proposition 218 Notice



## Proposed Water and Wastewater Capacity Charges

- **Water System Capacity Charge (SCC)**
  - SCC schedule updated from calculation and methodology from 2021 SCC study
    - Facility costs updated for inflation, depreciation and additions
  - FY2024 SCC increases range 7.9 to 8.6% from FY2023 rates
- **Wastewater Capacity Fee (WCF)**
  - SCC schedule updated from calculation and methodology from 2019 SCC study
    - Facility costs updated for inflation, depreciation and additions
  - FY2024 WCF increases range 6.8 to 7.5% from FY2023 rates
  - FY2024 SFR WCF increases to \$3,170 from \$2,950 (7.5%)
- **FY 2024 SCC and WCF effective July 1, 2023**

## Water SCCs— Single-Family Residential (SFR)

SCC SFR Rates by Region				
Region	SFR Estimated Use* (gpd)	Current SCC FY 2023	Proposed FY 2024	
		Charge	Charge	% Change
1	190	\$ 12,230	\$ 13,280	8.6%
2	210	\$ 19,400	\$ 20,940	7.9%
3	490	\$ 36,100	\$ 39,140	8.4%

\*Based on assumed water demand for a ¾-inch meter for a new single-family residence.



## Water SCCs– Multi -Family Residential (MFR)

SCC MFR Rates by Region				
Region	Current MFR Estimated Use (gpd)	Current SCC FY 2023 Charge	Proposed SCC FY 2024	
			Charge	% Change
1	120	\$7,730	\$8,390	8.5%
2	120	\$11,090	\$11,970	7.9%
3	120	\$8,840	\$9,590	8.5%
MFR Small Dwelling Units (≤500 square feet)				
1	95	\$6,120	\$6,640	8.5%
2	95	\$8,780	\$9,470	7.9%
3	95	\$7,000	\$7,590	8.4%

## Water SCCs– Non-Residential Rates

SCC Non-Residential Rates by Region 5/8” meter				
Region	Current Non-Residential 5/8” Estimated Use (gpd)	Current SCC FY 2023 Charge	Proposed SCC FY 2024	
			Charge	% Change
1	240	\$ 15,840	\$ 17,200	8.6%
2	334	\$ 30,860	\$ 33,310	7.9%
3	480	\$ 33,890	\$ 36,740	8.4%

FY 2024 & FY 2025 Biennial Budget

# Outreach & Next Steps



# Budget Process Timeline

BUDGET PROCESS	EVALUATE →	DEVELOP →	REVIEW & APPROVE →			IMPLEMENT	
	OCT — DEC	JAN — FEB	MARCH	APRIL	MAY	JUNE	JULY
	Evaluate budget goals and current factors; begin development of budget	Develop capital improvement program, operating budget and water and wastewater rates  Budget Workshop 1: January 24, 2023	Present proposed budget to Board  Budget Workshop 2: March 28, 2023	Notify public of proposed rates via Prop. 218 notice, social media, website, bill insert, community briefings	Continue public outreach  General Managers Report and Recommendation: May 9, 2023	Board discussion, review, consider, adopt  Public Hearing: June 13, 2023	Implement rates fees and charges, operating and capital budget
	Workshop dates may be subject to change. Check <a href="http://ebmud.com/rates">ebmud.com/rates</a> for our schedule of workshops and informational meetings on our rates and charges.						

## Community & Internal Outreach

- Prop 218 Notice Mailing (March 31, 2023)
- Budget and Rates Roadshow (ongoing)
  - Alameda & Contra Costa Mayors Conferences
  - Community/Civic Group presentations
- USL Infrastructure Open House
  - Community and Elected Officials
- **Media Engagement** (May – June)
  - Press Releases & Interviews
  - Media Event: Infrastructure Investment (TBD)
- **Additional Community Outreach** (Ongoing)
  - Community/City Newsletters
  - Website Updates (ongoing)
  - Pipeline Newsletter
  - Water Wednesday Webinar (June 7)
- **Internal / Employee Outreach**
  - Splashes
  - Meetings with or presentations to unions, department / division groups, others as requested


# Board Questions, Discussion and Approval of Proposition 218 Notice

## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: March 23, 2023

MEMO TO: Board of Directors

FROM: Clifford C. Chan, General Manager 

SUBJECT: Fiscal Year 2024 (FY 2024) and FY 2025 Recommended Revisions to the Water and Wastewater Systems' Schedule of Rates and Charges Subject to Proposition 218

### SUMMARY

The District updates the Water and Wastewater systems' rates and charges biennially in conjunction with the development of its budget. The FY 2024 and FY 2025 rates and charges are designed to cover the expenditures identified in the proposed operating and capital budgets and meet Board policy goals and legal requirements. In response to the last three-year drought, water sales for FY 2023 fell below the water sales assumptions used for the FY 2022 and FY 2023 financial plans. The water supply conditions have greatly improved this year and drought conditions will likely not persist into FY 2024.

For the first eight months of FY 2023, the District assessed an eight percent drought surcharge on the water flow charge for all potable water. This drought surcharge was suspended effective March 1, 2023. Water consumption has historically remained depressed after a significant drought as customers continue their conservation habits. Planning for this lower consumption due to the drought, along with increases in the cost of chemicals, energy, labor, and construction and a significant increase in capital investments have resulted in higher proposed water and wastewater rate increases for FY 2024 and FY 2025 relative to recent past annual rate increases.

To determine the appropriate rates needed to recover costs, the District engaged an independent rate consultant in 2015 and 2019 to perform cost of service (COS) studies on the Water and Wastewater systems. These studies identified adjustments to individual water and wastewater rates and charges to conform to COS principles to allocate operating and capital costs to customers based on the proportional cost of service. The proposed FY 2024 and FY 2025 budgets and financial plans address the operating and capital needs, and the rate increases are necessary for the water and wastewater service charges to:

- Meet the costs of operating and maintaining the Water and Wastewater systems
- Address impacts of recent very high inflation
- Increase funding to invest in capital infrastructure improvements
- Maintain financial stability
- Comply with state-mandated regulatory requirements

- Meet and comply with annual debt service requirements
- Avoid operational deficits and depletion of reserves

Staff recommends the proposed water and wastewater rates and charges take effect for services provided on or after July 1, 2023 for FY 2024 and on or after July 1, 2024 for FY 2025.

After the proposed 8.5 percent rate increase in FY 2024 and 8.5 percent increase in FY 2025, the average eight centum cubic feet (CCF) single-family residential (SFR) user will see an increase of \$5.83 per month in FY 2024 and an increase of \$6.30 per month in FY 2025 on their water bill. The SFR bill for wastewater treatment based on the average use of six CCF will increase by \$2.09 per month in FY 2024 and \$2.26 per month in FY 2025. Wastewater customers also pay a Wet Weather Facilities Charge collected on the property tax bill. Depending on lot size, in FY 2024 this charge will increase between \$10.66 to \$37.98 per year, and in FY 2025 between \$11.56 to \$41.22 per year.

The recommendations in this memo cover the water and wastewater charges subject to California Constitution article XIII D, section 6 (enacted by a voter initiative commonly referred to as Proposition 218). In compliance with Proposition 218, the District will hold a public hearing on June 13, 2023 to consider adoption of the proposed rates and charges, and at least 45 days prior to the scheduled public hearing, notices will be mailed to the owners of record of parcels upon which the proposed charges will be imposed, and tenants directly responsible for the payment of the proposed charges (i.e., “customers” who are not property owners). Any owner of record or customer may submit a written protest to the proposed rates and charges increases. On March 28, 2023, a draft copy of the Proposition 218 notice will be presented to the Board for review.

Fees not subject to Proposition 218, including capacity charges, recreation fees, installation charges, and other one-time fees and charges, will be included in the Biennial Report and Recommendation of the General Manager Fiscal Years 2024 and 2025 Revisions to the Water and Wastewater System Schedule of Rates and Charges, Capacity Charges, and Other Fees that will be presented at the May 9, 2023 Board meeting.

## **RECOMMENDATIONS**

Recommended updates to Water and Wastewater Systems rates and charges are as follows:

### *Water System Rates*

- Increase water rates and charges (meter, volume, elevation surcharge, non-potable/recycled water, and private fire service) 8.5 percent overall for FY 2024 and 8.5 percent overall for FY 2025. These proposed rate increases support the District’s proposed FY 2024 and FY 2025 operating and capital expenses and meet Board policy goals.
- The impact to the average SFR customer is an increase of \$5.83 per month in FY 2024 and an additional increase of \$6.30 per month in FY 2025.



### *Wastewater System Rates*

- Increase the wastewater treatment rates and charges and Wet Weather Facilities Charges 8.5 percent overall for FY 2024 and 8.5 percent overall for FY 2025. These proposed rate increases support the District's proposed FY 2024 and FY 2025 operating and capital expenses and meet Board policy goals.
- For the EBMUD wastewater treatment charges collected on the EBMUD water bill, the impact to the average SFR customer is an increase of \$2.09 per month in FY 2024 and an additional increase of \$2.26 per month in FY 2025.
- For the Wet Weather Facilities Charge collected on the property tax bill, the impact will depend on lot size. In FY 2024 this charge will increase between \$10.66 to \$37.98 per year, and in FY 2025 between \$11.56 to \$41.22 per year.
- No increase is proposed to the San Francisco Bay Pollution Prevention Fee, which is a fixed monthly charge to fund programs to reduce pollutants relating to wastewater before it is discharged into the San Francisco Bay.

## **DISCUSSION**

### **Water Rates and Charges**

Revenue from water rates and charges would increase by 8.5 percent overall in FY 2024 and 8.5 percent in FY 2025 to cover the expenditures identified in the proposed FY 2024 and FY 2025 operating and capital budgets, and to meet Board policy goals. The proposed rate increases are based on assumptions of water sales of 139.7 million gallons per day (MGD) for FY 2024 and 143.9 MGD for FY 2025. The assumption for water sales for FY 2024 is a four percent decrease from the budgeted water sales for FY 2023 of 145.8 MGD, reducing the water sales revenue for FY 2024 and FY 2025 from the prior budget assumptions.

The details of the FY 2024 and FY 2025 budget objectives, operating budget, capital expenses, and debt expenses are contained in the Proposed FY 2024 and FY 2025 Biennial Budget and Capital Project Summaries that will be presented to the Board at the March 28, 2023 Budget Workshop. The proposed operating and capital budgets contribute to the increased FY 2024 and FY 2025 water rates and charges in roughly the following proportions:

- Operating – significant increases in expenses such as chemicals, energy, and computer software, as well as increases in labor and benefits, and additional funded positions drive approximately 60 percent of the additional rate revenue required in FY 2024 and FY 2025.
- Capital – increases in capital improvement plan and debt service drive approximately 40 percent of the additional rate revenue required in FY 2024 and FY 2025.

Table 1 shows the calculation of the rate adjustment required over the two-year period between FY 2023 and FY 2025. The overall spending from FY 2023 to FY 2025 is projected to increase by over 28 percent. The District is increasing the use of bonds to fund the higher levels of capital spending

in FY 2024 and FY 2025, which spreads the impact of the higher capital spending to future years and reduces the impact of the increased capital spending on the FY 2024 and FY 2025 rates. Comparing the FY 2025 revenue requirement with estimated revenues under existing rates, the table identifies a revenue deficiency of \$108.1 million, and a necessary rate revenue adjustment of 17 percent over the two-year period, 8.5 percent (FY 2024) and 8.5 percent (FY 2025).

**Table 1 - Revenue Shortfalls (In Million \$) Addressed Through Proposed Rate Increase**

	FY 2023	FY 2025	2-Yr Δ
<b>Revenue Requirement</b>			
+ O&M expense	\$328.7	\$413.2	25.7%
+ Debt service expense	222.4	256.3	15.2%
+ Capital expense	377.2	520.5	38.0%
Total expenses =	\$928.3	\$1,190.0	28.2%
- Other revenues	-288.3	-447.7	55.3%
Revenue requirement =	\$640.0	\$742.3	16.0%
<b>Revenue Adjustment</b>			
+ Revenue requirement		\$742.3	
- Revenue from existing rates		-634.2	
Difference =		\$108.1	
<b>Total Rate Revenue Requirement Adjustment</b>		<b>17.0%</b>	

## Wastewater Rates and Charges

Revenue from wastewater rates and charges would increase by 8.5 percent overall in FY 2024 and 8.5 percent in FY 2025 to cover the expenditures identified in the proposed FY 2024 and FY 2025 operating and capital budgets, and to meet Board policy goals. The proposed operating and capital budgets combined with the slight reduction in billed water use increase the District's wastewater revenue requirements and contribute to the FY 2024 and FY 2025 wastewater rates and charges increases in roughly the following proportions:

- Operating – significant increases in expenses such as chemicals, energy as well as increases in labor and benefits, and additional funded positions, drive approximately 73 percent of the additional rate revenue required in FY 2024 and FY 2025.
- Capital – increases in capital improvement plan and debt service drive approximately 27 percent of the additional rate revenue required in FY 2024 and FY 2025.

Table 2 shows the calculation of the rate adjustment required over the two-year period between FY 2023 and FY 2025. The overall spending from FY 2023 to FY 2025 is projected to increase by almost 18 percent. The District is increasing the use of bonds to fund higher levels of capital

spending in FY 2024 and FY 2025, which spreads the impact of the higher capital spending to future years and reduces the impact of the increased capital spending on the FY 2024 and FY 2025 rates. Comparing the FY 2025 revenue requirement with estimated revenues under existing rates, the table identifies a revenue deficiency of \$20.0 million, and a necessary rate revenue requirement adjustment of 17 percent over the two-year period, 8.5 percent (FY 2024) and 8.5 percent (FY 2025).

**Table 2 – Revenue Shortfalls (In Million \$) Addressed Through Proposed Rate Increases**

	<b>FY 2023</b>	<b>FY 2025</b>	<b>2-Yr Δ</b>
<b>Revenue Requirement</b>			
+ O&M expense	\$89.7	\$108.5	21.1%
+ Debt service expense	31.9	34.8	9.1%
+ Capital expense	49.8	58.4	17.3%
Total expenses =	\$171.4	\$201.7	17.8%
- Other revenues	-52.0	-63.7	22.0%
Revenue requirement =	\$119.4	\$138.0	15.8%
<b>Revenue Adjustment</b>			
+ Revenue requirement		\$138.0	
- Revenue from existing rates		-118.0	
Difference =		\$20.0	
<b>Total Rate Revenue Requirement Adjustment</b>		<b>17%</b>	

### **FY 2024 and FY 2025 Revenue Requirements and Proposed Rates**

State law and District policy both mandate that public utility rates and charges be based on COS. The COS study allocates operating and capital costs to customer classes based on both customer class usage characteristics and facility design and operations. This nexus between usage and cost forms the financial and legal basis for setting utility rates and charges. The District's most recent COS studies were completed in 2019 for the Wastewater System and 2015 for the Water System. The proposed FY 2024 and FY 2025 rates were developed from the expenses, revenues, customer information, debt information, and revenue requirements for FY 2024 and FY 2025 using the methodology and rate models from the most recent Water and Wastewater Systems' COS studies. Tables 3 and 4 show the revenue requirements for FY 2024 and FY 2025 for the Water and Wastewater Systems, respectively.

**Table 3 - Water System Revenue Requirement for FY 2024 and FY 2025**

Water	FY 2024			FY 2025		
	Operating	Capital	Total	Operating	Capital	Total
<b>Revenue Requirements</b>						
Operating - O&M Expenses	397,430,828		\$397,430,828	413,164,182		\$413,164,182
Capital - Debt Service		238,627,970	\$238,627,970		256,268,463	\$256,268,463
Capital - Expenses		478,131,027	\$478,131,027		520,544,949	\$520,544,949
<b>Total Revenue Requirements</b>	<b>\$397,430,828</b>	<b>\$716,758,997</b>	<b>\$1,114,189,825</b>	<b>\$413,164,182</b>	<b>\$776,813,412</b>	<b>\$1,189,977,594</b>
<b>Revenue Offsets (incl \$4M used for CAP)</b>						
Property Taxes		47,000,000	\$47,000,000		48,075,000	\$48,075,000
Power	8,000,000		\$8,000,000	8,000,000		\$8,000,000
Interest	13,888,337		\$13,888,337	13,771,988		\$13,771,988
SCC Revenue		35,000,000	\$35,000,000		36,225,000	\$36,225,000
Operating Reimbursement	14,000,000		\$14,000,000	14,420,000		\$14,420,000
RARE Reimbursement	3,700,000		\$3,700,000	3,811,000		\$3,811,000
All Other		17,300,000	\$17,300,000		17,615,552	\$17,615,552
Transfer (to)/from Rate Stabilization Reserve	\$0		\$0	\$0		\$0
<b>Total Revenue Offsets</b>	<b>\$39,588,337</b>	<b>\$99,300,000</b>	<b>\$138,888,337</b>	<b>\$40,002,988</b>	<b>\$101,915,552</b>	<b>\$141,918,540</b>
<b>Adjustments</b>						
Transfer of Cash for Capital from Other Funds (Bond Proceeds, Grants, Capital Contributions and Reserves)	\$0	(306,995,004)	(\$306,995,004)	\$0	(305,718,034)	(\$305,718,034)
<b>Total Adjustments</b>	<b>\$0</b>	<b>(\$306,995,004)</b>	<b>(\$306,995,004)</b>	<b>\$0</b>	<b>(\$305,718,034)</b>	<b>(\$305,718,034)</b>
<b>Cost of Service to be Recovered from Rates</b>	<b>\$357,842,491</b>	<b>\$310,463,993</b>	<b>\$668,306,484</b>	<b>\$373,161,194</b>	<b>\$369,179,826</b>	<b>\$742,341,020</b>

**Table 4 - Wastewater System Revenue Requirement for FY 2024 and FY 2025**

Wastewater	FY 2024			FY 2025		
	Operating	Capital	Total	Operating	Capital	Total
<b>Revenue Requirements</b>						
O&M Expenses	\$103,741,700		\$103,741,700	\$108,465,460		\$108,465,460
Capital - Debt Service		\$32,867,708	\$32,867,708		\$34,772,821	\$34,772,821
Capital - Expenses		\$50,030,482	\$50,030,482		\$58,373,642	\$58,373,642
<b>Total Revenue Requirements</b>	<b>\$103,741,700</b>	<b>\$82,898,190</b>	<b>\$186,639,890</b>	<b>\$108,465,460</b>	<b>\$93,146,463</b>	<b>\$201,611,923</b>
<b>Revenue Offsets (Incl \$0.6M for CAP)</b>						
Resource Recovery	\$6,089,050	\$4,910,950	\$11,000,000	\$6,089,050	\$3,910,950	\$10,000,000
Property Taxes		\$7,500,000	\$7,500,000		\$7,672,500	\$7,672,500
Ad Valorem Bond Levy		\$0	\$0		\$0	\$0
Interest	\$3,085,671		\$3,085,671	\$3,225,000		\$3,225,000
Laboratory Services	\$4,900,000		\$4,900,000	\$5,047,000		\$5,047,000
Reimbursements	\$1,800,000		\$1,800,000	\$1,854,000		\$1,854,000
Permit Fees	\$1,650,000		\$1,650,000	\$1,650,000		\$1,650,000
Capacity Charges		\$3,500,000	\$3,500,000		\$3,622,500	\$3,622,500
All Other Revenue	\$3,300,000	\$2,900,000	\$6,200,000	\$3,300,000	\$2,900,000	\$6,200,000
Transfer (to)/from Rate Stabilization Reserve (RSR)	\$0		\$0	\$0		\$0
<b>Total Revenue Offsets</b>	<b>\$20,824,722</b>	<b>\$18,810,950</b>	<b>\$39,635,671</b>	<b>\$21,165,050</b>	<b>\$18,105,950</b>	<b>\$39,271,000</b>
<b>Adjustments</b>						
Transfer of Cash for Capital from Other Funds (Bond Proceeds, Grants, Capital Contributions and Reserves)		(\$20,402,902)	(\$20,402,902)		(\$24,301,214)	(\$24,301,214)
<b>Total Adjustments</b>	<b>\$0</b>	<b>(\$20,402,902)</b>	<b>(\$20,402,902)</b>	<b>\$0</b>	<b>(\$24,301,214)</b>	<b>(\$24,301,214)</b>
<b>Cost of Service to be Recovered from Rates</b>	<b>\$82,916,978</b>	<b>\$43,684,338</b>	<b>\$126,601,317</b>	<b>\$87,300,409</b>	<b>\$50,739,300</b>	<b>\$138,039,709</b>

Water service fees have five customer classes in the COS study: single-family residential, multi-family residential, non-residential, private fire customer, and non-potable/recycled. Together, the rates for the components of the water fees are structured to proportionately recover the costs of providing water service among the various customer classes. The rates for EBMUD's water fees have five components: Water Flow Charge, Water Service Charge, Elevation Surcharge, Private Fire Service Charge, and Drought Surcharge.

Wastewater service fees have three customer classes in the COS study: single-family residential, multi-family residential, and non-residential. Non-residential customers are further classified based on the type of business operated. Together, the rates for the components of the wastewater service fees are structured to proportionately recover the costs of providing wastewater services among the various customer classes. The rates for the wastewater fees have five components: Treatment Service Charge, Treatment Flow Charge, Treatment Strength Charge, Pollution Prevention Fee, and Wet Weather Facilities Charge.

A summary of the proposed rates and the resulting customer impacts are presented below.

**Table 5 - Proposed Water Flow Charges and Elevation Charges - (\$/CCF)**

<b>Water Flow and Elevation Charges on Water Bill</b>					
<b>Flow Charges</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>Percent Change</b>	<b>FY 2025</b>	<b>Percent Change</b>
Single Family Residential					
Tier 1 up to 7 CCF	\$4.60	\$4.99	8.5%	\$5.41	8.4%
Tier 2 up to 16 CCF	\$6.32	\$6.86	8.5%	\$7.44	8.5%
Tier 3 over 16 CCF	\$8.35	\$9.06	8.5%	\$9.83	8.5%
Multi-Family Residential	\$6.50	\$7.05	8.5%	\$7.65	8.5%
All other accounts (commercial/industrial)	\$6.47	\$7.02	8.5%	\$7.62	8.5%
Nonpotable/Recycled Water	\$5.04	\$5.47	8.5%	\$5.93	8.4%
Elevation Surcharge* (\$/CCF)					
Pressure Zone 1	\$0.00	\$0.00		\$0.00	
Pressure Zone 2	\$0.93	\$1.01	8.6%	\$1.10	8.9%
Pressure Zone 3	\$1.93	\$2.09	8.3%	\$2.27	8.6%

\*Elevation Surcharge is assessed to certain customers based on location. The Elevation Surcharge is applied to each unit of water delivered to properties in some pressure zones, and is calculated to recover the increased cost of power and facility costs required to pump water to locations 200 feet or more above sea level.

**Table 6 - Proposed Monthly Water Service Charges (Meter) - (\$/Meter Size)**

Monthly Meter Service Charges on Water Bill					
Meter Size (in inches)	FY 2023	FY 2024	Percent Change	FY 2025	Percent Change
5/8 or 3/4	\$30.14	\$32.70	8.5%	\$35.48	8.5%
1	\$45.53	\$49.40	8.5%	\$53.60	8.5%
1-1/2	\$84.02	\$91.16	8.5%	\$98.91	8.5%
2	\$130.17	\$141.23	8.5%	\$153.23	8.5%
3	\$253.30	\$274.83	8.5%	\$298.19	8.5%
4	\$391.81	\$425.11	8.5%	\$461.24	8.5%
6	\$776.48	\$842.48	8.5%	\$914.09	8.5%
8	\$1,238.15	\$1,343.39	8.5%	\$1,457.58	8.5%
10	\$1,776.73	\$1,927.75	8.5%	\$2,091.61	8.5%
12	\$2,469.24	\$2,679.13	8.5%	\$2,906.86	8.5%
14	\$3,161.69	\$3,430.43	8.5%	\$3,722.02	8.5%
16	\$4,008.07	\$4,348.76	8.5%	\$4,718.40	8.5%
18	\$4,854.42	\$5,267.05	8.5%	\$5,714.75	8.5%

**Table 7 - Proposed Monthly Private Fire Service Charges - (\$/Meter Size)**

Monthly Private Fire Service Charges on Water Bill					
Meter Size (in inches)	FY 2023	FY 2024	Percent Change	FY 2025	Percent Change
5/8 or 3/4	\$16.04	\$17.40	8.5%	\$18.88	8.5%
1	\$22.05	\$23.92	8.5%	\$25.95	8.5%
1-1/2	\$36.96	\$40.10	8.5%	\$43.51	8.5%
2	\$54.87	\$59.53	8.5%	\$64.59	8.5%
3	\$102.71	\$111.44	8.5%	\$120.91	8.5%
4	\$156.48	\$169.78	8.5%	\$184.21	8.5%
6	\$305.87	\$331.87	8.5%	\$360.08	8.5%
8	\$485.15	\$526.39	8.5%	\$571.13	8.5%
10	\$694.28	\$753.29	8.5%	\$817.32	8.5%
12	\$963.16	\$1,045.03	8.5%	\$1,133.86	8.5%
14	\$1,232.09	\$1,336.82	8.5%	\$1,450.45	8.5%
16	\$1,560.77	\$1,693.44	8.5%	\$1,837.38	8.5%
18	\$1,889.44	\$2,050.04	8.5%	\$2,224.29	8.5%

**Table 8 - Single-Family Residential Customer Monthly Water Bill Impacts – Includes Proposed Water Service and Flow Charges**

Single Family Residential Water Charges on Water Bill (5/8" and 3/4" meters)								
	Use (CCF)	FY 2023 Bill	FY 2024 Bill	Increase from FY 2023	Percent Change	FY 2025 Bill	Increase from FY 2024	Percent Change
25 <sup>th</sup> Percentile	4	\$48.54	\$52.66	\$4.12	8.5%	\$57.12	\$4.46	8.5%
50 <sup>th</sup> Percentile (median use)	6	\$57.74	\$62.64	\$4.90	8.5%	\$67.94	\$5.30	8.5%
75 <sup>th</sup> Percentile	10	\$81.30	\$88.21	\$6.91	8.5%	\$95.67	\$7.46	8.5%
95 <sup>th</sup> Percentile	24	\$186.02	\$201.85	\$15.83	8.5%	\$218.95	\$17.10	8.5%
Average Single Family Residential Use	8	\$68.66	\$74.49	\$5.83	8.5%	\$80.79	\$6.30	8.5%

**Table 9 - Other Customer Monthly Water Bill Impacts – Includes Proposed Water Service and Flow Charges**

Multi-Family Residential and Non-Residential Water Charges on Water Bill									
	Meter (Inches)	Use (CCF)	FY 2023 Bill	FY 2024 Bill	Increase from FY 2023	Percent Change	FY 2025 Bill	Increase from FY 2024	Percent Change
Multi-Family Residential 4 dwelling units	1	25	\$208.03	\$225.65	\$17.62	8.5%	\$244.85	\$19.20	8.5%
Multi-Family Residential 5+dwelling units	1	50	\$370.53	\$401.90	\$31.37	8.5%	\$436.10	\$34.20	8.5%
Commercial	1	50	\$369.03	\$400.40	\$31.37	8.5%	\$434.60	\$34.20	8.5%
Industrial	2	500	\$3,365.17	3,651.23	\$286.06	8.5%	\$3,963.23	\$312.00	8.5%

Table 10 shows the proposed wastewater treatment unit rates that are used to calculate the total wastewater flow and strength charges based on the wastewater discharge characteristics.

**Table 10 - Proposed Wastewater Treatment Unit Rates**

Wastewater Treatment Unit Rates					
Unit Rates	FY 2023	FY 2024	Percent Change	FY 2025	Percent Change
Service Charge (\$/account)	\$7.89	\$8.56	8.5%	\$9.29	8.5%
Flow (\$/CCF)	\$1.425	\$1.546	8.5%	\$1.677	8.5%
Strength – COD (\$/pound)	\$0.145	\$0.157	8.3%	\$0.170	8.3%
Strength – Total Suspended Solids (\$/pound)	\$0.596	\$0.647	8.6%	\$0.702	8.5%

Table 11 shows the proposed wastewater treatment charges for residential customers based on the unit rates in Table 10 and the number of dwelling units and monthly flow. Table 12 shows the proposed wastewater combined flow and strength charge per CCF for non-residential customers listed by business classification code (BCC) that is calculated from the unit rates in Table 10. Wastewater customers who have been issued strength permits for unique wastewater strength and flow are charged based on the unit rates in Table 10. Included in the monthly wastewater bill is the San Francisco Bay Pollution Prevention Fee that funds the Pollution Prevention Program that implements strategies to minimize and monitor pollutants from both residential and non-residential sources. The cost of the program has not increased, so the San Francisco Bay Pollution Prevention Fee will remain \$0.20 per month per dwelling unit for residential customers; \$5.48 per month per account for non-residential customers; and \$1.00 per month for multi-family residential customers with five or more units as shown in Table 13. Table 14 shows the resulting customer impacts for the proposed increases for the wastewater treatment bill.

**Table 11 - Proposed Monthly Single-Family and Multi-Family\* Residential Wastewater Treatment Rates and Charges**

<b>Wastewater Treatment Rates &amp; Charges</b>					
<b>Rate Components</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>Percent Change</b>	<b>FY 2025</b>	<b>Percent Change</b>
Service Charge (\$/account)	\$7.89	\$8.56	8.5%	\$9.29	8.5%
Flow (\$/CCF 9 CCF maximum per dwelling unit)	\$1.43	\$1.55	8.4%	\$1.68	8.4%
Strength – (\$ per dwelling unit)	\$8.22	\$8.92	8.5%	\$9.67	8.4%

\*Multi-Family Residential is 2 to 4 dwelling units; all charges except the Service Charge are per dwelling unit.



**Table 12 - Proposed Wastewater Non-Residential Flow and Strength Rates per CCF by Business Classification Code**

Business Classification Code		FY 2023 Current Rate per CCF	FY 2024 Proposed Rate per CCF	Change	FY 2025 Proposed Rate per CCF	Change
2010	Meat Products	\$10.00	\$10.84	8.4%	\$11.74	8.3%
2011	Slaughterhouses	9.55	10.36	8.5%	11.24	8.5%
2020	Dairy Product Processing	7.84	8.50	8.4%	9.21	8.4%
2030	Fruit and Vegetable Canning	6.31	6.84	8.4%	7.41	8.3%
2040	Grain Mills	\$6.28	6.81	8.4%	7.38	8.4%
2050	Bakeries (including Pastries)	10.86	11.77	8.4%	12.76	8.4%
2060	Sugar Processing	6.21	6.73	8.4%	7.29	8.3%
2077	Rendering Tallow	18.83	20.42	8.4%	22.15	8.5%
2080	Beverage Manufacturing & Bottling	4.71	5.11	8.5%	5.54	8.4%
2090	Specialty Foods Manufacturing	20.29	21.98	8.3%	23.82	8.4%
2600	Pulp and Paper Products	5.38	5.84	8.6%	6.33	8.4%
2810	Inorganic Chemicals Mfgr.	6.92	7.51	8.5%	8.15	8.5%
2820	Synthetic Material Manufacturing	1.62	1.76	8.6%	1.91	8.5%
2830	Drug Manufacturing	3.50	3.79	8.3%	4.11	8.4%
2840	Cleaning and Sanitation Products	7.08	7.67	8.3%	8.31	8.3%
2850	Paint Manufacturing	13.65	14.79	8.4%	16.03	8.4%
2893	Ink and Pigment Manufacturing	4.94	5.35	8.3%	5.80	8.4%
3110	Leather Tanning and Finishing	18.85	20.43	8.4%	22.14	8.4%
3200	Earthenware Manufacturing	3.82	4.15	8.6%	4.50	8.4%
3300	Primary Metals Manufacturing	3.03	3.28	8.3%	3.56	8.5%
3400	Metal Products Fabricating	1.77	1.92	8.5%	2.08	8.3%
3410	Drum and Barrel Manufacturing	19.20	20.80	8.3%	22.54	8.4%
3470	Metal Coating	1.92	2.08	8.3%	2.26	8.7%
4500	Air Transportation	2.53	2.74	8.3%	2.97	8.4%
4951	Groundwater Remediation	1.48	1.60	8.1%	1.74	8.7%
5812	Food Service Establishments	6.56	7.11	8.4%	7.71	8.4%
6513	Apartment Buildings (5 or more units)	3.19	3.46	8.5%	3.75	8.4%
7000	Hotels, Motels with Food Service	4.71	5.11	8.5%	5.55	8.6%
7210	Commercial Laundries	4.24	4.60	8.5%	4.99	8.5%
7215	Coin Operated Laundromats	3.18	3.45	8.5%	3.74	8.4%
7218	Industrial Laundries	12.07	13.08	8.4%	14.17	8.3%
7300	Laboratories	2.28	2.47	8.3%	2.68	8.5%
7542	Automobile Washing and Polishing	3.02	3.27	8.3%	3.55	8.6%
8060	Hospitals	2.90	3.14	8.3%	3.41	8.6%
8200	Schools	2.13	2.31	8.5%	2.51	8.7%
	All Other BCC (includes dischargers of only segregated domestic wastes from sanitary conveniences)	3.19	3.46	8.5%	3.75	8.4%

Business Classification Code		FY 2023 Current Rate per CCF	FY 2024 Proposed Rate per CCF	Change	FY 2025 Proposed Rate per CCF	Change
A	0-9% Food/91-100% Domestic	\$3.190	\$3.460	8.5%	\$3.750	8.4%
B	10-19% Food/81-90% Domestic	3.527	3.825	8.4%	4.146	8.4%
C	20-29% Food/71-80% Domestic	3.864	4.190	8.4%	4.542	8.4%
D	30-39% Food/61-70% Domestic	4.201	4.555	8.4%	4.938	8.4%
E	40-49% Food/51-60% Domestic	4.538	4.920	8.4%	5.334	8.4%
F	50-59% Food/41-50% Domestic	4.875	5.285	8.4%	5.730	8.4%
G	60-69% Food/31-40% Domestic	5.212	5.650	8.4%	6.126	8.4%
H	70-79% Food/21-30% Domestic	5.549	6.015	8.4%	6.522	8.4%
I	80-89% Food/11-20% Domestic	5.886	6.380	8.4%	6.918	8.4%
J	90-99% Food/1-10% Domestic	6.223	6.745	8.4%	7.314	8.4%
K	0-9% Bakery/91-100% Domestic	3.190	3.460	8.5%	3.750	8.4%
L	10-19% Bakery/81-90% Domestic	3.957	4.291	8.4%	4.651	8.4%
M	20-29% Bakery/71-80% Domestic	4.724	5.122	8.4%	5.552	8.4%
N	30-39% Bakery/61-70% Domestic	5.491	5.953	8.4%	6.453	8.4%
O	40-49% Bakery/51-60% Domestic	6.258	6.784	8.4%	7.354	8.4%
P	50-59% Bakery/41-50% Domestic	7.025	7.615	8.4%	8.255	8.4%
Q	60-69% Bakery/31-40% Domestic	7.792	8.446	8.4%	9.156	8.4%
R	70-79% Bakery/21-30% Domestic	8.559	9.277	8.4%	10.057	8.4%
S	80-89% Bakery/11-20% Domestic	9.326	10.108	8.4%	10.958	8.4%
T	90-99% Bakery/1-10% Domestic	10.093	10.939	8.4%	11.859	8.4%

**Table 13 – Monthly San Francisco Bay Pollution Prevention Fee**

Monthly San Francisco Bay Pollution Prevention Fee					
	FY 2022	FY 2024	Percent Change	FY 2025	Percent Change
Residential (\$ per dwelling unit)*	\$0.20	\$0.20	0.0%	\$0.20	0.0%
Non-residential (\$ per account)	\$5.48	\$5.48	0.0%	\$5.48	0.0%

\*SF Bay Pollution Prevention Fee for apartments (5 or more dwelling units) will remain \$1.00 per month for FY 2024 and FY 2025.

**Table 14 - Customer Monthly Wastewater Treatment Bill Impacts - Includes Service, Flow and Strength Charges and Pollution Prevention Fees**

Wastewater Charges on Water Bill									
	Meter (Inches)	Use (CCF)	FY 2023 Bill	FY 2024 Bill	Increase from FY 2023	Percent Change	FY 2025 Bill	Increase from FY 2024	Percent Change
Average Single-Family Residential	5/8	6	\$24.89	\$26.98	\$2.09	8.4%	\$29.24	\$2.26	8.4%
Single-Family Residential	5/8	9	\$29.18	\$31.63	\$2.45	8.4%	\$34.28	\$2.65	8.4%
Multi-Family Residential 4 dwelling units	1	25	\$77.32	\$83.79	\$6.47	8.4%	\$90.77	\$6.98	8.3%
Multi-Family Residential 5+dwelling units	1	50	\$168.39	\$182.56	\$14.17	8.4%	\$197.79	\$15.23	8.3%
Commercial	1	50	\$172.87	\$187.04	\$14.17	8.2%	\$202.27	\$15.23	8.1%
Industrial	2	500	\$10,158.37	\$11,004.04	\$845.67	8.3%	\$11,924.77	\$920.73	8.4%

The Wet Weather Facilities Charge (WWFC) is a fixed charge that is imposed on a property itself. The WWFC pays for costs associated with inflow and infiltration of stormwater into the sanitary sewer system which otherwise would increase the cost of wastewater treatment. This fixed annual charge is calculated based on parcel size, which accounts for each parcel's capacity to contribute inflow and infiltration during a wet weather event. The amount of wet weather flows that enter the wastewater system in the form of inflow and infiltration is proportional to the size of the collection system needed to serve each property. For example, larger parcels generally have more wet weather flows that could enter the wastewater system than smaller parcels. For this reason, parcel (lot) size is used as a proxy to estimate the size of the collection system to serve each property. Accordingly, the WWFC is structured using three generalized lot sizes (or bins): 0 to 5,000 square feet (sq ft), 5,001 to 10,000 sq ft, and over 10,000 sq ft. The WWFC is based on median lot size for each of these bins, regardless of whether a property is residential or non-residential. Inflow and infiltration of wet weather flows into the wastewater system increases the District's wastewater related costs because any water that enters the system must be conveyed and treated.

Since the WWFC is based on the property's propensity to contribute peak wet weather flows and is unrelated to the amount of water used at the property, the District collects the WWFC on the property tax bill for all parcels that have connections to the local wastewater collection systems within the District's wastewater service area. The WWFC for public agencies that are exempt from property taxes is collected through the District's billing process. As shown in Table 15, the WWFC will increase 8.5 percent in FY 2024 and 8.5 percent in FY 2025.

**Table 15 - Proposed Annual Wet Weather Facilities Charge - (\$/Lot Size)**

Proposed Wet Weather Facilities Charge (\$/Lot Size)							
	FY 2023 Bill	FY 2024 Bill	Increase from FY 2023	Percent Change	FY 2025 Bill	Increase from FY 2024	Percent Change
Small Lot 0 - 5,000 sq. ft.	\$125.16	\$135.82	\$10.66	8.5%	\$147.38	\$11.56	8.5%
Medium Lot 5,001 – 10,000 sq. ft.	\$195.50	\$212.12	\$16.62	8.5%	\$230.16	\$18.04	8.5%
Large Lot >10,000 sq. ft.	\$446.80	\$484.78	\$37.98	8.5%	\$526.00	\$41.22	8.5%

### **Drought Surcharge**

The District's schedule of drought rates will remain in effect for FY 2024 and FY 2025 as a contingency plan in the event of a water shortage. The District's 2015 COS study developed a drought surcharge of up to 8 percent, 20 percent and 25 percent on the water flow component of the District's water rates during Drought Stages 2, 3, and 4, respectively. The drought surcharge would be applicable to all potable water use by customers only if the Board of Directors declares a Stage 2, 3, or 4 drought and elects to impose the surcharge corresponding to the declared drought stage. The drought surcharge is charged on each unit of potable water used during the billing period while the drought surcharges are in effect. The surcharge is calculated for each drought stage to recover costs of obtaining and providing supplemental water, costs of additional water shortage-related customer service, and loss of revenue from reduced water sales. For example, under a Stage 4 Drought, an average single family customer using 8 CCF per month would pay a drought surcharge of up to \$11.33 per month in FY 2025.

The District's Proposition 218 notice will include information regarding the surcharge so that they remain available to the Board to consider and implement the next time the District is in a Stage 2 Drought or greater. In the event of a Stage 2 Drought or higher, the District will update the 2015 COS study developed for the drought surcharge in the Proposition 218 notice for updated drought conditions and drought costs and set a drought surcharge based on the updated COS study. If the District chooses to impose a drought surcharge, the drought surcharge imposed cannot exceed the drought surcharge in the Proposition 218 notice.

### **Written Protests to the Proposed Rates and Charges**

Any owner of record or customer may submit a written protest to the proposed rates and charges increases; however, only one written protest will be counted per identified parcel. Each protest must: (1) be in writing; (2) state that the identified property owner or customer is opposed to the proposed increases to the rates and charges; (3) provide the location of the identified parcel by assessor's parcel number or street address; and (4) include the original signature of the property owner or customer submitting the protest. Written protests against the proposed increases may be

personally delivered or mailed to the District. To be tabulated, written protests must be received by the District prior to the close of the public comment portion of the public hearing. If parcel owners or customers representing a majority of the affected parcels in the service area submit valid and timely written protests, the proposed increases may not be imposed. On March 28, 2023, a draft copy of the Proposition 218 notice will be presented to the Board for review.

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# Proposed Biennial Budget

*Fiscal Years 2024 & 2025*

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**Volume 1:**  
Overview  
Water System  
Wastewater System



**East Bay Municipal Utility District  
Oakland, California**

# **East Bay Municipal Utility District Proposed Biennial Budget Fiscal Years 2024 & 2025**

<b>Volume 1:</b>	<b>Overview Water System Wastewater System</b>
<b>Volume 2:</b>	<b>Capital Award Summaries</b>

**Presented to the Board of Directors  
March 28, 2023**



**EBMUD Fun Fact:**

EBMUD meter readers walk as many as 1,400 miles per year. That's equivalent to walking to Portland, Oregon and back again.

# Biennial Budget Fiscal Years 2024 and 2025

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# General Manager's Message

July 1, 2023

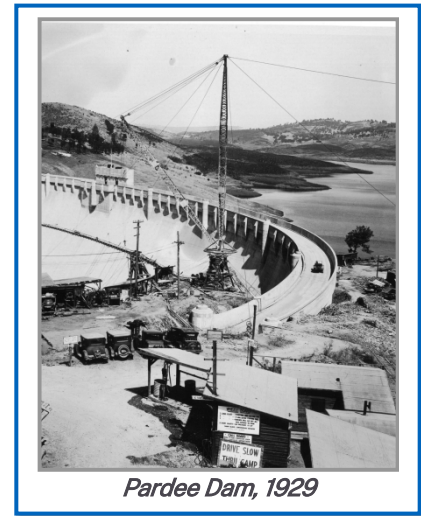
Honorable Members of the Board of Directors:

I am pleased to present the water and wastewater budgets for Fiscal Year 2024 (FY 2024) and Fiscal Year 2025 (FY 2025) in support of our mission to provide reliable, high-quality water and wastewater services for the people of the East Bay as we begin our next 100 years of service to our communities.

## BUDGET OVERVIEW

After years of unreliable and in some cases unaffordable water delivery, in 1923 residents of the eastern San Francisco Bay voted to establish the East Bay Municipal Utility District (EBMUD). A century later, EBMUD remains an essential community partner that supports customers' every day. We provide clean water to every home, business, hospital and school in our service area, support the East Bay's health and economy, and work to protect the environment and San Francisco Bay. We are stewards, trusted by the public with water, our most precious resource.

As we move into the next century, we face new challenges as we work to provide reliable, high-quality water and wastewater services. Aging infrastructure, some more than 100 years old, needs continued maintenance and replacement. Climate change is driving the aridification of the American West and creating greater climate extremes. And we must deal with emerging contaminants and limit nutrient loads to better protect public health and the bay.



To meet these challenges, EBMUD is entering the most capital-intensive period in its history. We're increasing our five-year Capital Improvement Program (CIP) by more than \$500 million, or 24 percent, compared to the prior budget. This investment will rehabilitate water treatment plants, pumping plants, reservoirs, and pipelines and upgrade our wastewater facilities and sewer interceptors.

EBMUD is a not-for-profit public utility. Ratepayer dollars directly fund operations and capital improvements. We are recognized as responsible financial stewards and are the only California water utility to receive Moody's Investors Service's highest Aaa bond rating. As we innovate to improve our infrastructure and service, we confront rising costs due to inflationary pressures on chemicals, energy, equipment, software, and labor and benefits, all which impact the cost to build and operate.

Regular customer rate increases are necessary to invest in building resilient and reliable water and wastewater systems of the future. Under the proposed rate increases, in FY 2024, the average customers will see monthly increases of \$5.83 in their water bills (or 19 cents per day) and \$2.09 in wastewater bills (or 7 cents per day) after new rates take effect July 1, 2023. In FY 2025, there would be an additional increase of \$6.30 per month for water (or 21 cents per day) and \$2.26 per month for wastewater (or 7 cents per day) for the same customer, effective July 1, 2024. This represents an 8.5 percent increase in each of these two fiscal years for both systems.

Our precious drinking water remains a good value at a little more than one penny per gallon. But we know any cost increase can be a hardship for some, so we are also moving to make our Customer Assistance Program (CAP) easier to access for those who have trouble paying their water bills.

EBMUD is dedicated to serving East Bay customers and investing in our community as we have for a century. From the launch of the development of this biennial budget, the need to invest in aging

**East Bay Municipal Utility District**  
*General Manager's Message*

infrastructure and respond to inflationary cost increases in critical areas, such as energy, chemicals, and labor, while maintaining and enhancing customer affordability, were clear. The FY 2024 and FY 2025 biennial budget strives to balance these needs. It will lead to more resilient and reliable water and wastewater systems that will improve operational efficiency and ensure rates remain affordable.

Resources have been prioritized to achieve Strategic Plan goals and expand new initiatives while maintaining fair and reasonable water and wastewater rates. The FY 2024 and FY 2025 biennial budget supports:

- Necessary growth in the CIP to invest in the next 100 years of service to the East Bay;
- Increased staff to support improvements in service delivery for an expanded capital program, as well as to meet critical needs, such as grant writing to obtain more external funding;
- Significant investments in internships and development of a more diverse hiring pipeline, as well as greater resources for consolidated educational and community outreach programs; and,
- An enhanced CAP, which will see the creation of a dedicated staff using new and existing resources to ensure essential water and wastewater services remain affordable.

## CUSTOMER BILL IMPACTS

The FY 2024 and FY 2025 rates and customer bill impacts are shown in the table below. Single family residential customers continue to consume on average 8 centum cubic feet (CCF) of water per month (about 200 gallons per day). Almost half of our customers also receive wastewater treatment services, with an average bill based on discharge of 6 CCF per month of their total water use to the sewer system. The table below shows the overall rate increases and the impact on the average monthly bill for our water and wastewater customers.

*Summary of Rate Increases and Average Bill Impacts*

FY 2024 & FY 2025 Overall Rate & Average Monthly Bill Increase				
	Water System		Wastewater System	
	FY 2024	FY 2025	FY 2024	FY 2025
<b>Average Bill Increase</b>	\$5.83	\$6.30	\$2.09	\$2.26
<b>% Rate Increase</b>	8.5%	8.5%	8.5%	8.5%

The attachment to this message shows the bill impact for a range of use levels. Wastewater customers also pay an annual Wet Weather Facilities Charge collected on the property tax bill. The annual charge is based on lot size and will increase 8.5 percent in FY 2024 or \$10.66 for the smallest lots to \$37.98 for the largest lots. In FY 2025, the charge will increase an additional 8.5 percent ranging from \$11.56 to \$41.22 per year.

The rate increases reflect the revenue necessary to meet EBMUD's needs and are consistent with the District's 2015 Water and 2019 Wastewater Cost of Service studies that allocate costs among customer classes based on usage characteristics. State law requires basing rates and charges on the cost of service.

## LABOR AGREEMENTS

District employees are represented by American Federation of State, County and Municipal Employees (AFSCME) Local 2019, AFSCME Local 444, International Federation of Professional and Technical Engineers Local 21, and International Union of Operating Engineers Local 39. Current labor agreements will expire in April 2025, near the end of the biennial budget, which extends to June 30, 2025. The District will begin negotiations in FY 2025.

## BUDGET OVERVIEW

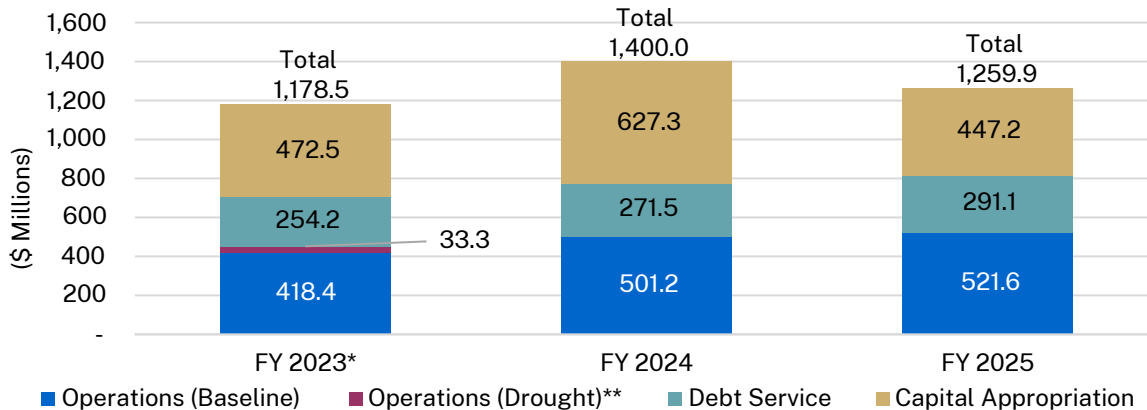
Reaching from the Sierra Nevada foothills to the San Francisco Bay, the District operates and maintains a vast network of pipelines, storage reservoirs, and treatment facilities to deliver clean, high-quality water to customers and provide wastewater service. Maintaining high-quality service requires ongoing investments in this infrastructure.

The development of this biennial budget and the five-year CIP was guided by our Strategic Plan. Our main budget priorities are to continue investments in and maintenance of aging infrastructure and provide for long-term financial stability. The budget was developed after determining the highest-priority projects based on these priorities and Board direction.

The following chart and table show the budget appropriations for FY 2024 and FY 2025 for the Water System and Wastewater System operations, debt service, and capital appropriation compared to FY 2023.

- The operations budget reflects the day-to-day costs to provide water and wastewater services, including most of the District's labor costs and other necessary expenses, such as energy, chemicals, and software.
- The debt service budget includes the interest and principal on bonds and notes issued to pay for capital investments in infrastructure, along with some other debt-related costs.
- The capital appropriation budget includes funding for capital projects such as replacing pipes, upgrading water treatment plants for the next century of service, and rehabilitating our wastewater treatment plant and major interceptors.
- In years where the Board has declared a drought emergency, there may also be an additional appropriation for drought operations. This was the case in FY 2023, but we do not expect a drought appropriation will be necessary for FY 2024 or FY 2025.

*FY 2024 & FY 2025 Appropriations Summary and Comparison to FY 2023*



\*As approved on June 14, 2022.

\*\*Only part of the budget during declared droughts.

**East Bay Municipal Utility District**  
*General Manager's Message*

***FY 2024 & FY 2025 Appropriations Summary and Comparison to FY 2023***

<b>Appropriations Summary (\$ Millions)</b>					
	<b>FY 2023</b>	<b>FY 2024</b>		<b>FY 2025</b>	
	<b>Budget<sup>1</sup></b>	<b>Budget</b>	<b>% Change</b>	<b>Budget</b>	<b>% Change</b>
<b>Water System</b>					
Operations (Baseline)	328.7	397.4	20.9%	413.2	4.0%
Operations (Drought) <sup>2</sup>	33.3	-	-100.0%	-	-
Debt Service	222.4	238.7	7.3%	256.3	7.4%
Capital Appropriation	418.4	541.6	29.5%	359.9	-33.5%
<b>Wastewater System</b>					
Operations	89.7	103.7	15.6%	108.5	4.6%
Debt Service	31.9	32.9	3.1%	34.8	5.8%
Capital Appropriation	54.1	85.7	58.3%	87.2	1.8%
<b>District-Wide</b>					
Operations (Baseline)	418.4	501.2	19.8%	521.6	4.1%
Operations (Drought) <sup>2</sup>	33.3	-	-100.0%	-	-
Debt Service	254.2	271.5	6.8%	291.1	7.2%
Capital Appropriation	472.5	627.3	32.8%	447.2	-28.7%
<b>Total District-Wide</b>	<b>1,178.5</b>	<b>1,400.0</b>	<b>18.8%</b>	<b>1,259.9</b>	<b>-10.0%</b>

<sup>1</sup>As approved on June 14, 2022.

<sup>2</sup>Only part of the budget during declared droughts.

## **Water System**

### **FY 2024**

In FY 2024, the baseline operations budget, excluding drought operations, is increasing \$68.8 million, or 20.9 percent compared to FY 2023. This significant increase is driven primarily by four major factors:

- Inflationary and supply-chain pressures on energy, chemicals and other critical operating expenses, including software needed to support the District's operations and secure critical infrastructure from cyberattacks;
- Staff increases due to notable investments in several key areas, including replacing contracted services with staff in areas of the District's core business, enhancing support services, and improve the quality and diversity of EBMUD's talent pipeline;
- Increasing labor and benefit costs due to inflation-linked wage increases in labor agreements; and,
- As happens every 12 to 13 years, in FY 2024 an additional pay period falls during the budget year, though employees will continue to receive paychecks biweekly and will not receive an additional paycheck.

Offsetting those significant increases are higher capital support services consistent with prior trends, which transfers costs to the capital budget for the portion of operations that is supporting the District's extensive capital program.

Debt service in FY 2024 is increasing by \$16.3 million, or 7.3 percent, primarily due to the planned issuance of additional debt to fund capital reinvestment. Additionally, variable-rate interest costs are expected to rise significantly compared to the FY 2023 budget due to the interest rate environment.

Capital appropriations in FY 2024 are increasing by \$123.2 million, or 29.5 percent, driven by significant growth in the District's CIP. Appropriations fund work over many years and do not reflect actual

expected expenses. This will be discussed in more detail. Major projects in the capital program include Pipeline Rebuild, major improvements to water treatment plants, and continued reinvestment in other aging infrastructure, such as reservoirs and pumping plants.

#### **FY 2025**

In FY 2025, the operations budget increases by \$15.7 million, or 4.0 percent. Labor expenses are expected to increase due to scheduled step increases, inflation-linked cost-of-living increases, and a rise in retirement and health care costs. However, in contrast to the prior fiscal year, FY 2025 has a standard 26 pay periods, which will partially offset the increase in labor expenses. Rising chemical and energy expenses are expected to continue. Additionally, software costs are expected to grow again given broader economic trends.

Debt service in FY 2025 will increase by \$17.6 million, or 7.4 percent, due to the planned issuance of additional debt to fund capital reinvestment. Capital appropriations are expected to decrease by \$181.7 million, or 33.5 percent, as existing appropriations will be sufficient to fund projects expected to be in progress during the year.

#### **Wastewater System**

##### **FY 2024**

In FY 2024, the operations budget is increasing \$14.0 million, or 15.6 percent compared to FY 2023. This significant increase is driven primarily by four major factors, which are similar to the Water System's major drivers:

- Inflationary and supply-chain pressures on energy, chemicals, and other critical operating expenses;
- Staff increases due to notable investments in deferred maintenance, laboratory services (which benefits both the Water and Wastewater systems), and greater capital assessment and planning resources;
- Increasing labor and benefit costs due to inflation-linked wage increases in labor agreements; and,
- As happens every 12 to 13 years, in FY 2024 an additional pay period falls during the budget year, though employees will continue to receive paychecks biweekly and will not receive an additional paycheck.

Offsetting those significant increases is a decrease in spoils and sludge budgets, which is adjusted down based on prior years' trends.

Debt service in FY 2024 is increasing by \$1.0 million, or 3.1 percent, primarily due to the planned issuance of additional debt to fund capital reinvestment. Favorably, all of the Wastewater System's outstanding debt is fixed-rate and the system no longer has exposure to remaining variable interest costs.

Capital appropriations in FY 2024 are increasing by \$31.6 million, or 58.3 percent, driven by significant growth in the system's CIP. Appropriations fund work over many years and do not reflect actual expected expenses. This will be discussed in further detail. Major projects in the capital program include: rehabilitation of interceptor segments, modernization and seismic retrofitting of existing buildings, and other work to address aging infrastructure.

##### **FY 2025**

In FY 2025, the operations budget increases by \$4.7 million, or 4.6 percent. Labor expenses are expected to increase due to scheduled step increases, inflation-linked cost-of-living increases, and a rise in retirement and health care costs. However, in contrast to the prior fiscal year, FY 2025 has a standard 26 pay periods, which will partially offset the increase in labor expenses. Rising chemical and energy expenses are expected to continue.



Debt service in FY 2025 will increase by \$1.9 million, or 5.8 percent, due to the planned issuance of additional debt to fund capital reinvestment. Capital appropriations are expected to increase modestly by \$1.6 million, or 1.8 percent.

## FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

This CIP reflects our ongoing commitment to rehabilitate and replace aging infrastructure. The following focuses on planned spending on capital projects which is a significant component in calculating rates.

- In FY 2024 – FY 2028, planned Water System capital spending totals \$2.5 billion, including capital support, an increase of \$455.1 million or 22.5 percent from the prior five-year total.
- The planned Wastewater System capital spending totals \$334.8 million, including capital support, an increase of \$91.5 million or 37.6 percent from the prior five-year total.

### Water System Top Projects

The table shows major Water System capital focus areas and the projected five-year spending as we continue to invest in infrastructure and maintain a high level of system reliability and water quality:

- Water Treatment remains the focal point of the five-year CIP, which includes comprehensive operational and water quality improvements at Orinda and Upper San Leandro treatment plants, disinfection modernization at Lafayette Treatment Plant, and designs for two additional locations;
- Pipelines – Distribution plans include replacement of more than 127 miles of pipeline over the next five years. The program eventually could replace up to 30 miles per year by FY 2029;
- Reservoirs – Distribution is driven by the \$69 million Mokelumne Aqueducts Recoating and Relining initiative;
- Pumping Plant replacements will occur regularly at two per year; and
- Other projects include system-wide technology modernization, improvements to the administrative building and maintenance center, and innovations to support efficient water connections for new homes and business.

#### *Water System Major Capital Focus Areas*

Expected Capital Expenses for Largest Investment Areas (\$ Millions)	
Award Purpose	Five-Year Cash Flow
Water Treatment	531.7
Pipelines - Distribution System	434.3
Reservoirs - Distribution	129.8
Pumping Plants	126.8
Process & System-Wide Improvements	121.2
New Business Infrastructure	118.1
District-Wide Building Facility Improvements	111.3

East Bay Municipal Utility District  
General Manager's Message

## Wastewater System Top Projects

The table shows the major Wastewater System capital projects and the projected five-year spending as we continue to make improvements to the Main Wastewater Treatment Plant (MWWTP) to maintain our strong record of regulatory compliance and protection of the San Francisco Bay:

- Rehabilitation of five interceptor segments;
- Modernization of the Influent Pump Station, Oxygen Production Plant, and Secondary Reactors and Clarifiers;
- Embark on a significant nutrient removal project, and engage with new regulatory requirements being simultaneously developed; and
- Other initiatives include the inception of a new Dewatering Building and the seismic retrofit of two buildings on the MWWTP property.

### Wastewater System Major Capital Focus Areas

Expected Capital Expenses for Largest Investment Areas (\$ Millions)	
Award Purpose	Five-Year Cash Flow
Main Wastewater Treatment Plant	207.0
Wastewater Remote Facilities	63.8
Wastewater System-Wide Improvements	45.4

## Using The Budget Document

The biennial budget document is comprised of two volumes. This volume contains all of the key budget information for both the Water and Wastewater Systems, including a District overview, detailed operating and capital budgets, and five-year financial forecasts. The attachment provides bill impacts for a wide range of use levels. The supplemental volume provides summaries of the projects in the CIP.

Since 1996, the District's budget documents have consistently received the Government Finance Officers Association's (GFOA) coveted Distinguished Budget Presentation Award. In addition, for the sixth time, the California Society of Municipal Finance Officers has conferred its Operating Budget Excellence Award for the District's biennial budget documents.



## Conclusion

Our history demonstrates the reliability of our water and wastewater services and our commitment to the communities we serve. Our experiences and the people who built our systems are woven into the fabric that makes the East Bay what it is today.

We have served the East Bay for 100 years and have overcome many challenges. Our employees in partnership with the community have always ensured we have high-quality, reliable water and protect the environment. Over the next century, we will confront new challenges. We will invest in our infrastructure and adapt to the impacts of climate change. We will work to ensure our water systems can deal with emerging contaminants. And we will work to reduce infiltration of stormwater and limit nutrient loads to better protect public health and the San Francisco Bay. And through it all, EBMUD will be there.

The FY 2024 and FY 2025 biennial budget funds critical infrastructure work and sets us on the right course for the next century. With the ongoing support of the Board, staff, and the community, I am confident that we will meet our challenges and ensure our operations remain sustainable and resilient.

This budget serves as a policy document and a financial plan for the next two fiscal years. I want to thank the staff whose collaborative efforts resulted in a budget that is based on fair and reasonable rates as we continue to provide and invest in reliable, high-quality water and wastewater services.

Respectfully submitted,



Clifford C. Chan  
General Manager

CCC:SDS  
Attachment

## ATTACHMENT TO THE GENERAL MANAGER'S MESSAGE

### Rate Impacts by Use Level and Customer Class

This attachment shows the bill impacts of the FY 2024 and FY 2025 water and wastewater rates and charges for a range of customer classes and use levels. Water use is measured in CCF (centum cubic feet) where 1 CCF equals 748 gallons.

#### WATER CHARGES: MONTHLY BILL IMPACTS

The following table shows the monthly bill impact of the adopted rate increases on a cross-section of single family residential customers, ranging from 4 CCF (25<sup>th</sup> percentile) to 24 CCF (95<sup>th</sup> percentile), and for the median customer using 6 CCF and the average customer using 8 CCF. The table shows the monthly bill impact although single-family residential (SFR) customers receive bills covering a two-month period.

#### Water Charges for Single-Family Residential Bills

Single-Family Residential Water Charges on Water Bill								
	Use*	FY 2023 Bill	FY 2024 Bill	\$ Change	% Change	FY 2025 Bill	\$ Change	% Change
25 <sup>th</sup> Percentile	4	\$ 48.54	\$ 52.66	\$ 4.12	8.5%	\$ 57.12	\$ 4.46	8.5%
50 <sup>th</sup> Percentile (median use)	6	\$ 57.74	\$ 62.64	\$ 4.90	8.5%	\$ 67.94	\$ 5.30	8.5%
75 <sup>th</sup> Percentile	10	\$ 81.30	\$ 88.21	\$ 6.91	8.5%	\$ 95.67	\$ 7.46	8.5%
95 <sup>th</sup> Percentile	24	\$ 186.02	\$ 201.85	\$ 15.83	8.5%	\$ 218.95	\$ 17.10	8.5%
Average Single Family Residential Use**	8	\$ 68.66	\$ 74.49	\$ 5.83	8.5%	\$ 80.79	\$ 6.30	8.5%

\*Use presented in CCF per month. One CCF is about 748 gallons.

\*\*8 CCF/month represents recent average single-family residential use.

The following table shows the monthly bill impact of the adopted rate increases for two multi-family residential (MFR) buildings: one with 4 units using 25 CCF per month, and one with 5+ units using 50 CCF per month. Impacts are also shown for a sample commercial customer using 50 CCF per month and an industrial customer using 500 CCF per month.

#### Water Charges for Multi-Family Residential (MFR) Bills

Multi-Family Residential (MFR) and Non-Residential Water Charges on Water Bill									
	Meter Size	Use*	FY 2023 Bill	FY 2024 Bill	\$ Change	% Change	FY 2025 Bill	\$ Change	% Change
MFR 4 units	1"	25	\$ 208.03	\$ 225.65	\$ 17.62	8.5%	\$ 244.85	\$ 19.20	8.5%
MFR 5+ units	1"	50	\$ 370.53	\$ 401.90	\$ 31.37	8.5%	\$ 436.10	\$ 34.20	8.5%
Commercial	1"	50	\$ 369.03	\$ 400.40	\$ 31.37	8.5%	\$ 434.60	\$ 34.20	8.5%
Industrial	2"	500	\$ 3,365.17	\$ 3,651.23	\$ 286.06	8.5%	\$ 3,963.23	\$ 312.00	8.5%

\*Use presented in CCF per month. One CCF is about 748 gallons.

**East Bay Municipal Utility District**  
*General Manager's Message*

**WASTEWATER TREATMENT CHARGES: MONTHLY BILL IMPACTS**

Wastewater customer charges appear in two separate places, on the water bill and the property tax bill. The tables below address each of these bills.

Wastewater charges are based on the volume of water used but are capped at a maximum of 9 CCF per month per single family residential customer as only indoor water use is discharged into the sewer system. The following table shows bill impacts for both an average single family residential customer using 6 CCF per month and a customer discharging the maximum of 9 CCF. In addition, impacts are shown for two multi-family residential customers: one with 4 units using 25 CCF per month, and one with 5+ units using 50 CCF per month. Impacts are also shown for a sample commercial customer using 50 CCF per month and an industrial customer using 500 CCF per month.

*Wastewater Charges on the Water Bill, including Multi-Family Residential (MFR)*

Wastewater Charges on Water Bill									
	Meter Size	Use*	FY 2023 Bill	FY 2024 Bill	\$ Change	% Change	FY 2025 Bill	\$ Change	% Change
Average Single-Family Residential	5/8"	6	\$ 24.89	\$ 26.98	\$ 2.09	8.4%	\$ 29.24	\$ 2.26	8.4%
Maximum Single-Family Residential	5/8"	9	\$ 29.18	\$ 31.63	\$ 2.45	8.4%	\$ 34.28	\$ 2.65	8.4%
MFR 4 units	1"	25	\$ 77.32	\$ 83.79	\$ 6.47	8.4%	\$ 90.77	\$ 6.98	8.3%
MFR 5+ units	1"	50	\$ 168.39	\$ 182.56	\$ 14.17	8.4%	\$ 197.79	\$ 15.23	8.3%
Commercial	1"	50	\$ 172.87	\$ 187.04	\$ 14.17	8.2%	\$ 202.27	\$ 15.23	8.1%
Industrial	2"	500	\$ 10,158.37	\$ 11,004.04	\$ 845.67	8.3%	\$ 11,924.77	\$ 920.73	8.4%

\*Use presented in CCF per month. One CCF is about 748 gallons.

**WASTEWATER WET WEATHER FACILITIES CHARGE: ANNUAL PROPERTY TAX BILL IMPACTS**

The following table shows the annual Wet Weather Facilities Charges that are based on lot size and appear on the property tax bill for all parcels that have connections to local wastewater collection systems within the District's wastewater service area. Wet Weather Facilities include large storage systems and wastewater system infrastructure designed to prevent heavy storms from causing raw sewage overflows into San Francisco Bay.

*Wastewater Wet Weather Facilities Charge on Property Tax Bill*

Wastewater Wet Weather Facilities Charge on Property Tax Bill							
	FY 2023 Charge	FY 2024 Charge	\$ Change	% Change	FY 2025 Charge	\$ Change	% Change
Small Lot 5,000 sq. ft. or less	\$ 125.16	\$ 135.82	\$ 10.66	8.5%	\$ 147.38	\$ 11.56	8.5%
Medium Lot 5,001 - 10,000 sq.ft.	\$ 195.50	\$ 212.12	\$ 16.62	8.5%	\$ 230.16	\$ 18.04	8.5%
Large Lot 10,000 sq. ft. or larger	\$ 446.80	\$ 484.78	\$ 37.98	8.5%	\$ 526.00	\$ 41.22	8.5%

# Chapter 1: Introduction

## District Overview

### ABOUT THE DISTRICT

In 1923, the East Bay Municipal Utility District (EBMUD or the District) was created by voters to supply water to parts of Alameda and Contra Costa counties in California. In 1929, upon completion of Pardee Dam, the highest concrete arch dam in the world at the time, the first water deliveries were made from the Sierra Mountains to the East Bay to serve a population of 460,000.



Water service is now provided to 1.4 million customers in a 332-square mile area, extending from Crockett in the north to San Lorenzo in the south, and eastward from San Francisco Bay to Walnut Creek and the San Ramon Valley.

Ninety percent of the water supply comes from rain and snowmelt within the protected watershed of the Mokelumne River and captured in Pardee and Camanche Reservoirs located on the western slope of the Sierra Nevada. The water is transported more than 90 miles west via three aqueducts to East Bay water treatment plants or terminal reservoirs, and from there to 175 local reservoirs and 4,200 miles of distribution pipeline. In 2002, to protect customers from the effects of a severe drought, the District created the Freeport Regional Water Project to convey up to 100 million gallons per day of supplemental Sacramento River water.

In 1944, voters in six of the East Bay cities served by the District elected to create a wastewater treatment facility to treat factory waste and raw sewage that was being released into San Francisco Bay. In 1951, the wastewater treatment began at a plant constructed in Oakland near the San Francisco-Oakland Bay Bridge. Wastewater service is now provided to 740,000 customers in an 88-square mile area along the east shore of the bay extending from Richmond in the north to Oakland in the south. In addition to treating wastewater, laboratory services operate 365 days a year to continually monitor the quality of our drinking water and the treated water from the wastewater plant that is discharged to San Francisco Bay.

The District has a seven-member Board of Directors elected from wards within the service area. The Water and Wastewater Systems are legally distinct entities governed by the same Board that is committed to governing through a public process, guided by the District's Mission Statement.

The mission of the District is:

*"To manage the natural resources with which the District is entrusted; to provide reliable, high quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations."*

Board policies are implemented under the direction of the General Manager who, along with the General Counsel, is appointed by the Board. The Senior Management Team, comprised of department managers and directors, is responsible for managing operations. The District employs nearly 2,000 people in service to its mission.



## KEY MILESTONES

1875	East Bay population of 15,000 served by several private water companies, but there is a lack of water storage. San Leandro Reservoir completed, later renamed after Anthony Chabot.
1910	Population swells to 150,000 after exodus from San Francisco due to the 1906 earthquake.
1919	San Pablo Reservoir completed by the East Bay Water Company.
1923	EBMUD is organized and then acquires water rights to the Mokelumne River.
1926	Upper San Leandro Reservoir completed by the East Bay Water Company.
1928	Lafayette Reservoir completed.
1929	Pardee Dam, highest in the world at the time, and the Mokelumne aqueduct completed.
1930	Population of 460,000 served at 35 million gallons per day (MGD).
1949	Second Mokelumne Aqueduct completed.
1951	Wastewater treatment system placed in operation to protect San Francisco Bay.
1963	Third Mokelumne Aqueduct completed.
1964	Camanche and Briones reservoir dams completed.
1970	Population of 1.1 million served at 220 MGD.
1974	EBMUD customers vote to add fluoride to water.
1985	Wastewater plant begins producing renewable energy.
1990	Population of 1.2 million served at 192 MGD.
1995	North Richmond Water Reclamation Plant begins producing recycled water.
1999	Wet Weather facilities completed to minimize storm induced sewer overflows to bay.
2000	Population of 1.3 million served at 216 MGD.
2002	Freeport Regional Water Authority established to allow access to new water supplies.
2010	Population of 1.3 million served at 174 MGD following the 2007-2010 drought.
2011	National law passed to limit lead in drinking-water plumbing based on EBMUD-sponsored California law.
2015	Population of 1.4 million served at 148.5 MGD.
2018	The Mokelumne River designated as California's 12th Wild and Scenic River.
2023	EBMUD Centennial

For a complete history of the East Bay Municipal Utility District, please visit the history page at [www.ebmud.com/about-us/who-we-are/mission-and-history/](http://www.ebmud.com/about-us/who-we-are/mission-and-history/).

## Community

### SERVICE AREA

Since 1929, when the District first delivered water from the Sierra Mountains to the East Bay, the population served has grown by almost a million people. Today the District's service area includes many of the Bay Area's largest employers. The District's vitality is inseparable from the \$577 billion Bay Area regional economy, based on gross domestic product (GDP), which is essential to the economic health of California and the nation. The District's infrastructure is extensive, with a replacement cost conservatively estimated at more than \$15 billion.

The District's water service area covers 332 square miles and includes 20 cities and 15 unincorporated communities located in Alameda and Contra Costa counties on the east side of San Francisco Bay (the "East Bay"). The wastewater service area covers an 88 square mile area along the east shore of the bay extending from Richmond in the north to Oakland in the south. The map below shows the District's water and wastewater service areas.

*District Service Area Map*





## POPULATION

Approximately 1.4 million people are served by the Water System, 740,000 of whom are also served by the Wastewater System. Oakland, the largest city in Alameda County, is the eighth largest in the state. The following table includes population data for the largest cities in the service area.

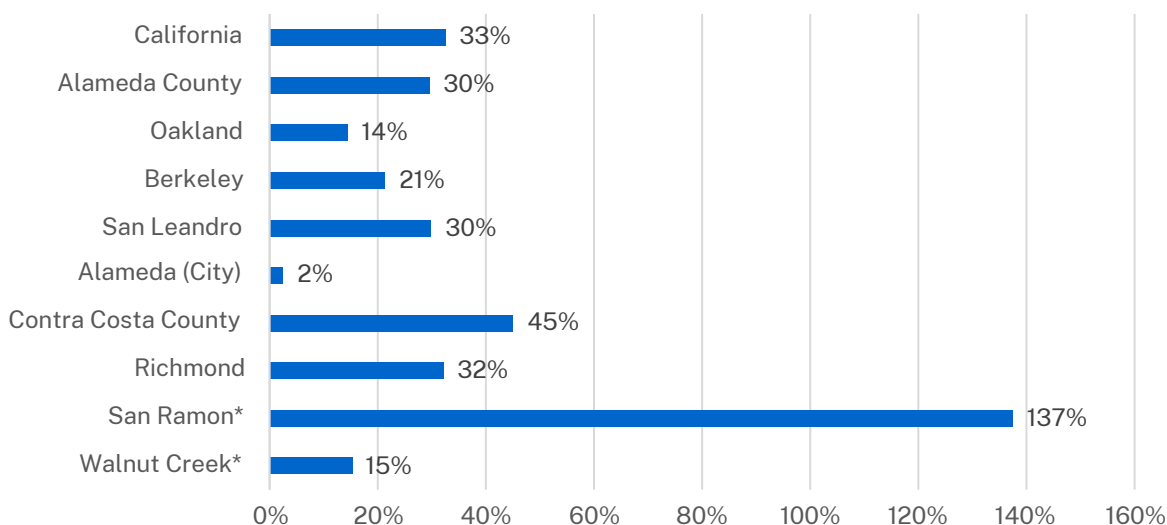
*Population Statistics for Counties and Major Cities in the District's Service Area*

Population Trends for Counties & Seven Largest Cities					
	1990	2000	2010	2020	2022
<b>California</b>	29,558,000	33,872,000	37,223,900	39,782,870	39,185,605
<b>Alameda County</b>	1,274,700	1,443,700	1,509,240	1,670,834	1,651,979
Oakland	371,100	399,500	390,757	433,697	424,464
Berkeley	102,700	102,700	112,621	122,580	124,563
San Leandro	68,100	79,500	84,977	87,930	88,404
Alameda (City)	75,900	72,300	73,835	81,312	77,784
<b>Contra Costa County</b>	797,600	948,800	1,047,948	1,153,561	1,156,555
Richmond	86,600	99,200	103,661	111,217	114,489
San Ramon*	35,300	44,800	72,148	83,118	83,820
Walnut Creek*	60,600	64,300	64,140	70,860	69,891

Source: California Department of Finance, Population Estimates for California Cities.

\*EBMUD does not serve all of San Ramon or Walnut Creek, but total population is shown for each.

*Population Growth Trends from 1990 to 2022*



Source: California Department of Finance, Population Estimates for California Cities.

\*EBMUD does not serve all of San Ramon or Walnut Creek, but total population is shown for each.

## Water and Wastewater Systems

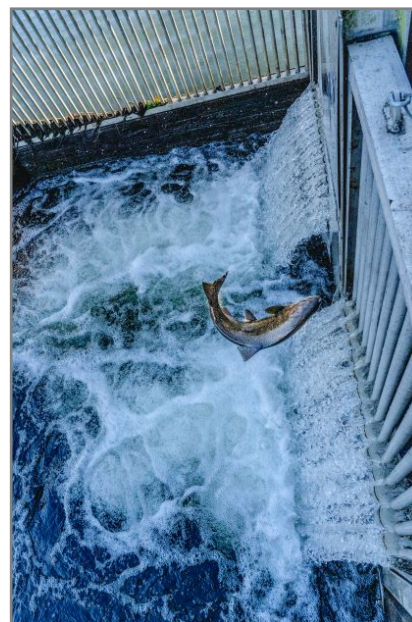
### WATER SUPPLY

Ensuring a high-quality water supply for today and the future is one of the District's highest priorities. Significant capital investments have been made to ensure a reliable water supply, such as securing supplemental water sources and expanding recycled water programs.

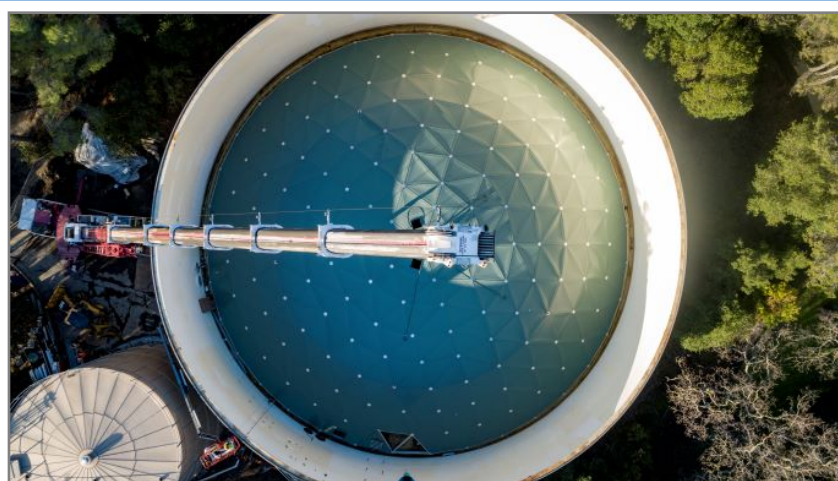
One of the most important factors in water quality is the source. Ninety percent of the District's water comes from the 578-square mile watershed of the Mokelumne River located on the western slope of the Sierra Nevada. This area is mostly national forest, District-owned lands, and other undeveloped lands minimally affected by human activity. The watershed collects snowmelt, a high-quality water source, which flows into Pardee Reservoir near the town of Valley Springs.

Three large aqueducts carry this water more than 90 miles from Pardee Reservoir to the East Bay and protect it from pesticides, agricultural and urban runoff, and industrial discharges. When water demand is high or during times of operational need, the District also draws water from protected local watersheds.

Before water reaches homes and businesses, the District takes many steps to ensure its quality. This includes carefully managing watershed lands and storage reservoirs; treating the water; maintaining water quality through a complex system of distribution pipes, pumping plants and neighborhood reservoirs; testing water samples in our laboratory and in the field; and addressing customer concerns. These efforts ensure that all customers receive high-quality drinking water that meets or surpasses all state and federal requirements.



*Chinook Salmon Returns Home to the Mokelumne River*



*Infrastructure Investments, Including Larkey Reservoir, Ensure Water Quality*



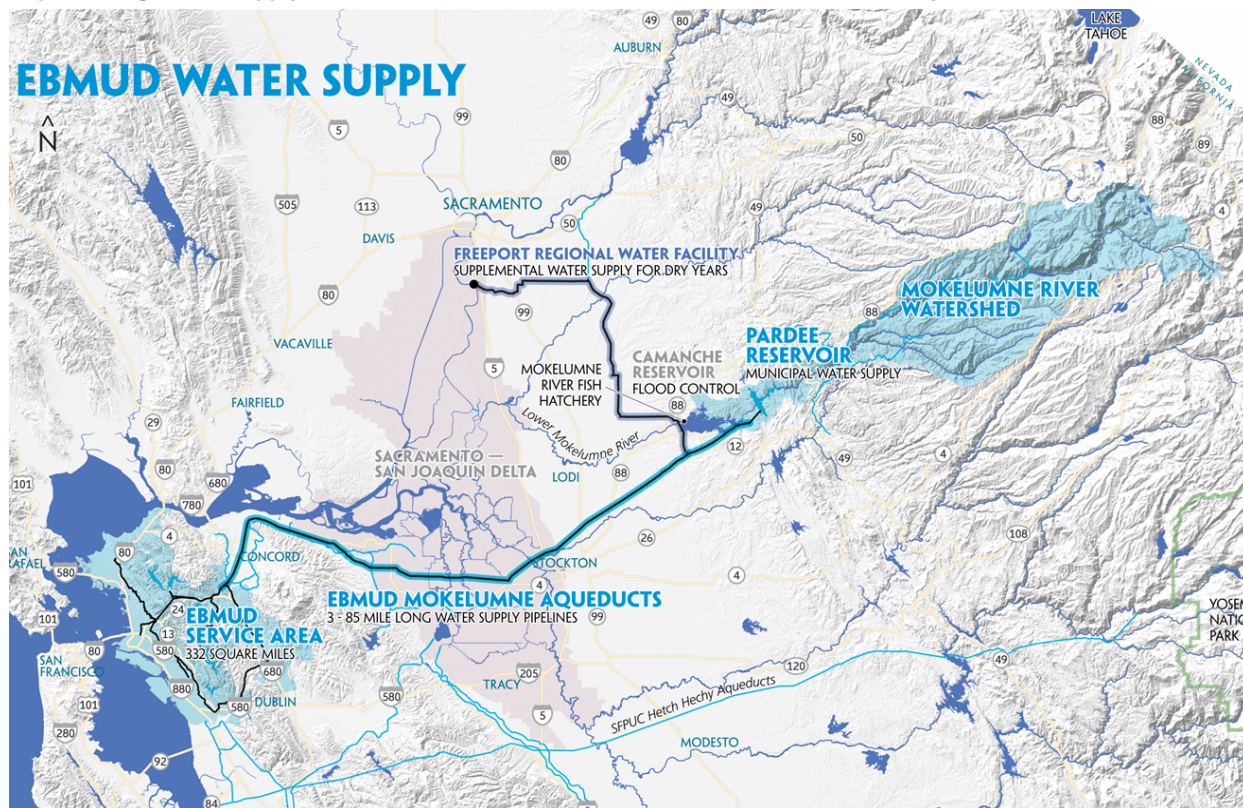
Every five years, the District updates its Urban Water Management Plan to ensure a reliable water supply for the next generation. Plan elements include making the best use of limited supplies through water conservation and recycling and developing long-term projects to augment the water supply, including water transfers from other water rights owners and regional projects with other agencies. The Plan was adopted by the Board on June 22, 2021. For more information, visit <https://www.ebmud.com/water/about-your-water/water-supply/urban-water-management-plan>.



*Freeport Water Project – Sacramento, CA*

The map below shows how the water travels from the Mokelumne River Watershed into Pardee Reservoir, across the Central Valley in the Mokelumne Aqueducts, and to the District's service area.

*Map Showing Water Supply from Mokelumne River Watershed to the San Francisco Bay*



## WASTEWATER TREATMENT

The District's wastewater treatment plant provides service for 740,000 people along the eastern shore of the San Francisco Bay, and treated approximately 51 million gallons of municipal wastewater per day in Fiscal Year 2022. Wastewater is collected from homes and businesses through privately owned sewer laterals that feed into a network of city and other regional sewers, which eventually join the District's sewer interceptors and pump stations. These facilities carry the wastewater to the treatment plant located in Oakland. Stormwater is collected through separate community-owned systems. The plant treats sewage to meet stringent state and federal standards before recycling it or releasing cleaned water to the Bay. Prior to its construction, raw sewage was discharged directly into the Bay. As a partner in the stewardship of the Bay, the District works with residents and businesses to help them keep contaminants out of the sewer system.

The District has been recycling and producing renewable energy at its wastewater plant since the mid-1980s. The District's plant transforms sewage and other organic wastes into green energy, nutrient-rich soil conditioner, and recycled water. The District produces sufficient renewable energy to meet its onsite power demands. Any excess energy is currently sold to the neighboring Port of Oakland.



*Wastewater Treatment Plant – Oakland, CA*



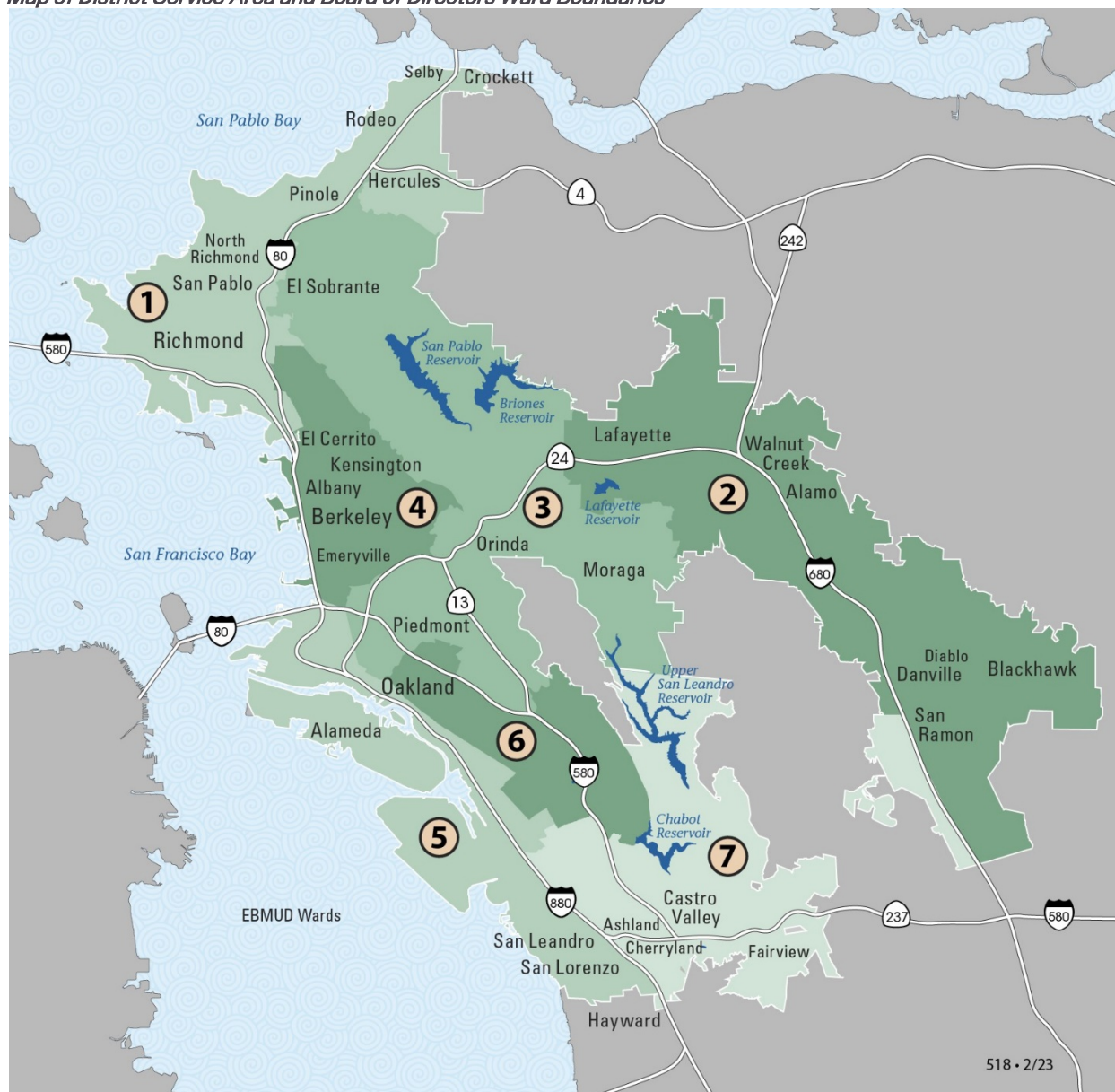
## District Organization

### BOARD OF DIRECTORS

The District has a seven-member elected Board of Directors who determines overall policies, which are then implemented under the direction of the General Manager. The Board of Directors believes that the District has a public responsibility to preserve the region's resources and set industry standards for water and wastewater utilities.

Directors are publicly elected to four-year terms from seven wards within the service area. The following map shows the areas included in each ward.

*Map of District Service Area and Board of Directors Ward Boundaries*



The Board of Directors is shown below. Additional information can be found at: [www.ebmud.com/about-us/board-directors/your-board-members/](http://www.ebmud.com/about-us/board-directors/your-board-members/).

<b>Ward 1</b>	<b>Lesa R. McIntosh, Vice President</b>	<b>Term expires 12/31/2024</b>
	CONTRA COSTA COUNTY: Cities of Crockett, Hercules, Rodeo, and San Pablo; portions of Richmond and Pinole; and communities of North Richmond and Selby.	
<b>Ward 2</b>	<b>John A. Coleman</b>	<b>Term expires 12/31/2026</b>
	CONTRA COSTA COUNTY: Cities of Alamo, Lafayette, Walnut Creek, Town of Danville; portions of San Ramon and Pleasant Hill and communities of Blackhawk and Diablo.	
<b>Ward 3</b>	<b>Marguerite Young</b>	<b>Term expires 12/31/2026</b>
	ALAMEDA COUNTY: City of Piedmont, and a substantial portion of Oakland. CONTRA COSTA COUNTY: Cities of Orinda and El Sobrante; Town of Moraga, and portions of Pinole and Richmond.	
<b>Ward 4</b>	<b>Andy Katz, President</b>	<b>Term expires 12/31/2026</b>
	ALAMEDA COUNTY: Cities of Albany, Berkeley, and Emeryville; and a portion of Oakland. CONTRA COSTA COUNTY: Cities of El Cerrito and Kensington.	
<b>Ward 5</b>	<b>Douglas A. Linney</b>	<b>Term expires 12/31/2024</b>
	ALAMEDA COUNTY: Cities of Alameda and San Lorenzo; West Oakland and Oakland Airport Area, and a portion of San Leandro.	
<b>Ward 6</b>	<b>William B. Patterson</b>	<b>Term expires 12/31/2024</b>
	ALAMEDA COUNTY: Portions of Oakland (East Oakland and south of Park Boulevard/5 <sup>th</sup> Avenue) to the San Leandro City boundary.	
<b>Ward 7</b>	<b>April B. Chan</b>	<b>Term expires 12/31/2026</b>
	ALAMEDA COUNTY: Castro Valley; portions of San Leandro and Hayward; communities of Cherryland and Fairview. CONTRA COSTA COUNTY: Portion of San Ramon.	

Board meetings are open to the public and are held twice monthly on the second and fourth Tuesday and at other times as needed. The Board is committed to governing through a public process, guided by the District's Mission Statement.

## SENIOR MANAGEMENT

The General Manager and General Counsel are appointed by and report directly to the Board of Directors.

Clifford C. Chan	General Manager
Derek T. McDonald	General Counsel

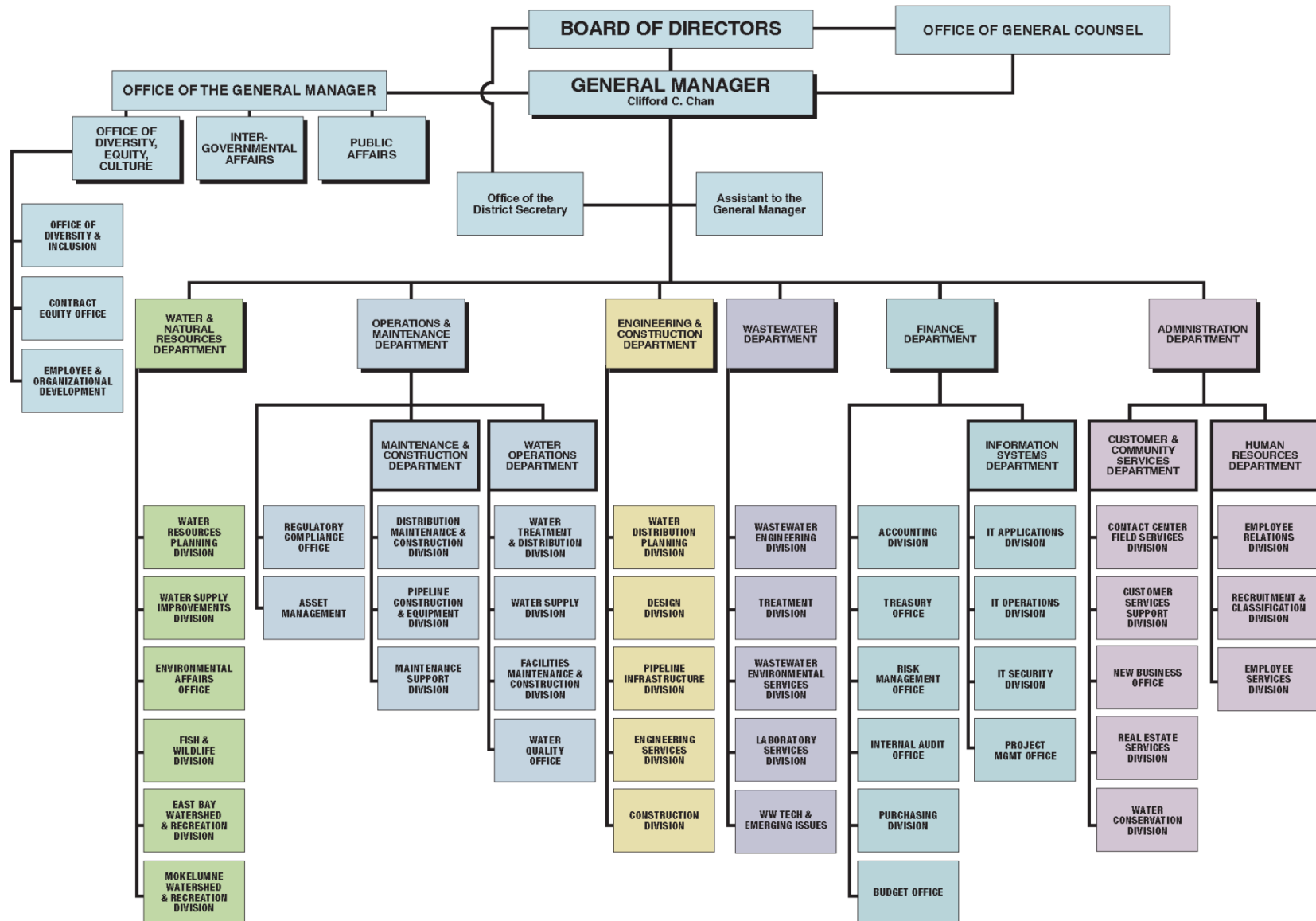
The Senior Management Team members are listed below.

Michael R. Ambrose	Manager of Maintenance and Construction/Water Operations
David A. Briggs	Director of Operations and Maintenance
Cindy R. Charan	Director of Human Resources
Rischa S. Cole	Secretary of the District
Janetta M. Johnson	Assistant to the General Manager
Andrew L. Lee	Director of Customer and Community Services
Orlando W. Leon	Chief Information Officer
Derry L. Moten	Special Assistant to the GM – Diversity, Equity, and Culture
Amit K. Mutsuddy	Director of Wastewater
Sophia D. Skoda	Director of Finance
Michael T. Tognolini	Director of Water and Natural Resources
Kathryn C. Viatella	Special Assistant to the GM – Legislative Affairs
Olujimi O. Yoloye	Director of Engineering and Construction
Kelly A. Zito	Special Assistant to the GM – Communications
Vacant	Manager of Maintenance and Construction/Water Operations

The chart on the following page provides an overview of the organization and shows the different departments and divisions within the District. It can also be found at [www.ebmud.com/about-us/board-directors/management/](http://www.ebmud.com/about-us/board-directors/management/).



## ORGANIZATION CHART





## WORKFORCE

The District has nearly 2,000 employees. Most are represented by the American Federation of State, County and Municipal Employees, Locals 444 and 2019; the International Federation of Professional and Technical Engineers, Local 21; and the International Union of Operating Engineers, Local 39. The majority of employees work in the East Bay, but some also work in the Central Valley and Mokelumne watershed area.

The District is an equal employment opportunity (EEO) employer, and a proud leader in taking proactive steps that support a diverse, inclusive workforce. The District strives to achieve a diverse workforce composition reflective of the labor market in regard to gender and race/ethnicity, and to develop action-oriented programs to improve recruitment efforts and increase diversity. We are committed to providing a professional environment which is free from EEO discrimination, harassment, and/or retaliation. We take affirmative action to employ and advance in employment of qualified women, minorities, protected veterans, and individuals with disabilities.

Started in FY 2022, the Office of Diversity, Equity, and Culture (ODEC), reporting to the General Manager, includes District functions related to diversity and development. This office led the effort to create a Diversity, Equity, and Inclusion Strategic Plan, along with a Two-Year Action Plan. These plans, with measurable goals, will support the District in meeting its goals to be an agency that reflects and meets the needs of its community and its staff.



*Administration Building – Oakland, CA*

## Strategic Plan

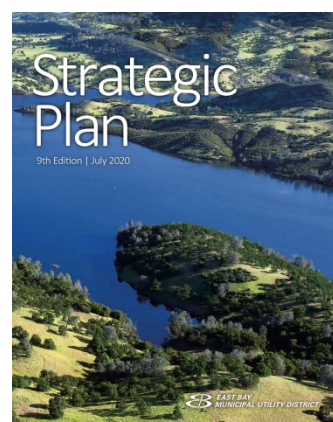
### SUMMARY

The District's Strategic Plan incorporates its mission and principles, and identifies its goals, strategies, objectives, and key performance indicators. The plan guides staff in the management and allocation of resources and assets. The Strategic Plan also guides the development of the biennial budget and the five-year Capital Improvement Program (CIP) to ensure that necessary resources are provided to implement the plan's strategies and objectives.

The current Strategic Plan was adopted by the Board of Directors in June 2020. It is the framework for how the District will respond to and prioritize challenges and evolving priorities. The plan incorporates the principles of fiscal responsibility, sustainability, and effective use of resources that minimize the District's environmental footprint.

The Strategic Plan includes the following elements:

- **Goals** define in broad terms the high-level achievements the District will pursue;
- **Strategies** define which actions are necessary to achieve each goal;
- **Objectives** reflect what needs to be accomplished in the near term; and
- **Key Performance Indicators (KPIs)** measure how well the District is doing in achieving its goals.



### STRATEGIC PLAN GOALS

The District has established the following set of goals integrating sustainability principles:

- **Long-Term Water Supply:** We ensure a reliable high-quality water supply for the future.
- **Water Quality and Environmental Protection:** We meet or surpass environmental and public health standards and protect public trust values.
- **Long-Term Infrastructure Investment:** We maintain and improve the District's infrastructure in a cost-effective manner to ensure sustainable delivery of reliable, high-quality service now and in the future, addressing economic, environmental, and social concerns.
- **Long-Term Financial Stability:** We manage the District's finances to meet funding needs and maintain fair and reasonable water and wastewater rates.
- **Customer and Community Services:** We build stakeholder trust and long-term relationships through service excellence, proactive communication and education.
- **Workforce Planning and Development:** We create an environment that attracts, retains, and engages a high performing diverse and inclusive workforce in support of the District's mission and core values.

## IMPLEMENTING THE PLAN

The purpose of the strategic planning process is to define the actions that need to be taken in the next three to five years to achieve the District's mission now and into the future. The process is designed to assess the environment in which we operate and respond to both near and long-term challenges. The General Manager and the Senior Management Team lead the implementation of the Strategic Plan.

The Strategic Plan is adopted by the Board of Directors. Upon adoption, development of specific actions to implement the Strategic Plan begins. The Strategic Plan provides staff with an overall high-level direction to achieve future success; it does not describe the specific actions to be taken. By developing actions that are linked to the Strategic Plan we can ensure that we focus our resources on the highest priorities that will best serve our customers.

### Strategic Plan Process



Individual employee performance plans are prepared annually to establish and communicate responsibilities and performance expectations to achieve the priorities contained in the plan.

The Strategic Plan is comprised of two documents. One contains our goals, strategies, and objectives to define the actions to take to ensure both long-term achievements and near-term accomplishments, and the other includes a comprehensive set of KPIs that reflect the various strategies and objectives contained within the six Strategic Plan goals.

The KPI results are measured annually against established targets to evaluate progress towards meeting our goals and are presented to the Board's Finance Committee.

Strategic Plan goals, strategies, objectives, and KPIs are available in the Appendix and online at [www.ebmud.com/about-us/who-we-are/](http://www.ebmud.com/about-us/who-we-are/).

The following page has the one-page summary of the Strategic Plan goals and strategies.

# Strategic Plan | Goals and Strategies

## Long-Term Water Supply

**Goal:** We ensure a reliable high quality water supply for the future.

- Strategy 1** Preserve current water rights and entitlements and augment the District's successful water supply projects by obtaining supplemental supplies to meet customer demands.
- Strategy 2** Reduce potable water demand through water efficiency and conservation and build on past water savings success to help ensure a reliable water supply.
- Strategy 3** Reduce potable water demand through water recycling and build on past success to achieve a diversified and reliable water supply.
- Strategy 4** Consider the impacts of climate change and take appropriate action to understand and balance mitigation and adaptation responses to those impacts through sustainable activities.

## Water Quality and Environmental Protection

**Goal:** We meet or surpass environmental and public health standards and protect public trust values.

- Strategy 1** Manage the Mokelumne and East Bay watersheds to ensure a high quality water supply and protect natural resources while providing appropriate public access.
- Strategy 2** Operate and maintain District facilities to surpass federal and state drinking water regulations.
- Strategy 3** Operate and maintain District facilities to anticipate and meet all water discharge, air emission, and land disposal requirements to protect and enhance the environment.
- Strategy 4** Minimize impacts to the environment by reducing, recycling, reusing and reclaiming waste, and by conserving natural resources.
- Strategy 5** Ensure protection and stewardship of San Francisco Bay.
- Strategy 6** Operate Pardee and Camanche Reservoirs and facilities as an integrated system to achieve multiple objectives including municipal water supply, stream flow regulation, environmental protection, flood control, hydropower, and releases for downstream requirements.

## Long-Term Infrastructure Investment

**Goal:** We maintain and improve the District's infrastructure in a cost-effective manner to ensure sustainable delivery of reliable, high quality service now and in the future, addressing economic, environmental, and social concerns.

- Strategy 1** Maintain coordinated master plans for all facilities and assets.
- Strategy 2** Meet operational needs and reliability goals by effectively maintaining the infrastructure.
- Strategy 3** Implement the master plans and set priorities in the operating and capital budget process to reflect the needs identified in those plans.

## Long-Term Financial Stability

**Goal:** We manage the District's finances to meet funding needs and maintain fair and reasonable water and wastewater rates.

- Strategy 1** Maintain a long-range financing plan that sets forth the long-term funding needs of the District.
- Strategy 2** Implement water and wastewater rates and charges that are legal, fair, reasonable, and equitable.
- Strategy 3** Ensure integrity, accountability and transparency in financial management.
- Strategy 4** Implement technologies that improve the efficiency and effectiveness of business processes.

## Customer and Community Services

**Goal:** We build stakeholder trust and long-term relationships through service excellence, proactive communication and education.

- Strategy 1** Build public awareness of the District's priorities, initiatives, systems and services.
- Strategy 2** Continue to build trust by providing quality service, timely information, and resolution of customer and community inquiries.
- Strategy 3** Build long-term partnerships in the community, regionally and nationally, in areas of shared interest and in support of the District's mission.
- Strategy 4** Maintain active Emergency Preparedness and business continuity Programs to plan for, minimize interruptions, and manage the District's essential functions during an emergency and allow for an efficient and effective recovery.

## Workforce Planning and Development

**Goal:** We create an environment that attracts, retains and engages a high performing diverse and inclusive workforce in support of the District's mission and core values.

- Strategy 1** Coordinate workforce planning activities to determine future needs, identify gaps and implement actions to close the gaps.
- Strategy 2** Continue to develop employees to meet evolving workforce demands and implement actions to close gaps.
- Strategy 3** Support District values, recognize employee contributions, and establish clear performance measures to achieve a high performance culture.
- Strategy 4** Enhance the District's ability to recruit a highly qualified, diverse staff that exhibits the District's values.

**For the complete Strategic Plan, go to**  
[www.ebmud.com/about-us/who-we-are](http://www.ebmud.com/about-us/who-we-are)

**EBMUD Fun Fact:**

EBMUD infrastructure provides 9 million gallons of recycled water each day. That's the equivalent of 250,000 baths filled every single day.

## Chapter 2: Finance & Budget Overview

This chapter describes the District's financial structure and organization, and budget development process, and responsibilities. It provides the parameters under which the budget is created.

### Financial Organization

#### FUND STRUCTURE AND DESCRIPTIONS

The District's financial structure is composed of proprietary funds (ongoing business operations) and fiduciary funds (see glossary for definitions of terms). The proprietary funds include two legally distinct and financially independent enterprise funds: Water System and Wastewater System. The two separate funds preserve the unique expenditure and revenue distinction between the two entities. When services are provided by one system for the benefit of the other, the appropriate fund is billed and cash transfers are made.

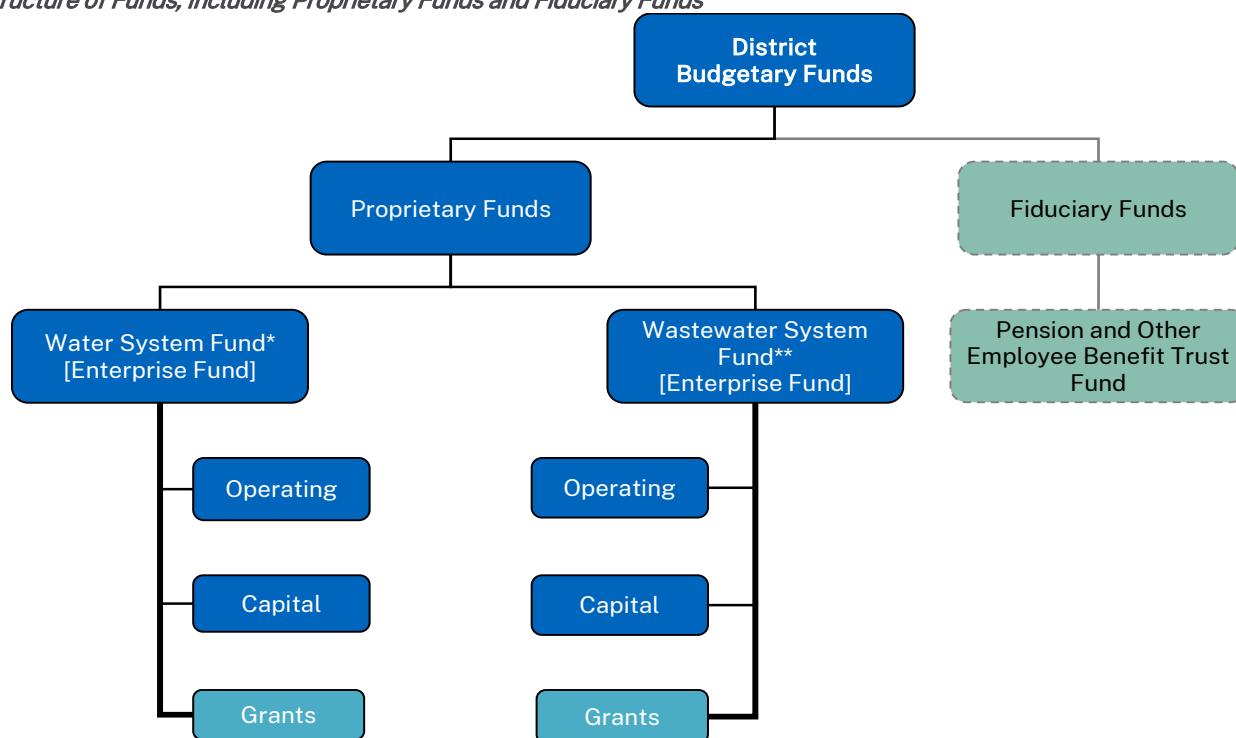
- The Water System is engaged in the collection, transmission, and distribution of water to communities within Alameda and Contra Costa Counties of California. In addition, the Water System provides support services to the Wastewater System and the cost of these services are charged to the Wastewater System. The Water System consists of 14 staffed departments.
- The Wastewater System is engaged in the treatment of wastewater from residences and industries in the California communities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District. The Wastewater System consists of one staffed department.

Both systems are proprietary and enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the expense of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Water System performs many support functions for the Wastewater System. These functions include but are not limited to financial services such as accounting, human resources services such as recruitment, information technology, customer services, legal services, and general oversight and governance. The Wastewater System reimburses the Water System directly for these services through a joint administrative and general annual expense.

Both systems are governed by the same elected Board of Directors and share policies and procedures. Throughout this document, the 'District' refers to the East Bay Municipal Utility District and is understood to encompass both the Water and Wastewater Systems.



*Structure of Funds, Including Proprietary Funds and Fiduciary Funds***\*Staffed Departments**

Administration  
 Customer & Community Services  
 Engineering & Construction  
 Finance  
 Human Resources  
 Information Systems  
 Maintenance & Construction  
 Natural Resources  
 Office of the General Counsel  
 Office of the General Manager  
 Operations and Maintenance Support  
 Water Operations  
 Water Recycling Program  
 Water Resources

**\*\*Staffed Department**

Wastewater

These funds are organized according to the Uniform System of Accounts for Water Utilities, as established by the California Public Utilities Commission, and adhere to the Government Finance Officers Association (GFOA) requirements for enterprise funds. Funds specific to grants have been added in order to standardize the accounting for grant-funded expenses, including both District costs and pass-through expenses.

In addition to the proprietary funds, the District maintains a fiduciary fund to account for resources held for the benefit of parties outside the government. The fiduciary fund consists of the Pension and Other Employee Benefit Trust Fund, which is maintained to account for assets held by the Employees' Retirement System in a trustee capacity for vested and retired employees.

## FINANCIAL REPORTING

Financial reports are prepared in conformity with generally accepted accounting principles. At the conclusion of each fiscal year, the Finance Department prepares the Annual Comprehensive Financial Report in compliance with principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), and the guidelines recommended by the GFOA of the United States and Canada. An application has been submitted to GFOA for the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2022. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparing a state and local government financial report. To receive the award, a government unit must publish an easily readable and efficiently organized report that satisfies both generally accepted accounting principles and applicable legal requirements. If awarded, this will be the sixteenth consecutive year that the District has received the award.

## BUDGETARY AND ACCOUNTING BASIS

The basis of budgeting and accounting refers to the method for recognizing revenue and expenses in financial and budgetary reporting.

The District's budgets are prepared on a modified cash basis which projects the cash inflows and outflows over the course of a fiscal year (July 1 through June 30) excluding physical and intangible assets such as depreciation. Revenues are recognized as they are received and accounted for, while expenditures are recognized at the time commitments are incurred.

The District's accounts and transactions are tracked on an accrual basis, which is the basis of accounting under generally accepted accounting principles. Under this method, all assets and liabilities associated with operations are included on the balance sheet; revenues are recorded when earned and expenses are recorded at the time commitments are incurred.

Depreciation and amortization are handled differently in budgetary and financial reporting. In budgetary reporting, depreciation and amortization are excluded, and the repayment of the principal on debt as an expense is included. In financial reporting, depreciation and amortization are included, and the repayment of the principal on debt as an expense is excluded.

This table illustrates the differences between the budget and accounting basis described above.

*Revenue and Expenses on a Budgetary Basis Compared to Accounting Basis*

	Budgetary	Accounting
	(Modified Cash Basis)	(Accrual Basis)
Revenue	Recognized when received and accounted for	Recorded when earned
Obligations	Recognized at the time commitments are incurred	Recorded at the time commitments are incurred
Depreciation and amortization	Excluded	Included
Repayment of principal on debt	Included	Excluded



## FINANCIAL PLANNING

The District prepares a strategic plan and annual financial forecasts that provide the basis for developing the budget. Long-term financial stability is a goal in the Strategic Plan, which includes managing the District's finances to support its needs and maintain reasonable water and wastewater rates.

Revenue requirements over a five-year planning horizon are evaluated to determine the level of rate adjustments required for the upcoming budget years. To the extent possible, increases in water and wastewater rates are adjusted to avoid large fluctuations.

## FINANCIAL POLICIES

The District establishes policies and resolutions to comply with the stipulations set forth in the Municipal Utility District Act of the State of California (MUD Act). District policies are reviewed biennially; some policies such as the Investment Policy are reviewed annually. The policies described below set forth key objectives for long-range financial planning and control.

The following policies will be included in the Appendices as a reference:

- Policy 4.02      Cash Reserves
- Policy 4.04      Financial Planning and Budgetary Control
- Policy 4.07      Investment Policy
- Policy 4.13      Establishing Water and Wastewater Rates
- Policy 4.27      Debt Management

### Policy 4.02: Cash Reserves

This policy identifies specific financial metric targets. The District strives to maintain operating reserves at a level sufficient to meet working capital and unanticipated needs, specifically:

- Maintaining Working Capital Reserves of at least 3.0 times monthly net operating and maintenance expenses.
- Maintaining Self-Insured Liability Program Reserves based on the Actuarial Self-Insured Retention (SIR) funding recommendation.
- Maintaining Workers' Compensation Program Reserves based on the Actuarial SIR funding recommendation.
- Maintaining Rate Stabilization Reserves:
  - o The Water System requires a minimum of 20 percent of projected annual water volume revenues.
  - o The Wastewater System requires a minimum of 5 percent of operating and maintenance expenses.

### Policy 4.04: Financial Planning and Budgetary Control

This policy provides for the efficient use of District resources through financial planning and cost control; keeps total annual expenditures to the level of total annual revenue; provides periodic status reports on revenues, expenditures, and investments; and establishes the authority of the General Manager to transfer up to 5 percent of each fiscal year's budget between the capital and operating budgets within each System's funds, provided that the total budget for each System fund remains unchanged. Budget transfers between the Water and Wastewater Systems are prohibited.

**Policy 4.07: Investment Policy**

This policy guides the investment of District funds. The policy ensures that all investments are compliant with the state law, and protects investments (safety), ensures availability of funds when needed (liquidity), provides earnings on the investment portfolio (yield) while reducing risk by investing in a variety of instruments (diversification) and the District's Conflict of Interest Code. Among the key guidelines included in the policy are the types and characteristics of permitted investments, parameters for investment decisions, reporting requirements, and internal controls.

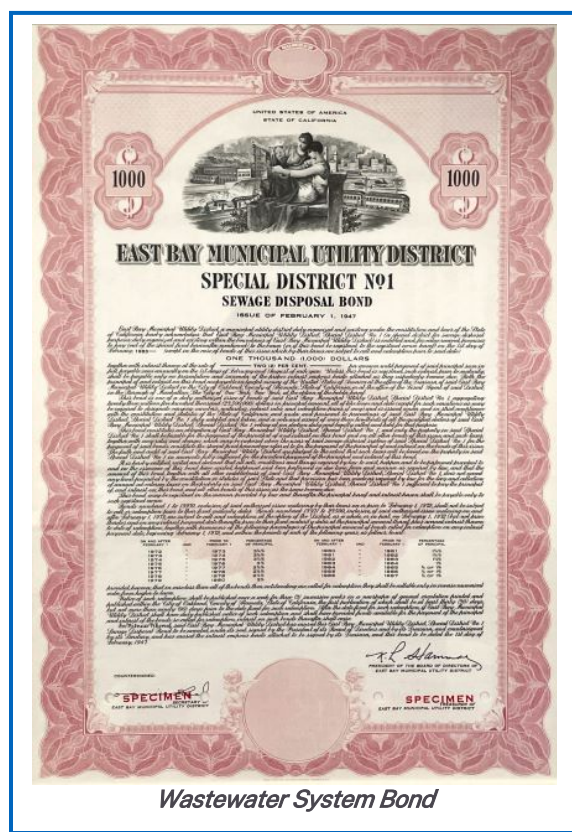
**Policy 4.13: Establishing Water and Wastewater Rates**

This policy sets forth the rate methodology, rate design, and rate distribution that provide adequate revenues while keeping rates affordable, encouraging conservation and efficient use of water, and reflecting the cost of providing service to customers. Rates should provide sufficient revenue to support a safe, reliable, and sufficient water supply and wastewater treatment services to its customers over the long term.

**Policy 4.27: Debt Management**

This policy strives to maintain a reasonably conservative ratio between current funding sources and debt financing by:

- Maintaining an annual revenue bond debt service coverage ratio of at least 1.6 times;
- Limiting debt-funded capital to no more than 65 percent of the total capital program over each five-year planning period; and
- Limiting commercial paper/variable rate debt to 25 percent of outstanding long-term debt.



## Budget Process

### SUMMARY

During the budget process, the District makes decisions on the efficient use of its resources using the Strategic Plan for guidance. A financial plan and biennial budget are established for the Water and the Wastewater Systems that includes the operating and capital programs and sets levels of related expenditures that may be made.

The budget reflects the costs necessary to provide customers with safe, reliable water and wastewater service over the long-term while keeping rates fair and reasonable. The budget is also used to develop rates and charges that provide adequate revenues to meet the District's needs and encourages the efficient use of water.

Decisions on allocating resources and addressing budget needs do not end when the Board adopts the budget. Throughout the year, departments are responsible for implementing the budget and monitoring budget performance, responding to unforeseen or emergency circumstances, and participating in long-range financial planning.

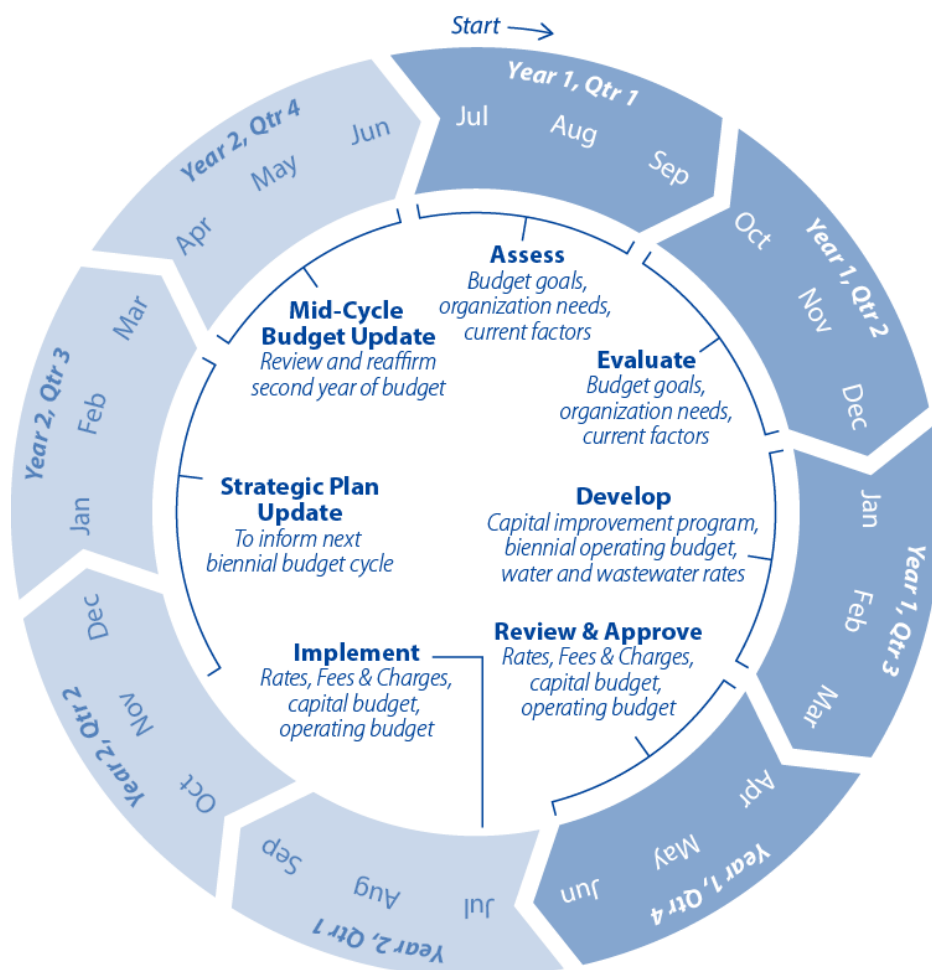
The District received the GFOA's Distinguished Budget Presentation Award for its FY 2022 and FY 2023 biennial budget document. This is the seventeenth consecutive budget document for which the District has received the GFOA award. For the sixth time, the California Society of Municipal Finance Officers (CSMFO) has presented the Excellence in Budgeting Award to the District. To qualify for these awards, the budget document had to meet stringent guidelines and criteria.

### BALANCED BUDGET

The District budget is balanced when revenues are equal to or greater than expenditures including debt service and ending fund balances meet minimum policy levels. The budget is established on the principle of overall revenue neutrality, as outlined in the American Water Works Association (AWWA) Principles of Water Rates, Fees and Charges recommendations for government-owned utilities. The District's rates and charges are set to ensure that revenues are sufficient to recover the total cash needs in a given fiscal year.

## BUDGET DEVELOPMENT CALENDAR

The District has a biennial budget process which is represented in the graphic below and described more fully in the following text.



<b>Assess</b>	<b>Budget goals, organization needs, and current factors</b>
July	Strategic Plan adopted.
August	Budget guidelines and assumptions prepared.
September	Capital and operating budget development starts.
<b>Evaluate</b>	<b>Budget goals, organization needs, and current factors</b>
October	Capital Steering Committee process begins.
November	Review of operating and capital budget requests begins.
December	Senior Management Team (SMT) reviews and discusses budget requests.

<b>Develop</b>	<b>Capital Improvement Program (CIP), biennial operating budget, water and wastewater rates</b>
January	Operating budget and CIP recommendations developed with Board input in the first Budget Workshop.
February	Semi-Annual Budget Performance Report presented to the Board, which provides six months of actual performance, which informs the budget and rates development process.
	Proposed budgets and rates are developed, along with Water and Wastewater rates to fund budget.
March	Documents are prepared to present proposed budget and rates to the Board and the public.
	The General Manager presents the proposed operating and capital budgets, and proposed rates, fees and charges to the Board at the second budget workshop.
<b>Approve</b>	<b>Rates, fees &amp; charges, capital budget, operating budget</b>
April	Another budget workshop occurs if needed to address any direction given by the Board at previous budget workshops.
	California Proposition 218 notices are distributed to property owners.
May	The General Manager's recommendations on the proposed rates, charges, and fees are filed with the Board of Directors.
June	Public hearing on rates is held. Board adopts operating and capital budgets; rates, fees and charges schedules; and positions authorization.
<b>Implement</b>	<b>Adopted rates, fees &amp; charges, capital and operating budgets</b>
July	Adopted rates and budget implementation begins. Adopted budget, and rates and charges schedules published.

## REPORTS AND UPDATES TO THE STRATEGIC PLAN AND BUDGET

### Strategic Plan Update

The Strategic Plan is updated every several years. The plan provides the District with overall direction for several years, sets priorities, and guides the development of the budget within those priorities.

### Mid-Cycle Budget Update

The Board of Directors approves the budget covering a two-year period. The Board reviews and reaffirms the second year of the two-year budget prior to the start of a new fiscal year in July. A Mid-Cycle Budget Update workshop provides the Board of Directors with a budget status and any projected changes to revenues, expenditures, and staffing.

### Annual and Semi-Annual Budget Performance Reports

At the mid-point and conclusion of each fiscal year, the Board of Directors is provided with a comparative analysis of expenditures to budget.

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## BUDGET RESPONSIBILITIES

Budget decisions are made through a process that involves the Board of Directors, District staff and the public. The responsibilities for financial management planning and budget control are:

### Departmental Responsibilities

- Prepare CIP and biennial budget requests;
- Monitor financial performance and take prompt corrective action as needed;
- Monitor key performance indicators and take corrective action as appropriate; and
- Inform the General Manager when unforeseen circumstances indicate that budget amounts may be exceeded or that expected revenues may be less than planned.

### Finance Department Responsibilities

#### ACCOUNTING

- Produce monthly and annual expenditure and revenue reports;
- Prepare and present information on financial trends to facilitate evaluation of the District's financial position and identify conditions requiring management attention; and
- Prepare periodic reports on the status of expenditures, revenues, investments, and actions taken to ensure the financial stability of the District.

#### OFFICE OF BUDGET AND PERFORMANCE

- Facilitate the development of the Strategic Plan;
- Project financial needs, and recommend methods for meeting those needs;
- Prepare the District's biennial operating and CIP budgets;
- Prepare monthly, quarterly, semi-annual, and annual budget performance reports;
- Prepare the mid-cycle budget update;
- Assist departments throughout the year with their budgets and financial issues; and
- Develop procedures and controls to monitor and ensure compliance with the budget.

#### TREASURY OPERATIONS

- Monitor District's liquidity and ensure funds are available as needed, invest funds in accordance with Board policy, wire funds to pay approved demands, and take other actions associated with the prudent management of the District's financial resources;
- Provide for the issuance of debt to fund the CIP; and
- Prepare financial projections, schedules of rates and charges, and other financial materials.

**General Manager's Responsibilities**

- Review and present to the Board long-range plans, budgets and revisions, schedules of rates and charges, payments of financial demands, and other financial transactions, as necessary;
- Authorize budget transfers up to five percent of the fiscal year's budgets between the operating and capital budgets in each of the Water and Wastewater System's budgets, provided that the total budget for each of the two systems remains unchanged; and
- Implement emergency financial procedures within approved limits, when necessary.

**BUDGETARY CONTROLS**

Automated District-wide budgetary controls track spending to the amounts set in the budget. Budgetary controls function differently for operating and capital budget appropriations.

For the operating budget, each department is controlled within each of the three expenditure categories: personnel costs, contract services, and operations and maintenance. Departments may not exceed their authorized operating budget for each fiscal year unless there are available contingency funds to cover the additional expenses. The Office of Budget and Performance monitors the budget and oversees the contingency fund.

For the capital budget, each capital Award is controlled based on its appropriation. An Award may not exceed its total appropriation. Unlike the operating budget, which expires on June 30 of each fiscal year, capital appropriations are multi-year and will last through the life of the project.

**BUDGET ADJUSTMENTS**

Adjustments to the operating budget are reallocations of funds between organizational units, categories, or line items, which allow departments to have financial flexibility within established budgetary controls. Approval is required by the affected department(s) and by the Office of Budget and Performance.

Budget adjustments to the capital budget are reallocations of funds within or between awards. Approval from the affected department(s) and the Office of Budget and Performance is required for all budget adjustments.

Operating appropriations can be transferred between fiscal years if allowed under the parameters of the Board-approved budget resolution, as long as there is no net increase in appropriations without additional Board approval. Capital funds are generally transferred from one fiscal year to the next as long as the appropriations are for the same approved Capital projects.

General Manager approval is required for the reallocation of funds between the operating and capital budgets of the Water and Wastewater Systems. Approval from the Board of Directors is required for increases to the total budgets of the Water or Wastewater Systems. No appropriations can be transferred between the Water and Wastewater Systems.



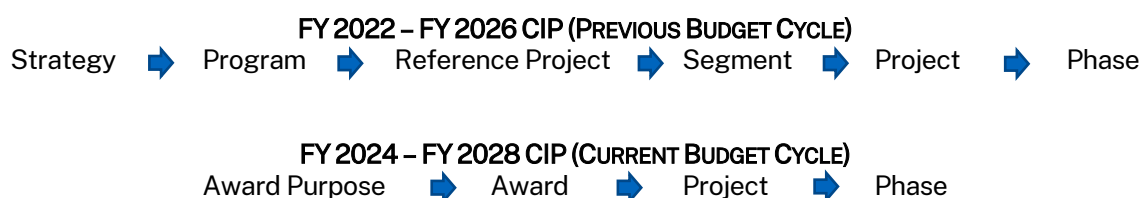
## CAPITAL IMPROVEMENT PROGRAM PREPARATION

### New CIP, New Structure

The CIP communicates the District's planned infrastructure investments for the next five years by identifying and prioritizing capital needs. Developed biennially and incorporated into the District-wide budget, the CIP consists of projects that typically result in the construction of new facilities, or the rehabilitation or upgrade of existing facilities. Project costs include all expenditures required to study, plan, design, construct or upgrade new or existing facilities. Projects can also include large equipment purchases and the creation or replacement of technology infrastructure.

For the FY 2024 – FY 2025 budget, the District restructured the organization of the CIP. The following flow charts and table illustrate the changes to the structure of the District's capital endeavors.

#### *Capital Improvement Program Organization Flowchart (from highest level to lowest level)*



#### *Capital Improvement Program Structural Changes*

FY 2022 – FY 2026 CIP	FY 2024 – FY 2028 CIP
<p><b>Strategy:</b> A group of several programs representing key capital objectives as identified in the Strategic Plan.</p> <p><b>Program:</b> A group of related projects combined to facilitate planning and decision-making.</p>	<p><b>Award Purpose:</b> A broadly defined group of related Awards, combined to facilitate planning, reporting, and decision-making, often around major asset classes or key strategies. Examples include Pipelines - Distribution System, Raw Water System, and Sustainable Energy.</p>
<p><b>Segment:</b> A discrete set of projects that can be carried out independently but require coordination with other projects to ensure overall success. Every award must have at least one Project, and Projects may have multiple Phases, such as planning, design, and construction.</p>	<p><b>Award:</b> A discrete set of projects that can be carried out independently but require coordination with other projects to ensure overall success. Every Award must have at least one Project, and Projects may have multiple Phases, such as planning, design, and construction.</p>
<p><b>Project:</b> A subset of an Award that can be carried out independently but may require coordination with other work within the Award. Cash flows and appropriations are allocated at the Project level, and roll-up to the Award.</p>	
<p><b>Phase:</b> The planning, design, or construction stages of a Project. The budget and expenses for each phase are tracked separately in the District's financial management software but are grouped under a Project.</p>	



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**CIP Budget Development**

The responsibilities for preparing and managing the CIP continue to be shared.

**OFFICE OF BUDGET AND PERFORMANCE**

The Office of Budget and Performance (OBP) is the central budgeting office, responsible for coordinating the development of the capital budget and on-going monitoring throughout the fiscal year, including:

- Manage the CIP budget preparation and planning process, including forecasting, stewardship of enterprise budget development software, and internal communications;
- Provide staff support to the Capital Steering Committee (CSC);
- Ensure that the decisions of the CSC and General Manager are reflected in the budget;
- Determine the level and sources of funding necessary for the CIP;
- Report to the General Manager and CSC the status of capital cash flow spending; and
- If required, request General Manager or Board approval for adjustments to the CIP project appropriations.

**PROJECT MANAGEMENT**

Project managers across the organization endeavor to meet the requirements of the biennial CIP budget process and to implement specific projects. During budget development the project appropriations and cash flows are updated, and project descriptions and justifications are modified to identify recent and anticipated major accomplishments. Managers also work together to identify the most effective ways to schedule, staff, and coordinate projects. The steps used to budget for the CIP are:

- Propose and justify new capital projects needed to carry out the District's goals;
- Identify how resources will be allocated to accomplish the work; and
- Identify the required appropriation and estimated cash flow for each project, planning for scope, schedule and budget variations, and accounting for contingency funds and inflation and other escalations.

**CAPITAL STEERING COMMITTEE (CSC)**

The CSC consists of Department Directors and Managers responsible for the overall management of the CIP during the budget preparation process. Responsibilities include:

- Serve as an advisory group to the General Manager and the Office of Budget and Performance;
- Review projects for opportunities to combine projects, streamline costs, and determine the necessity for proposed new projects;
- Confirm the adequacy of District resources to complete projects;
- Analyze and challenge planned project cash flow amounts;
- Finalize the list of individual projects to be presented to the General Manager and Board of Directors based on available resources, project need, and priority;
- Review the status of the CIP regularly;
- Provide direction to project management staff to resolve administrative issues; and
- Authorize necessary changes to project scope, schedule, and budget that are within staff's administrative authority.

## Scenario Development

For the FY 2024 – FY 2028 CIP, the Office of Budget and Performance and CSC challenged staff to develop multiple CIP scenarios, with varying spending projections and associated rate increases, debt implications, and risk priorities to ultimately arrive at the CIP outlined in this document. This process of discernment was instrumental in prioritizing the organization's critical infrastructure needs. In future CIPs, the Office of Budget and Performance plans to incorporate even more robust prioritization processes into the development of the CIP.

## Technology

In FY 2022, the District replaced its internally developed financial and budget software with cloud enterprise systems. These new platforms are modernizing the District's financial processes, enhancing reporting, streamlining data entry, and encouraging innovative methods of budget development. This is expected to support this and future CIP development processes. The new tools will also prove instrumental as the District plans to pursue more external funding opportunities for capital, particularly focused on state and federal grants with associated monitoring and reporting requirements.



*Leak Detection Reduces Water Loss*

**EBMUD Fun Fact:**

EBMUD produces 164 million gallons of water per day – enough to fill more than 2.6 billion drinking glasses, or enough for each of EBMUD’s 1.4 million customers to have about 1,800 glasses of water every day.

Stay hydrated!

## Chapter 3: Budget Summary

### OVERVIEW

This chapter summarizes the biennial budget for the Water and Wastewater Systems and includes the following topics:

- Budget Appropriations
- Operations, Debt Service, & Capital Improvement Program
- Staffing & Labor and Benefits
- Sources of Funds & Fund Summaries

### Budget Appropriations

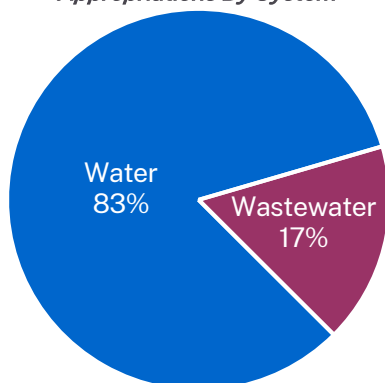
The budgeted appropriations are divided into three categories:

- **Operations** associated with the annual cost of providing all water and wastewater services;
- **Debt Service** on bonds issued to pay for the capital infrastructure investments along with other debt-related expenses; and
- **Capital** associated with projects to upgrade aging infrastructure, make seismic improvements, protect natural resources, and ensure a future water supply.

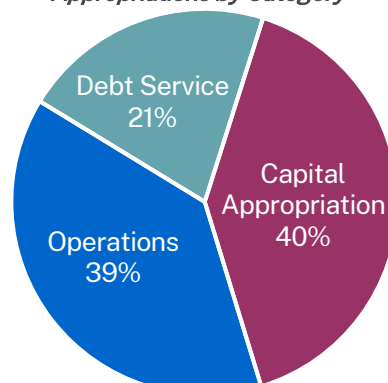
#### Appropriations Summary for Water and Wastewater Systems

Appropriations Summary							
	FY 2024			FY 2025			Grand Total
	Water	Wastewater	Total	Water	Wastewater	Total	
Operations	397.4	103.7	501.2	413.2	108.5	521.6	1,022.8
Debt Service	238.7	32.9	271.5	256.3	34.8	291.1	562.6
Capital Appropriation	541.6	85.7	627.3	359.9	87.2	447.2	1,074.5
<b>Total</b>	<b>1,177.7</b>	<b>222.3</b>	<b>1,400.0</b>	<b>1,029.4</b>	<b>230.5</b>	<b>1,259.9</b>	<b>2,659.9</b>

Appropriations By System



Appropriations by Category



## APPROPRIATIONS BY SERVICES PROVIDED

EBMUD provides water and wastewater services to protect public health through the operation and maintenance of an infrastructure system spanning over 4,200 miles of pipeline, aqueducts, reservoirs, pumping plants, sewer interceptors, and treatment plants. Other services include recreation, fishery and habitat restoration, water conservation, pollution prevention, youth education, and producing renewable energy at dams and the wastewater treatment plant. Unlike many California water agencies, EBMUD owns its own water source and only purchases supplemental water during droughts.

The following table summarizes the budgeted appropriations by services provided. Note that the methodology has changed slightly for this budget cycle.

### *Appropriations by Service Provided*

FY 2024 & FY 2025 Appropriations by Services Provided (\$ Millions)		
Services	FY 2024	FY 2025
<b>Capital Improvement Program</b> Projects to upgrade aging infrastructure, protect natural resources, and provide high quality water and wastewater services. Projects typically result in the construction of new facilities, or the rehabilitation or upgrade of existing facilities.	627.3	447.2
<b>Debt Service</b> Interest and principal repayment of bonds sold to pay for capital investments along with other debt-related expenses.	271.5	291.1
<b>Water Service</b> Operation and maintenance of facilities to store, treat and deliver high-quality water to 1.4 million customers including reservoirs, pipelines, and treatment plants; planning for future water supply; recycled water; and reading meters.	250.8	259.5
<b>Wastewater Service</b> Operation and maintenance of facilities to convey and treat wastewater for 740,000 customers including sewer interceptors, the treatment plant, laboratory and wet weather facilities; and educational outreach to residences and businesses.	106.3	111.0
<b>Support Services</b> Human resources, finance, legal, information systems and other services.	89.9	96.1
<b>Customer Service</b> Water conservation programs, public information, school outreach, billing services, contact center, and additional customer support services.	33.3	33.7
<b>Natural Resource Management and Protection</b> Environmentally sound management of over 57,000 acres of watershed lands, operation of public recreation facilities and fisheries programs.	20.9	21.3
<b>Total Budget Appropriations</b>	<b>1,400.0</b>	<b>1,259.9</b>

## Operations

Various departments carry out the day-to-day operations, and the budget includes appropriations for labor, contract services, and other expenses such as fuel, chemicals, and computer hardware and software. Appropriations are also budgeted for contingency to cover unanticipated needs. Intradistrict appropriations ensure that certain internal expenses are not duplicated such as vehicle expenses and warehouse overhead. Capital support costs, such as administration and general oversight, capture costs that support but are not directly attributable to capital projects. Capital support costs are subtracted from operations and reallocated to the capital budget. Intradistrict expenses are also subtracted from operations and typically only have a material impact on the Water System.

## DEPARTMENTS

The table below shows department operations within each system. The Maintenance & Construction and Water Operations Departments account for almost half of the Water System operations budget.

*District-Wide Operating Appropriations by Department*

Department Operating Appropriations (\$ Millions)			
	FY 2024	FY 2025	% Change
<b>Water System</b>			
Administration	-	-	
Customer & Community Services	28.0	28.5	2.1%
Engineering & Construction	28.1	28.6	1.8%
Finance	35.2	36.0	2.4%
Human Resources	12.9	13.1	1.2%
Information Systems	37.5	38.4	2.4%
Maintenance & Construction	93.6	95.7	2.3%
Natural Resources	20.9	21.3	2.1%
Office of the General Counsel	5.9	6.0	0.8%
Office of the General Manager	20.3	20.7	2.2%
Operations & Maintenance Support	29.2	29.9	2.1%
Water Operations	120.5	125.9	4.5%
Water Recycling Program	7.8	8.2	4.7%
Water Resources	11.7	11.8	0.8%
<b>Staffed Departments Subtotal</b>	<b>451.5</b>	<b>464.1</b>	<b>2.8%</b>
Contingency	9.9	13.1	32.0%
Intradistrict	(12.0)	(12.0)	0.0%
Capital Support	(52.0)	(52.0)	0.0%
<b>Total Water System</b>	<b>397.4</b>	<b>413.2</b>	<b>4.0%</b>
<b>Wastewater System</b>			
Staffed Department	106.3	111.0	4.4%
Contingency	1.0	1.1	4.0%
Capital Support	(3.6)	(3.6)	0.0%
<b>Total Wastewater System</b>	<b>103.7</b>	<b>108.5</b>	<b>4.6%</b>
<b>District Total</b>	<b>501.2</b>	<b>521.6</b>	<b>4.1%</b>

## Debt Service

### DEBT-FUNDED CAPITAL INVESTMENTS

Capital expenditures are funded through debt financing or on a “pay-as-you-go” basis, but a portion can also be funded by reimbursements or grants. Debt financing is generally suited for large capital projects with a long useful life and creates a measure of intergenerational equity in that future ratepayers will participate in the financing of the capital projects over their useful life. The “pay-as-you-go” option uses current year revenues and supports long-term financial stability.

The District’s policy is that over any five-year planning period no more than 65 percent of the Capital Improvement Program (CIP) will be funded from debt. Prior biennial budgets, as well as this budget, support additional “pay-as-you-go” funding to reduce debt service costs. Although debt service payments are considered to be part of the operating budget, debt proceeds are used to finance capital investments.

Over the five-year FY 2024 – FY 2028 CIP, approximately 45.5 percent of the Water System’s capital program and 51.2 percent of the Wastewater System’s capital program will be debt funded.

### DEBT SERVICE AND PLANNED BOND ISSUANCE

Annual debt service payments are made to pay the interest and principal on the bonds issued to fund a portion of the CIP as shown in the table below. The table also shows the amount of new revenue bonds expected to be issued to help fund the CIP.

Total outstanding debt on the Water System is projected to be \$2.61 billion, and \$338.3 million on the Wastewater System as of June 30, 2023.

*District-Wide Debt Service and Planned Bond Issuance*

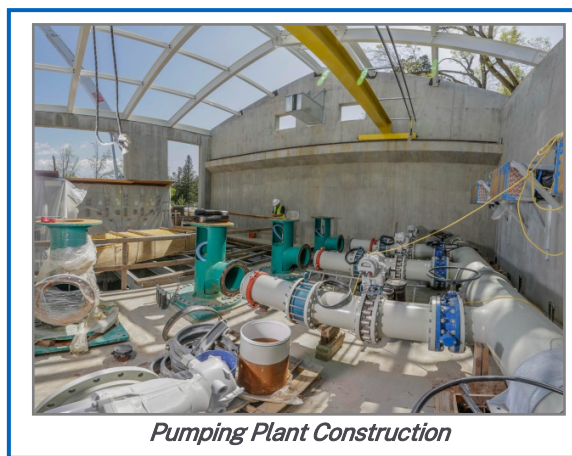
Debt Service and Bond Issuance (\$ Millions)				
	FY 2024		FY 2025	
	Water System	Wastewater System	Water System	Wastewater System
Debt Service Payments	238.7	32.9	256.3	34.8
New Bond Issuance	275.0	25.0	275.0	30.0



## Capital Improvement Program

The Capital Improvement Program (CIP) identifies the District's capital needs over the next five years and prioritizes projects to rehabilitate and replace aging infrastructure to better serve customers.

Capital appropriations are the amounts approved by the Board to be spent on capital projects and may be expended over multiple years. Appropriations vary from year-to-year depending upon the funding needs of the projected work. Capital support consists of costs incurred by support functions that are not directly charged to individual capital projects, such as finance, human resources, and information systems. These costs support the CIP as a whole and are deducted from the operations budget and included in the capital budget.



### CAPITAL APPROPRIATIONS

The following table shows the annual appropriations for the five-year CIP, including capital support. The Board adopts the appropriations for only the first two years of the CIP. The remaining years are for planning purposes and are subject to revision. Approximately 84 percent of the appropriations are associated with the Water System.

*Planned Capital Appropriations by Fund*

Planned Capital Appropriations by Fund (\$ Thousands)			
	FY 2024	FY 2025	Total
Water	489,631	307,938	797,570
Capital Support	52,000	52,000	104,000
<b>Water Total</b>	<b>541,631</b>	<b>359,938</b>	<b>901,570</b>
Wastewater	82,074	83,636	165,710
Capital Support	3,600	3,600	7,200
<b>Wastewater Total</b>	<b>85,674</b>	<b>87,236</b>	<b>172,910</b>
<b>District Total</b>	<b>627,305</b>	<b>447,174</b>	<b>1,074,479</b>

New for the FY 2024 – FY 2028 CIP, capital projects are organized by Award Purpose. There are 18 Award Purposes for the Water System and four for the Wastewater System, including an Award Purpose specific to contingency appropriations for each system. For the purposes of showing cash flow or general expense planning, contingency is typically excluded as while there may be appropriations, there is no planned or actual expenses from these Awards. Contingency appropriations for capital are intended to meet unanticipated needs that may arise before the next budget cycle. Typical examples include: replacement or repairs to facilities or equipment as a result of failures or safety deficiencies; new projects not anticipated during the prior cycle but which are necessary to begin on an accelerated timeframe; and unanticipated cost increases for projects.

The Capital Improvement Program is described in more detail for each system in Chapters 4 and 5, as well as in Volume 2 – Capital Award Summaries. The following table lists the 22 award purposes.

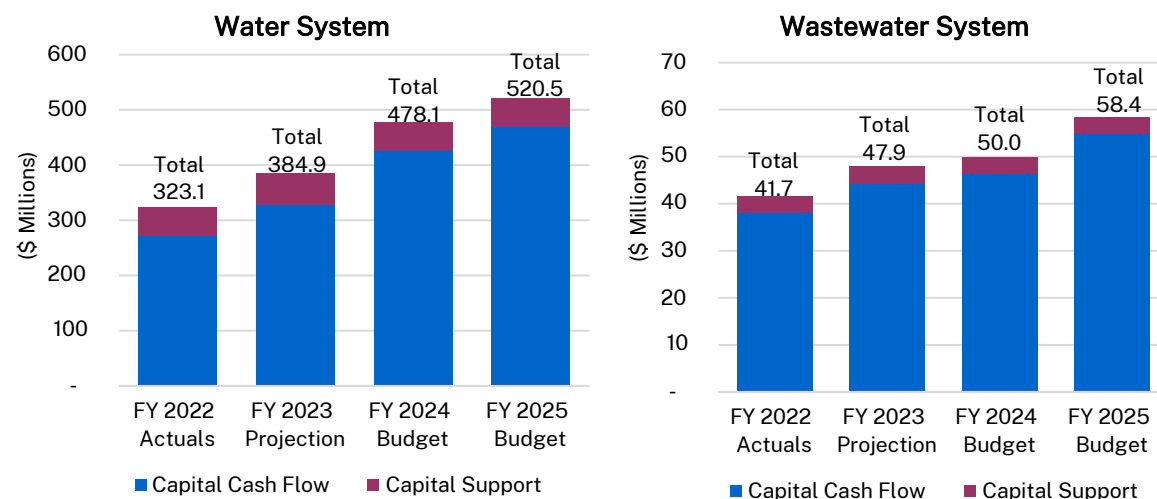


*District-Wide CIP Award Purposes***Capital Improvement Program Award Purposes by System**

Water	Wastewater
District-Wide Building Facility Improvements	Main Wastewater Treatment Plant
Environmental Resources & Remediation	Wastewater Remote Facilities
New Business Infrastructure	Wastewater System-wide Improvements
Pipelines - Distribution System	Contingency
Pipelines - Transmission	
Pressure Zone Studies	
Process & System-Wide Improvements	
Raw Water System	
Recreation Areas & Facilities	
Regulators & Rate Control Stations	
Reservoirs - Distribution	
Reservoirs - Supply	
Supplemental Supply & Regional Agreements	
Sustainable Energy	
Vehicles, Equipment & Related Facilities	
Water Recycling & Conservation	
Water Treatment	
Contingency	

**CAPITAL CASH FLOW**

In contrast to capital appropriations, capital cash flow reflects actual and planned expenses on an annual basis for projects that received appropriations in the current or prior fiscal years. For budgetary planning and reporting, capital cash flow is also tracked by Award Purpose and Awards. For planning purposes, capital cash flows are typically discounted between 15 percent and 20 percent each year from what Departments submit as part of the planned Capital Improvement Program. This is based on historical patterns of spending, which tends to underperform full planned cash flows due to delays resulting from external regulations, staff turnover, unexpected contractor or materials delays, or other unforeseen resource constraints. The following shows a four-year view of actual capital cash flow and budgeted, discounted capital cash flows.

*Water & Wastewater Systems Capital Cash Flows*

## Staffing

Departments add and delete positions based on operational needs and major Board priorities, including priorities named in the Strategic Plan, as well as the projects planned in the Capital Improvement Program. Staffing is shown by full-time equivalents (FTE) which varies depending upon appointment type. Civil service, civil service exempt, limited-term, and temporary construction appointments are full-time positions and equal 1.0 FTE. Intermittent positions equal 0.75 FTE. Part-time and temporary positions equal 0.5 FTE.

### AUTHORIZED POSITIONS

In FY 2024, the District will have 2,229.75 authorized FTE, with full-time positions comprising over 95 percent of the workforce. The following shows the number of authorized FTEs for FY 2021 through FY 2025, as amended by Board actions and transfers between departments. Over this five-year period, staff levels have increased by 75.00 FTE, or 3.5 percent.

#### *Staffing Summary and Comparison FY 2021 to FY 2025 by FTE Count*

District-Wide Staffing Summary and Comparison (FTE)					
Position Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Full-Time (Civil Service and C.S. Exempt)	2,058.00	2,065.00	2,069.00	2,124.00	2,125.00
Limited-Term / Temp. Construction	62.00	57.00	56.00	68.00	68.00
Intermittent	3.75	3.75	3.75	3.75	3.75
Temporary / Part-Time	32.00	31.00	30.50	34.00	34.00
<b>Total FTE</b>	<b>2,155.75</b>	<b>2,156.75</b>	<b>2,159.25</b>	<b>2,229.75</b>	<b>2,230.75</b>
<b>FTE Change from Previous Fiscal Year</b>		<b>1.00</b>	<b>2.50</b>	<b>70.50</b>	<b>1.00</b>

### FY 2024 & FY 2025 Changes in FTE

Staffing changes provide opportunities to address priority areas such as investments in and maintenance of aging water and wastewater infrastructure. In FY 2024 and FY 2025, the budget includes a significant but not unprecedented increase in the number of FTE in order to complete critical work and invest in strategic Board priorities. The number of District-wide authorized FTE is increasing a net of 70.50 in FY 2024 through the addition of 72.50 FTEs and the deletion of 2.00 FTEs. In FY 2025, 1.00 FTE will be added. The increase is driven by several factors:

#### WATER SYSTEM

The 56.00 FTEs added in FY 2024, as well as the 1.00 FTE added in FY 2025, will:

- Increase the number and scope of projects completed in the Capital Improvement Program;
- Support operations, including reducing contracted services in the District's core business;
- Invest in the Customer Assistance Program (CAP) to expand affordability for all customers;
- Assist an improved cybersecurity strategy to protect critical infrastructure;
- Replace underperforming meters and copper service laterals;
- Respond to critical needs in purchasing, human resources, and other key support areas;
- Develop an external funding strategy focused on writing and being awarded grants; and
- Develop a more diverse talent pipeline, as one part of the District's racial justice and social equity strategy.

**WASTEWATER SYSTEM**

The 14.50 FTEs added in FY 2024 will:

- Increase the number and scope of projects completed in the Capital Improvement Program;
- Improve assessment of, and planning for, future capital projects, including nutrients, emerging contaminants, and seismic retrofits;
- Catch up on critical maintenance backlogs in corrosion control and electrical systems; and,
- Address critical compliance and regulatory improvements in the laboratory that serves both the Water and Wastewater Systems.

**LABOR AND BENEFITS**

Labor includes all compensation such as salaries and overtime. Benefits include the District's costs associated with retirement, health care, Social Security, disability and unemployment insurance. The District does not pay for the employee share of retirement contributions.

Labor and benefits are allocated to either operations or capital. Typical duties performed by employees that charge to operations include pipeline repairs, meter maintenance, treatment plant operations, customer support, human resources, and information systems. Typical capital duties include upgrades, rehabilitation and replacement of pumping plants, pipelines, reservoirs, and treatment plants.

The table below shows labor and benefits for the operations and capital budgets. Total labor and benefits are projected to increase 15.9 percent in FY 2024, and 1.5 percent in FY 2025.

- Total labor and benefits budget attributable to operations is 74.5 percent.
- Benefits represent 38.3 percent of the total labor budget.

*District-Wide Labor and Benefit Costs for Operations and Capital*

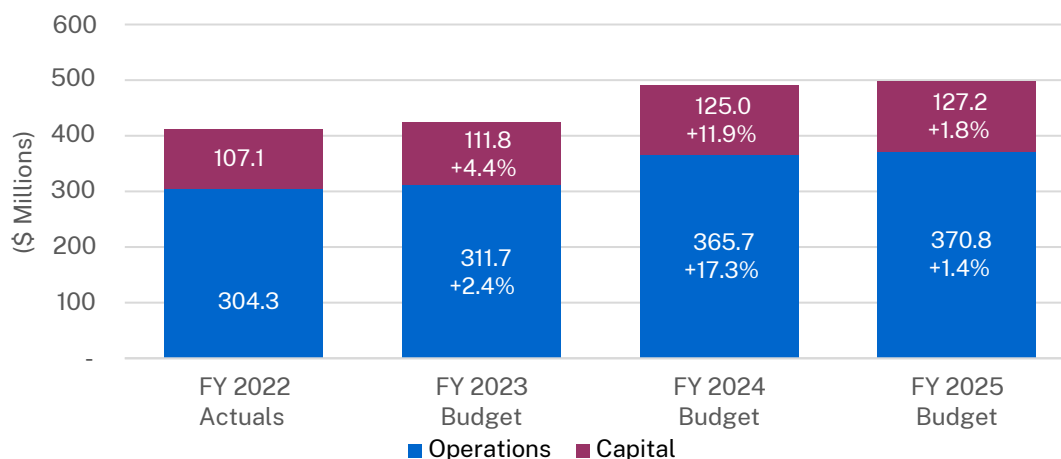
Labor and Benefit Costs (\$ Millions)						
	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	% Change	FY 2025 Budget	% Change
<b>Water</b>						
Operations	255.6	262.2	309.0	17.9%	313.2	1.4%
Capital	97.0	100.6	111.2	10.5%	113.2	1.8%
<b>Subtotal Water</b>	<b>352.6</b>	<b>362.8</b>	<b>420.2</b>	<b>15.8%</b>	<b>426.4</b>	<b>1.5%</b>
<b>Wastewater</b>						
Operations	48.6	49.5	56.7	14.5%	57.6	1.6%
Capital	10.1	11.2	13.8	23.8%	14.0	1.5%
<b>Subtotal Wastewater</b>	<b>58.7</b>	<b>60.7</b>	<b>70.5</b>	<b>16.2%</b>	<b>71.6</b>	<b>1.6%</b>
<b>Total District-Wide</b>						
Operations	304.3	311.7	365.7	17.3%	370.8	1.4%
Capital	107.1	111.8	125.0	11.9%	127.2	1.8%
<b>Total District Labor Costs</b>	<b>411.3</b>	<b>423.5</b>	<b>490.7</b>	<b>15.9%</b>	<b>498.0</b>	<b>1.5%</b>

Increases in labor and benefit costs are primarily attributable to funding additional FTEs, cost of living adjustments, overtime costs, and a rise for retirement and health care expenses. Additionally, as happens every 12 to 13 years, in FY 2024 there is an additional pay period during the budget year, though employees will continue to receive paychecks biweekly and will not receive an additional paycheck.

These increases are offset by drivers such as overall lower salaries in comparison to the prior biennial budget due to the significant number of new employees with salaries lower than the long-term or higher tenure employees they replaced, and savings due to the time required to fill positions. The majority of the

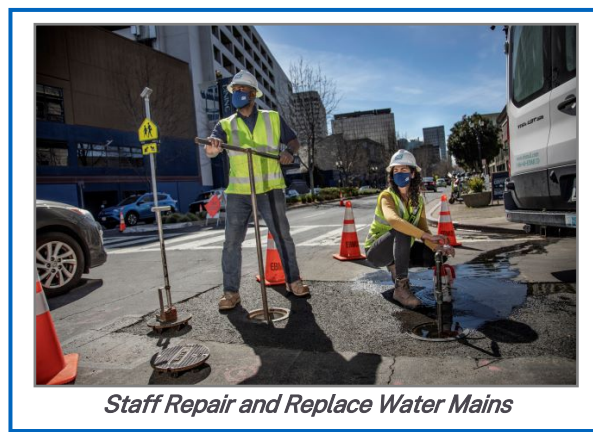
additional FTEs are in the Water System to support capital projects, an increase in infrastructure replacement, improved operations support including replacing contracted services with District forces for core District functions, more-coordinated education programs, Customer Assistance Program support, and workforce development including internships. The additional FTEs in the Wastewater System will support improved wastewater maintenance and a fully staffed laboratory operation.

#### *District-Wide Labor and Benefit Costs by Operations and Capital*



#### Benefit Costs

Several complex drivers impact benefit costs, such as a slower projected rise in benefits costs for retirement and health care. The budget continues to build on efforts to contain benefit costs, the largest of which are the employer pension contribution and health care expenses. In 2012, pursuant to the California Public Employees' Pension Reform Act (PEPRA), the Board of Directors implemented a change in the District's Employee Retirement System, referred to as the 2013 Plan. Members of the 2013 Plan receive a reduced benefit and fund a greater share of that benefit themselves. Since 2012, the number of employees in the 2013 Plan has grown significantly, which somewhat moderates the increase in the District's pension costs.



The following table shows the different employer pension contribution rates since FY 2020. Most new employees are part of the 2013 Plan and all other employees participate in the 1955/1980 Plan. Approximately 54 percent of employees are part of the 2013 Plan as of January 19, 2023. The FY 2024 contribution rates were changed based on updated actuarial assumptions adopted by the Retirement System and an updated Actuarial Valuation. The actual FY 2025 rate will not be available until it is calculated by the actuary and adopted by the Retirement Board in 2024.

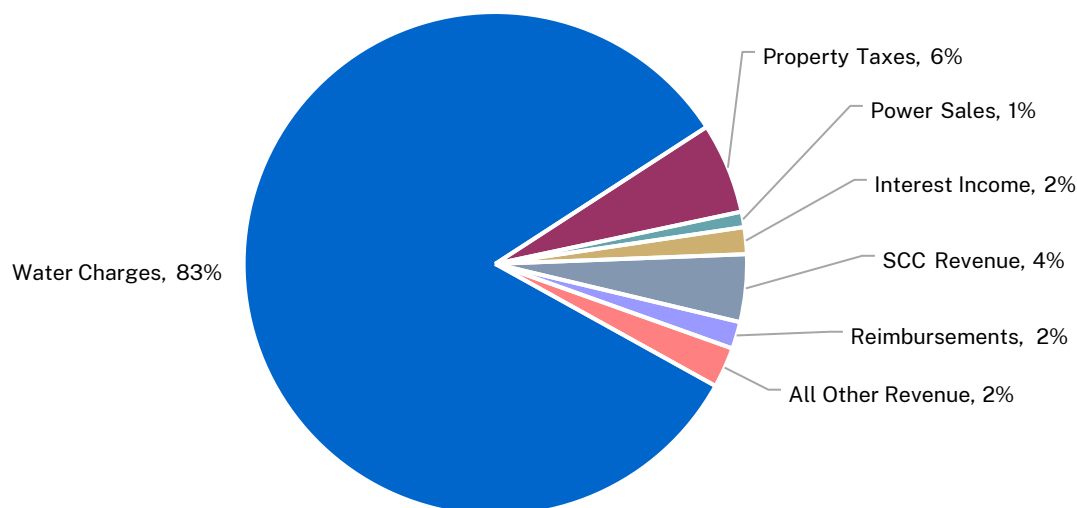
#### *Employer Contribution Rates to District's Retirement System Based on Plan*

Employer Pension Contribution Rates					
Plan	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1955/1980 Plans	37.86%	37.86%	42.37%	47.16%	48.48%
2013 Plan	31.24%	31.24%	33.32%	37.84%	39.21%

## Sources of Funds

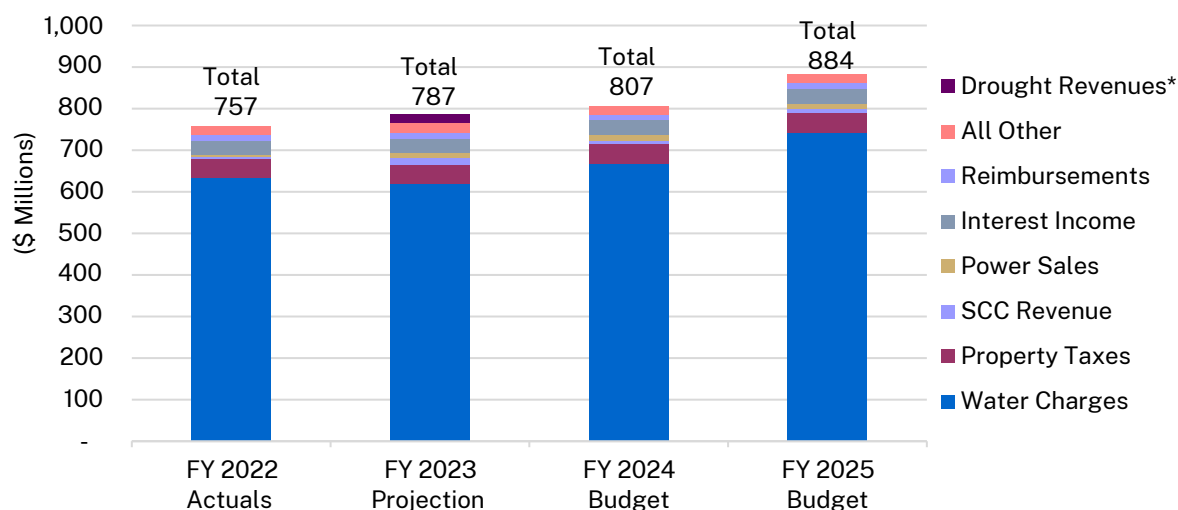
### WATER SYSTEM OPERATING REVENUE

*Percent of FY 2024 & FY 2025 Combined Water System Revenue from Major Sources*



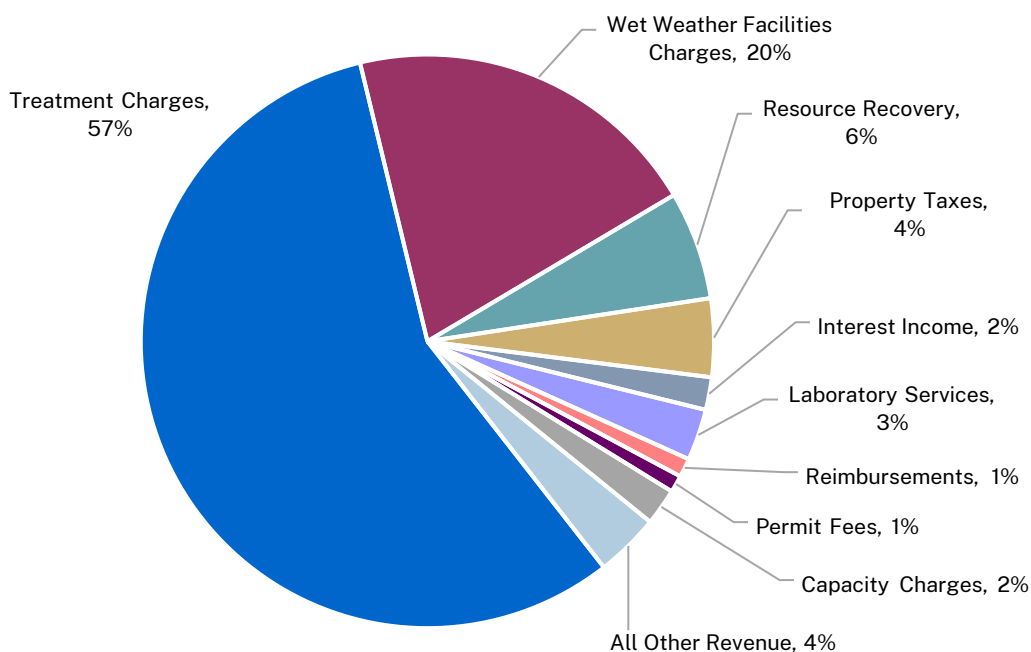
The principal source of Water System operating revenue is Water Charges which account for 82.8 percent of revenues. As such, Water System revenue is highly sensitive to changes in customer water use. The following graph shows the revenue trend from actual operating revenues in FY 2022 to budgeted revenues in FY 2025. As indicated above, total revenue from all other sources is typically relatively limited on top of water charges. For more detail on Water System revenues, see Chapter 4.

*Total Water System Revenues from FY 2022 to FY 2025*

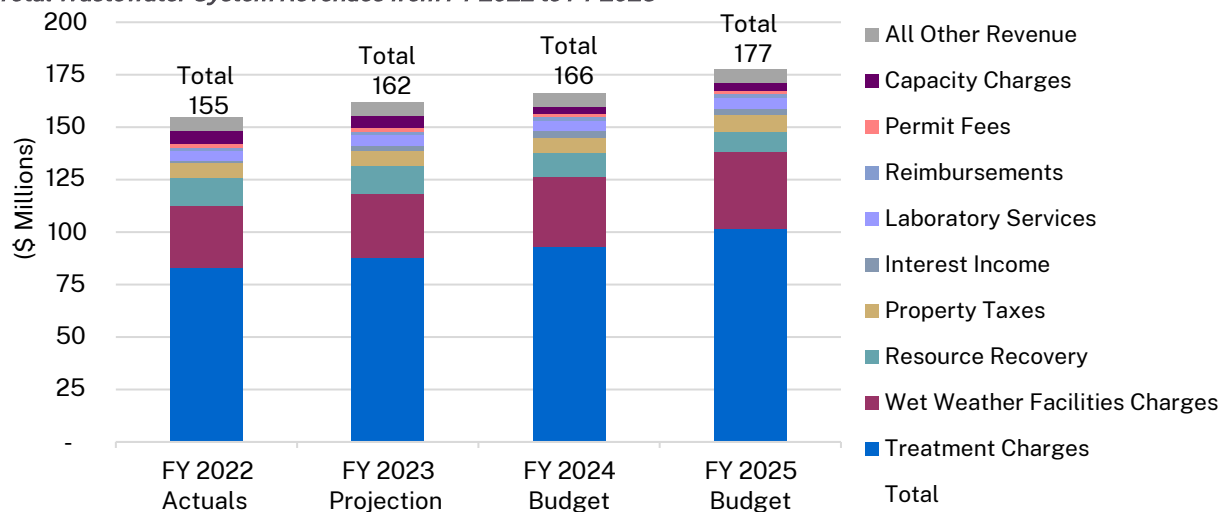


\*Only during declared droughts of Stage 2 or higher.

## WASTEWATER SYSTEM OPERATING REVENUE

*Percent of FY 2024 & FY 2025 Combined Wastewater System Revenue from Major Sources*

The principal source of Wastewater System operating revenue is Treatment Charges which account for 57 percent of revenues. The Wastewater System is not as sensitive to changes in customer water use as the Water System since Treatment Charges are a smaller percentage of overall Wastewater revenue and as there is less variability in wastewater discharge than in water use overall. The following graph shows the revenue trend from actual operating revenues in FY 2022 to budgeted revenues in FY 2025. For more detail on Wastewater System revenues, see Chapter 5.

*Total Wastewater System Revenues from FY 2022 to FY 2025*

## Fund Summaries

The following summarizes the beginning and ending Water System and Wastewater System fund balances based on projected sources and use of funds.

### WATER SYSTEM

*Water System Fund Summary*

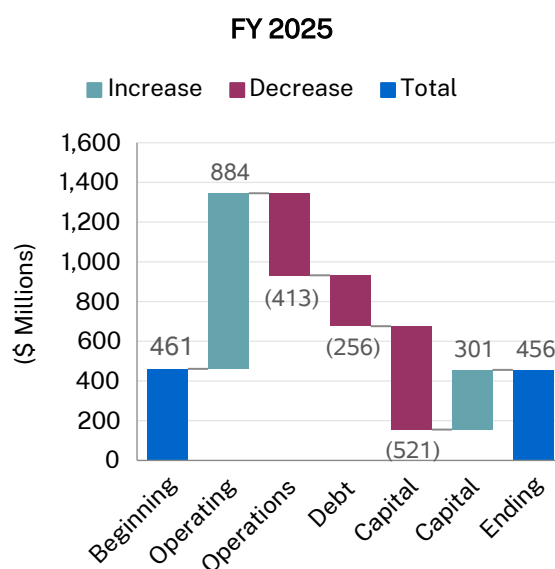
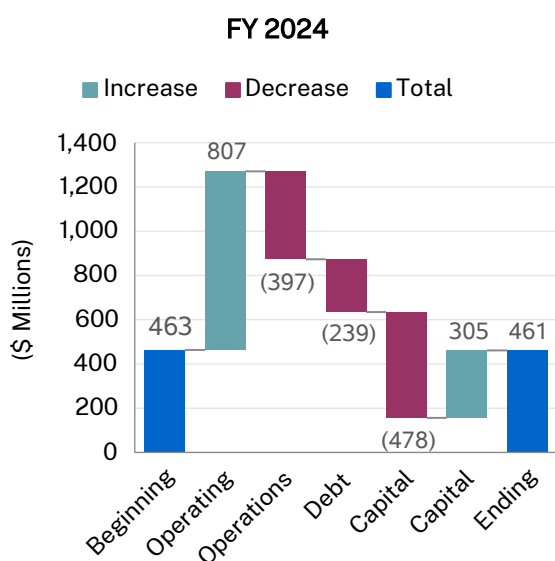
Fund Summary (\$ Millions)		
	FY 2024	FY 2025
<b>Beginning Balance (Projected)</b>	<b>463.3</b>	<b>461.1</b>
<b>Source of Funds</b>		
Operating	807.2	884.3
Capital**	304.9	300.6
<b>Total Sources of Funds</b>	<b>1,112.1</b>	<b>1,184.9</b>
<b>Use of Funds</b>		
Operations	397.4	413.2
Debt Service	238.7	256.3
Capital	478.1	520.5
<b>Total Uses of Funds</b>	<b>1,114.2</b>	<b>1,190.0</b>
<b>Sources less Uses</b>	<b>(2.1)</b>	<b>(5.2)</b>
<b>Ending Balance*</b>	<b>461.1</b>	<b>455.9</b>

\*Includes reserve set-asides.

\*\*Includes bonds, reimbursements, and grants.

The following charts visualize the inflow and outflow of resources. Total columns represent the beginning and ending balances; the increase columns represent revenues; and the decrease columns demonstrate the expenses for operations, debt service and capital.

*Water System Sources and Uses of Funds (Waterfall Charts)*





## WASTEWATER SYSTEM

## Wastewater System Fund Summary

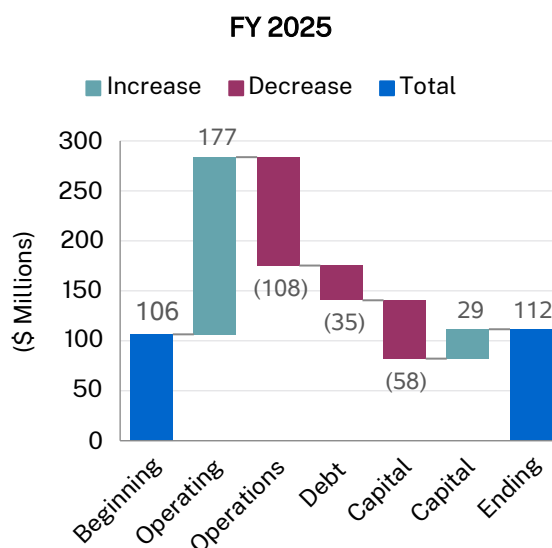
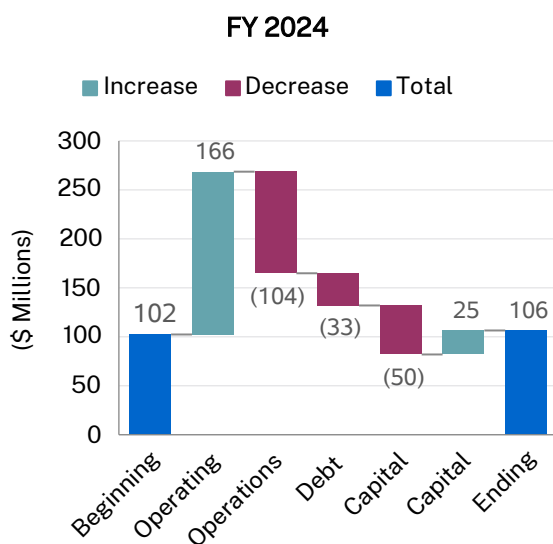
Fund Summary (\$ Millions)		
	FY 2024	FY 2025
<b>Beginning Balance (Projected)</b>	<b>102.4</b>	<b>106.4</b>
<b>Source of Funds</b>		
Operating	166.2	177.3
Capital**	24.5	29.4
<b>Total Sources of Funds</b>	<b>190.7</b>	<b>206.7</b>
<b>Use of Funds</b>		
Operations	103.7	108.5
Debt Service	32.9	34.8
Capital	50.0	58.4
<b>Total Uses of Funds</b>	<b>186.6</b>	<b>201.6</b>
<b>Sources less Uses</b>	<b>4.1</b>	<b>5.1</b>
<b>Ending Balance*</b>	<b>106.4</b>	<b>111.5</b>

\*Includes reserve set-asides.

\*\*Includes bonds, reimbursements, and grants.

The following charts visualize the inflow and outflow of resources. Total columns represent the beginning and ending balances; the increase columns represent revenues; and the decrease columns demonstrate the expenses for operations, debt service and capital.

## Wastewater System Sources and Uses of Funds (Waterfall Charts)





**EBMUD Fun Fact:**

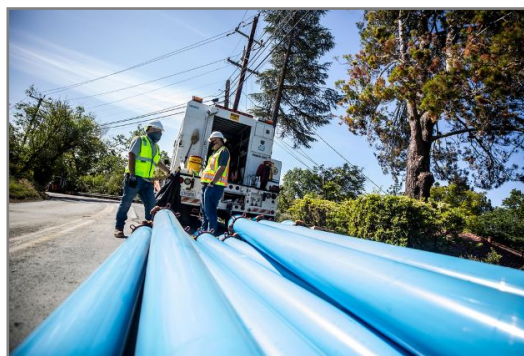
There are 4,300 miles of total pipelines (water and wastewater) in EBMUD's system. That's enough to stretch from Oakland to Atlanta, Georgia and back.

## Chapter 4: Water System

### Overview

This chapter provides a detailed discussion of the Water System including:

- Fund Summary
- Sources of Funds
- Use of Funds
- Staffed Department Operations
- Debt Service and Financing
- Capital Improvement Program
- Five-Year Financial Forecast



*Water System Staff Work to Deliver High-Quality Water to East Bay Homes and Businesses*

The Water System is an enterprise fund consisting of an operating and a capital budget. The Water System collects, transmits, and distributes water to communities within Alameda and Contra Costa counties. In addition, the Water System provides and charges the Wastewater System for administrative, financial, and other support services.

### KEY ASSUMPTIONS

The following are key projections and assumptions used in the FY 2024 and FY 2025 budget.

#### *Water System Key Assumptions*

Key Assumptions		
	FY 2024	FY 2025
Water Sales Volume (MGD)	139.7	143.9
% Rate Increase	8.50%	8.50%
Average Monthly Single-Family Residential Bill	\$ 74.49	\$ 80.79



*Mokelumne Watershed Snow*

## FUND SUMMARY

The following fund summary table shows the Water System beginning and ending fund balance, and projected revenue and expenditure budgets for FY 2024 and FY 2025.

*Water System Detailed Fund Summary – Sources & Uses*

Detailed Fund Summary - Sources & Uses			
	FY 2024	FY 2025	% Change
<b>Beginning Balance (Projected)</b>	<b>463.3</b>	<b>461.1</b>	<b>-0.5%</b>
<b>Sources of Funds</b>			
<b>Sources of Funds (Operating)</b>			
Water Charges	668.3	742.4	11.1%
Property Taxes	47.0	48.1	2.3%
Power Sales	8.0	8.0	0.0%
Interest Income	13.9	13.8	-0.8%
SCC Revenue	35.0	36.2	3.5%
Reimbursements	14.0	14.4	3.0%
All Other Revenue	21.0	21.4	2.0%
<b>Subtotal Sources of Funds (Operating)</b>	<b>807.2</b>	<b>884.3</b>	<b>9.5%</b>
<b>Sources of Funds (Capital)</b>			
New Bond Proceeds	269.5	269.5	0.0%
Loan Proceeds	-	-	
Grants	-	-	
Reimbursements	35.4	31.1	-12.2%
<b>Subtotal Sources of Funds (Capital)</b>	<b>304.9</b>	<b>300.6</b>	<b>-1.4%</b>
<b>Total Sources of Funds</b>	<b>1,112.1</b>	<b>1,184.9</b>	<b>6.5%</b>
<b>Uses of Funds</b>			
<b>Use of Funds (Operating)</b>			
Labor	309.0	313.2	1.4%
Contract Services	25.4	25.6	0.8%
Other	119.6	127.9	6.9%
Contingency (Non-Labor)	7.4	10.5	40.9%
Debt Service	238.7	256.3	7.4%
Capital Support	(52.0)	(52.0)	0.0%
Intradistrict	(12.0)	(12.0)	0.0%
<b>Subtotal Use of Funds (Operating)</b>	<b>636.1</b>	<b>669.5</b>	<b>5.2%</b>
<b>Use of Funds (Capital)</b>			
Capital Cash Flows	426.1	468.5	10.0%
Capital Support	52.0	52.0	0.0%
<b>Subtotal Use of Funds (Capital)</b>	<b>478.1</b>	<b>520.5</b>	<b>8.9%</b>
<b>Total Uses of Funds</b>	<b>1,114.2</b>	<b>1,190.0</b>	<b>6.8%</b>
Total Sources	1,112.1	1,184.9	6.5%
Total Uses	1,114.2	1,190.0	6.8%
<b>All Sources less Uses</b>	<b>(2.1)</b>	<b>(5.2)</b>	
<b>Ending Balance*</b>	<b>461.1</b>	<b>455.9</b>	<b>-1.1%</b>

\*Includes all policy reserves and reserves for capital projects.

## Sources of Funds

### OVERVIEW

The Water System has a variety of revenue sources that are used to fund operations, and a portion of the capital expense. The remaining capital expense is funded primarily by new bond proceeds and reimbursements.

The table below shows actuals and budgets for operating revenues and capital funding sources.



*Recycled Water in Purple Pipes Provides an Important Source of Non-Potable Water*

#### Water System Detailed Revenue Summary

Detailed Revenue Summary (\$ Millions)					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Actuals		Projection*	Budget	
<b>Operating Revenues</b>					
Water Charges	620.2	634.1	620.0	668.3	742.4
Property Taxes	40.6	45.5	46.0	47.0	48.1
Power Sales	4.8	6.5	17.0	8.0	8.0
Interest Income	2.0	2.2	10.0	13.9	13.8
SCC Revenue	53.8	33.4	35.0	35.0	36.2
Reimbursements	12.6	14.0	14.0	14.0	14.4
All Other Revenue	21.6	21.4	23.0	21.0	21.4
Drought Revenues**	-	-	21.6	-	-
<b>Total Operating Revenues</b>	<b>755.6</b>	<b>757.0</b>	<b>786.6</b>	<b>807.2</b>	<b>884.3</b>
<b>Capital Funding Sources</b>					
New Bond Proceeds	-	150.0	-	269.5	269.5
Loan Proceeds	-	-	-	-	-
Grants	-	-	-	-	-
Reimbursements	23.1	13.3	29.4	35.4	31.1
<b>Total Capital Funding Sources</b>	<b>23.1</b>	<b>163.3</b>	<b>29.4</b>	<b>304.9</b>	<b>300.6</b>
<b>Total Funding Sources</b>	<b>778.7</b>	<b>920.3</b>	<b>816.0</b>	<b>1,112.1</b>	<b>1,184.9</b>

\*Based on first six months of the fiscal year.

\*\*Only during declared droughts of Stage 2 or higher.

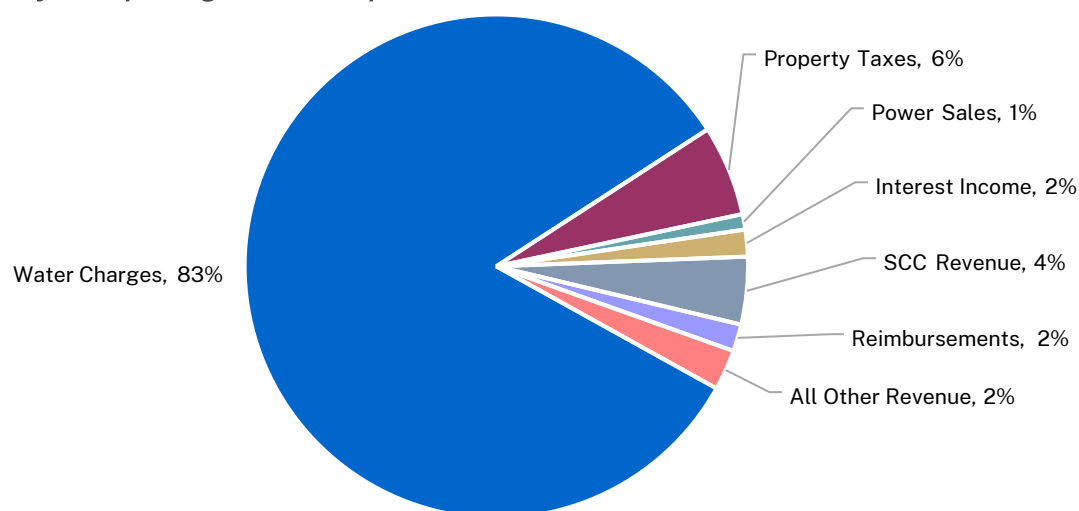
## OPERATING REVENUE

Water System operating revenues for FY 2024 are budgeted to increase \$20.6 million, or 2.6 percent compared to year-end projections for FY 2023, for total revenue of \$807.2 million. Note that FY 2023 year-end projections include \$21.6 million in drought-related revenues, which are not expected to continue in FY 2024 or FY 2025. Increasing revenue is primarily driven by a rate increase of 8.5 percent. As a result of the increased conservation during the drought, FY 2024 water sales are decreasing slightly to 139.7 million gallons per day (MGD) compared to the FY 2023 budget of 145.8 MGD. The FY 2024 budget also includes a \$3.9 million increase in Interest Income and a \$1 million increase in Property Taxes, as well as a \$9 million decrease in power sales as compared to FY 2023 year-end projections. Given the historically high wholesale price of power, and significant power-generating capacity due to recent strong water supply conditions, power sales are above average in FY 2023, and this is not projected to continue into FY 2024 and FY 2025.

In FY 2025, Water System operating revenues are budgeted to increase \$77.1 million, or 9.5 percent for a total of \$884.3 million. This increase is comprised primarily of over \$74 million from Water Charges as projected consumption is increasing slightly to 143.9 MGD, along with the 8.5 percent increase in water rates. Property Taxes and SCC revenues are expected to increase by \$1.1 million and \$1.2 million respectively, with small increases for Reimbursements and All Other Revenue.

The figure below illustrates the various sources of revenue and the percentage of each source. Water Charges is the largest source of revenue comprising 82.8 percent of FY 2024 & FY 2025 total operating revenue.

*Water System Operating Revenue Components – Combined FY 2024 & FY 2025*



## OPERATING REVENUE SOURCES

The following are descriptions of the sources of operating revenue, including information about the projected revenues for FY 2024 & FY 2025.

### Water Charges

Water Charges consist of a monthly service charge, a volume charge for the amount of water used, and an elevation charge for those customers located at higher elevations that require pumping. The Water Charges increase 8.5 percent in FY 2024 and an additional 8.5 percent in FY 2025.

*Water Charges Details (Monthly Service, Volume and Elevation)*

Water Charges (\$ Millions)				
	FY 2024		FY 2025	
	Amount	% of Total	Amount	% of Total
Monthly Service Charge	200.2	30%	217.8	29%
Volume Charge	433.4	65%	485.7	65%
Elevation Surcharge	34.7	5%	38.9	5%
<b>Total</b>	<b>668.3</b>	<b>100%</b>	<b>742.4</b>	<b>100%</b>

Water Charges in FY 2024 are projected to increase \$28.3 million compared to budgeted FY 2023 Water Charges revenue of \$640 million, for a total of \$668.3 million, or 4.4 percent. Budgeted consumption is decreasing slightly to 139.7 MGD from 145.8 MGD, a decrease of 4.2 percent, which is offset by a 8.5 percent rate increase. FY 2025 Water Charges are projected to increase \$74 million, for a total of \$742.4 million, or 11.1 percent compared to FY 2024 as projected consumption is increasing slightly to 143.9 MGD, combined with a rate increase of 8.5 percent.

### Property Taxes

The District receives approximately 1.25 percent of the 1.0 percent county tax levy on properties within District boundaries. For FY 2024 and FY 2025, budgeted Property Tax revenue of \$47.0 million and \$48.1 million, respectively, are based upon FY 2022 actual property tax receipts.

### Power Sales

The District operates hydroelectric power generation facilities at the Pardee and Camanche Dams. Assuming average precipitation, earnings are projected at \$8.0 million in FY 2024 and \$8.0 million in FY 2025. Wholesale power prices and precipitation have both been volatile over the prior few years, leading to greater uncertainty in this revenue source.

### Interest Income

Funds not needed for current expenditures are placed in investments in accordance with the District's investment policy. Interest earned on these funds is expected to be \$13.9 million in FY 2024 and \$13.8 million in FY 2025. This is significantly higher than prior years, driven by recent inflationary pressures and related increases in the Federal Funds rate.

**System Capacity Charges (SCC) Revenue**

SCC are collected from customers requesting new water service and are designed to recover costs of facilities necessary to serve new customers. These costs include: distribution and treatment facilities; facilities that serve the system as a whole, such as Pardee and Camanche Reservoirs; terminal storage reservoirs; administrative facilities; and a portion of the costs of accessing supplemental water supply. The purpose of the SCC is to assure that new customers pay for their share of the existing water system facilities and supply. Funds collected from the SCC are held either in dedicated reserves or accounted for as a capital contribution from developers. Funds held in the dedicated reserve account are used to fund supplemental water supply projects.

SCC revenue is projected to be \$35.0 million in FY 2024 and \$36.2 million in FY 2025. SCC revenue has continued to exceed expectations over the past few years, despite an updated SCC calculation that resulted in a reduction in the SCC adopted for FY 2022. SCC revenue continues to be conservatively projected, however, due to current economic conditions, which may lead to a slowdown in building activity due to high borrowing costs.

**Reimbursements**

The Water System receives reimbursement for services provided to other agencies and from the Wastewater System for administrative costs, space rental in the Administration Building, and for providing billing and collection services. The Water System also receives reimbursements from several cities for providing billing and collection services for the cities' sewer charges. Included in reimbursements are Build America Bond subsidy payments, which in some years have been subject to sequestration. Reimbursements are projected to be \$14.0 million in FY 2024 and \$14.4 million in FY 2025.

**All Other Revenue**

All Other Revenue includes receipts from the sale or rental of District properties, fees for use of District recreational lands and facilities, insurance and property damage reimbursements, sales of surplus District equipment and vehicles, sales of District publications, reimbursements from the U.S. Treasury under the Build America Bonds program, reimbursement of operating expenses from the Richmond Advanced Recycled Expansion (RARE) project, and other miscellaneous revenues. All Other Revenue is projected to be \$21.0 million in FY 2024 and \$21.4 million in FY 2025.



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## CAPITAL FUNDING SOURCES

The following describe the sources of capital funding. The Capital Improvement Program (CIP) will be funded with bond proceeds, water revenues, reimbursements, and grants. It is anticipated that the District will receive \$269.5 million in new revenue bond proceeds in FY 2024 and \$269.5 million in FY 2025.

### **New Bond Proceeds**

The District has the ability to issue long-term bonds to fund its capital program. The proceeds of the bond sales can be used to pay for prior or future capital expenses. In recent years, the District has issued bonds on a reimbursement basis, paying for capital expenses already paid using capital reserves. The bonds then generally provide additional funding for capital reserves, which can support the ongoing capital program. Bonds are generally amortized, or repaid, over 30 years and payments are made from total Water System revenues based on the bond indenture.

### **Commercial Paper Issues**

In addition to issuing long-term bonds, the District has used short-term borrowing in the form of commercial paper to raise revenues for capital expenses. The term of commercial paper can be up to 270 days. The repayment of commercial paper is made from total Water System revenues on a subordinate basis to revenue bonds. The District does not expect to use Commercial Paper to fund the capital program over the next several years.

### **Grants and Loans Proceeds**

The District pursues federal and state grants and low-interest loans to fund some of its capital projects when they meet the conditions of the District's grant and loan programs. The District will be investing additional resources to seek and apply for more grants than it has previously; while this is expected to increase funding, the scale is not yet known so it has not been assumed as part of the budget process. Additionally, the lead time to obtaining grants may be longer than the two-year budget cycle.

### **Reimbursements**

Some capital projects are performed at the request of other agencies, and the District is reimbursed for its expenses. An example would be the relocation of a water main at the request of a city or state agency. Also, work to expand the distribution system to meet new connections not covered by the System Capacity Charge is paid for directly by the applicants.

### **Revenue Funded Capital**

Annual capital expenses that are not paid from debt funding, grants, loans or reimbursements are paid from operating revenues, either from current year revenues or from reserves.

Please refer to the section on Debt Service and Financing for details on debt funding of capital projects.



## Use of Funds

### OVERVIEW

The Water System has three types of expenditures:

- **Operations** – the annual costs of providing all water services;
- **Debt Service** – the repayment of bonds for making capital investments in the water system along with other debt-related expenses; and
- **Capital Cash Flow** – the annual costs of the CIP for long-term projects.

The following table shows the breakdown of expenses by the type of expenditure.

*Water System Use of Funds FY 2021 to FY 2025*

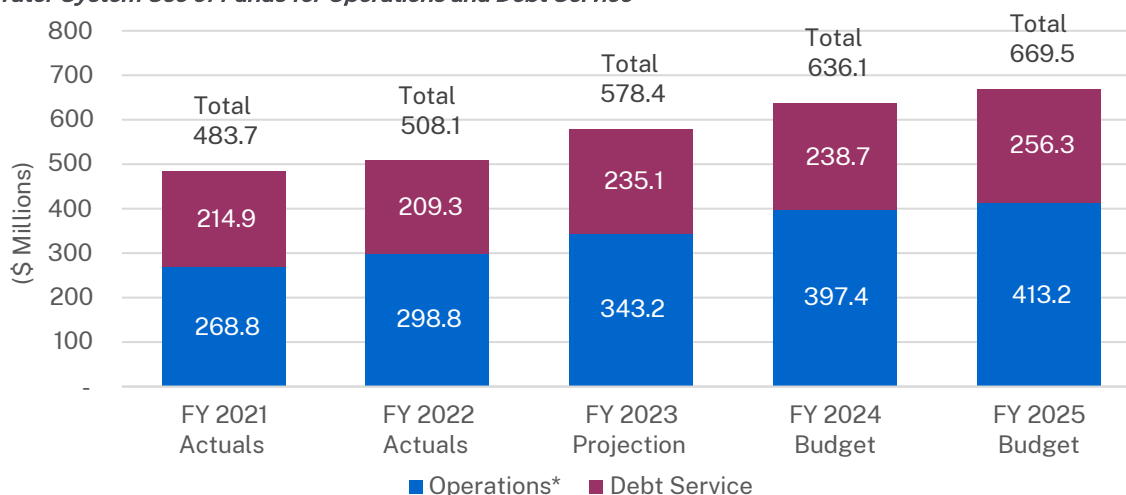
Use of Funds (\$ Millions)					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Actuals		Projection*	Budget	
Operations (Baseline)	268.8	298.8	343.2	397.4	413.2
Operations (Drought)**	0.2	10.6	21.5	-	-
Debt Service	214.9	209.3	235.1	238.7	256.3
Capital Cash Flow	347.3	323.1	384.9	478.1	520.5
<b>Total Expenses</b>	<b>831.2</b>	<b>841.9</b>	<b>984.7</b>	<b>1,114.2</b>	<b>1,190.0</b>

\*Projection is based on the first six months of the year.

This section describes the major components of the Water System operating budget. Typical operations expenditures include, but are not limited to labor, benefits, chemicals, energy, parts, materials, insurance, District vehicle fleet costs, and computer hardware and software.

In FY 2024, the operations and debt service budget, excluding drought expenses, is increasing \$57.7 million or 10.0 percent compared to FY 2023 projected actual expenses, and in FY 2025 will increase \$33.4 million or 5.2 percent compared to the first year of the biennial budget.

*Water System Use of Funds for Operations and Debt Service*



\*Excludes drought expenses.

## DEPARTMENT OPERATING BUDGETS

The Water System operations budget is comprised of various departments. The majority of these departments are referred to as staffed departments indicating employees are assigned to work in these areas. The staffed department budget funds the day-to-day operations of the District, and includes funding for labor, benefits, outside contract services, and other non-labor expenses such as electricity, chemicals, fuel, software, self-insured liability claims, and workers compensation claims. A description of each staffed department is included later in this chapter.

A small number of departments do not have personnel assigned to them and are referred to as non-staffed departments, described as follows:

- **Contingency** – Funds are budgeted each fiscal year to cover projected labor-related expenses such as Pay for Performance. The contingency budget also includes funding for unanticipated needs which may arise before the next budget cycle.
- **Intradistrict** – Certain internal service accounts are included in balance sheets to assure that internal expenses are not counted twice within the operations budget. Examples of these accounts include warehouse stores overhead and fleet vehicle expenses.
- **Capital Support** – Costs that are not directly attributable to specific capital projects, but indirectly support the CIP. Capital support costs in the operations budget are reallocated to the capital budget and will decrease operating expenses by a like amount.

The following table presents the total FY 2024 and FY 2025 Water System operating budget by department.

*Water System Staffed and Non-Staffed Department Operating Budgets*

Operating Budget by Department (\$ Millions)							
Departments	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projected*	FY 2024 Budget	% Change	FY 2025 Budget	% Change
Administration	0.4	0.1	-	-		-	
Customer & Community Svcs.	20.8	22.0	24.5	28.0	14.3%	28.5	2.1%
Engineering & Construction	19.6	22.2	21.9	28.1	28.4%	28.6	1.8%
Finance	27.7	29.4	34.3	35.2	2.6%	36.0	2.4%
Human Resources	9.1	9.4	11.4	12.9	13.3%	13.1	1.2%
Information Systems	31.3	33.1	38.7	37.5	-3.0%	38.4	2.4%
Maintenance & Construction	71.7	76.8	85.1	93.6	9.9%	95.7	2.3%
Natural Resources	16.1	17.0	19.6	20.9	6.7%	21.3	2.1%
Office of the General Counsel	4.7	4.6	5.6	5.9	5.8%	6.0	0.8%
Office of the General Manager	10.4	12.2	15.9	20.3	27.7%	20.7	2.2%
Operations & Maintenance Sup.	22.9	24.0	24.1	29.2	21.3%	29.9	2.1%
Water Operations	88.7	96.3	112.3	120.5	7.3%	125.9	4.5%
Water Recycling Program	6.4	5.7	7.6	7.8	3.0%	8.2	4.7%
Water Resources	9.4	9.9	11.0	11.7	6.5%	11.8	0.8%
<b>Staffed Departments Subtotal</b>	<b>339.1</b>	<b>362.6</b>	<b>411.8</b>	<b>451.5</b>	<b>9.6%</b>	<b>464.1</b>	<b>2.8%</b>
Contingency	-	-	3.0	9.9	230.3%	13.1	32.0%
Intradistrict	(13.3)	(11.4)	(14.1)	(12.0)	-14.8%	(12.0)	0.0%
Capital Support	(58.3)	(52.4)	(57.5)	(52.0)	-9.6%	(52.0)	0.0%
<b>Total Operations</b>	<b>267.5</b>	<b>298.8</b>	<b>343.2</b>	<b>397.4</b>	<b>15.8%</b>	<b>413.2</b>	<b>4.0%</b>
Debt Service	214.9	209.3	235.1	238.7	1.5%	256.3	7.4%
<b>Total Operating (Excluding Drought)</b>	<b>482.4</b>	<b>508.1</b>	<b>578.4</b>	<b>636.1</b>	<b>10.0%</b>	<b>669.5</b>	<b>5.2%</b>

\*Projection is based on the first six months of the year.

## DEPARTMENT OPERATING EXPENSE HIGHLIGHTS

The Water System comprises 14 staffed departments that perform and provide operations, and also support functions for the Wastewater System. This section details the various departments including their labor and non-labor budgets, department goals and staffing.

The table below is a summary of the Water System staffed departments' budgets, which excludes the capital support overhead allocated from operations to capital. It also excludes the Drought Department as this department is only staffed during declared droughts and at the direction of the Board. There are no planned expenditures for the Drought Department during FY 2024 and FY 2025.

### All Water System Departments Operating Budget Details

#### Department Operating Budget Detail and Historical Comparison (\$ Millions)

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	333.6	352.6	359.3	417.8	16.3%	423.8	1.5%
Less: Capital Labor and Benefits	98.4	97.0	100.6	111.2	10.5%	113.2	1.8%
Operating Labor and Benefits	235.2	255.6	258.6	306.6	18.5%	310.6	1.3%
Contract Services	18.7	19.8	22.2	25.4	14.5%	25.6	0.8%
Other Costs	85.2	87.2	97.3	119.6	22.9%	127.9	6.9%
<b>Operating Total</b>	<b>339.1</b>	<b>362.6</b>	<b>378.1</b>	<b>451.5</b>	<b>19.4%</b>	<b>464.1</b>	<b>2.8%</b>

### Labor and Benefits

Operating labor and benefits costs are allocated to staffed departments. Included in the labor budget are various assumptions, including cost-of-living adjustments, eligibility for promotions, turnover rates, the lead time to fill vacancies, and future benefit costs. Departments' labor and benefits budget are shown later in this chapter.

Total labor and benefit costs are expected to grow \$58.5 million, or 16.3 percent, compared to FY 2023. The significant growth in labor and benefit cost in FY 2024 is driven by several factors, including:

- Staff increases due to notable investments in several key areas, including replacing contracted services with staff in areas of the District's core work, and enhancing support services that benefit employees and will improve the quality and diversity of EBMUD's talent pipeline;
- Increasing labor and benefit costs due to inflation-linked wage increases in labor agreements; and
- As happens every 12 to 13 years, in FY 2024 there is an additional pay period during the budget year, though employees will continue to receive paychecks biweekly and will not receive an additional paycheck.

These increases are offset, in part, by an increasing number and relative size of participants in the District's 2013 Plan for retirement, which has a lower employer contribution rate. Additionally, an expectation for continued high turnover and a significant number of new positions reduces the assumption for the time that positions will be filled throughout the year.

In FY 2025, total labor and benefit costs increase \$6 million, or 1.5 percent compared to FY 2024, primarily for scheduled step increases and assumptions for cost-of-living adjustments. This is offset by a standard number of pay periods in the fiscal year, as well as savings due to the time required to fill positions.

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**Non-Labor**

In FY 2024, staffed department non-labor costs are budgeted to increase \$25.5 million, or 21.4 percent compared to the prior fiscal year's adopted budget. The major drivers accounting for the increase include:

- Chemical cost increases of \$7.3 million, or 136 percent cost increase. This is driven by substantial inflationary and supply chain pressures on chemical costs, some of which have increased on a per-unit basis by more than 200 percent.
- Energy expenses increasing by \$5.4 million, or 40 percent, compared to the prior year. These increases are due to the wholesale energy market and are driven by market forces. Favorably, the District does produce and sell energy, so the added costs are somewhat offset by added revenue, though revenue does not typically grow as fast as costs.
- An additional \$880,000 increase, or 27 percent, for fuel, driven by the increase in gas prices compared to the prior budget cycle.
- Computer software by \$2.4 million, due to cost increases for existing software, as well as increasing investments in cloud-based computing resources and cybersecurity software.

These increases are offset by a \$402,000 reduction (43% decrease) in external leases of vehicles, a significant reduction in computer hardware valued at less than \$5,000, and other reductions in small tools, safety clothing, and more, nearly all of which is reducing budgets to actual prior expense trends.

In FY 2025, staffed department non-labor costs are budgeted to increase \$8.5 million or 5.9 percent compared to FY 2024. The major drivers accounting for the increase include:

- Energy costs by an additional \$3.2 million, or 17 percent, based on prior energy market trends and expectations that growth in costs will continue.
- Chemical costs are expected to increase again by \$748,000, or an additional 6 percent, which is in line with prior trends in annual cost increases, though still significant.
- Fees and license renewals will grow by \$758,000, or 18 percent, due to license renewals that occur less than annually.
- Software costs will rise an additional \$534,000, or 6 percent, as additional investments are made in cybersecurity and cloud-based computing.

## DEPARTMENT OPERATING EXPENSES BY BUDGET CATEGORY

The table below depicts the Water System staffed departments operations budget by expense category. It excludes capital labor which is shown by department later in this chapter.

### Water System Staffed Department Operating Expenses by Budget Category

Staffed Department Operations by Category (\$ Millions)								
Departments	FY 2024				FY 2025			
	Labor	Contracts	Other	Total	Labor	Contracts	Other	Total
Administration	-	-	-	-	-	-	-	-
Customer & Community Services	23.7	0.3	4.0	28.0	24.1	0.3	4.2	28.5
Engineering & Construction	24.7	0.2	3.2	28.1	25.1	0.2	3.3	28.6
Finance	21.0	1.6	12.5	35.2	21.0	1.6	13.4	36.0
Human Resources	9.5	1.4	2.0	12.9	9.6	1.4	2.0	13.1
Information Systems	26.9	2.7	7.9	37.5	27.2	2.8	8.3	38.4
Maintenance & Construction	69.4	1.6	22.6	93.6	70.6	1.7	23.4	95.7
Natural Resources	13.2	3.3	4.4	20.9	13.3	3.3	4.6	21.3
Office of the General Counsel	4.9	0.8	0.3	5.9	5.0	0.8	0.3	6.0
Office of the General Manager	15.9	1.9	2.5	20.3	16.1	1.7	2.8	20.7
Operations & Maintenance Sup.	14.8	5.5	8.9	29.2	14.9	5.4	9.5	29.9
Water Operations	72.1	5.7	42.7	120.5	73.1	5.8	47.0	125.9
Water Recycling Program	2.3	0.2	5.3	7.8	2.3	0.2	5.6	8.2
Water Resources	8.2	0.3	3.3	11.7	8.3	0.2	3.4	11.8
<b>Total</b>	<b>306.6</b>	<b>25.4</b>	<b>119.6</b>	<b>451.5</b>	<b>310.6</b>	<b>25.6</b>	<b>127.9</b>	<b>464.1</b>

## STAFFED DEPARTMENT OPERATIONS

This section describes the staffed departments and includes the following topics:

- **Overview** provides an overall statement about the key responsibilities of the department within the larger mission of the District.
- **Description of Services Provided** describes the responsibilities of the department, including services required to meet regulatory or legal requirements.
- **FY 2024 & FY 2025 Goals** highlight the highest priority tasks or projects related to the budget, and the District Strategic Plan.
- **Department Budget Summary** is a table that shows the Department's operating budget expenditures by category (Labor and Benefits, Contract Services, Other Costs). It also includes capital labor.
- **Budget Highlights** shows changes in cost relative to the previous fiscal year and describes reasons for those changes. This section focuses on the significant budget changes.
- **Staffing Summary** is a table that shows the Full-Time Equivalency (FTE) for the department by appointment type (full-time, part-time, etc.).
- **Staffing Changes** is a section included only if the department has position changes that require Board approval. The table details the position changes, and provides a change in cost, which is an estimate based on typical salaries and benefit costs for the classification.

## Water System Departments

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*Water Conservation Messages Are Shared in English, Spanish and Chinese During the Drought*



## ADMINISTRATION DEPARTMENT

### Overview

The Administration Department (ADM) is currently unstaffed, and its functions are conducted by the Customer and Community Services Department and the Human Resources Department.

### Description of Services Provided

The department does not have any functions or budget in FY 2024 or FY 2025. Previously, memberships were budgeted in this Department, however those are now budgeted in the respective lead departments.

### FY 2024 & FY 2025 Goals

The department does not have any Strategic Plan goals in FY 2024 or FY 2025.

### Department Budget Summary

The department's projected spending is compared to prior years in the table below.

#### Administration Department Operating Budget Detail

##### Department Operating Budget Detail and Historical Comparison (\$ Thousands)

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	-	-	-	-	0.0%	-	0.0%
<i>Less: Capital Labor and Benefits</i>	-	-	-	-	0.0%	-	0.0%
Operating Labor and Benefits	-	-	-	-	0.0%	-	0.0%
Contract Services	-	-	-	-	0.0%	-	0.0%
Other Costs	383	107	441	-	-100.0%	-	0.0%
<b>Operating Total</b>	<b>383</b>	<b>107</b>	<b>441</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>0.0%</b>

### Budget Highlights

The department has no budget due to transferring memberships to respective lead departments.

### Staffing Summary

The table below summarizes the department's staffing. There are no changes.

#### Administration Department Staffing Summary

##### Department Staffing Summary and Comparison (FTE)

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	1.00	1.00	1.00	1.00	-	1.00	-
Limited-Term / Temp. Const.	-	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
<b>Total FTE</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>-</b>	<b>1.00</b>	<b>-</b>

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## CUSTOMER AND COMMUNITY SERVICES DEPARTMENT

### Overview

The Customer and Community Services Department (CUS) provides quality, responsive customer service using efficient business practices technology, value-added programs and services to District customers and stakeholders guided by fairness, consistency, efficiency, high standards of professionalism, and fiscal responsibility.

### Description of Services Provided

The department includes the Contact Center, Customer Services Support, Field Services, New Business Office, Real Estate Services, and Water Conservation divisions. These divisions are the direct interfaces for external customers and internal stakeholders to support billing, collection, and service inquiries; field service operation requests; customer programs and services; Customer Information System administration, maintenance, systems integration and support; water conservation services and assistance; new service and development requests; property management and land acquisitions; and payment processing and mailing services.

### FY 2024 & FY 2025 Goals

The department is primarily responsible for the Customer and Community Services Strategic Plan goal. Key department goals include:

- Building trust through our commitment to customers, timely resolution of customer and community inquiries and provide responsive and quality service to meet or exceed customer expectations;
- Expanding the Customer Support Program portfolio through new initiatives in support of the District's most vulnerable customers to improve affordability;
- Improving the applicant project process to align project delivery timeline to meet the expectation of developers;
- Continuing the implementation of the District's Water Conservation Strategic Plan to meet the District's long-term water supply goals and aligning water conservation targets with the State's Long Term Framework objectives. Continue to lock-in water efficiency gains and savings by promoting water conservation to all customer sectors, and community and business partners;
- Advancing sustainable programs and services that support or benefit the community and customers;
- Leveraging the District's land assets and implementing a long-term real estate utilization plan to enhance business operations and increase non-rate revenue in support of customer support programs; and
- Enhancing multi-channel customer support to provide greater convenience to customers and improve the digital experience.



**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Customer and Community Services Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	18,401	19,831	20,915	24,332	16.3%	24,706	1.5%
<i>Less: Capital Labor and Benefits</i>	513	610	438	634	44.6%	642	1.3%
Operating Labor and Benefits	17,888	19,221	20,476	23,698	15.7%	24,064	1.5%
Contract Services	251	196	285	284	-0.4%	300	5.5%
Other Costs	2,702	2,567	3,209	3,973	23.8%	4,180	5.2%
<b>Operating Total</b>	<b>20,841</b>	<b>21,985</b>	<b>23,971</b>	<b>27,955</b>	<b>16.6%</b>	<b>28,544</b>	<b>2.1%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$4.0 million, or 16.6 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.6 million, or 2.1 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Total labor and benefit costs are increasing in FY 2024 due to inflation-linked wage increases negotiated with labor groups, one additional pay period in the fiscal year compared to most other fiscal years, and a slight increase of funded positions to support the District's ongoing affordability efforts. Contract services are increasing due to the expansion of language interpretation services. These costs are offset by reduced maintenance of disposed equipment. Major drivers of other cost increases include computer software transferred from ISD, increased lien fees, replacement of mailroom equipment, higher vehicle use charges and property taxes/assessments, and increased outreach for the customer assistance and water conservation programs.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Contract services are increasing slightly due to negotiated contract escalators for payment collection services and mailroom equipment maintenance support. Other costs are increasing primarily for Proposition 218 notices costs incurred only in the second year of the budget.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, one Limited-Term FTE position will be added.

*Customer and Community Services Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	124.00	120.00	120.00	120.00	-	120.00	-
Limited-Term / Temp. Const.	-	4.00	4.00	5.00	1.00	5.00	-
Intermittent	3.00	3.00	3.00	3.00	-	3.00	-
Temporary / Part-Time	13.50	11.50	11.50	11.50	-	11.50	-
<b>Total FTE</b>	<b>140.50</b>	<b>138.50</b>	<b>138.50</b>	<b>139.50</b>	<b>1.00</b>	<b>139.50</b>	<b>-</b>

**Staffing Changes**

The table below summarizes the FTE changes excluding transfers among departments. In FY 2024, one FTE will be added to support new connections during peak workload.

*Customer and Community Services Department Staffing Changes*

FY 2024 & FY 2025 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			New Business Representative I/II	L/T	151,680	1.00	Support new connections during peak workload

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## ENGINEERING AND CONSTRUCTION DEPARTMENT

### Overview

The Engineering and Construction Department (ENG) is responsible for developing plans, policies and programs that ensure the availability of adequate physical facilities for water treatment, storage, and conveyance to meet future water service needs. These responsibilities include water system capital program implementation, infrastructure management, system expansions, and building facility improvements. The department provides technical leadership and innovation in engineering, construction, research and development, and operational efficiency improvements.

### Description of Services Provided

The department includes Water Distribution Planning, Design, Construction, Pipeline Infrastructure, and Engineering Services divisions. Services include planning, design, project management, and construction management and inspection of water system capital projects. Support services include cost estimating, contract specifications preparation, bid and award management, surveying, mapping, graphic design, hydraulic modeling, geotechnical engineering and dam safety, materials testing, engineering records storage, and engineering support to other departments.

### FY 2024 & FY 2025 Goals

The department is primarily responsible for leading the Long-Term Infrastructure Investment goal and providing a supporting role to all other goals identified in the Strategic Plan. Key department goals include:

- Developing and maintaining coordinated master plans;
- Implementing the capital improvement program based on priorities identified in the plans to ensure resilient water infrastructure;
- Planning, design and supporting construction for the ramp-up of distribution pipeline infrastructure renewals and for system improvements and extensions;
- Planning, designing, and constructing the rehabilitation of water supply and distribution facilities including pipelines, pumping plants, reservoirs, regulators, rate control stations, and dams;
- Planning, designing, and constructing improvements at the water treatment plants to ensure continued safe and reliable plant operations and delivery of high-quality water to customers;
- Supporting the implementation and use of information technologies that improve the efficiency and effectiveness of business processes, such as Computer Aided Design and Building Information Management tools, Construction Management Information software, geospatial tools, and radio frequency identification; and
- Providing engineering evaluations and recommendations as part of the District's Emergency Response Plan.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Engineering and Construction Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	% Change	FY 2025 Budget	% Change
Total Labor and Benefits	61,766	63,037	63,937	74,146	16.0%	75,301	1.6%
<i>Less: Capital Labor and Benefits</i>	43,735	42,920	43,271	49,464	14.3%	50,220	1.5%
Operating Labor and Benefits	18,031	20,117	20,666	24,682	19.4%	25,080	1.6%
Contract Services	111	45	112	153	36.4%	158	3.0%
Other Costs	1,415	2,021	1,631	3,232	98.1%	3,326	2.9%
<b>Operating Total</b>	<b>19,556</b>	<b>22,183</b>	<b>22,410</b>	<b>28,067</b>	<b>25.2%</b>	<b>28,564</b>	<b>1.8%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$5.7 million, or 25.2 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.5 million, or 1.8 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Total labor and benefit costs are increasing in FY 2024 as the District will be adding new positions to support capital improvement projects. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Contract services are increasing due, in part, to specialized surveying service contracts. Major drivers of other cost increases are computer software, training, fees and licenses, and laboratory supplies.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. The primary reason contract services are expected to slightly increase is due to specialized surveying service contracts. Other costs are expected to increase modestly due to computer software, fees and licenses, and office services and supplies.

**Staffing Summary**

The table on the next page summarizes the staffing changes, including transfers. In FY 2024, there is a net increase of 19 full-time positions as some Limited-Term (L/T) and Temporary Construction (TC) positions are being converted to Full-Time, which additionally reduces the FTE count for that type. Additionally, several intern and workforce development positions are being transferred to the Office of Diversity, Equity and Culture (ODEC) to support District-wide talent pipeline development. In FY 2025, one additional full-time position will be added.

*Engineering and Construction Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	272.00	274.00	274.00	293.00	19.00	294.00	1.00
Limited-Term / Temp. Const.	11.00	10.00	10.00	-	(10.00)	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	3.50	4.00	4.00	-	(4.00)	-	-
<b>Total FTE</b>	<b>286.50</b>	<b>288.00</b>	<b>288.00</b>	<b>293.00</b>	<b>5.00</b>	<b>294.00</b>	<b>1.00</b>

**Staffing Changes**

The tables below summarize the FTE changes, excluding transfers among departments.

*Engineering and Construction Department Staffing Changes (Part 1)***FY 2024 & FY 2025 Department Staffing Changes (Part 1)**

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Associate Civil Engineer	REG	236,572	1.00	Support capital improvement program
2024	Add			Associate Civil Engineer	REG	236,572	1.00	Support capital improvement program
2024	Add			Drafting Supervisor	REG	214,223	1.00	Support capital improvement program
2024	Add			Engineering Designer I/II	REG	189,396	1.00	Support capital improvement program
2024	Add			Senior Engineering Designer	REG	209,008	1.00	Support capital improvement program
2024	Add			Principal Management Analyst	REG	280,713	1.00	Innovation and best-practice research
2024	Add			Associate Civil Engineer	REG	236,572	1.00	Support capital improvement program
2024	Add			Assistant Engineer / Junior Engineer	REG	214,263	1.00	Support capital improvement program
2024	Add			Associate Civil Engineer	REG	236,572	1.00	Support capital improvement program
2024	Add			Associate Civil Engineer	REG	236,572	1.00	Support capital improvement program
2024	Add			Associate Civil Engineer	REG	236,572	1.00	Support capital improvement program
2024	Convert Character	Senior Construction Inspector / Construction Inspector	L/T	Senior Construction Inspector / Construction Inspector	REG	-	-	Support baseline growth in capital plan

*Engineering and Construction Department Staffing Changes (Part 2)***FY 2024 & FY 2025 Department Staffing Changes (Part 2)**

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Convert Character	Senior Construction Inspector/ Construction Inspector	L/T	Senior Construction Inspector/ Construction Inspector	REG	-	-	Support baseline growth in capital plan
2024	Convert Character	Senior Construction Inspector/ Construction Inspector	T/C	Senior Construction Inspector/ Construction Inspector	REG	-	-	Support baseline growth in capital plan
2024	Convert Character	Associate Civil Engineer / Associate Electrical Engineer / Associate Mechanical Engineer	T/C	Associate Civil Engineer / Associate Electrical Engineer / Associate Mechanical Engineer	REG	-	-	Support baseline growth in capital plan
2024	Convert Character	Supervising Construction Inspector	T/C	Supervising Construction Inspector	REG	-	-	Support baseline growth in capital plan
2024	Convert Character	Assistant Engineer / Senior Construction Inspector/ Junior Engineer	T/C	Assistant Engineer / Junior Engineer	REG	-	-	Support baseline growth in capital plan
2024	Convert Character	Assistant Engineer / Senior Construction Inspector/ Junior Engineer	T/C	Assistant Engineer / Junior Engineer	REG	-	-	Support baseline growth in capital plan
2024	Convert Character	Construction Inspector	T/C	Construction Inspector	REG	-	-	Support baseline growth in capital plan
2025	Add			Engineering Designer I/II	REG	190,256	1.00	Support capital improvement program

In FY 2024, 11 new FTEs will be added to the department, and an additional eight FTEs will be converted from either Limited-Term (L/T) or Temporary Construction (T/C) to Full-Time (REG). In FY 2025, one additional FTE will be added. All staffing changes are to support growth in the District's CIP.

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## FINANCE DEPARTMENT

### Overview

The Finance Department (FIN) is responsible for providing proactive and strategic management of District finances and ensuring the long-term financial stability of the District. These responsibilities include managing the finances to meet funding needs, ensuring adequate internal financial controls are maintained, reporting financials timely and accurately, managing the budget effectively and efficiently, implementing reasonable methodologically sound rates and charges consistent with legal requirements, optimizing investment of cash funds, maintaining good standing in the credit markets, and engaging actively with external stakeholders to promote fiscal transparency and accountability.

### Description of Services Provided

The department includes Accounting, Internal Audit, Budget and Performance, Treasury Operations, Purchasing, and Risk Management divisions. It provides a range of financial services including accounts payable and payroll, financial reporting, biennial budget management and reporting, grant writing and administration, strategic planning coordination, debt management, credit rating agency and investor relations, rates and charges, investment of funds, procurement and supply chain management, liability and workers compensation claim management, insurance procurement, and internal controls. The department also supports the District's Employee Retirement System with respect to investment management.

### FY 2024 & FY 2025 Goals

The department supports all six Strategic Plan goals but is primarily responsible for leading the Long-Term Financial Stability Strategic Plan goal. Key department goals include:

- Developing the biennial budget for FY 2026 and FY 2027;
- Developing the FY 2026 and FY 2027 rates, fees, and charges;
- Developing a long-range financing plan in support of sustainability and resilience;
- Continuing to grow fiscal transparency, accountability in financial reporting, and understanding of the District's rates and charges for the District's ratepayers; and
- Completing replacement of aging financial and materials management information computer systems.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Finance Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	% Change	FY 2025 Budget	% Change
Total Labor and Benefits	19,063	19,893	18,754	21,410	14.2%	21,342	-0.3%
<i>Less: Capital Labor and Benefits</i>	2,195	1,945	1,755	363	-79.3%	355	-2.4%
Operating Labor and Benefits	16,868	17,948	16,998	21,047	23.8%	20,988	-0.3%
Contract Services	1,106	951	1,353	1,603	18.5%	1,616	0.8%
Other Costs	9,714	10,530	11,491	12,518	8.9%	13,397	7.0%
<b>Operating Total</b>	<b>27,688</b>	<b>29,429</b>	<b>29,842</b>	<b>35,167</b>	<b>17.8%</b>	<b>36,001</b>	<b>2.4%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$5.3 million, or 17.8 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.8 million, or 2.4 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Total labor and benefit costs are increasing in FY 2024 due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Capital labor and benefits will decrease due to a shift to operating labor and benefits as the financial system replacement project is complete. Contract services are increasing primarily due to the cost-of-service study, which is conducted less than annually. Additional contract cost drivers include increased costs for District copier maintenance, annual audit expenses, and financial system support. Major drivers of other cost increases are insurance premiums, workers' compensation claims based on multi-year prior trends, bond counsel fees, and financial advisor fees.

**FY 2025**

Total labor and benefit costs will remain relatively stable in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. The primary reason contract services are expected to slightly increase is due to District copier maintenance and third party administration for workers' compensation and liability. Other costs are expected to increase due to insurance premiums, self-insured liability claims and workers' compensation claims based on multi-year prior trends.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. There are no net changes in FTE in either FY 2024 or FY 2025. In FY 2024, two FTEs will be added, as detailed on the next page, however this is offset by position transfers to other departments.

*Finance Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	101.00	99.00	99.00	99.00	-	99.00	-
Limited-Term / Temp. Const.	1.00	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	0.50	0.50	0.50	0.50	-	0.50	-
<b>Total FTE</b>	<b>102.50</b>	<b>99.50</b>	<b>99.50</b>	<b>99.50</b>	<b>-</b>	<b>99.50</b>	<b>-</b>



**Staffing Changes**

The table below summarizes the FTE changes excluding transfers among departments.

*Finance Department Staffing Changes*

FY 2024 & FY 2025 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Buyer I/II	REG	175,892	1.00	Support capital improvement program
2024	Add			Principal Management Analyst	REG	280,713	1.00	Grants writing

In FY 2024, two full-time FTEs will be added. One position will be devoted to supporting the Purchasing Division and increased workload due to the growing capital improvement program. The other position will be tasked with writing and coordinating grants District-wide, which is expected to increase external revenue, particularly focused on large capital investments. There are no new positions added in FY 2025.

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## HUMAN RESOURCES DEPARTMENT

### Overview

The Human Resources Department (HRD) recruits, develops, and retains a diverse, well-qualified and professional workforce that reflects the values of EBMUD, supports the District's core mission, and leads the organization in positive employee relations, talent management, and succession planning.

### Description of Services Provided

The department is comprised of the Employee Relations, Employee Services, and Recruitment and Classification divisions. These divisions administer the District's Employee Retirement System, deferred compensation programs, and employee and retiree benefits; provide guidance to effectively resolve grievances, as well as facilitate labor contract negotiations; work with the Office of Diversity, Equity & Culture on community outreach efforts to attract a diverse applicant pool; and create and implement workforce development programs to recruit and onboard highly qualified and diverse employees.

### FY 2024 & FY 2025 Goals

The department is primarily responsible for leading the Workforce Planning and Development Strategic Plan goal. Key department goals include:

- Implementing a new retirement administration system for administration of the EBMUD Employee Retirement System;
- Identifying and implementing a new Human Resources Management System (HRMS) to modernize the management and support of the employee lifecycle;
- Supporting labor negotiations and implementing pay, benefit, and policy changes as needed;
- Completing recruitments and onboarding in a timely manner to expeditiously fill vacancies; and
- Updating the job classification descriptions.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Human Resources Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	8,300	8,937	8,621	10,141	17.6%	10,260	1.2%
<i>Less: Capital Labor and Benefits</i>	535	781	182	621	240.5%	638	2.7%
Operating Labor and Benefits	7,765	8,157	8,439	9,520	12.8%	9,622	1.1%
Contract Services	1,108	1,006	1,160	1,430	23.2%	1,444	1.0%
Other Costs	194	226	1,332	1,995	49.8%	2,037	2.1%
<b>Operating Total</b>	<b>9,067</b>	<b>9,389</b>	<b>10,931</b>	<b>12,945</b>	<b>18.4%</b>	<b>13,103</b>	<b>1.2%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$2.0 million, or 18.4 percent, compared to FY 2023. In FY 2025, the budget will decrease slightly, or 1.2 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Operating labor is increasing due to an increase in staff, driven in part by implementation of new pension and human resources software systems. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Contract services are expected to increase because of a new contract for Health Insurance Benefit Administration and other existing service vendors increasing fees 3 percent to 4 percent per year. Major drivers of increases in other costs are software contracts returning to the department instead of centralized in ISD, increased costs for the 415 supplemental benefit, and increased advertising costs for recruitments.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Contract services and other costs are expected to remain relatively stable compared to FY 2024.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, two new full-time positions will be added, as well as three limited-term (L/T) positions. One Temporary Construction (T/C) position will be deleted. Note that the drop in FTE from FY 2021 to FY 2022 is due to transferring staff to the newly created Office of Diversity, Equity and Culture in the Office of the General Manager.

*Human Resources Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	49.00	39.00	38.00	40.00	2.00	40.00	-
Limited-Term / Temp. Const.	8.00	5.00	4.00	6.00	2.00	6.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	4.50	0.50	0.50	0.50	-	0.50	-
<b>Total FTE</b>	<b>61.50</b>	<b>44.50</b>	<b>42.50</b>	<b>46.50</b>	<b>4.00</b>	<b>46.50</b>	<b>-</b>

**Staffing Changes**

The table below summarizes the FTE changes excluding transfers among departments.

*Human Resources Department Staffing Changes*

FY 2024 & FY 2025 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Information Systems Administrator II	REG	254,617	1.00	Product owner for new HRIS, including implementation
2024	Add			Human Resources Analyst I/II / Human Resources Technician	REG	180,275	1.00	Improve onboarding and communication
2024	Add			Senior Administrative Clerk, Confidential	L/T	140,833	1.00	Support peak workload and efficiency improvements
2024	Add			Human Resources Analyst I/II	L/T	180,275	1.00	Support peak workload and efficiency improvements
2024	Add			HRIS Analyst I	L/T	171,549	1.00	Support peak workload and efficiency improvements
2024	Delete	Principal Management Analyst	T/C			(280,713)	(1.00)	REG ISA position is better suited for long-term HRIS project

In FY 2024, five new positions will be added, and one Temporary Construction (T/C) position will be deleted. The new REG (full-time) Information Systems Administrator II position will be added to be the product owner for the new Human Resources Information System (HRIS), and in exchange the T/C Principal Management Analyst position will be deleted. An additional REG position is being added to improve new employee onboarding and communication. And three L/T positions are being added to support peak workload and efficiency improvements.

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## INFORMATION SYSTEMS DEPARTMENT

### Overview

The Information Systems Department (ISD) is responsible for the strategic oversight, including the planning, acquiring, developing, deploying, operating, and maintaining information technology and services in support of District planning and operations. These responsibilities include providing security and recoverability for business systems and data critical to the operations of the District.

### Description of Services Provided

The department includes the Project Management Office, IT Applications, IT Operations, and IT Security divisions. Together, these divisions support the lifecycle of the District's technology and communication needs, including initial planning, acquisition, development, deployment, and ongoing maintenance. The department also manages and supports: District websites; desktop, mobile, and cloud computing; remote access; network connectivity; telephone, radio, and microwave communications; application development and integration for a wide range of business functions; risk identification in computing and network environments; guidance to ensure District systems and data are properly secured and available; and planning to ensure business continuity of District computing resources.

### FY 2024 & FY 2025 Goals

The department serves a key role in the Long-Term Financial Stability Strategic Plan goal. Key department goals include:

- Developing a five-year Technology Strategic Plan;
- Reviewing and aligning IT Governance and Project Implementation Processes with District mission, vision, values, and processes;
- Continuing efforts to advance the District's Cybersecurity and Personally-Identifiable Information plans, including the continued efforts toward the implementation of the Center for Internet Security Controls and shared governance;
- Ensuring project and maintenance work is performed in a manner that supports the achievement of goals outlined in the District's Strategic Plan, IT Master Plan, and the upcoming IT Strategic Plan;
- Facilitating the implementation of key District projects, which includes the replacement of the human resources core and pension systems;
- Completing implementation of the new financial information system and decommissioning of the previous system; and
- Implementing the IT Governance FY 2024 – FY 2025 Project Portfolio.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Information Systems Department Operating Budget Detail*

Department Operating Budget Detail and Historical Comparison (\$ Thousands)							
Category	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	% Change	FY 2025 Budget	% Change
Total Labor and Benefits	23,364	24,423	22,883	26,927	17.7%	27,217	1.1%
<i>Less: Capital Labor and Benefits</i>	587	588	-	-	0.0%	-	0.0%
Operating Labor and Benefits	22,777	23,834	22,883	26,927	17.7%	27,217	1.1%
Contract Services	2,199	2,069	2,875	2,687	-6.5%	2,828	5.3%
Other Costs	6,288	7,156	9,078	7,896	-13.0%	8,348	5.7%
<b>Operating Total</b>	<b>31,264</b>	<b>33,060</b>	<b>34,836</b>	<b>37,510</b>	<b>7.7%</b>	<b>38,393</b>	<b>2.4%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$2.7 million, or 7.7 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.9 million, or 2.4 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Total labor and benefit costs are increasing in FY 2024 as the District will be adding new positions to support cyber security initiatives. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Contract services are decreasing due to no longer needing the outside consultant for decommissioned financial systems. Major drivers of other cost decreases are because ISD transferred a significant amount of its computer software budgets to other departments and increased its own computer software budget to support District-wide software. Across the District, software costs are increasing substantially.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. The primary reason contract services are expected to increase is due to software and hardware management and support license renewals. Other costs are expected to increase due to increases in computer software costs, cloud computing, telephone expenses, and data center lease for disaster recovery.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, two new full-time positions will be added, including one transfer from the Finance Department. Additionally, one new Temporary Construction (T/C) position will be added, however two Limited-Term (L/T) positions will be transferred to the Office of Diversity, Equity and Culture in the Office of the General Manager in order to support a coordinated internship and workforce development program.

*Information Systems Department Staffing Summary*

Department Staffing Summary and Comparison (FTE)							
Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	92.00	92.00	92.00	95.00	3.00	95.00	-
Limited-Term / Temp. Const.	2.00	2.00	2.00	1.00	(1.00)	1.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
<b>Total FTE</b>	<b>94.00</b>	<b>94.00</b>	<b>94.00</b>	<b>96.00</b>	<b>2.00</b>	<b>96.00</b>	<b>-</b>

**Staffing Changes**

The table below summarizes the FTE changes excluding transfers among departments.

*Information Systems Department Staffing Changes*

FY 2024 & FY 2025 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Management Analyst I/II	REG	208,969	1.00	Support cybersecurity
2024	Add			Senior Information Technology Engineer / Information Technology Engineer I/II	REG	236,572	1.00	Support cybersecurity
2024	Add			Senior Software Engineer / Software Engineer I/II	T/C	230,722	1.00	Support HRIS Implementation

In FY 2024, two new positions will be added to support a coordinated cybersecurity program, a key Board priority and part of the District's Strategic Plan. An additional T/C software engineer position will be added to support the HRIS implementation.

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## MAINTENANCE AND CONSTRUCTION DEPARTMENT

### Overview

The Maintenance and Construction Department (MCD) is responsible for installing, replacing, rehabilitating, and maintaining the local water distribution system infrastructure, reading, and maintaining the nearly 400,000 water meters, providing support services, and maintaining over 1,300 vehicles and heavy equipment in the District's fleet.

### Description of Services Provided

The department includes the Distribution Maintenance and Construction, Pipeline Construction and Equipment, and Maintenance Support divisions. Distribution Maintenance and Construction installs new services and pipelines and supports the maintenance, replacement, and installation of the water distribution system by identifying and repairing leaks, maintaining valves and hydrants, and replacing pipeline appurtenances. Pipeline Construction and Equipment installs replacement pipelines and provides paving services. Maintenance Support provides District-wide construction support and janitorial services, and is responsible for: vehicle and equipment procurement, maintenance and replacement; meter testing, maintenance, repair, and reading; and backflow prevention.

### FY 2024 & FY 2025 Goals

The department has a key role in the Long-Term Infrastructure Investment Strategic Plan goal. Key department goals include:

- Replacing 22.5 miles of distribution pipe in FY 2024 and 25 miles in FY 2025;
- Reading, testing, and replacing revenue-generating water meters;
- Leading the industry in water loss control through using new and innovative technology, effective maintenance practices, and efficient operations;
- Maintaining and procuring the District's fleet of vehicles and equipment to support District operations and meet greenhouse gas reduction goals; and
- Implementing preventive, predictive, and corrective maintenance plans for infrastructure such as pipelines, valves, hydrants, and meters to improve safety, reliability, and efficiency.



## Department Budget Summary

*Maintenance and Construction Department Budget Table*

## Department Operating Budget Detail and Historical Comparison (\$ Thousands)

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	93,677	100,563	106,274	121,701	14.5%	124,066	1.9%
Less: Capital Labor and Benefits	41,625	42,450	47,487	52,333	10.2%	53,446	2.1%
Operating Labor and Benefits	52,052	58,113	58,787	69,368	18.0%	70,619	1.8%
Contract Services	1,219	925	952	1,632	71.4%	1,707	4.6%
Other Costs	18,438	17,714	20,407	22,558	10.5%	23,368	3.6%
<b>Operating Total</b>	<b>71,709</b>	<b>76,752</b>	<b>80,146</b>	<b>93,557</b>	<b>16.7%</b>	<b>95,695</b>	<b>2.3%</b>

## Budget Highlights

The department's operating budget in FY 2024 is increasing \$13.4 million, or 16.7 percent, compared to FY 2023. In FY 2025, the budget will increase \$2.1 million, or 2.3 percent, compared to the first year of the biennial budget.

## FY 2024

Total labor and benefit costs are increasing in FY 2024 as the Department is adding new positions, discussed below, to support key strategic priorities. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Contract costs are increasing due to inflationary pressures. Other Costs are increasing because of the increase in costs for chemicals, energy, and petroleum, oil and lubricants (fuel).

## FY 2025

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Contract services are expected to increase slightly due to expected continued inflationary pressures. Other costs are expected to increase slightly due to the increase in fuel costs.

## Staffing Summary

In FY 2024, a net total of 19 FTE are being added. Among those are 24 new positions less five existing Limited-Term (L/T) positions, which will be transferred to the Office of Diversity, Equity and Culture in the Office of the General Manager to support a coordinated internship and workforce development program.

*Maintenance and Construction Department Staffing Summary*

## Department Staffing Summary and Comparison (FTE)

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	596.00	598.00	598.00	615.00	17.00	615.00	-
Limited-Term / Temp. Const.	17.00	13.00	11.00	13.00	2.00	13.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	2.50	2.50	2.50	2.50	-	2.50	-
<b>Total FTE</b>	<b>615.50</b>	<b>613.50</b>	<b>611.50</b>	<b>630.50</b>	<b>19.00</b>	<b>630.50</b>	<b>-</b>

## Staffing Changes

*Maintenance and Construction Department Staffing Changes*

## FY 2024 &amp; FY 2025 Department Staffing Changes

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Heavy Transport Operator	REG	758,398	5.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Water Distribution Plumber I/II/III	REG	621,948	4.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Heavy Equipment Operator	REG	163,379	1.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Water Distribution Plumber I/II/III	REG	310,974	2.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Water Distribution Plumber I/II/III	REG	310,974	2.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			General Pipe Supervisor	REG	224,971	1.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Heavy Equipment Operator	REG	163,379	1.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Heavy Transport Operator	REG	151,680	1.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Water Distribution Plumber I/II/III	L/T	382,521	3.00	Replace meters with highest rates of underbilling
2024	Add			Water Distribution Plumber I/II/III	T/C	255,014	2.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Water Distribution Crew Foreman	T/C	194,195	1.00	Aging infrastructure and reduce FM&O and contracting out
2024	Add			Heavy Equipment Operator	T/C	163,379	1.00	Aging infrastructure and reduce FM&O and contracting out
2024	Convert Character	Concrete Finisher I/II & Gardener I/II	L/T & REG	Concrete Finisher I/II	REG	-	-	4.0 FTE; Aging infrastructure and reduce FM&O and contracting out
2024	Convert Character	Paving Raker A & Janitor	L/T & REG	Paving Raker A	REG	-	-	2.0 FTE; Aging infrastructure and reduce FM&O and contracting out

Twenty-one new FTE will be added related to aging infrastructure and reducing Fully Maintained and Operated (FM&O) contracts and other contracting out. An additional six FTEs are having their L/T classifications converted to full-time (regular) positions to in order to support aging infrastructure and reducing FM&O and contracting out, for a total of 27 FTEs affected for this purpose. Among the new full-time (regular) positions for this priority, a new pipeline rebuild service crew will be added, consisting of a General Pipe Supervisor, two Water Distribution Plumbers (WDPs), one Heavy Equipment Operator (HEO), and one Heavy Transport Operator (HTO). An additional full-time (regular) six WDPs, five HTOs, and one HEO will be added as well, which will reduce contracting out. Additionally, four new Temporary Construction (T/C) positions (Water Distribution Crew Foreman, two WDPs, one HEO) will be added to address copper service lateral corrosion, which will also reduce contracting out.

Additionally, three new Limited-Term (L/T) positions will be added to support a project to replace water meters that have been identified as having the highest rates of underbilling customers. Improved accuracy is expected to slightly increase revenue enough to pay for these positions over a two-to-four-year period, depending on speed of replacement and the level of inaccuracy of the current meters.

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## NATURAL RESOURCES DEPARTMENT

### Overview

The Natural Resources Department (NRD) develops and implements plans, policies, and programs necessary to manage over 50,000 acres of water, watershed lands and related facilities. The department develops and implements programs for water quality, fisheries and wildlife enhancement and protection, natural resource management and monitoring, wildfire suppression and fuels management, and public recreation areas and trails on these lands, reservoirs, rivers, and streams.

### Description of Services Provided

The department includes the East Bay Watershed and Recreation, Mokelumne Watershed and Recreation, and Fisheries and Wildlife divisions. Both the East Bay and Mokelumne Watershed and Recreation divisions manage and protect the local and upcountry watershed lands owned by the District, including overseeing environmental, recreation, and public education programs. The Fisheries and Wildlife Division develops and maintains the scientific information necessary to manage and protect wildlife and fisheries on District-owned lands and the fisheries resources of the lower Mokelumne River, conducts monitoring to comply with water right agreements, provides biological support for capital projects, and responds to service area water discharge incidents. Together the divisions support each other with planning, grant execution, regional collaborations, and new initiatives.

### FY 2024 & FY 2025 Goals

The department has a key role in the Water Quality and Environmental Protection Strategic Plan goal. Key department goals include:

- Implementing the water quality protection, environmental stewardship, and recreation and public use programs consistent with the East Bay and Mokelumne Watershed Master Plans;
- Continuing to build on the successful fisheries program for the Mokelumne River including expansion of the science programs on outmigration survival, juvenile barging, hatchery genetics management, and working collaboratively with public organization, non-profit, and local landowner partners along the lower Mokelumne River;
- Continuing to implement the East Bay Habitat Conservation Plan through pond maintenance, fencing, invasive species management, and monitoring in the East Bay Watershed covered areas; and the Mokelumne Safe Harbor Agreement through enhancement and maintenance of pond habitat, elderberry bush habitat, and enhancing federally listed species on the Mokelumne Watershed;
- Participating and collaborating in addressing fire and fuels management and forest health issues in the East Bay and Mokelumne watersheds; and
- Partnering with the Operations and Maintenance Department on collaboratively managing the Joint Settlement Agreement flows on the Lower Mokelumne river and in ongoing water quality monitoring in the Mokelumne watershed.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Natural Resources Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	10,373	11,048	11,443	13,239	15.7%	13,425	1.4%
Less: Capital Labor and Benefits	155	79	72	84	16.5%	85	0.3%
Operating Labor and Benefits	10,218	10,969	11,371	13,155	15.7%	13,341	1.4%
Contract Services	2,772	2,907	3,194	3,271	2.4%	3,347	2.3%
Other Costs	3,108	3,133	4,121	4,443	7.8%	4,617	3.9%
<b>Operating Total</b>	<b>16,098</b>	<b>17,009</b>	<b>18,685</b>	<b>20,868</b>	<b>11.7%</b>	<b>21,305</b>	<b>2.1%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$2.2 million, or 11.7 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.4 million, or 2.1 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Labor and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. For contract services, the largest dollar increase was due to the cost of security contracts. Other major drivers include the increased costs of operating contracts with California Department of Fish and Wildlife for the Mokelumne River Fish Hatchery.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Other costs such as rent and operating costs for the hatchery are expected to increase modestly.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, a position will transfer into the Fisheries and Wildlife Lodi Office from Water Supply Improvements in the Water Resources Department. There are no net new positions.

*Natural Resources Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	64.00	64.00	64.00	65.00	1.00	65.00	-
Limited-Term / Temp. Const.	-	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	2.50	2.50	2.50	2.50	-	2.50	-
<b>Total FTE</b>	<b>66.50</b>	<b>66.50</b>	<b>66.50</b>	<b>67.50</b>	<b>1.00</b>	<b>67.50</b>	<b>-</b>

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## OFFICE OF THE GENERAL COUNSEL

### Overview

The Office of the General Counsel (OGC) provides the legal advice and assistance necessary to implement the District's mission, policies, and programs in a manner consistent with the law and to take charge of litigation and other legal matters in which the District is a party or in which it is legally interested.

### Description of Services Provided

The department provides legal assistance and litigation support to the Board, General Manager, and staff in such areas as: resources law; municipal and public law; environmental law; public works contracting; construction and real estate law; personnel, benefits, retirement and labor law; risk management and insurance; public finance and governmental law; tort law; and rates, regulations, and public policy matters.

### FY 2024 & FY 2025 Goals

Key department goals include:

- Providing the District, its officers, and its employees with competent, responsible, and effective representation in all proceedings in which the District is a party or has an interest, and obtaining the best results possible given the facts and law applicable to the specific case;
- Ensuring that all documents with legal significance presented to the OGC for review, or are originally prepared by OGC, accomplish the purpose for which they are intended, protect the District from legal risk to the full extent staff considers appropriate for the transaction, and are written in clear and understandable language in an appropriate legal form;
- Providing accurate, clear, and practical oral legal advice that is responsible to the questions and facts presented;
- Providing accurate, clear, and practical written legal memoranda and opinions that are thoroughly researched timely and in an appropriately professional form;
- Providing forceful and persuasive advocacy on behalf of the District in non-judicial settings when requested to do so;
- Ensuring that all legal services provided to the District are cost-effective, responsive to the directions of the Board, and professionally competent; and
- Adhering to the highest standards of professional conduct and legal ethics including those standards set forth in the Rules of Professional Conduct.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Office of the General Counsel Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	3,836	3,483	4,659	4,935	5.9%	4,982	1.0%
Less: Capital Labor and Benefits	-	-	-	-	0.0%	-	0.0%
Operating Labor and Benefits	3,836	3,483	4,659	4,935	5.9%	4,982	1.0%
Contract Services	806	979	750	750	0.0%	750	0.0%
Other Costs	80	158	188	250	33.4%	251	0.3%
<b>Operating Total</b>	<b>4,721</b>	<b>4,620</b>	<b>5,597</b>	<b>5,935</b>	<b>6.0%</b>	<b>5,983</b>	<b>0.8%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$0.3 million, or 6.0 percent, compared to FY 2023. In FY 2025, the budget will increase slightly, or 0.8 percent, compared to the first year of the biennial budget. Changes include:

**FY 2024**

Salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Major drivers of other cost increases are software contracts returning to the department instead of centralized in ISD and funding for two external law clerk interns.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Other costs are expected to remain relatively stable compared to FY 2024.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. There are no changes to the department's staffing.

*Office of the General Counsel Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	16.00	16.00	16.00	16.00	-	16.00	-
Limited-Term / Temp. Const.	-	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	1.00	0.50	0.50	0.50	-	0.50	-
<b>Total FTE</b>	<b>17.00</b>	<b>16.50</b>	<b>16.50</b>	<b>16.50</b>	<b>-</b>	<b>16.50</b>	<b>-</b>

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## OFFICE OF THE GENERAL MANAGER

### Overview

The Office of the General Manager (OGM) manages the overall operations of the District and implements the policies and priorities of the elected Board of Directors with an emphasis on effectively communicating with all stakeholders and advancing EBMUD's policy objectives with the state legislature and congress.

### Description of Services Provided

The department includes five divisions: Office of the General Manager, Inter-Governmental Affairs, Public Affairs, Office of the Secretary, and the Office of Diversity, Equity, and Culture. The Office of the General Manager provides several District-wide functions including: legislative and intergovernmental agency advocacy; public and community education and outreach; support to the Board of Directors and District-wide records management including managing responses to public records requests; and work on initiatives related to diversity, equity, and inclusion.

### FY 2024 & FY 2025 Goals

The department supports all the Strategic Plan goals. Key department goals include:

- Providing cross-departmental direction to cohesively and effectively manage operations and implement Board policies and priorities;
- Supporting water and wastewater program goals through engaging and communicating with the public, key stakeholders, and employees about operations and infrastructure, Board policy proposals and decisions, and stewardship of the District's natural, financial, and human resources;
- Educating stakeholders on the need for investment in infrastructure and innovation, water supply planning, climate and infrastructure resiliency, and other priorities as expressed through the District's Strategic Plan;
- Supporting the District's workforce planning and development goals through the implementation of the Diversity, Equity, and Inclusion Strategic Plan;
- Supporting water and wastewater program goals through legislative efforts to advance policy objectives, secure state and federal funding, and proactively influence legislation through effective advocacy; and
- Exploring ways to work better together to continue providing administrative and ministerial support to the Board of Directors, the General Manager, and staff in carrying out the District's mission.



**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Office of the General Manager Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	8,625	10,045	10,248	15,861	54.8%	16,129	1.7%
<i>Less: Capital Labor and Benefits</i>	7	4	-	-	0.0%	-	0.0%
Operating Labor and Benefits	8,617	10,041	10,248	15,861	54.8%	16,129	1.7%
Contract Services	990	914	1,069	1,865	74.5%	1,747	-6.3%
Other Costs	793	1,202	2,055	2,536	23.4%	2,834	11.8%
<b>Operating Total</b>	<b>10,400</b>	<b>12,157</b>	<b>13,371</b>	<b>20,262</b>	<b>51.5%</b>	<b>20,710</b>	<b>2.2%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$6.9 million, or 51.5 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.4 million, or 2.2 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Total labor and benefit costs are increasing in FY 2024 as the District will be adding new intern positions and consolidating nearly all intern and special employment program positions into the Office of Diversity, Equity and Culture. This will lead to a more organized and effective program that is expected to grow the pipeline for a more diverse workforce. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Major drivers of other cost include contracts for outside services to fulfill DEI Strategic Plan action items, increased funding for training, the new Clear Channel billboard lease credits reimbursement to Wastewater, and software contracts returning to the department instead of centrally managed in ISD.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. The primary reason contract costs are expected to decrease is the completion of one-time Crisis Communications Training and centennial activities in FY 2024. Operating costs will increase because of increased costs for filings, legal notices, mailing and courier services associated with the California Environmental Quality Act, and increased printing costs for the Annual Water Quality Report.

**Staffing Summary**

The table on the next page summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, the department's full-time staff is growing by three, including two new positions, detailed below, as well as a transfer from the Finance Department. An additional 14.0 limited-term and 7.5 part-time Full-Time Equivalent (FTE) will be added either through transfers from other departments, primarily, or through new positions, which are detailed on the next page.

*Office of the General Manager Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	28.00	45.00	49.00	52.00	3.00	52.00	-
Limited-Term / Temp. Const.	-	2.00	1.00	15.00	14.00	15.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	0.50	6.50	6.00	13.50	7.50	13.50	-
<b>Total FTE</b>	<b>28.50</b>	<b>53.50</b>	<b>56.00</b>	<b>80.50</b>	<b>24.50</b>	<b>80.50</b>	<b>-</b>

**Staffing Changes**

The table below summarizes the FTE changes excluding transfers among departments.

*Office of the General Manager Staffing Changes***FY 2024 & FY 2025 Department Staffing Changes**

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Community Affairs Representative I/II	REG	208,969	1.00	Support outreach on expanded capital plan
2024	Add			Community Affairs Representative III	REG	230,623	1.00	Consolidate and increase education programs and outreach
2024	Add			Ranger/Naturalist I/II	L/T	130,779	1.00	Support workforce diversity
2024	Add			Engineering Aide	P/T	112,753	1.00	Support workforce diversity
2024	Add			Student Intern	P/T	112,753	1.00	Support workforce diversity
2024	Add			Information Technology Intern I/II	P/T	134,090	1.00	Support workforce diversity
2024	Add			Engineering Aide	P/T	112,753	1.00	Support workforce diversity
2024	Delete	Worker Trainee	P/T			-	(1.00)	Replaced by Engineering Aides

Two new positions will be added to the Office of Public Affairs, including one to outreach on the growing CIP and another to consolidate and increase the District's educational resources and community outreach, a key Board priority and part of the District's Strategic Plan.

Five new FTEs are being added to support workforce diversity and the hiring pipeline, while one FTE, comprising two Part-Time positions, will be deleted and replaced with one FTE, also two Part-Time, Engineering Aides, which is better suited for workforce development goals.

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## OPERATIONS AND MAINTENANCE SUPPORT DEPARTMENT

The Operations and Maintenance Support Department (OSD) is responsible for managing and improving the operational information systems, water system infrastructure, processes, and assets, and providing District-wide support and leadership in health and safety, environmental compliance, emergency preparedness, business continuity, and facility security.

### Description of Services Provided

The department includes the Regulatory Compliance Office, Water Quality Office, and Asset Management Division. The Regulatory Compliance Office provides environmental compliance guidance and assistance, security services, emergency preparedness support, and workplace health and safety support to the entire District. The Water Quality Office provides technical review and oversight of water quality issues at the treatment plants and in the distribution system, as well as review of upcoming legislative and regulatory changes that may impact water quality. The Asset Management Division develops and maintains work management systems and tools, including mobile and GIS technologies for field operations and staff; coordinates technical training and educational programs for department staff; and provides leadership and guidance for knowledge retention efforts.

### FY 2024 & FY 2025 Goals

The department has primary responsibility for leading the Water Quality and Environmental Protection Strategic Plan goal and supporting the Customer and Community Services and Workforce Planning and Development goals. Key department goals include:

- Ensuring compliance with water discharge, air emission, and land disposal requirements to protect and preserve the environment;
- Supporting the accelerated pipeline infrastructure renewal capital program;
- Providing technical input and guidance in the development of the capital program for the water treatment plants (WTPs);
- Reviewing water quality data on a regular basis and assessing strategies for improvements;
- Operating and maintaining District facilities to anticipate and meet all water discharge, air emission, and land disposal regulations to protect and preserve the environment;
- Minimizing impacts to the environment by reducing, recycling, reusing and reclaiming waste, and by conserving natural resources;
- Supporting a safe and healthy workplace for all employees; and
- Maintaining active Emergency Preparedness and Business Continuity Programs to plan for and manage the District's functions during and following an emergency.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Operations and Maintenance Support Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	12,640	12,805	13,102	15,375	17.4%	15,536	1.0%
Less: Capital Labor and Benefits	723	890	618	598	-3.2%	604	1.0%
Operating Labor and Benefits	11,917	11,915	12,483	14,777	18.4%	14,932	1.0%
Contract Services	4,643	5,595	4,767	5,540	16.2%	5,443	-1.7%
Other Costs	6,374	6,457	6,924	8,927	28.9%	9,495	6.4%
<b>Operating Total</b>	<b>22,933</b>	<b>23,968</b>	<b>24,175</b>	<b>29,244</b>	<b>21.0%</b>	<b>29,869</b>	<b>2.1%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$5.1 million, or 21.0 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.6 million, or 2.1 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Operating labor and benefits costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Contract services costs are increasing due to a significant increase in a few of the professional services contracts. Specifically, with the contractors handling COVID-19 case management and assistance with the COVID-19 hotline. Other operating costs are increases primarily because of increased costs in energy, chemicals, fuel, and spoils and sludge disposals. The latter category in particular is growing for the department as these costs were previously budgeted in the Maintenance and Construction and Water Operations departments and have been consolidated and are now budgeted within OSD.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. The primary reason contract services are expected to decrease is due to the COVID-19 related expenses being completed. Other costs are expected to increase due to an increase of more in-person training and travel, which was previously cancelled due to COVID-19. Additionally, fees and licenses also continue to increase significantly, driven in part by increased reviews related to environmental protection.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, one Temporary Construction (T/C) FTE will be added, as detailed below.

*Operations and Maintenance Support Department Staffing Summary*

Department Staffing Summary and Comparison (FTE)							
Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	53.00	55.00	55.00	55.00	-	55.00	-
Limited-Term / Temp. Const.	-	-	-	1.00	1.00	1.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
<b>Total FTE</b>	<b>53.00</b>	<b>55.00</b>	<b>55.00</b>	<b>56.00</b>	<b>1.00</b>	<b>56.00</b>	<b>-</b>

**Staffing Changes**

The table below summarizes the FTE changes excluding transfers among departments.

*Operations and Maintenance Support Department Staffing Changes*

FY 2024 & FY 2025 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Information Systems Support Analyst I/II	T/C	204,031	1.00	Support new assets in capital improvement program

In FY 2024, one new T/C FTE will be added to support new assets being added in the CIP.

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## WATER OPERATIONS DEPARTMENT

### Overview

The Water Operations Department (WOD) is responsible for the operation and maintenance of all water and power generation facilities spanning six counties, including Freeport Regional Water Authority facilities. Duties include oversight over all raw and treated water operations, dam operation and maintenance, support for water supply projects, support for water rights negotiation and interpretation, and management of the District's federal Central Valley Project supply.

### Description of Services Provided

The department includes Facilities Maintenance and Construction, Water Quality Office, Water Treatment and Distribution, and Water Supply divisions. Facilities Maintenance and Construction provides support for the water treatment and distribution infrastructure and other facilities including the computer systems used to operate the water system. Water Treatment and Distribution Division is responsible for providing high quality water by meeting or exceeding public health and water quality standards. Water Supply Division is responsible for raw water operation including flood control and Mokelumne River regulation, maintaining the District's aqueduct rights of way, operation and maintenance of upcountry water and wastewater systems and facilities, water system regulatory compliance and monitoring, water customer complaint investigation, and emergency response preparedness. The Water Quality Office provides technical review and oversight of water quality issues at the treatment plants and in the distribution system, as well as review of upcoming legislative and regulatory changes that impact water quality.

### FY 2024 & FY 2025 Goals

The department has a key role in implementing the Water Quality and Environmental Protection Strategic Plan goal. Key department goals include:

- Implementing OP/NET system improvements and cyber security controls for the industrial control systems and centralized security systems;
- Operating the water system to meet multiple objectives including municipal water supply, water quality, power generation, river flow regulation, environmental protection, and flood control;
- Meeting Joint Settlement Agreement (JSA) Mokelumne River minimum flow releases 100 percent of the time;
- Improving maintenance programs and asset management;
- Meeting water quality regulations and water quality goals 100 percent of the time;
- Managing Freeport Regional Water Facilities and other supplemental supply projects and supporting development of new supply projects;
- Operating the water system efficiently to minimize costs; and
- Leading the District's Energy Management Strategy.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Water Operations Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	% Change	FY 2025 Budget	% Change
Total Labor and Benefits	62,319	67,019	67,177	77,360	15.2%	78,414	1.4%
<i>Less: Capital Labor and Benefits</i>	6,100	4,851	4,839	5,264	8.8%	5,337	1.4%
Operating Labor and Benefits	56,219	62,168	62,338	72,096	15.7%	73,077	1.4%
Contract Services	3,327	3,949	5,110	5,680	11.2%	5,831	2.7%
Other Costs	29,108	30,217	29,848	42,690	43.0%	47,022	10.1%
<b>Operating Total</b>	<b>88,654</b>	<b>96,334</b>	<b>97,296</b>	<b>120,466</b>	<b>23.8%</b>	<b>125,930</b>	<b>4.5%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$23.2 million, or 23.8 percent, compared to FY 2023. In FY 2025, the budget will increase \$5.5 million, or 4.5 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Total labor and benefit costs are increasing in FY 2024 primarily due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Major drivers for the increase in both contract services and other costs is due to substantial increases in the cost of:

- Energy due to wholesale and commercial / industrial energy rates;
- Petroleum, oil and lubricants due to market pricing;
- Chemicals due to supply chain constraints and limited supplier options;
- Spoils and sludge disposal due to market trends;
- Laboratory supplies due to inflationary cost increases and supply chain issues; and
- Increased number of equipment leases, particularly while waiting for equipment purchases that have been slowed due to the supply chain delay in commercial and heavy equipment.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Contract services are expected to be nearly flat, with only small increases for continued inflation. Other costs are expected to increase due to the same reasons as FY 2024 and ongoing expectation for somewhat constrained energy and chemical supplies.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, three new full-time FTEs and one temporary construction FTE will be added, however 2.50 FTEs will be transferred to the Office of Diversity, Equity and Culture in the Office of the General Manager to support a coordinated internship and workforce development program.

*Water Operations Department Operating Staffing Summary*

Department Staffing Summary and Comparison (FTE)							
Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	335.00	333.00	333.00	336.00	3.00	336.00	-
Limited-Term / Temp. Const.	5.00	4.00	4.00	3.00	(1.00)	3.00	-
Intermittent	0.75	0.75	0.75	0.75	-	0.75	-
Temporary / Part-Time	2.50	2.00	2.00	1.50	(0.50)	1.50	-
<b>Total FTE</b>	<b>343.25</b>	<b>339.75</b>	<b>339.75</b>	<b>341.25</b>	<b>1.50</b>	<b>341.25</b>	<b>-</b>

**Staffing Changes**

The table below summarizes the FTE changes excluding transfers among departments.

*Water Operations Department Operating Staffing Changes*

FY 2024 & FY 2025 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Instrument Technician / Instrument Worker I/II/III	REG	184,796	1.00	Meet increased need for instrument maintenance
2024	Add			Hydroelectric Power Plant Supervisor	REG	224,971	1.00	Improve support for operating staff at Pardee
2024	Add			Water System Inspector I/II	REG	167,464	1.00	Meet increased need for water quality monitoring

In FY 2024, three new full-time (REG) positions will be added to support various critical operating needs.



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## WATER RECYCLING PROGRAM

### Overview

The Water Recycling Program (WRP) develops and implements projects that provide recycled water for appropriate uses by the District and its customers to reduce the demand on high-quality drinking water supplies.

### Description of Services Provided

The program operates and maintains the North Richmond Water Reclamation Plant and the Richmond Advance Recycled Expansion (RARE) facility that provide recycled water for use in the Chevron refinery, and the East Bayshore Recycled Water treatment facility that provides recycled water to customers for irrigation applications. While this program is managed and budgeted under the Water System, the Wastewater Department is responsible for the ongoing operations and maintenance of the facilities that produce recycled water.

### FY 2024 & FY 2025 Goals

The department supports the Long-Term Water Supply Strategic Plan goal. Key goals include:

- Continuing to operate and maintain the three recycled water treatment facilities (RARE, North Richmond, and East Bayshore) to meet regulatory standards for recycled water and to maximize production;
- Maintaining contractual obligations with Chevron; and
- Continuing to offset the use of drinking water for non-potable applications as part of the District's water recycling goal.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Water Recycling Program Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	1,861	2,017	1,905	2,317	21.7%	2,341	1.1%
Less: Capital Labor and Benefits	1	0	57	-	-100.0%	19	0.0%
Operating Labor and Benefits	1,859	2,017	1,848	2,317	25.4%	2,322	0.2%
Contract Services	184	93	162	205	26.9%	207	0.9%
Other Costs	4,315	3,553	4,348	5,273	21.3%	5,634	6.8%
<b>Operating Total</b>	<b>6,358</b>	<b>5,663</b>	<b>6,357</b>	<b>7,795</b>	<b>22.6%</b>	<b>8,163</b>	<b>4.7%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$1.4 million, or 22.6 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.4 million, or 4.7 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Total labor and benefit costs are increasing in FY 2024 due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Contract services are increasing primarily to complete a tracer study at the North Richmond Water Reclamation Plant required for compliance with Title 22 Regulations and the California State Water Resources Control Board Division of Drinking Water's Recycled Water Unit regulations. Other costs are expected to increase due to processing more recycled water for the Chevron Refinery resulting in higher chemicals, energy, and discharge fees.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Contract services are essentially flat. Other costs are expected to increase primarily due to price increases in chemicals, energy, and fees and licenses.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. There are no staffing changes in either fiscal year.

*Water Recycling Program Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	8.00	8.00	8.00	8.00	-	8.00	-
Limited-Term / Temp. Const.	-	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
<b>Total FTE</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>-</b>	<b>8.00</b>	<b>-</b>

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## WATER RESOURCES DEPARTMENT

### Overview

The Water Resources Department (WRD) develops and administers the plans, policies, and programs necessary to protect existing District water resources, develop additional water supplies, and assure the availability of physical facilities to meet future needs.

### Description of Services Provided

The department includes the Environmental Affairs Office, and the Water Resources Planning and Water Supply Improvements divisions. The Environmental Affairs Office provides technical and policy evaluation and advocacy on state and federal plans to restore the San Francisco Bay-Delta ecosystem, and technical support, legislative review, and policy development related to sustainability and climate change. The Water Resources Planning Division administers the District's licenses, permits, and agreements for current water supplies and hydropower facilities; conducts water resource modeling to support operations and planning; performs hydrologic and hydraulic analysis of the District's facilities; and prepares reports and plans needed to comply with state and federal regulations. The Water Supply Improvements Division plans and implements supplemental supply and water recycling projects needed to meet current and future water supply needs.

### FY 2024 & FY 2025 Goals

The department is primarily responsible for the Long-Term Water Supply Strategic Plan goal. Key department goals include:

- Preserving and managing the District's Mokelumne and East Bay water rights entitlements and agreements, and complying with Federal Energy Regulatory Commission (FERC) hydropower license requirements and U.S. Bureau of Reclamation Central Valley Project contract entitlements;
- Continuing collaborative partnerships for ensuring dry-year water supply including a long-term water transfer agreement with Placer County Water Agency, potential participation in an expanded Los Vaqueros Reservoir, development of a groundwater banking demonstration project with San Joaquin County, and regional water supply reliability partnerships in the Bay Area and with upcountry agencies;
- Preparing the 2025 Urban Water Management Plan, a comprehensive five-year water supply plan that incorporates the state mandated Water Shortage Contingency Plan;
- Continuing to evaluate use of recycled water to further reduce demand on Mokelumne River and East Bay water supplies and updating the Recycled Water Strategic Plan;
- Participating in State Water Resources Control Board hearings on the Water Quality Control Plan and development of the associated Voluntary Agreements, and review of the state's Delta Conveyance Project; and
- Continuing to work collaboratively with other departments to incorporate Climate Change adaptation and mitigation strategies into key District planning efforts and initiatives.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Water Resources Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	9,363	9,497	9,340	10,016	7.2%	10,118	1.0%
<i>Less: Capital Labor and Benefits</i>	2,252	1,837	1,890	1,836	-2.9%	1,858	1.2%
Operating Labor and Benefits	7,111	7,660	7,449	8,179	9.8%	8,260	1.0%
Contract Services	32	125	365	270	-26.0%	190	-29.6%
Other Costs	2,263	2,122	2,209	3,300	49.4%	3,389	2.7%
<b>Operating Total</b>	<b>9,405</b>	<b>9,907</b>	<b>10,023</b>	<b>11,750</b>	<b>17.2%</b>	<b>11,840</b>	<b>0.8%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$1.7 million, or 17.2 percent, compared to FY 2023. In FY 2025, the budget will increase \$0.1 million, or 0.8 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

The major driver of contract cost decreases are the completion of projects and a FERC requirement that was budgeted in 2023 that only needs to be met every five years. The major driver of increases are costs of fees to outside agencies such as DERWA. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Department costs are expected to remain relatively stable compared to FY 2024 as costs of fees to outside agencies such as DERWA increases are offset by a decrease in contract services as a result of completion of Water Resources contracts.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, there is a reduction of three FTEs. One full-time position is being transferred from Water Supply Improvements to the Fisheries and Wildlife Lodi Office in the Natural Resources Department. Additionally, two Limited-Term (L/T) positions will be transferred to the Office of Diversity, Equity and Culture in the Office of the General Manager in order to support a coordinated internship and workforce development program.

*Water Resources Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	36.00	36.00	36.00	35.00	(1.00)	35.00	-
Limited-Term / Temp. Const.	1.00	2.00	2.00	-	(2.00)	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	0.50	-	-	-	-	-	-
<b>Total FTE</b>	<b>37.50</b>	<b>38.00</b>	<b>38.00</b>	<b>35.00</b>	<b>(3.00)</b>	<b>35.00</b>	<b>-</b>

## Staffing

### Appointment Types

The majority of the workforce is comprised of full-time civil service or full-time civil service exempt positions. Limited-term positions are intended to augment regular staff to accomplish extra work or other operational programs or activities of a limited duration, with appointments for a maximum of four years. Temporary construction positions are also of a limited and specified duration typically associated with capital projects. Intermittent positions represent the smallest number of appointment types and typically work 32 hours instead of 40 hours per week. Part-time positions are typically restricted to 832 hours per year. Temporary positions are limited to a six-month duration and are full-time during that duration.

### DEPARTMENT STAFFING SUMMARY

The table below provides the full-time equivalent (FTE) by department and compares the changes from year-to-year. Depending upon the appointment type, the FTE value will be different.

- Full-time, limited-term and temporary construction appointment types equal 1.0 FTE;
- Intermittent appointment types equal 0.75 FTE; and
- Part-time and temporary appointment types equal 0.5 FTE.

#### *Water System Department Staffing Summary*

FY 2024 & FY 2025 Department Staffing (FTE)					
Department	FY 2023	FY 2024		FY 2025	
	Budget	Budget	FTE Change	Budget	FTE Change
Administration	1.00	1.00	-	1.00	-
Customer & Community Services	138.50	139.50	1.00	139.50	-
Engineering & Construction	288.00	293.00	5.00	294.00	1.00
Drought	15.00	15.00	-	15.00	-
Finance	99.50	99.50	-	99.50	-
Human Resources	42.50	46.50	4.00	46.50	-
Information Systems	94.00	96.00	2.00	96.00	-
Maintenance & Construction	611.50	630.50	19.00	630.50	-
Natural Resources	66.50	67.50	1.00	67.50	-
Office of the General Counsel	16.50	16.50	-	16.50	-
Office of the General Manager	56.00	80.50	24.50	80.50	-
Operations & Maintenance Support	55.00	56.00	1.00	56.00	-
Water Operations	339.75	341.25	1.50	341.25	-
Water Recycling Program	8.00	8.00	-	8.00	-
Water Resources	38.00	35.00	(3.00)	35.00	-
<b>Total FTE</b>	<b>1,869.75</b>	<b>1,925.75</b>	<b>56.00</b>	<b>1,926.75</b>	<b>1.00</b>

In FY 2024, a net total of 56.0 FTEs are being added to the Water System. In FY 2025, one full-time FTE will be added in the Engineering & Construction Department. For a more detail description of the staffing changes, please see the specific department sections in this chapter.

**BARGAINING UNIT CHANGES**

Tables below show the net change in bargaining unit status of authorized FTEs represented by different unions, management/confidential, non-represented groups, and civil service exempt positions. The tables reflect Board of Directors authorized additions and deletions in FY 2024 and FY 2025 and correspond to the staffing changes table in each department.

*FY 2024 vs FY 2023 Water System Department Changes in Bargaining Units***FY 2024 vs FY 2023 Department Net Change in Bargaining Unit Status (FTE)**

Department	Local 2019	Local 444	Local 21	Local 39	MGR / CONF	NRP	EXMPT
Administration	-	-	-	-	-	-	-
Customer & Community Services	1.00	-	-	-	-	-	-
Engineering & Construction	3.00	-	1.00	-	1.00	-	-
Drought	-	-	-	-	-	-	-
Finance	-	-	(1.00)	-	1.00	-	-
Human Resources	-	-	1.00	-	3.00	-	-
Information Systems	-	-	2.00	-	-	-	-
Maintenance & Construction	-	23.00	1.00	-	-	(5.00)	-
Natural Resources	1.00	-	-	-	-	-	-
Office of the General Counsel	-	-	-	-	-	-	-
Office of the General Manager	16.50	-	2.00	-	1.00	5.00	-
Operations & Maintenance Support	1.00	-	-	-	-	-	-
Water Operations	1.50	1.00	1.00	-	-	(2.00)	-
Water Recycling Program	-	-	-	-	-	-	-
Water Resources	(3.00)	-	-	-	-	-	-
<b>Total FTE</b>	<b>21.00</b>	<b>24.00</b>	<b>7.00</b>	<b>-</b>	<b>6.00</b>	<b>(2.00)</b>	<b>-</b>

*FY 2025 vs FY 2024 Water System Department Changes in Bargaining Units***FY 2025 vs FY 2024 Department Net Change in Bargaining Unit Status (FTE)**

Department	Local 2019	Local 444	Local 21	Local 39	MGR / CONF	NRP	EXMPT
Administration	-	-	-	-	-	-	-
Customer & Community Services	-	-	-	-	-	-	-
Engineering & Construction	1.00	-	-	-	-	-	-
Drought	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-	-
Information Systems	-	-	-	-	-	-	-
Maintenance & Construction	-	-	-	-	-	-	-
Natural Resources	-	-	-	-	-	-	-
Office of the General Counsel	-	-	-	-	-	-	-
Office of the General Manager	-	-	-	-	-	-	-
Operations & Maintenance Support	-	-	-	-	-	-	-
Water Operations	-	-	-	-	-	-	-
Water Recycling Program	-	-	-	-	-	-	-
Water Resources	-	-	-	-	-	-	-
<b>Total FTE</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

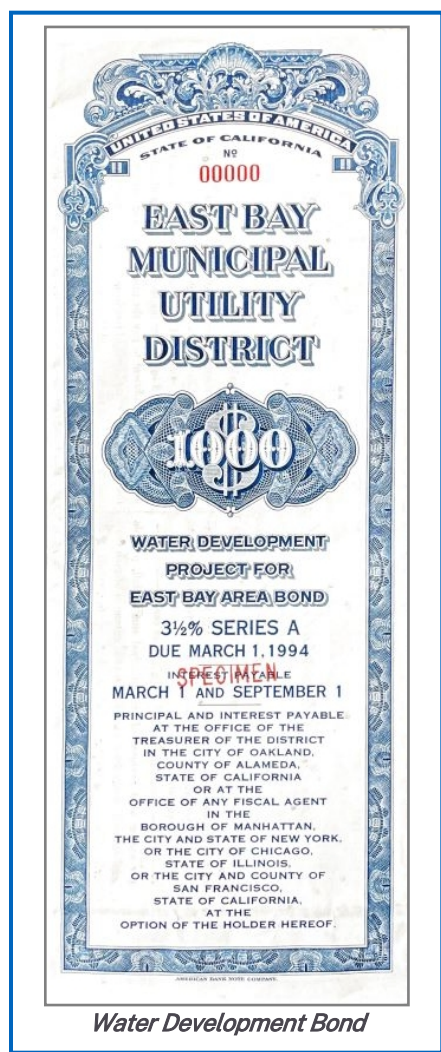
## Debt Service and Financing

### OVERVIEW

This section describes the Water System's current and projected debt obligations, current credit ratings, and adherence to the District's debt financing policies.

The District incurs debt to finance capital projects or purchase, repair or replace assets which will have useful lives equal to or greater than the related debt. Issuance of revenue supported debt is authorized by the Board of Directors, subject to a referendum process. Individual revenue bond issues are authorized by the Board of Directors.

The annual debt service principal and interest payments are charged to the operating budget. However, debt is only issued to finance capital investment activities.





## OUTSTANDING DEBT

The Water System's total outstanding debt is projected to be \$2.61 billion as of June 30, 2023. This figure incorporates an anticipated partial pay down of Water System commercial paper (CP) in FY 2023. The District's debt issues are summarized on the following page and discussed in detail thereafter.

### Water System Debt Outstanding

Debt Outstanding Projected as of June 30, 2023				
Issue	Date of Issue	Last Maturity	Issued (\$ Thousands)	Outstanding (\$ Thousands)
<b>Long-Term Debt</b>				
<b>Revenue Bonds</b>				
Series 2010B (Build America Bonds)	2/23/2010	6/1/2040	400,000	400,000
Series 2014A	6/11/2014	6/1/2035	128,315	128,315
Series 2014B	6/11/2014	6/1/2030	242,730	153,665
Series 2014C	6/26/2014	6/1/2044	75,000	75,000
Series 2015A	3/3/2015	6/1/2037	429,360	410,845
Series 2015B	6/17/2015	6/1/2045	74,335	72,010
Series 2015C	6/17/2015	6/1/2045	110,715	110,715
Series 2017A	6/22/2017	6/1/2045	185,355	185,355
Series 2017B	6/22/2017	6/1/2037	309,665	296,160
Series 2019A	6/27/2019	6/1/2049	161,820	151,475
Series 2022A	6/21/2022	6/1/2052	133,950	133,950
Series 2022B-1	6/21/2022	6/1/2037	72,105	71,915
Series 2022B-2	6/21/2022	6/1/2034	103,850	101,580
<b>Total Revenue Bonds</b>			<b>2,427,200</b>	<b>2,290,985</b>
% of Total Outstanding Debt				87.9%
<b>Loans</b>				
State Loan (parity)	5/22/2008	4/1/2028	20,100	5,872
State Loan (parity)	12/14/2017	7/1/2048	13,998	12,738
State Loan (parity)	4/18/2018	7/1/2049	12,045	11,007
<b>Total Loans</b>			<b>46,143</b>	<b>29,617</b>
% of Total Outstanding Debt				1.1%
<b>Total Long-Term Debt</b>			<b>2,473,343</b>	<b>2,320,602</b>
<b>Short-Term Debt</b>				
<b>Commercial Paper</b>				
Commercial Paper	Various	Various	N/A	285,000
<b>Total Commercial Paper</b>			<b>-</b>	<b>285,000</b>
% of Total Outstanding Debt				10.9%
<b>Total Short-Term Debt</b>				<b>285,000</b>
<b>Total Outstanding Debt</b>				<b>2,605,602</b>

The District plans to issue \$275 million in revenue bonds in FY 2024, which generates \$269.5 million in proceeds after assumed costs of issuance. In FY 2025, the District plans to issue \$275 million in revenue bonds, which generates \$269.5 million in proceeds after assumed costs of issuance.



**DEBT SERVICE**

The Water System's total outstanding debt of \$2.61 billion as of June 30, 2023 is projected to cost \$1.46 billion in interest as shown in the table below. The principal includes the planned annual pay down of CP. However, CP has no final maturity and the CP principal pay down schedule could differ. Interest on CP is assumed to be 4.0 percent in FY 2024 and FY 2025 and will decline to 3.0 percent starting in FY 2026.

*Water System Projected Debt Service on Current Debt*

Projected Debt Service on Current Outstanding Debt (\$ Thousands)			
Fiscal Year	Principal	Interest	Debt Service
2024	91,254	127,593	218,847
2025	95,184	123,267	218,451
2026	99,314	116,085	215,399
2027	103,715	111,383	215,098
2028	108,297	106,504	214,801
2029	113,150	101,347	214,497
2030	118,253	95,945	214,199
2031	123,642	90,259	213,902
2032	129,296	84,305	213,601
2033	135,231	78,067	213,298
2034	141,185	71,812	212,998
2035	147,395	65,302	212,698
2036	154,145	58,255	212,401
2037	161,516	50,582	212,098
2038	169,481	42,319	211,801
2039	167,767	33,133	200,901
2040	84,243	23,866	108,109
2041	68,475	19,677	88,152
2042	71,257	16,595	87,852
2043	74,179	13,380	87,559
2044	77,156	10,103	87,259
2045	59,119	6,687	65,805
2046	20,427	4,181	24,607
2047	20,915	3,395	24,309
2048	21,428	2,585	24,013
2049	21,650	1,748	23,398
2050	11,102	892	11,994
2051	10,890	546	11,436
2052	5,935	199	6,134
<b>Total</b>	<b>2,605,602</b>	<b>1,460,013</b>	<b>4,065,615</b>

The debt service in the table is less than the budgeted debt service because the latter includes:

- Payments on new debt issues in FY 2024 and FY 2025; and
- Costs for liquidity fees, remarketing fees, and debt service administration.

## DEBT RATINGS

Credit risk is the risk that the issuer of a financial obligation, such as a revenue bond, will not fulfill its payment obligations to the holder of the investment. Credit ratings are assigned to bonds by Nationally Recognized Statistical Credit Rating Organizations based on published methodologies. The ratings reflect the organizations' opinions about the issuer's ability and willingness to meet its financial obligations on time and in full.

The Water System's strong credit ratings provide tangible benefits to ratepayers in the form of reduced debt service costs. A strong credit rating provides better access to capital markets, lower interest rates, better terms on debt, and access to a greater variety of debt products. Prudent financial management policies have contributed to the Water System's strong ratings.

*Water System Debt Ratings*

Water System Debt Ratings As of January 1, 2023			
Debt by Type	S&P	Moody's	Fitch
Fixed Rate Revenue Bonds	AAA	Aaa	AA+
Commercial Paper	A-1+	P-1	F1+

Definitions of the District's fixed rate and long-term debt ratings are shown below.

### S&P

An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

### Moody's

Obligations rated 'Aaa' by Moody's are judged to be of the highest quality, with minimal risk.

### Fitch

The 'AA' rating by Fitch denotes expectations of very low default risk. The rating indicates very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

## DEBT MANAGEMENT POLICY

The District is subject to legal debt limits prescribed in the Municipal Utility District (MUD) Act which describes three types of legal limitations: general debt limits, revenue bond limits, and short-term borrowing limits.

The District's general debt indebtedness cannot exceed the ordinary annual income and revenue of the District without a two-thirds approval of the voters. However, revenue bonds are not included in general debt limits.

The District is authorized to issue revenue bonds with the approval of a resolution from the Board of Directors, subject to a 60-day referendum period. The resolution specifies the maximum principal amount of bonds that may be issued pursuant to the authorization. The Board of Directors also approves individual series of revenue bonds issued under the broader authorization.

The MUD Act authorizes the District to issue short-term indebtedness without an election of the voters. The amount of short-term borrowing cannot exceed the lesser of: 1) the annual average total revenue of the three preceding years; or, 2) 25 percent of the District's total outstanding bonds. This provision is substantially the same as the District's internal policy discussed below.

The District has also established its own policy regarding debt management (Policy 4.27 – Debt Management). The purpose of the debt policy is to maintain a balance between current funding sources and debt financing over each five-year plan horizon to retain financing flexibility and achieve the lowest cost of financing.

The District's debt management policy is to:

- Maintain an annual revenue bond debt service coverage ratio of at least 1.60x;
- Limit debt-funded capital to no more than 65 percent of the total capital program over each five-year planning period; and
- Limit commercial paper / variable-rate debt to 25 percent of outstanding long-term debt.

## DEBT SERVICE COVERAGE RATIO

The debt service coverage policy ensures that the District has sufficient annual operating revenues to pay its operating expenses and meet its debt service obligations on its revenue bonds and other parity debt. The revenue bond debt service coverage ratio is defined as the District's net operating revenue (current year's operating revenue less the current year's operating expenses) divided by the current year's debt service on all revenue bonds and other parity debt. Net revenues are reduced by any Rate Stabilization Fund deposits and increased by any withdrawals.

In FY 2024 and FY 2025, the projected debt coverage ratios are 1.94x and 2.06x, respectively.

## DEBT-FUNDED CAPITAL

The percentage of the capital program that is funded by debt over the five-year planning period FY 2024 to FY 2028 is projected at 45.5 percent, which is below the financial policy maximum target of 65 percent. The debt percentage funding levels for FY 2024 and FY 2025 are shown in the table below.

*Water System Debt Funded Capital*

Projected Debt Funding of Capital (\$ Thousands)		
	FY 2024	FY 2025
<b>Capital Expenses</b>		
Capital Cash Flow	426,131	468,545
Capital Support	52,000	52,000
<b>Total Capital Expenses</b>	<b>478,131</b>	<b>520,545</b>
<b>Funding Sources</b>		
New Bond Proceeds	269,500	269,500
Other Sources	208,631	251,045
<b>Total Sources</b>	<b>478,131</b>	<b>520,545</b>
<b>Debt Percentage of Capital Funding</b>	<b>56.4%</b>	<b>51.8%</b>

## COMMERCIAL PAPER AND VARIABLE RATE DEBT RATIO

The District has authorized a short-term CP borrowing program consistent with the MUD Act and the District's debt management policy. Under this program, the District may issue CP notes at prevailing interest rates for periods of not more than 270 days from the date of issuance. The program is supported by liquidity agreements. The Water System CP is subordinate to the Water System's revenue bonds.

As of June 30, 2023, \$285.0 million of Water System CP is projected to be outstanding after an anticipated partial pay down of principal in FY 2023. Water System CP comprises about 10.9 percent of the \$2.61 billion in total outstanding debt.

As of June 30, 2022, the Water System no longer had any outstanding long-term variable rate debt. Between FY 2014 and FY 2022, the District converted all of its variable rate revenue bonds into fixed rate debt by terminating existing interest rate swap contracts and replacing the underlying variable rate bonds with fixed rate bonds.

## Capital Improvement Program

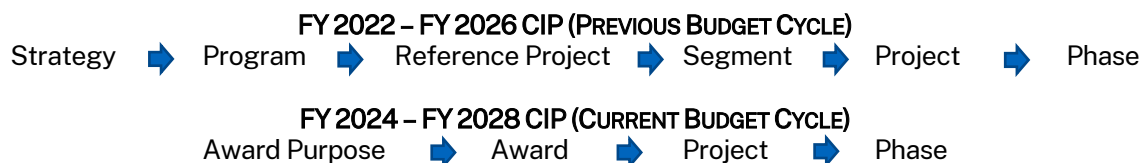
### OVERVIEW

#### CIP Structure

The Capital Improvement Program (CIP), an iterative process that involves the Office of Budget and Performance, project managers and Senior Management staff, communicates the District's planned infrastructure investments for the next five years by identifying and prioritizing capital needs. Developed biennially and incorporated into the District-wide budget, the CIP is the District's opportunity to address new and ongoing capital needs.

For the FY 2024 and FY 2025 budget, the District restructured the organization of the CIP. The following flow charts and table illustrate the changes to the structure of the District's capital work.

*Capital Improvement Program Organization Flowchart (from highest level to lowest level)*



Under this new structure, the top organizing feature are considered the Award Purposes, which are a group of related Awards, combined to facilitate planning, reporting and decision-making. The 18 Water System Award Purposes are listed below.

*Water System CIP Award Purposes*

CIP Award Purposes
<b>Water</b>
District-Wide Building Facility Improvements
Environmental Resources & Remediation
New Business Infrastructure
Pipelines - Distribution System
Pipelines - Transmission
Pressure Zone Studies
Process & System-Wide Improvements
Raw Water System
Recreation Areas & Facilities
Regulators & Rate Control Stations
Reservoirs - Distribution
Reservoirs - Supply
Supplemental Supply & Regional Agreements
Sustainable Energy
Vehicles, Equipment & Related Facilities
Water Recycling & Conservation
Water Treatment
Contingency

## APPROPRIATION AND CASH FLOW OVERVIEW

There are two ways that the District considers the financial planning for the CIP: appropriations and cash flows.

- Capital appropriations are funds approved biennially by the Board to be spent on capital projects. While appropriations are approved biennially, their use may extend over multiple years. Appropriations are controlled at the Award level and vary from year-to-year depending upon the funding needs of the projected work and existing appropriations at the end of the prior year.
- Capital cash flows are a projection of the annual costs of each project over the planning horizon, on a year-by-year basis. Cash flows have typically been reported in the budget for five years, but in the current planning cycle, the District began more seriously considering the full ten-year cash-flow projection in order to better understand long-term project needs. Staff will continue to work to broaden the planning and reporting horizon to increase transparency of long-term infrastructure needs.

Each of these two concepts will be discussed in further detail throughout this section.

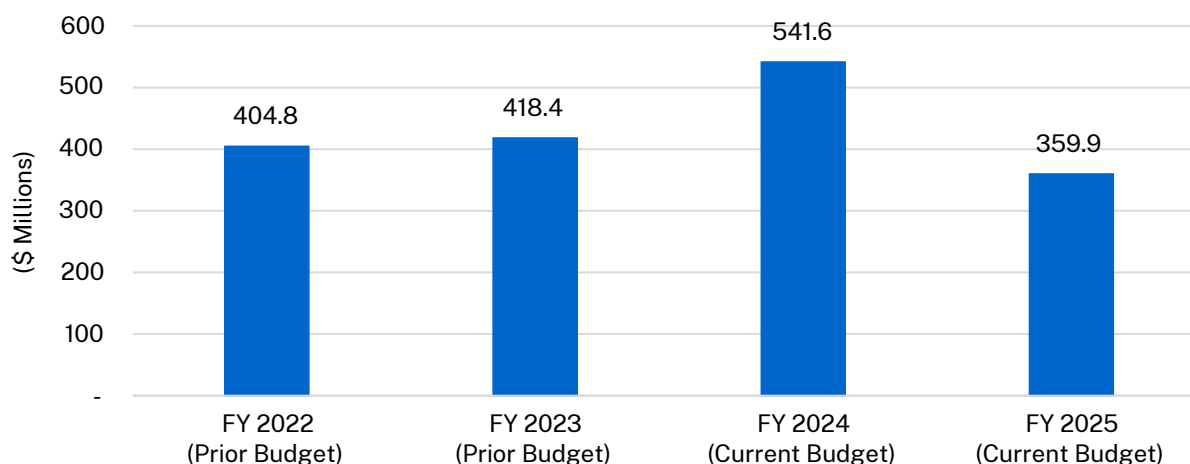
## APPROPRIATIONS

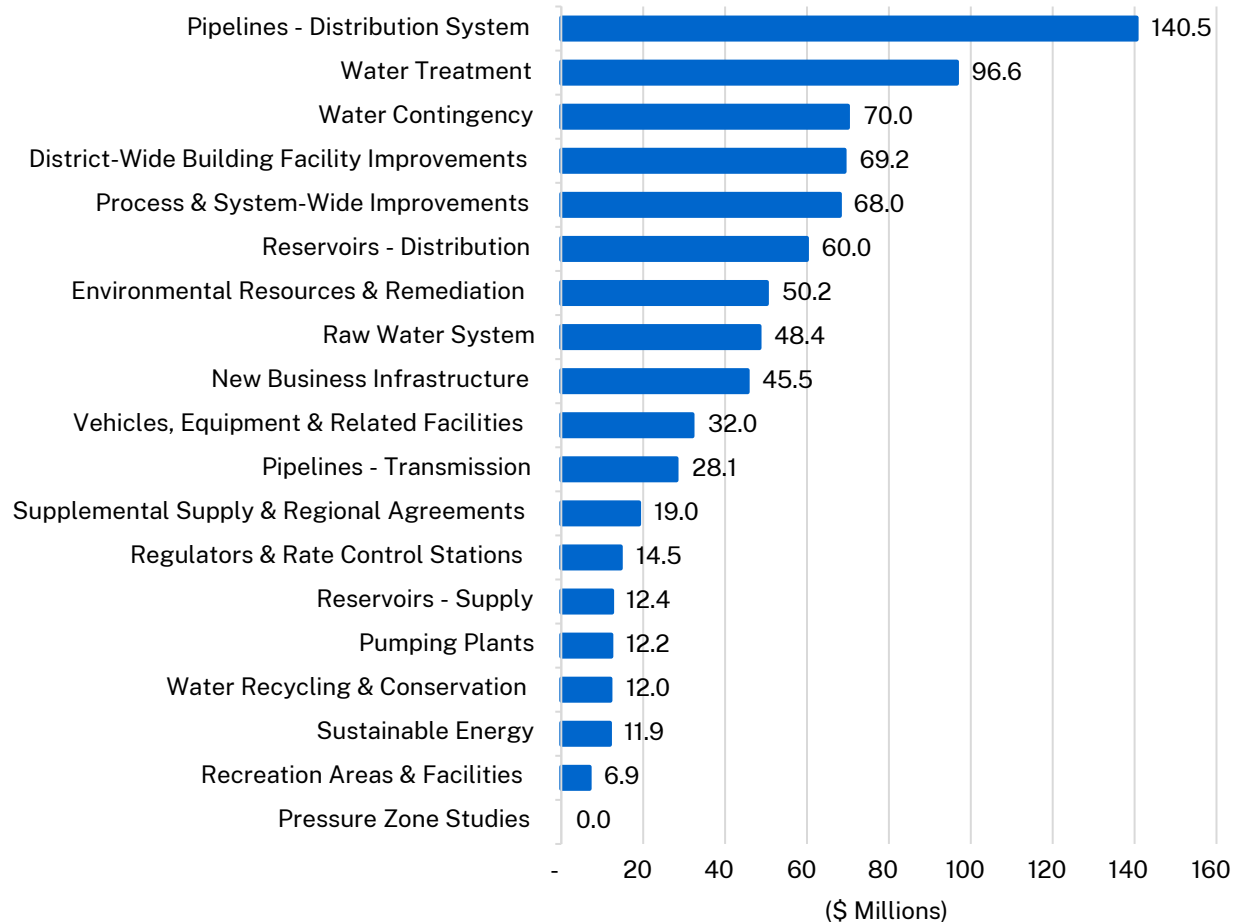
### Overview

Supported by robust capital cash flow spending projections, adequate appropriations are necessary to complete the initiatives outlined in the CIP. Since appropriations are often spent over multiple years, the amounts appropriated for each fiscal year will vary depending upon project scope and timing, and any unspent appropriation a project may already have.

The Water System's FY 2024 capital appropriation will increase by \$123.2 million or 29.5 percent from FY 2023. In FY 2025, the appropriation decreases by 33.5 percent from FY 2024. The first year's increase aligns with the CIP's increasing size and scope and is particularly high due to several notable multi-year contracts that will be advertised for bid in FY 2024, while the work will be completed in FY 2025 and later. Appropriations for multi-year contracts are typically appropriated in the first year of the contract, to ensure funds are available when contracts are awarded. While the FY 2025 appropriations decrease, important work continues in the second year. Appropriations are summarized in the below two charts.

*Water System Appropriations Current Budget Compared to Prior Budget (by Fiscal Year)*



*Water System FY 2024 & FY 2025 Appropriations by Award Purpose*

Appropriations shown by Award Purpose excludes Capital Support as it is not for a specific Award Purpose and instead is part of all Award Purposes.

## CASH FLOW

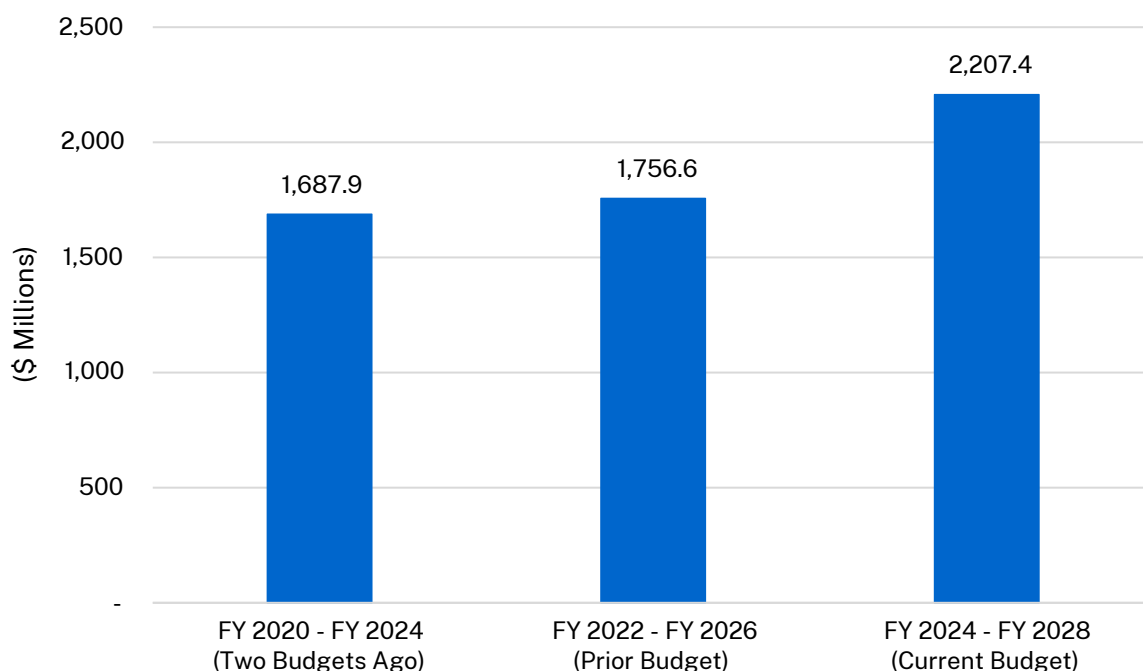
### Overview

The FY 2024 – FY 2028 CIP is supported by capital cash flows that incorporate the following changes from previous CIP development processes:

- Cash flows are reported in the budget for five years, but this year there was an increased focus on the full 10-year projection of expenses. Forecasting out-years allows management and project managers to anticipate the funding needs for critical infrastructure initiatives. This is especially true as some key capital work will not be completed in the five-year horizon, so a longer-term scenario allows greater insight into needs. The longer-term outlook for rate increases also becomes clearer by extending the projection window.
- Multiple scenarios, with varied cash flow projections and associated rate increases, were developed to represent a projection of the annual costs of the CIP for long-term projects. This allowed for experimentation in the development phase with different approaches to completing a vast amount of critical infrastructure improvements. In most cases projects were deferred for the proposed CIP, as opposed to changed in their scope or canceled.

The FY 2024 – FY 2028 CIP is \$450.8 million, or 25.7 percent, larger than the previous five-year CIP, excluding Capital Support. This change is driven by the combination of increasing investments to replace and rehabilitate aging infrastructure, working towards meeting Board-set priorities, and increased labor and construction costs. Capital Support, the indirect costs associated with capital work, is in line with the previous CIP, staying the same at \$52 million for both FY 2024 and FY 2025.

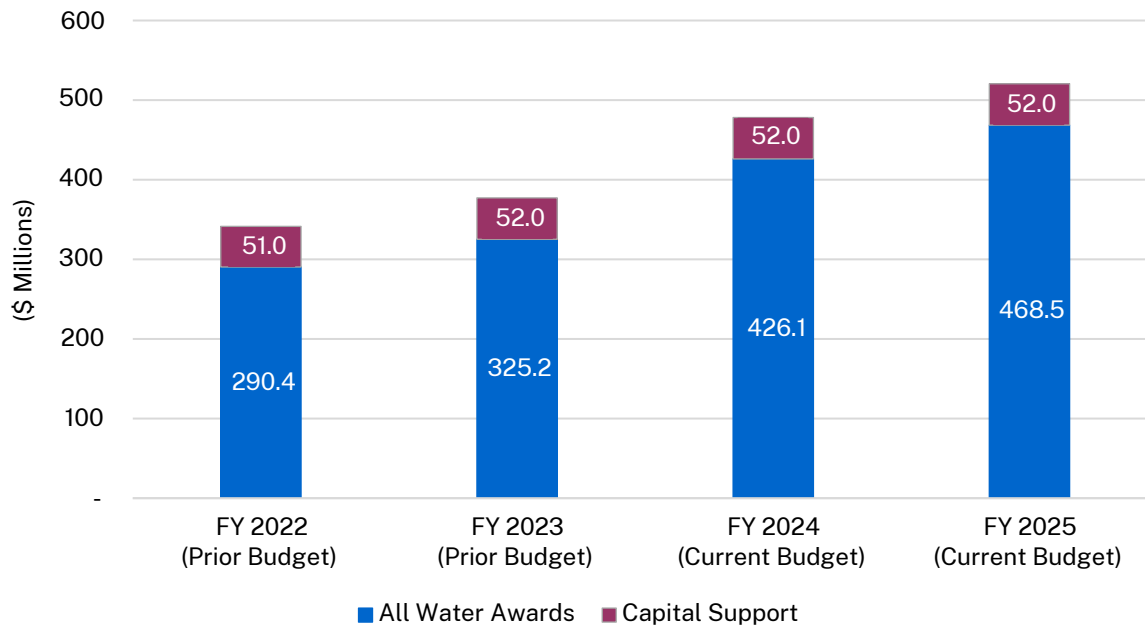
*Water System Cash Flows Comparison by Budget Cycle / CIP (Excluding Capital Support)*





The four-year summary of capital cash flows highlights a 26.8 percent increase from FY 2023 planned cash flows to FY 2024, and an additional 8.9 percent increase from FY 2024 to FY 2025.

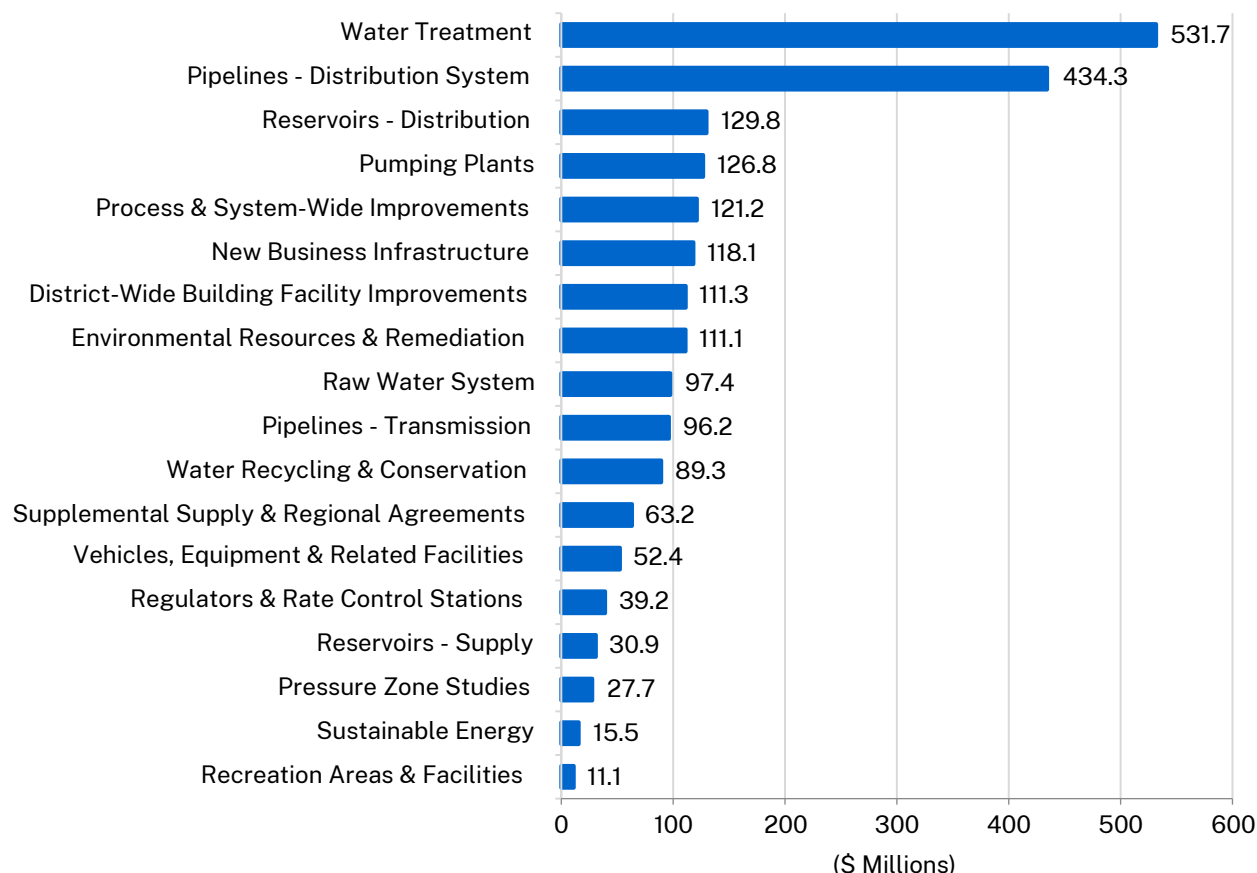
*Water System Cash Flows Four-Year Summary*



*Photovoltaic Systems Offset Energy Use at District Facilities*

The next table showcases the current CIP by award purpose, highlighting the increasing investment contained in this CIP. Water Treatment plant work represents 24 percent of the total planned capital expenses over the five-year CIP, followed by Distribution System Pipelines at 20 percent, which includes Pipeline Rebuild.

*Water System FY 2024 – FY 2028 Cash Flows by Award Purpose*



Appropriations shown by Award Purpose excludes Capital Support as it is not for a specific Award Purpose and instead is part of all Award Purposes.

## CAPITAL LABOR

The capital labor component of the Water System's CIP totals \$111.2 million in FY 2024, an increase of \$10.6 million or 10.5 percent from FY 2023. This is due to an increase in the number of employees, many of whom will be working on the growing CIP. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years.

In the second year of the biennial budget, FY 2025, capital labor is projected to increase to \$113.2 million, for an increase of \$2.0 million or 1.8 percent over FY 2024 due to expectations for inflation-linked wage increases negotiated with labor groups, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year.

The following table shows the capital labor and benefits budget by department. Note that the Finance Department's capital labor budget is decreasing due to the end of the financial system replacement

project. The Human Resources Department's capital labor budget is increasing to match actual experience as a portion of the department's staff time is devoted to the ongoing human resources software replacement projects.

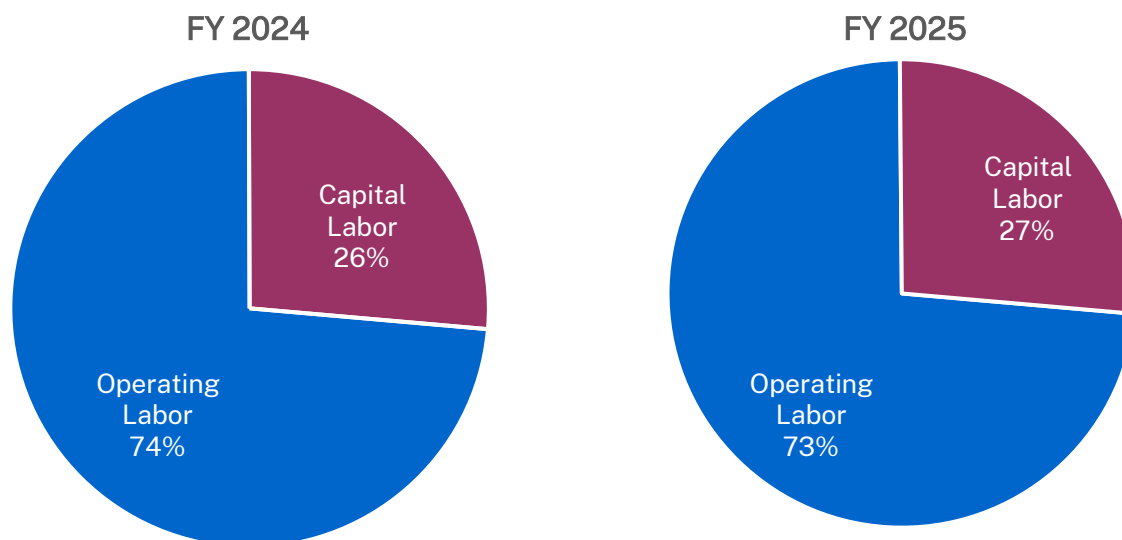
#### Water System Capital Labor Budget by Department

Capital Labor by Department (\$ Thousands)						
	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	% Change	FY 2025 Budget	% Change
Administration	-	-	-	0.0%	-	0.0%
Customer & Community Services	610	438	634	44.6%	642	1.3%
Drought*	-	-	-	0.0%	-	0.0%
Engineering & Construction	42,920	43,271	49,464	14.3%	50,220	1.5%
Finance	1,945	1,755	363	-79.3%	355	-2.4%
Human Resources	781	182	621	240.5%	638	2.7%
Information Systems	588	-	-	0.0%	-	0.0%
Maintenance & Construction	42,450	47,487	52,323	10.2%	53,435	2.1%
Natural Resources	79	72	84	16.5%	85	0.3%
Office of the General Counsel	-	-	-	0.0%	-	0.0%
Office of the General Manager	4	-	-	0.0%	-	0.0%
Operations & Maintenance Support	890	618	598	-3.2%	604	1.0%
Water Operations	4,851	4,839	5,264	8.8%	5,337	1.4%
Water Recycling	0	57	-	-100.0%	19	0.0%
Water Resources	1,837	1,890	1,836	-2.9%	1,858	1.2%
<b>Total Departments</b>	<b>96,954</b>	<b>100,611</b>	<b>111,188</b>	<b>10.5%</b>	<b>113,193</b>	<b>1.8%</b>

\*Drought Department is only budgeted during declared droughts, and only under Board direction.

Relative to operating labor, capital labor represents 26.4 percent of the FY 2024 total labor budget, and 26.5 percent of the FY 2025 total labor budget. The following pie charts show the relative size of the capital and operating labor budgets.

#### Water System Operating and Capital Labor Split



## CASH FLOWS AND APPROPRIATIONS BY AWARD PURPOSE

The following section outlines the CIP's capital cash flows and appropriations by award purpose and award. Select projects are discussed in detail to provide a sense of the work that is projected to take place in the following years.

### District-Wide Building Facility Improvements

This CIP will witness the completion of several facility renovations, including the Mokelumne and Orinda Watershed headquarters, and ongoing and new improvements to the Administrative Building (AB) and Adeline Maintenance Complex (AMC), which house the majority of the District's offices and employees. Enhancements include roofing, mechanicals and technology, as well as workspace and parking reconfigurations.

#### *District-Wide Building Facility Improvements - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Arc Flash, Mitigate, Proj. Mgn	Cash Flow	600	120	120	120	120	120
Arc Flash, Mitigate, Proj. Mgn	Approp.	300	150	150			
Building Facilities Improve	Cash Flow	70,750	6,130	22,098	22,327	10,805	9,390
Building Facilities Improve	Approp.	50,096	38,833	11,263			
Facilities Cathodic Protection	Cash Flow	1,947	65	434	447	71	930
Facilities Cathodic Protection	Approp.	980	-	980			
Facility Paving	Cash Flow	13,680	2,904	2,408	3,064	2,256	3,048
Facility Paving	Approp.	6,640	3,630	3,010			
Minor Facilities Work	Cash Flow	8,419	2,817	1,131	1,198	1,397	1,877
Minor Facilities Work	Approp.	4,963	3,550	1,413			
Mok Watershed HQ - Phase 2	Cash Flow	2,317	280	2,037	-	-	-
Mok Watershed HQ - Phase 2	Approp.	-	-	-			
Mokelumne Watershed Headqtrs	Cash Flow	68	20	48	-	-	-
Mokelumne Watershed Headqtrs	Approp.	-	-	-			
Orinda Watershed HQ	Cash Flow	220	80	140	-	-	-
Orinda Watershed HQ	Approp.	200	100	100			
Small Capital Improvements	Cash Flow	13,257	2,485	2,566	2,648	2,734	2,824
Small Capital Improvements	Approp.	6,000	2,900	3,100			
<b>Total</b>	<b>Cash Flow</b>	<b>111,258</b>	<b>14,901</b>	<b>30,982</b>	<b>29,804</b>	<b>17,383</b>	<b>18,188</b>
<b>Total</b>	<b>Approp.</b>	<b>69,179</b>	<b>49,163</b>	<b>20,016</b>			

**Environmental Resources & Remediation**

This award purpose focuses on maintaining the District's watershed locations — the backbone of the high-quality water system. The work is focused on implementing wastewater treatment for the communities adjacent to Pardee (Upcountry) Reservoir, caring for the Mokelumne River Hatchery, and restoring mining locations.

*Environmental Resources & Remediation - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
East Bay Watershed Mgmt	Cash Flow	5,768	1,248	1,168	1,088	1,008	1,256
East Bay Watershed Mgmt	Approp.	-	-	-			
Mine Restorations	Cash Flow	314	58	58	64	64	70
Mine Restorations	Approp.	146	73	73			
Moke River Hatchery	Cash Flow	3,568	1,040	1,320	64	264	880
Moke River Hatchery	Approp.	2,500	1,000	1,500			
Mokelumne Watershed Mgmt	Cash Flow	924	172	152	292	136	172
Mokelumne Watershed Mgmt	Approp.	-	-	-			
River and Watershed	Cash Flow	2,360	538	594	640	396	192
River and Watershed	Approp.	1,500	750	750			
Trench Soils Management	Cash Flow	60,215	16,515	7,604	18,476	5,562	12,058
Trench Soils Management	Approp.	30,159	20,644	9,515			
Upcountry WW Trmt Imprvmts	Cash Flow	37,960	800	10,320	14,800	9,240	2,800
Upcountry WW Trmt Imprvmts	Approp.	15,900	2,700	13,200			
<b>Total</b>	<b>Cash Flow</b>	<b>111,110</b>	<b>20,372</b>	<b>21,216</b>	<b>35,424</b>	<b>16,670</b>	<b>17,427</b>
<b>Total</b>	<b>Approp.</b>	<b>50,205</b>	<b>25,167</b>	<b>25,038</b>			

**New Business Infrastructure**

New Business continues to be prioritized, as new customers represent opportunities to capture additional revenue as well as upgrade customer-specific infrastructure, such as mains, laterals, meters, and hydrants. The awards below support the District's ability to support larger populations in the future.

*New Business Infrastructure - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Hydrants Installed by DF	Cash Flow	8,750	1,648	1,698	1,748	1,801	1,855
Hydrants Installed by DF	Approp.	2,246	124	2,122			
New Service Installations	Cash Flow	65,622	12,360	12,731	13,113	13,506	13,911
New Service Installations	Approp.	26,664	10,750	15,914			
Pipeline System Extensions	Cash Flow	43,748	8,240	8,487	8,742	9,005	9,274
Pipeline System Extensions	Approp.	16,603	5,994	10,609			
<b>Total</b>	<b>Cash Flow</b>	<b>118,119</b>	<b>22,248</b>	<b>22,916</b>	<b>23,603</b>	<b>24,312</b>	<b>25,040</b>
<b>Total</b>	<b>Approp.</b>	<b>45,513</b>	<b>16,868</b>	<b>28,645</b>			

**Pipelines – Distribution**

One of the District's flagship endeavors, Pipeline Rebuild, already replaces more than 20 miles of pipeline annually and could replace 30 miles of pipeline annually by FY 2028. Other awards in Pipelines – Distribution also work to improve the distribution system's pipelines, a critical part of the District's operations.

*Pipelines – Distribution - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Annual Appurtenance Work	Cash Flow	6,123	1,142	1,182	1,223	1,266	1,310
Annual Appurtenance Work	Approp.	2,800	1,400	1,400			
Distr Sys Cathodic Protection	Cash Flow	11,864	2,638	1,678	2,798	1,780	2,970
Distr Sys Cathodic Protection	Approp.	-	-	-			
Pipeline Rebuild	Cash Flow	323,470	53,931	61,002	63,454	71,143	73,939
Pipeline Rebuild	Approp.	113,279	37,027	76,252			
Pipeline Relocations	Cash Flow	19,598	3,692	3,801	3,916	4,034	4,154
Pipeline Relocations	Approp.	5,240	489	4,751			
Pipeline System Improvements	Cash Flow	18,966	3,090	3,316	3,421	5,660	3,478
Pipeline System Improvements	Approp.	-	-	-			
Service Lateral Replacements	Cash Flow	54,272	9,888	10,609	10,927	11,255	11,593
Service Lateral Replacements	Approp.	19,174	5,913	13,261			
<b>Total</b>	<b>Cash Flow</b>	<b>434,292</b>	<b>74,382</b>	<b>81,586</b>	<b>85,740</b>	<b>95,139</b>	<b>97,445</b>
<b>Total</b>	<b>Approp.</b>	<b>140,492</b>	<b>44,828</b>	<b>95,664</b>			

**Pipelines – Transmission**

Sibling to its distribution counterpart, Pipelines – Transmission includes only three awards, but is critical to the system's functioning. This award purpose is driven by improvements to the large diameter pipelines that comprise the backbone of the system, in addition to two cathodic protection projects.

*Pipelines – Transmission - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Aqueduct Cathodic Protection	Cash Flow	2,174	410	422	434	448	461
Aqueduct Cathodic Protection	Approp.	-	-	-			
Large Diameter Pipelines	Cash Flow	89,637	29,416	24,974	17,884	13,119	4,243
Large Diameter Pipelines	Approp.	28,140	27,984	156			
Trans Main Cathodic Protection	Cash Flow	4,402	1,330	79	1,411	84	1,497
Trans Main Cathodic Protection	Approp.	-	-	-			
<b>Total</b>	<b>Cash Flow</b>	<b>96,213</b>	<b>31,156</b>	<b>25,475</b>	<b>19,730</b>	<b>13,651</b>	<b>6,201</b>
<b>Total</b>	<b>Approp.</b>	<b>28,140</b>	<b>27,984</b>	<b>156</b>			



**Pressure Zone Studies**

This award purpose includes studying individual pressure zones to provide data to aid in planning for water distribution system projects, such as upgrading or replacing reservoirs, pumping plants, or pipelines to optimize storage capacity and improve water quality. Additionally, the Delta Tunnel initiative seeks to envision a crucial artery of our system across a vast and unique habitat.

*Pressure Zone Studies - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Delta Tunnel	Cash Flow	14,900	1,792	1,846	1,902	3,986	5,375
Delta Tunnel	Approp.	-	-	-	-	-	-
Distribution System Upgrades	Cash Flow	3,459	537	1,656	439	408	419
Distribution System Upgrades	Approp.	-	-	-	-	-	-
Miscellaneous Planning Studies	Cash Flow	2,034	289	59	262	450	974
Miscellaneous Planning Studies	Approp.	-	-	-	-	-	-
Pressure Zone Improvements	Cash Flow	3,729	1,680	853	470	364	362
Pressure Zone Improvements	Approp.	-	-	-	-	-	-
West of Hills Master Plan	Cash Flow	3,558	1,407	642	743	766	-
West of Hills Master Plan	Approp.	-	-	-	-	-	-
<b>Total</b>	<b>Cash Flow</b>	<b>27,680</b>	<b>5,705</b>	<b>5,056</b>	<b>3,817</b>	<b>5,973</b>	<b>7,130</b>
<b>Total</b>	<b>Approp.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Old 1890-Style Fire Hydrant**Current Model-64 Fire Hydrants*

**Process & System-Wide Improvements**

The following awards unearth areas for improvement and implement corrective maintenance programs, including technology, workplace and system enhancements, such as leak detection, meter upgrades, and security.

*Process & System-Wide Improvements - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Data & Telecom Infrastructure	Cash Flow	600	200	200	200	-	-
Data & Telecom Infrastructure	Approp.	241	121	121			
Engineering IT	Cash Flow	11,174	2,841	2,087	2,009	2,080	2,157
Engineering IT	Approp.	6,258	3,649	2,609			
ERF Current DSS/Server/Network	Cash Flow	5,267	684	1,344	1,963	812	464
ERF Current DSS/Server/Network	Approp.	591	199	392			
ERF Current PCs/Desktop/Laptop	Cash Flow	716	28	216	148	176	148
ERF Current PCs/Desktop/Laptop	Approp.	305	35	270			
ERF Purchases for Copiers	Cash Flow	200	40	40	40	40	40
ERF Purchases for Copiers	Approp.	-	-	-			
ERF Smoothg DSS/Server/Network	Cash Flow	1,228	716	-	512	-	-
ERF Smoothg DSS/Server/Network	Approp.	272	272	-			
ERF Smoothg PCs/Desktop/Laptop	Cash Flow	2,376	2,376	-	-	-	-
ERF Smoothg PCs/Desktop/Laptop	Approp.	1,822	1,822	-			
HRIS Replacement	Cash Flow	9,600	800	800	4,000	4,000	-
HRIS Replacement	Approp.	4,000	2,000	2,000			
Op/Net Sys Improvements	Cash Flow	7,335	1,570	2,618	742	768	1,637
Op/Net Sys Improvements	Approp.	5,236	2,663	2,573			
Planned Meter Replacements	Cash Flow	25,713	5,667	5,667	4,751	4,751	4,876
Planned Meter Replacements	Approp.	14,168	7,084	7,084			
Security Improvements	Cash Flow	19,292	2,159	3,178	3,173	5,070	5,713
Security Improvements	Approp.	14,483	3,906	10,577			
Water Loss Control	Cash Flow	21,710	5,964	6,925	3,319	2,371	3,131
Water Loss Control	Approp.	16,109	7,455	8,654			
Work Mgmt Systems Replacement	Cash Flow	15,990	-	2,807	10,142	1,506	1,534
Work Mgmt Systems Replacement	Approp.	4,546	985	3,561			
<b>Total</b>	<b>Cash Flow</b>	<b>121,201</b>	<b>23,046</b>	<b>25,882</b>	<b>30,999</b>	<b>21,574</b>	<b>19,699</b>
<b>Total</b>	<b>Approp.</b>	<b>68,031</b>	<b>30,191</b>	<b>37,840</b>			



**Pumping Plants**

The Distribution Pumping Plant (PP) Infrastructure Rehabilitation Plan was updated in 2020 and identifies the highest priority pumping plants for rehabilitation, replacement, or demolition. There are 130 distribution pumping plants across the system and the CIP seeks to rehabilitate at least two pumping plants annually.

*Pumping Plants - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Pumping Plant Rehabilitation	Cash Flow	126,820	29,219	30,223	18,886	21,301	27,190
Pumping Plant Rehabilitation	Approp.	12,222	7,014	5,208			
<b>Total</b>	<b>Cash Flow</b>	<b>126,820</b>	<b>29,219</b>	<b>30,223</b>	<b>18,886</b>	<b>21,301</b>	<b>27,190</b>
<b>Total</b>	<b>Approp.</b>	<b>12,222</b>	<b>7,014</b>	<b>5,208</b>			

**Raw Water System**

One of the District's key objectives is to ensure a reliable, high-quality water supply for the future. This award purpose evaluates and makes improvements to the raw water aqueduct system, and includes replacing the deteriorated cement motor lining in the Mokelumne Aqueducts that protects the steel pipeline from internal corrosion.

*Raw Water System - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Mok Aqueduct No 2 & 3 Relining	Cash Flow	48,554	10,094	17,840	14,744	5,236	640
Mok Aqueduct No 2 & 3 Relining	Approp.	41,871	41,871	-			
Mokelumne Aqueducts Recoating	Cash Flow	6,924	1,648	1,698	1,748	810	1,020
Mokelumne Aqueducts Recoating	Approp.	3,294	3,294	-			
Raw Water Infrastructure	Cash Flow	36,027	3,366	3,710	4,950	5,010	18,992
Raw Water Infrastructure	Approp.	-	-	-			
Raw Wtr Aqueduct Imprvmnts	Cash Flow	5,923	1,189	1,436	1,214	971	1,113
Raw Wtr Aqueduct Imprvmnts	Approp.	3,242	1,449	1,793			
<b>Total</b>	<b>Cash Flow</b>	<b>97,428</b>	<b>16,298</b>	<b>24,683</b>	<b>22,656</b>	<b>12,027</b>	<b>21,765</b>
<b>Total</b>	<b>Approp.</b>	<b>48,407</b>	<b>46,614</b>	<b>1,793</b>			

**Recreation Areas & Facilities**

Work under this award purpose focuses on making improvements to recreational facilities at Camanche, Pardee and East Bay Reservoirs, and the Mokelumne fish hatchery. The facilities require periodic replacements and upgrades to the roads, parking lots, fuel docks, launch ramps, docks, boat berths, stores, campgrounds, and restrooms.

*Recreation Areas & Facilities - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Camanche Hills Hunting Preserv	Cash Flow	320	120	120	80	-	-
Camanche Hills Hunting Preserv	Approp.	300	150	150			
Camanche Rec Area Improvement	Cash Flow	800	400	400	-	-	-
Camanche Rec Area Improvement	Approp.	1,000	1,000	-			
Lafayette Rec Infrastructure	Cash Flow	2,080	1,240	440	320	40	40
Lafayette Rec Infrastructure	Approp.	1,000	1,000	-			
Mokelumne River Day Use Area	Cash Flow	460	-	-	120	180	160
Mokelumne River Day Use Area	Approp.	-	-	-			
Pardee Recreation Area	Cash Flow	1,360	-	200	280	880	-
Pardee Recreation Area	Approp.	-	-	-			
Rec Area Cap Maint & Imprvmt	Cash Flow	5,030	1,564	2,156	560	383	367
Rec Area Cap Maint & Imprvmt	Approp.	4,619	1,925	2,694			
San Pablo Rec Infrastructure	Cash Flow	1,076	796	20	220	20	20
San Pablo Rec Infrastructure	Approp.	-	-	-			
<b>Total</b>	<b>Cash Flow</b>	<b>11,126</b>	<b>4,120</b>	<b>3,336</b>	<b>1,580</b>	<b>1,503</b>	<b>587</b>
<b>Total</b>	<b>Approp.</b>	<b>6,919</b>	<b>4,075</b>	<b>2,844</b>			

**Regulators & Rate Control Stations**

The District's assets include multiple rate control stations and regulators, and the following awards are dedicated to maintaining the locations on an ongoing basis.

*Regulators & Rate Control Stations - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rate Control Station Rehab	Cash Flow	25,603	3,873	8,546	1,609	8,329	3,246
Rate Control Station Rehab	Approp.	14,523	11,808	2,715			
Regulator Rehabilitation	Cash Flow	13,565	74	666	4,472	2,314	6,038
Regulator Rehabilitation	Approp.	-	-	-			
<b>Total</b>	<b>Cash Flow</b>	<b>39,168</b>	<b>3,947</b>	<b>9,213</b>	<b>6,081</b>	<b>10,643</b>	<b>9,284</b>
<b>Total</b>	<b>Approp.</b>	<b>14,523</b>	<b>11,808</b>	<b>2,715</b>			

**Reservoirs – Distribution**

This work includes the rehabilitation, replacement, and demolition of steel and concrete distribution reservoirs, along with open-cut reservoirs. In particular, the Reservoir Rehabilitation and Maintenance project extends the service lives of the steel and reinforced concrete distribution tanks by replacing coating systems, repairing or replacing roofs, and performing structural upgrades to improve water quality and enhance worker safety.

*Reservoirs – Distribution - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Chloramine Boosting Stations	Cash Flow	2,320	960	760	600	-	-
Chloramine Boosting Stations	Approp.	2,150	1,200	950			
Distrib Sys Wtr Quality Imprv	Cash Flow	6,564	4,272	1,481	289	257	266
Distrib Sys Wtr Quality Imprv	Approp.	7,164	5,827	1,338			
Open-Cut Reservoir Program	Cash Flow	47,780	5,356	2,716	5,158	19,306	15,245
Open-Cut Reservoir Program	Approp.	48,621	45,244	3,377			
Reservoir Leak Repair	Cash Flow	440	120	80	80	80	80
Reservoir Leak Repair	Approp.	250	150	100			
Reservoir Mixing System	Cash Flow	200	40	40	40	40	40
Reservoir Mixing System	Approp.	60	30	30			
Reservoir Rehab/Maintenance	Cash Flow	72,534	20,328	18,358	14,104	7,100	12,644
Reservoir Rehab/Maintenance	Approp.	1,740	-	1,740			
<b>Total</b>	<b>Cash Flow</b>	<b>129,838</b>	<b>31,076</b>	<b>23,434</b>	<b>20,270</b>	<b>26,782</b>	<b>28,274</b>
<b>Total</b>	<b>Approp.</b>	<b>59,985</b>	<b>52,450</b>	<b>7,534</b>			

**Reservoirs – Supply**

In conjunction with Reservoirs – Distribution, multiple dams and monitoring systems are scheduled to be upgraded in the next CIP, contributing to safeguarding the supply in the District's reservoirs.

*Reservoirs – Supply - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Dam Operational Upgrades	Cash Flow	9,972	2,497	2,781	929	2,838	928
Dam Operational Upgrades	Approp.	5,518	5,359	159			
Dam Seismic Upgrades	Cash Flow	1,741	496	44	68	510	623
Dam Seismic Upgrades	Approp.	-	-	-			
Dam Surveillance Improvements	Cash Flow	4,642	338	849	699	1,226	1,530
Dam Surveillance Improvements	Approp.	-	-	-			
Reservoir Tower Modifications	Cash Flow	13,470	9,731	2,546	-	450	742
Reservoir Tower Modifications	Approp.	6,151	6,151	-			
Wtr Supply Monitoring System	Cash Flow	1,084	598	144	86	79	177
Wtr Supply Monitoring System	Approp.	743	599	144			
<b>Total</b>	<b>Cash Flow</b>	<b>30,908</b>	<b>13,660</b>	<b>6,364</b>	<b>1,782</b>	<b>5,103</b>	<b>3,999</b>
<b>Total</b>	<b>Approp.</b>	<b>12,411</b>	<b>12,108</b>	<b>303</b>			

**Supplemental Supply, Regional Agreements**

The District's strategic plan includes the goal to attain additional supply by 2040 in order to provide 85 percent reliability under drought conditions and diversify through regional partnerships. The projects under this award purpose support this goal, channeling opportunities with groundwater, imported water, and transfers, all via partnerships and while maintaining compliance.

*Supplemental Supply, Regional Agreements - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
GroundwaterResourceDevelopment	Cash Flow	9,890	931	1,454	771	616	6,118
GroundwaterResourceDevelopment	Approp.	1,000	1,000	-			
Imported Water Facilities	Cash Flow	39,847	4,942	7,222	6,658	4,954	16,070
Imported Water Facilities	Approp.	10,000	6,000	4,000			
Local Regional Partnerships	Cash Flow	904	127	131	209	215	222
Local Regional Partnerships	Approp.	-	-	-			
SGMA Compliance	Cash Flow	1,709	226	612	699	40	131
SGMA Compliance	Approp.	1,000	1,000	-			
Water Rights, Licenses & Plans	Cash Flow	9,020	2,312	2,548	2,160	1,000	1,000
Water Rights, Licenses & Plans	Approp.	7,000	3,000	4,000			
Water Transfers	Cash Flow	1,857	817	534	178	114	214
Water Transfers	Approp.	-	-	-			
<b>Total</b>	<b>Cash Flow</b>	<b>63,227</b>	<b>9,355</b>	<b>12,502</b>	<b>10,675</b>	<b>6,939</b>	<b>23,755</b>
<b>Total</b>	<b>Approp.</b>	<b>19,000</b>	<b>11,000</b>	<b>8,000</b>			

**Sustainable Energy**

The District's principles include minimizing waste, and conserving energy and natural resources. This award purpose shepherds the District toward these goals.

*Sustainable Energy - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Enhanced Power Revenue	Cash Flow	2,877	2,381	176	160	80	80
Enhanced Power Revenue	Approp.	3,196	2,976	220			
FSCC Capital Improvements	Cash Flow	4,649	1,114	2,492	443	275	326
FSCC Capital Improvements	Approp.	4,863	1,596	3,267			
Powerhouse Improvements	Cash Flow	8,015	2,064	995	835	2,097	2,024
Powerhouse Improvements	Approp.	3,822	2,579	1,243			
<b>Total</b>	<b>Cash Flow</b>	<b>15,540</b>	<b>5,558</b>	<b>3,663</b>	<b>1,438</b>	<b>2,451</b>	<b>2,430</b>
<b>Total</b>	<b>Approp.</b>	<b>11,881</b>	<b>7,151</b>	<b>4,730</b>			

**Vehicles, Equipment & Related Facilities**

The District closely monitors vehicles, equipment, and their related costs. These awards supply new and replace existing assets on a formalized schedule, supporting projects system-wide.

*Vehicles, Equipment & Related Facilities - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Diesel Engine Retrofit	Cash Flow	5,218	1,680	582	619	1,536	802
Diesel Engine Retrofit	Approp.	2,700	2,000	700			
Fleet & Equip Additions	Cash Flow	9,812	3,600	292	2,880	80	2,960
Fleet & Equip Additions	Approp.	4,780	4,500	280			
Fleet & Equip Repl/Purchases	Cash Flow	25,002	6,814	4,109	4,640	4,640	4,800
Fleet & Equip Repl/Purchases	Approp.	13,437	8,517	4,920			
Fuel Facility Improvements	Cash Flow	12,380	7,700	1,200	1,160	1,160	1,160
Fuel Facility Improvements	Approp.	11,125	9,625	1,500			
<b>Total</b>	<b>Cash Flow</b>	<b>52,413</b>	<b>19,794</b>	<b>6,182</b>	<b>9,299</b>	<b>7,416</b>	<b>9,722</b>
<b>Total</b>	<b>Approp.</b>	<b>32,042</b>	<b>24,642</b>	<b>7,400</b>			

**Water Recycling & Conservation**

To help reduce potable water demand, the District has undertaken a variety of recycled water projects, including the East Bayshore Recycled Water Project (Albany, Berkeley, Emeryville, Oakland, and Alameda), North Richmond Water Reclamation Plant (NRWRP), Richmond Advance Recycled Expansion (RARE) project, in partnership with Chevron, and the Dublin San Ramon Services District/EBMUD Recycled Water Authority (DERWA) partnership. The award purpose also includes Water Conservation Services.

*Water Recycling & Conservation - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
DERWA	Cash Flow	1,422	642	470	94	106	110
DERWA	Approp.	-	-	-			
East Bayshore	Cash Flow	55,415	2,915	4,700	7,734	8,776	31,290
East Bayshore	Approp.	7,000	4,500	2,500			
NRWRP	Cash Flow	3,334	426	1,234	1,355	320	-
NRWRP	Approp.	-	-	-			
NRWRP Routine Capital Maint	Cash Flow	2,166	408	420	433	446	459
NRWRP Routine Capital Maint	Approp.	-	-	-			
RARE - Chevron Funded	Cash Flow	4,649	2,255	470	1,081	405	438
RARE - Chevron Funded	Approp.	5,000	2,500	2,500			
RARE - EBMUD Funded	Cash Flow	120	22	23	24	25	26
RARE - EBMUD Funded	Approp.	-	-	-			
San Ramon Valley RW	Cash Flow	7,662	86	353	363	3,539	3,320
San Ramon Valley RW	Approp.	-	-	-			
Water Conservation Services	Cash Flow	6,061	1,904	1,236	954	973	994
Water Conservation Services	Approp.	-	-	-			
Water Recycling Planning	Cash Flow	8,492	528	286	1,320	2,807	3,551
Water Recycling Planning	Approp.	-	-	-			
<b>Total</b>	<b>Cash Flow</b>	<b>89,321</b>	<b>9,186</b>	<b>9,192</b>	<b>13,359</b>	<b>17,397</b>	<b>40,186</b>
<b>Total</b>	<b>Approp.</b>	<b>12,000</b>	<b>7,000</b>	<b>5,000</b>			

**Water Treatment**

The Treatment Plant Upgrades project spearheads this award purpose, with the aim to address compliance with water quality regulations and improve the safety, operation and reliability of the five Water Treatment Plants (WTPs). The award purpose also includes improvements to the Pardee Center, found at the system's water source, and ongoing WTP capital improvements.

*Water Treatment - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Pardee Ctr Cap Maint & Imprvmt	Cash Flow	8,031	2,353	3,482	720	662	814
Pardee Ctr Cap Maint & Imprvmt	Approp.	7,293	2,940	4,353			
Treatment Plant Upgrades	Cash Flow	520,817	89,215	122,598	127,394	112,664	68,946
Treatment Plant Upgrades	Approp.	87,953	87,953	-			
WTP Capital Improvements	Cash Flow	2,895	540	559	578	598	619
WTP Capital Improvements	Approp.	1,374	675	699			
<b>Total</b>	<b>Cash Flow</b>	<b>531,743</b>	<b>92,108</b>	<b>126,639</b>	<b>128,693</b>	<b>113,925</b>	<b>70,379</b>
<b>Total</b>	<b>Approp.</b>	<b>96,620</b>	<b>91,568</b>	<b>5,052</b>			

**Water Contingency**

Contingency provides funding for unanticipated needs that may arise before the next budget cycle, such as replacement or repairs to facilities and equipment as a result of failures or safety deficiencies, unanticipated new projects, or the acceleration of planned projects requiring funding before the next budget cycle. Funds may also be set aside for projects where grants are being sought in the event that the grant application is successful as most grants require the District to fund the project and then apply for reimbursement of allowable costs. For this budget cycle, approximately 7.5 percent of the FY 2024 – FY2025 cash flows are reserved as contingency funds.

*Water Contingency - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Contingency	Cash Flow	-	-	-	-	-	-
Water Contingency	Approp.	70,000	20,000	50,000			
<b>Total</b>	<b>Cash Flow</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Approp.</b>	<b>70,000</b>	<b>20,000</b>	<b>50,000</b>			

**IMPACT OF CAPITAL INVESTMENTS ON OPERATIONS**

The CIP is unique in that nearly all capital funding is derived from operating revenue and debt; this creates a direct relationship between the operating budget and capital investment: capital investment increases at the expense of revenues and debt, but in many cases decreases operating expenses over time. The FY 2024 – FY 2028 CIP includes several significant nonrecurring capital projects that will affect the operating budget and the services that the District provides. The exact benefits of specific projects are vast, but potential impacts include:

- Increased maintenance of rehabilitated facilities;
- Decreased operating costs due to technological advancement;
- Additional staff training cost to manage new assets; and
- More efficient labor practices with the advent of modernized systems.



## Five-Year Financial Forecast

### SUMMARY

The five-year financial forecast presents the estimated impact of operations, debt service requirements and reserve balances on corresponding rate projections over the five-year period. This forecast is built using adopted financial policies, Board goals for long-term financial stability, and the necessary capital investments in the FY 2024 – FY 2028 Capital Improvement Program (CIP).

This forecast identifies a projected series of rate increases for the Water System based on estimated increases in operating and capital expenses to maintain service levels, meet mandated program requirements, and pay increased debt service to fund capital expenditures.

#### *Water System Five-Year Financial Forecast*

Five-Year Financial Forecast (\$ Millions)							
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actuals	Projection	Budget		Forecast		
<b>Beginning Balance</b>	-	-	<b>463.3</b>	<b>461.1</b>	<b>455.9</b>	<b>488.1</b>	<b>503.3</b>
Water Charges	634.1	620.0	668.3	742.4	807.2	869.8	930.0
Property Taxes	45.5	46.0	47.0	48.1	49.2	50.3	51.5
Power Sales	6.5	17.0	8.0	8.0	7.0	7.0	7.0
Interest Income	2.2	10.0	13.9	13.8	9.5	10.0	10.3
SCC Revenue	33.4	35.0	35.0	36.2	37.5	38.8	40.2
Reimbursements	14.0	14.0	14.0	14.4	14.9	15.3	15.8
All Other	21.4	23.0	21.0	21.4	20.7	20.9	21.1
Drought Revenues*	-	21.6	-	-	-	-	-
<b>Total Revenues</b>	<b>757.0</b>	<b>786.6</b>	<b>807.2</b>	<b>884.3</b>	<b>945.9</b>	<b>1,012.0</b>	<b>1,075.8</b>
Operating Expenses	298.8	343.2	397.4	413.2	427.5	443.4	459.8
Drought Expenses	10.6	21.5	-	-	-	-	-
Debt Service	209.3	235.1	238.7	256.3	270.6	281.4	290.8
Capital Expenses	323.1	384.9	478.1	520.5	517.4	475.4	485.5
<b>Total Expenses</b>	<b>841.9</b>	<b>984.7</b>	<b>1,114.2</b>	<b>1,190.0</b>	<b>1,215.5</b>	<b>1,200.1</b>	<b>1,236.2</b>
Debt Proceeds	150.0	-	269.5	269.5	269.5	171.5	147.0
Reimbursements	13.3	29.4	35.4	31.1	32.2	31.8	31.9
Other Capital Revenue	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>461.1</b>	<b>455.9</b>	<b>488.1</b>	<b>503.3</b>	<b>521.8</b>
Policy Reserves	-	-	263.8	267.1	270.7	274.7	278.8
Capital Reserves	-	-	197.3	188.8	217.3	228.6	243.0

On average over the five-year period, revenues are forecast to increase 7.4 percent per year to cover the increases in operating and capital expenses and maintain a minimum of 1.6 times coverage on revenue bond debt service. Forecasted operating expenses are expected to grow by 3.7 percent per year over the five-year period, while debt service grows 5.1 percent per year.

For all five years, the cash reserves exceed the cash reserve targets. Reserves in excess of those needed to meet financial reserve targets are available to pay for a significant portion of the capital program expenses with cash, a positive financial metric.

Capital cash flow spending, including capital support, is projected at \$2.5 billion over the five-year period. Major projects during this period include Water Treatment Plant Upgrades, Pipeline Rebuild, Large Diameter Pipelines, Reservoir Rehabilitation, and Pumping Plant Rehabilitation.

The projected average percentage of capital funded from debt will be 42.9 percent over the five-year period, significantly lower than the financial policy target maximum of 65 percent. In FY 2024 and FY 2025, the debt coverage ratio is projected at 1.94x and 2.06x, respectively, and for all five years the ratio exceeds the target coverage ratio of 1.60.

## FIVE-YEAR PROJECTION OF REVENUE

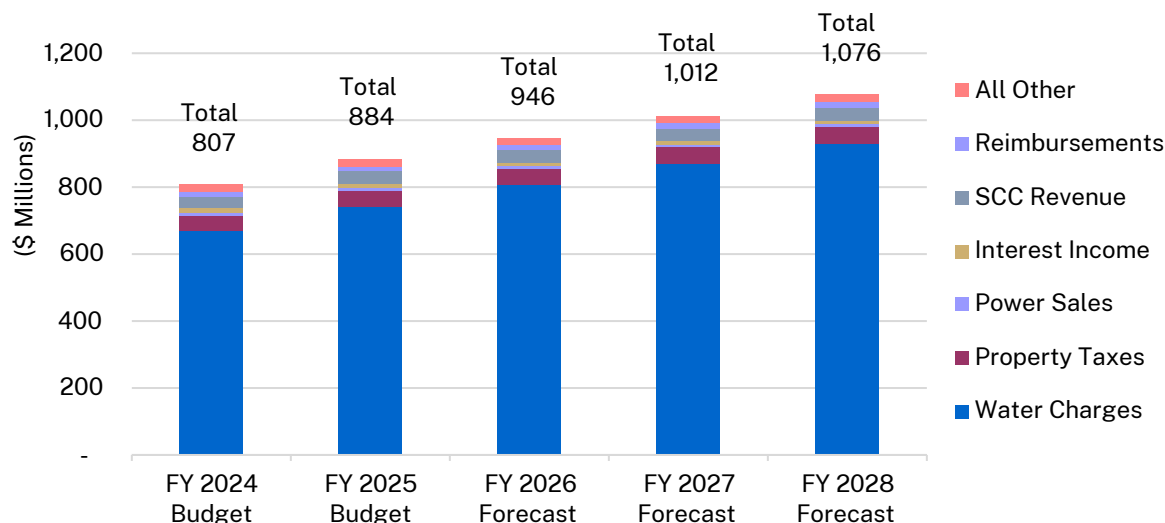
The following table shows the key assumptions used to create the revenue forecast. The debt service coverage ratio is projected to exceed the policy target of 1.60 by over 20 percent every year.

*Water System Key Assumptions in Five-Year Forecast*

	Key Assumptions						
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actuals	Budget	Budget		Forecast		
<b>Water Sales Volume (MGD)</b>	143.9	145.8	139.7	143.9	148.2	151.2	152.8
<b>% Rate Increase</b>	4.00%	4.00%	8.50%	8.50%	6.00%	6.00%	6.00%
<b>Average Monthly Single-Family Residential Bill*</b>	\$66.00	\$68.66	\$74.49	\$80.79	\$85.64	\$90.78	\$96.22
<b>Debt Service Coverage</b>	2.35x	2.02x	1.94x	2.06x	2.10x	2.20x	2.30x

The key factors driving the need for increased Water System revenues are: Increased investments in aging infrastructure and building a more resilient water system; increased labor and benefit costs to keep up with inflation; and inflation on non-labor costs, such as energy, chemicals, and software.

*Water System Five-Year Revenue Projection*





Projected annual operating revenues are expected to increase from \$807 million in FY 2024 to \$1.08 billion by FY 2028, an increase of \$269 million, or 7.4 percent compounded growth per year. The increase in revenue over the five-year period is to cover increased revenue-funding for capital projects, increased debt service requirements to pay for debt issued to fund capital, and increased costs in operations and maintenance.

The major components of the increases in operating revenue over the five-year period are revenue from Water Charges which is projected to increase from \$668 million in FY 2024 to \$930 million in FY 2028 based on water rate increases shown on the prior page. Property taxes are projected to grow by \$4 million, and SCC Revenue is expected to grow by \$5 million, offset by decreases in interest income and power sales, which are subject to market conditions and are therefore budgeted conservatively.

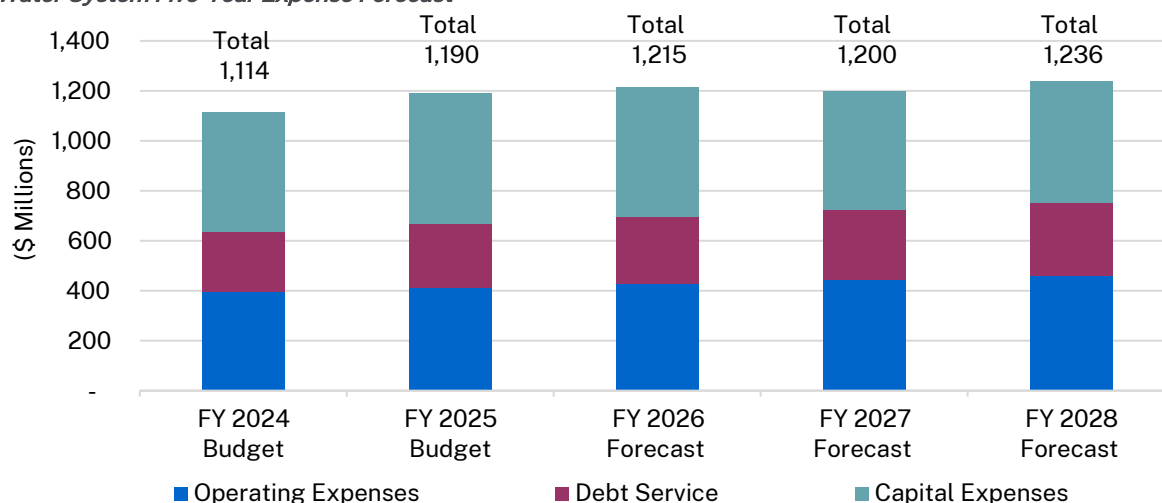
## FIVE-YEAR PROJECTION OF TOTAL EXPENSES

Water System expenses are projected to increase from \$1.11 billion in FY 2024 to \$1.24 billion in FY 2028, an increase of 2.6 percent per year. This is primarily driven by a 5.1 percent annual growth in debt service – from \$239 million to \$291 million by FY 2028 – driven by the need to fund capital using a mix of revenue and debt. Debt-funding of capital is discussed later in the five-year forecast.

Operating expenses have a slower growth rate of 3.7 percent year, from \$397 million to \$460 million, reflecting typical inflationary trends in major costs, including labor. Capital expenses will have slower growth, from \$478 million to \$486 million in FY 2028, though the peak year is FY 2025, the second year of the budget, at \$521 million.

This chart summarizes projected Water System budget by category for the next five years.

*Water System Five-Year Expense Forecast*



## FIVE-YEAR PROJECTION OF RESERVES

Reserves consist of:

- Working capital reserves equal to three months operating and maintenance expenses;
- Self-Insured Liability reserve based on the actuarial Self-Insured Retention (SIR) funding recommendation;
- Workers' Compensation reserve based on the actuarial SIR funding recommendation; and
- Rate stabilization reserve of a minimum of 20 percent of projected annual water volume revenues.

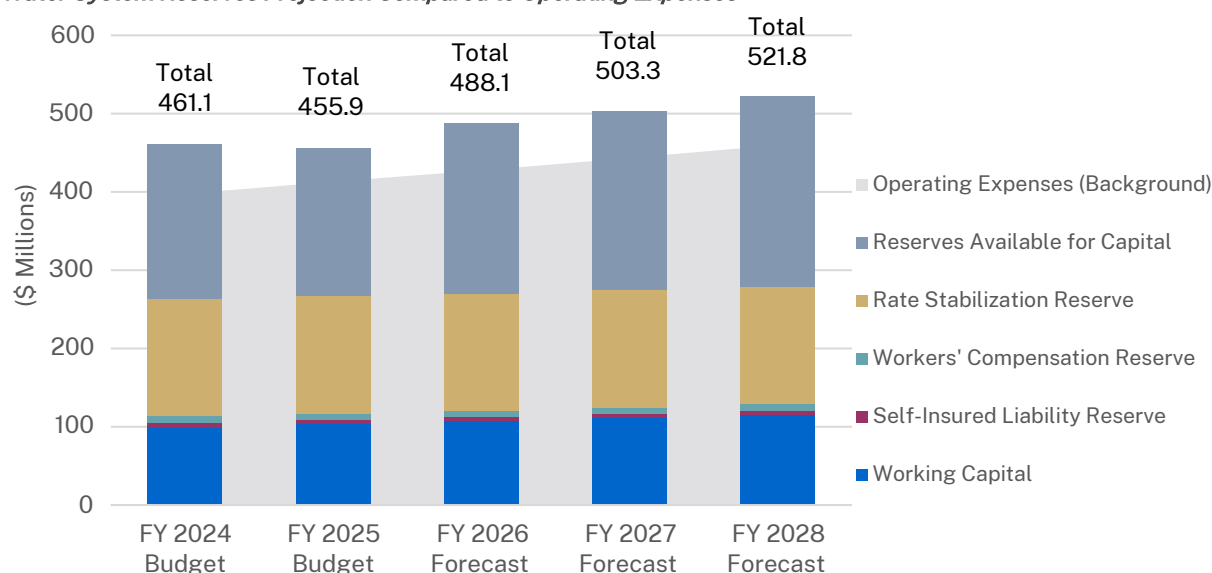
The table below shows the changes to reserve components over the five-year period. Reserve balances meet or exceed the policy reserve levels for the entire period.

*Water System Five-Year Projection of Reserves*

Reserve Components (\$ Millions)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Budget		Forecast		
<b>Total Reserves</b>	<b>461.1</b>	<b>455.9</b>	<b>488.1</b>	<b>503.3</b>	<b>521.8</b>
<b>Policy Reserves</b>					
Working Capital	99.4	103.3	106.9	110.8	115.0
Self-Insured Liability Reserve	6.6	6.1	6.1	6.1	6.1
Workers' Compensation Reserve	7.8	7.8	7.8	7.8	7.8
Rate Stabilization Reserve	150.0	150.0	150.0	150.0	150.0
<b>Total Policy Reserves</b>	<b>263.8</b>	<b>267.1</b>	<b>270.7</b>	<b>274.7</b>	<b>278.8</b>
<b>Reserves Available for Capital</b>	<b>197.3</b>	<b>188.8</b>	<b>217.3</b>	<b>228.6</b>	<b>243.0</b>

The following chart shows Water System reserve levels projected at the end of each fiscal year, relative to operating expenses in the background.

*Water System Reserves Projection Compared to Operating Expenses*



## CAPITAL INVESTMENTS AND FINANCING

The Five-Year CIP outlines Water System capital investment plans, the estimated cost of these investments, and the sources of funds. Appropriations reflect the amount that is authorized and budgeted over a multi-year period for each program. Cash flows are the amounts estimated to be spent on each program in a given year. The five-year program for the Water System includes \$2.5 billion in projected cash flow spending, inclusive of capital support expenses.

The focus of the CIP is the five-year period from FY 2024 to FY 2028. Capital needs have been estimated for a second five-year period from FY 2029 to FY 2033. Given the long-term nature of these capital improvement plans, by necessity they are preliminary estimates only and will be revised as studies are completed, priorities are redefined, and as new needs emerge. Therefore, the budget focuses on the first five years of the CIP. The following table shows the cash flow spending on capital improvements anticipated for the next five years.

*Water System Five-Year Capital Cash Flows by Award Purposes, Including Capital Support*

Capital Expenses (\$ Millions)					
Award Purpose & Capital Support	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Budget		Forecast		
District-Wide Building Facility Improvements	14.9	31.0	29.8	17.4	18.2
Environmental Resources & Remediation	20.4	21.2	35.4	16.7	17.4
New Business Infrastructure	22.2	22.9	23.6	24.3	25.0
Pipelines - Distribution System	74.4	81.6	85.7	95.1	97.4
Pipelines - Transmission	31.2	25.5	19.7	13.7	6.2
Pressure Zone Studies	5.7	5.1	3.8	6.0	7.1
Process & System-Wide Improvements	23.0	25.9	31.0	21.6	19.7
Pumping Plants	29.2	30.2	18.9	21.3	27.2
Raw Water System	16.3	24.7	22.7	12.0	21.8
Recreation Areas & Facilities	4.1	3.3	1.6	1.5	0.6
Regulators & Rate Control Stations	3.9	9.2	6.1	10.6	9.3
Reservoirs - Distribution	31.1	23.4	20.3	26.8	28.3
Reservoirs - Supply	13.7	6.4	1.8	5.1	4.0
Supplemental Supply, Regional Agreements	9.4	12.5	10.7	6.9	23.8
Sustainable Energy	5.6	3.7	1.4	2.5	2.4
Vehicles, Equipment & Related Facilities	19.8	6.2	9.3	7.4	9.7
Water Recycling & Conservation	9.2	9.2	13.4	17.4	40.2
Water Treatment	92.1	126.6	128.7	113.9	70.4
Capital Support	52.0	52.0	53.6	55.2	56.8
<b>Total Capital Expenses</b>	<b>478.1</b>	<b>520.5</b>	<b>517.4</b>	<b>475.4</b>	<b>485.5</b>

Funding for the CIP is drawn from the proceeds of debt, grants, reimbursements from developers and other agencies, and current reserves and revenues. Over the five-year period, the percentage of capital funded from debt will average 42.9 percent, under the target maximum of 65 percent contained in the District's debt policy, and debt service will grow by 5.1 percent per year. Water System total outstanding debt will increase by \$590.8 million, or 22.7 percent, during the period. Total debt outstanding at the end of the five-year period will total \$3.2 billion.

Projected new bond issues, outstanding debt, debt service, and projected debt service coverage ratios are shown in the following table. Coverage will remain above the policy target of 1.60x and is expected to increase as the capital program becomes increasingly revenue-funded, which is positive for long-term financial stability.

*Water System Five-Year Debt Projections*

Outstanding Debt and Debt Service (\$ Millions)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Budget		Forecast		
<b>Beginning of Year Outstanding Debt</b>	<b>2,605.6</b>	<b>2,785.2</b>	<b>2,956.5</b>	<b>3,119.2</b>	<b>3,174.1</b>
Debt Retired	95.4	103.7	112.4	120.1	127.7
New Bonds & Loans	275.0	275.0	275.0	175.0	150.0
<b>Total Outstanding Debt</b>	<b>2,785.2</b>	<b>2,956.5</b>	<b>3,119.2</b>	<b>3,174.1</b>	<b>3,196.4</b>
Debt Service, Existing Debt	218.8	218.5	215.4	215.1	214.8
Debt Service, New Debt	17.9	35.8	53.7	65.1	74.8
Debt Servicing Costs	1.9	2.0	1.5	1.2	1.2
<b>Total Debt Service</b>	<b>238.6</b>	<b>256.3</b>	<b>270.6</b>	<b>281.4</b>	<b>290.8</b>
<b>Debt Service Coverage</b>	<b>1.94x</b>	<b>2.06x</b>	<b>2.10x</b>	<b>2.20x</b>	<b>2.30x</b>

**EBMUD Fun Fact:**

EBMUD offers 126 miles of watershed trails in the East Bay and the Sierra Nevada foothills. That's almost exactly the same distance as if you walked from EBMUD's Administration Building in downtown Oakland to EBMUD's Pardee Reservoir Recreation Area in Lone.

## Chapter 5: Wastewater System

### Overview

This chapter provides a detailed discussion of the Wastewater System, including:

- Fund Summary
- Sources of Funds
- Use of Funds
- Staffed Department Operations
- Debt Service and Financing
- Capital Improvement Program
- Five-Year Financial Forecast



*Lab Techs Perform Sample Extraction*

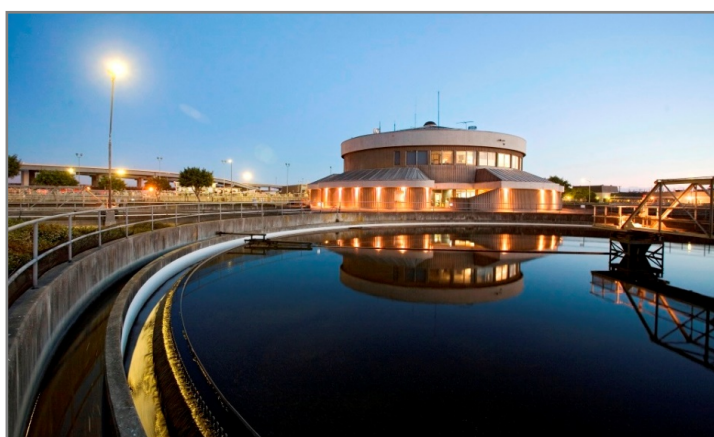
The Wastewater System is an enterprise fund consisting of operating and capital budgets. The system treats wastewater discharged from residences and industries in the communities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District. The Wastewater System receives and pays for administrative, financial, and other support services provided by the Water System.

### KEY ASSUMPTIONS

The following are key projections and assumptions used in the FY 2024 and FY 2025 budget.

#### *Wastewater System Key Assumptions*

Key Assumptions		
	FY 2024	FY 2025
% Rate Increase	8.50%	8.50%
Average Monthly Single-Family Residential Bill	\$ 26.98	\$ 29.24



*Main Wastewater Treatment Plant – Oakland, CA*

## FUND SUMMARY

The following fund summary table shows the Wastewater System beginning and ending fund balance, and projected revenue and expenditure budgets for FY 2024 and FY 2025.

*Wastewater System Detailed Fund Summary – Sources & Uses*

Detailed Fund Summary - Sources & Uses (\$ Millions)			
	FY 2024	FY 2025	% Change
<b>Beginning Balance (Projected)</b>	<b>102.4</b>	<b>106.4</b>	<b>4.0%</b>
<b>Sources of Funds</b>			
<b>Sources of Funds (Operating)</b>			
Treatment Charges	93.2	101.8	9.2%
Wet Weather Facilities Charges	33.4	36.2	8.5%
Resource Recovery	11.0	10.0	-9.1%
Property Taxes	7.5	7.7	2.3%
Interest Income	3.1	3.2	4.5%
Laboratory Services	4.9	5.0	3.0%
Reimbursements	1.8	1.9	3.0%
Permit Fees	1.7	1.7	0.0%
Capacity Charges	3.5	3.6	3.5%
All Other Revenue	6.2	6.2	0.0%
<b>Subtotal Sources of Funds (Operating)</b>	<b>166.2</b>	<b>177.3</b>	<b>6.7%</b>
<b>Sources of Funds (Capital)</b>			
New Bond Proceeds	24.5	29.4	20.0%
Loan Proceeds	-	-	
Grants	-	-	
Reimbursements	-	-	
<b>Subtotal Sources of Funds (Capital)</b>	<b>24.5</b>	<b>29.4</b>	<b>20.0%</b>
<b>Total Sources of Funds</b>	<b>190.7</b>	<b>206.7</b>	<b>8.4%</b>
<b>Uses of Funds</b>			
<b>Use of Funds (Operating)</b>			
Labor	56.7	57.6	1.6%
Contract Services	5.2	5.2	-0.7%
Other	44.7	48.5	8.6%
Contingency (Non-Labor)	0.7	0.7	3.6%
Debt Service	32.9	34.8	5.8%
Capital Support	(3.6)	(3.6)	0.0%
<b>Subtotal Use of Funds (Operating)</b>	<b>136.6</b>	<b>143.2</b>	<b>4.9%</b>
<b>Use of Funds (Capital)</b>			
Capital Cash Flows	46.4	54.8	18.0%
Capital Support	3.6	3.6	0.0%
<b>Subtotal Use of Funds (Capital)</b>	<b>50.0</b>	<b>58.4</b>	<b>16.7%</b>
<b>Total Uses of Funds</b>	<b>186.6</b>	<b>201.6</b>	<b>8.0%</b>
Total Sources	190.7	206.7	8.4%
Total Uses	186.6	201.6	8.0%
<b>All Sources less Uses</b>	<b>4.1</b>	<b>5.1</b>	<b>24.5%</b>
<b>Ending Balance*</b>	<b>106.4</b>	<b>111.5</b>	<b>4.8%</b>

\*Ending Balance includes all policy reserves and reserves for capital projects.

## Sources of Funds

### OVERVIEW

The Wastewater System has a variety of revenue sources to fund operations, and a portion of the capital expense. The remaining capital expense is funded primarily by new bond proceeds.

The table below shows actuals and budgets for operating revenues and capital funding sources.

*Wastewater System Detailed Revenue Summary*

Detailed Revenue Summary (\$ Millions)					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Actuals		Projection*	Budget	
Operating Revenues					
Treatment Charges	79.4	83.0	87.6	93.2	101.8
Wet Weather Facilities Charges	28.3	29.4	30.9	33.4	36.2
Resource Recovery	12.3	13.7	13.0	11.0	10.0
Property Taxes	6.9	7.4	7.4	7.5	7.7
Interest Income	0.2	0.2	2.5	3.1	3.2
Laboratory Services	4.7	4.7	4.8	4.9	5.0
Reimbursements	1.8	1.9	1.8	1.8	1.9
Permit Fees	1.6	1.6	1.6	1.7	1.7
Capacity Charges	7.2	6.4	6.0	3.5	3.6
All Other Revenue	5.8	6.5	6.3	6.2	6.2
Total Operating Revenues	148.2	154.9	161.9	166.2	177.3
Capital Funding Sources					
New Bond Proceeds	-	20.0	-	24.5	29.4
Loan Proceeds	-	-	-	-	-
Grants	-	-	-	-	-
Reimbursements	0.3	-	-	-	-
Total Capital Funding Sources	0.3	20.0	-	24.5	29.4
Total Funding Sources	148.5	174.9	161.9	190.7	206.7



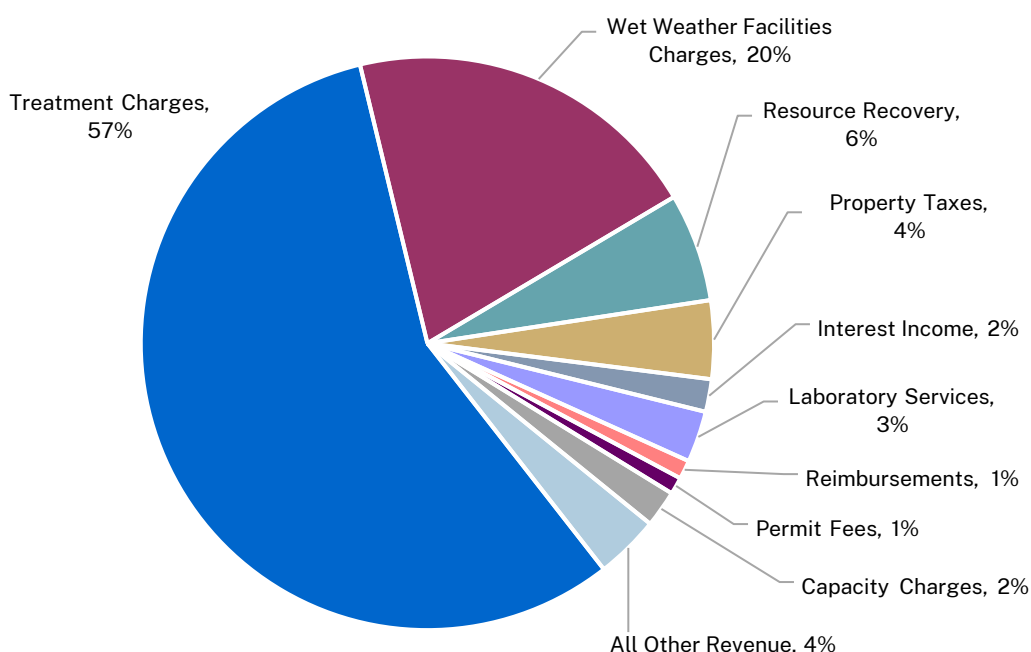
## OPERATING REVENUE

Wastewater System operating revenues for FY 2024 are budgeted to increase \$4.3 million, or 2.7 percent compared to projections for year-end FY 2023, for a total of \$166.2 million. The Treatment Charges total \$93.2 million, an increase of \$5.6 million compared to the FY 2023 year-end projection. Resource Recovery revenue is decreasing \$2.0 million to reflect a conservative approach to budgeting for an uncommon revenue source. Wet Weather Facilities Charge revenue in FY 2024 is projected to increase \$2.5 million from the FY 2023 projection. Property Tax revenue is increasing \$0.1 million to reflect projected collections. Interest Income is increasing \$0.6 million due to higher projected interest rates for next fiscal year. Reimbursement income from the Water System is projected to remain essentially flat, as are permit fees. Capacity Charge revenue is expected to decline by \$2.5 million compared to projections for FY 2023 due to anticipated decrease in building activity in the service area.

In FY 2025, Wastewater System operating revenues are budgeted to increase \$11.1 million, or 6.6 percent, for a total of \$177.3 million. This increase is comprised primarily of the additional \$8.6 million from rate increases in the Treatment Charges, offset by further declines in projected Resource Recovery revenue of \$1 million.

The figure below illustrates the various sources of revenue and the percentage of each source. Wastewater Treatment Charges is the largest source of revenue comprising 57 percent of FY 2024 and FY 2025 total operating revenues, followed by the Wet Weather Facilities Charge at 20 percent.

*Wastewater System Operating Revenue Components – Combined FY 2024 & FY 2025*



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## OPERATING REVENUE SOURCES

The following are descriptions of the sources of operating revenue, including information about the projected revenues for FY 2024 and FY 2025.

### Treatment Charges

The District provides treatment for discharges collected through city-owned sewers and transported through District interceptors and pump stations to the Main Wastewater Treatment Plant (MWWTP). Treatment Charges for all customers are based on the volume and strength of the wastewater discharged plus a service charge, and are collected on the water service bill. The revenue generated by the various Treatment Charges is projected to increase in FY 2024 by \$5.6 million or 6.4 percent to \$93.2 million from the FY 2023 projected year-end revenue. For FY 2025, the Treatment Charge will be \$101.8 million, an increase of \$8.6 million or 9.2 percent.

### Wet Weather Facilities Charge

In June 1987, the Board of Directors established the Wet Weather Facilities Charge to pay for the costs associated with the District wet weather facilities. This charge is assessed on a per parcel basis and, while it is not a tax, the charge is collected on the county property tax bill. The charge is projected to collect approximately \$33.4 million in FY 2024, an 8.5 percent increase above the projected FY 2023 year-end revenues. In FY 2025, the projected revenue is \$36.2 million, an 8.5 percent increase.

### Resource Recovery

Excess capacity at the MWWTP is utilized by accepting trucked waste. The Resource Recovery Program is projected to generate \$11.0 million in FY 2024 and \$10.0 million in FY 2025, which represents a decrease of \$2.0 million compared to revenue projections for FY 2023 year-end.

### Property Taxes

The District receives a portion of the one percent county levy on properties within District boundaries. For FY 2024 and FY 2025, revenues are projected to be \$7.5 million, an increase of 1.4 percent or \$0.1 million above the FY 2023 year-end projection.

### Interest Income

The District places funds not needed for current expenses in investment of various types, following the same procedures as the Water System. Interest Income in FY 2024 is projected to be \$3.09 million, an increase of \$0.6 million from the FY 2023 year-end projection due to continued expected increases in short-term interest rates as well as the lagging nature of earnings compared to the current interest environment. Note that the FY 2024 budgeted amount is 1,230 percent – or 12.3-times – more than the actual interest earnings in FY 2022 due to growing interest rates and improved management of the portfolio. Interest Income in FY 2025 is projected to be \$3.22 million, or an additional 4.5 percent increase.

### Laboratory Services

The Wastewater laboratory provides testing and analysis services for the Water and Wastewater Systems and several outside agencies. The Water and Wastewater Systems share in the joint costs of operating the lab. Revenues from the Water System and outside agencies are projected to be \$4.9 million for FY 2024 and \$5.0 million for FY 2025, which is in-line with growth over prior years at 2 to 3 percent growth per year.

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**Reimbursements**

The Wastewater System is reimbursed from the Water System for work performed by Wastewater staff on the recycled water programs. Included in reimbursements are Build America Bond subsidy payments, which in some years have been subject to sequestration. The estimated revenue from reimbursements is \$1.8 million for FY 2024 and \$1.9 million for FY 2025.

**Permit Fees**

The District collects fees to fund its pollution prevention programs and the discharge permit programs. In FY 2024 and in FY 2025, the estimated revenue from these permit fees will be \$1.7 million.

**Capacity Charges**

Wastewater Capacity Fees (WCF) are collected from customers requesting new wastewater service. Due to the increase in building activity in the service area, the WCF revenue collected has remained over \$5.0 million – and as high as \$7.2 million – in the past four years. While an updated water consumption analysis for capacity charges resulted in a reduction in the WCF adopted for FY 2022 and FY 2023, revenue is projected to end FY 2023 at \$6.0 million. However, with rising interest rates and uncertain economic conditions, the District is expecting building activity may slow and is conservatively budgeting for revenue of \$3.5 million and \$3.6 million for FY 2024 and FY 2025, respectively.

**All Other Revenue**

Included in this category are lease revenue of District properties, reimbursements from the U.S. Treasury under the Build America Bonds program, revenue from energy sales at the Power Generation Station (PGS), and private sewer lateral fees. All Other Revenue is expected to be approximately even at \$6.2 million for both FY 2024 and FY 2025, which is just \$0.1 million below expectations for FY 2023 year-end revenue.

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## CAPITAL FUNDING SOURCES

The following are descriptions of the sources of capital funding. The Capital Improvement Program (CIP) will be funded with bond proceeds, wastewater revenue, and reserves. It is anticipated that the District will receive \$24.5 million in new revenue bond proceeds in FY 2024 and \$29.4 million in FY 2025, with the remaining capital expenses funded using rate revenues.

### **New Bond Proceeds**

The District has the ability to issue long-term bonds to fund its capital program. The proceeds of the bond sales can be used to pay for capital expenses over several years. The repayment of the bonds is generally over 30 years and is paid from wastewater rate revenues.

### **Grants and Loans Proceeds**

The District pursues federal and state grants and low-interest loans to fund some of its capital projects when they meet the conditions of the grant and loan programs.

### **Reimbursements**

Some of the capital projects in the Wastewater System are performed at the request of other agencies, and the District is reimbursed for its expenses. An example would be the relocation of a portion of the sewer interceptor at the request of a city or state agency.

### **Revenue Funded Capital**

Annual capital expenses that are not paid from debt funding, grants, loans, or reimbursements must be paid from revenues, either from current year revenues or from reserves.

Please refer to the section Debt Service and Financing for additional details on debt funding of capital projects.

## Use of Funds

### OVERVIEW

The Wastewater System has three types of expenditures:

- **Operations** – the annual costs of providing all wastewater services;
- **Debt Service** – the repayment of bonds for making capital investments along with other debt-related expenses; and
- **Capital Cash Flow** – the annual costs of the CIP for long-term projects.

The following table shows the breakdown of expenses by the type of expenditure.

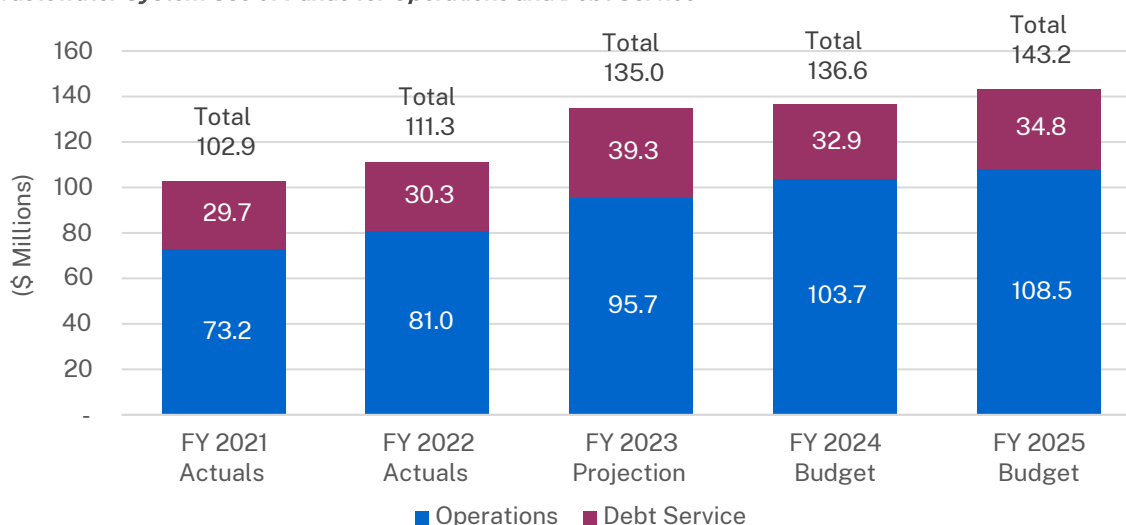
*Wastewater System Use of Funds FY 2021 to FY 2025*

Use of Funds (\$ Millions)					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Actuals		Projection*	Budget	
Operations	73.2	81.0	95.7	103.7	108.5
Debt Service	29.7	30.3	39.3	32.9	34.8
Capital Cash Flow	41.0	41.7	47.9	50.0	58.4
<b>Total Expenses</b>	<b>143.9</b>	<b>153.0</b>	<b>182.8</b>	<b>186.6</b>	<b>201.6</b>

This section describes the major components of the Wastewater System operations budget. Typical expenditures include, but are not limited to labor, benefits, chemicals, energy, spoils/sludge disposal, parts, materials, and fees and licenses.

In FY 2024, the combined operations and debt service budgets are increasing \$1.6 million, or 1.2 percent compared to FY 2023 projected actual expenses. Those projected expenses included an increase in the debt budget to fully pay down the Wastewater System's Extendible Commercial Paper program in FY 2023, a one-time expense. In FY 2025, the budgets will increase \$6.6 million or 4.8 percent compared to the first year of the biennial budget.

*Wastewater System Use of Funds for Operations and Debt Service*



## DEPARTMENT OPERATING BUDGET

The operations portion of the Wastewater System budget is divided into four departments, which are staffed, contingency, intradistrict, and capital support. The staffed department includes all employees assigned to work in the Wastewater Department. The staffed department budget funds the day-to-day operations of the Wastewater System, and includes funding for labor, benefits, outside contract services and other non-labor expenses such as chemicals, energy, spoils and sludge disposal, parts, materials, fees, and licenses. A detailed description of the staffed department is included later in this chapter.

A small number of departments do not have personnel assigned to them and are referred to as non-staffed departments described as follows:

- **Contingency** – Funds are budgeted each fiscal year to cover projected labor-related expenses such as Pay for Performance. The contingency budget also includes funding for unanticipated needs which may arise before the next budget cycle.
- **Intradistrict** – Certain internal service accounts are included in balance sheets to assure that internal expenses are not counted twice within the operations budget. Examples of these accounts include warehouse stores overhead and fleet vehicle expenses. The Wastewater System typically has only very small amounts of actual expenses in these accounts by year-end, so they are not typically budgeted.
- **Capital Support** – Costs that are not directly attributable to specific capital projects, but indirectly support the CIP. Capital support costs in the operations budget are reallocated to the capital budget and will decrease operating expenses by a like amount.

The following table presents the total FY 2024 and FY 2025 Wastewater System operating budgets by department.

*Wastewater System Staffed and Non-Staffed Department Operating Budgets*

Operating Budget by Department (\$ Millions)							
Departments	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Projected*	FY 2024 Budget	% Change	FY 2025 Budget	% Change
Wastewater	76.8	84.6	99.5	106.3	6.8%	111.0	4.4%
<b>Staffed Department Subtotal</b>	<b>76.8</b>	<b>84.6</b>	<b>99.5</b>	<b>106.3</b>	<b>6.8%</b>	<b>111.0</b>	<b>4.4%</b>
Contingency	-	-	0.3	1.0	246.2%	1.1	4.0%
Intradistrict	(0.0)	(0.0)	(0.5)	-	-100.0%	-	
Capital Support	(3.6)	(3.5)	(3.6)	(3.6)	-0.8%	(3.6)	0.0%
<b>Total Operations</b>	<b>73.2</b>	<b>81.0</b>	<b>95.7</b>	<b>103.7</b>	<b>8.4%</b>	<b>108.5</b>	<b>4.6%</b>
Debt Service	29.7	30.3	39.3	32.9	-16.3%	34.8	5.8%
<b>Total Operating</b>	<b>102.9</b>	<b>111.3</b>	<b>135.0</b>	<b>136.6</b>	<b>1.2%</b>	<b>143.2</b>	<b>4.9%</b>

## DEPARTMENT OPERATING EXPENSE HIGHLIGHTS

The Wastewater System is comprised of one staffed department that performs all aspects of wastewater system operations. This section details the department's labor and non-labor budget, department goals and staffing.

The table below is a duplicate of the one in the Wastewater Department page later in this chapter, however it is displayed again here in millions (instead of thousands) for consistency with the Water System's budget and so the descriptive highlights below have a reference. Note that, similar to the Water System, this table excludes the capital support overhead allocated from operations to capital and other operating departments without assigned staff.

### Wastewater System Staffed Department Budget Detail

#### Department Operating Budget Detail and Historical Comparison (\$ Millions)

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	55.0	58.7	60.4	70.2	16.2%	71.3	1.5%
Less: Capital Labor and Benefits	9.9	10.1	11.2	13.8	23.8%	14.0	1.5%
Operating Labor and Benefits	45.2	48.6	49.2	56.4	14.5%	57.2	1.5%
Contract Services	2.8	4.8	4.9	5.2	6.6%	5.2	-0.7%
Other Costs	28.9	31.1	36.8	44.7	21.5%	48.5	8.6%
<b>Operating Total</b>	<b>76.8</b>	<b>84.6</b>	<b>90.9</b>	<b>106.3</b>	<b>16.9%</b>	<b>111.0</b>	<b>4.4%</b>

### Labor and Benefits

Operating labor and benefits costs are allocated to the single staffed department. Included in the labor budget are various assumptions, including cost-of-living adjustments, eligibility for promotions, turnover rates, the lead time to fill vacancies, and future benefit costs.

Total labor and benefit costs are expected to grow \$9.8 million, or 16.2 percent, compared to FY 2023. The significant growth in labor and benefit costs in FY 2024 are driven by several factors, including:

- Staff increases due to notable investments in several key areas, to support critical facilities maintenance, capital projects, the Asset Management Program, and Private Sewer Lateral inspections;
- Increasing personnel costs due to inflation-linked wage increases in labor agreements; and
- As happens every 12 to 13 years, in FY 2024 there is an additional pay period during the budget year, though employees will continue to receive paychecks biweekly and will not receive an additional paycheck.

These increases are offset, in part, by an increasing number and relative size of participants in the District's 2013 Plan for retirement, which has a lower employer contribution rate. Additionally, an expectation for continued high turnover and a significant number of new positions reduces the assumption for the time that positions will be filled throughout the year.

In FY 2025, total labor and benefit costs increase \$1.1 million, or 1.5 percent compared to FY 2024, primarily for scheduled step increases and assumptions for cost-of-living adjustments. This is offset by a standard number of pay periods in the fiscal year, as well as savings due to the time required to fill positions.

**Non-Labor Operating Costs**

The Wastewater staffed department non-labor costs are increasing by \$7.9 million or 21.5 percent in FY 2024 and will increase \$3.8 million or 8.6 percent in FY 2025 compared to the prior fiscal year due to operational cost increases for wastewater treatment. A detailed explanation of the significant changes is shown in the department budget highlights section later in this chapter.

**DEPARTMENT OPERATING EXPENSES BY CATEGORY**

The table below depicts the Wastewater System staffed department operations by expense category. It excludes capital labor which is shown later in this chapter. Operating labor is the largest cost at more than 50 percent of the operations budget.

*Wastewater System Staffed Department Operations by Category*

Staffed Department Operations by Category (\$ Millions)								
Department	FY 2024				FY 2025			
	Labor	Contracts	Other	Total	Labor	Contracts	Other	Total
Wastewater	56.4	5.2	44.7	106.3	57.2	5.2	48.5	111.0
<b>Total</b>	<b>56.4</b>	<b>5.2</b>	<b>44.7</b>	<b>106.3</b>	<b>57.2</b>	<b>5.2</b>	<b>48.5</b>	<b>111.0</b>

**Staffed Department Operations**

This section describes the staffed department and includes the following topics:

- **Overview** provides an overall statement about the key responsibilities of the department within the larger mission of the District.
- **Description of Services Provided** describes the responsibilities of the department, including services required to meet regulatory or legal requirements.
- **FY 2024 & FY 2025 Goals** highlight the highest priority tasks or projects related to the budget and the District's Strategic Plan.
- **Department Budget Summary** is a table that shows the Department's operating budget expenditures by category (Labor and Benefits, Contract Services, Other Costs). It also includes capital labor.
- **Budget Highlights** shows changes in cost relative to the previous fiscal year and describes reasons for those changes. This section focuses on the significant budget change.
- **Staffing Summary** is a table that shows the Full-Time Equivalency (FTE) for the department by appointment type (full-time, part-time, etc.).
- **Staffing Changes** is a section included only if the department has position changes that require Board approval. The table details the position changes, and provides a change in cost, which is an estimate based on typical salaries and benefit costs for the classification.



## WASTEWATER DEPARTMENT

### Overview

The Wastewater Department (WAS) operates and maintains District wastewater treatment facilities to comply with environmental and public health requirements. The primary goal of the department is to ensure public health and safety by meeting or surpassing federal, state, and local regulations regarding air, biosolids, and water quality. The department strives to protect the environment by reducing or eliminating the discharge of pollutants into the air, land and San Francisco Bay and recovering water, energy, and nutrients from wastes.

### Description of Services Provided

The department includes the Wastewater Treatment, Wastewater Engineering, Laboratory & Technical Services, and Environmental Services divisions, as well as the Infiltration/Inflow Control group and Technical and Emerging Issues group. These groups work together to operate and maintain the wastewater interceptor system, Main Wastewater Treatment Plant (MWWTP), water recycling facilities, and three wet weather facilities. The department maintains compliance with all its permit regulations and plans for future regulatory changes, such as those related to nutrient, air emissions, contaminants of emerging concerns, and biosolids management; manages the Integrated MWWTP Master Plan; plans, designs, and manages the construction of capital projects; monitors discharges from all wastewater customers; issues commercial and industrial discharge permits; manages the Regional Private Sewer Lateral Program and implements projects to reduce infiltration and inflow; manages the Resource Recovery Program and energy generation; and tests environmental samples and reports analytical results to support the District's water, wastewater, and recycled water services.

### FY 2024 & FY 2025 Goals

The department has a key role in the Water Quality and Environmental Protection, Long-Term Infrastructure Investment, and Long-Term Financial Stability Strategic Plan goals. The department also supports the Long-term Water Supply goals.

Key department goals include:

- Continuing to operate and maintain the District's Wastewater facilities to meet regulatory requirements and protect public health, the environment, and San Francisco Bay;
- Rehabilitating infrastructure to maximize utilization of existing capital investments and to ensure operational reliability for protecting public health and the environment;
- Implementing projects recommended from the Integrated MWWTP Master Plan, while ensuring best available current technologies, priorities, and approaches, to cost-effectively balance long-term infrastructure renewal needs with future regulatory requirements, improving resiliency, and meeting the District's sustainability goal;
- Reducing environmental impacts to the San Francisco Bay during wet weather events through reducing inflow and infiltration, maintaining, operating, and constructing facilities to improve wet weather flow management;
- Continuing a regional leadership role to ensure a collaborative, science-based approach to address potential nutrient impairment in San Francisco Bay; and
- Optimizing the Resource Recovery Program to recover energy from wastes.

**Department Budget Summary**

The department's projected spending is compared to prior years in the table below.

*Wastewater Department Operating Budget Detail***Department Operating Budget Detail and Historical Comparison (\$ Thousands)**

Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	55,044	58,715	60,389	70,195	16.2%	71,274	1.5%
Less: Capital Labor and Benefits	9,888	10,098	11,162	13,820	23.8%	14,026	1.5%
Operating Labor and Benefits	45,156	48,616	49,227	56,375	14.5%	57,248	1.5%
Contract Services	2,754	4,828	4,909	5,235	6.6%	5,198	-0.7%
Other Costs	28,926	31,143	36,774	44,695	21.5%	48,537	8.6%
<b>Operating Total</b>	<b>76,836</b>	<b>84,587</b>	<b>90,910</b>	<b>106,304</b>	<b>16.9%</b>	<b>110,984</b>	<b>4.4%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$15.4 million, or 16.9 percent, compared to FY 2023. In FY 2025, the budget will increase \$4.7 million, or 4.4 percent, compared to the first year of the biennial budget. Significant changes include:

**FY 2024**

Total labor and benefit costs are increasing in FY 2024 as the District will be adding new positions to support critical facilities maintenance, capital projects, the Asset Management Program, and Private Sewer Lateral inspections. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years. Contract services are increasing primarily due to electrical services in support of the Electrical Integrity Program, shifting gas conditioning system maintenance from capital to operating, process-critical climate control system maintenance, and laboratory services. Major drivers of other cost increases are chemical and energy price increases.

**FY 2025**

Total labor and benefit costs will grow slightly in FY 2025 due to expectations for inflation-linked wage increases, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year. Contract services are decreasing primarily due to on-call support with the power generation station consultant ending in FY 2024 and because programmable logic controller software support renewal costs are due every five years and will be paid in FY 2024. Other cost increases are expected primarily in chemicals, energy, reimbursable expenses to the Water System, and spoils and sludge disposal.

**Staffing Summary**

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2024, there are 14.50 new FTEs, as detailed on the next page. There are no changes in FY 2025.

*Wastewater Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2021	FY 2022	FY 2023	FY 2024	Change	FY 2025	Change
Full-Time	283.00	285.00	286.00	294.00	8.00	294.00	-
Limited-Term / Temp. Const.	5.00	3.00	3.00	9.00	6.00	9.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	0.50	0.50	0.50	1.00	0.50	1.00	-
<b>Total FTE</b>	<b>288.50</b>	<b>288.50</b>	<b>289.50</b>	<b>304.00</b>	<b>14.50</b>	<b>304.00</b>	<b>-</b>

**Staffing Changes**

The table below summarizes FTE changes. Most changes reflect a growing Wastewater CIP or addressing maintenance backlogs, which includes reducing contracting out for critical maintenance work.

*Wastewater Department Staffing Changes***FY 2024 & FY 2025 Department Staffing Changes**

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change*	FTE Change	Purpose, Project or Program
2024	Add			Electrical Technician / Electrical Worker I/II/III	REG	372,489	2.00	Aging infrastructure and reduce contracting out
2024	Add			Power Plant Mechanic / Operator	REG	177,333	1.00	Support improved Operator coverage for power-generating facilities
2024	Add			Assistant Engineer / Junior Engineer	REG	210,698	1.00	Improve capital program planning and asset management
2024	Add			Assistant Engineer / Junior Engineer	REG	210,698	1.00	Support baseline growth in capital plan
2024	Add			Senior Construction Inspector	REG	205,530	1.00	Support baseline growth in capital plan
2024	Add			Engineering Designer I/II	REG	186,245	1.00	Support baseline growth in capital plan
2024	Add			Associate Electrical Engineer	REG	238,466	1.00	Support baseline growth in capital plan
2024	Add			Wastewater Control Inspector I/II	L/T	164,678	1.00	Support potential partnership on private sewer laterals
2024	Add			Facility Specialist II	L/T	160,661	1.00	Aging infrastructure and reduce contracting out
2024	Add			Painter	L/T	156,605	1.00	Aging infrastructure and reduce contracting out
2024	Add			Associate Civil Engineer	T/C	697,905	3.00	Construction management for CIP workload above baseline
2024	Add			Engineering Aide	TEMP	55,439	0.50	Support workforce diversity

## Staffing

### Appointment Types

The majority of the workforce is comprised of full-time civil service or full-time civil service exempt positions. Limited-term positions are intended to augment regular staff to accomplish extra work or other operational programs or activities of a limited duration, with appointments for a maximum of four years. Temporary construction positions are also of a limited and specified duration typically associated with capital projects. Intermittent positions represent the smallest number of appointment types and typically work 32 hours instead of 40 hours per week. Part-time positions are normally restricted to 832 hours per year. Temporary positions are limited to a 6-month duration and are full-time during that duration.

The table below provides the full-time equivalent (FTE) for the Wastewater department and compares the changes from year-to-year. The FTE value varies by appointment type.

- Full-time, limited-term and temporary construction appointment types equal 1.0 FTE;
- Intermittent appointment types equal 0.75 FTE; and
- Part-time and temporary appointment types equal 0.5 FTE.

#### *Wastewater System Department Staffing Summary*

FY 2024 & FY 2025 Department Staffing (FTE)					
Department	FY 2023	FY 2024		FY 2025	
	Budget	Budget	FTE Change	Budget	FTE Change
Wastewater	289.50	304.00	14.50	304.00	-
<b>Total FTE</b>	<b>289.50</b>	<b>304.00</b>	<b>14.50</b>	<b>304.00</b>	<b>-</b>

In FY 2024, a net total of 14.5 FTEs are being added to the Wastewater System. In FY 2025, there are no changes in FTE.

## BARGAINING UNIT CHANGES

Tables below show the net change in bargaining unit status of authorized FTEs represented by different unions, management/confidential, non-represented groups, and civil service exempt positions. The tables reflect Board of Directors authorized additions and deletions in FY 2024 and FY 2025 and correspond to the staffing changes table in each department.

### *FY 2024 vs FY 2023 Wastewater System Department Changes in Bargaining Units*

FY 2024 vs FY 2023 Department Net Change in Bargaining Unit Status (FTE)							
Department	Local 2019	Local 444	Local 21	Local 39	MGR / CONF	NRP	EXMPT
Wastewater	9.50	5.00	-	-	-	-	-
<b>Total FTE</b>	<b>9.50</b>	<b>5.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### *FY 2025 vs FY 2024 Wastewater System Department Changes in Bargaining Units*

FY 2025 vs FY 2024 Department Net Change in Bargaining Unit Status (FTE)							
Department	Local 2019	Local 444	Local 21	Local 39	MGR / CONF	NRP	EXMPT
Wastewater	-	-	-	-	-	-	-
<b>Total FTE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



*Setting Up Samples for Analysis in the Wastewater Lab*

## Debt Service and Financing

### OVERVIEW

This section describes the Wastewater System's current and projected debt obligations, current credit ratings, and adherence to the District's debt financing policies.

Debt is incurred to finance projects or purchase, repair or replace assets which will have useful lives equal to or greater than the related debt. Issuance of revenue supported debt is authorized by the Board of Directors, subject to a referendum process. Individual revenue bond issues are authorized by the Board of Directors.

The annual debt service principal and interest payments are charged to the operating budget. However, debt is only issued to finance capital investment activities.

### OUTSTANDING DEBT

The Wastewater System's total outstanding debt is projected to be \$338.3 million as of June 30, 2023.

#### *Wastewater System Debt Outstanding*

Debt Outstanding Projected as of June 30, 2023					
Issue	Date of Issue	Last Maturity	Issued (\$ Thousands)	Outstanding (\$ Thousands)	
Long-Term Debt					
Revenue Bonds					
Series 2010B (Build America Bonds)	10/20/2010	6/1/2040	\$ 150,000	\$	150,000
Series 2014A	8/28/2014	6/1/2030	82,150		36,515
Series 2015A-1	3/3/2015	6/1/2037	54,805		54,805
Series 2015A-2	3/3/2015	6/1/2038	13,565		13,565
Series 2015B	3/3/2015	6/1/2037	2,795		1,440
Series 2017A	6/14/2017	6/1/2045	69,420		48,075
Series 2022A	6/16/2022	6/1/2045	18,140		16,555
Series 2022B	6/16/2022	6/1/2037	17,345		17,345
Total Revenue Bonds			408,220		338,300
% of Total Outstanding Debt					100.0%
Total Long-Term Debt			408,220		338,300
Total Outstanding Debt					338,300

The District plans to issue \$25 million in revenue bonds in FY 2024, which is anticipated to generate \$24.5 million in proceeds to support capital funding after assumed costs of issuance. In FY 2025, the District plans to issue \$30 million in revenue bonds, generating an anticipated \$29.4 million in proceeds after assumed costs of issuance.

**DEBT SERVICE**

The Wastewater System's total outstanding debt will cost approximately \$178.2 million in interest payments, as detailed in the table below.

*Wastewater System Projected Debt Service on Current Debt*

Projected Debt Service on Current Outstanding Long-Term Debt (\$ Thousands)			
Fiscal Year	Principal	Interest	Debt Service
2024	14,310	16,905	31,215
2025	14,975	16,194	31,169
2026	15,670	15,450	31,120
2027	14,030	14,669	28,699
2028	14,730	13,971	28,701
2029	15,465	13,238	28,703
2030	16,230	12,477	28,707
2031	17,030	11,673	28,703
2032	17,875	10,828	28,703
2033	18,760	9,944	28,704
2034	19,690	9,010	28,700
2035	20,670	8,033	28,703
2036	21,695	7,007	28,702
2037	22,770	5,931	28,701
2038	24,365	4,801	29,166
2039	26,250	3,546	29,796
2040	27,610	2,187	29,797
2041	2,945	758	3,703
2042	3,080	620	3,700
2043	3,230	476	3,706
2044	3,380	324	3,704
2045	3,540	166	3,706
<b>Total</b>	<b>338,300</b>	<b>178,209</b>	<b>516,509</b>

The debt service in the table is less than the budgeted debt service because the latter includes:

- Payments on new debt issues in FY 2024 and FY 2025; and
- Costs for debt service administration.

**DEBT RATINGS**

Credit risk is the risk that the issuer of an investment, such as a revenue bond, will not fulfill its payment obligations to the holder of the investment. Credit ratings are assigned to bonds by Nationally Recognized Statistical Credit Rating Organizations based on published methodologies. The ratings reflect the organizations' opinions about the issuer's ability and willingness to meet its financial obligations on time and in full.



The Wastewater System's strong credit ratings provide tangible benefits to ratepayers in the form of reduced debt service cost. A strong credit rating provides better access to capital markets, lower interest rates, better terms on debt, and access to a greater variety of debt products. Prudent financial management policies have contributed to the Wastewater System's strong ratings shown in the table below.

*Wastewater System Debt Ratings*

Wastewater System Debt Ratings			
As of January 1, 2023			
Debt by Type	S&P	Moody's	Fitch
Fixed Rate Revenue Bonds	AAA	Aa1	AA+

Definitions of the District's fixed rate and long-term debt ratings are shown below.

### S&P

An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

### Moody's

Obligations rated 'Aa' by Moody's are judged to be of high quality and are subject to very low credit risk. The modifier 1 indicates that the obligation ranks at the highest end of the 'Aa' rating category.

### Fitch

The 'AA' rating denotes expectations of very low default risk. The rating indicates very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

## DEBT MANAGEMENT POLICY

The District is subject to legal debt limits prescribed in the Municipal Utility District (MUD) Act regarding general debt limits, revenue bond limits, and short-term borrowing limits.

The District's general debt indebtedness cannot exceed the ordinary annual income and revenue of the District without a two-thirds approval of the voters. However, revenue bonds are not included in general debt limits.

The District is authorized to issue revenue bonds with the approval of a resolution from the Board of Directors, subject to a 60-day referendum period. The resolution specifies the maximum principal amount of bonds that may be issued pursuant to the authorization. The Board of Directors also approves individual series of revenue bonds issued under the broader authorization.

The MUD Act authorizes the District to issue short-term indebtedness without an election of the voters. The amount of short-term borrowing cannot exceed the lesser of 1) the annual average total revenue of the three preceding years or 2) 25 percent of the District's total outstanding bonds. This provision is substantially the same as the District's internal policy discussed below.



The District has also established its own policy regarding debt management (Policy 4.27 – Debt Management). The purpose of the debt policy is to maintain a balance between current funding sources and debt financing over each five-year plan horizon in order to retain the District's financing flexibility and achieve the lowest cost of financing.

The District's debt management policy is to:

- Maintain an annual revenue bond debt service coverage ratio of at least 1.6 times;
- Limit debt-funded capital to no more than 65 percent of the total capital program over each five-year planning period; and
- Limit commercial paper/variable rate debt to 25 percent of outstanding long-term debt.

## DEBT SERVICE COVERAGE RATIO

The debt service coverage policy ensures that the District has sufficient annual operating revenues to pay its operating expenses and meet its debt service obligations on its revenue bonds and other parity debt. The revenue bond debt service coverage ratio is defined as the District's net operating revenue (current year's operating revenue less the current year's operating expenses) divided by the current year's debt service on all revenue bonds and other parity debt. Net revenues are reduced by any Rate Stabilization Fund deposits and increased by any withdrawals. In FY 2024 and FY 2025, the projected debt coverage ratios are 1.98x and 2.06x, respectively.

## DEBT-FUNDED CAPITAL

The percentage of the capital program that is funded by debt over the five-year planning period is projected at 51.2 percent, which is below the financial policy maximum target of 65 percent. The debt percentage funding levels for FY 2024 and FY 2025 are shown in the table below.

<i>Wastewater System Debt-Funded Capital</i>		
Projected Debt Funding of Capital (\$ Thousands)		
	FY 2024	FY 2025
<b>Expenses</b>		
Capital Cash Flow	46,430	54,774
Capital Support	3,600	3,600
<b>Total Expenses</b>	<b>50,030</b>	<b>58,374</b>
<b>Funding Sources</b>		
New Bond Proceeds	24,500	29,400
Other Sources	25,530	28,974
<b>Total Sources</b>	<b>50,030</b>	<b>58,374</b>
<b>Debt Percentage of Capital Funding</b>	<b>49.0%</b>	<b>50.4%</b>

## COMMERCIAL PAPER AND VARIABLE RATE DEBT

As of January 1, 2023, the District no longer has any Wastewater System commercial paper or variable rate debt and does not anticipate issuing any during FY 2024 or FY 2025.

## Capital Improvement Program

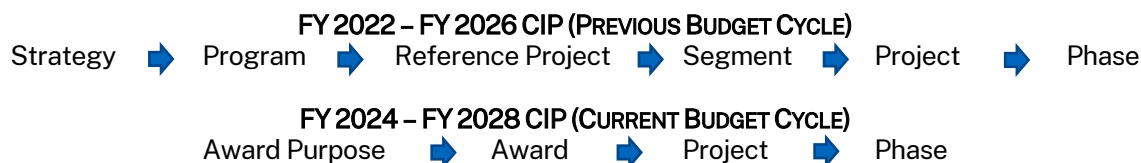
### OVERVIEW

#### CIP Structure

Like the Water System, the Wastewater System's Capital Improvement Program (CIP) communicates the District's planned infrastructure investments for the next five years by identifying and prioritizing capital needs. Developed biennially and incorporated into the District-wide budget, the CIP is the District's opportunity to address new and ongoing capital needs.

For the FY 2024 – FY 2025 budget, the District restructured the organization of the CIP for both systems. The following flow charts and table illustrate the changes to the structure of the District's capital endeavors.

*Capital Improvement Program Organization Flowchart (from highest level to lowest level)*



*Wastewater System CIP Award Purposes*

CIP Award Purposes
Wastewater
Main Wastewater Treatment Plant
Wastewater Remote Facilities
Wastewater System-wide Improvements
Wastewater Contingency

### APPROPRIATION AND CASH FLOW OVERVIEW

There are two ways that the District considers the financial planning for the CIP: appropriations and cash flows.

- Capital appropriations are funds approved biennially by the Board to be spent on capital projects. While appropriations are approved biennially, their use may extend over multiple years. Appropriations are controlled at the Award level and vary from year-to-year depending upon the funding needs of the projected work and existing appropriations at the end of the prior year.
- Capital cash flows are a projection of the annual costs of each project over the planning horizon, on a year-by-year basis. Cash flows have typically been reported in the budget for five years, but in the current planning cycle, the District gave additional consideration to the full ten-year cash-flow projection in order to better understand long-term project needs. Staff will continue to work to broaden the planning and reporting horizon to increase transparency of long-term infrastructure needs.

Each of these two concepts will be discussed in further detail throughout this section.

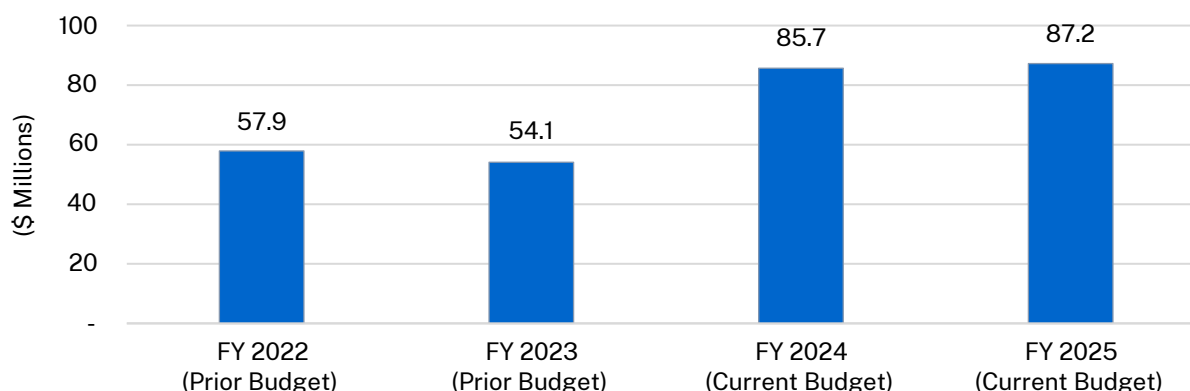
## APPROPRIATIONS

### Overview

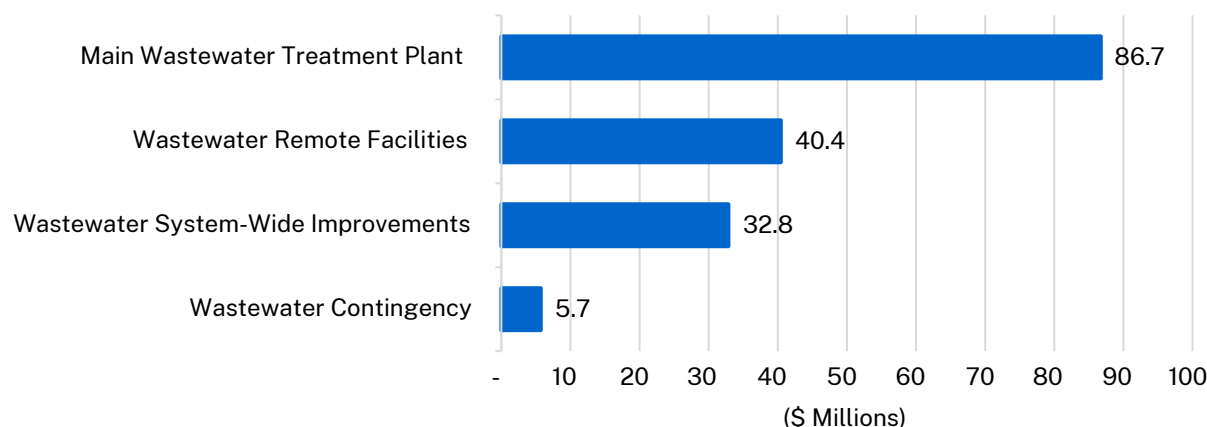
Supported by capital cash flow spending projections, adequate appropriations are necessary to complete the initiatives outlined in the CIP. Since appropriations are often spent over multiple years, the amounts appropriated for each fiscal year will vary depending upon project scope and timing, and any unspent appropriation a project may already have.

The Wastewater System's FY 2024 capital appropriation will increase by \$31.6 million or 58.4 percent from FY 2023. In FY 2025, appropriations will increase an additional \$1.5 million, or 1.8 percent, from FY 2024. The first year's increase aligns with the CIP's increasing size and scope, and is particularly elevated due to multi-year contracts that will be advertised for bid in FY 2024, while the work will be completed in FY 2025 or later. (Appropriations for multi-year contracts are appropriated at once to ensure funds are available when contracts are awarded.) While the second year's appropriations are nearly flat, the capital work appropriated for FY 2024 will continue into future years. Appropriations are summarized in the two charts below.

*Wastewater System Appropriations Four-Year Summary*



*Wastewater System Appropriations by Award Purpose for FY 2024 & FY 2025*



Appropriations shown by Award Purpose excludes Capital Support as it is not for a specific Award Purpose and instead is part of all Award Purposes.

## CASH FLOW

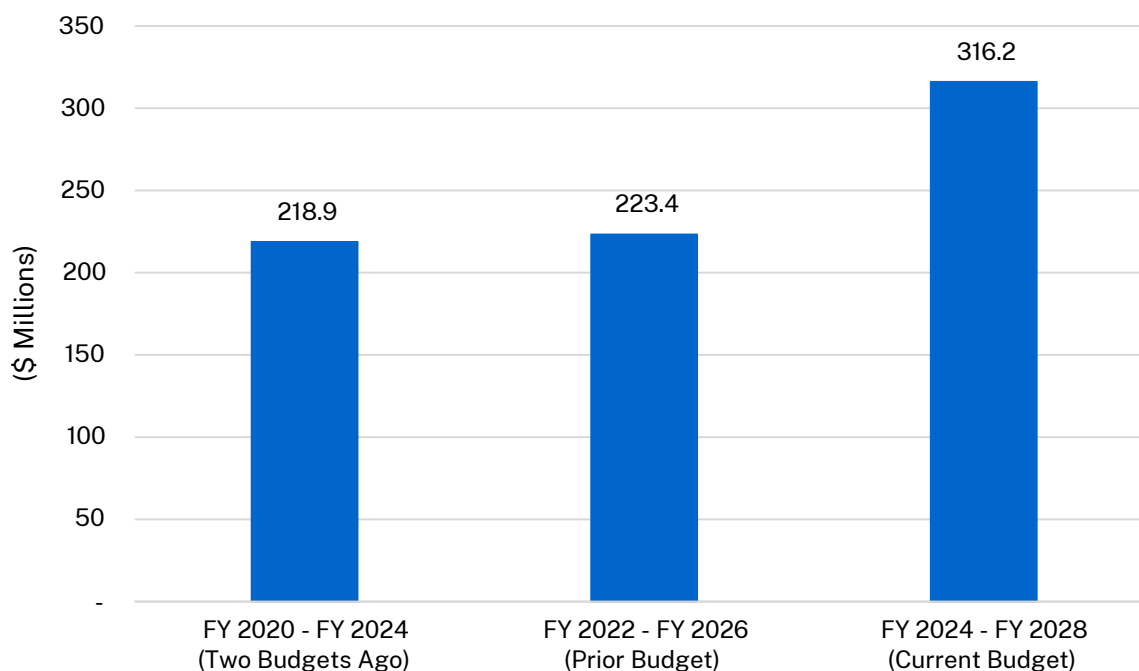
### Overview

The FY 2024 – FY 2028 CIP is supported by capital cash flows that incorporate the following changes from previous CIP development processes:

- Cash flows are reported in the budget for five years, but this year there was an increased focus on the full 10-year projection of expenses. Forecasting out-years allows management and project managers to anticipate the funding needs for critical infrastructure initiatives. This is especially true as some key capital work will not be completed in the five-year horizon, so a longer-term scenario allows greater insight into needs. The longer-term outlook for rate increases also becomes clearer by extending the projection window.
- Multiple scenarios, with varied cash flow projections and associated rate increases, were developed to represent a projection of the annual costs of the CIP for long-term projects. This allowed for experimentation in the development phase with different approaches to completing a vast amount of critical infrastructure improvements. In most cases projects were deferred for the proposed CIP, as opposed to changed in their scope or canceled.

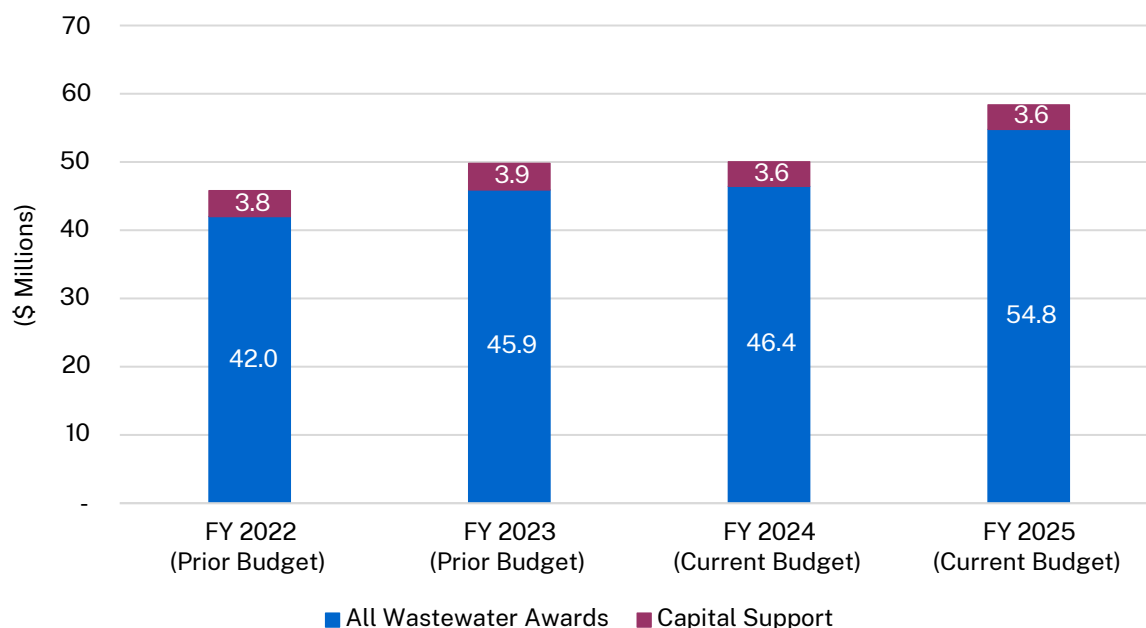
This change is driven by the combination of increasing investments to replace and rehabilitate aging infrastructure, working towards meeting Board-set priorities, and increased labor and construction costs. Capital Support, the indirect costs associated with capital work, is in line with recent expenses at \$3.6 million annually.

*Wastewater System Cash Flows Comparison by Budget Cycle / CIP (Excluding Capital Support)*



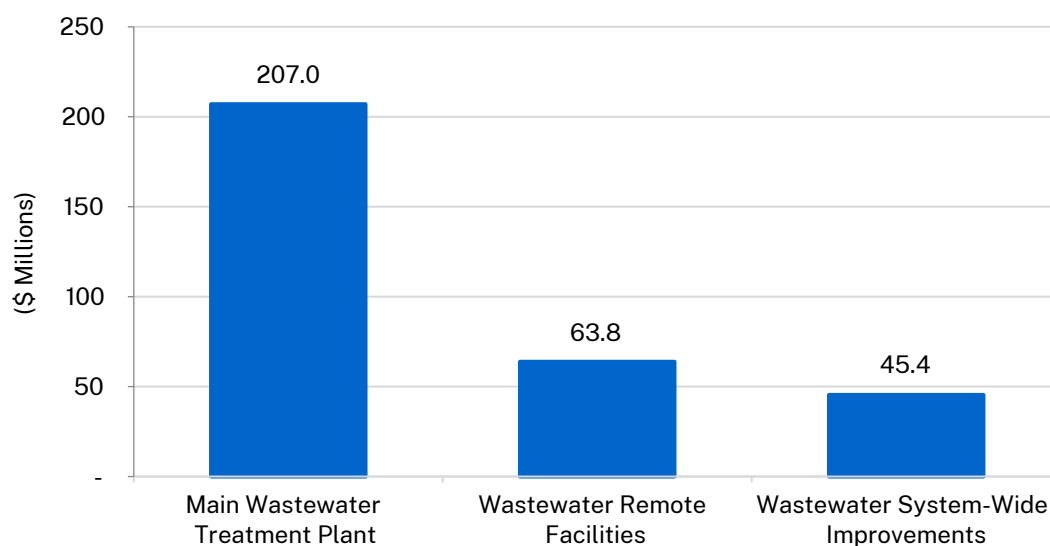
The four-year summary of capital cash flows highlights a 0.5 percent increase in budgeted cash flows from FY 2023 to FY 2024, followed by a 16.7 percent increase in FY 2025.

*Wastewater System Budget Cash Flows Four-Year Summary*



During the five-year CIP, 65 percent of the planned spending will be for work at the Main Wastewater Treatment Plant, as shown below. More detail on the work under that Award Purpose appears later in this section.

*Wastewater System FY 2024 – FY 2028 Cash Flows by Award Purpose*



Cash Flow shown by Award Purpose excludes Capital Support as it is not for a specific Award Purpose and instead is part of all Award Purposes.

## CAPITAL LABOR

The capital labor component of the Wastewater System's CIP totals \$13.8 million in FY 2024, an increase of \$2.7 million or 23.8 percent from FY 2023. This is due to an increase in the number of employees, many of whom will be working on the growing CIP. Additionally, salary and benefit costs will increase due to inflation-linked wage increases negotiated with labor groups, as well as one additional pay period in the fiscal year compared to most other fiscal years.

In FY 2025, capital labor is projected to increase to \$14.0 million, for an increase of \$0.2 million or 1.5 percent over FY 2024 due to expectations for inflation-linked wage increases negotiated with labor groups, offset in part by a decrease in costs due to a standard number of pay periods in the fiscal year.

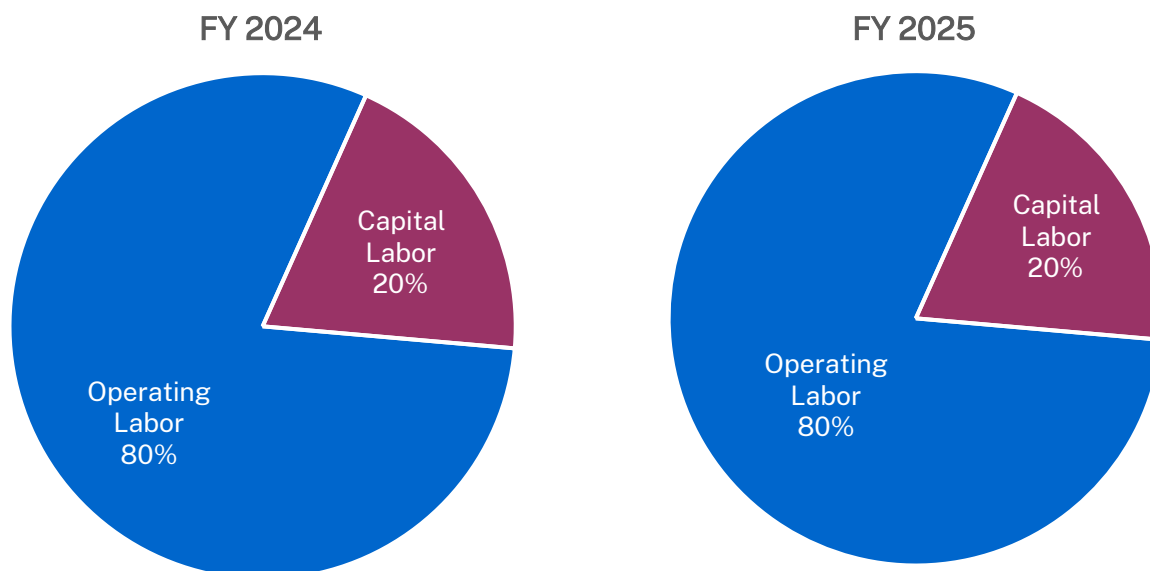
The following table shows the capital labor and benefits budget by department, though the Wastewater System has a single department so all regular labor costs are budget in that department.

*Wastewater System Capital Labor Budget by Department*

Capital Labor by Department (\$ Thousands)						
	FY 2022 Actuals	FY 2023 Budget	FY 2024 Budget	% Change	FY 2025 Budget	% Change
Wastewater	10,098	11,162	13,820	23.8%	14,026	1.5%
<b>Total Department</b>	<b>10,098</b>	<b>11,162</b>	<b>13,820</b>	<b>23.8%</b>	<b>14,026</b>	<b>1.5%</b>

Relative to operating labor, capital labor represents 19.7 percent of the FY 2024 total labor budget, and 19.7 percent of the FY 2025 total labor budget. The following pie charts show the relative size of the capital and operating labor budgets.

*Wastewater System Operating and Capital Labor Split*



## CASH FLOWS AND APPROPRIATIONS BY AWARD PURPOSE

The following section outlines the CIP's capital cash flows and appropriations by award purpose and award. Select projects are discussed in detail to provide a sense of the work that is projected to take place in the following years.

### Main Wastewater Treatment Plant

This award purpose furthers the District's objectives to improve the infrastructure at the Main Wastewater Treatment Plant (MWWTP) to ensure reliable, high-quality service. Work focuses on rehabilitating the digesters, concrete structures, and treatment process facilities; upgrading the resource recovery receiving station; rehabilitating sections of the sewer interceptors; and identifying long-term solutions to managing nutrient levels. Of note:

- *Treatment.* Comprised of preliminary, primary, and secondary process, these projects include the development of a modernized oxygen production plant, and secondary reactors and clarifiers critical to secondary treatment, in addition to other improvements.
- *Nutrients.* With new regulations on the horizon in the coming years, the District is already conducting multiple evaluative studies to inform its approach to solutions, and this budget includes the finalization of planning and design, as well as estimated construction and implementation costs for a significant nutrient removal effort.

#### Main Wastewater Treatment Plant - Cash Flows and Appropriations by Award Purpose

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Dewatering	Cash Flow	27,473	800	1,978	2,631	5,857	16,207
Dewatering	Approp.	14,082	1,000	13,082			
Digesters	Cash Flow	4,480	4,480	-	-	-	-
Digesters	Approp.	5,600	5,600	-			
Effluent Discharge	Cash Flow	4,999	1,440	824	1,358	1,224	153
Effluent Discharge	Approp.	1,060	-	1,060			
Electricals and Controls	Cash Flow	12,362	3,196	3,148	2,877	2,150	990
Electricals and Controls	Approp.	7,804	6,100	1,704			
Nutrients	Cash Flow	47,451	1,028	3,576	5,355	13,991	23,501
Nutrients	Approp.	14,502	2,270	12,232			
Power Generation and Biogas	Cash Flow	8,013	1,470	1,514	-	1,643	3,386
Power Generation and Biogas	Approp.	3,730	3,730	-			
Preliminary Treatment	Cash Flow	42,083	1,763	6,482	13,891	11,962	7,984
Preliminary Treatment	Approp.	9,494	3,494	6,000			
Primary Treatment	Cash Flow	1,878	-	-	-	96	1,782
Primary Treatment	Approp.	-	-	-			
Resource Recovery	Cash Flow	9,369	2,592	2,794	2,273	1,562	148
Resource Recovery	Approp.	11,527	10,046	1,480			
Secondary Treatment	Cash Flow	37,663	8,772	8,212	5,588	7,521	7,570
Secondary Treatment	Approp.	12,647	9,635	3,012			
Utilities and Sitework	Cash Flow	11,228	2,360	1,641	1,025	2,229	3,973
Utilities and Sitework	Approp.	6,283	4,726	1,557			
<b>Total</b>	<b>Cash Flow</b>	<b>206,999</b>	<b>27,901</b>	<b>30,169</b>	<b>34,998</b>	<b>48,237</b>	<b>65,694</b>
<b>Total</b>	<b>Approp.</b>	<b>86,728</b>	<b>46,601</b>	<b>40,127</b>			

**Remote Facilities**

This award purpose includes two key initiatives:

- *Interceptors and Pump Stations.* Includes work to rehabilitate five gravity interceptors, as well as force mains and pump stations that convey wastewater from the satellite agencies to the MWWTP, and to improve access to these facilities for maintenance and repairs.
- *Wet Weather Facilities.* Includes conducting mandated work related to the Inflow and Infiltration Program and maintaining the Wet Weather Facilities (WWF) for reliable performance during wet weather events.

*Remote Facilities - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Interceptors and Pump Stations	Cash Flow	58,404	8,507	15,572	10,007	9,704	14,614
Interceptors and Pump Stations	Approp.	38,676	5,704	32,972			
Wet Weather Facilities	Cash Flow	5,407	504	613	690	1,352	2,248
Wet Weather Facilities	Approp.	1,757	1,340	417			
<b>Total</b>	<b>Cash Flow</b>	<b>63,811</b>	<b>9,011</b>	<b>16,185</b>	<b>10,697</b>	<b>11,056</b>	<b>16,862</b>
<b>Total</b>	<b>Approp.</b>	<b>40,433</b>	<b>7,044</b>	<b>33,389</b>			

**System-Wide Improvements**

This award purpose includes work that is vital to wastewater conveyance and treatment, but is not limited to a single treatment process. Tasks include work on buildings that serve multiple treatment processes, the periodic replacement of capital equipment, applying protective coatings plant-wide, replacing hardware and software, and procuring additional vehicles. Two of the larger tasks in this project are the seismic retrofits of the Maintenance Building and the Operations Center, two buildings that are heavily used and were prioritized in the MWWTP seismic evaluation.

*System-Wide Improvements - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
General Wastewater	Cash Flow	45,385	9,518	8,419	11,668	8,263	7,517
General Wastewater	Approp.	32,848	25,929	6,919			
<b>Total</b>	<b>Cash Flow</b>	<b>45,385</b>	<b>9,518</b>	<b>8,419</b>	<b>11,668</b>	<b>8,263</b>	<b>7,517</b>
<b>Total</b>	<b>Approp.</b>	<b>32,848</b>	<b>25,929</b>	<b>6,919</b>			

**Wastewater Contingency**

Contingency provides funding for unanticipated needs that may arise before the next budget cycle, such as replacement or repairs to facilities and equipment as a result of failures or safety deficiencies, and new projects or the acceleration of planned projects requiring funding before the next budget cycle. No contingency funds were appropriated for the Wastewater system in the last budget, and for the FY 2024 – FY 2025 budget, a conservative amount is set aside to accommodate unforeseen circumstances.

*Wastewater Contingency - Cash Flows and Appropriations by Award Purpose*

FY 2024 - FY 2028 Cash Flows and Appropriation by Award Purpose (\$ Thousands)							
Award Name	Type	Total	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Wastewater Contingency	Cash Flow	-	-	-	-	-	-
Wastewater Contingency	Approp.	5,700	2,500	3,200			
<b>Total</b>	<b>Cash Flow</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Approp.</b>	<b>5,700</b>	<b>2,500</b>	<b>3,200</b>			



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**OPERATING BUDGET IMPACT OF CAPITAL INVESTMENTS**

The CIP is unique in that nearly all capital funding is derived from operating revenue and debt; this creates a direct relationship between the operating budget and capital investment: capital investment increases at the expense of revenues and debt, but in many cases decreases operating expenses over time. The FY 2024 – FY 2028 CIP includes several significant nonrecurring capital projects that will affect the operating budget and the services that the District provides. Notable projects and their potential impacts include:

**Nutrients**

The Nutrients project aims to address anticipated stricter effluent regulations for nitrogen discharged into San Francisco Bay. Multiple studies are underway to evaluate different approaches and scenarios to address mitigation, and the capital budget also includes significant funds for construction-related costs. The end result of this capital improvement will likely result in increased costs to treat wastewater, including the arrival of additional capital assets to maintain.

**Multiple Capital Rehabilitations**

This CIP includes the rehabilitation of an oxygen production plant, five interceptors, dewatering building, and many other capital assets, many of which are components of the original wastewater system. Each of these offers a combination of benefits to the operating budget: efficient labor management, streamlined technological processes, and reduced risk of failure. In some cases, such as the dewatering building, the existing structure will continue to be used for ancillary purposes, such as thickening secondary solids.

**Electricity and Utilities**

The Electrical and Controls and Utilities and Site Work projects improve electrical and mechanical systems across facilities, ranging from power distribution and lighting to wash-down, potable water, and drainage. These initiatives invite opportunities to reduce ongoing power and utility expenses, in addition to improving the condition of the system.

## Five-Year Financial Forecast

### SUMMARY

The five-year financial forecast presents the estimated impact of operations, debt service, and reserve balances on rate projections over the five-year period. This forecast is built using adopted financial policies, Board goals for long-term financial stability, and the necessary capital investments in the FY 2024 – FY 2028 Capital Improvement Program (CIP).

This forecast identifies a series of rate increases for the Wastewater System based on estimated increases in operating and capital expenses to maintain service levels, meet mandated program requirements, and pay increased debt service to fund capital expenditures.

#### Wastewater System Five-Year Financial Forecast

Five-Year Financial Forecast (\$ Millions)							
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actuals	Projection	Budget		Forecast		
<b>Beginning Balance</b>	-	-	102.4	106.4	111.5	116.3	120.9
Treatment Charges	83.0	87.6	93.2	101.8	108.8	115.7	123.0
Wet Weather Facilities Charges	29.4	30.9	33.4	36.2	38.5	40.8	43.3
Resource Recovery	13.7	13.0	11.0	10.0	9.0	8.0	7.0
Property Taxes	7.4	7.4	7.5	7.7	7.8	8.0	8.2
Interest Income	0.2	2.5	3.1	3.2	2.3	2.3	2.4
Laboratory Services	4.7	4.8	4.9	5.0	5.2	5.4	5.5
Reimbursements	1.9	1.8	1.8	1.9	1.9	2.0	2.0
Permit Fees	1.6	1.6	1.7	1.7	1.7	1.7	1.7
Capacity Charges	6.4	6.0	3.5	3.6	3.7	3.9	4.0
All Other Revenue	6.5	6.3	6.2	6.2	6.2	6.2	6.2
<b>Total Revenues</b>	154.9	161.9	166.2	177.3	185.1	194.0	203.3
Operating Expenses	81.0	95.7	103.7	108.5	112.0	115.8	119.8
Debt Service	30.3	39.3	32.9	34.8	36.7	36.5	40.1
Capital Expenses	41.7	47.9	50.0	58.4	61.1	71.4	94.0
<b>Total Expenses</b>	153.0	182.8	186.6	201.6	209.7	223.7	253.9
Debt Proceeds	20.0	-	24.5	29.4	29.4	34.3	53.9
Reimbursements	-	-	-	-	-	-	-
Other Capital Revenue	-	-	-	-	-	-	-
<b>Ending Balance</b>	-	-	106.4	111.5	116.3	120.9	124.2
Policy Reserves	-	-	59.9	61.3	62.1	63.1	64.1
Capital Reserves	-	-	46.6	50.3	54.2	57.8	60.1

On average over the five-year period, revenues are forecast to increase 5.2 percent per year to cover the increases in operating and capital expenses and maintain a minimum of 1.6 times coverage on revenue bond debt service. Forecasted operating expenses are expected to grow by 3.7 percent per year over the five-year period, while debt service grows 5.1 percent per year.

For all five years, the cash reserves exceed the targets. Reserves in excess of those needed to meet financial reserve targets are available to pay for a significant portion of the capital program expenses with cash, a positive financial metric.

Capital cash flow spending, including capital support, is projected at \$334.9 billion over the five-year period, including capital support expenses. Major projects during this period include upgrades and rehabilitation of the Main Wastewater Treatment Plant, major work to replace aging interceptors prone to failure, and significant work to support a long-term plan for nutrients.

The projected average percentage of capital funded from debt will be 51.6 percent over the five-year period, which remains lower than the financial policy target maximum of 65 percent. In FY 2024 and FY 2025, the debt coverage ratio is projected at 1.98 and 2.06, respectively, and for all five years the ratio exceeds the target coverage ratio of 1.60.

## FIVE-YEAR PROJECTION OF REVENUE

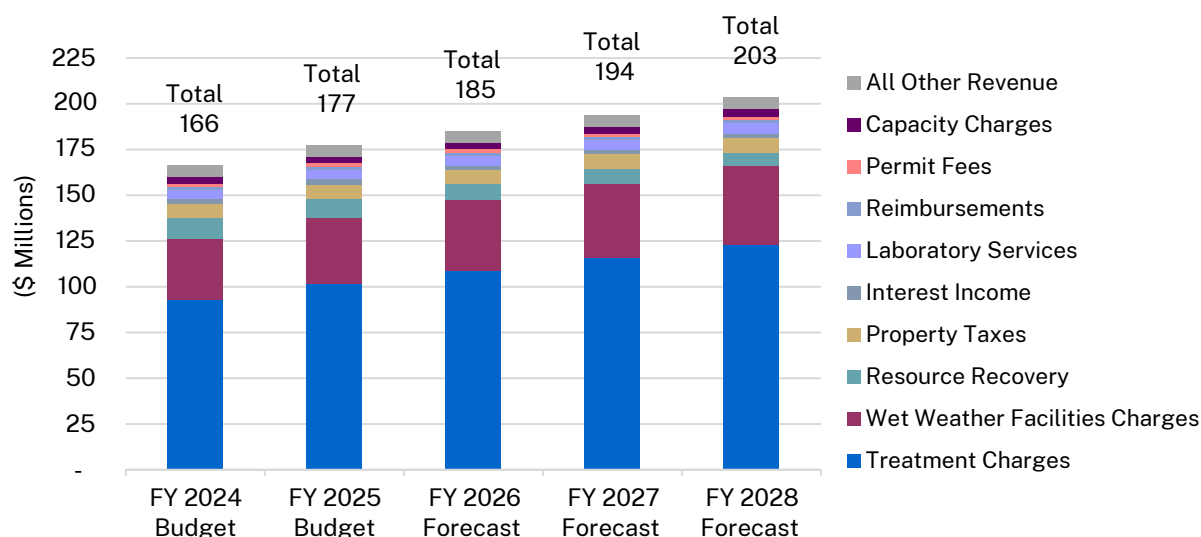
The following table shows the key assumptions used to create the revenue forecast. The debt service coverage ratio is projected to exceed the policy target of 1.60 by over 20 percent every year.

*Wastewater System Key Assumptions in Five-Year Forecast*

Key Assumptions							
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actuals	Budget	Budget		Forecast		
% Rate Increase	4.00%	4.00%	8.50%	8.50%	6.00%	6.00%	6.00%
Average Monthly Single-Family Residential Bill*	\$ 23.91	\$24.89	\$ 26.98	\$ 29.24	\$30.98	\$32.83	\$34.79
Debt Service Coverage	2.63x	2.13x	1.98x	2.06x	2.07x	2.23x	2.16x

The key factors driving the need for increased Wastewater System revenues are: investments in aging infrastructure and building a more resilient wastewater system; increasing labor and benefit costs to keep up with inflation; and inflation on non-labor costs, such as energy and chemicals.

*Wastewater System Five-Year Revenue Projection*



Projected annual operating revenues are expected to increase from \$166.2 million in FY 2024 to \$203.3 million by FY 2028, an increase of \$37.1 million, or 5.2 percent compounded growth per year. The increase in revenue over the five-year period is to cover increased revenue-funding for capital projects, increased debt service requirements to pay for debt issued to fund capital, and increased costs in operations and maintenance.

The major components of the increases in operating revenue over the five-year period are revenue from Treatment Charges, which is projected to increase from \$93.2 million in FY 2024 to \$123.0 million in FY 2028 based on the wastewater rate increases shown on the prior page. Wet Weather Facilities Charges are projected to grow by \$9.9 million, and most other sources will grow by 3 percent or less per year. Resource Recovery is expected to decline from a budget of \$11.0 million in FY 2024, to \$7.0 million by FY 2028, driven by changes in regulations and potential adjustments to the program.

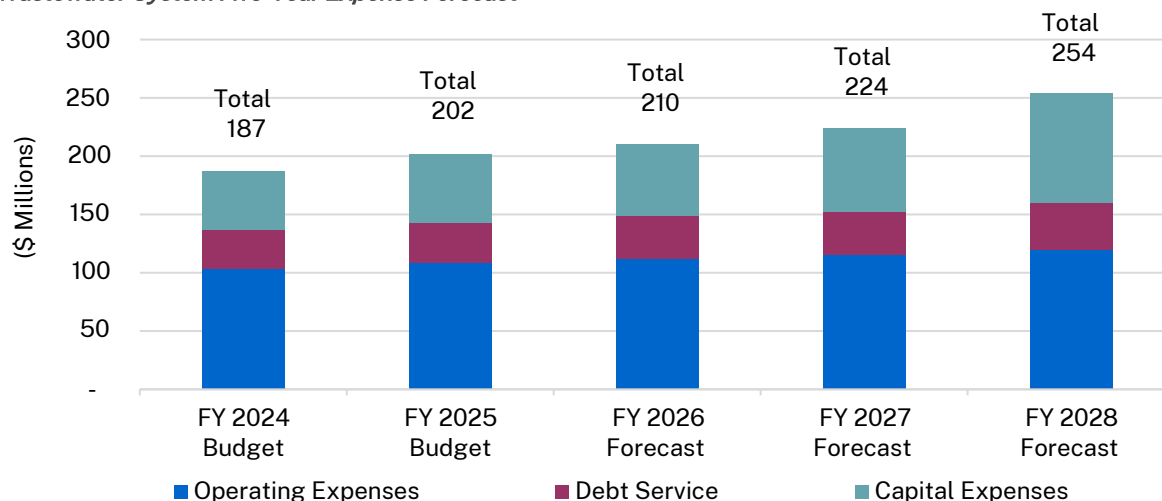
## FIVE-YEAR PROJECTION OF TOTAL EXPENSES

Wastewater System expenses are projected to increase from \$186.6 million in FY 2024 to \$253.9 million in FY 2028, an increase of 8.0 percent per year. This is primarily driven by 17.1 percent annual growth in capital expenses – from \$50.0 million to \$94.0 million by FY 2028 – driven by the need significantly increase reinvestment in the aging Main Wastewater Treatment Plant infrastructure.

Debt service is expected to grow by a compounded 5.1 percent per year, to \$40.1 million in FY 2028. Operating expenses are projected to have more modest growth of 3.7 percent per year, from \$103.7 million to \$119.8 million, reflecting typical inflationary trends in major costs, including labor.

This chart summarizes projected Wastewater System budget by category for the next five years.

*Wastewater System Five-Year Expense Forecast*



## FIVE-YEAR PROJECTION OF RESERVES

Reserves consist of:

- Working capital reserves equal to three months operating and maintenance expenses;
- Self-Insured Liability reserve based on the actuarial Self-Insured Retention (SIR) funding recommendation;
- Workers' Compensation reserve based on the actuarial SIR funding recommendation; and
- Rate stabilization reserve of a minimum of 5 percent of operating and maintenance expenses.

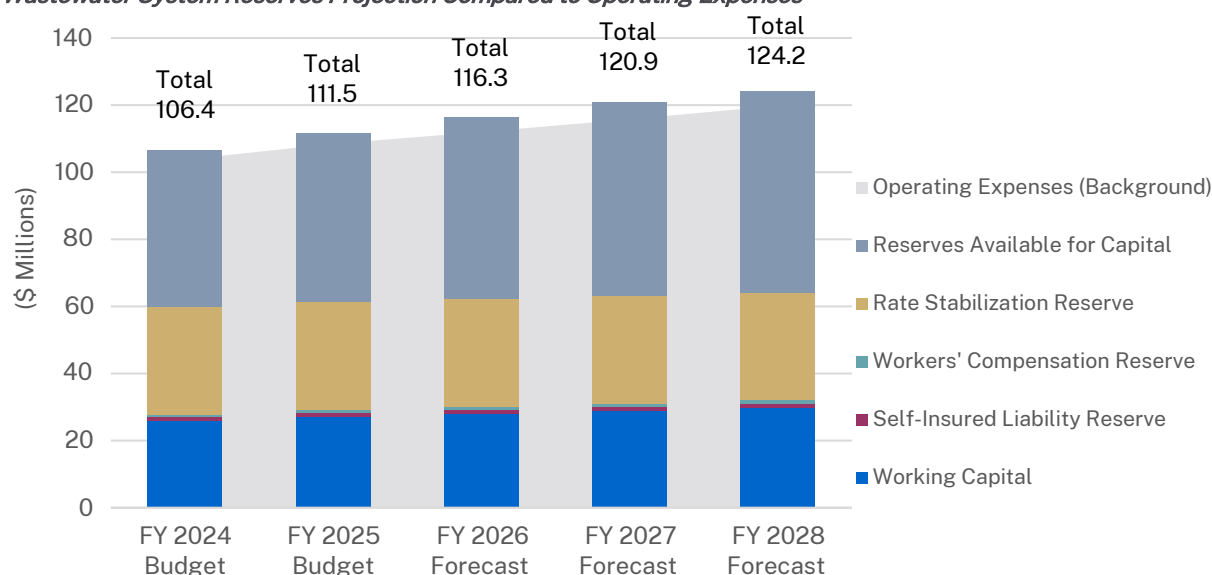
The table below shows the changes to reserve components over the five-year period. Reserve balances meet or exceed the policy reserve levels for the entire period.

*Wastewater System Five-Year Projection of Reserves*

Reserve Components (\$ Millions)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Budget		Forecast		
<b>Total Reserves</b>	<b>106.4</b>	<b>111.5</b>	<b>116.3</b>	<b>120.9</b>	<b>124.2</b>
<b>Policy Reserves</b>					
Working Capital	25.9	27.1	28.0	28.9	30.0
Self-Insured Liability Reserve	1.0	1.2	1.2	1.2	1.2
Workers' Compensation Reserve	0.9	0.9	0.9	0.9	0.9
Rate Stabilization Reserve	32.0	32.0	32.0	32.0	32.0
<b>Total Policy Reserves</b>	<b>59.9</b>	<b>61.3</b>	<b>62.1</b>	<b>63.1</b>	<b>64.1</b>
<b>Reserves Available for Capital</b>	<b>46.6</b>	<b>50.3</b>	<b>54.2</b>	<b>57.8</b>	<b>60.1</b>

The following chart shows Wastewater System reserve levels projected at the end of each fiscal year, relative to operating expenses in the background.

*Wastewater System Reserves Projection Compared to Operating Expenses*



## CAPITAL INVESTMENTS AND FINANCING

The Five-Year CIP outlines Wastewater System capital investment plans, the estimated cost of these investments, and the sources of funds. Appropriations reflect the amount that is authorized and budgeted over a multi-year period for each program. Cash flows are the amounts estimated to be spent on each program in a given year. The five-year program for the Wastewater System includes \$334.9 million in projected cash flow spending, inclusive of capital support expenses.

The focus of the CIP is the five-year period from FY 2024 to FY 2028. Capital needs have been estimated for a second five-year period from FY 2029 to FY 2033. Given the long-term nature of these capital improvement plans, by necessity they are preliminary estimates only and will be revised as studies are completed, priorities are redefined, and as new needs emerge. Therefore, the budget focuses on the first five years of the CIP. The following table shows the cash flow spending on capital improvements anticipated for the next five years.

*Wastewater System Five-Year Capital Cash Flows by Award Purposes, Including Capital Support*

Capital Expenses (\$ Millions)					
Award Purpose & Capital Support	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Budget		Forecast		
Main Wastewater Treatment Plant	27.9	30.2	35.0	48.2	65.7
Remote Facilities	9.0	16.2	10.7	11.1	16.9
System-Wide Improvements	9.5	8.4	11.7	8.3	7.5
Capital Support	3.6	3.6	3.7	3.8	3.9
<b>Total Capital Expenses</b>	<b>50.0</b>	<b>58.4</b>	<b>61.1</b>	<b>71.4</b>	<b>94.0</b>

Funding for the CIP is drawn from the proceeds of revenue bond issues and current reserves and revenues. Over the five-year period, the percentage of capital funded from debt will average 51.6 percent, under the target maximum of 65 percent contained in the District's debt policy, and debt service will grow by 5.1 percent per year. Wastewater System total outstanding debt will increase \$93.9 million during the period. Total debt outstanding at the end of the five-year period will total \$432.2 billion.

Projected new bond issues, outstanding debt, debt service, and projected debt service coverage ratios are shown in the following table. Coverage will remain above the policy target of 1.60x.

*Wastewater System Five-Year Debt Projections*

Outstanding Debt and Debt Service (\$ Millions)					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Budget		Forecast		
<b>Beginning of Year Outstanding Debt</b>	<b>338.3</b>	<b>348.6</b>	<b>362.8</b>	<b>375.8</b>	<b>394.8</b>
Debt Retired	14.7	15.8	17.0	16.0	17.6
New Bonds & Loans	25.0	30.0	30.0	35.0	55.0
<b>Total Outstanding Debt</b>	<b>348.6</b>	<b>362.8</b>	<b>375.8</b>	<b>394.8</b>	<b>432.2</b>
Debt Service, Existing Debt	31.2	31.2	31.1	28.7	28.7
Debt Service, New Debt	1.6	3.6	5.5	7.8	11.4
Debt Servicing Costs	0.0	0.0	0.0	0.0	0.0
<b>Total Debt Service</b>	<b>32.9</b>	<b>34.8</b>	<b>36.7</b>	<b>36.5</b>	<b>40.1</b>
<b>Debt Service Coverage</b>	<b>1.98x</b>	<b>2.06x</b>	<b>2.07x</b>	<b>2.23x</b>	<b>2.16x</b>

**EBMUD Fun Fact:**

EBMUD staff perform about 20,000 lab tests each year.  
That is nearly 55 lab tests for every day in the year.

# Appendix

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# Proposed Biennial Budget

*Fiscal Years 2024 & 2025*

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## **Volume 2:** Capital Award Summaries



**East Bay Municipal Utility District  
Oakland, California**

# **East Bay Municipal Utility District Proposed Biennial Budget Fiscal Years 2024 & 2025**

<b>Volume 1:</b>	Overview Water System Wastewater System
<b>Volume 2:</b>	<b>Capital Award Summaries</b>

Presented to the Board of Directors  
March 28, 2023

**EBMUD Fact:**

The Claremont Tunnel, which carries drinking water to more than 800,000 EBMUD customers, underwent a major upgrade in the mid 2000s to protect it from earthquakes.

## Overview of Volume 2

### About Capital Award Summaries

This volume contains a summary for each Award that has work planned in Fiscal Year 2024 (FY 2024) through Fiscal Year 2028 (FY 2028), which is the five-year horizon for the District's published Capital Improvement Program (CIP). Throughout this book, Award and Project may be used interchangeably, though internally, Projects are components or subdivisions of Awards.

#### Award Summaries

The award summaries are presented in alphabetical order, first by Award Purpose and then by Award Name. The primary information provided is:

- **Award Purpose:** Groups Awards together, primarily as an organizational tool, often around major asset classes or key strategies. Examples include Pipelines - Distribution System, Raw Water System, and Sustainable Energy.
- **Award Number:** Supports public and internal reference, as the Award Number is part of Board documents, including when capital contracts are approved.
- **Award Name:** Provides the name of the Award, typically without abbreviations or initialisms.
- **Lead Department:** Indicates which Department is primarily responsible for the project.
- **In Service Date:** Provides either the expected completion date of the Award or indicates it is a recurring project, which are projects that perform similar work each year for the foreseeable future, such as Meter Replacements.
- **Cash Flow:** Planned direct expenses each year, including both District labor and benefit costs that directly support the Award, as well as payments to external vendors for materials, supplies or services.
- **Appropriation:** Amount of expenditure requested for Board approval in both FY 2024 and FY 2025.
- **Funding Sources:** Funding is drawn from multiple sources, though Bond or Revenue funding is the single largest source.

### ABOUT THE TABLE OF CONTENTS

Below is a visual guide to reading the Table of Contents. Also note that at the end of each system's section of this volume, there are two indexes – one for Awards sorted by award number, and another for Awards sorted by award name.

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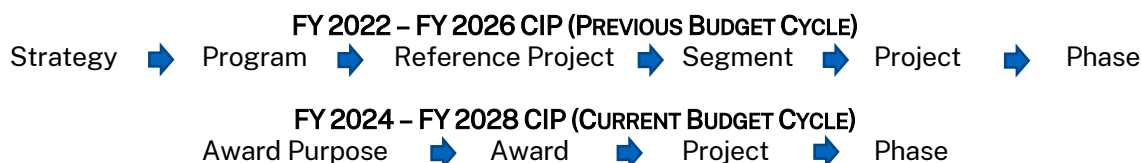


## CIP Structure

The Capital Improvement Program (CIP), an iterative process that involves the Office of Budget and Performance, project managers and Senior Management staff, communicates the District's planned infrastructure investments for the next five years by identifying and prioritizing capital needs. Developed biennially and incorporated into the District-wide budget, the CIP is the District's opportunity to address new and ongoing capital needs.

For the FY 2024 and FY 2025 budget, the District restructured the organization of the CIP. The following flow charts and table illustrate the changes to the structure of the District's capital work.

### *Capital Improvement Program Organization Flowchart (from highest level to lowest level)*



Under this new structure, the top organizing feature are considered the Award Purposes, which are a group of related Awards, combined to facilitate planning, reporting and decision-making.

## APPROPRIATION AND CASH FLOW OVERVIEW

There are two ways that the District considers the financial planning for the CIP: appropriations and cash flows.

- Capital appropriations are funds approved biennially by the Board to be spent on capital projects. Appropriation authority may be less than planned cash flow in some years as there may be existing appropriation authority from prior budget cycles; this is the case for several Awards this year, particularly those with relatively low cash flows. On the other hand, appropriation authority may exceed planned cash flows if there is an expectation that construction or other primary implementation phases will begin in the FY 2024 or FY 2025 budget, as it is typically necessary to ensure full appropriation authority is provided for a contract before it can be approved. Additionally, cash flows may be lower than appropriations to ensure sufficient expenditure authority if actual expenses exceed planned expenses. Appropriations are controlled at the Award level and vary from year-to-year depending upon the funding needs of the projected work and existing appropriations at the end of the prior year.
- Capital cash flows are a projection of the annual costs of each project over the planning horizon, on a year-by-year basis. Cash flows have typically been reported in the budget for five years, but in the current planning cycle, the District is considering the full ten-year cash-flow projection in order to understand long-term project needs. Staff will continue to broaden the planning and reporting horizon to increase transparency of long-term infrastructure needs.

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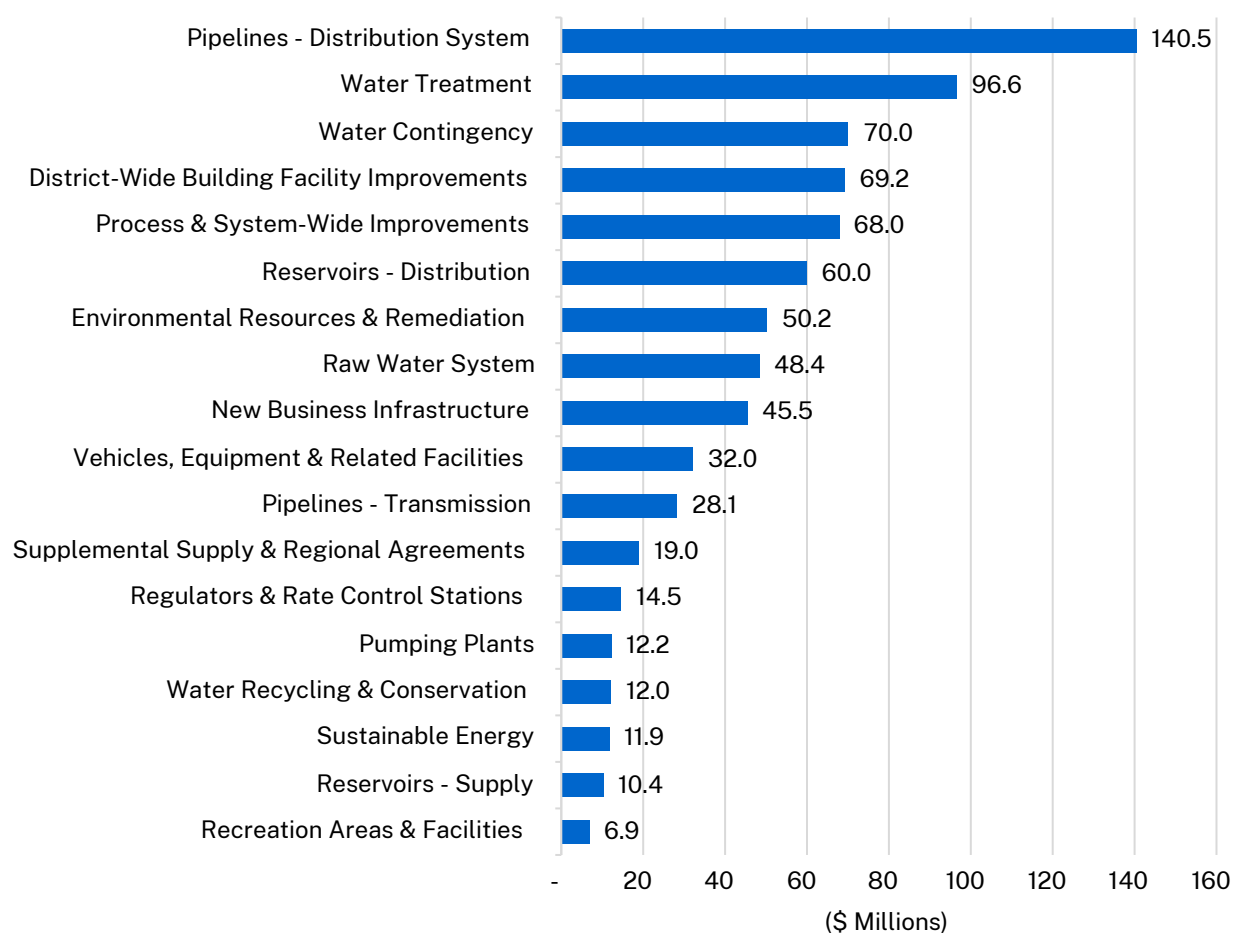
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## Water System

### Appropriations Overview

The Water System's FY 2024 capital appropriation will increase by \$123.2 million or 29.5 percent from FY 2023. In FY 2025, the appropriation decreases by 33.5 percent from FY 2024. The first year's increase aligns with the CIP's increasing size and scope and is particularly high due to several notable multi-year contracts that will be advertised for bid in FY 2024, while the work will be completed in FY 2025 and later. Appropriations for multi-year contracts are typically appropriated in the first year of the contract, to ensure funds are available when contracts are awarded. While the FY 2025 appropriations will decrease, important work continues in the second year.

#### *Water System FY 2024 & FY 2025 Appropriations by Award Purpose*



Appropriations shown by Award Purpose excludes Capital Support as it is not for a specific Award Purpose and instead is part of all Award Purposes.

## Cash Flow Overview

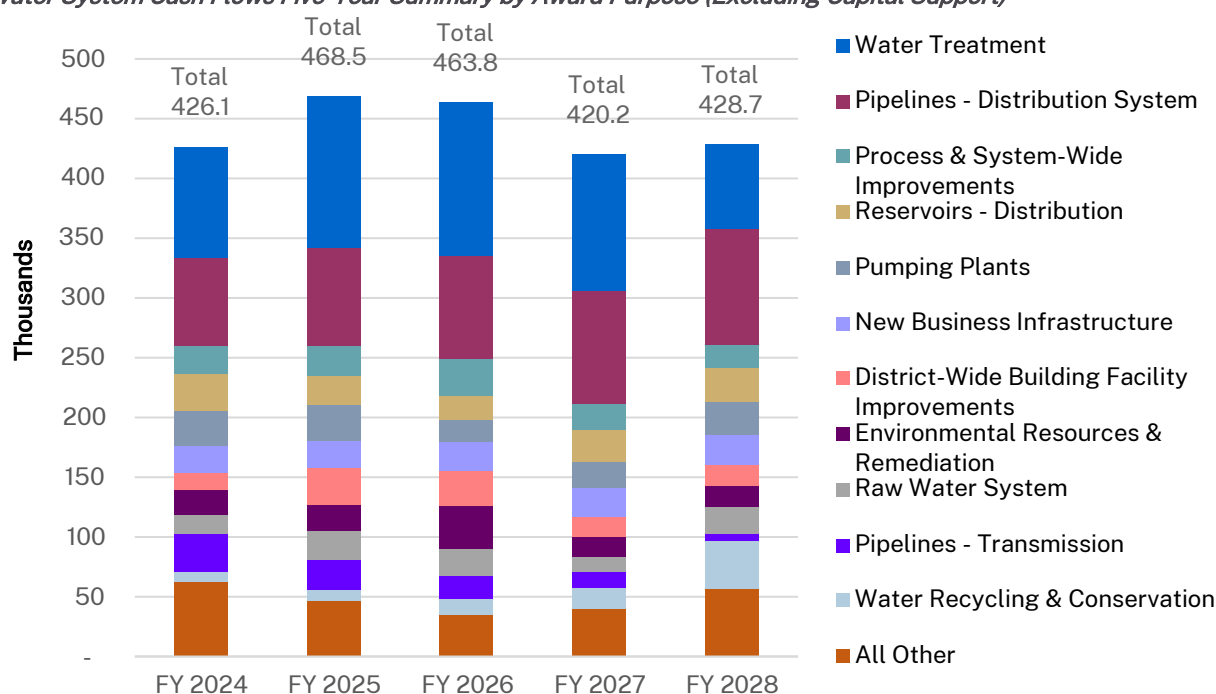
### Overview

The FY 2024 – FY 2028 CIP is supported by capital cash flows that incorporate the following changes from previous CIP development processes:

- Cash flows are reported in the budget for five years, but this year there was an increased focus on the full 10-year projection of expenses. Forecasting out-years allows management and project managers to anticipate the funding needs for critical infrastructure initiatives. This is especially true as some key capital work will not be completed in the five-year horizon, so a longer-term scenario allows greater insight into needs. The longer-term outlook for rates increases also becomes clearer by extending the projection window.
- Multiple scenarios, with varied cash flow projections and associated rate increases, were developed to represent a projection of the annual costs of the CIP for long-term projects. This allowed for experimentation in the development phase with different approaches to completing a vast amount of critical infrastructure improvements. In most cases projects were deferred, as opposed to changed in their scope or canceled.

The following chart shows the overall capital cash flow by Award Purpose, with Award Purposes with less than \$70 million in expected five-year cash flow summarized into the “All Other” category.

*Water System Cash Flows Five-Year Summary by Award Purpose (Excluding Capital Support)*



Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7000148

Award Name:

**ARC FLASH, MITIGATION, PROJECT MANAGEMENT**

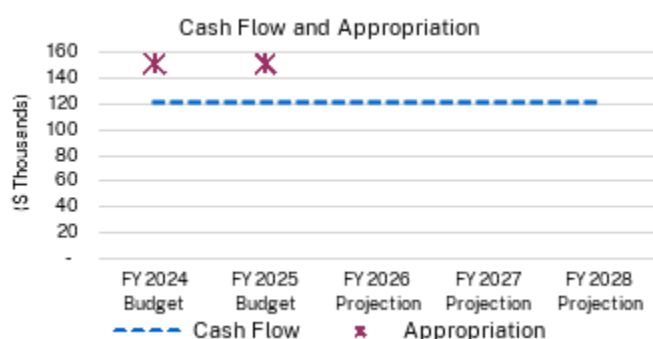
Lead Department:

Water Operations

In Service Date:

6/30/2032

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	600	120	120	120	120	120
Appropriation	300	150	150			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project supports the District's efforts to comply with the Occupational Safety and Health Administration (OSHA) standards for electrical safety in the workplace. The standard involves identifying and analyzing electrical hazards, educating the workforce on those hazards, and implementing safeguards to protect the workers.

This project performs studies and remediation work at various facilities to reduce arc flash hazards. Work has been completed at the Oakland Administration Building, the Adeline Maintenance Center buildings, the hydroelectric plants, water treatment plants, and various pumping plants. Upcoming work includes completing in-progress studies and remediating conditions at additional pumping plants, lift stations, and other facilities.



Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7000126

Award Name:

**BUILDING FACILITIES IMPROVEMENTS**

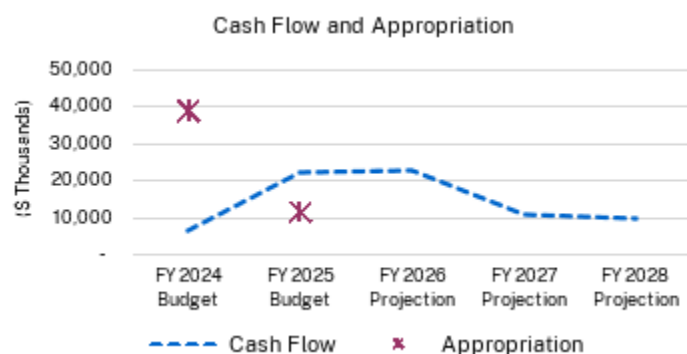
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2035

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	70,750	6,130	22,098	22,327	10,805	9,390
Appropriation	50,096	38,833	11,263			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Improvements to building systems and equipment provide and maintain safe workspaces, reduce operating and maintenance costs, minimize energy use, reduce the carbon footprint, and ensure optimal use of occupied facilities to meet the District's changing operational needs.

In FY 2022 - FY 2023, work included the construction of the HVAC systems and Data Center reliability improvements, as well as carpeting replacement at the Administration Building (AB). Planning and design for improvements at service centers, a vehicle maintenance facility, and the Adeline Maintenance Center (AMC) moved forward.

FY 2024 - FY 2028 work at the AB includes roofing systems rehabilitation and upgrades to the fiber optic cabling and electrical systems. Work at the AMC includes HVAC and lighting upgrades, and parking and building interiors improvements to optimize space utilization. A master plan to electrify the District's fleet will be completed, and a phased installation of electric vehicle (EV) charging stations at District facilities will commence. Electrical modifications at the East Area Service Center to enable operation as an incident command base and the expansion of facilities at the Fleet Maintenance East facility in Walnut Creek to improve safety, reliability, and energy efficiency will be completed. In support of Pipeline Rebuild and maintenance of the District's pipelines, new service centers in West Oakland and at the Oakport Storage Center will be completed.

FY 2029 - FY 2033 projects include new warehousing and storage facilities at the Oakport Storage Center, renovation of the Central Area Service Center at AMC, expansion of the Castenada Service Center in San Ramon, and re-sealing of joints and pre-cast concrete panels on the exterior of the AB. These projects support pipeline repair and replacement operations and preserve existing infrastructure assets.

Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7100002

Award Name:

**FACILITIES CATHODIC PROTECTION**

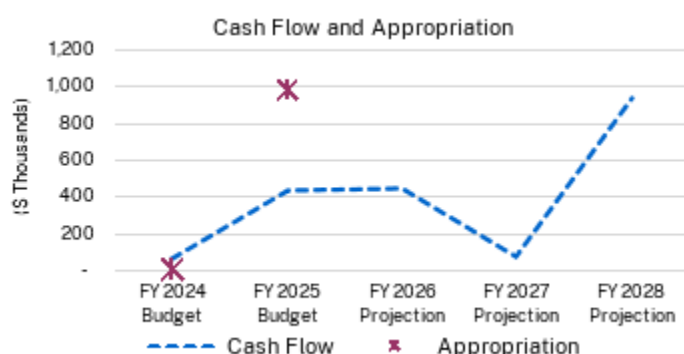
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,947	65	434	447	71	930
Appropriation	980	-	980			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project will improve the existing cathodic protection (CP) systems, which include galvanic anode or impressed current CP systems for steel water storage tanks, outlet towers, water treatment facilities, and pumping plants by documenting the condition of each CP system and adjusting the CP systems when possible for effective corrosion protection.

FY 2023 - FY 2024 work will include field reconnaissance to evaluate each facility's existing cathodic protection system and develop a master plan to perform future improvements.

FY 2025 - 2028 work will include biannual design and construction projects to focus on improving facility cathodic protection.

Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7000326

Award Name:

**FACILITY PAVING**

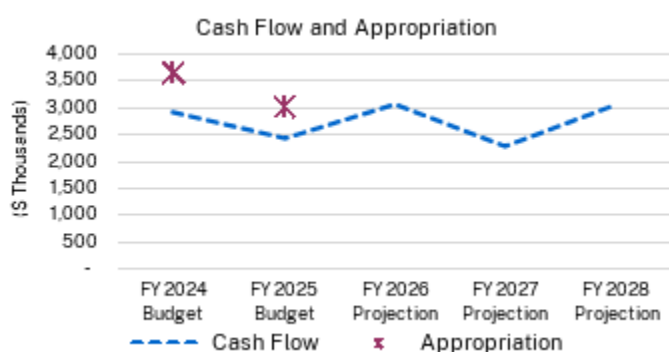
Lead Department:

Water Operations

In Service Date:

6/30/2040

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	13,680	2,904	2,408	3,064	2,256	3,048
Appropriation	6,640	3,630	3,010			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project maintains and replaces distribution reservoir access roads, other facility roads, and parking areas. Planned work in FY 2024 - FY 2028 includes paving repairs and replacements for reservoir access roads, pumping plant parking areas, Adeline Maintenance Center facilities, and Service Yards.

Aging paving at local facilities are in need of restoration and this project provides a systematic and long-term approach to optimizing pavement maintenance.

Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7000161

Award Name:

**MINOR FACILITIES WORK**

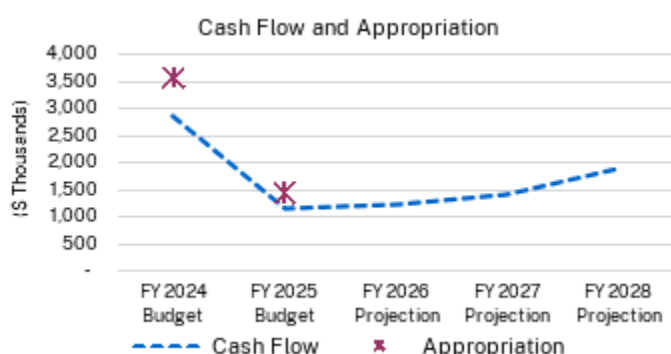
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	8,419	2,817	1,131	1,198	1,397	1,877
Appropriation	4,963	3,550	1,413			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project consists of smaller capital improvements to facilities that do not require extensive planning or design, or justify a standalone project. The project also includes cost sharing with the Wastewater System for laboratory upgrades and equipment.

Planned work in FY 2024 - FY 2028 includes replacing HVAC equipment at the Adeline Maintenance Center (AMC); slab reinforcements and replacement of a standard milling machine with a computer-controlled milling machine for the Central Machine Shop (CMS); window film replacement and painting of the building exterior at the AMC Campus; and the rehabilitation of two kitchenettes at the Administrative Building (AB).

Each year various improvements and modifications to facilities are required. Most involve equipment or structural issues impacting facility integrity, or health and safety issues.

Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7000102

Award Name:

**MOKELUMNE WATERSHED HEADQUARTERS**

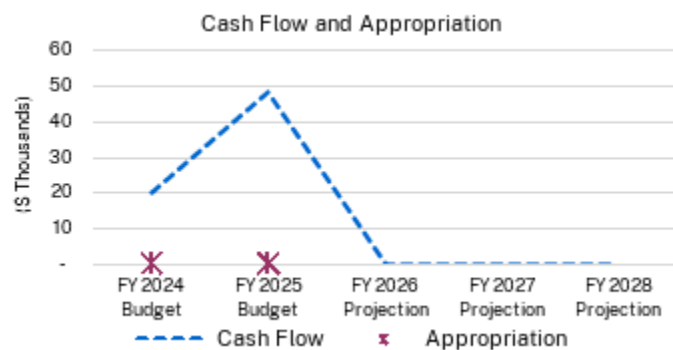
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	68	20	48	-	-	-
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Mokelumne Watershed Headquarters is the epicenter of upcountry watershed and recreation management. This award includes capital improvements to the Mokelumne Watershed Headquarters buildings, including staffed offices and a warehouse/shops building. Projects planned in FY 2024 - FY 2028 include electrical modifications to accommodate an HVAC replacement, and paving improvements.

Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7000264

Award Name:

**MOKELUMNE WATERSHED HEADQUARTERS – PHASE 2**

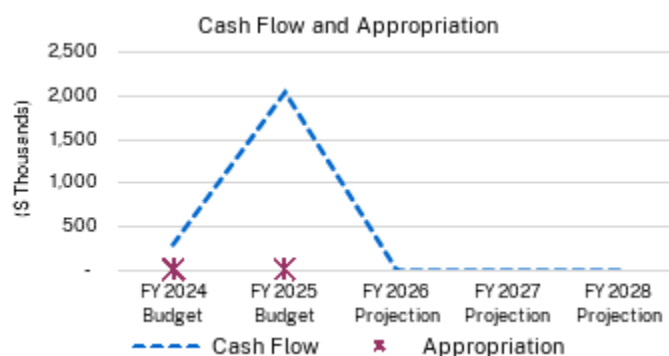
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,317	280	2,037	-	-	-
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This award is for one-time major capital development of the new Mokelumne Watershed Headquarters complex. First established in 2006, Phase 1 included new warehouse and office facilities that were needed due to the condition, size, and lack of staff facilities in the existing headquarters. The project incorporated energy efficient and sustainable features. In FY 2024 - FY 2028, Phase 2 may consist of a back-up generator, construction of a modular warehouse/shop building, site improvements and vehicle access improvements.

Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7000228

Award Name:

**ORINDA WATERSHED HEADQUARTERS**

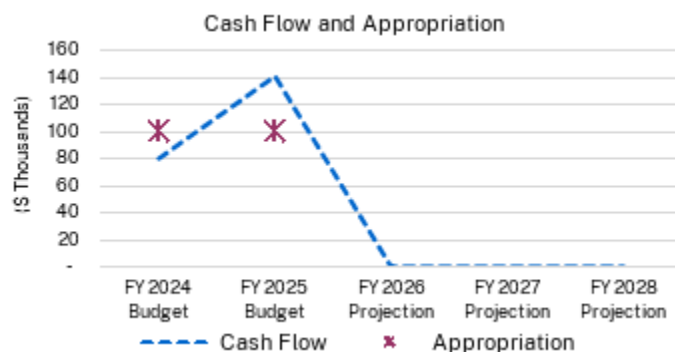
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	220	80	140	-	-	-
Appropriation	200	100	100			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Orinda Watershed Headquarters is the epicenter of East Bay watershed and recreation management. This award includes capital improvements to the East Bay Watershed Headquarters buildings, including staffed offices and a warehouse/shops building. Projects planned in FY 2024 - FY 2028 include a parking lot resurfacing and roof replacements for most buildings.

Award Purpose:

**District-Wide Building Facility Improvements**

Award Number:

7000305

Award Name:

**SMALL CAPITAL IMPROVEMENTS**

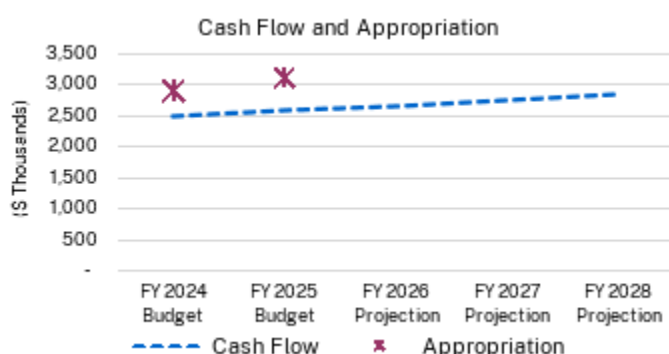
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	13,257	2,485	2,566	2,648	2,734	2,824
Appropriation	6,000	2,900	3,100			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides urgent capital improvements to maintain the reliability and safety of pumping plants, reservoirs, regulators, treatment plants, rate control stations, and administration buildings. There are 425 of these facilities, many of which have improvements scheduled in the Infrastructure Rehabilitation Plan (IRP) in the next 10 years. This project provides improvements and the accelerated replacement of failed or unreliable components in some of the facilities slated for eventual rehabilitation. Such improvements are smaller in scale than the typical project under the IRP.

Planned projects for FY 2024 - FY 2028 include replacement of electrical and control components at multiple pumping plants as well as the replacement of 100 turbidimeters at water treatment plants. Other work includes repair and replacement of motors, valves, piping, instrumentation, retaining walls and roofs at various pumping plants, water treatment plants, regulators, and rate control stations.

This project replaces critical electrical, mechanical, instrument, and structural components at distribution and treatment facilities that have reached the end of their useful lives. Failure of the components can affect water service to customers, fire suppression capability, and water quality.



Award Purpose:

**Environmental Resources & Remediation**

Award Number:

7000012

Award Name:

**EAST BAY WATERSHED MANAGEMENT**

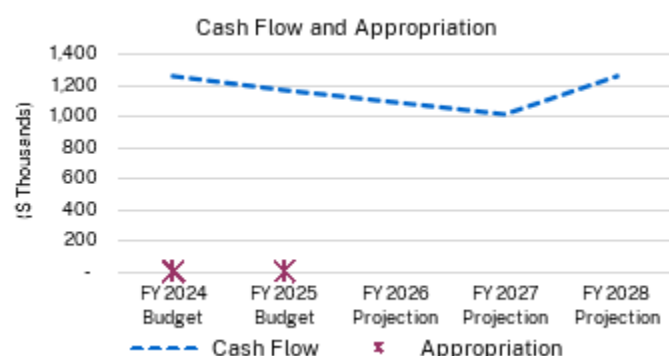
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	5,768	1,248	1,168	1,088	1,008	1,256
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Watershed lands are managed to ensure public health and safety, environmental protection, and availability of a clean water supply for customers. Work is prioritized in accordance with the East Bay Watershed Master Plan, Range Resource Management Plan, Fire Management Plan, and regulatory requirements. Projects include upgrades that address regulatory, safety, and water quality concerns, as well as improvements to grazing allotments, fencing, fire-access roads, watershed trails, and other structures found in the watershed.

In FY 2024 - FY 2025, work will continue to remove dead and dying pines in the San Pablo watershed, other wildlands fire fuel reduction efforts, establish a new fuel break, and update perimeter fencing.

Award Purpose:

**Environmental Resources & Remediation**

Award Number:

7000048

Award Name:

**MINE RESTORATIONS**

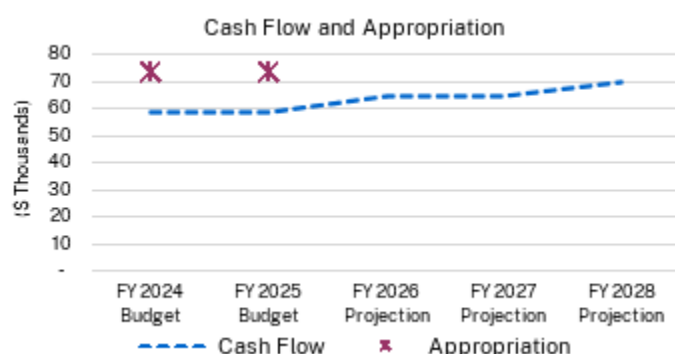
Lead Department:

Operations &amp; Maintenance Support

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	314	58	58	64	64	70
Appropriation	146	73	73			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project evaluates and implements long-term remedial solutions for two sites: former Penn Mine and Poison Lake, with the goal of restoring the Penn Mine site to pre-mining conditions.

Recent accomplishments for Penn Mine include continued leachate removal, and bi-annual groundwater monitoring was conducted and reported to the Regional Water Quality Control Board (RWQCB). The report documents a downward trend in leachate production since the landfill cap was repaired in 2013. Planned activities for FY 2024 - FY 2028 include continued leachate removal and bi-annual reporting of groundwater conditions, site visits and removal of a weir from an onsite stream.

Recent accomplishments for Poison Lake include completion of the remediation project, which involved scraping and capping surface mine waste, armoring the drainage channels with boulders, and landscaping bare areas for protective purposes. The annual surface water quality monitoring was conducted and the report delivered to the RWQCB.

Planned activities for FY 2024 - FY 2028 include post-remediation monitoring and surface water quality monitoring and reporting to evaluate any potential impacts from the site to the reservoir.

Award Purpose:

**Environmental Resources & Remediation**

Award Number:

7000240

Award Name:

**MOKELUMNE RIVER FISH HATCHERY**

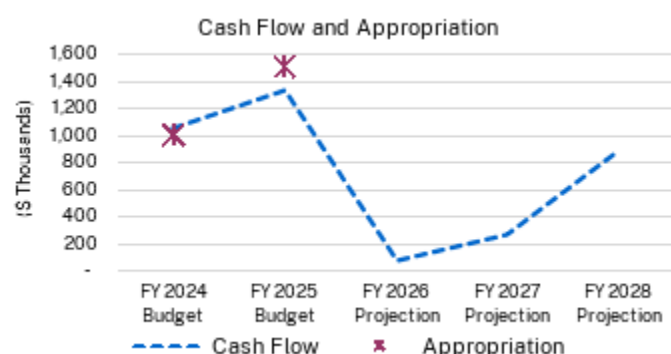
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	3,568	1,040	1,320	64	264	880
Appropriation	2,500	1,000	1,500			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Operation of the Mokelumne River Fish Hatchery requires compliance with agreements with regulatory agencies to maximize hatchery fish production, and to protect and enhance the natural in-river production of anadromous fish. This award includes capital upgrades and replacements of the main and ancillary hatchery facilities, in compliance with the Mokelumne River Fish Hatchery operation agreement with the California Department of Fish and Wildlife.

In FY 2024 - FY 2028, planned work includes the purchase of a replacement planting truck, new electrical infrastructure for a new steelhead rearing building, new generator and transfer switches, bird netting, and lift station. Another project includes planning and design work related to completed temperature control device and ozonation feasibility studies.

Award Purpose:

**Environmental Resources & Remediation**

Award Number:

7000010

Award Name:

**MOKELUMNE WATERSHED MANAGEMENT**

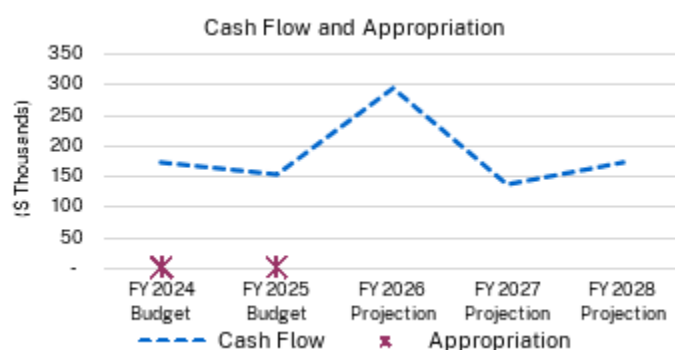
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	924	172	152	292	136	172
Appropriation	-	-	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Watershed lands are managed to ensure public health and safety, environmental protection, and availability of a clean water supply for customers. Work is prioritized in accordance with the Mokelumne Watershed Master Plan, Rangeland Management Plan, Fire Management Plan, and regulatory requirements. Projects include upgrades that address regulatory, safety, and water quality concerns, as well as improvements to grazing allotments, fencing, fire-access roads, watershed trails, and other structures found in the watershed.

In FY 2024 - FY 2028, the key priorities are to begin the development of a new 10-mile section of the Mokelumne Coast to Crest Trail, replace restraining and regulatory buoys in the reservoirs, and update perimeter fencing.

Award Purpose:

**Environmental Resources & Remediation**

Award Number:

7000070

Award Name:

**RIVER AND WATERSHED**

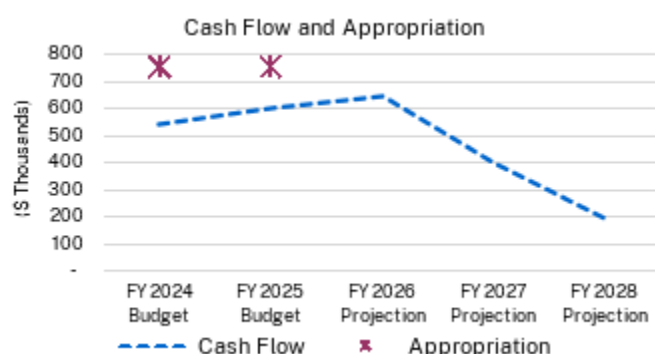
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,360	538	594	640	396	192
Appropriation	1,500	750	750			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Natural resources management requires compliance with regulatory agencies to implement habitat and species protections and enhancement measures, including those required by the East Bay Habitat Conservation Plan and Safe Harbor Agreements.

In FY 2024 - FY 2028, projects include implementing enhancement measures required by the Habitat Conservation Plan such as habitat analysis and vegetation mapping to support Alameda whipsnake and California red-legged frog populations, fish passage improvements on creeks, and a new electrofishing vessel, development of a San Leandro Creek Fish Management Plan, floodplain restoration and diversion screens required under Voluntary Agreements with the State Water Resources Control Board, and various replacements of river monitoring equipment.

Award Purpose:

**Environmental Resources & Remediation**

Award Number:

7000042

Award Name:

**TRENCH SOILS MANAGEMENT**

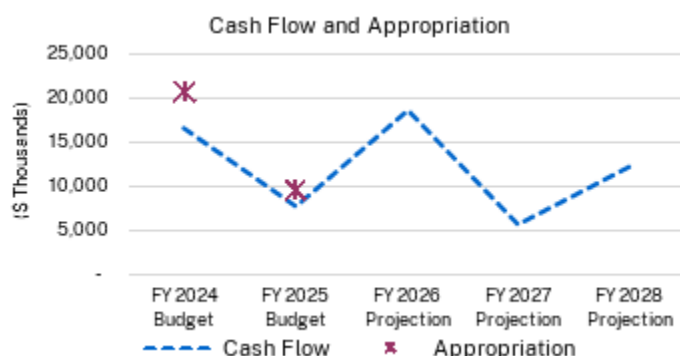
Lead Department:

Operations &amp; Maintenance Support

In Service Date:

6/30/2040

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	60,215	16,515	7,604	18,476	5,562	12,058
Appropriation	30,159	20,644	9,515			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project is necessary to ensure adequate capacity for ongoing and future operations at District Owned Storage Sites (DOSS), continued regulatory compliance, and cost-effective and sustainable practices to manage trench soils.

Trench soils are generally stockpiled for future reuse or disposal at three DOSS: Briones in Orinda, Miller Road in Castro Valley, and Amador in San Ramon. Trench soils production has been increasing under the Pipeline Rebuild Program. This project includes coordination between multiple stakeholders on the generation, management, and final end use of all trench soils, operation and regulatory compliance at the DOSS, and implementation of recommendations from the Trench Soils Management Plan (TSMP) to more efficiently and sustainably manage trench soils.

Priorities during the five-year CIP include continuing ongoing efforts to implement TSMP recommendations, including evaluating long-term solutions for trench soils, management of the DOSS, implementing Board direction on trench soils, and continued compliance with regulations.

Award Purpose:

**Environmental Resources & Remediation**

Award Number:

7000074

Award Name:

**UPCOUNTRY WASTEWATER TREATMENT IMPROVEMENTS**

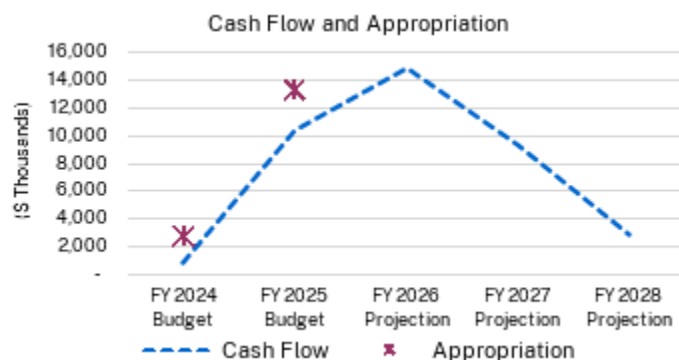
Lead Department:

Water Operations

In Service Date:

10/31/2029

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	37,960	800	10,320	14,800	9,240	2,800
Appropriation	15,900	2,700	13,200			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Upcountry Wastewater Improvement Program includes multiple projects to upgrade the wastewater collection, treatment and disposal systems serving the Pardee and Camanche facilities. An Upcountry Utility Infrastructure Master Plan recommends upgrading the collection facilities to meet new regulatory requirements. FY 2024 - FY 2025 priorities include completing design in FY 2024 and starting construction of the sewer collection system improvements at Camanche South Shore (CASS) in FY 2025. Design and construction for improvements to the collection system at Camanche North Shore (CANS) will take place in FY 2025 - FY 2026. Design and construction for the collection systems at Pardee Center (PACT) and Pardee Recreation Area (PARA) will take place in FY 2025 - FY 2026. The objectives of these improvement projects are to meet District and State of California standards; connect mobile homes to the wastewater collection system; correct system layout deficiencies; and increased system dependability with the installation of backup power to crucial lift stations.

Award Purpose:

**New Business Infrastructure**

Award Number:

7000015

Award Name:

**HYDRANTS INSTALLED BY DISTRICT FORCES**

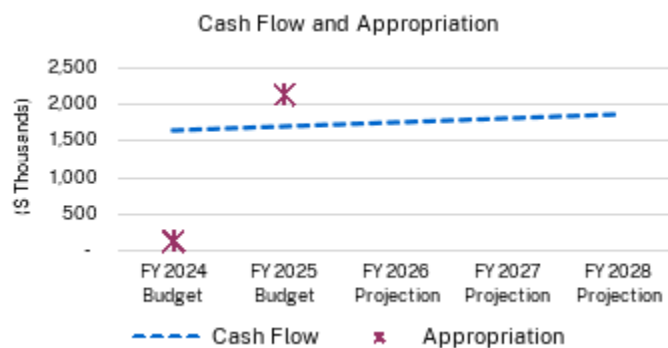
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	8,750	1,648	1,698	1,748	1,801	1,855
Appropriation	2,246	124	2,122			



Funding Sources	Funding (%)
Applicant Funded Projects	100%
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This is a recurring project to install new hydrants in the service area. Most requests for new hydrants come from fire districts or developers.

Development activity has been strong in recent years, with a corresponding increase in the number of hydrants installed.

In FY 2024 - FY 2028 approximately 100 hydrants per year are expected to be installed.



Award Purpose:

**New Business Infrastructure**

Award Number:

7000014

Award Name:

**NEW SERVICE INSTALLATIONS**

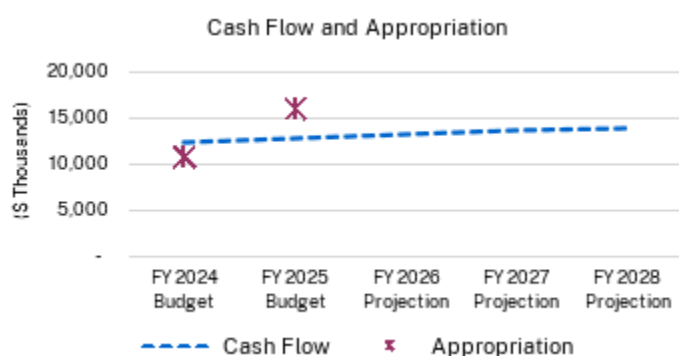
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	65,622	12,360	12,731	13,113	13,506	13,911
Appropriation	26,664	10,750	15,914			



Funding Sources	Funding (%)
Applicant Funded Projects	100%
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This is an ongoing project to install new services. Services include taps on the main, laterals, and meter sets. Work consists of adding services due to system expansion and urban in-fill projects, and excludes the replacement of old services or service laterals. The need for installing new services has been increasing as housing development trends have elevated demand.

In FY 2024 - FY 2028, approximately 700 new services are expected to be installed annually.

Award Purpose:

**New Business Infrastructure**

Award Number:

7000005

Award Name:

**PIPELINE SYSTEM EXTENSIONS**

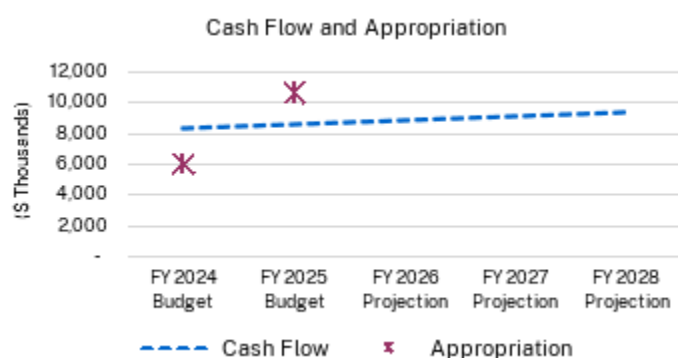
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	43,748	8,240	8,487	8,742	9,005	9,274
Appropriation	16,603	5,994	10,609			



Funding Sources	Funding (%)
Applicant Funded Projects	100%
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This ongoing project establishes additional pipeline to serve new customers via Applicant Extension Agreements. Annual workload is estimated from projections of land development activity and recent trends in the Water Service Estimate activity from the New Business Office.

FY 2024 - FY 2028 work will include approximately 8-10 miles per year of system extensions.

Award Purpose:

**Pipelines - Distribution System**

Award Number:

7000164

Award Name:

**ANNUAL APPURTENANCE WORK**

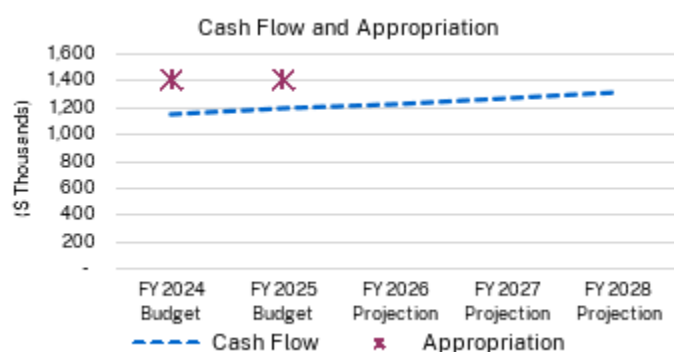
Lead Department:

Maintenance &amp; Construction Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	6,123	1,142	1,182	1,223	1,266	1,310
Appropriation	2,800	1,400	1,400			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This ongoing project will replace distribution system isolation valves, blow-off assemblies, air valves and other appurtenances that have reached the end of their useful lives, or no longer meet current installation practices. The goal is to inspect and operate 10 percent of distribution valves annually. The Large Valve Master Plan has identified a number of appurtenances that need to be upgraded to ensure system reliability.

Due to increased funding within cities and counties for paving restoration and street reconstruction, gate valve pots were upgraded in FY 2019 - FY 2021, and will continue into FY 2024 - FY 2025. These upgrades improve access during emergency and routine valve operation, and while performing maintenance activities.

Award Purpose:

**Pipelines - Distribution System**

Award Number:

7000030

Award Name:

**DISTRIBUTION SYSTEM CATHODIC PROTECTION**

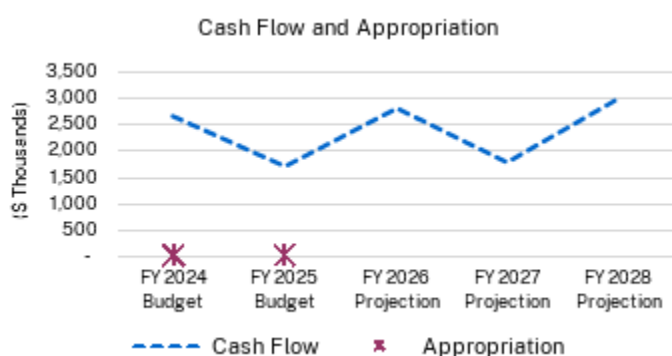
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	11,864	2,638	1,678	2,798	1,780	2,970
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This recurring project is to repair or replace cathodic protection units for Mortar Lined & Coated Steel (ML&CS) or Mortar Lined & Plastic-Coated Steel (ML&PCS) distribution water mains. The ML&PCS pipelines are protected by approximately 1,300 galvanic anode systems, which total 3,000 individual anodes. The ML&CS pipelines are protected by approximately 60 impressed current Cathodic Protection System (CPS).

FY 2024 - FY 2029 work will include improving approximately 40 galvanic anode test stations annually, 20 CPSs biannually, and moving towards installing approximately 4,400 zinc anodes annually for the Copper Lateral Cathodic Protection Program.

Award Purpose:

**Pipelines - Distribution System**

Award Number:

7000003

Award Name:

**PIPELINE REBUILD**

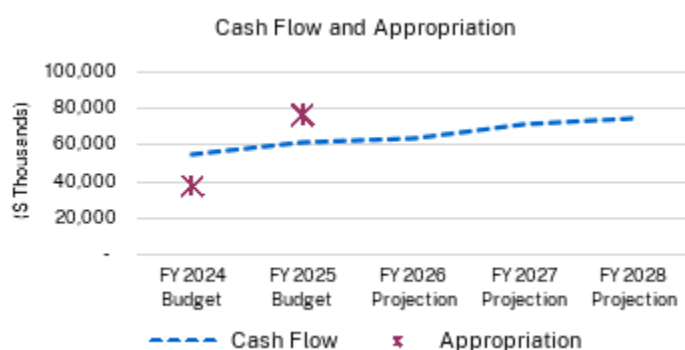
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	323,470	53,931	61,002	63,454	71,143	73,939
Appropriation	113,279	37,027	76,252			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Pipeline Rebuild is focused on the continued replacement and renewal of failing pipelines in the distribution system. This project will ramp up replacement and renewal at a rate sufficient to maintain high system reliability and continue to evaluate areas for cost reductions through efficiencies.

This initiative also includes inspection of purchased water system components at the manufacturers' facility, including pipe, fittings, mechanical items, valves, and hydrants.

In FY 2022, Pipeline Rebuild achieved its goal to replace 20 miles of pipeline and is on track to meet the FY 2023 goal of 22.5 miles. The annual replacement mileage goal will increase to 25 miles in FY 2025 and 30 miles by FY 2029.

Award Purpose:

**Pipelines - Distribution System**

Award Number:

7000006

Award Name:

**PIPELINE RELOCATIONS**

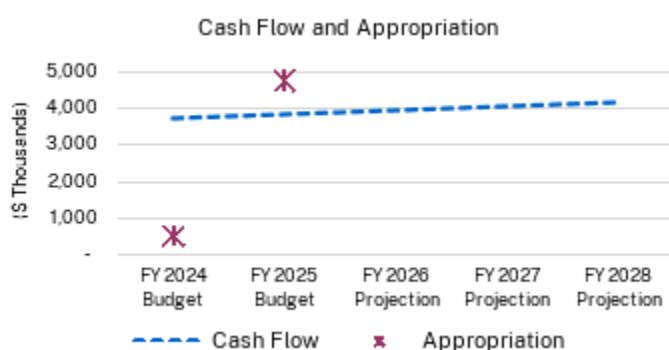
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	19,598	3,692	3,801	3,916	4,034	4,154
Appropriation	5,240	489	4,751			



Funding Sources	Funding (%)
Applicant Funded Projects	10%
Bond/Revenue Funded Projects	73%
Equipment Replacement Fund	
Grants	
Outside Agency	17%
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project relocates pipelines on an ongoing basis to accommodate projects from other agencies, such as roadway improvements, bridge replacements, or rail system expansions. The work is non-discretionary and difficult to forecast due to the dependence on other agencies' schedules. The District is obligated to bear the cost of pipeline relocations originating from street improvement projects of most cities and counties. Costs for pipeline relocations driven by private applicants and agencies, such as Caltrans and BART, are typically reimbursable.

FY 2024 - FY 2028 anticipated work includes the design and construction of approximately 1.5 miles of pipeline relocations per year, which includes 0.5 miles of reimbursable and 1.0 miles of non-reimbursable work.

Award Purpose:

**Pipelines - Distribution System**

Award Number:

7000024

Award Name:

**PIPELINE SYSTEM IMPROVEMENTS**

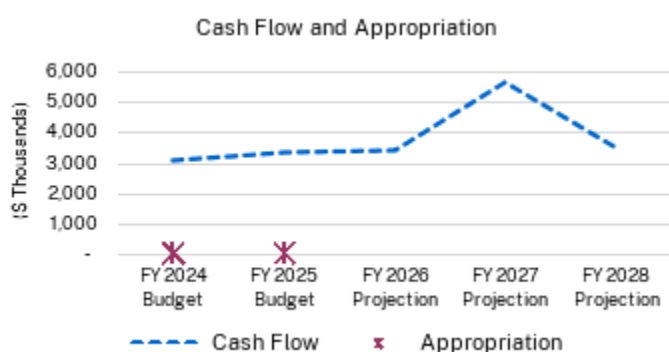
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	18,966	3,090	3,316	3,421	5,660	3,478
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This is an ongoing effort focused on projects to improve water quality, system performance, capacity, reliability, and maintainability of the distribution system.

FY 2022 - FY 2023 accomplishments include design and construction of the Pershing Drive Pipeline Improvements Project in San Leandro, Excelsior Avenue Pipeline Improvements, and Oceanview Drive Pipeline Improvements Projects in Oakland. The award focuses on the design of approximately 1-mile of pipeline system improvements and 0.5 miles of 4-inch reliability replacements projects per year.

FY 2024 - FY 2028 work will include design and construction of the Tappan Terrace Improvements Project in Orinda and East 29th Street in Oakland, which contribute to the 1-mile per year of pipeline system improvements and 0.5 miles of 4-inch reliability replacements.

FY 2029 - FY 2033 work will include the design and construction of 1-mile per year of pipeline system improvements and 0.5 miles of 4-inch reliability replacements.

Award Purpose:

**Pipelines - Distribution System**

Award Number:

7000041

Award Name:

**SERVICE LATERAL REPLACEMENTS**

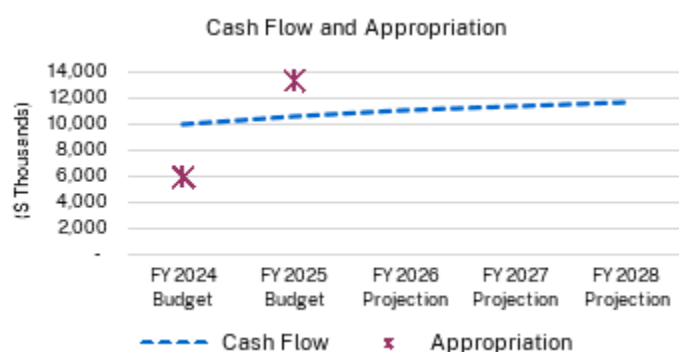
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2030

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	54,272	9,888	10,609	10,927	11,255	11,593
Appropriation	19,174	5,913	13,261			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This award manages all service lateral replacements for planned replacements of copper service laterals and unplanned replacements for all service lateral material types.

FY 2022 - FY 2023 work continued to replace polybutylene and copper laterals as planned replacements. Starting in FY 2023, the planned polybutylene service lateral replacements program was discontinued.

FY 2024 - FY 2028 work includes replacement of approximately 130 planned copper service laterals and 1,100 unplanned service lateral replacements per year.



Award Purpose:

**Pipelines - Transmission**

Award Number:

7000043

Award Name:

**AQUEDUCT CATHODIC PROTECTION**

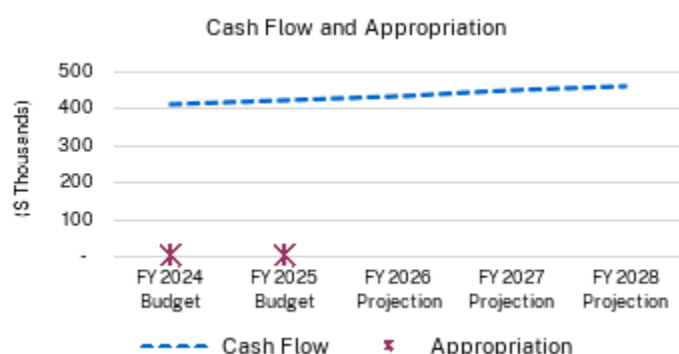
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,174	410	422	434	448	461
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This recurring project includes annual investigations and periodic renewal of the Mokelumne Aqueducts' 44 cathodic protection systems (CPSs). These systems prevent the corrosion of steel pipelines that come into contact with soil and require periodic replacement of expendable components, such as anode beds and power supplies.

FY 2023 - FY 2024 work includes site evaluations to determine the status of each CPS and prioritization of improvement projects. FY 2025 - FY 2028 work includes replacing obsolete and inefficient rectifier power supplies and improving obsolete deep well anode beds.

FY 2029 - FY 2033 work will continue to evaluate, repair, replace, and improve CPS as necessary to maintain aqueduct cathodic protection.

Award Purpose:

**Pipelines - Transmission**

Award Number:

7000254

Award Name:

**LARGE DIAMETER PIPELINES**

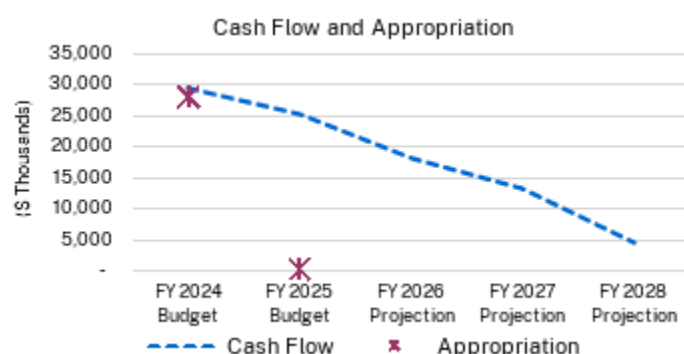
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2040

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	89,637	29,416	24,974	17,884	13,119	4,243
Appropriation	28,140	27,984	156			



Funding Sources	Funding (%)
Applicant Funded Projects	10%
Bond/Revenue Funded Projects	90%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Large diameter transmission pipelines form the backbone of the distribution system. This project replaces existing transmission pipelines that are at risk of failure and installs new transmission pipelines to improve the water system.

FY 2022 - FY 2023 work included the completion of Wildcat Berkeley construction and near completion of Summit Pressure Zone (PZ) Phase 1 pipeline construction. Design of Oakland Inner Harbor Crossing Pipeline and Wildcat El Cerrito were completed.

FY 2024 - FY 2028 work includes construction of Wildcat El Cerrito and Oakland Inner Harbor Crossing; completion of design and construction of Summit PZ Phase 2, San Leandro Channel Crossing, and Crockett Aqueduct Relocation; and completion of design of Tidal Canal Crossing and Sequoia Aqueduct Pipeline. The Large Diameter Pipelines Master Plan (LDPMP) will be updated in FY 2025.

Projects beyond FY 2028 include South 30 Pipeline Improvements, Summit PZ Phase 3, Genoa Pipeline, Central PZ Pipelines, Crockett Discharge Pipeline, and other replacement projects to be identified in the FY 2025 Large Diameter Pipeline Master Plan update.

Award Purpose:

**Pipelines - Transmission**

Award Number:

7000055

Award Name:

**TRANSMISSION MAIN CATHODIC PROTECTION**

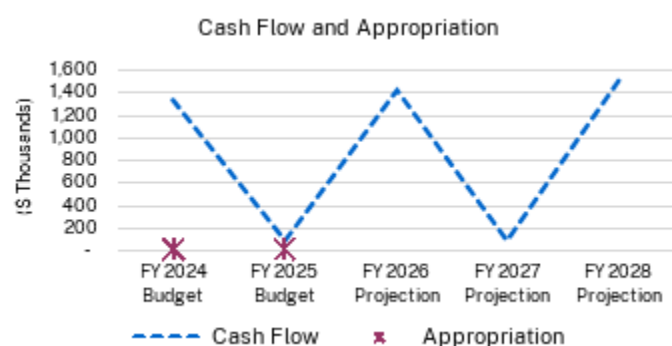
Lead Department:

Engineering &amp; Construction

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	4,402	1,330	79	1,411	84	1,497
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project will investigate and prioritize cathodic protection (CP) upgrades for transmission mains and large diameter pipelines and reconfigure obsolete CP systems.

FY 2024 - 2028 work includes improvements to the CP systems for the Upper San Leandro Raw Water Pipeline and the South 30 Aqueduct. Transmission main improvements will include design and installation of remote monitoring for each of the transmission main CP rectifier power supplies.

Award Purpose:

**Pressure Zone Studies**

Award Number:

7100001

Award Name:

**DELTA TUNNEL**

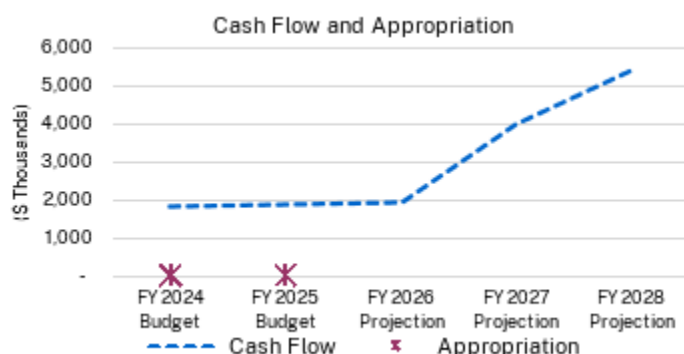
Lead Department:

**Engineering & Construction**

In Service Date:

**6/30/2032**

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	14,900	1,792	1,846	1,902	3,986	5,375
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Mokelumne Aqueducts Resiliency Project includes a 16.5-mile tunnel from Stockton to Bixler that will be designed to convey the full flow capacity of all three Mokelumne Aqueducts to mitigate flood and seismic hazard risks in the Delta.

Work includes planning, studies, California Environmental Quality Act (CEQA) permitting, public outreach, land acquisition, design, and construction of the Delta Tunnel.

FY 2016 - FY 2019 work included extensive geotechnical investigations to characterize the underlying geology for future tunnel construction and analysis of the existing pile-supported Mokelumne Aqueducts. FY 2020 - FY 2023 work included planning, environmental studies, alternative analysis, and conceptual engineering and design.

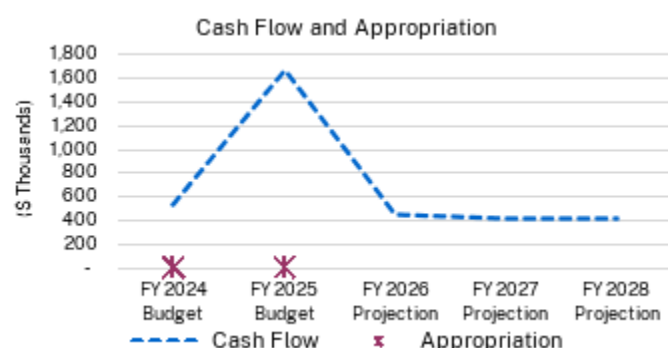
FY 2024 - FY 2027 work will include conducting the CEQA environmental review process, agency consultation, and public outreach. Planned FY 2028 - FY 2032 work includes additional geotechnical investigations, environmental studies, permitting, land acquisition, and design.

*Award Purpose:***Pressure Zone Studies***Award Number:*

7000215

*Award Name:***DISTRIBUTION SYSTEM UPGRADES***Lead Department:***Engineering & Construction***In Service Date:***6/30/2035**

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	3,459	537	1,656	439	408	419
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

New pressure zone (PZ) studies provide data for planning water distribution system projects, such as new reservoirs or pipelines.

PZ rezonings cover projects that rezone customers to a higher pressure zone. Projects come from a prioritized list of potential rezonings resulting from distribution system operational issues and/or verified customer complaints.

Cultural resources consultants provide on-call cultural and paleontological resource management support for planned and unplanned work, including site studies and unanticipated discoveries.

Valve studies include the design and installation of remote control Dual Tank Isolation Valves and recommendations of the Distribution System Valve Study that documented and improved existing practices for valves, spacing, inspection, installation, maintenance, and asset management.

FY 2022 - FY 2023 accomplishments include the completion of the Distribution System Valve Study and two rezonings. FY 2024 - FY 2028 planned milestones include installation of distribution valves per recommendations of the Distribution System Valve Study, and completion of the Withers Reservoir Service Relocations and one or more rezoning.

Award Purpose:

**Pressure Zone Studies**

Award Number:

7000271

Award Name:

**MISCELLANEOUS PLANNING STUDIES**

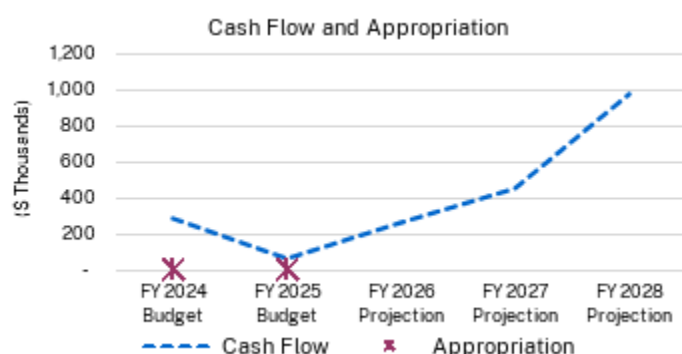
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2032

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,034	289	59	262	450	974
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This is an ongoing project to improve workflows and support decision-making for infrastructure planning and prioritization, and to optimize operations for energy, water quality, and emergency preparedness. This project includes Enterprise Hydraulic Modeling to develop and maintain hydraulic models and the Demand Study to maintain and update demand projections.

In FY 2022 - FY 2023 accomplishments included ongoing administration of the hydraulic models and demand projections and upgrade of the Info360 software and database that integrates Supervisory Control and Data Acquisition (SCADA) data into hydraulic models.

Planned work for FY 2024 - FY 2028 includes ongoing administration of the hydraulic models and demand projections, as-needed updates to the hydraulic models to account for system changes, and a mid-cycle update to the demand projections to account for recent and future development and water consumption trends.

Award Purpose:

**Pressure Zone Studies**

Award Number:

7000065

Award Name:

**PRESSURE ZONE IMPROVEMENTS**

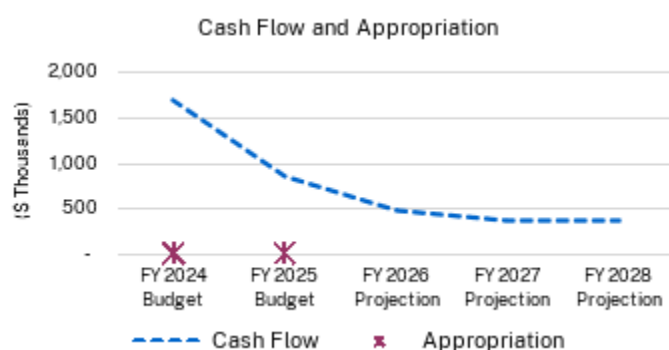
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2040

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	3,729	1,680	853	470	364	362
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This is an ongoing project to develop and prioritize infrastructure improvement recommendations to address pressure zone (PZ) operations. The project includes the Resilient Grid Study to improve the recovery of water service after a major seismic event, the Distribution System Master Plan (DSMP) to prioritize and schedule all PZ recommendations, the Collaborative and Holistic Pipeline Plan (CHPP) to develop a blueprint to inform the selection and sizing of pipeline replacements, and PZ Studies to recommend improvements to address pressure zone and regional operations.

FY 2022 - FY 2023 accomplishments included the Colorado PZI Study Update, the Joaquin Miller PZI Study, completion of the CHPP blueprint procedures and webpage viewer, approximately 30 percent of the CHPP PZ blueprints, and an update to the DSMP.

Planned work for FY 2024 - FY 2028 include completion of the Maloney PZ Planning Study, East of Hills System Study, Lake Chabot Golf Course service relocation, Joaquin Miller Pumping Plant Study, Summit PZ Study, Resilient Grid Study, and the remaining 70 percent of the CHPP PZ blueprints.

Award Purpose:

**Pressure Zone Studies**

Award Number:

7000224

Award Name:

**WEST OF HILLS MASTER PLAN**

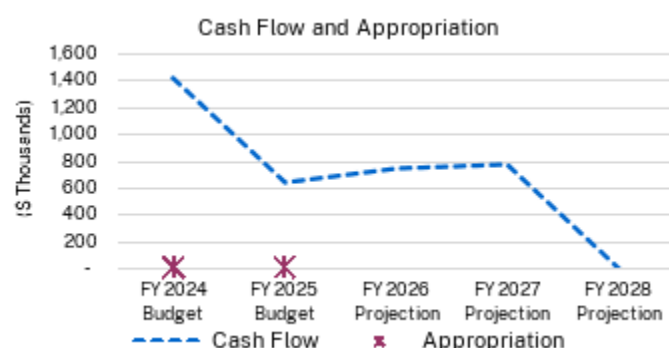
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2028

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	3,558	1,407	642	743	766	-
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The West of Hills (WOH) Master Plan is a comprehensive regional plan that addresses water treatment plant storage and transmission capacity for the WOH area, focusing on the Central, Aqueduct, and Upper San Leandro pressure zones. The WOH Master Plan recommended improvements at three water treatment plants, two pumping plants, five water storage reservoirs, and approximately 120,000 feet of transmission pipelines. In FY 2019, an additional project was recommended to decommission the San Pablo Water Treatment Plant (WTP).

The WOH Master Plan project includes completing the environmental documentation for the recommended improvements. Individual projects will be grouped together into several Environmental Impact Reports (EIR), Mitigated Negative Declarations (MND), and Notice of Exemptions (NOE). In FY 2022 - FY 2023, the Fontaine Pumping Plant (PP) MND was completed and approved, and planning started on the Wildcat PP MND, Sobrante WTP EIR, and WOH Central Pipelines MND. Planned work for FY 2024 - FY 2028 includes completing the environmental documentation started in FY 2022 - FY 2023 and starting the WOH Southern Pipelines EIR in FY 2025.



Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000272

Award Name:

**DATA & TELECOM INFRASTRUCTURE**

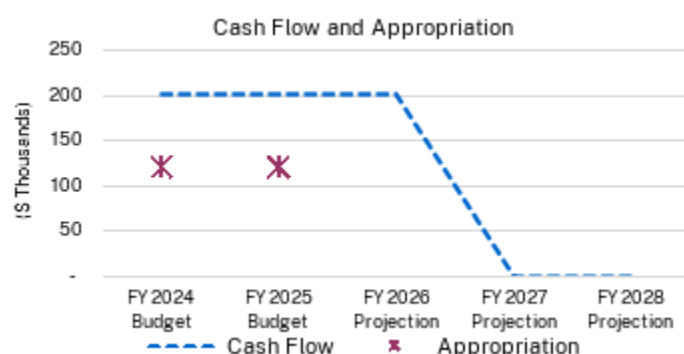
Lead Department:

Information Services Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	600	200	200	200	-	-
Appropriation	241	121	121			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Voice over IP (VoIP) telephone system implementation requires the existing network cabling to be brought up to high-speed data specifications, the replacement of telephones, network switches, voice gateways, telephony circuits and porting of digital and analog telephone numbers. The project will migrate 337 digital and analog telephone lines to VoIP services at 18 locations, and replace 524 older IP telephone sets at the existing VoIP locations. The VoIP project will be executed over the next three years, averaging 6 sites migrated per year. Once completed the District will have more than 2,000 VoIP phones in operation.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000007

Award Name:

**ENGINEERING IT**

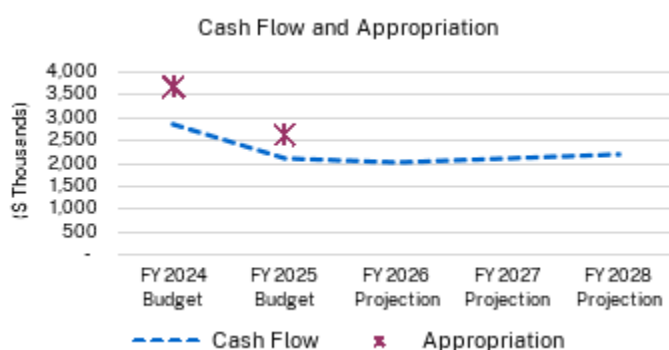
Lead Department:

**Engineering & Construction**

In Service Date:

**RECURRING**

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	11,174	2,841	2,087	2,009	2,080	2,157
Appropriation	6,258	3,649	2,609			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides maintenance and upgrades to the Computer-Aided Design and Manufacturing (CAD/CAM), Geographic Information System (GIS), and distribution system maps and associated data. Mapping and GIS data is used District-wide and by other public agencies. CAD/CAM is also used to create design and construction drawings for all facilities and distribution system pipelines. This work also identifies areas to improve drafting and design workflows, update the Computer-Aided Design (CAD) process, and incorporate Building Information Modeling (BIM).

In FY 2024 - FY 2028, work includes GIS database and desktop software upgrades, water network data model migration, and periodic major software updates to take advantage of new functionality to ensure system integrity and increase productivity. The Pipeline Infrastructure Division CAD systems were converted from Bentley MicroStation to Autodesk AutoCAD Civil 3D in FY 2023.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000343

Award Name:

**EQUIPMENT REPLACEMENT FUND: CURRENT DATA SECURITY STANDARD (DSS),  
SERVER & NETWORK EQUIPMENT**

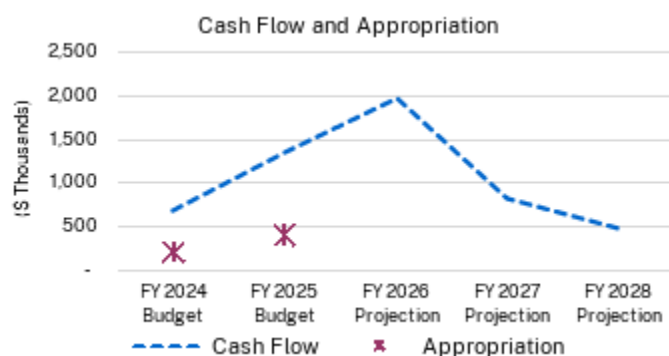
Lead Department:

Information Services Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	5,267	684	1,344	1,963	812	464
Appropriation	591	199	392			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This Equipment Replacement Fund (ERF) serves to replace major computing equipment in the server rooms and wiring closets to support the compute infrastructure. Equipment includes large data storage systems, backend servers, and core networking equipment, including routers and switches. Each equipment category has a unique technology refresh cycle. Networking equipment without moving parts has a longer cycle whereas disk storage units require more frequent replacements. The "smoothing" award appropriates funds for the lifecycle replacement on an ongoing basis; the "current" award replaces assets on an as-needed basis. This allows for expansion of storage systems to house the ever-increasing amount of data that the District is generating, the number of applications supporting the business and reliable data communications between District locations.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000342

Award Name:

**EQUIPMENT REPLACEMENT FUND: CURRENT PCs, DESKTOPS, LAPTOPS**

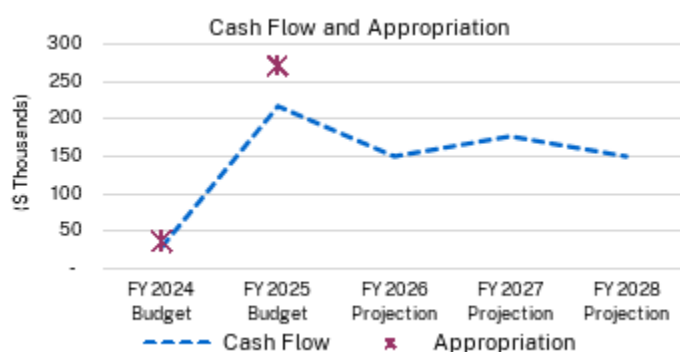
Lead Department:

Information Services Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	716	28	216	148	176	148
Appropriation	305	35	270			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This Equipment Replacement Fund (ERF) serves to replace aging desktop and laptop computers that have reached the end of their useful lives. Typically desktop computers are replaced on a five-year cycle and laptops are replaced on a four-year cycle due to wear and tear on the portable equipment. The "smoothing" award appropriates funds for the lifecycle replacement on an ongoing basis; the "current" award replaces assets on an as-needed basis. Additionally, as we install new software to upgrade to the newest Windows operating system, more computing power is required. Desktop and laptop computers (like other technologies) will offer more powerful computer power for the same or less money with each year of release. The ERF is designed to meet the ever-increasing demand from District users in order to perform their work.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000344

Award Name:

**EQUIPMENT REPLACEMENT FUND: PURCHASES FOR COPIERS**

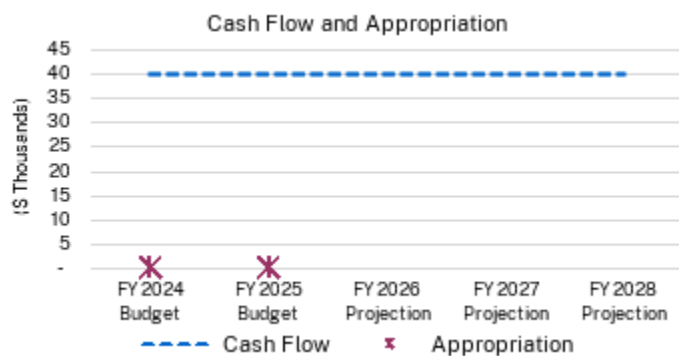
Lead Department:

Finance

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	200	40	40	40	40	40
Appropriation	-	-	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This ongoing effort supports the acquisition and maintenance of print solutions District-wide, on an as-needed basis.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000359

Award Name:

**EQUIPMENT REPLACEMENT FUND: SMOOTHING DATA SECURITY STANDARD (DSS), SERVER & NETWORK EQUIPMENT**

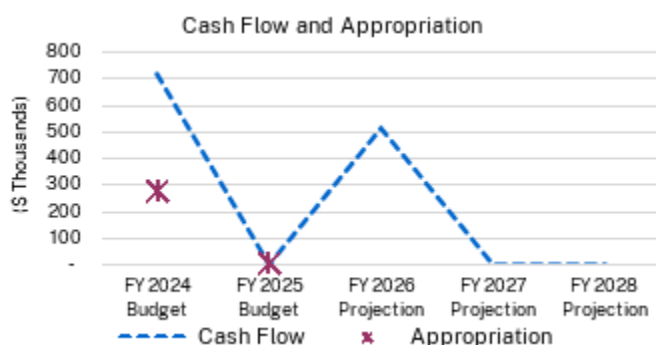
Lead Department:

Information Services Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,228	716	-	512	-	-
Appropriation	272	272	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This Equipment Replacement Fund (ERF) serves to replace major computing equipment in the server rooms and wiring closets to support the compute infrastructure. Equipment includes large data storage systems, backend servers, and core networking equipment, including routers and switches. Each equipment category has a unique technology refresh cycle. Networking equipment without moving parts has a longer cycle whereas disk storage units require more frequent replacements. The "smoothing" award appropriates funds for the lifecycle replacement on an ongoing basis; the "current" award replaces assets on an as-needed basis. This allows for expansion of storage systems to house the ever-increasing amount of data that the District is generating, the number of applications supporting the business and reliable data communications between District locations.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000358

Award Name:

**EQUIPMENT REPLACEMENT FUND: SMOOTHING PCs, DESKTOPS, LAPTOPS**

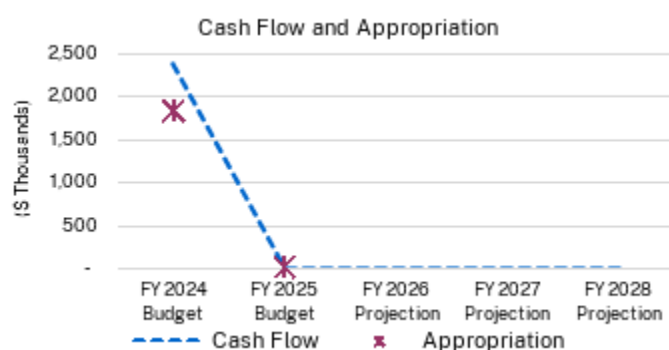
Lead Department:

Information Services Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,376	2,376	-	-	-	-
Appropriation	1,822	1,822	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This Equipment Replacement Fund (ERF) serves to replace aging desktop and laptop computers that have reached the end of their useful lives. Typically desktop computers are replaced on a five-year cycle and laptops are replaced on a four-year cycle due to wear and tear on the portable equipment. The "smoothing" award appropriates funds for the lifecycle replacement on an ongoing basis; the "current" award replaces assets on an as-needed basis. Additionally, as we install new software to upgrade to the newest Windows operating system, more computing power is required. Desktop and laptop computers (like other technologies) will offer more powerful computer power for the same or less money with each year of release. The ERF is designed to meet the ever-increasing demand from District/Reven in order to perform their work.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000200

Award Name:

**HRIS REPLACEMENT**

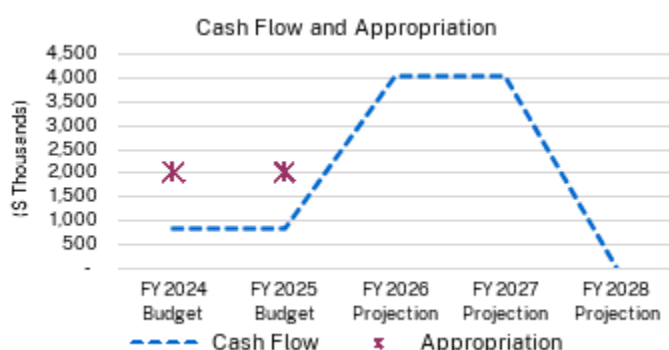
Lead Department:

Information Services Department

In Service Date:

6/30/2027

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	9,600	800	800	4,000	4,000	-
Appropriation	4,000	2,000	2,000			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The PeopleSoft Human Resources Information System (HRIS) is reaching the end of its useful life and support for the product is limited. Loss of support would increase the risk of failure of the District's human resources (HR) functions and make it difficult to implement required tax and regulatory updates.

This project is a joint effort of the Information Systems, Human Resources and user departments to replace the HRIS system. The project will be delivered in two phases: Phase 1 will replace the Retirement System; Phase 2 will replace the Core HR functionality and retire the PeopleSoft system. Development of the Retirement System began in April 2023. Preparing a Requests for Proposals, evaluating and selecting alternatives for the Core HR system will take place in FY 2024.



Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000029

Award Name:

**OP/NET SYSTEM IMPROVEMENTS**

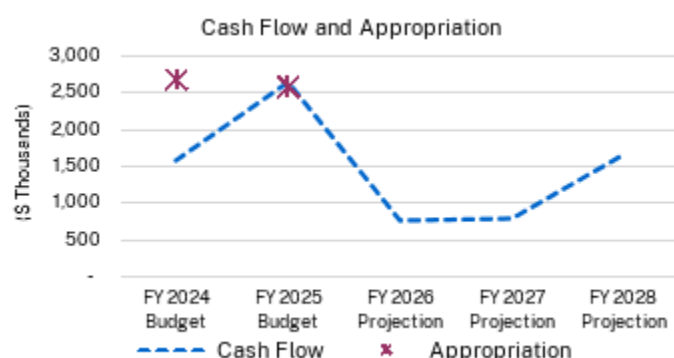
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	7,335	1,570	2,618	742	768	1,637
Appropriation	5,236	2,663	2,573			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project consists of ongoing component upgrades and replacements for the OP/NET System to ensure that it reliably and securely obtains water system information and reports process data to system operators, engineers, and planners. The OP/NET System includes the Security System, Supervisory Control and Data Acquisition (SCADA) system, wired and wireless communication networks, monitoring and control equipment at over 300 facilities, and distributed control systems (DCS) to provide operations staff with the ability to control and monitor water production, treatment, distribution, hydroelectric power generation and field facilities. Hardware, software, and components need replacements and upgrades to ensure reliability and security.

In FY 2022 - FY 2026, upgrade of the SCADA system and ICS infrastructure will continue, and deployment of additional wireless communication and security/network equipment will coincide with the RTU replacement project. Also, another ICS cybersecurity assessment will be performed followed by any mitigations recommended by the assessment.

In FY 2024 - FY 2025, the core SCADA system will get upgraded with new hardware and software to ensure up-to-date security and features. As cybersecurity concern rises across the country, an up-to-date SCADA system assures the District will receive the latest patches to any vulnerabilities. In addition, SCADA display will also get updated to incorporate latest industry standards.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000165

Award Name:

**PLANNED METER REPLACEMENTS**

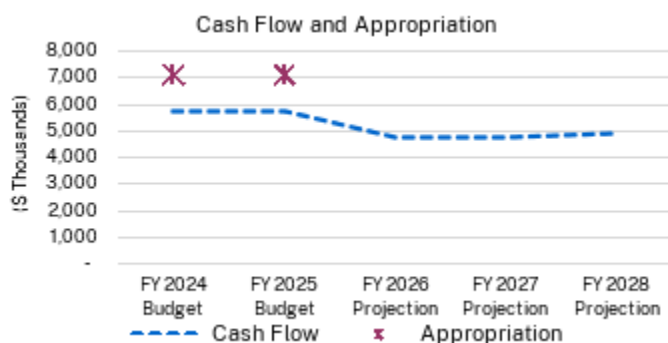
Lead Department:

Maintenance &amp; Construction Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	25,713	5,667	5,667	4,751	4,751	4,876
Appropriation	14,168	7,084	7,084			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This ongoing project replaces water meters and meter boxes at the end of their useful lives, and replaces meters that are believed to be reading inaccurately. In FY 2020, approximately 11,900 residential meters, 1,240 small commercial meters, and 11 large commercial meters were replaced. Approximately 18,000 meters were replaced in FY 2021. In future years, replacements are planned to total 20,500 meters per year to improve reading accuracy. In FY 2019, a grant was received and 10,000 meters were replaced with an integrated system of smart meters under the new Advanced Metering Infrastructure (AMI) pilot project. The project also includes equipment to collect data from these automated meters as the District considers replacing the current meters with AMI meters.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000085

Award Name:

**SECURITY IMPROVEMENTS**

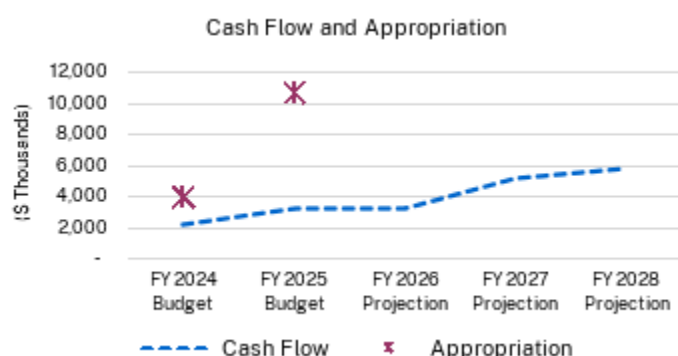
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2023

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	19,292	2,159	3,178	3,173	5,070	5,713
Appropriation	14,483	3,906	10,577			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project will upgrade of the Centralized Security System using the latest security guidelines and standards.

FY 2024 - FY 2028 work includes security improvements for service centers and yards, key pumping plants and reservoirs, aqueduct facilities, upcountry facilities, and water treatment plants. Funding is also included for miscellaneous security improvements to various facilities as needed, to address regulatory requirements and personnel safety concerns.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000325

Award Name:

**WATER LOSS CONTROL**

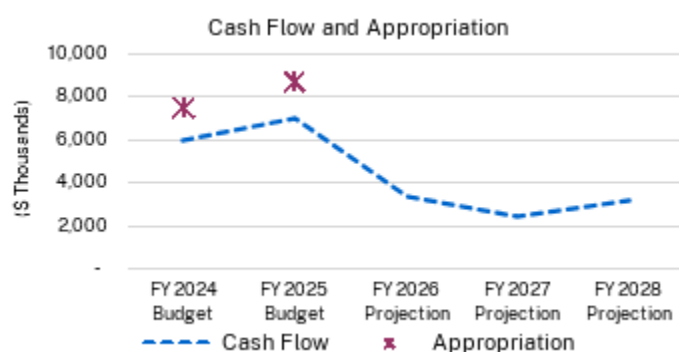
Lead Department:

Operations &amp; Maintenance Support

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	21,710	5,964	6,925	3,319	2,371	3,131
Appropriation	16,109	7,455	8,654			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project supports compliance associated with California Senate Bill 555, Water Loss Management. The project is composed of activities to reduce apparent and real water losses through meter replacement, leak detection, and pressure management. Previous accomplishments included doubling the size of the automated acoustic leak detection network, meeting the key performance indicator for the infrastructure leakage index, completion of a Metering Improvements Plan, and commencement of the first water loss control master plan. Planned work in FY 2024 - FY 2028 includes completion of the design and construction phases of improvements to flow meters for water treatment plants and large customers, completion of the water loss control master plan, completion of two manual leak detection surveys, and annual verification of water treatment plant flow rates to improve the accuracy of the water audit. Planned work in FY 2028 - FY 2032 includes completion of construction of improvements to flow meters for additional large customers and compliance with the State Water Resources Control Board's regulatory limit for water loss.

Award Purpose:

**Process & System-Wide Improvements**

Award Number:

7000317

Award Name:

**WORK MANAGEMENT SYSTEMS REPLACEMENT**

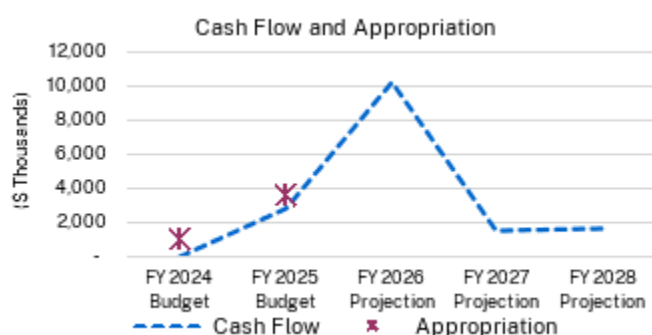
Lead Department:

Information Services Department

In Service Date:

6/30/2027

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	15,990	-	2,807	10,142	1,506	1,534
Appropriation	4,546	985	3,561			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The existing workplace technology environment consists of multiple standalone applications that are written in outdated languages and provide overlapping functionality. This project consolidates the functionality into a single application that will minimize maintenance and improve the ability to leverage information between work groups to ensure a reliable system for field maintenance work.

This project is a joint effort of Information Systems, Operation Maintenance and user departments to replace the group of work management systems (WMS) which include the general work order system, concrete order system, paving order system, and the asset and infrastructure management system. The District supports multiple WMS applications that are written in outdated software and difficult to maintain. Evaluating and selecting replacement alternatives is in progress and planning for vendor selection and implementation will begin in FY 2024.

Award Purpose:

**Pumping Plants**

Award Number:

7000033

Award Name:

**PUMPING PLANT REHABILITATION**

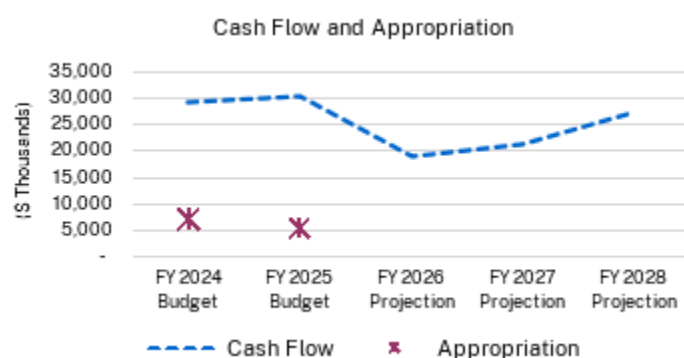
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2035

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	126,820	29,219	30,223	18,886	21,301	27,190
Appropriation	12,222	7,014	5,208			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Distribution Pumping Plant Infrastructure Rehabilitation Plan (IRP) was updated in 2022 and identifies the highest priority pumping plants (PP) for rehabilitation, replacement, or demolition.

In FY 2022, construction contracts were awarded for replacement of Westside PP, demolition of Encinal PP, and rehabilitation of Madrone and Palo Seco Pumping Plants.

FY 2023 - FY 2028 work includes planning, design and/or construction at 29 of the 130 distribution PP, including: Westside, Encinal, Madrone, Palo Seco, Fay Hill, Ridgewood, Crest, Hill Mutual, Bryant PP Complex (Bryant No. 1, Bryant No. 2, Colorados, and Leland), Montclair, Proctor, Dos Osos, Summit West, Aqueduct, Berryman West, Castenada, Welle, Rolph, Castle Hill, Fontaine, Valory, Echo Springs, Summit North, Crockett, Quarry, and Summit South PPs. New facilities that include planning, design, and/or construction in FY 2023 - FY 2028 include Happy Valley, Sunnyside, Wildcat, Tice, Withers and a new Southern Loop PP and Rate Control Station.

FY 2029 - FY 2032 will include work at existing Pearl, Stott, and Donald PP.

Award Purpose:

**Raw Water System**

Award Number:

7000185

Award Name:

**MOKELUMNE AQUEDUCTS NUMBER 2 & 3 RELINING**

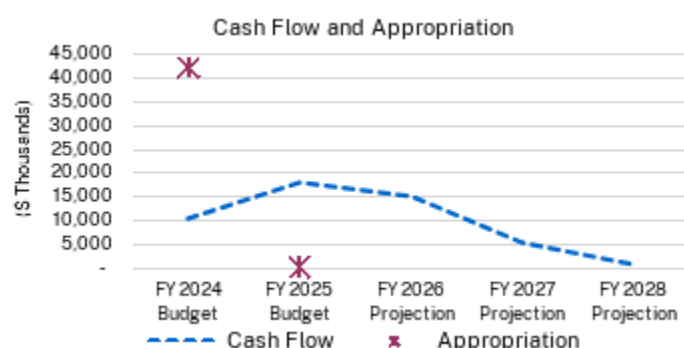
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2034

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	48,554	10,094	17,840	14,744	5,236	640
Appropriation	41,871	41,871	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Mokelumne Aqueduct System consists of three large diameter pipelines that convey untreated water to the District's Water Treatment Plants. This project will replace the deteriorated cement motor lining (CML) in Mokelumne Aqueducts No. 2 (MOK2) and No. 3 (MOK3) to protect the steel pipelines from internal corrosion. Inspections of the elevated Delta reach revealed that 10 miles of the CML in MOK2 and MOK3 need replacement. Inspections of MOK2 indicate that 65 miles of the below ground pipeline reaches also need CML replacement. Prior to relining, it is necessary to design and construct raw water treatment facilities to minimize corrosion.

FY 2024 - FY 2025 work includes design of two miles of above ground MOK2 relining, researching new cement mortar lining mix designs, and pre-design of raw water treatment facilities for corrosion control. FY 2026 work includes construction of two miles of above ground MOK2 relining.

FY 2026 - FY 2028 work includes design and construction of above ground MOK3 relining. FY 2028 - FY 2042 work includes design and construction of remaining underground MOK2 relining.

Award Purpose:

**Raw Water System**

Award Number:

7000155

Award Name:

**MOKELUMNE AQUEDUCTS RECOATING**

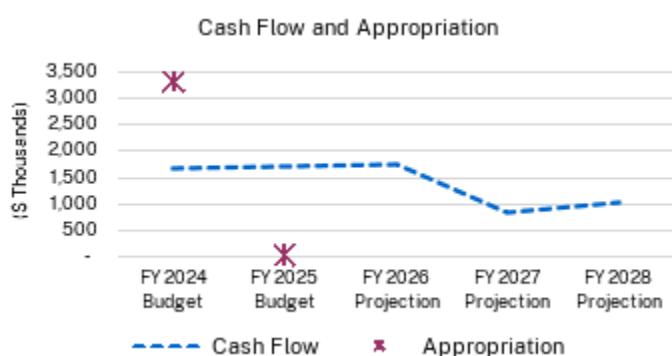
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2028

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	6,924	1,648	1,698	1,748	810	1,020
Appropriation	3,294	3,294	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project continues the ongoing removal of existing lead-based paint and recoating above-ground sections of the Mokelumne Aqueducts in the Delta. The work typically takes place during the dry summer season and temporarily shuts down during the wet and cooler winter.

FY 2024 - FY 2028 work includes recoating the approximately 60 gully crossings for Aqueduct No. 1 - Phase 13 of the Mokelumne Aqueduct Recoating Project.



Award Purpose:

**Raw Water System**

Award Number:

7000061

Award Name:

**RAW WATER INFRASTRUCTURE**

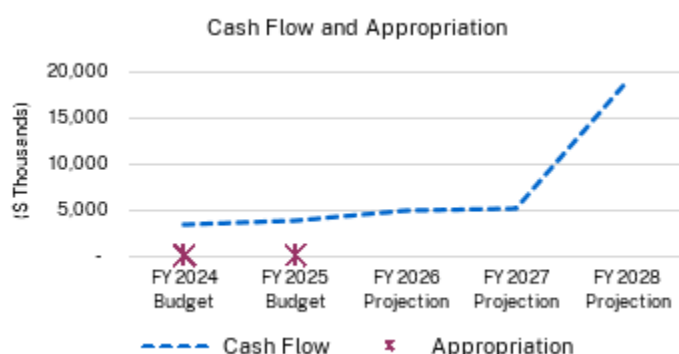
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2031

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	36,027	3,366	3,710	4,950	5,010	18,992
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project consists of evaluating and improving the untreated raw water system to reliably meet operational requirements.

FY 2024 - FY 2028 work includes: abandon Upper San Leandro (USL) #1 pipeline, design of the Mokelumne Aqueduct 3 base isolator improvements, planning and design of the Briones Upgrades and Rehabilitation, research the installation of a fiber optic monitoring system at the Concord Green Valley fault, planning and design of the Old River cover restoration, planning and design of the Jones Tract Scour Protection, design of LAF1 Relining; design and construction of the Mokelumne Aqueduct 1 bent replacement at station 2480, planning and design of the Moraga Raw Water Pumping Plant Rehabilitation, planning and design of Pardee Tunnel Access Improvements, and design and construction of the Pardee Center elevated tank replacement.

FY 2029 - FY 2031 work includes developing the 2030 Raw Water Master Plan, Mokelumne Aqueduct 2 base isolator improvement construction, Briones upgrades and rehabilitation construction, Old River cover restoration construction, Jones Tract Scour Protection construction, Lafayette Reservoir Relining construction, Moraga Raw Water Pumping Plant Rehabilitation construction, and Pardee Tunnel Access Improvements construction.

Award Purpose:

**Raw Water System**

Award Number:

7000045

Award Name:

**RAW WATER AQUEDUCT IMPROVEMENTS**

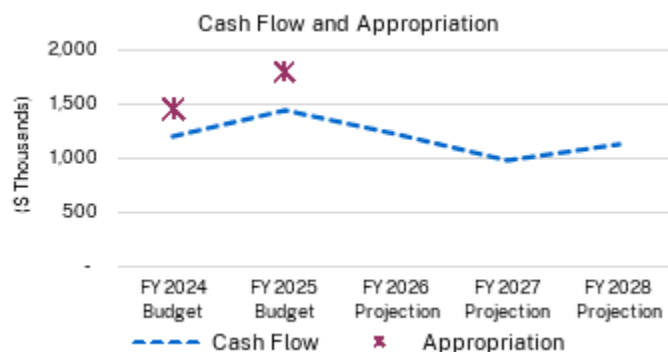
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	5,923	1,189	1,436	1,214	971	1,113
Appropriation	3,242	1,449	1,793			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides infrastructure improvements to facilitate the safe and reliable operation of the raw water aqueducts and wasteways, pumping plants, terminal reservoir facilities, three service yards and over 100 miles of right of way. In FY 2024 - FY 2030, plans include improvements, repair, and capital replacements of facilities such as pipelines, pumping plants, and wasteways; service yards; fences, gates, and structures along the right-of-way; outlet towers and associated appurtenances, spillways, drains; and support equipment/materials to extend the useful life of these facilities.

This project also provides for improvements to the Delta levees for the protection of the Mokelumne Aqueducts. The District works collaboratively with the Reclamation Districts on these projects.

Award Purpose:

**Recreation Areas & Facilities**

Award Number:

7100004

Award Name:

**CAMANCHE HILLS HUNTING PRESERVE**

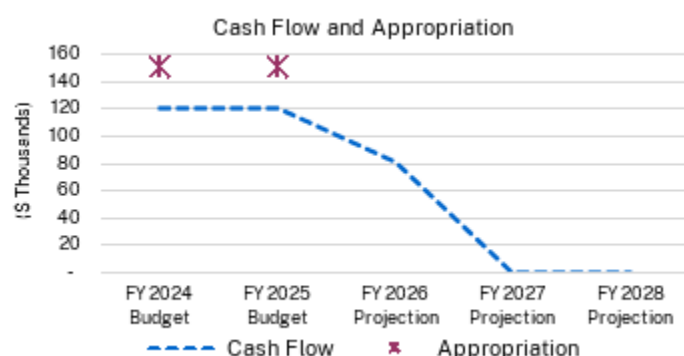
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	320	120	120	80	-	-
Appropriation	300	150	150			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Recreation Areas are managed to ensure public health and safety, and environmental protection. Typical projects are the capital upgrades and replacements of facilities within the Recreation Areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and fences. The main project at the Camanche Hills Hunting Preserve for FY 2024 - FY 2025 is a feasibility study of the abatement of lead in the soil as a result of years of lead shot used for hunting, including CEQA compliance, and replacement of solar-powered well-water systems.

Award Purpose:

**Recreation Areas & Facilities**

Award Number:

7100009

Award Name:

**CAMANCHE REC AREA IMPROVEMENT**

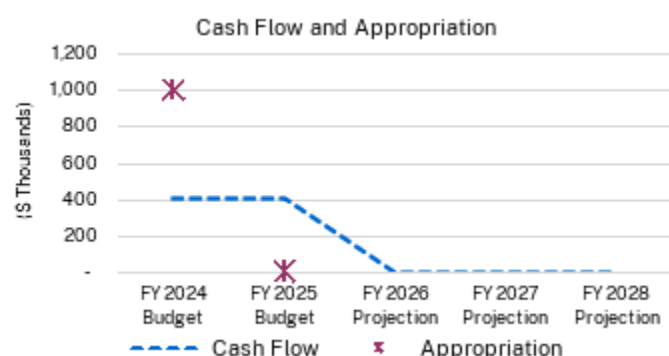
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	800	400	400	-	-	-
Appropriation	1,000	1,000	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Recreation Areas are managed to ensure public health and safety, and environmental protection. Typical projects are the capital upgrades and replacements of facilities within the Recreation Areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and fences. There are no projects planned at the Camanche North Shore and South Shore Recreation Area in FY 2024 - FY 2025; however, cash flows are established to ensure a funding source during a transition to a new concessionaire for the recreation area.

Award Purpose:

**Recreation Areas & Facilities**

Award Number:

7000263

Award Name:

**LAFAYETTE RECREATION INFRASTRUCTURE**

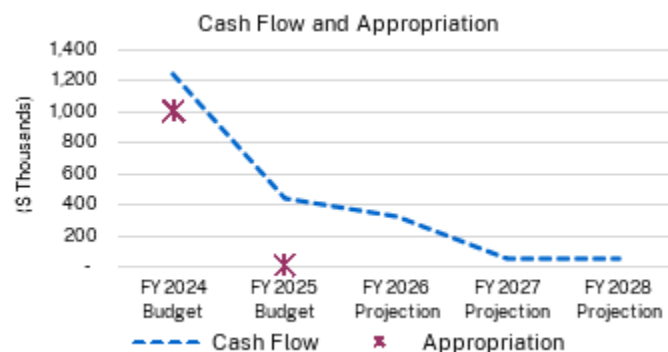
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,080	1,240	440	320	40	40
Appropriation	1,000	1,000	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Recreation Areas are managed to ensure public health and safety, and environmental protection. Typical projects are the capital upgrades and replacements of facilities within the Recreation Areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and fences. Key projects at the Lafayette Recreation Area for FY 2024 - FY 2028 is the completion of a sewer lift station and force main replacement project, replacement of the rental boat dock, as well as hazardous tree removal and fuels management.

Award Purpose:

**Recreation Areas & Facilities**

Award Number:

7100005

Award Name:

**MOKELUMNE RIVER DAY USE AREA**

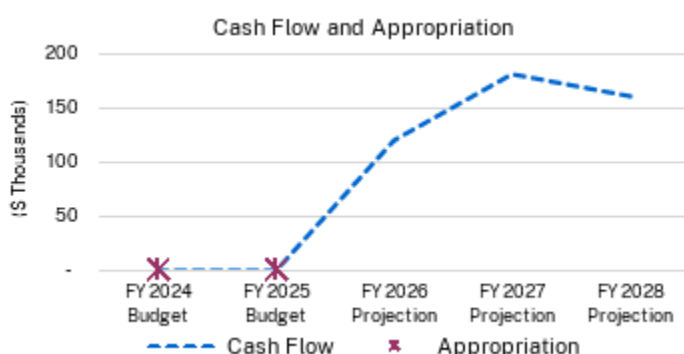
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	460	-	-	120	180	160
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Recreation Areas are managed to ensure public health and safety, and environmental protection. Typical projects are the capital upgrades and replacements of facilities within the Recreation Areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and fences. Projects planned at the Mokelumne River Day Use Area in FY 2024 - FY 2028 include the re-development of the area to accommodate recreation, habitat restoration, education, and connecting the Mokelumne River Fish Hatchery and Camanche Dam, that could include a new Americans with Disabilities Act (ADA)-accessible, interpretive trail or raised boardwalk.

Award Purpose:

**Recreation Areas & Facilities**

Award Number:

7000196

Award Name:

**PARDEE RECREATION AREA**

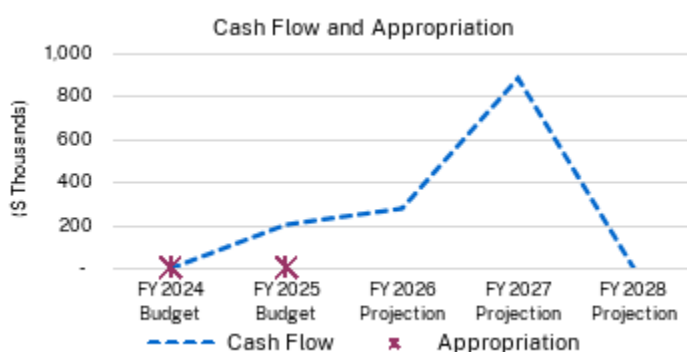
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,360	-	200	280	880	-
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Recreation Areas are managed to ensure public health and safety, and environmental protection. Typical projects are the capital upgrades and replacements of facilities within the Recreation Areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and fences. The main project at the Pardee Recreation Area for FY 2024 - FY 2028 is the replacement of the marina undercarriage, and a new restroom/shower facility in the Oaks Campground.

Award Purpose:

**Recreation Areas & Facilities**

Award Number:

7000300

Award Name:

**RECREATION AREA CAPITAL MAINTENANCE & IMPROVEMENTS**

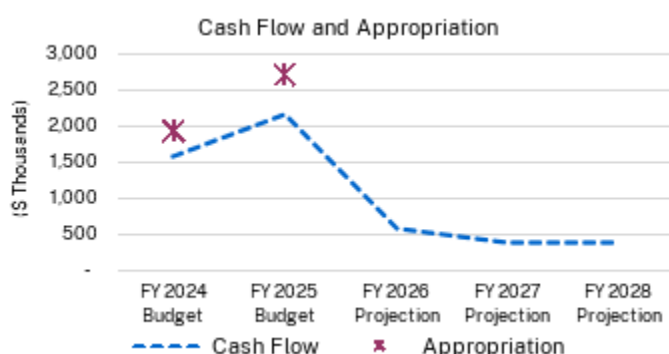
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	5,030	1,564	2,156	560	383	367
Appropriation	4,619	1,925	2,694			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides for replacement and improvements to the Water and Wastewater Treatment Plants, potable water systems, waste collection systems, dams, dikes, and watershed lands at the Pardee and Camanche recreation areas. Work is required to meet water and wastewater demands and maintain regulatory compliance.

FY 2024 - FY 2030 work includes Camanche South Shore WTP raw water supply improvements, electrical system improvements, performing comprehensive assessments of wastewater collections systems, wastewater pond improvements, rehabilitation or replacement of water distribution tanks; and replacement of and improvements to treated water distribution system pipeline and valves.



Award Purpose:

**Recreation Areas & Facilities**

Award Number:

7000289

Award Name:

**SAN PABLO RECREATION INFRASTRUCTURE**

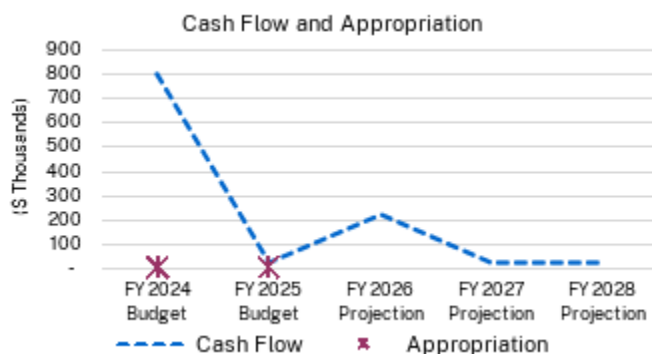
Lead Department:

Natural Resources Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,076	796	20	220	20	20
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Recreation Areas are managed to ensure public health and safety, and environmental protection. Typical projects are the capital upgrades and replacements of facilities within the Recreation Areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and fences. The main project at the San Pablo Recreation Area for FY 2024 - FY 2025 is the completion of a sewer lift station and force main replacement project, as well as hazardous tree removal and fuels management.

Award Purpose:

**Regulators & Rate Control Stations**

Award Number:

7000089

Award Name:

**RATE CONTROL STATION REHABILITATION**

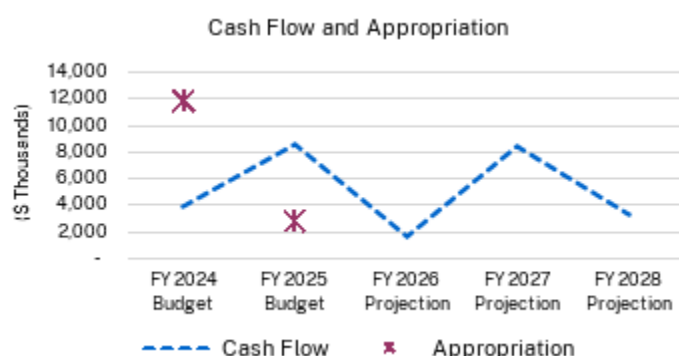
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2035

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	25,603	3,873	8,546	1,609	8,329	3,246
Appropriation	14,523	11,808	2,715			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Currently, there are 30 rate control station (RCS) facilities, many of which have been in operation for more than 50 years. This project involves the planning, rehabilitation, and long-term maintenance work needed to support distribution operations. Elements include pressure zone improvement work, such as installing new facilities and demolishing obsolete facilities to improve flow control within and between pressure zones; and rehabilitation improvements such as major repairs and equipment upgrades.

FY 2024 - FY 2025 work includes planning for Clayton-Fairmount, Webster, Church Street, Golf Links, Victoria, and Ney RCS; design for Church Street, Golf Links, Victoria, and Ney RCS; and initiating construction for the 82nd Avenue RCS.

In FY 2026 - FY 2028, work continues with construction of Clayton-Fairmount, Webster, Church Street, Golf Links, Victoria, and Ney RCS.

FY 2029 - FY 2033 work includes planning, design, and construction of 73rd Avenue, Genoa No. 1, Genoa No. 2, Hollis, John, Castro Valley, and Dunsmuir RCS.

Award Purpose:

**Regulators & Rate Control Stations**

Award Number:

7000223

Award Name:

**REGULATOR REHABILITATION**

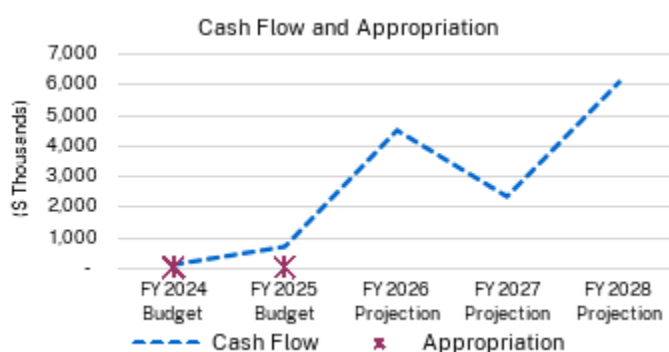
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2032

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	13,565	74	666	4,472	2,314	6,038
Appropriation	-	-	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Currently, there are 75 regulator facilities in operation with many older than 50 years. This project involves the planning, rehabilitation, and long-term maintenance responsibilities to support distribution operations. Elements include pressure zone improvement work, such as installing new facilities and demolishing obsolete facilities to improve flow control within and between pressure zones; and rehabilitation improvements, such as major repairs and equipment upgrades.

FY 2024 - FY 2025 work involves planning and design for Knight, Oakmont Memorial Park, Columbia, and Henry regulators.

FY 2026 - FY 2029 work involves construction of Knight, Oakmont Memorial Park, Columbia, and Henry regulators; and planning, design and construction of Ascot, Girvin, La Loma, Kensington, and Redwood regulators.

Award Purpose:

**Reservoirs - Distribution**

Award Number:

7000319

Award Name:

**CHLORAMINE BOOSTING STATIONS**

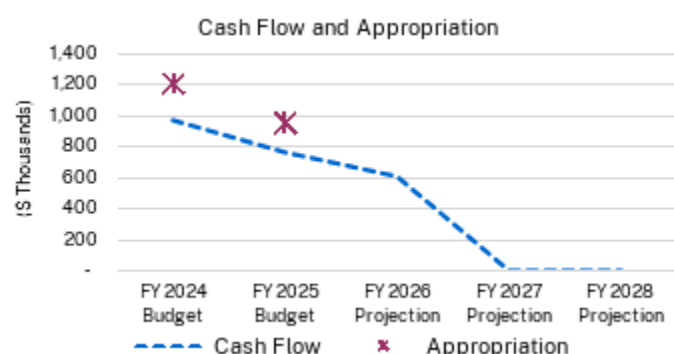
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,320	960	760	600	-	-
Appropriation	2,150	1,200	950			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project funds the purchase and installation of Chloramine Boosting Stations (CBS) or Chloramine Trim Stations at distribution reservoirs that suffer from chronic low chloramine levels. This work helps protect public health, maintain regulatory levels of the distribution water, and reduces or eliminates the labor-intensive manual treatment of distribution reservoirs.

In FY 2023 - FY 2024, following the installation of a new electric service, a CBS will be installed at the Welle Reservoir followed by the installation of a remote-controlled valve at Welle Pumping Plant to assist in the distribution of CBS treated water to Ralph Pressure Zone. In FY 2024 - FY 2026 the installation of Chloramine Trim Stations at North Reservoir, Maloney Reservoir and Argyle Reservoir will help alleviate chronic low chloramine levels.

Award Purpose:

**Reservoirs - Distribution**

Award Number:

7000021

Award Name:

**DISTRIBUTION SYSTEM WATER QUALITY IMPROVEMENTS**

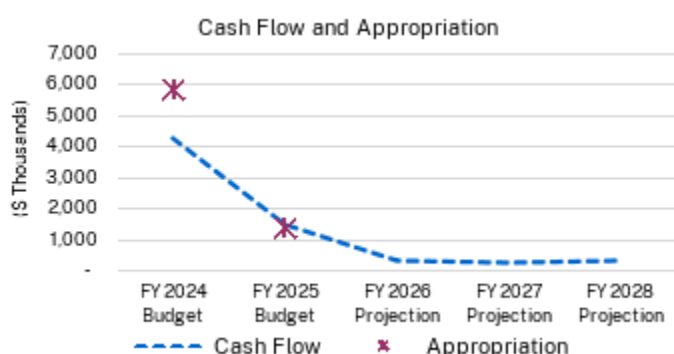
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	6,564	4,272	1,481	289	257	266
Appropriation	7,164	5,827	1,338			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides ongoing improvements related to water quality in the distribution system, which is composed of more than 4,100 miles of pipeline and 165 reservoirs.

In FY 2024 - FY 2025, water age modeling of proposed water quality improvement project will evaluate the effectiveness of proposed improvements before investments are made to distribution system improvements. The purchase and installation of chloramine analyzers at distribution reservoirs throughout the distribution system will improve water quality monitoring and meet the goal of five installations per year. Air leaks in the Upper San Leandro (USL) hypolimnetic oxygenation system will be repaired in FY 2024.

Award Purpose:

**Reservoirs - Distribution**

Award Number:

7000017

Award Name:

**OPEN-CUT RESERVOIR PROGRAM**

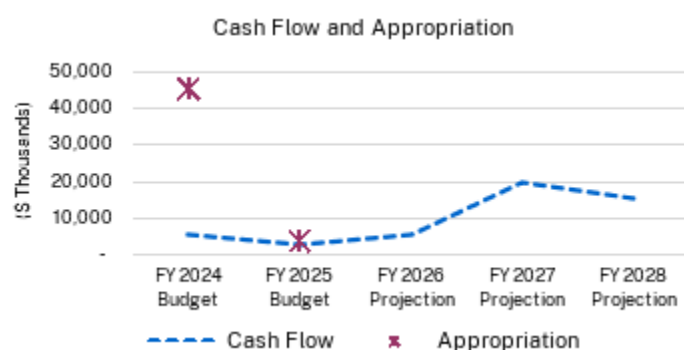
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2036

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	47,780	5,356	2,716	5,158	19,306	15,245
Appropriation	48,621	45,244	3,377			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Open-Cut Reservoir includes the rehabilitation, replacement, and demolition of aging open-cut reservoirs.

FY 2022 - FY 2023 work included construction of the San Pablo Clearwell Replacement Project, demolition of Seneca Reservoir in Oakland, design for the Danville odor control project, and planning for the replacement of Central Reservoir in Oakland and Almond Reservoir in Castro Valley.

FY 2024 - FY 2025 work includes design for the replacement of the Central Reservoir in Oakland and Almond Reservoir in Castro Valley.

FY 2026 - FY 2028 work includes construction of the Central Reservoir and Almond Reservoir replacement projects, and the start of design work for the replacement of Leland Reservoir in Lafayette, Maloney Reservoir in Pinole, and 39th Avenue Reservoir in Oakland.

Award Purpose:

**Reservoirs - Distribution**

Award Number:

7000309

Award Name:

**RESERVOIR LEAK REPAIR**

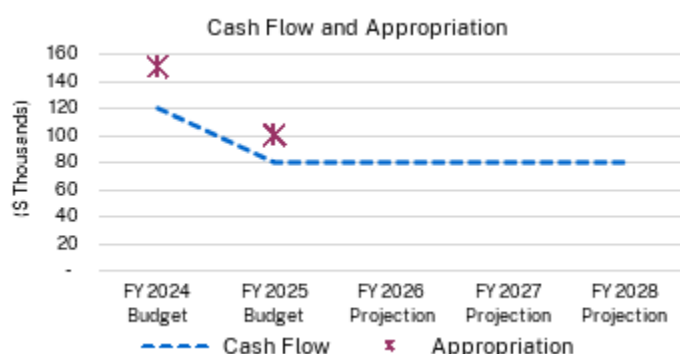
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	440	120	80	80	80	80
Appropriation	250	150	100			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project funds emergency leak repair of distribution reservoirs with divers.

In FY 2025 the Watson Reservoir, which typically requires extensive leak repair every five years, is due for repairs and will continue to require repairs approximately every five years until the liner or complete replacement is completed.

Award Purpose:

**Reservoirs - Distribution**

Award Number:

7000323

Award Name:

**RESERVOIR MIXING SYSTEM**

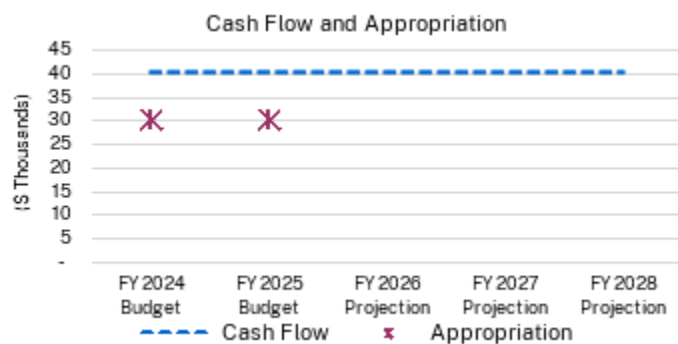
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	200	40	40	40	40	40
Appropriation	60	30	30			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project funds the purchase and installations of distribution reservoir mixers to improve water quality.

In FY 2024 this award will fund the purchase and installation of a passive mixer on the Inlet/Outlet line at Berkeley View Reservoir and the purchase and installation of mixers at other distribution reservoirs as needed.



Award Purpose:

**Reservoirs - Distribution**

Award Number:

7000031

Award Name:

**RESERVOIR REHABILITATION AND MAINTENANCE**

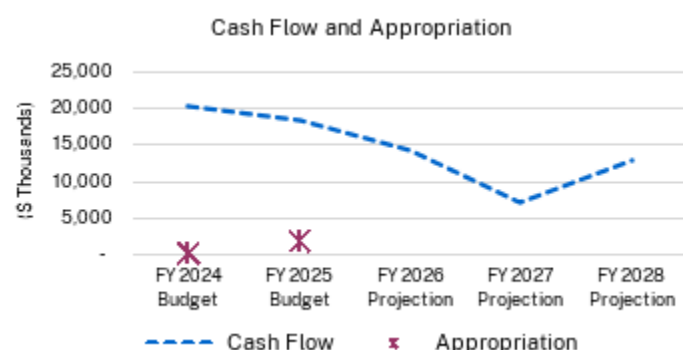
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2032

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	72,534	20,328	18,358	14,104	7,100	12,644
Appropriation	1,740	-	1,740			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project includes the rehabilitation and replacement of the District's 165 steel, concrete, and redwood reservoirs and pressure vessels to maintain the existing infrastructure, improve roof safety, improve water quality, and prioritize work through the Infrastructure Rehabilitation Plan (IRP).

In FY 2022 - FY 2023, construction was completed on projects at University No. 2, Birch No. 1 and No. 2, Cull Creek, and Sherwick. Construction work began at Acorn No. 1, Derby, Scenic, Scenic East, Castenada No. 1 and No. 2, Glen, and Mulholland reservoirs. In addition, design work started on Grizzly, Castle Hill, Knife No. 1, Wiedemann No. 1, Crest, Hill Mutual, Madrone, Encinal, Swainland, Ridgewood, Arroyo, and Carter reservoirs.

In FY 2024 - FY 2028, design and construction work is planned for Acorn No. 1, Derby, Scenic, Scenic East, Castenada No. 1 and No. 2, Glen, Mulholland No. 1 and No. 2, Grizzly, Castle Hill, Knife No. 1, Wiedemann No. 1, Crest, Hill Mutual, Madrone, Encinal, Swainland, Ridgewood, Arroyo, Carter, Dos Osos, Welle, Rolph, Ardith, Selby, Verde, Luzon, Tice, Reliez, City Line, Holly, and Woods reservoirs. Planning work to support upcoming projects will continue.

Award Purpose:

**Reservoirs - Supply**

Award Number:

7000068

Award Name:

**DAM OPERATIONAL UPGRADES**

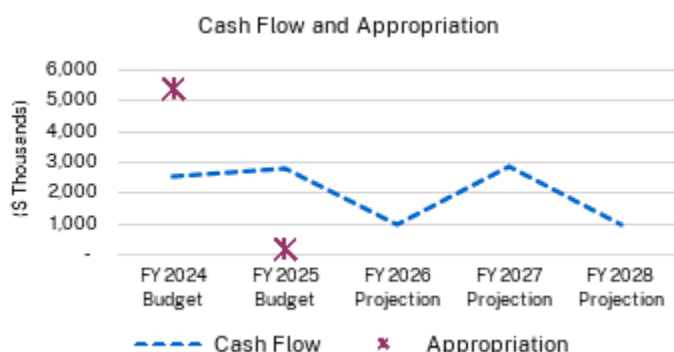
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2026

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	9,972	2,497	2,781	929	2,838	928
Appropriation	5,518	5,359	159			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project involves undertaking improvements to various dams and reservoirs to allow continued safe operation of the facilities. FY 2022 - FY 2023 accomplishments include: (1) dam breach analyses at Pardee and Camanche dams and dikes per the Federal Energy Regulatory Commission (FERC) requirements, (2) developing new inundation maps for the six non-jurisdictional open cut reservoirs (distribution system reservoirs) in the East Bay, (3) Unmanned Aerial Vehicle (UAV)-based spillway pilot studies and planning, (4) stilling basin cleaning and inspection, and (5) spillway drain inspections and evaluations.

FY 2024 - FY 2028 work includes: (1) developing new inundation maps for Pardee and Camanche dams and dikes in response to recommendations from the FERC 8th Part 12D inspection report, (2) lining and roof repairs at Lafayette and Dunsmuir Reservoirs, (3) implementing spillway activities such as installation of additional instrumentation and further non-destructive testing based on findings from pilot studies and evaluations, (4) terminal reservoir tunnel and outlet conduit inspections, and (5) risk evaluation studies, as part of an overall risk assessment of the District's dam facilities.

Award Purpose:

**Reservoirs - Supply**

Award Number:

7000131

Award Name:

**DAM SEISMIC UPGRADES**

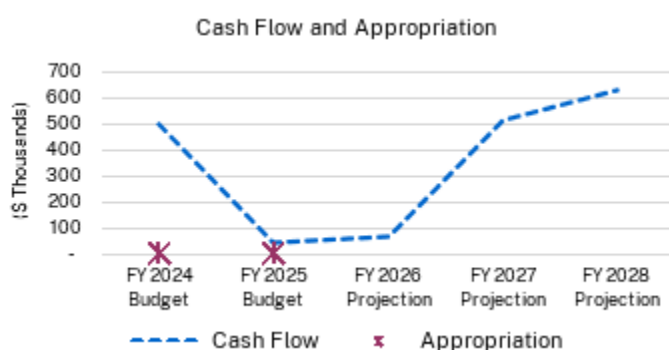
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2031

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,741	496	44	68	510	623
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project includes the seismic evaluation, design, and retrofit of the District's dams. FY 2022 - FY 2023 accomplishments include the evaluation and testing of the post-tensioned anchors at Pardee Spillway and starting a new cycle of review at the local reservoirs to account for accumulated changes in seismic evaluation standards.

FY 2024 - FY 2028 work includes (1) completing the seismic study of the Camanche spillway and outlet, Pardee Dam, and Pardee South Spillway, (2) seismic upgrades to the soils at the toe of Camanche Dam following FERC review, approval, and subsequent directive, (3) completing the current cycle of review at local reservoirs, (4) continued environmental mitigation for San Pablo Dam, and (5) responding to portions of the Federal Energy Regulatory Commission (FERC) Potential Failure Mode Analysis and Independent Consultant Safety Inspection.

Award Purpose:

**Reservoirs - Supply**

Award Number:

7000167

Award Name:

**DAM SURVEILLANCE IMPROVEMENTS**

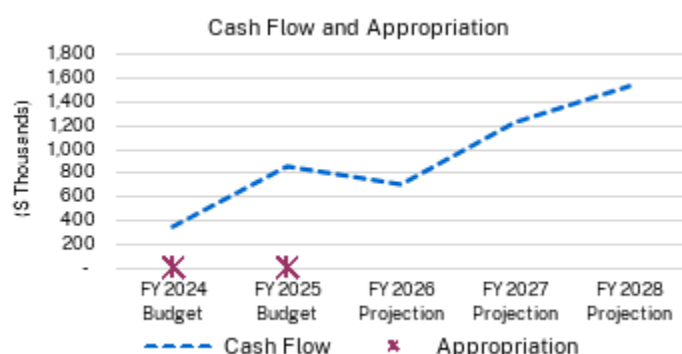
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2029

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	4,642	338	849	699	1,226	1,530
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The District regularly monitors the performance and safety of its dams with routine inspections and measurements using more than 2,000 instruments including: piezometers to measure water levels in the dams and foundations, seepage weirs and relief wells to measure flow through the dams and foundations, and survey instruments and markers to measure dam settlement and displacement, load cells to measure spillway crest tie-down loads, and seismographs to measure earthquake ground motions.

FY 2023 - FY 2028 work includes: 1) piezometer rehabilitation and upgrades at Camanche and Pardee reservoirs; 2) Hydrological Surveillance Improvements at Camanche and Pardee reservoirs, including design and construction of replacement field drains and flume (MD-SDS) downstream of Camanche Main Dam; 3) cleaning of the Camanche Dike 2 relief wells; 4) installation of seismographs at Lafayette Reservoir; 5) piezometer rehabilitation and upgrades at Briones Dam to replace failed pneumatic piezometers; 6) Briones Dam Left Abutment Drainage Tunnel cleaning, 7) instrumenting Upper San Leandro (USL) Clearwell underdrain with a Supervisory Control and Data Acquisition (SCADA) system; 8) operation and maintenance of an automated Global Positioning System (GPS) survey system at Camanche and Pardee Dams; 9) design and installation of automated GPS survey systems and remote-controlled high-resolution dam cameras at the Terminal Dams; and 10) design and implementation of an automatic data acquisition surveillance data and Geographic Information System (GIS)-based dam monitoring program for centralized assessment of dam surveillance parameters and allow for rapid and comprehensive safety evaluations following an extreme event.

Award Purpose:

**Reservoirs - Supply**

Award Number:

7000034

Award Name:

**RESERVOIR TOWER MODIFICATIONS**

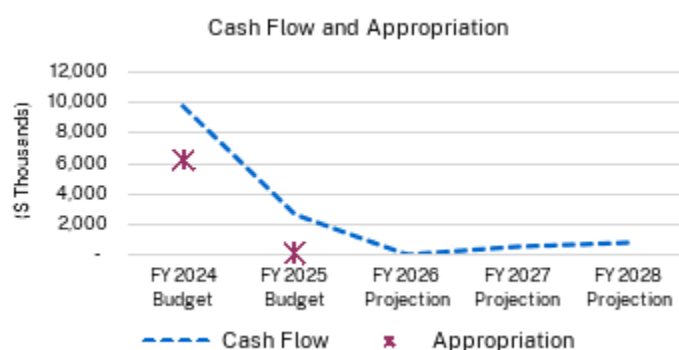
Lead Department:

Engineering &amp; Construction

In Service Date:

6/30/2024

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	13,470	9,731	2,546	-	450	742
Appropriation	6,151	6,151	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project includes the seismic evaluation, design, and retrofit of six reservoir towers: Pardee Reservoir and the five Terminal Reservoirs. The seismic evaluation of Pardee Tower identified leakage in Pardee Tunnel, which was inspected in FY18 and found to be in satisfactory condition. Retrofits to Chabot Tower were completed in FY18 as part of the Chabot Dam Seismic Upgrade Project. Retrofits to the Upper San Leandro and San Pablo Towers were completed in FY 2019. In FY 2023, the design of the Briones tower retrofit was completed, and the design of Lafayette Tower is underway.

FY 2024 - FY 2028 work includes: (1) construction of the Briones Tower retrofit, (2) design and construction of the Lafayette Tower retrofit, (3) design and construction of the Briones Tower isolation valve relocation, and (4) risk evaluation studies of towers, as part of an overall risk assessment of the District's dam facilities.

Award Purpose:

**Reservoirs - Supply**

Award Number:

7000225

Award Name:

**WATER SUPPLY MONITORING SYSTEM**

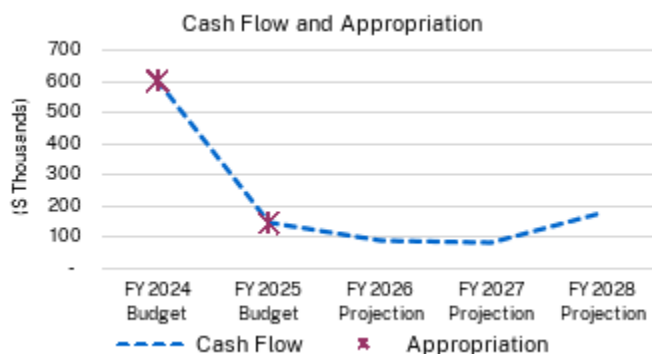
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,084	598	144	86	79	177
Appropriation	743	599	144			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides for the development and improvement of a system for monitoring the Mokelumne and East Bay watersheds for precipitation, diversion, water flow, and storage level. This monitoring system provides near real-time information for operation and forecasting plans. Work includes monitoring on the Upper Mokelumne, Lower Mokelumne, Pardee, Camanche and East Bay watersheds and reservoirs. FY 2024 - FY 2030 plans include AQPI X-Band radar installation support, bathymetric surveys of Chabot and Camanche reservoirs, equipment upgrades, telemetry upgrades, new monitoring stations, station rehabilitations and relocations, station safety improvements, time-series software upgrades, and improved flow measurement capabilities during high flow events.

Award Purpose:

**Supplemental Supply, Regional Agreements**

Award Number:

7000067

Award Name:

**GROUNDWATER RESOURCE DEVELOPMENT**

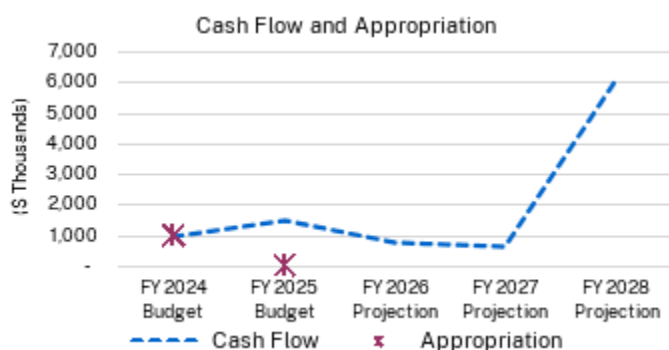
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	9,890	931	1,454	771	616	6,118
Appropriation	1,000	1,000	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	100%
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The District is actively investigating and developing groundwater resources through the Bayside program, the Demonstration Recharge Extraction and Aquifer Management (DREAM) pilot in San Joaquin County, and feasibility investigations into groundwater banking in Sacramento County. These groundwater programs and projects support the District's Strategic Plan goals for Long-Term Water Supply by providing supplemental water supply for droughts and emergencies, increasing adaptability to climate change by allowing storage of water when available. Funding in FY 2024 and FY 2025 is to abandon the Bayside well and monitoring wells on the Oro Loma property if the lease ends on 8/31/24. Funding for a new Bayside Phase 1 well on EBMUD's property is included in FY 2026 through FY 2033. This includes an environmental impact report (EIR), design and construction, and securing permitting and approvals to incorporate Bayside Phase 1 into the District's operations. Operation of the DREAM Pilot Project in San Joaquin County is included in FY 2024 through FY 2026. Investigation of potential groundwater banking in Sacramento County is included in FY 2024 through FY 2033. Discussions and negotiations of larger San Joaquin County groundwater banking project will occur in FY 2024 through FY 2027, and planning, design, and construction of the larger project will start in FY 2028 and is expected to be completed in FY 2033. Bayside Phase 2 is expected to begin after FY 2033.

Award Purpose:

**Supplemental Supply, Regional Agreements**

Award Number:

7000324

Award Name:

**IMPORTED WATER FACILITIES**

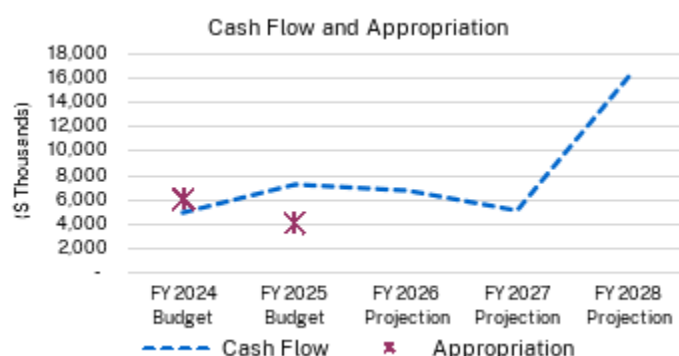
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	39,847	4,942	7,222	6,658	4,954	16,070
Appropriation	10,000	6,000	4,000			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	100%
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The District is evaluating potential participation in the proposed expansion of Los Vaqueros Reservoir with eight other water agencies. The project supports the District's Strategic Plan goals for Long-term Water Supply and Water Quality and Environmental Protection by providing supplemental water supply for droughts and emergencies, increasing adaptability to climate change by allowing storage of water when available, and making water supply available for wildlife refuges.

Funding in FY 2024 through FY 2030 includes planning and design of the expanded reservoir and associated facilities, design, and construction of variable frequency drives at the Walnut Creek Raw Water Pumping Plant (WC VFDs), which EBMUD will be reimbursed for with a \$23.7 million grant, and budget for staff to complete environmental work, secure a water supply, and negotiate with the Joint-Powers Authority. Most of the reservoir construction costs occur after FY 2026.



Award Purpose:

**Supplemental Supply, Regional Agreements**

Award Number:

7000076

Award Name:

**LOCAL REGIONAL PARTNERSHIPS**

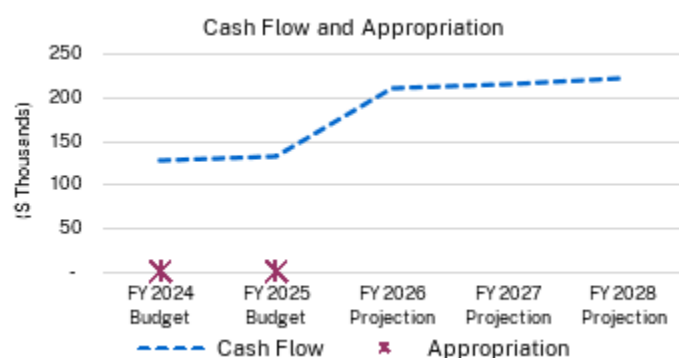
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	904	127	131	209	215	222
Appropriation	-	-	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

EBMUD, together with seven other Bay Area water agencies, formed the Bay Area Regional Reliability (BARR) Project to improve regional water reliability during droughts and emergencies. BARR supports the District's Strategic Plan goal for Long-Term Water Supply and meets the objective to integrate long-term water supply strategies and infrastructure planning efforts with regional partnerships.

Funding in FY 2024 through FY 2033 includes planning, design and construction for a drought mitigation measure project from the BARR Drought Contingency Plan or to develop a project based on recommendations from the Bay Area Shared Water Access Program (SWAP).

Award Purpose:

**Supplemental Supply, Regional Agreements**

Award Number:

7000314

Award Name:

**SGMA COMPLIANCE**

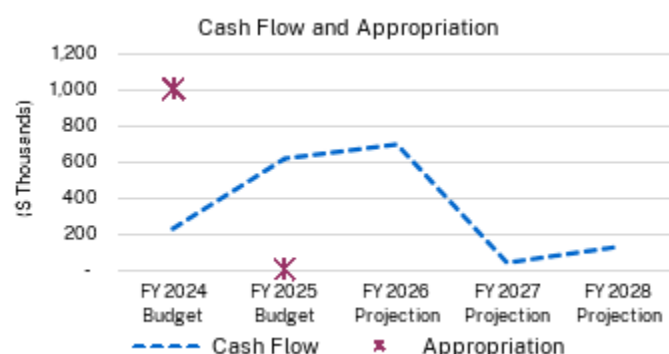
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,709	226	612	699	40	131
Appropriation	1,000	1,000	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

In 2016 under the Sustainable Groundwater Management Act (SGMA), the District and the City of Hayward (Hayward) became the Groundwater Sustainability Agencies (GSAs) for the portions of East Bay Plain Subbasin (Subbasin) that underlie their respective service areas. As GSAs, the District and Hayward are required to complete a Groundwater Sustainability Plan (GSP) for the Subbasin and implement associated management actions. The work supports the District's Strategic Plan goals for Water Quality and Environmental Protection and Long-term Water Supply by protecting the Sub-basin and integrating local groundwater into the District's water supplies.

Work is funded through a cost sharing agreement with Hayward and grants. Funding in FY 2024 through FY 2026 includes installing monitoring wells and stream gauges necessary to implement anticipated management actions. Funding in FY 2027 to FY 2033 includes additional updates to the GSP and anticipated needs to implement management actions.

Award Purpose:

**Supplemental Supply, Regional Agreements**

Award Number:

7100007

Award Name:

**WATER RIGHTS, LICENSES & PLANS**

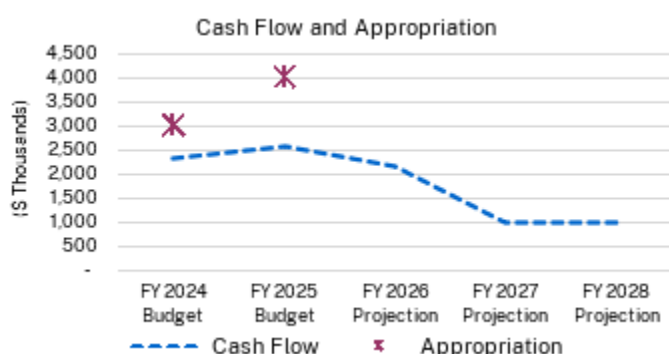
Lead Department:

Water Resources

In Service Date:

12/31/2032

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	9,020	2,312	2,548	2,160	1,000	1,000
Appropriation	7,000	3,000	4,000			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Urban Water Management Plan (UWMP) serves as the District's long-term water supply master plan, assessing supply and demand conditions, analyzing future water needs, and identifying capital projects that would improve water supply reliability in the Upper Mokelumne River Watershed and within the East Bay. Consulting services will be required to conduct probability-based approach to climate change impacts analysis, improve data and tools (i.e., software, machine learning tools, instrumentation) for the existing hydrologic model, feasibility analysis for reoperation, and data mining for census-based data in the service area.

The District's Federal Energy Regulatory Commission License 2916 is a major asset and is scheduled for renewal in March 2031. Renewal tasks may include investigating biological and cultural resources as well as public safety requirements. Consulting services are necessary to support required studies for the relicensing effort.

The District has water right entitlements that are associated with its major storage reservoirs and hydropower facilities. Tasks are related to assessments and improvements that would protect the value of this asset. Water rights related tasks to support specific capital projects are also part of this project such as Los Vaqueros Reservoir expansion, expansion of Demonstration Recharge Extraction and Aquifer Management project in San Joaquin and implementing terms of the Protest Dismissal Agreement for the Camanche Permit Extension.

The District also has a need to evaluate and review State and Federal modeling of proposed projects to protect existing assets (e.g., Freeport and water rights), and consulting services are necessary to augment existing staff expertise related to CALSIMII, CALSIM3, DSM2, SCHISM, and other large scale modeling applications in California.

Award Purpose:

**Supplemental Supply, Regional Agreements**

Award Number:

7000267

Award Name:

**WATER TRANSFERS**

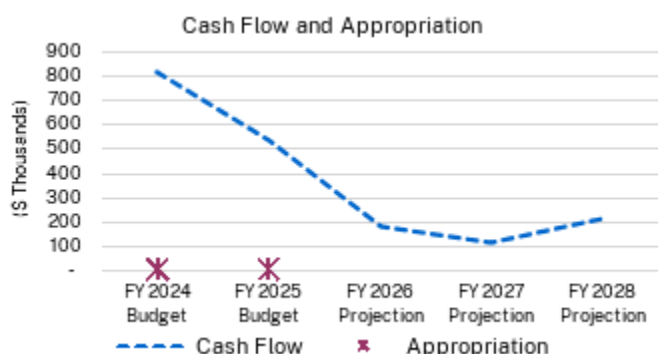
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,857	817	534	178	114	214
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project includes budget to develop and implement water transfer projects to provide dry year water for EBMUD in accordance with the District's Strategic Plan long-term water supply goal. Efforts funded include technical studies, environmental studies, and development of contracts with the Bureau of Reclamation and agreements with partner agencies. Water Transfers include a long-term water transfer project with Placer County Water Agency, two 5-year projects (through 2030) with Yuba Water Agency, and short/long term projects with Sycamore Mutual/Sac Valley Settlement Contractors.

Award Purpose:

**Sustainable Energy**

Award Number:

7000273

Award Name:

**ENHANCED POWER REVENUE**

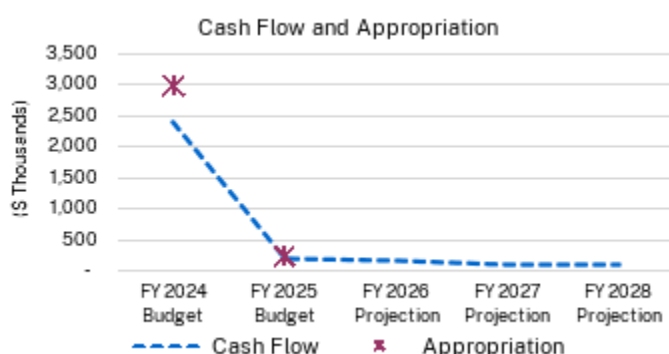
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,877	2,381	176	160	80	80
Appropriation	3,196	2,976	220			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides ongoing funding for the development of renewable generation projects or purchase of renewable energy to support the Energy Policy goal to reduce indirect greenhouse gas emissions to zero by 2030. The project also supports efforts to fund projects that directly reduce energy consumption and energy expenses.

Construction of the 5 MW Duffel photovoltaic project will be complete in FY 2024 and will begin saving the District approximately \$750,000 per year in energy purchases at various water distribution, treatment and possibly wastewater facilities. In support of the project Enhanced Power Revenue CIP will fund completion of the electrical interconnect to the grid, environmental mitigations measures, permitting fees and required impact measures, landscape screening, compliance oversight and reporting.

Award Purpose:

**Sustainable Energy**

Award Number:

7100006

Award Name:

**FSCC CAPITAL IMPROVEMENTS**

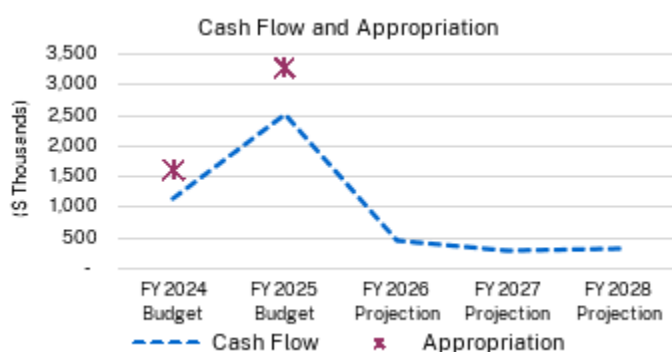
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	4,649	1,114	2,492	443	275	326
Appropriation	4,863	1,596	3,267			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides for replacement and improvements to Folsom South Canal Connection (FSCC) facilities and equipment.

FY 2024 - FY 2030 work includes improvements to the hypo and captor feed and storage systems; a study to evaluate invasive species treatment strategy; variable frequency drive (VFD) motor and programmable logic controller/human machine interface (PLC/HMI) upgrades, flowmeter replacement, and replacement of the backup generators.

Award Purpose:

**Sustainable Energy**

Award Number:

7000117

Award Name:

**POWERHOUSE IMPROVEMENTS**

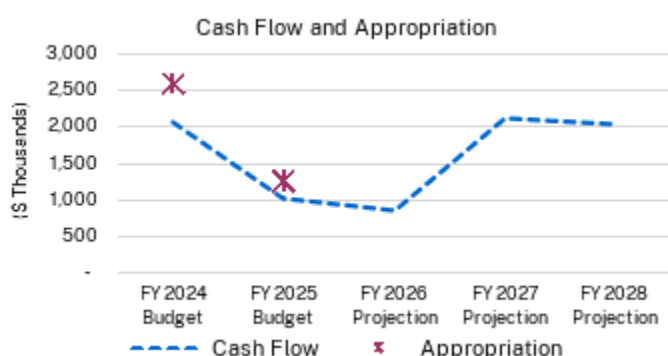
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	8,015	2,064	995	835	2,097	2,024
Appropriation	3,822	2,579	1,243			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides for replacement and improvements of electrical and mechanical equipment such as turbines, generators, breakers, protective relays, valves, pipeline, and conduits to ensure reliable power production, management of river flows, and remote operation and monitoring of critical systems.

FY 2024 - FY 2030 work consists of upgrading powerhouse controls and programmable logic controllers, overhauling turbines, high voltage circuit breaker and transformer replacement, security improvements and access road improvements.

Award Purpose:

**Vehicles, Equipment & Related Facilities**

Award Number:

7000066

Award Name:

**DIESEL ENGINE RETROFIT**

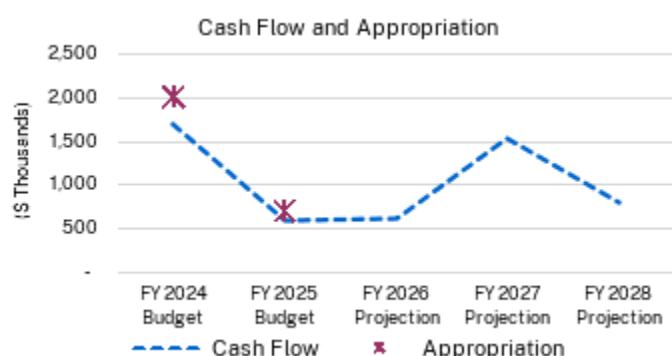
Lead Department:

Water Operations

In Service Date:

6/30/2028

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	5,218	1,680	582	619	1,536	802
Appropriation	2,700	2,000	700			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The California Air Resources Board (CARB) establishes and enforces regulations for air emissions. Fines and civil actions can result from noncompliance with established deadlines. These projects are required to comply with CARB.

This project will install Best Available Control Technology on off-road, on-road, portable and stationary diesel engines to comply with air quality regulations. All portable diesel engines greater than 50 horsepower must meet regulations for diesel particulate matter. Recent purchases included one 1500 kW portable generator and two portable pumps to help meet backup power requirements to address Pacific Gas & Electric (PG&E) Public Safety Power Shutoffs in response to severe weather.



Award Purpose:

**Vehicles, Equipment & Related Facilities**

Award Number:

7000023

Award Name:

**FLEET & EQUIPMENT ADDITIONS**

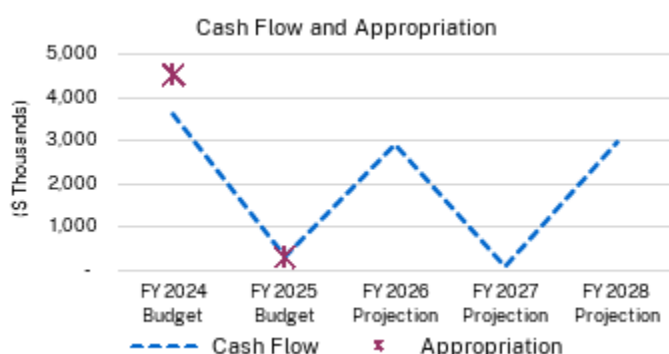
Lead Department:

Maintenance &amp; Construction Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	9,812	3,600	292	2,880	80	2,960
Appropriation	4,780	4,500	280			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This ongoing project serves to acquire additions to the fleet resulting from new positions that require a vehicle to perform necessary job responsibilities, or changing demands on the existing workforce and redirection of priorities. Vehicles and equipment includes backhoes, dump trucks, trailers, utility trucks, sedans or SUVs, saw trucks and water trucks.

In FY 2024 - FY 2025, necessary equipment will be purchased to outfit additional staff, including new Pipeline Rebuild crews, replace long-term leased vehicles, and decrease the reliance on contracting out.

Award Purpose:

**Vehicles, Equipment & Related Facilities**

Award Number:

7000022

Award Name:

**FLEET & EQUIPMENT REPLACEMENT & PURCHASES**

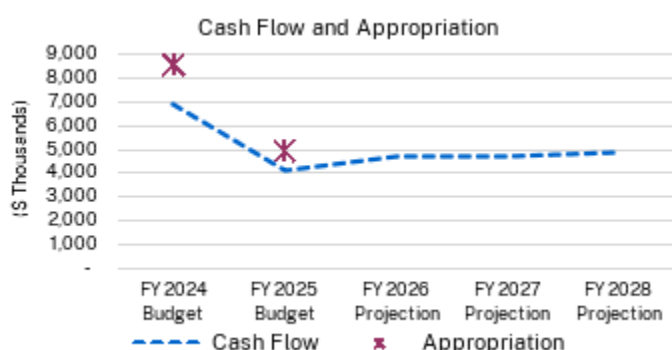
Lead Department:

Maintenance &amp; Construction Department

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	25,002	6,814	4,109	4,640	4,640	4,800
Appropriation	13,437	8,517	4,920			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	100%
<b>Total Funding Sources</b>	<b>100%</b>

The District's Vehicle Study indicates that the criteria used for evaluating replacement needs provides the best means of fleet management for replacing vehicles and equipment in a timely and cost effective manner.

In FY 2024 - FY 2025, 87 vehicles and pieces of equipment need to be replaced, including 28 construction trucks, 10 dump trucks, and 11 service/vector/utility trucks. In addition, 13 backhoes need to be replaced due to regulatory compliance requirements, and the California Air Resources Board requires 14 vehicles/equipment to be replaced as well. This award manages the replacement process for vehicles and equipment system-wide.

Award Purpose:

**Vehicles, Equipment & Related Facilities**

Award Number:

7000139

Award Name:

**FUEL FACILITY IMPROVEMENTS**

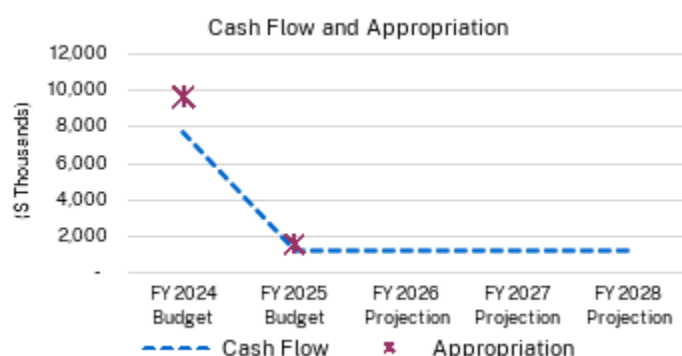
Lead Department:

Water Operations

In Service Date:

10/31/2026

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	12,380	7,700	1,200	1,160	1,160	1,160
Appropriation	11,125	9,625	1,500			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The California Air Resources Board (CARB) establishes and enforces regulations to reduce air pollutants. Fines and civil actions can result from noncompliance with established regulations and deadlines. This project is required to replace equipment that is at the end of its useful life and comply with CARB standards. Many of the fuel dispenser units and backup generator tanks are more than 30 years old and require frequent repairs.

This project includes planning, design, and construction to upgrade fueling facilities and backup generator tank systems. Improvements scheduled for FY 2024 - FY 2025 include replacing fuel dispensers at 20 sites, installing Enhanced Vapor Recovery Phase II equipment, and upgrading tank monitoring systems for aboveground and underground storage tanks.

Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000036

Award Name:

**DSRSD-EBMUD RECYCLED WATER AUTHORITY (DERWA)**

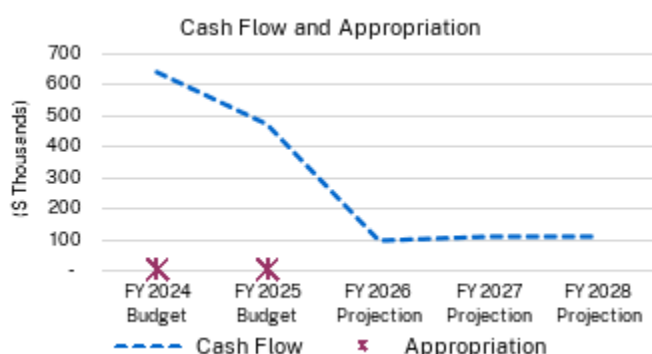
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,422	642	470	94	106	110
Appropriation	-	-	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

DSRSD-EBMUD Recycled Water Authority (DERWA) is a joint project with Dublin San Ramon Service District (DSRSD); Recycled water (from DSRSD) for landscape irrigation in San Ramon, Danville and Blackhawk. Includes DERWA capital projects identified in the DERWA capital budget that EBMUD pays a share of costs: treatment plant expansion, securing supplemental supplies including backup potable water from EBMUD Amador Pressure zone, local groundwater, and Livermore supplies, treatment plant replacement costs, and VFD and SCADA improvements. Supplemental supplies are anticipated to be secured by 2024. Treatment plant equipment replacement is on-going annually. Treatment plant expansion is anticipated post 2028 pending demand and supplemental supplies. DERWA supports the District's strategic planning goal of long-term water supply through water recycling.

Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000035

Award Name:

**EAST BAYSHORE**

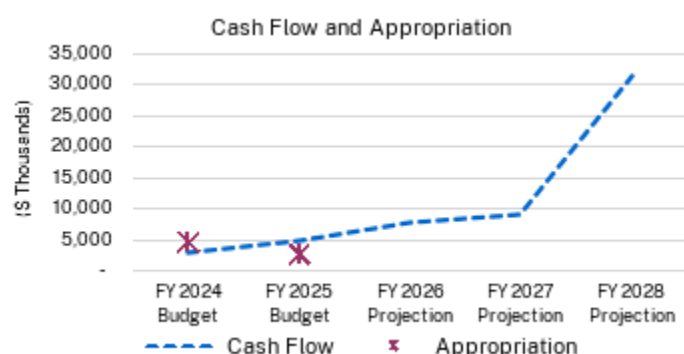
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	55,415	2,915	4,700	7,734	8,776	31,290
Appropriation	7,000	4,500	2,500			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	100%
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Phase 1A will provide up to 0.4 MGD to Emeryville and Oakland. Pipeline extension could be completed by FY 2026. A water quality improvements pilot will be conducted to develop design criteria and operations parameters for implementation in FY 2024 - FY 2025.

Phase 1B will add 0.25 MGD, for a total estimated supply of 0.65 MGD. Implementations are planned for completion in FY30-34. Phase 2, estimated at 1.7 MGD, is planned for implementation in FY35-40. Phase 2 will supply Alameda, Emeryville, Berkeley, and Oakland. The estuary crossing (slip-lining existing pipe) will be completed in FY 2025 - FY 2030. The rest of the facilities will be completed by FY40 that includes pipelines, treatment expansion, a possible booster pump station, and customer retrofits.

Funding is also included for routine O&M and microfiltration membranes replacements that take place every 5-7 years. EBRWP supports the District's Strategic Plan goal of Long-term Water Supply through water recycling.

Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000315

Award Name:

**NORTH RICHMOND WATER RECYCLING PLANT (NRWRP)**

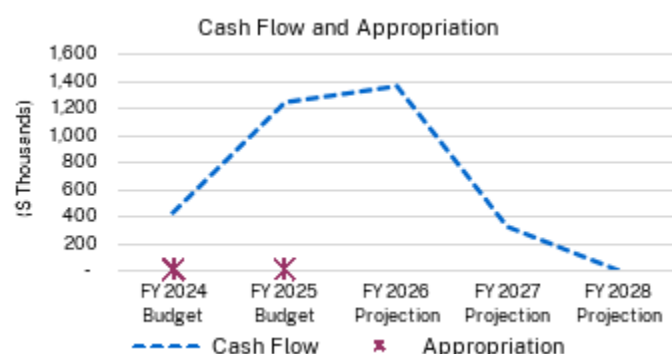
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	3,334	426	1,234	1,355	320	-
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The North Richmond Water Recycling Plant (NRWRP) provides advanced treatment to wastewater effluent from West County Wastewater District. Some of the recycled water produced at NRWRP is further treated in the Richmond Advanced Recycled Expansion (RARE) Water Project, which is a separate award. The bulk of NRWRP water is used for Chevron refinery's cooling towers. NRWRP improvements include chemical feed pump replacements, pneumatic valves upgrades, clarifier and thickener drive replacements, process water pipe replacements, and other improvements in FY 2024 - FY 2027.

Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000098

Award Name:

**NORTH RICHMOND WATER RECYCLING PLANT (NRWRP) ROUTINE CAPITAL MAINTENANCE**

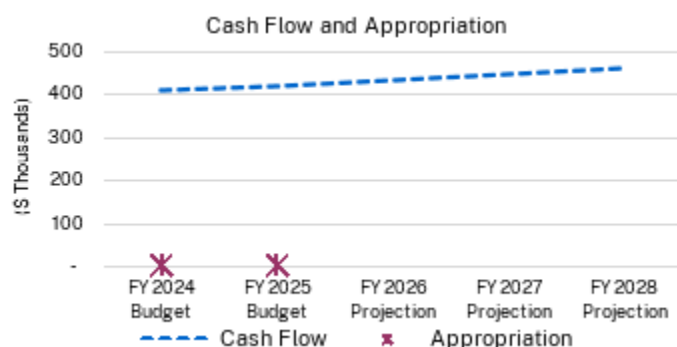
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,166	408	420	433	446	459
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project is required to meet the District's contractual obligations to provide recycled water to the Chevron Richmond refinery. In addition, this project helps the District to meet its water recycling goal of providing 20 MGD of recycled water by the year 2040 and supports the Strategic Plan goal of Long-term Water Supply. The North Richmond Water Recycling Plant (NRWRP) provides advanced treatment to wastewater effluent from West County Wastewater District. Some of the recycled water produced at NRWRP is further treated in the Richmond Advanced Recycled Expansion (RARE) Water Project, which is a separate award. The bulk of NRWRP water is used for Chevron refinery's cooling towers.

This project includes upgrades at the NRWRP that are needed to maintain the facility and continue to meet the District's contractual obligations to the Chevron Richmond refinery. In FY 2024 - FY 2028, this project will rehabilitate or upgrade various equipment at the NRWRP to prevent equipment failures and process interruptions. Work includes sodium hypochlorite and sulfuric acid feed pump drive replacement, evaluation of main process pneumatic valves to determine fail open/closed status during a power outage to prevent spills and maintain regulatory compliance, clarifier and solid handling thickener drives replacement, sludge thickener tanks re-coating and piping modifications for proper tank drawdown, replacement of corroded process pipes, and demolition of abandoned facilities and equipment.

Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000160

Award Name:

**RICHMOND ADVANCED RECYCLING EXPANSION (RARE) - CHEVRON FUNDED**

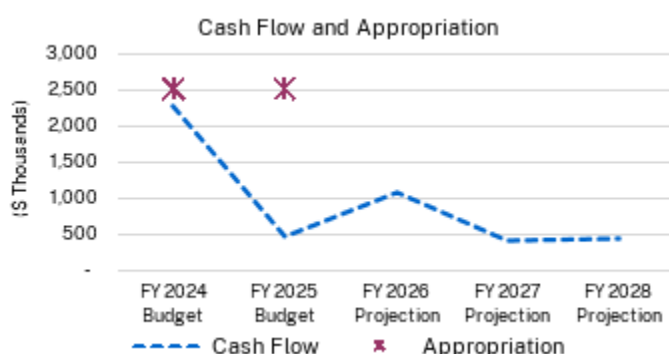
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	4,649	2,255	470	1,081	405	438
Appropriation	5,000	2,500	2,500			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	100%
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Capital improvements for the Phase 1 Richmond Advanced Recycled Expansion (RARE) Water Project which provides 3.5 MGD of recycled water to Chevron for boiler feedwater applications to conserve the use of potable water. In FY 2024 and beyond, equipment will be replaced at the RARE including the microfiltration modules, instruments and analyzers, and reverse osmosis membranes. These replacements are to be funded by Chevron per existing contract. RARE supports the District's Strategic Plan goal of Long-term Water Supply through water recycling.



Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000238

Award Name:

**RICHMOND ADVANCED RECYCLING EXPANSION (RARE) - EBMUD FUNDED**

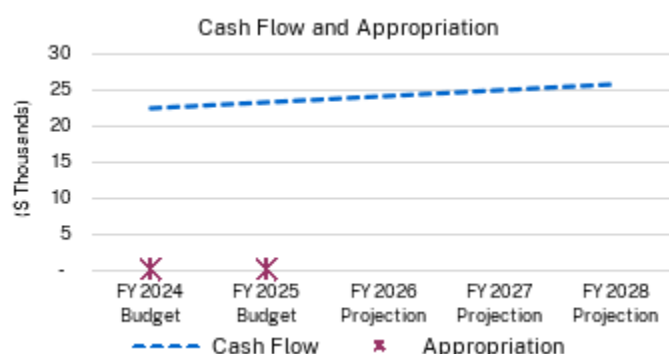
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	120	22	23	24	25	26
Appropriation	-	-	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	100%
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Project management and planning for implementation of future phases/expansion of the Richmond Advanced Recycled Expansion (RARE) Water Project. This award also includes design and construction of future expansions of the RARE treatment plant up to 5.0 MGD beyond FY 2033. RARE supports the District's strategic planning goal of long-term water supply through water recycling.

Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000071

Award Name:

**SAN RAMON VALLEY RECYCLED WATER**

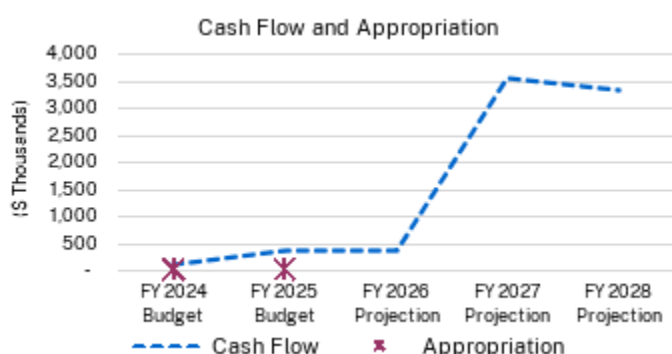
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	7,662	86	353	363	3,539	3,320
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	100%
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

EBMUD, together with seven other Bay Area water agencies, formed the Bay Area Regional Reliability (BARR) Project to improve regional water reliability during droughts and emergencies. BARR supports the District's Strategic Plan goal for Long-Term Water Supply and meets the objective to integrate long-term water supply strategies and infrastructure planning efforts with regional partnerships.

Funding in FY 2024 through FY 2033 includes planning, design and construction for a drought mitigation measure project from the BARR Drought Contingency Plan or to develop a project based on recommendations from the Bay Area Shared Water Access Program (SWAP).

Planning, CEQA and property purchase of Pump Station R3000 was completed in FY 2019. Design for Pump Station R3000 is anticipated to begin in FY 2025 with construction completion in FY 2027 - FY 2028. Design for Phases 3A, 3B, is anticipated for FY 2027 - FY 2028 with construction in FY 2029 - FY 2030. Phase 3 site retrofits will be completed from FY 2029 - FY 2030.

Phase 5 (Blackhawk West) is anticipated to be completed in FY 2033. The Pump Station R4000 and pipelines in Blackhawk will be completed FY 2036.

These projects are needed to meet the District's Strategic Plan goal of Long-term Water Supply through water recycling.

Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000306

Award Name:

**WATER CONSERVATION SERVICES**

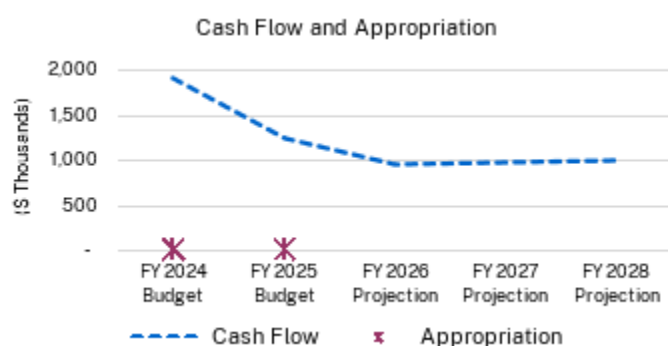
Lead Department:

Customer &amp; Community Services

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	6,061	1,904	1,236	954	973	994
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	95%
Equipment Replacement Fund	
Grants	5%
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

As part of the 2050 Demand Study, the District's water conservation goal was increased to achieve 70 million gallons per day of water conservation by the year 2050. This award covers implementation of activities to help meet that goal and to comply with state water use efficiency regulations. The Water Conservation Strategic Plan update completed in FY 2021 provides a roadmap for meeting this target.

Over the next five years, the Water Conservation Program will continue to offer rebates, incentives, educational programs, and water management tools to help customers use water efficiently. The rebate program will continue to support landscape transformations to reduce outdoor water use. Educational programming includes the WaterSmart Gardener program and K-12 educational initiatives. Another important component of the program will be expanding the District's software capabilities to offer improved tools like a customer facing web portal, home water reports, water budgets, and leak alerts. The District is also developing several new conservation initiatives specifically intended to help low income customers save water. The District is also participating in a Proposition 1 Regional Water Conservation grant that funds rebates, training, and other activities.

An important driver for the program will be compliance with the State's new Long Term Water Use Efficiency framework. These new regulations will require the District to calculate and meet an annual water use objective based on use by residential customers and dedicated irrigation meters as well as water loss. The regulations will also require the District to implement and report on best management practices for the commercial, industrial, and institutional sector.

Award Purpose:

**Water Recycling & Conservation**

Award Number:

7000246

Award Name:

**WATER RECYCLING PLANNING**

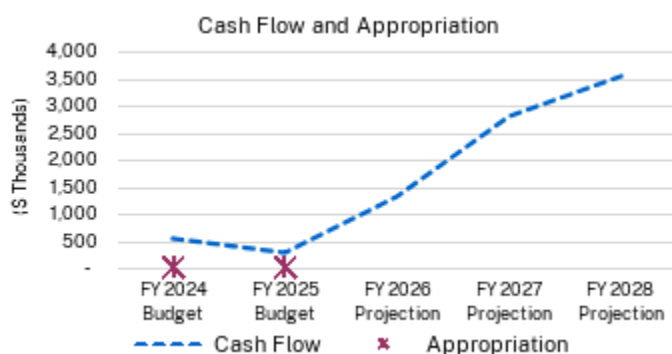
Lead Department:

Water Resources

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	8,492	528	286	1,320	2,807	3,551
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	100%
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This award includes (1) updating the Recycled Water Master Plan every 5 years; (2) coordinating the implementation of customer satellite treatment plants including potential projects at the Diablo Country Club, Sequoyah Country Club, and Rossmoor Community; (3) further evaluation and implementation of the first phase of the Phillips 66 recycled water project in Rodeo; (4) rehabilitation of the San Leandro pump station project; (5) evaluation and development of potential recycled water opportunities in Contra Costa County in the long term; and (6) expansion of the recycled water truck program. These projects support the District's Strategic Plan goal of Long-term Water Supply through water recycling.

Award Purpose:

**Water Treatment**

Award Number:

7000299

Award Name:

**PARDEE CENTER CAPITAL MAINTENANCE & IMPROVEMENTS**

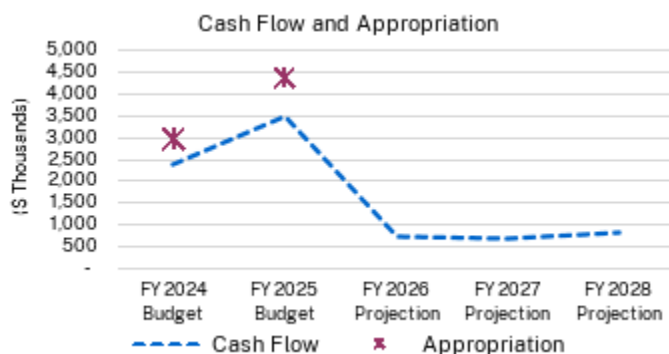
Lead Department:

Water Operations

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	8,031	2,353	3,482	720	662	814
Appropriation	7,293	2,940	4,353			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project provides for replacement and improvements to the Pardee Center Wastewater Treatment Plant, office and lodging buildings and grounds, roads, conference center, and power poles to ensure safe and reliable systems that comply with operational and regulatory requirements.

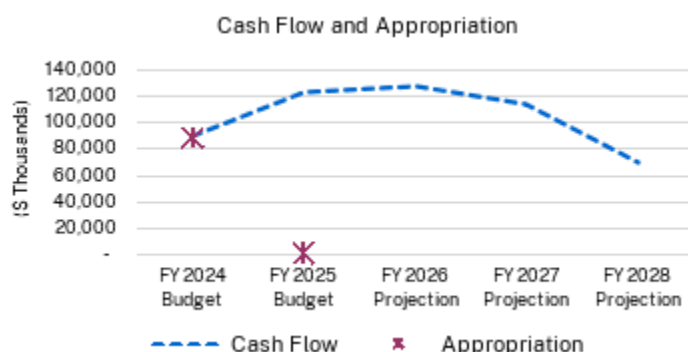
FY 2024 - FY 2030 work includes replacement of power poles, replacement of HVAC systems, renovations of crew office facilities and lodging facilities, siding and roof replacements, paving, and security improvements.

*Award Purpose:***Water Treatment***Award Number:*

7000090

*Award Name:***TREATMENT PLANT UPGRADES***Lead Department:***Engineering & Construction***In Service Date:***6/30/2034**

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	520,817	89,215	122,598	127,394	112,664	68,946
Appropriation	87,953	87,953	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

FY 2023 work included construction of the San Pablo Reservoir Hypolimnetic Oxygenation System (HOS), Orinda Water Treatment Plant (WTP) Disinfection and Chemical Safety System Improvements Project, start of construction of the Upper San Leandro (USL) WTP Maintenance and Reliability and USL and Sobrante Chemical Safety System Improvements Project, the USL Control System Improvements Project, and the completion of construction of the Orinda WTP Scouring Air and Maintenance Improvements Project and the Sobrante Maintenance Safety Improvements Project.

FY 2024 - FY 2025 work includes construction of Orinda WTP Disinfection and the Chemical Safety System Improvements Project, USL WTP Maintenance and Reliability and USL and Sobrante Chemical Safety System Improvements projects, USL WTP control system modernization, and San Pablo Reservoir HOS; design and start of construction of Walnut Creek (WC) WTP Filters Upgrade Project, Lafayette WTP Interim Improvements Project, Walnut Creek WTP and Lafayette Chemical Safety Systems Project, and Lafayette Control Systems Improvements Project; California Environmental Quality Act (CEQA) and Planning for WC WTP pretreatment and ozone and Briones and Pardee reservoirs water quality improvements. Pre-design for the Walnut Creek WTP Pretreatment and Ozone Project will also begin.

FY 2026 - FY 2028 work includes construction of the WC WTP Pretreatment and Ozone Improvements Project and design of Sobrante WTP Maintenance and Improvements Projects.

*Award Purpose:***Water Treatment***Award Number:*

7000197

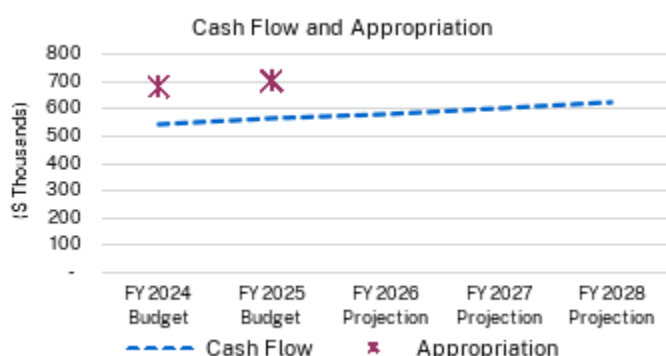
*Award Name:***WATER TREATMENT PLANT CAPITAL IMPROVEMENTS***Lead Department:*

Water Operations

*In Service Date:*

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	2,895	540	559	578	598	619
Appropriation	1,374	675	699			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Water Treatment Plants (WTPs) are structures that improve the quality of water to make it appropriate for distribution in our public water system. Currently, the District has treatment plants in Orinda, Walnut Creek, Lafayette, Upper San Leandro, El Sobrante, and San Pablo.

Each year various improvements and modifications to existing WTPs are required. Most involve equipment or structural problems impacting facility integrity, or health and safety issues. Upcoming work includes replacement of new filter valves at Orinda WTP, new radar level sensors for all filters at Orinda WTP, new free ammonia analyzers at all WTPs, purchase of new variable frequency drive controllers at various WTPs, new lift station pumps at various WTPs and various paving jobs at all WTPs. Any emergency that requires immediate replacement of WTP equipment is also included.

Award Purpose:

**Water Contingency**

Award Number:

7000355

Award Name:

**CONTINGENCY GENERAL - WATER**

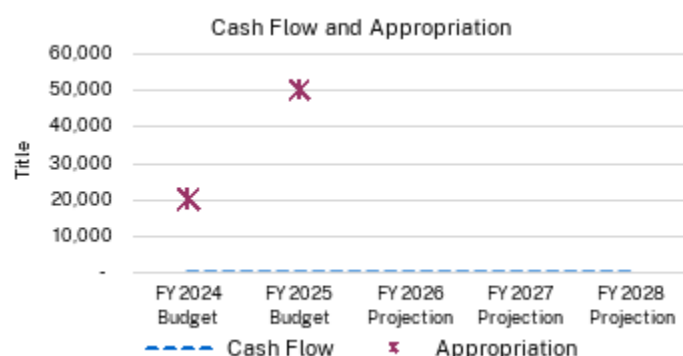
Lead Department:

Finance

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	-	-	-	-	-	-
Appropriation	70,000	20,000	50,000			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This Award is required to ensure timely response to unanticipated critical work, as well as specific projects that are contingent upon the receipt of grants or other outside funding. Rapid response is critical for maintaining regulatory compliance, public safety, employee safety or addressing other unanticipated essential needs. As the Capital Improvement Program grows, the Contingency appropriation is growing to accommodate potential cost changes as well as provide for opportunities to reinvest in infrastructure when awarded funding from external parties. The Contingency Award is only intended to provide appropriations to existing Awards approved by the Board in the event of material unexpected cost increases or due to unexpected emergencies, without requiring the Board amend the budget, and without each Award incurring its own contingency, which could significantly increase overall capital appropriations. The Contingency Award does not incur costs directly.

Transfers of these contingency Appropriations are uncommon. Costs that significantly exceed budgeted expectations are reported to the Board under existing policies. Transfers out of the Capital Contingency Awards are approved by the Director of Finance and the General Manager is informed when the amount is greater than \$2.5 million.



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**EBMUD Fact:**

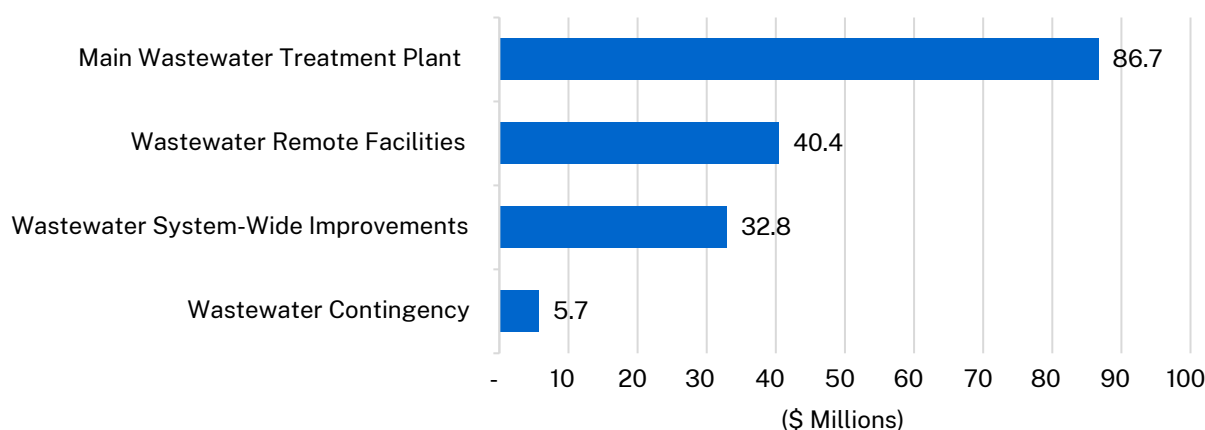
EBMUD's Customer Assistance Program, which provides discounts on water and wastewater services to households in need, was established in 1987.

## Wastewater System

### Appropriations Overview

The Wastewater System's FY 2024 capital appropriation will increase by \$31.6 million or 58.4 percent from FY 2023. In FY 2025, the appropriation increases an additional \$1.6 million, or 1.8 percent, from FY 2024. The first year's increase aligns with the CIP's increasing size and scope and is particularly elevated due to multi-year contracts that will be advertised for bid in FY 2024, while the work will be completed in FY 2025 or later. Appropriations for multi-year contracts are appropriated at once to ensure funds are available when contracts are awarded. While the second year's appropriations are nearly flat, the capital work appropriated for in FY 2024 will continue into future years.

*Wastewater System Appropriations by Award Purpose for FY 2024 & FY 2025*



Appropriations shown by Award Purpose excludes capital support as it is not for a specific Award Purpose and instead is part of all Award Purposes.

## Cash Flow Overview

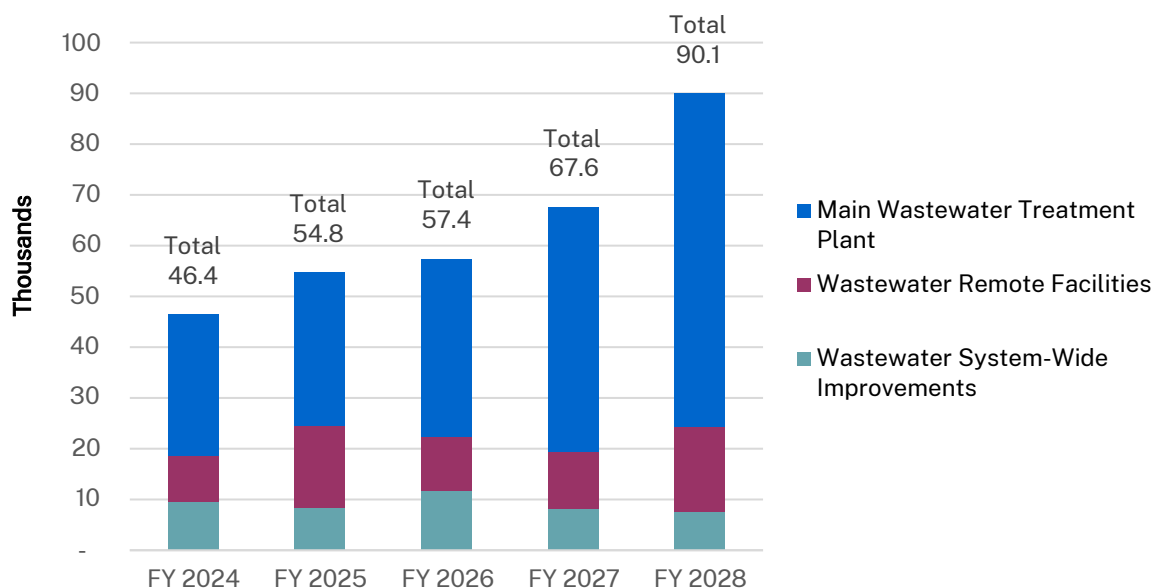
### Overview

The FY 2024 – FY 2028 CIP is supported by capital cash flows that incorporate the following changes from previous CIP development processes:

- Cash flows are reported in the budget for five years, but this year there was an increased focus on the full 10-year projection of expenses. Forecasting out-years allows management and project managers to anticipate the funding needs for critical infrastructure initiatives. This is especially true as some key capital work will not be completed in the five-year horizon, so a longer-term scenario allows greater insight into needs. The longer-term outlook for rates increases also becomes clearer by extending the projection window.
- Multiple scenarios, with varied cash flow projections and associated rate increases, were developed to represent a projection of the annual costs of the CIP for long-term projects. This allowed for experimentation in the development phase with different approaches to completing a vast amount of critical infrastructure improvements. In most cases projects were deferred, as opposed to changed in their scope or canceled.

The following chart shows the system's total five-year capital cash flow by Award Purpose.

*Wastewater System Budgeted Cash Flows Five-Year Summary (Excluding Capital Support)*



Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000330

Award Name:

**PRELIMINARY TREATMENT**

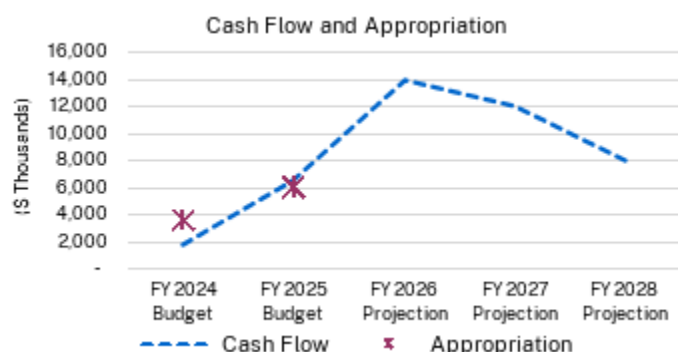
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	42,083	1,763	6,482	13,891	11,962	7,984
Appropriation	9,494	3,494	6,000			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Preliminary Treatment refers to all processes for wastewater following entrance to the Main Wastewater Treatment Plant (MWWTP) and leading up to Primary Treatment. This includes coarse screening, pumping, fine screening, and grit removal. Preliminary Treatment structures and equipment are critical for bringing wastewater into and through the MWWTP. Screening and grit removal provide the rapid removal of large, abrasive contaminants such as trash and pebbles. Removal of these contaminants at the start of treatment protects all downstream equipment.

The major task in this project is the Influent Pump Station (IPS) Resiliency Project, which will address mechanical, electrical, and seismic needs of the IPS. The IPS is a four-story building built in 1950 through which all wastewater must pass. Much of the equipment in the IPS was last replaced in the early 1990s. Given that the Influent Pump Station cannot be taken offline, extensive study is being conducted to carefully sequence this work. Design work will continue through FY 2025, and construction will ramp up in FY 2026. Electrical improvements will also be made for operational flexibility during unplanned outages and to facilitate equipment maintenance. Another task in this award is replacement of grit dewatering equipment and piping. That task will be in design through FY 2026 and in construction beginning in FY 2027.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000331

Award Name:

**PRIMARY TREATMENT**

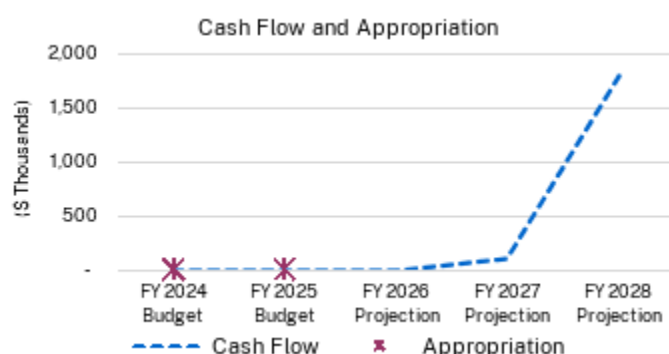
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	1,878	-	-	-	96	1,782
Appropriation	-	-	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project includes the final phase of concrete rehabilitation for the Primary Sedimentation Tanks (PST) followed by seismic retrofits. The rehabilitation work includes replacing three primary influent channel control gates (large rectangular butterfly valves); and rehabilitating and coating concrete roof and walls in the influent channel adjacent to the gates, and in upstream areas that were not addressed in previous phases. The PST will be seismically retrofitted beginning in FY 2028. Phase 1 will address the Influent Channels and gallery and the Vortex Grit tanks. It will feature additions to the corner pile foundation. Phase 2 will follow and will encompass tanks 1-10 and the adjoining influent channels and gallery and effluent channel. The project will include relocating the Blower Building, retrofitting the influent channel and gallery joints at various locations, strengthening the south wall of the influent channel and gallery, strengthening or bracing tank walls, strengthening the roof slab of the effluent channel and its connection to the sed tanks, and adding exterior pile foundations at four expansion joints.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000332

Award Name:

**SECONDARY TREATMENT**

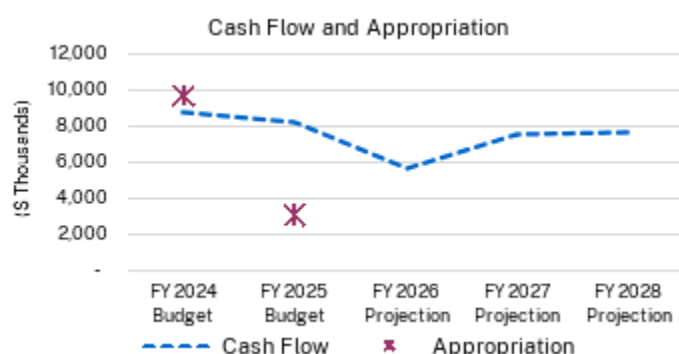
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	37,663	8,772	8,212	5,588	7,521	7,570
Appropriation	12,647	9,635	3,012			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Major project tasks are to rehabilitate the Oxygen Production Plant, Reactors, and Secondary Clarifiers in multiple phases to keep some units in service while the others are rehabilitated. Rehabilitation of the Oxygen Production Plant includes upgrading the control system, which is over 40 years old. Construction on this task will continue through FY 25. Rehabilitation of the Oxygen Reactors includes concrete resurfacing of interior walls and columns, coating of the roof slabs, strengthening the interior support columns, recoating or replacing sections of piping, and refurbishing the aerator gear boxes. The first phase will be complete in FY 2024, and subsequent phases are scheduled immediately after. Rehabilitation of the Secondary Clarifiers includes concrete work, replacement of the clarifier mechanisms, resurfacing or replacing other mechanical components, and replacing the baffles to improve performance.



Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000333

Award Name:

**POWER GENERATION AND BIOGAS**

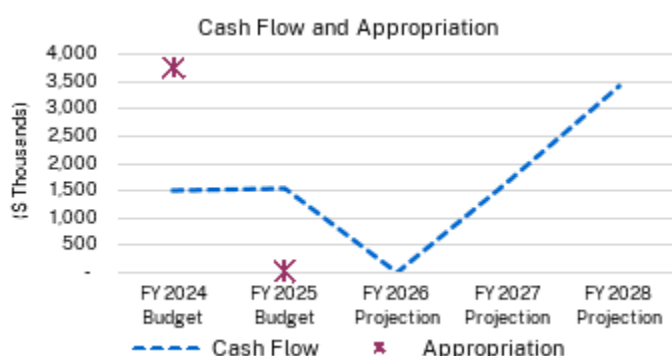
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	8,013	1,470	1,514	-	1,643	3,386
Appropriation	3,730	3,730	-			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Power Generation Station (PGS) and biogas system provides a means to utilize biogas produced in the digesters to generate renewable electricity and produce heat for the digesters. Maintaining these aging facilities provides a source of renewable electricity and reduces the need to flare biogas.

This project will rehabilitate and maintain the biogas and power generation equipment, flares, piping, and related components to maximize renewable energy generation and minimize flaring of biogas in a safe manner. Much of PGS and the biogas piping were installed in the 1980s, and the newer components, the turbine, support equipment, and piping, are sensitive to adverse conditions and require more maintenance attention to prevent downtime. This project is intended to minimize downtime by increasing reliability of the power generation components in both normal operation and during grid power outages to improve overall plant reliability. PGS Reliability Improvements Phase 3 is ongoing with construction planned to extend through FY 2025. Phase 4 will begin in FY 2027.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000334

Award Name:

**EFFLUENT DISCHARGE**

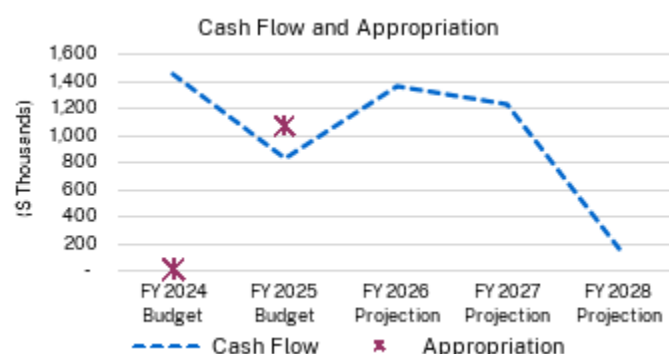
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	4,999	1,440	824	1,358	1,224	153
Appropriation	1,060	-	1,060			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project will maintain and upgrade infrastructure necessary for disinfection and dechlorination of Main Wastewater Treatment Plant (MWWTP) effluent and conveyance to its final discharge in the San Francisco Bay. This infrastructure is critical for meeting strict permit requirements and for maintaining flow-through capacity at the MWWTP.

As the final stage of liquid-stream treatment at the MWWTP, treated wastewater is dosed with chlorine (or sodium hypochlorite) and conveyed through the 9,000-foot-long land section of the effluent outfall pipe to the Dechlorination Facility. At the Dechlorination Facility, sodium bisulfite is added to react with any remaining chlorine, and water quality samples are collected to ensure a chlorine-free discharge to the San Francisco Bay. The final conveyance is through 7,500-foot-long section of subaqueous outfall pipe. Tasks over the next five years include rehabilitation and improvements to the Dechlorination Facility. Seismic improvement projects are also planned for the Effluent Pump Station and the outfall beginning in FY 2028.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000335

Award Name:

**NUTRIENTS**

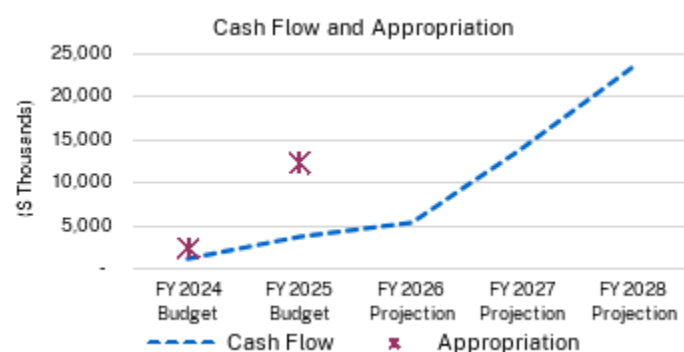
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	47,451	1,028	3,576	5,355	13,991	23,501
Appropriation	14,502	2,270	12,232			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

A nutrient load cap for nitrogen is anticipated in the upcoming San Francisco Regional Water Quality Control Board Watershed Permit, expected in 2024, which will require the District to meet stricter effluent limits for nitrogen.

The current nutrient watershed permit will expire in mid-2024, and the next five-year permit is expected to impose a nutrient discharge load cap. To meet this effluent load cap, it is expected that the District will be required to implement a process to treat high ammonia in the centrate generated in the dewatering process. However, other studies are planned to determine the feasibility of other nutrient reduction improvements that can be made with existing facilities at the Main Wastewater Treatment Plant (MWWTP). These studies will include pilot and full-scale testing to evaluate sidestream nutrient treatment/recovery technologies and explore innovative approaches to nitrogen reduction.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000336

Award Name:

**RESOURCE RECOVERY**

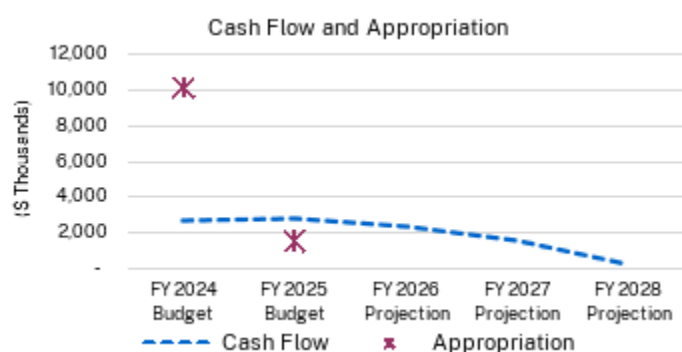
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	9,369	2,592	2,794	2,273	1,562	148
Appropriation	11,527	10,046	1,480			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

Trucked waste provides additional feedstock to produce biogas, and revenue for the Wastewater Department. This project aims to rehabilitate and upgrade facilities associated with trucked waste receiving from the Resource Recovery Program.

An initial project task is to implement odor control improvements that include a new three-stage treatment system serving the Fats, Oils, and Grease (FOG) and High Strength Waste (HSL) receiving stations and blend tanks. This project also involves safety improvements and improved drainage to prevent odors and plugging of drains. This project is underway and will be in construction through FY 2027. Beginning in FY 2028, a new degritting facility will be constructed for trucked waste. The facility concept was based on successful pilot testing and involves design and construction of a new building and hydrocyclone-classifiers, a local odor control unit, pumps, and associated piping.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000337

Award Name:

**DIGESTERS**

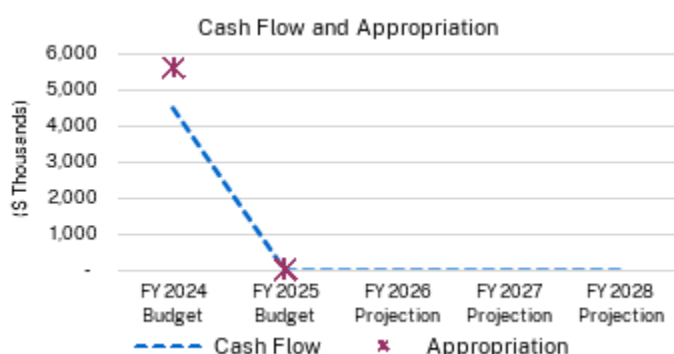
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	4,480	4,480	-	-	-	-
Appropriation	5,600	5,600	-	-	-	-



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The District has eleven digesters, two blend tanks, and numerous pieces of support equipment including pumps, mixers, heat exchangers, and biogas storage covers that work together to provide the appropriate conditions to convert sludge from the wastewater treatment process and trucked high strength waste into biogas and biosolids fit for beneficial use. The digester system operates at an elevated temperature and can include abrasive and damaging materials from sludge and high strength wastes, which result in the need for capital improvements. In recent years, the digesters have been upgraded with improved covers and mixers. Under Phase 3 of the upgrades, two digesters are scheduled for new covers and mixing systems with construction having begun in FY 2021. These digesters will also be seismically retrofitted to prevent catastrophic collapse in the event of an earthquake. Construction will be completed in FY 2024. Phase 4 of the work to complete the remaining upgrades to the three oldest digesters is planned to start in FY 2031.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000338

Award Name:

**DEWATERING**

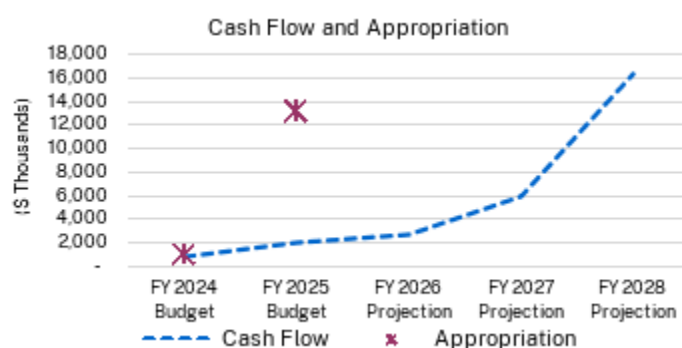
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	27,473	800	1,978	2,631	5,857	16,207
Appropriation	14,082	1,000	13,082			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The Dewatering Building requires significant improvements to remedy a myriad of issues related to this aging facility and equipment. It is critical to maintain and upgrade the solids dewatering process at the Main Wastewater Treatment Plant (MWWTP), which is necessary to produce beneficial use biosolids from the wastewater treatment process.

Replacement of the Dewatering Building is one of the largest projects in the Wastewater Department Capital Improvement Program. In recent years the dewatering process has required a great deal of staff time due to aging equipment, limited capacity, and impacts from Resource Recovery trucked wastes. The New Dewatering Building will replace the existing building and include new feed pumps, dewatering equipment, cake storage hoppers, polymer feed equipment, and odor control facilities, all designed to meet the latest seismic codes. In FY 2024, the planning phase of the new Dewatering Building will continue, followed in FY 2025 by design, which is expected to take two years. The construction phase is expected to take five years, with completion scheduled for FY 2031. The existing Dewatering Building will continue to be used for the secondary solids thickening process, and improvements will be made including upgrades to the building's odor control system and seismic retrofits to protect life safety.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000339

Award Name:

**ELECTRICALS & CONTROLS**

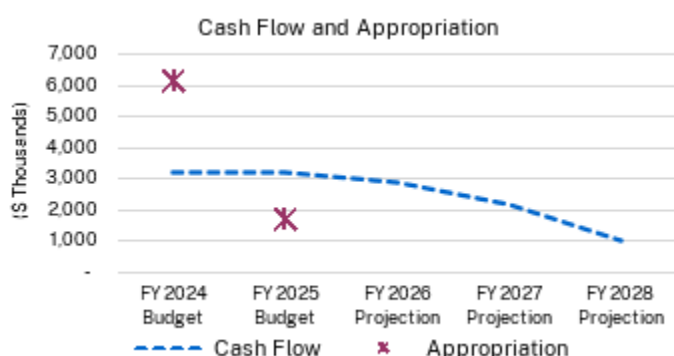
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	12,362	3,196	3,148	2,877	2,150	990
Appropriation	7,804	6,100	1,704			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

The power distribution system is critical to operating all equipment at the Main Wastewater Treatment Plant (MWWTP). The distributed control system is critical to process optimization. This project will replace aging equipment and improve the seismic performance and reliability of the electrical power distribution and control systems to prevent outages and support business continuity.

Within the five-year CIP, the second phase of seismic improvements will be conducted for the electrical system at the MWWTP. That work will address reliability needs following completion of an Electrical Master Plan in FY 2024. Other work in this award includes replacements of computers and servers, which typically need replacement at five-year intervals. These will include operations and engineering workstations, servers, network equipment, and associated software. Also within this award is the replacement of several large variable frequency drives (VFD) greater than 100 hp that have reached the end of their useful service life.

Award Purpose:

**Main Wastewater Treatment Plant**

Award Number:

7000340

Award Name:

**UTILITIES & SITEWORK**

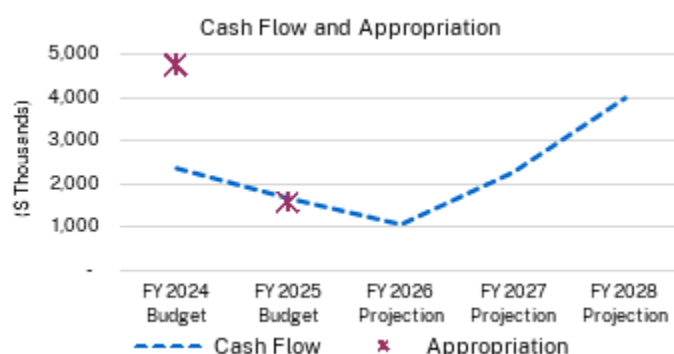
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	11,228	2,360	1,641	1,025	2,229	3,973
Appropriation	6,283	4,726	1,557			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project aims to rehabilitate and improve buildings and utility systems at the Main Wastewater Treatment Plant (MWWTP), including administrative and operational buildings, chemical piping, compressed air (plant air), washdown water, potable water, natural gas, and drains; and sitework. Pipes are 50 to 70 years old, and may convey corrosive chemicals, such as hypochlorite, that contribute to shorter useful lives and require replacement.

This project includes tasks related to rehabilitating and constructing piping for all utilities located at the MWWTP including process piping, hypochlorite and other chemicals, compressed air (plant air), washdown water (3W), potable water, natural gas, drain pipes, and other underground piping. This project also includes sitework, such as landscaping, paving, and grading projects. A multi-phase project to improve and replace hypochlorite piping around the plant has begun, with the third and final phase to be completed in FY 2025. The 3W pumps and piping will be assessed and improved in this task, including the surge and cathodic protection systems. Portions of the 3W piping will be assessed and replaced. Improvements will be made to the Plant Gallery Drains to address ponding in the galleries and difficulty emptying tanks and basins.



Award Purpose:

**Remote Facilities**

Award Number:

7000328

Award Name:

**INTERCEPTORS AND PUMP STATIONS**

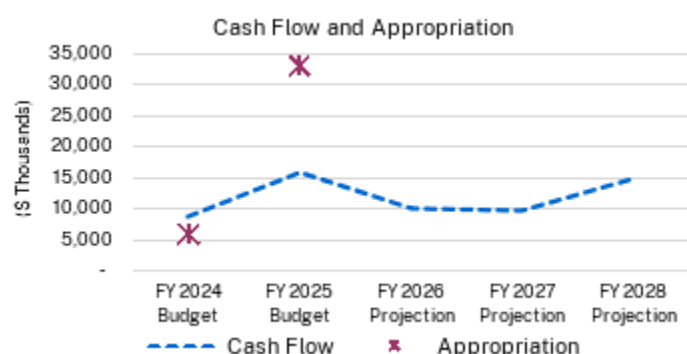
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	58,404	8,507	15,572	10,007	9,704	14,614
Appropriation	38,676	5,704	32,972			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project aims to rehabilitate aging gravity interceptors, force mains, and pump stations that convey wastewater from the satellite agencies to the Main Wastewater Treatment Plant (MWWTP), as well as improve emergency access and response for such facilities. Interceptor tasks include rehabilitation of underground piping, select manholes and tie-in structures. Pipe rehabilitation efforts will be conducted for the older interceptors that have not been addressed in recent projects. Locations include the North Interceptor in Emeryville, the South Interceptor in Oakland, the Alameda Interceptor, and crossings of the Alameda Channel. Pump Station tasks include rehabilitation of equipment and piping, as well as improvement of emergency access and functions at several stations. Other projects include construction for the Special Structures Rehabilitation Phase 1, rehabilitation of Pump Stations H and L in Oakland, and Force Main Access Improvements. Work planned in later years includes the Second Street and Embarcadero Interceptors, Special Structures Rehab Phase 2, and Pump Station A in Albany, C in Alameda, and H in Oakland.

Award Purpose:

**Remote Facilities**

Award Number:

7000329

Award Name:

**WET WEATHER FACILITIES**

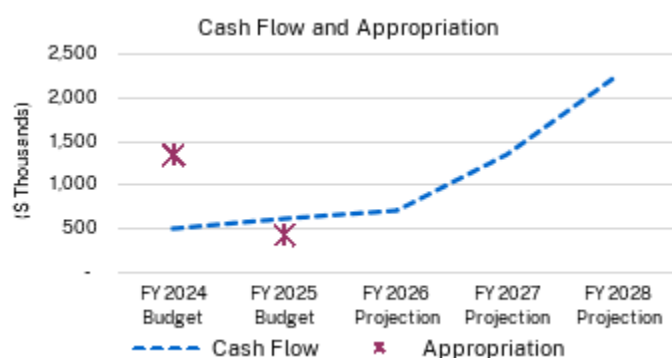
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	5,407	504	613	690	1,352	2,248
Appropriation	1,757	1,340	417			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project will conduct mandated work required under the Inflow and Infiltration Program and to maintain Wet Weather Facilities (WWF) for reliable performance during wet weather events. This project includes annual implementation of the regional private sewer lateral ordinance, flow modeling, and reporting, as required by the Consent Decree issued by United States Environmental Protection Agency and Regional Water Quality Control Board. Other tasks in this project focus on rehabilitation of the WWF, such as assessing and correcting deficiencies in the large diameter influent magnetic flow meters at the Oakport WWF and Point Isabel WWF. Compliance with increasingly stringent regulations requires accurate flow metering, and many of the flow meters at these locations are more than 30 years old. This project also includes ongoing chemical tank replacements, concrete restoration, and site security enhancements at the WWFs.

Award Purpose:

**System-Wide Improvements**

Award Number:

7000341

Award Name:

**GENERAL WASTEWATER**

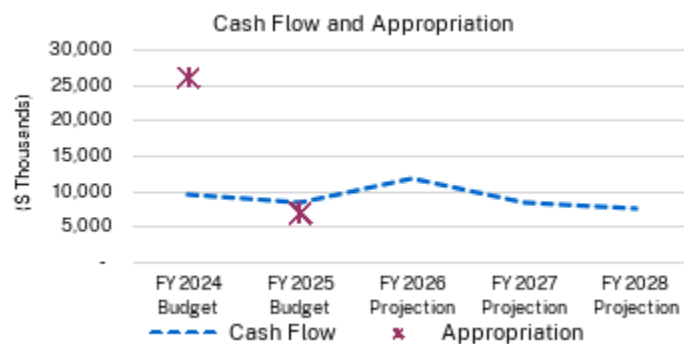
Lead Department:

Wastewater

In Service Date:

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	45,385	9,518	8,419	11,668	8,263	7,517
Appropriation	32,848	25,929	6,919			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This project features the periodic replacement of capital equipment, asset management efforts system-wide, and software and vehicle additions. Two of the larger tasks in this project are seismic retrofits of the Maintenance Building and the Operations Center, two buildings that are heavily used and were prioritized in the Main Wastewater Treatment Plant (MWWTP) seismic evaluation. Those efforts have already begun and are scheduled to conclude in FY 2027. Other seismic tasks include retrofit of various concrete masonry buildings at the MWWTP, the Field Services Building, and the Administration Building.

*Award Purpose:***Wastewater Contingency***Award Number:*

7000354

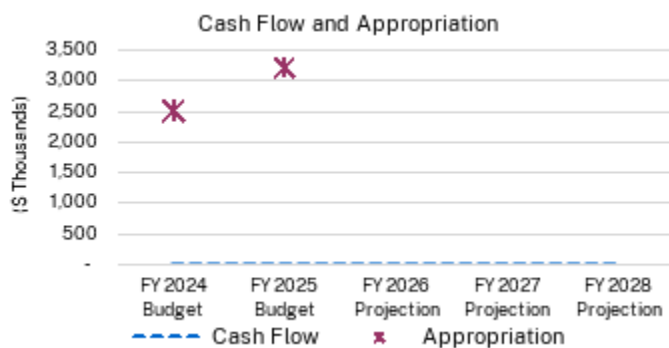
*Award Name:***CONTINGENCY GENERAL – WASTEWATER***Lead Department:*

Wastewater

*In Service Date:*

RECURRING

Cash Flow and Appropriation (\$ Thousands)						
	Total	FY 2024 Budget	FY 2025 Budget	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection
Cash Flow	-	-	-	-	-	-
Appropriation	5,700	2,500	3,200			



Funding Sources	Funding (%)
Applicant Funded Projects	
Bond/Revenue Funded Projects	100%
Equipment Replacement Fund	
Grants	
Outside Agency	
Future Water Supply	
Vehicle Replacement Fund	
<b>Total Funding Sources</b>	<b>100%</b>

This Award is required to ensure timely response to unanticipated critical work, as well as specific projects that are contingent upon the receipt of grants or other outside funding. Rapid response is critical for maintaining regulatory compliance, public safety, employee safety or addressing other unanticipated essential needs. As the Capital Improvement Program grows, the Contingency appropriation is growing to accommodate potential cost changes as well as provide for opportunities to reinvest in infrastructure when awarded funding from external parties. The Contingency Award is only intended to provide appropriations to existing Awards approved by the Board in the event of material unexpected cost increases or due to unexpected emergencies, without requiring the Board amend the budget, and without each Award incurring its own contingency, which could significantly increase overall capital appropriations. The Contingency Award does not incur costs directly.

Transfers of these contingency Appropriations are uncommon. Costs that significantly exceed budgeted expectations are reported to the Board under existing policies. Transfers out of the Capital Contingency Awards are approved by the Director of Finance and the General Manager is informed when the amount is greater than \$2.5 million.

## Index: Numerically Sorted Wastewater Awards

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