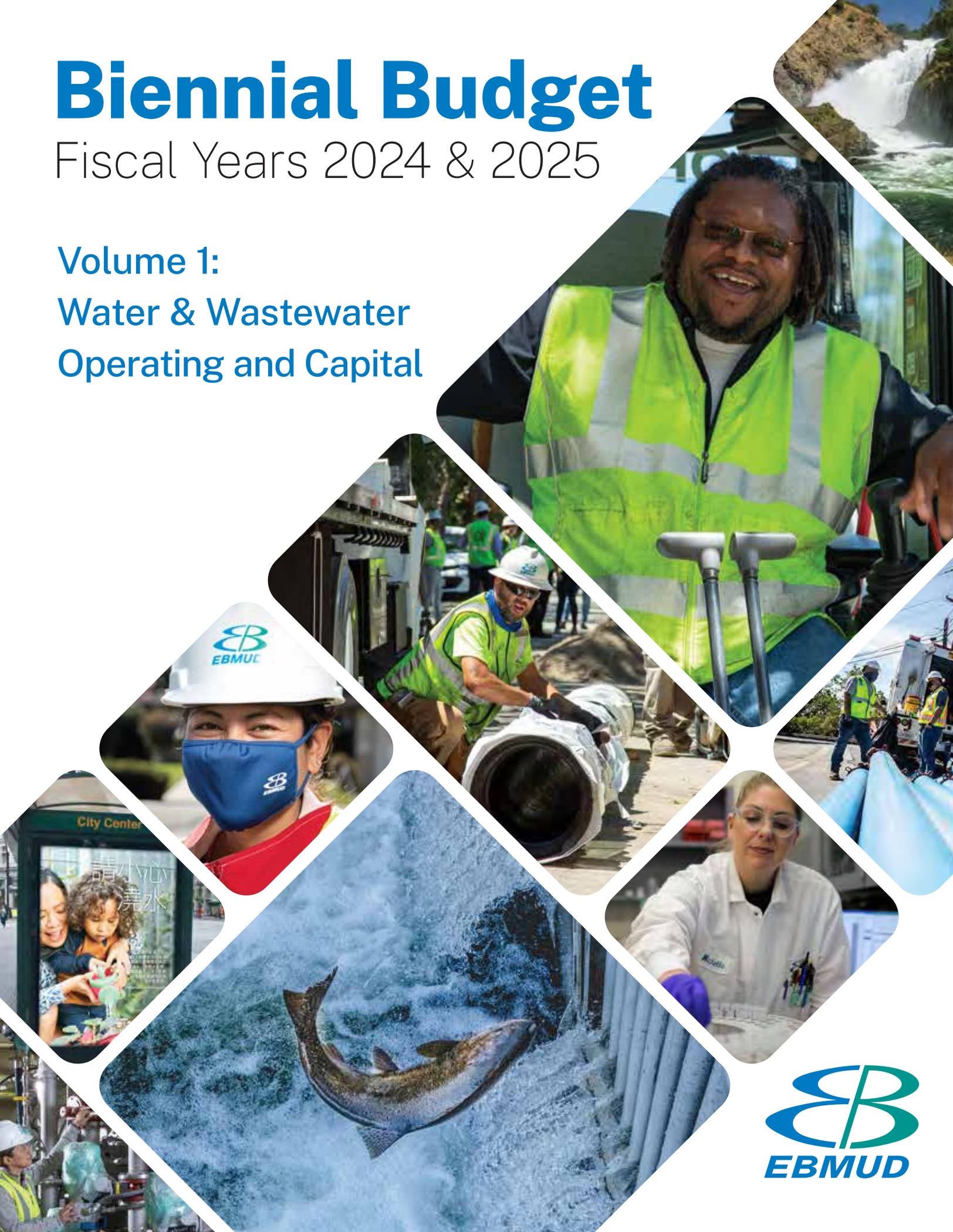


# Biennial Budget

Fiscal Years 2024 & 2025

Volume 1:  
Water & Wastewater  
Operating and Capital



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

**Volume 1: Water & Wastewater Systems  
Operating and Capital**

**Volume 2: Capital Award Summaries**

**Adopted by the Board of Directors  
June 13, 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

## Table of Contents

<b>General Manager’s Message .....</b>	<b>5</b>
<b>Chapter 1: Introduction .....</b>	<b>15</b>
District Overview.....	15
Community.....	17
Water and Wastewater Systems .....	19
District Organization .....	22
Strategic Plan.....	27
<b>Chapter 2: Finance &amp; Budget Overview .....</b>	<b>31</b>
Financial Organization .....	31
Budget Process .....	36
<b>Chapter 3: Budget Summary .....</b>	<b>45</b>
Budget Appropriations.....	45
Operations.....	47
Debt Service.....	48
Capital Improvement Program.....	49
Staffing.....	51
Sources of Funds .....	54
Fund Summaries.....	56
<b>Chapter 4: Water System.....</b>	<b>59</b>
Overview .....	59
Sources of Funds.....	61
Use of Funds .....	66
Water System Departments.....	71
Staffing.....	110
Debt Service and Financing .....	112
Capital Improvement Program.....	118
Five-Year Financial Forecast .....	140

**East Bay Municipal Utility District**  
*Table of Contents*

---

<b>Chapter 5: Wastewater System.....</b>	<b>147</b>
Overview.....	147
Sources of Funds.....	149
Use of Funds .....	154
Staffed Department Operations.....	157
Staffing.....	161
Debt Service and Financing .....	163
Capital Improvement Program.....	167
Five-Year Financial Forecast .....	175
<b>Appendix.....</b>	<b>181</b>
Supplemental Statistical Information.....	181
Index of Tables and Charts .....	185
Index of Photos.....	189
Board Resolutions .....	191
Financial Policies Approved by the Board of Directors.....	227
Strategic Plan and Key Performance Indicators .....	253
Memberships.....	357
Sponsorships.....	364
Glossary.....	371

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# General Manager's Message

July 1, 2023

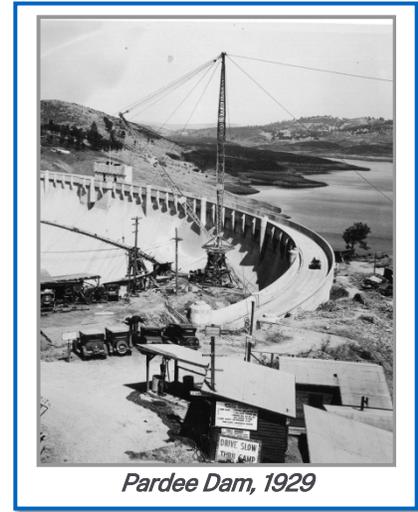
Honorable Members of the Board of Directors:

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.



*Pardee Dam, 1929*

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 inflationary pressures on chemicals, energy, equipment, software, and labor and benefits, all which impact the cost 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 adopted 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 will 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

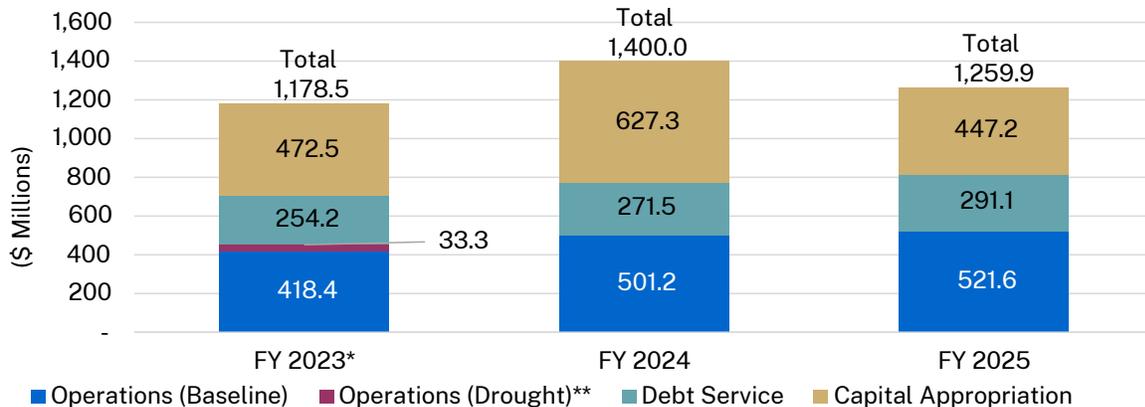
Reaching from the Sierra Nevada foothills to the San Francisco Bay, the District operates and maintains a vast network of pipelines, storage reservoirs, and treatment facilities to deliver clean, high-quality water to customers and provide wastewater service. Maintaining high-quality service requires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

Appropriations Summary (\$ Millions)					
	FY 2023	FY 2024		FY 2025	
	Budget <sup>1</sup>	Budget	% Change	Budget	% Change
<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

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

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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

### 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.



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

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**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		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.

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		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.

**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	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: 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*

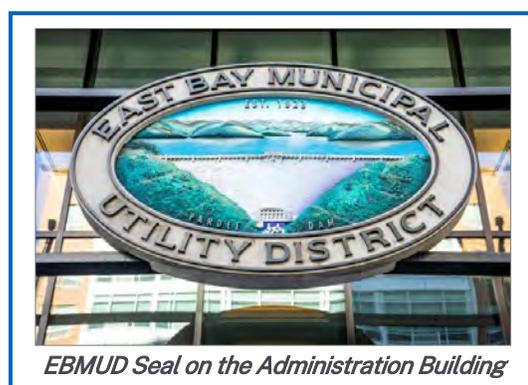
Wastewater Wet Weather Facilities Charge on Property Tax Bill							
	FY 2023	FY 2024			FY 2025		
	Charge	Charge	\$ Change	% Change	Charge	\$ Change	% Change
Small Lot 5,000 sq. ft. or less	\$ 125.16	\$ 135.82	\$ 10.66	8.5%	\$ 147.38	\$ 11.56	8.5%
Medium Lot 5,001 - 10,000 sq.ft.	\$ 195.50	\$ 212.12	\$ 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%

## 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.



*EBMUD Seal on the Administration Building*

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.

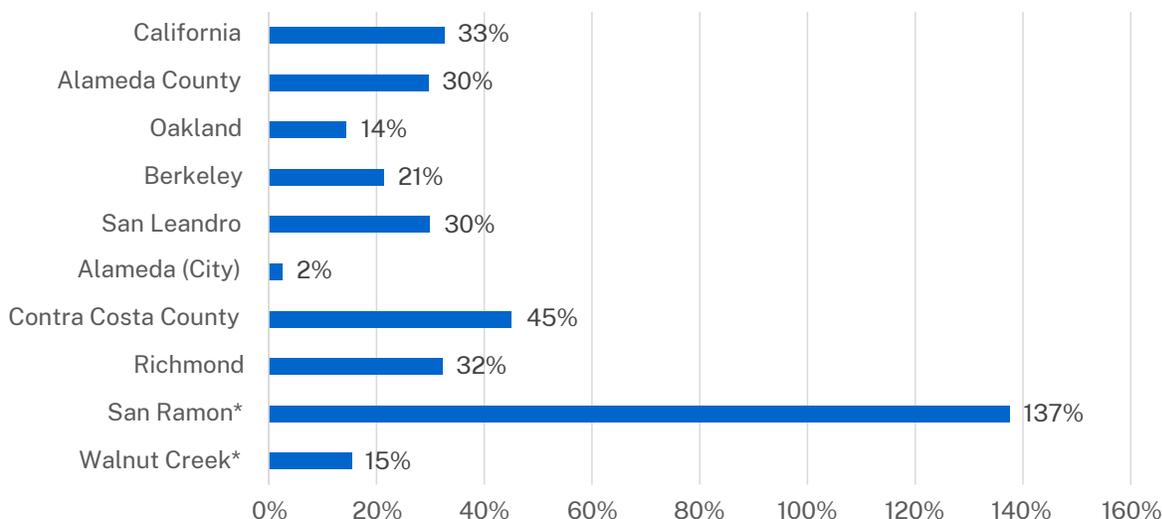
Population Statistics for Counties and Major Cities in the District's Service Area

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.

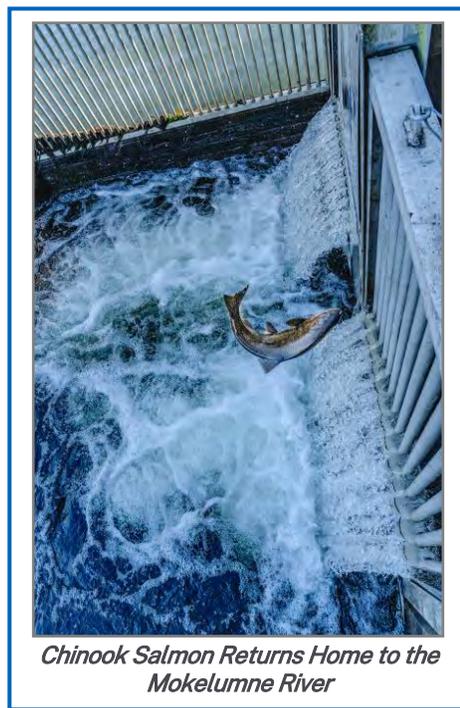
## Water and Wastewater Systems

### 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.

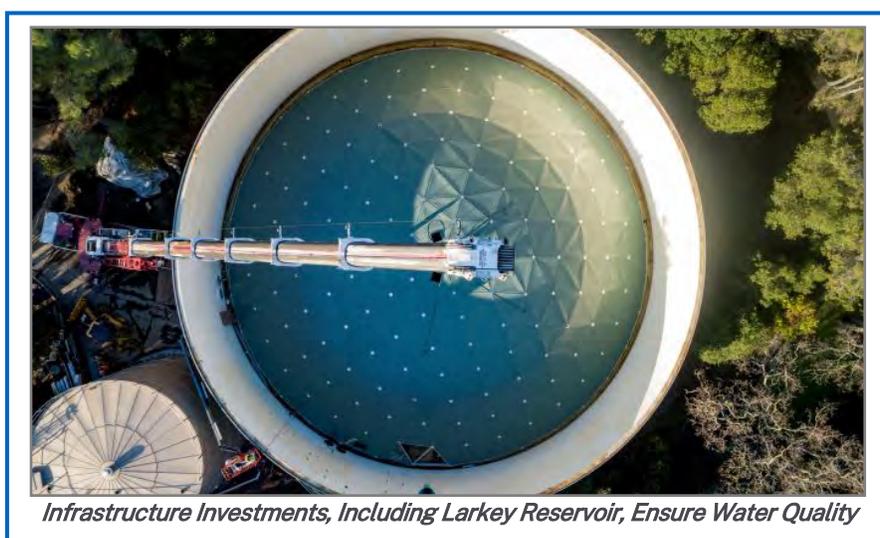
One of the most important factors in water quality is the source. Ninety percent of the District’s water comes from the 578-square mile watershed of the Mokelumne River located on the western slope of the Sierra Nevada. This area is mostly national forest, District-owned lands, and other undeveloped 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.



*Chinook Salmon Returns Home to the Mokelumne River*

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.



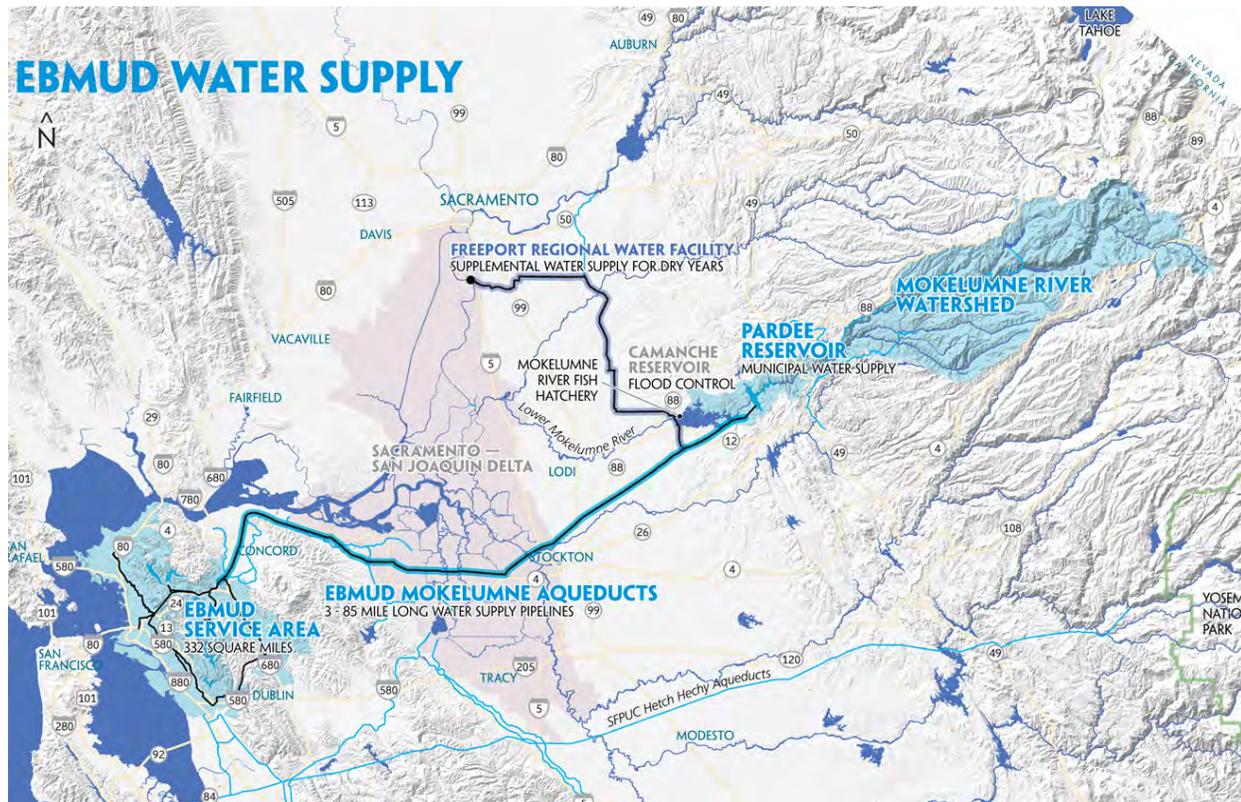
*Infrastructure Investments, Including Larkey Reservoir, Ensure Water Quality*

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>.



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

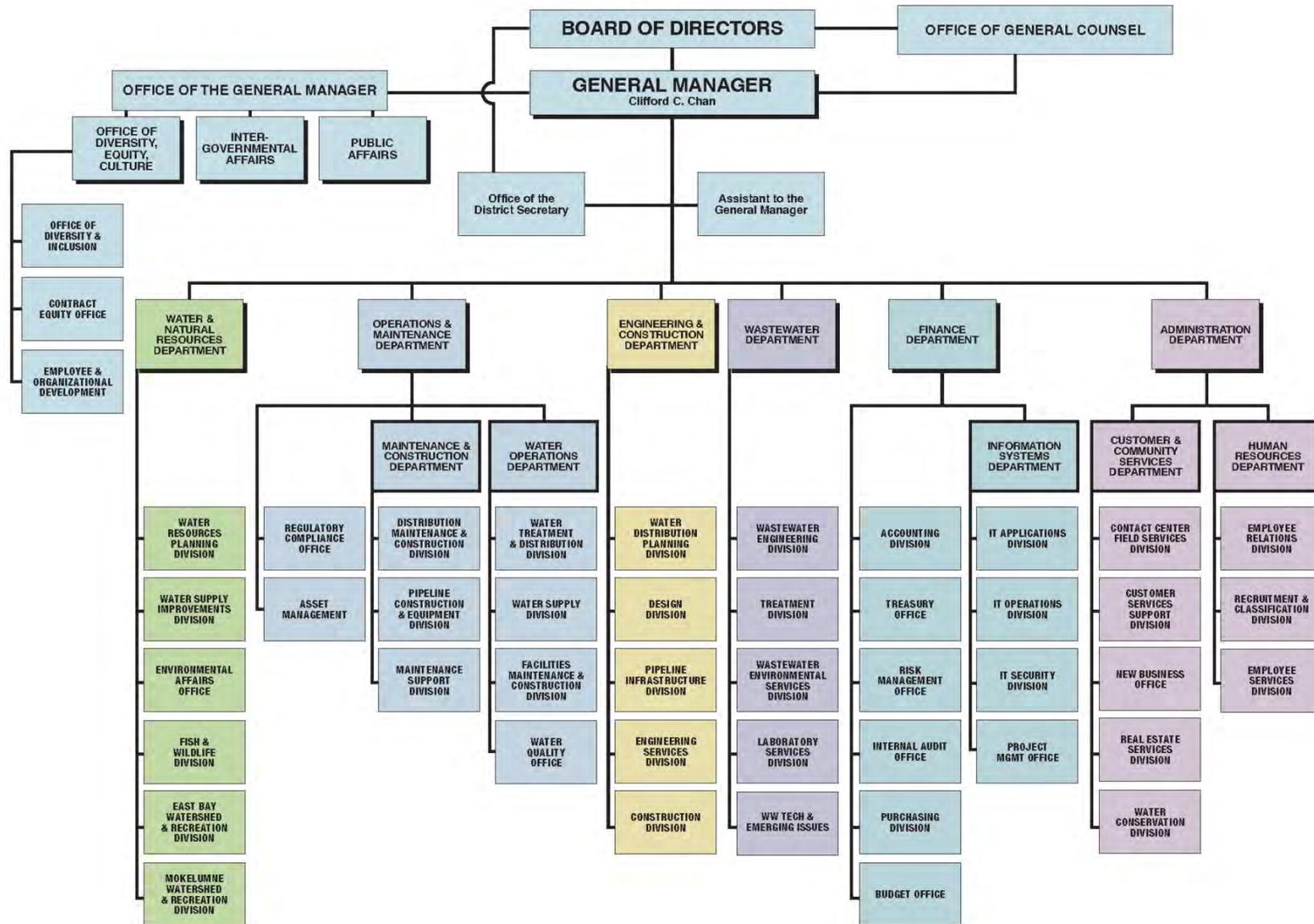
The Senior Management Team members are listed below.

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.



## 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.

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## 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.

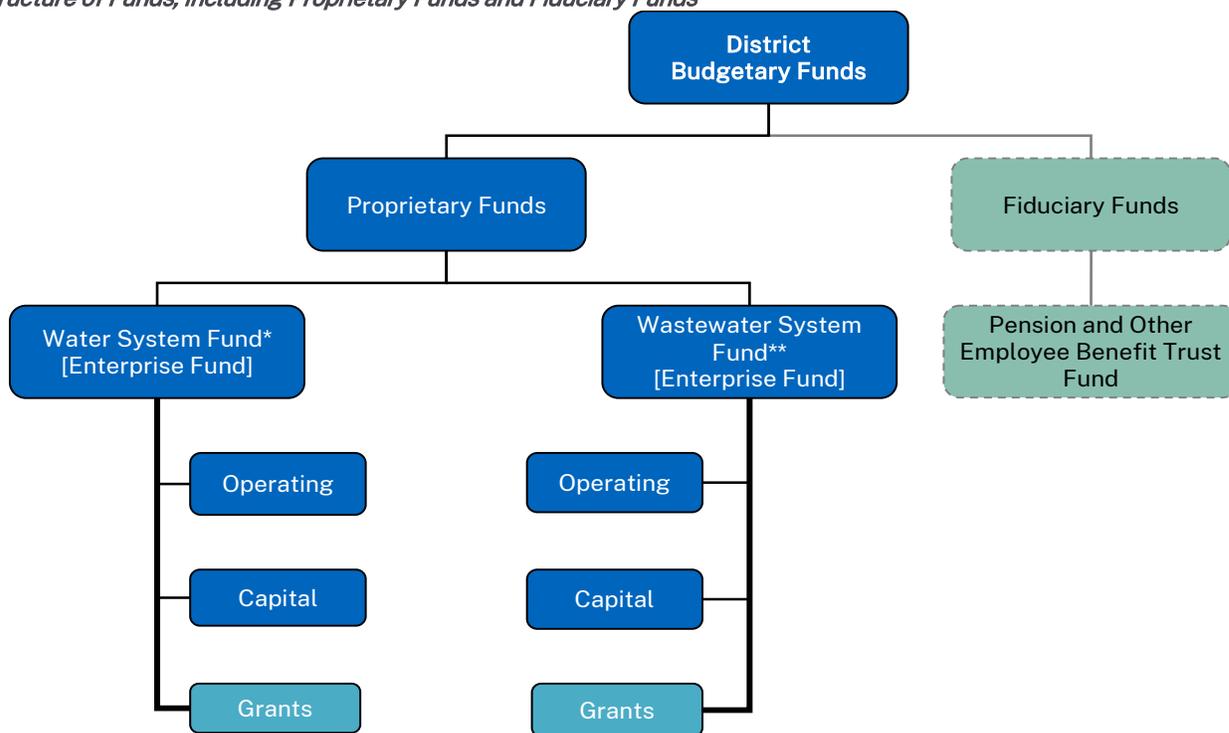
- The Water System is engaged in the collection, transmission, and distribution of water to communities within Alameda and Contra Costa Counties of California. In addition, the Water System provides support services to the Wastewater System and the cost of these services are charged to the Wastewater 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*

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

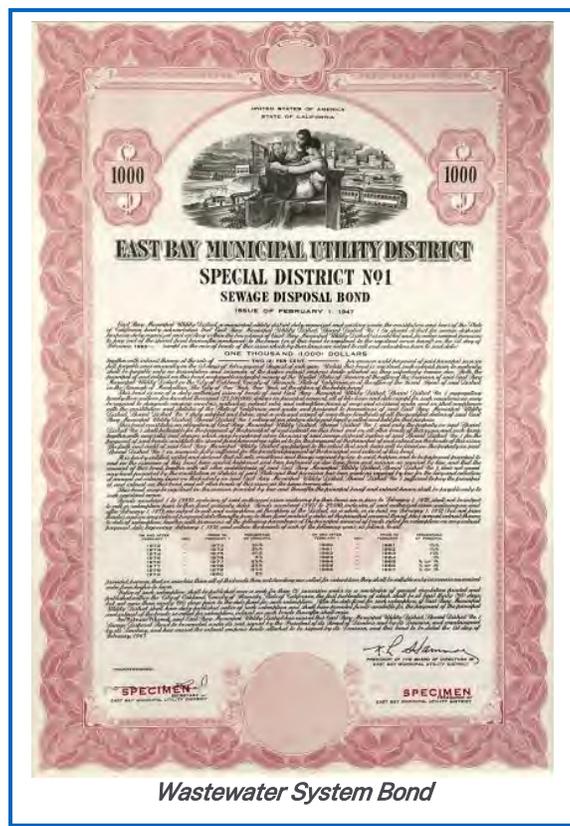
**Policy 4.13: Establishing Water and Wastewater Rates**

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.



Wastewater System Bond

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## 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.

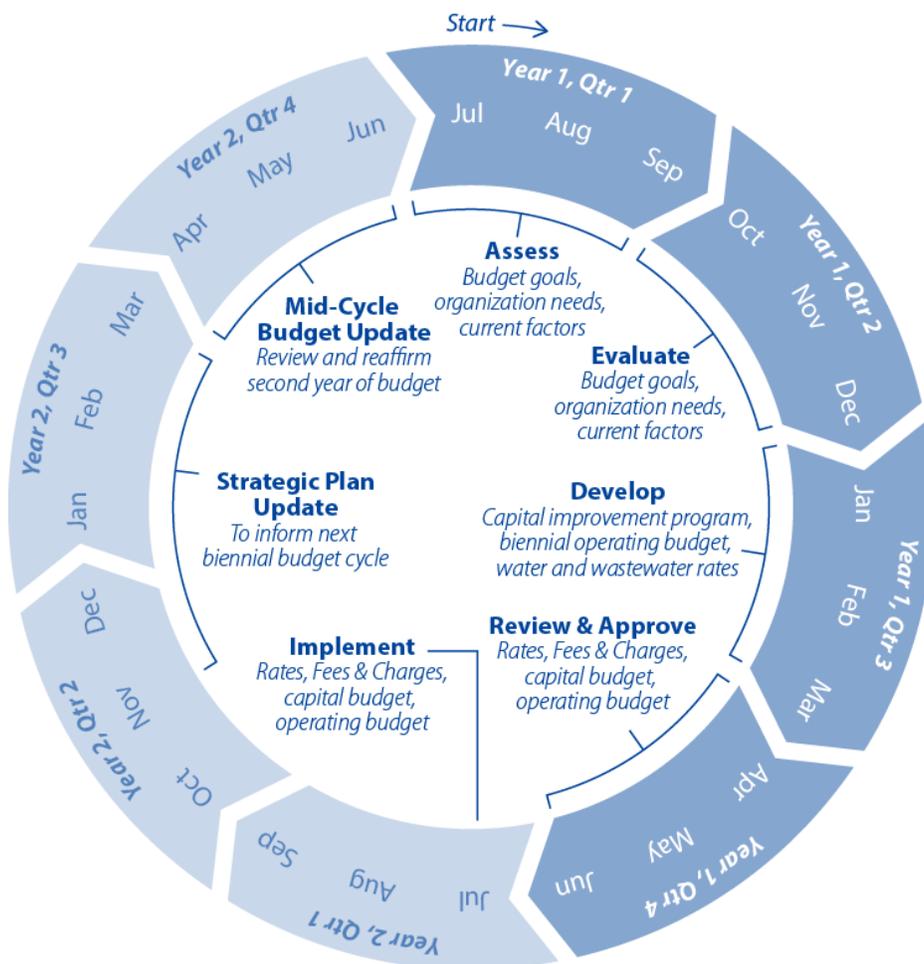
The District received the GFOA's Distinguished Budget Presentation Award for its FY 2022 and FY 2023 biennial budget document. This is the seventeenth consecutive budget document for which the District has received the GFOA award. For the sixth time, the California Society of Municipal Finance Officers (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.

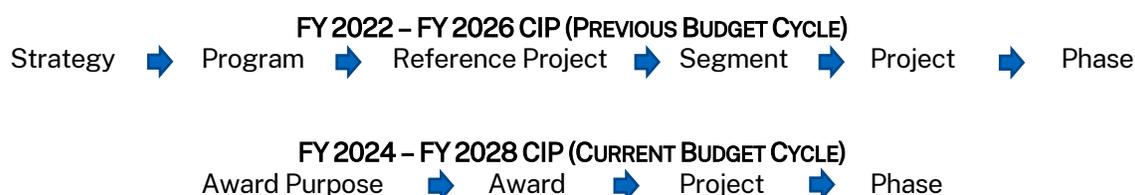
## CAPITAL IMPROVEMENT PROGRAM PREPARATION

### 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>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>Program:</b> A group of related projects combined to facilitate planning and decision-making.</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.



**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

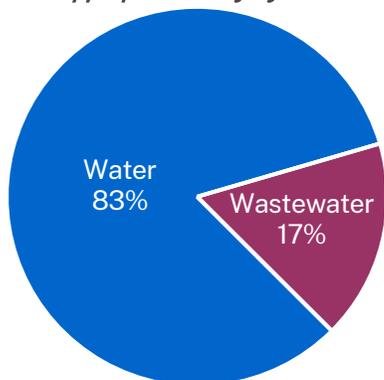
The budgeted appropriations are divided into three categories:

- **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.

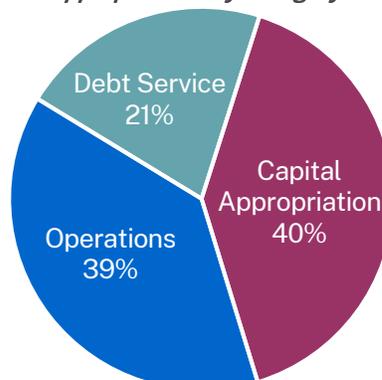
*Appropriations Summary for Water and Wastewater Systems*

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	20.2	20.6	2.2%
Operations & Maintenance Support	29.3	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>451.4</b>	<b>464.0</b>	<b>2.8%</b>
Contingency	10.0	13.2	31.8%
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 CIP 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.

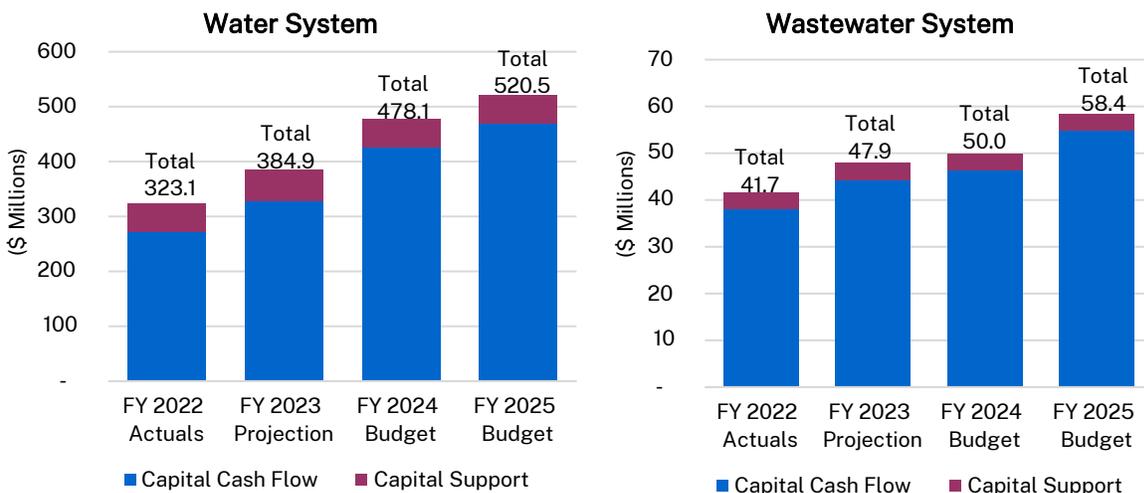
*District-Wide CIP Award Purposes*

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	2,125.00	2,126.00
Limited-Term / Temp. Construction	62.00	57.00	56.00	67.00	67.00
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 16.0 percent in FY 2024, and 1.5 percent in FY 2025.

- Total labor and benefits budget attributable to operations is 74.4 percent.
- Benefits represent 38.3 percent of the total labor budget.

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

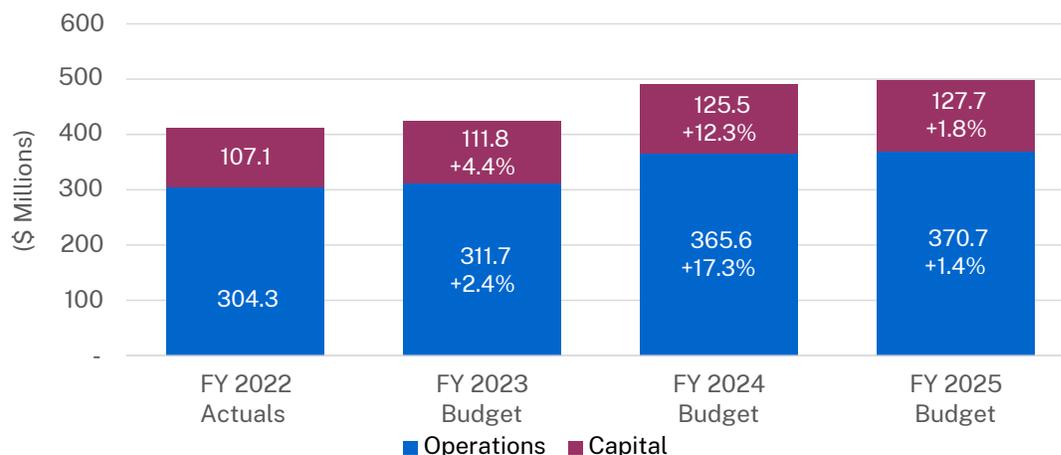
Labor and Benefit Costs (\$ Millions)						
	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Budget	Budget	% Change	Budget	% Change
<b>Water</b>						
Operations	255.6	262.2	308.9	17.8%	313.1	1.4%
Capital	97.0	100.6	111.7	11.0%	113.7	1.8%
<b>Subtotal Water</b>	<b>352.6</b>	<b>362.8</b>	<b>420.6</b>	<b>15.9%</b>	<b>426.8</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	365.6	17.3%	370.7	1.4%
Capital	107.1	111.8	125.5	12.3%	127.7	1.8%
<b>Total District Labor Costs</b>	<b>411.3</b>	<b>423.5</b>	<b>491.1</b>	<b>16.0%</b>	<b>498.4</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

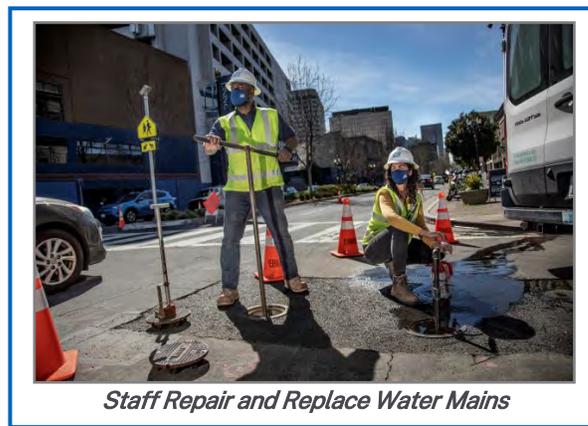
additional FTEs are in the Water System to support capital projects, an increase in infrastructure replacement, improved operations support including replacing contracted services with District forces for core District functions, more-coordinated education programs, Customer Assistance Program support, 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.



*Staff Repair and Replace Water Mains*

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.

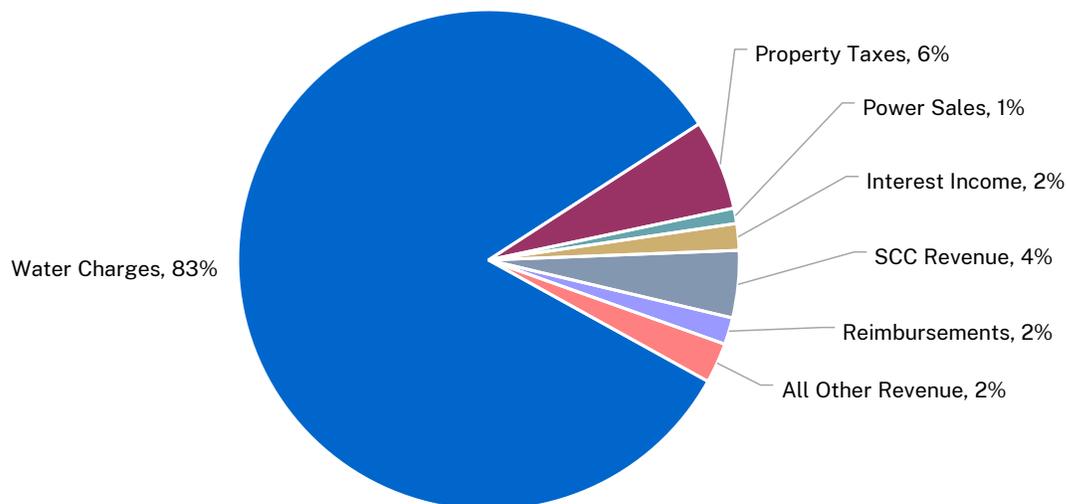
*Employer Contribution Rates to District’s Retirement System Based on Plan*

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

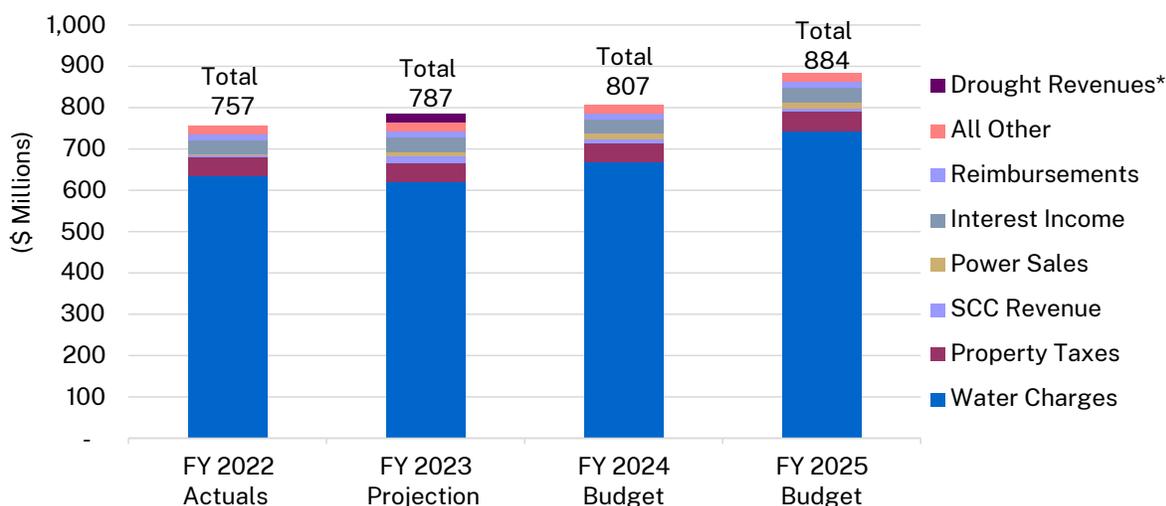
### WATER SYSTEM OPERATING REVENUE

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.

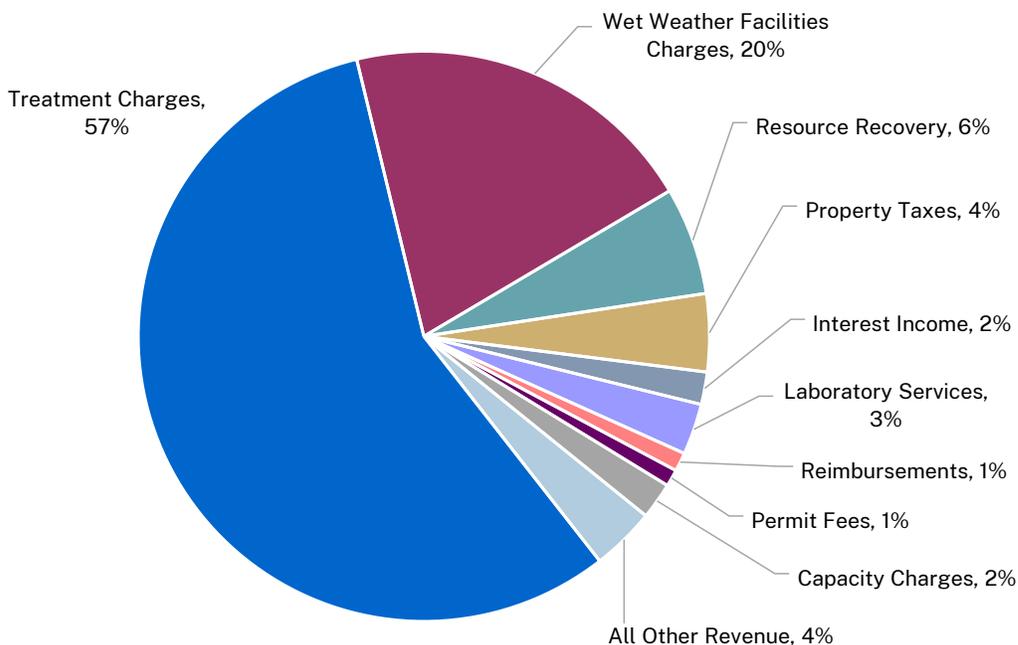
Total Water System Revenues from FY 2022 to FY 2025



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

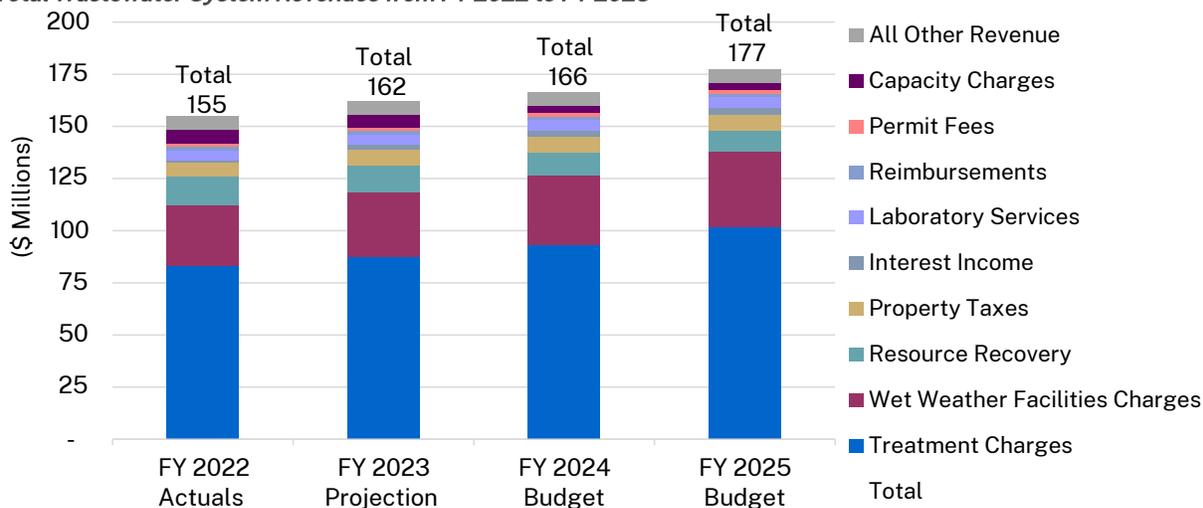
## WASTEWATER SYSTEM OPERATING REVENUE

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*

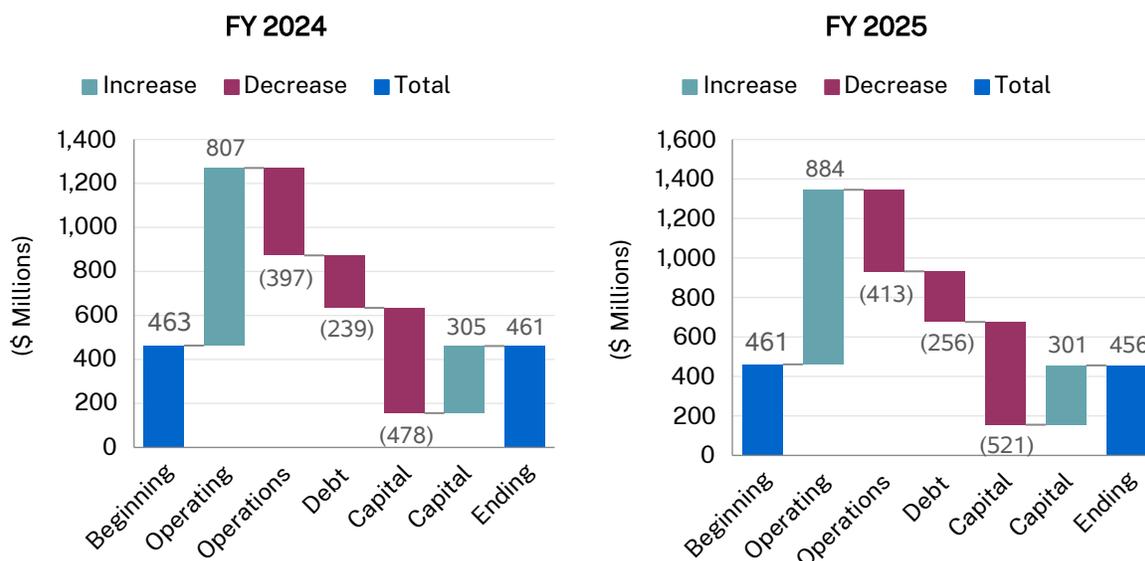
Fund Summary (\$ Millions)		
	FY 2024	FY 2025
<b>Beginning Balance (Projected)</b>	<b>463.3</b>	<b>461.1</b>
<b>Source of Funds</b>		
Operating	807.2	884.3
Capital**	304.9	300.6
<b>Total Sources of Funds</b>	<b>1,112.1</b>	<b>1,184.9</b>
<b>Use of Funds</b>		
Operations	397.4	413.2
Debt Service	238.7	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

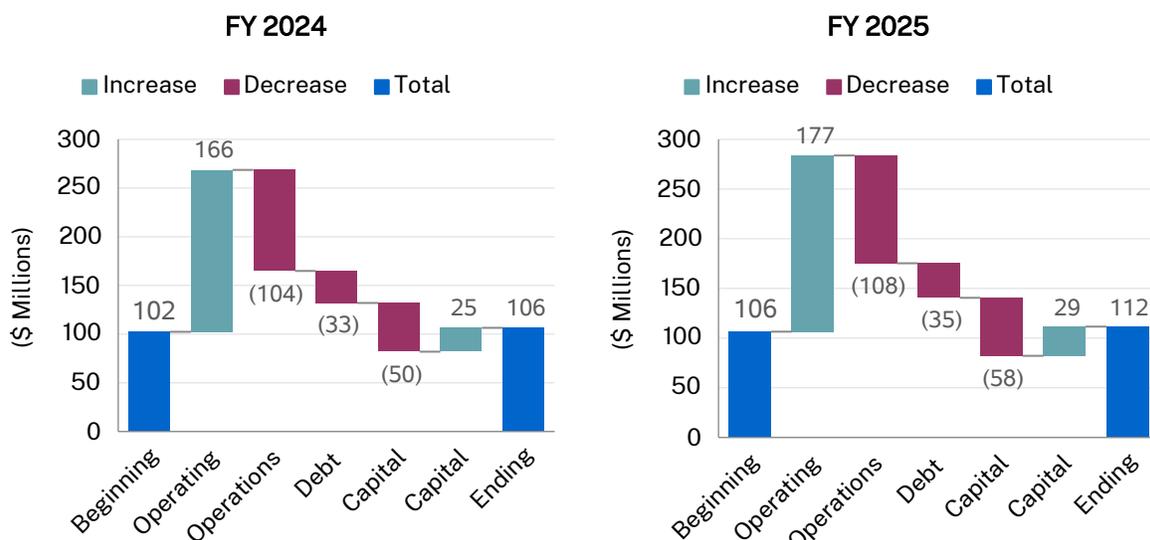
Fund Summary (\$ Millions)		
	FY 2024	FY 2025
<b>Beginning Balance (Projected)</b>	<b>102.4</b>	<b>106.4</b>
<b>Source of Funds</b>		
Operating	166.2	177.3
Capital**	24.5	29.4
<b>Total Sources of Funds</b>	<b>190.7</b>	<b>206.7</b>
<b>Use of Funds</b>		
Operations	103.7	108.5
Debt Service	32.9	34.8
Capital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



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



## 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	308.9	313.1	1.4%
Contract Services	25.4	25.6	0.8%
Other	119.6	127.9	6.9%
Contingency (Non-Labor)	7.5	10.6	40.5%
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.



#### 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.

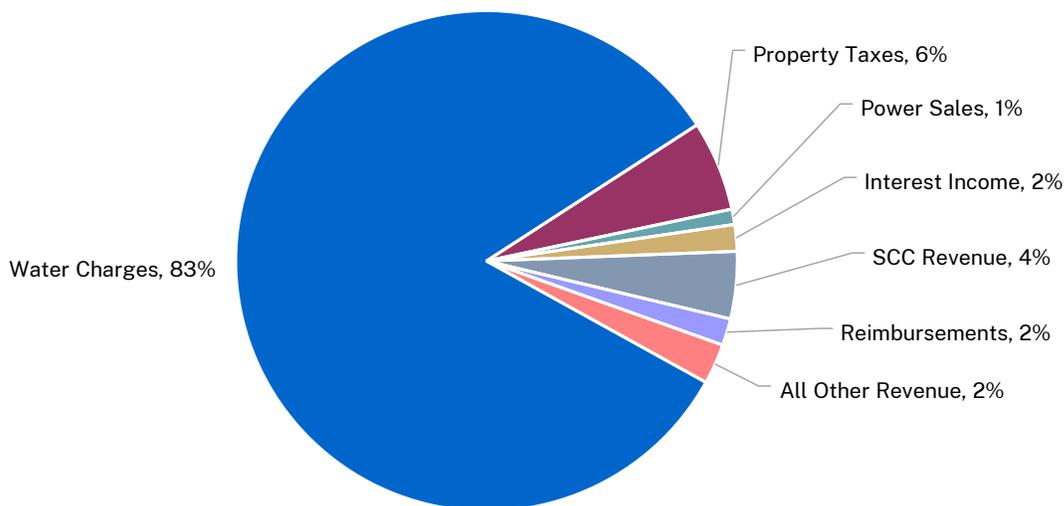
## OPERATING REVENUE

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 and 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*

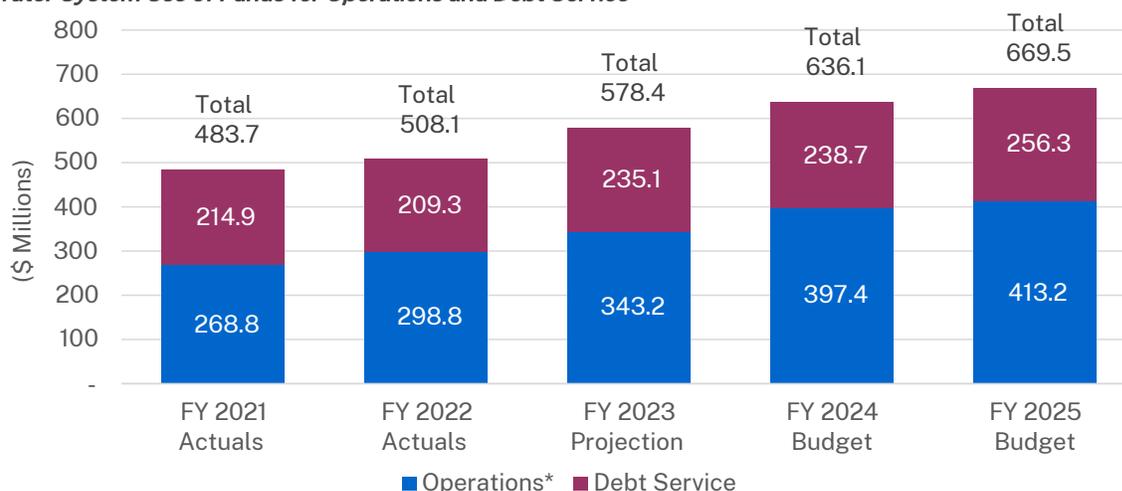
Use of Funds (\$ Millions)					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Actuals		Projection*	Budget	
Operations (Baseline)	268.8	298.8	343.2	397.4	413.2
Operations (Drought)**	0.2	10.6	21.5	-	-
Debt Service	214.9	209.3	235.1	238.7	256.3
Capital Cash Flow	347.3	323.1	384.9	478.1	520.5
<b>Total Expenses</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	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Projected*	Budget	% Change	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	10.0%	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	20.2	27.0%	20.6	2.2%
Operations & Maintenance Sup.	22.9	24.0	24.1	29.3	21.4%	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>451.4</b>	<b>9.6%</b>	<b>464.0</b>	<b>2.8%</b>
Contingency	-	-	3.0	10.0	232.7%	13.2	31.8%
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	418.1	16.4%	424.2	1.5%
<i>Less: Capital Labor and Benefits</i>	98.4	97.0	100.6	111.7	11.0%	113.7	1.8%
Operating Labor and Benefits	235.2	255.6	258.6	306.5	18.5%	310.5	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	23.0%	127.9	6.9%
<b>Operating Total</b>	<b>339.1</b>	<b>362.6</b>	<b>378.1</b>	<b>451.4</b>	<b>19.4%</b>	<b>464.0</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 \$25.6 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	15.7	1.9	2.5	20.2	16.0	1.7	2.8	20.6
Operations & Maintenance Sup.	14.8	5.5	9.0	29.3	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>306.5</b>	<b>25.4</b>	<b>119.6</b>	<b>451.4</b>	<b>310.5</b>	<b>25.6</b>	<b>127.9</b>	<b>464.0</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

### TABLE OF CONTENTS – DEPARTMENTS

Administration Department .....	72
Customer and Community Services Department.....	73
Engineering and Construction Department.....	76
Finance Department .....	80
Human Resources Department .....	83
Information Systems Department.....	86
Maintenance and Construction Department .....	89
Natural Resources Department.....	93
Office of the General Counsel.....	95
Office of the General Manager .....	97
Operations and Maintenance Support Department.....	100
Water Operations Department.....	103
Water Recycling Program.....	106
Water Resources Department.....	108



*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	24,334	16.3%	24,710	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	23,700	15.7%	24,068	1.6%
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>27,957</b>	<b>16.6%</b>	<b>28,547</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	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	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	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	19,063	19,893	18,754	21,402	14.1%	21,334	-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	21,038	23.8%	20,979	-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>35,159</b>	<b>17.8%</b>	<b>35,992</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*

<b>Department Operating Budget Detail and Historical Comparison (\$ Thousands)</b>							
Category	FY 2021	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	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	122,112	14.9%	124,498	2.0%
<i>Less: Capital Labor and Benefits</i>	41,625	42,450	47,487	52,736	11.1%	53,871	2.2%
Operating Labor and Benefits	52,052	58,113	58,787	69,376	18.0%	70,626	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>93,565</b>	<b>16.7%</b>	<b>95,702</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 & 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%
<i>Less: Capital Labor and Benefits</i>	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 responsive 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%
<i>Less: Capital Labor and Benefits</i>	-	-	-	-	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	15,749	53.7%	16,012	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	15,749	53.7%	16,012	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>20,151</b>	<b>50.7%</b>	<b>20,594</b>	<b>2.2%</b>

**Budget Highlights**

The department’s operating budget in FY 2024 is increasing \$6.8 million, or 50.7 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	TEMP	112,753	1.00	Support workforce diversity
2024	Add			Student Intern	TEMP	112,753	1.00	Support workforce diversity
2024	Add			Information Technology Intern I/II	TEMP	134,090	1.00	Support workforce diversity
2024	Add			Engineering Aide	TEMP	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. Additionally, two Part-Time Worker Trainee positions (one FTE combined) will be deleted and replaced with two Temporary (TEMP) Engineering Aides (also one FTE combined), which are 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%
<i>Less: Capital Labor and Benefits</i>	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	8,962	29.4%	9,530	6.3%
<b>Operating Total</b>	<b>22,933</b>	<b>23,968</b>	<b>24,175</b>	<b>29,279</b>	<b>21.1%</b>	<b>29,904</b>	<b>2.1%</b>

**Budget Highlights**

The department's operating budget in FY 2024 is increasing \$5.1 million, or 21.1 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	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	62,319	67,019	67,177	77,439	15.3%	78,498	1.4%
<i>Less: Capital Labor and Benefits</i>	6,100	4,851	4,839	5,342	10.4%	5,420	1.5%
Operating Labor and Benefits	56,219	62,168	62,338	72,097	15.7%	73,078	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>120,467</b>	<b>23.8%</b>	<b>125,931</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
2024	Add			Construction & Maintenance Scheduler	T/C	204,031	1.00	Support peak scheduling workload during treatment plant improvements

In FY 2024, three new full-time (REG) positions will be added to support various critical operating needs. One T/C position will be added to support peak scheduling workload during water treatment plant improvements.

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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%
<i>Less: Capital Labor and Benefits</i>	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>

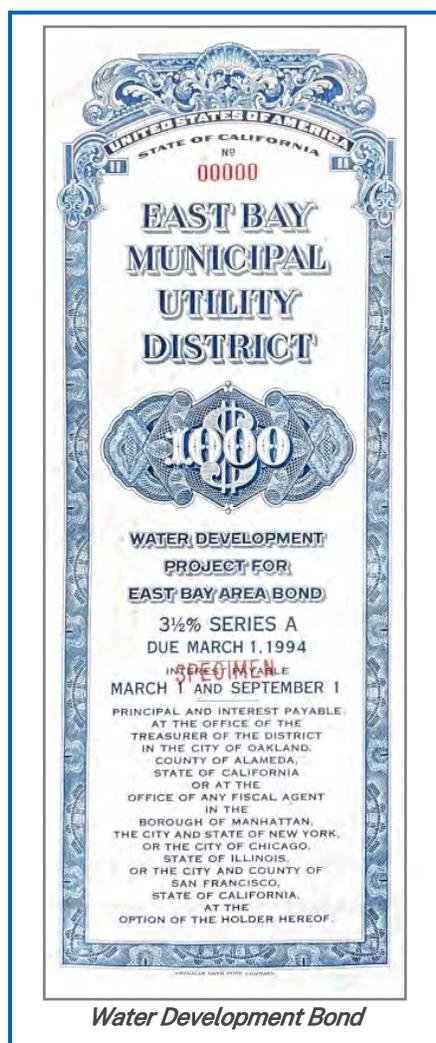
## Debt Service and Financing

### 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.

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## 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.

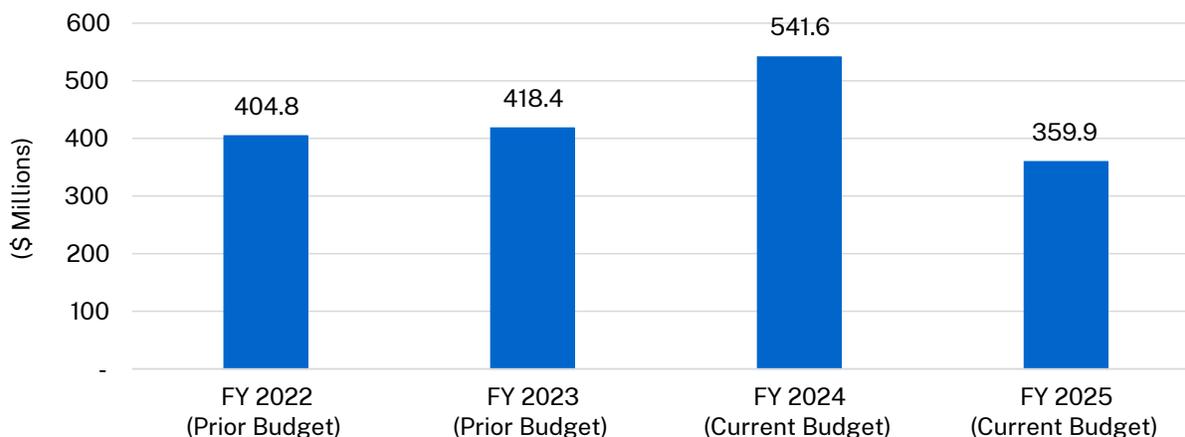
### APPROPRIATIONS

#### Overview

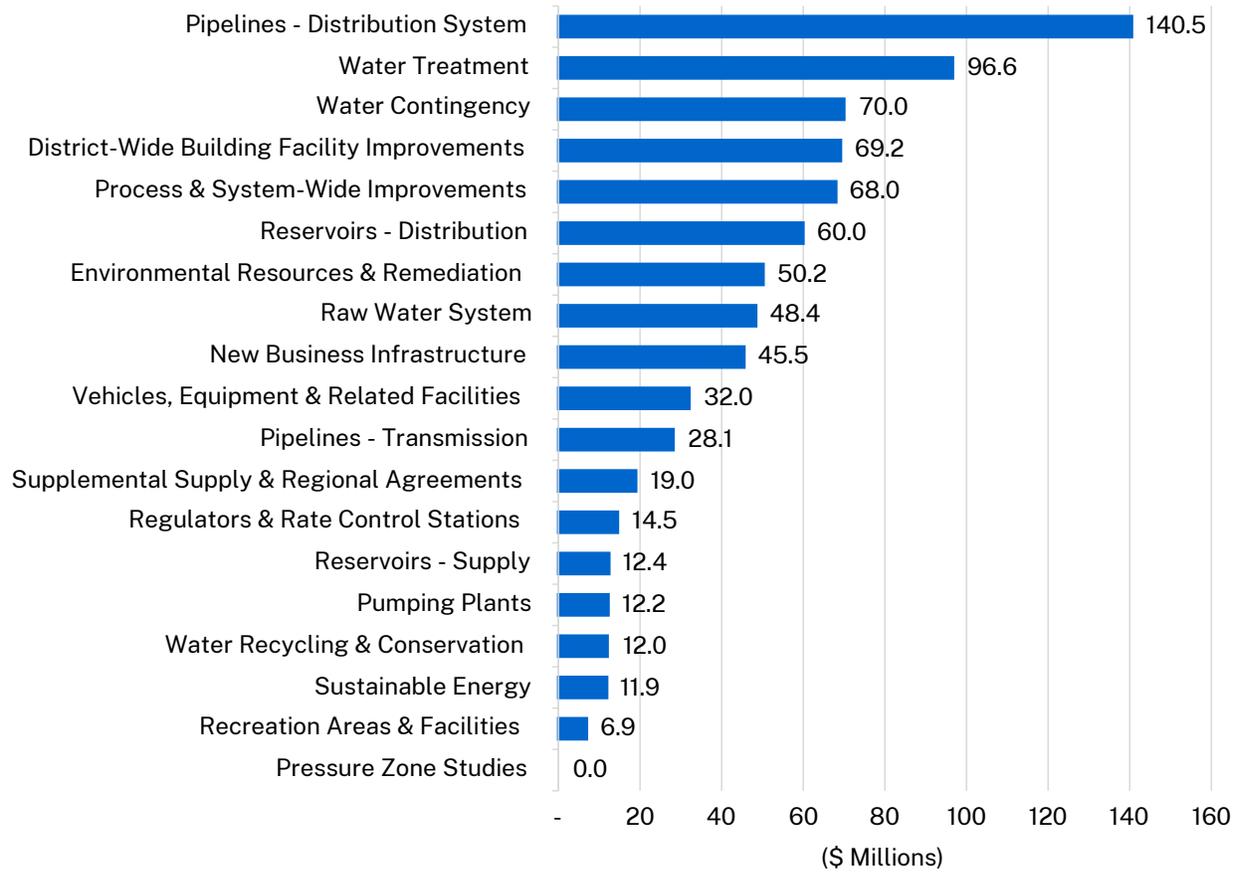
Supported by robust capital cash flow spending projections, adequate appropriations are necessary to complete the initiatives outlined in the CIP. Since appropriations are often spent over multiple years, the amounts appropriated for each fiscal year will vary depending upon project scope and timing, 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

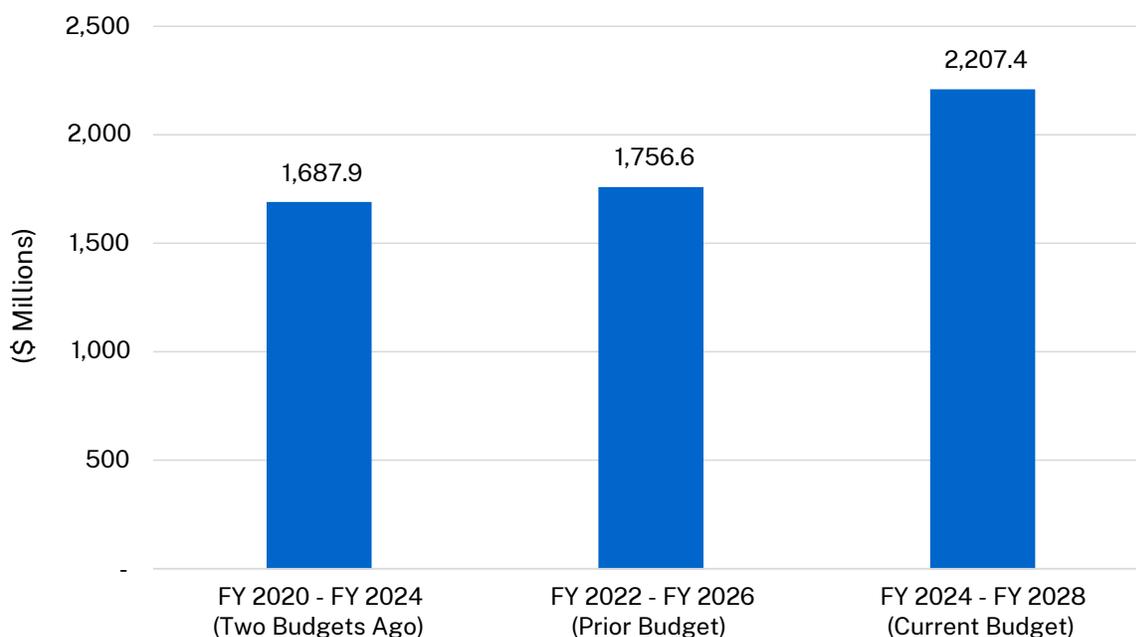
### Overview

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.

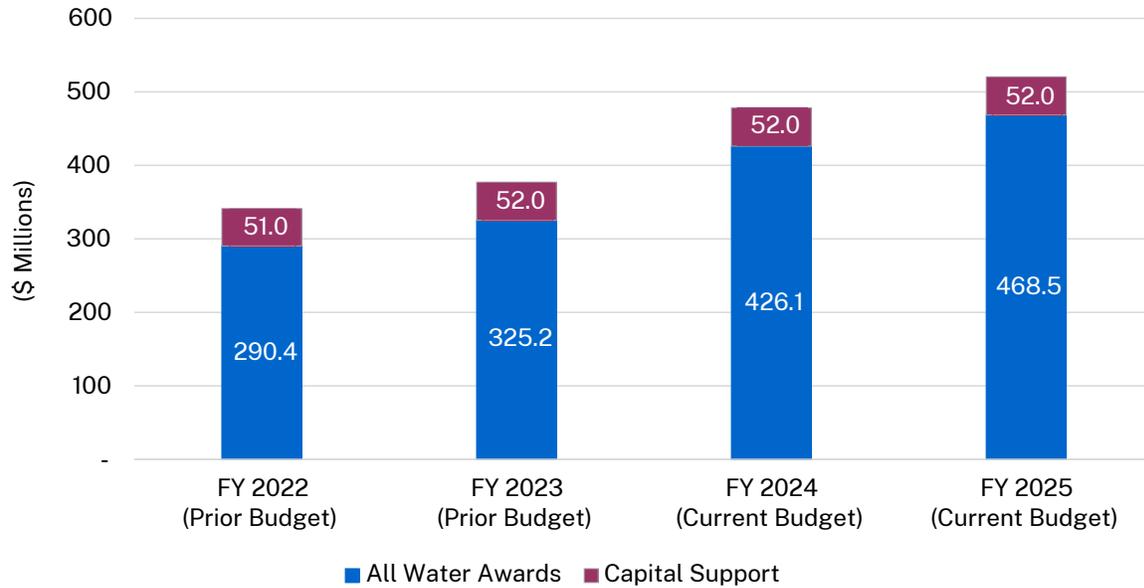
The FY 2024 – FY 2028 CIP is \$450.8 million, or 25.7 percent, larger than the previous five-year CIP, excluding Capital Support. This change is driven by the combination of increasing investments to replace and rehabilitate aging infrastructure, working towards meeting Board-set priorities, and increased 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)*



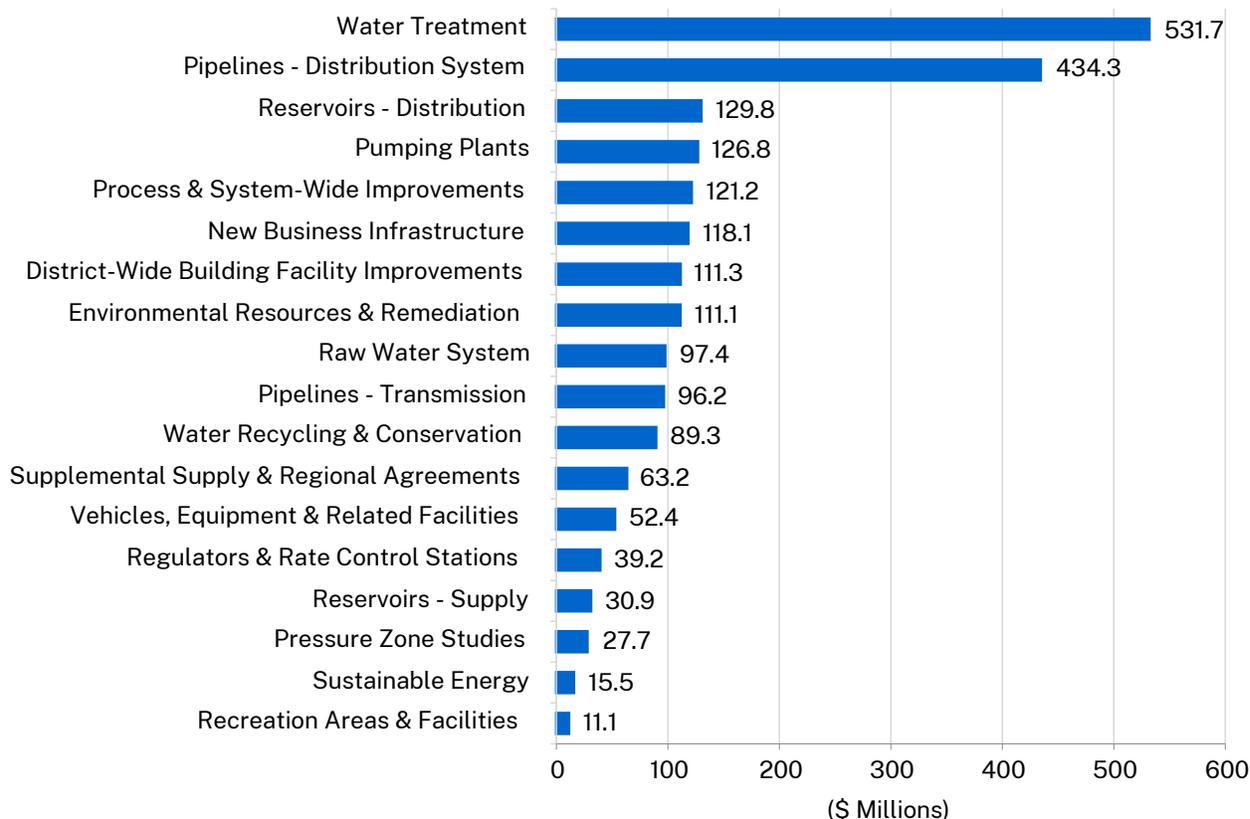
The four-year summary of capital cash flows highlights a 26.8 percent increase from FY 2023 planned cash flows to FY 2024, and an additional 8.9 percent increase from FY 2024 to FY 2025.

*Water System Cash Flows Four-Year Summary*



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 \$111.7 million in FY 2024, an increase of \$11.1 million or 11.0 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 \$113.7 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.

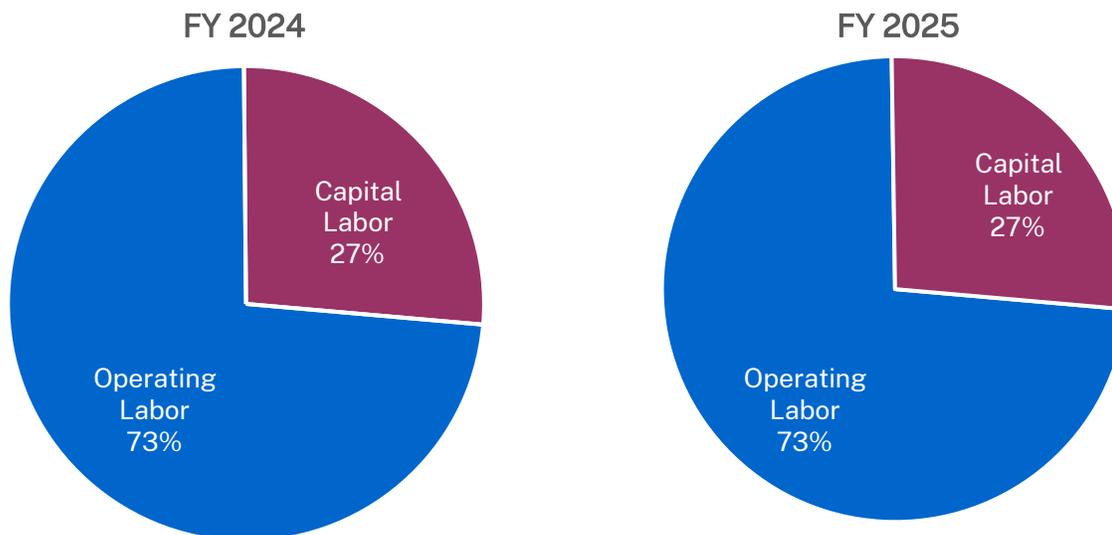
*Water System Capital Labor Budget by Department*

Capital Labor by Department (\$ Thousands)						
	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Budget	Budget	% Change	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	52,736	11.1%	53,871	2.2%
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	5,342	10.4%	5,420	1.5%
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>111,680</b>	<b>11.0%</b>	<b>113,712</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 26.5 percent of the FY 2024 total labor budget, and 26.6 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 capital investment leads to decreased operating expenses over time. The FY 2024 – FY 2028 CIP includes several significant capital projects that will affect the operating budget and the services that the District provides. Potential impacts and associated projects include:

**DECREASED OPERATING COSTS DUE TO TECHNOLOGICAL ADVANCEMENT**

**Adeline Maintenance Center (AMC) HVAC System and Parking Lot Improvements**

Two projects at the AMC Administration Building will replace aging equipment and provide facilities that further the District’s 2030 carbon neutral goal. Facilities include replacing HVAC systems in the building, and electric vehicle (EV) charging stations. The HVAC system will provide reduced energy use, and the EV charging stations will support employee and District Fleet needs to promote the District’s drive for carbon neutrality by 2030.

### Distribution System Water Quality Improvement

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. Water age modeling 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 air leaks in the Upper San Leandro (USL) hypolimnetic oxygenation system will be repaired in FY 2024. It is projected that the additional operating cost associated with this project will be offset by the future savings from water production and distribution.

### Enhanced Power Revenue

This initiative will develop renewable generation projects or purchase renewable energy to support the Energy Policy goal to reduce indirect greenhouse gas emissions to zero by 2030. It also supports efforts to fund projects that directly reduce energy consumption and energy expenses. Construction of the 5 MW Duffel photovoltaic project will be completed 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. Currently, there are two more photovoltaic projects being developed at the Oakport and Stockton facilities which will further reduce our future energy purchases.

### Fleet Maintenance East

The project includes a new fleet facility with three bays for vehicle maintenance, a new energy-efficient administration building, and four EV charging stations at the Fleet Maintenance East site in Walnut Creek. The project provides an additional East of Hills fleet facility to minimize travel distances for equipment maintenance. The improvements support the District's efforts to become carbon neutral by 2030.

### San Pablo Reservoir Hypolimnetic Oxygenation System

The San Pablo Reservoir Hypolimnetic Oxygenation System includes installing facilities to add oxygen to the bottom of the reservoir to reduce taste and odor causing compounds and soluble manganese levels. The operation of this system is also expected to improve conditions for fish and other wildlife in the reservoir by increasing oxygen levels, mitigating harmful algae blooms, and reducing mercury levels bio-accumulated in the reservoir. The project includes installing a liquid oxygen storage tank, two vaporizers, an underwater Speece cone assembly with an intake screen, submersible circulating pump, submarine electrical cables, piping, and diffusers to add oxygen to the bottom of the reservoir.

This project's operating cost is estimated to be \$600,000 to \$700,000 in the first three years of operation, starting in FY 2024, mainly due to liquid oxygen and electrical costs. Operating costs are expected to decrease after the third year of operation by up to \$500,000 per year. After the system operates for three years the reservoir's water quality is expected to improve and can potentially reduce the Sobrante WTP's ozone operation cost by 10 percent.

### Upper San Leandro (USL) Water Treatment Plant (WTP) Maintenance and Reliability Project

Improvements to the USL WTP include replacement of the unreliable cable-vac solids collection system; rehabilitation of the reclaim and solids handling systems; installation of a filter-to-waste basin; replacement of the seismically deficient clearwell roof; installation of a fifth flocculation stage; and replacement of failing flocculation baffles. The overall plant improvements should reduce maintenance needs for the facility and reduce the amount of residual water sent to the sewer, thus reducing sewer capacity charges by up to \$200,000 per year starting in FY 2024.

### USL, Sobrante, and Lafayette WTP Control System Upgrades

This project will replace the antiquated WTP controls systems with modern systems at the USL, Sobrante, and Lafayette WTPs to resolve reliability issues. Improvements will include the addition of local indication and controls to support manual operation, as well as Phase II upgrades at both Sobrante

and USL WTPs. The project is anticipated to reduce unexpected plant outages associated with the antiquated controllers.

#### Water Treatment Plant Chemical System Safety Improvements

The Chemical System Safety Improvements Project will replace piping with double-contained piping and improve monitoring and spill containment. The project will replace piping nearing the end of its useful life and reduce leaks. It is anticipated that these improvements will reduce maintenance needs at each of the Water Treatment Plants (Upper San Leandro, Sobrante, Lafayette, and Walnut Creek) related to chemical pipe replacement, chemical system rebuilds, and tank relining costs. Replacement of these systems will reduce maintenance costs by an estimated \$200,000 to \$300,000 across all the water treatment plants.

#### MORE EFFICIENT LABOR PRACTICES WITH MODERNIZED SYSTEMS

##### Human Resources Information System (HRIS)

This project will replace the 20-year-old HRIS to improve systems regarding employee data, retirement, and payroll. Replacement of this system requires funding temporary positions to assess needs, select a solution, implement the new solution and conduct extensive testing. The project will be completed in two phases: implementation of a Retirement Management system, followed by the core Human Resources functionality and Payroll system.

#### INCREASED MAINTENANCE COSTS DUE TO NEW OR REHABILITATED FACILITIES AND EQUIPMENT

##### Fleet & Equipment Additions

This 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. In FY 2024 – FY 2025, thirty-six vehicles and 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.

##### Fleet & Equipment Replacement/Purchases

This project manages the replacement process for vehicles and equipment system-wide. As the Fleet size increases, more work needs to be performed by mechanics to maintain our fleet. This has an impact on Fleet's operating budget, especially in areas like parts, labor, and commercial expenditures. In some cases, Fleet has to keep vehicles and equipment longer than their useful life to accommodate the request for additional vehicles that can't be fulfilled quickly with a new vehicle. This increase in maintenance costs and Fleet size also impacts Fleet's operating budget.

As the Fleet size increases, more work needs to be performed by mechanics to maintain fleet. When additional vehicles and equipment are added that require tools and training for technicians because it is a new type of equipment or unique, this impacts Fleet's operating budget.

##### New Central Area Service Center

This project provides a new 1.5-acre service center in west Oakland, including new offices and locker room facilities, a staging area for construction equipment and materials, loading docks, and parking. The site will include a parking canopy for photovoltaic panels, electrical vehicle charging stations for up to five employee vehicles, and space designated for electric vehicle charging stations for service vehicles as the District continues to convert its fleet from gas powered to electric. This new maintenance service center will provide facilities for staff that perform maintenance, repair, and construction of pipelines and appurtenances in Oakland and Berkeley. The new service center will assist crews to keep pace with pipeline maintenance needs in the area of the District with the oldest pipe and largest number of pipe breaks. The energy-efficient building, photovoltaic panels, and the EV charging stations support the District's drive for carbon neutrality by 2030.

**INCREASED COSTS DUE TO CHANGES IN THE BUSINESS MODEL****East Bayshore Recycled Water Project (EBRWP) Phase 1A**

EBRWP provides recycled water to offset the District's potable water demand. To meet the 2.3 MGD offset goal by 2040, recycled water quality must be improved, and new pipelines must be constructed to reach additional customers. Phase 1A treatment facility upgrades and pipeline extensions to distribute recycled water from the treatment plant to new customers will be implemented by FY 2025. A pilot study is underway to identify the preferred treatment method for full-scale implementation. Annual operating costs for the treatment upgrades are anticipated to range from \$0.5 million to \$1.5 million depending on the treatment technologies selected.

**Happy Valley/Sunnyside Pumping Plants (PP)**

Work includes a new 3.2 MGD Happy Valley PP in Orinda, and 3,300 feet of 16-inch pipeline. The Las Aromas PZ has a deficit of 2.9 MGD in pumping capacity. This project will resolve the deficiency and can be expanded to 4.2 MGD to meet future demands. The project also includes a new 1.5 MGD Sunnyside PP in Lafayette to resolve an existing 0.7 MGD pumping capacity deficit and improve hydraulic connectivity in the Valley View PZ. Annual maintenance and electricity costs are estimated to be \$85,000 for each PP.

**Orinda WTP Disinfection and Chemical System Safety Improvements**

This project will improve disinfection reliability and allow operations to discontinue in-plant chemical tanks for compliance and reduce disinfection by-products. In addition, the project will improve plant safety and chemical systems. Some maintenance costs can be reduced by the replacement of chemical tanks with more compatible materials that do not corrode. The system should also result in a reduction in the use of chlorine. However, the overall operations and maintenance costs will increase by approximately \$180,000 annually for additional cleaning of UV light sleeves, cleaning costs, and energy cost for the UV reactor, starting in FY 2026.

**Raw Water Treatment Facilities Improvement**

The Pardee Chemical Project and the Inline WTP Carbonic Acid Injection System Project will improve water chemistry to protect aqueduct lining materials.

The Pardee Chemical Improvements Project includes installation of a new lime storage and slaker facility, a new carbon dioxide (CO<sub>2</sub>) system, and a new operations and maintenance building to inject chemicals into the Pardee Tunnel at the Pardee Chemical Plant. The Inline WTP Carbonic Acid Injection System Project includes installation of a new CO<sub>2</sub> storage, dissolution and injection system at Lafayette, Orinda, and Walnut Creek WTPs.

These projects are anticipated to increase upcountry operations utility costs by \$2.5 million annually starting in FY 2026 and require an additional 1.5 FTE to operate and maintain the upcountry facility. The improved water chemistry will protect over \$1 billion dollars of raw water infrastructure from corrosion and support future aqueduct relining projects and may reduce pipe breakage in the distribution system.

**Trench Soils Management**

This project is 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 at three DOSS: Briones in Orinda, Miller Road in Castro Valley, and Amador in San Ramon. In recent years, 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. It is expected that the cost for operation of the DOSS and for regulatory compliance will rise.

#### Water Loss Control

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. 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 and compliance with the State Water Resources Control Board's regulatory limit for water loss. While the project will increase the operational cost, it will also increase the future water sale revenue.

#### Briones / Lafayette Tower Modifications

The Briones Tower requires upgrades to safely resist seismic loads. Construction is underway and scheduled for completion in fall of 2023. The project also includes Lafayette Reservoir Tower modifications which include seismic and gate control upgrades. The tower will be shortened and the conduits through the dam will be strengthened. Automated controls that can also be manually operated on shore are being added to ensure that the tower can be safely operated in an emergency. Modification of the tower is imperative, since it also functions as the spillway and must be capable of handling the Probable Maximum Flood. Both retrofit projects are required by the California Division of Safety of Dams. While these tower modifications will not result in any significant cost savings or revenues, they will increase public safety in the event of an earthquake.

## 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

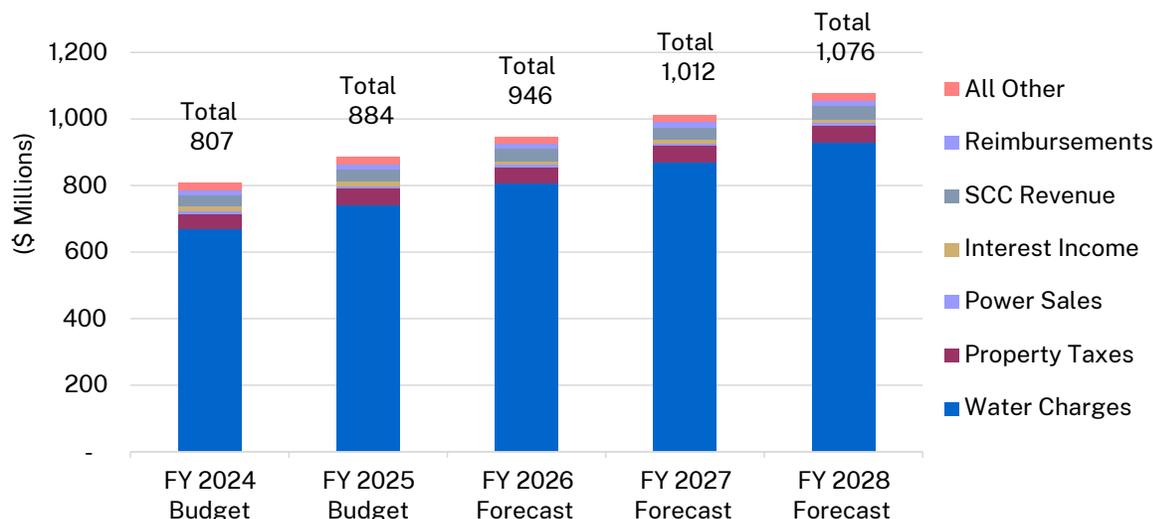
The following table shows the key assumptions used to create the revenue forecast. The debt service coverage ratio is projected to exceed the policy target of 1.60 by over 20 percent every year.

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		
Water Sales Volume (MGD)	143.9	145.8	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*	\$66.00	\$68.66	\$74.49	\$80.79	\$85.64	\$90.78	\$96.22
Debt Service Coverage	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.

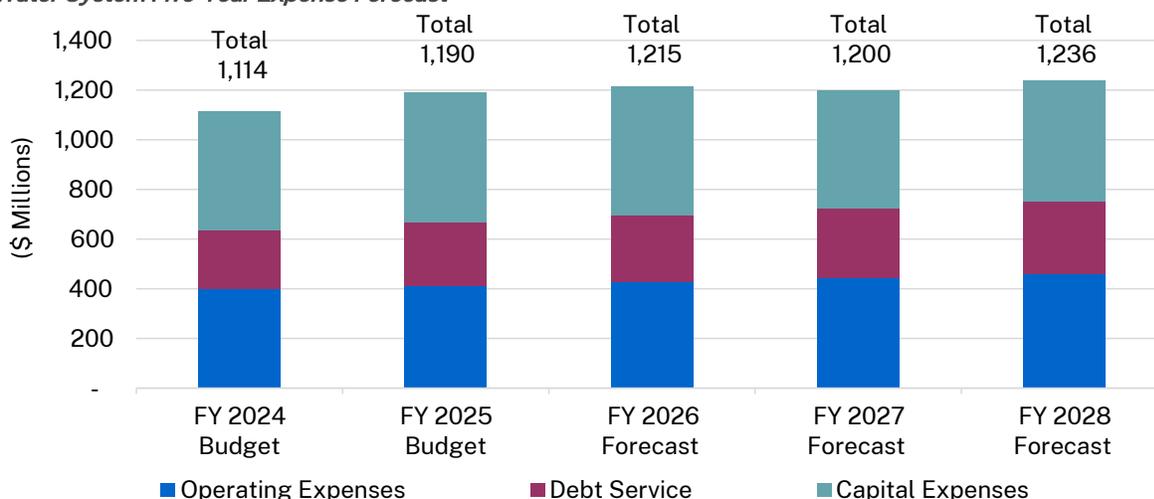
### FIVE-YEAR PROJECTION OF TOTAL EXPENSES

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.

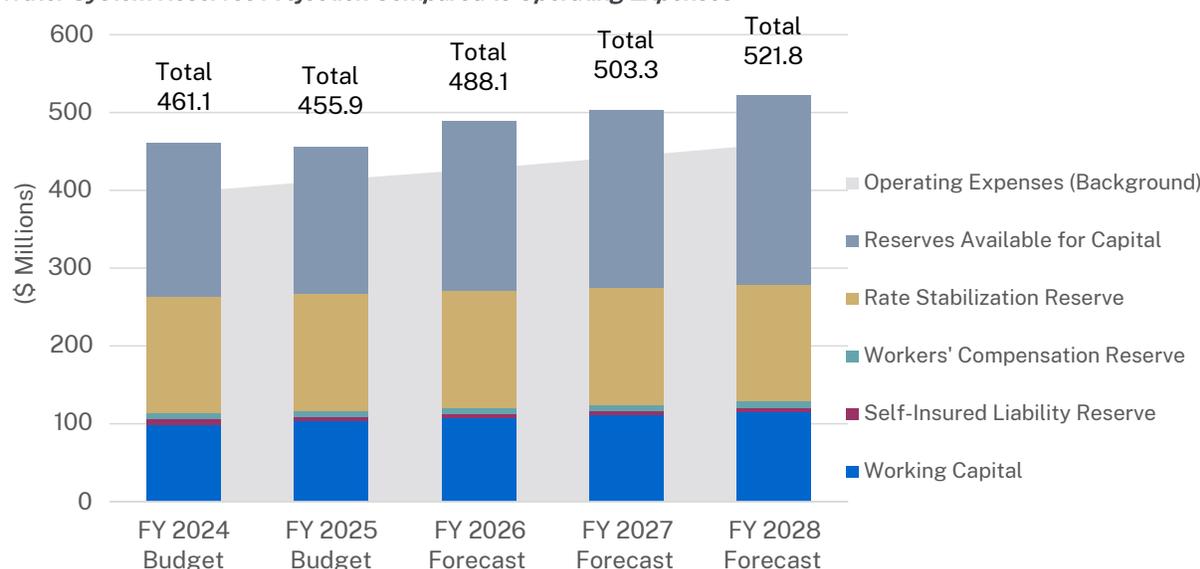
The table below shows the changes to reserve components over the five-year period. Reserve balances meet or exceed the policy reserve levels for the entire period.

*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	
<b>Operating Revenues</b>					
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
<b>Total Operating Revenues</b>	<b>148.2</b>	<b>154.9</b>	<b>161.9</b>	<b>166.2</b>	<b>177.3</b>
<b>Capital Funding Sources</b>					
New Bond Proceeds	-	20.0	-	24.5	29.4
Loan Proceeds	-	-	-	-	-
Grants	-	-	-	-	-
Reimbursements	0.3	-	-	-	-
<b>Total Capital Funding Sources</b>	<b>0.3</b>	<b>20.0</b>	<b>-</b>	<b>24.5</b>	<b>29.4</b>
<b>Total Funding Sources</b>	<b>148.5</b>	<b>174.9</b>	<b>161.9</b>	<b>190.7</b>	<b>206.7</b>

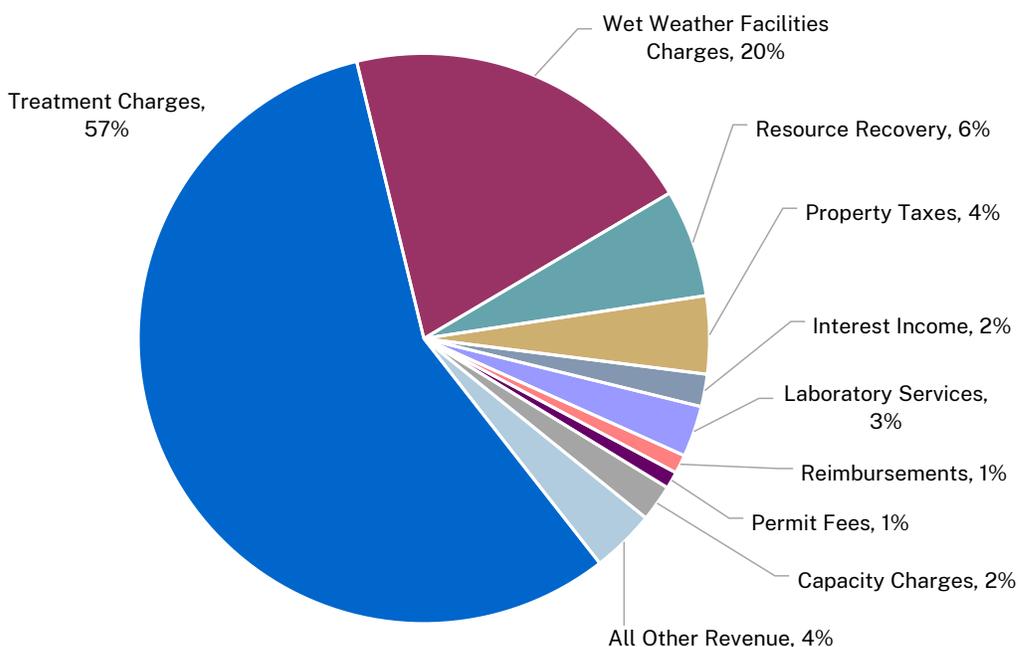
## OPERATING REVENUE

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.

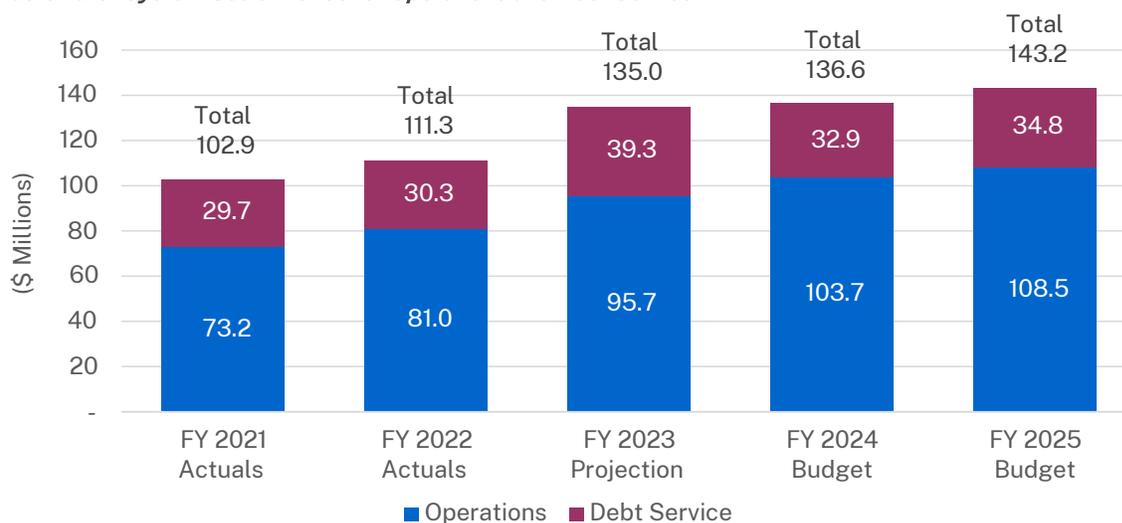
*Wastewater System Use of Funds FY 2021 to FY 2025*

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	FY 2022	FY 2023	FY 2024		FY 2025	
	Actuals	Actuals	Projected*	Budget	% Change	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%
<i>Less: Capital Labor and Benefits</i>	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.

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## 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%
<i>Less: Capital Labor and Benefits</i>	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	295.00	9.00	295.00	-
Limited-Term / Temp. Const.	5.00	3.00	3.00	8.00	5.00	8.00	-
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	REG	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)	
<b>Long-Term Debt</b>					
<b>Revenue Bonds</b>					
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
<b>Total Revenue Bonds</b>			<b>408,220</b>		<b>338,300</b>
% of Total Outstanding Debt					100.0%
<b>Total Long-Term Debt</b>			<b>408,220</b>		<b>338,300</b>
<b>Total Outstanding Debt</b>					<b>338,300</b>

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.

*Wastewater System Debt-Funded Capital*

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.

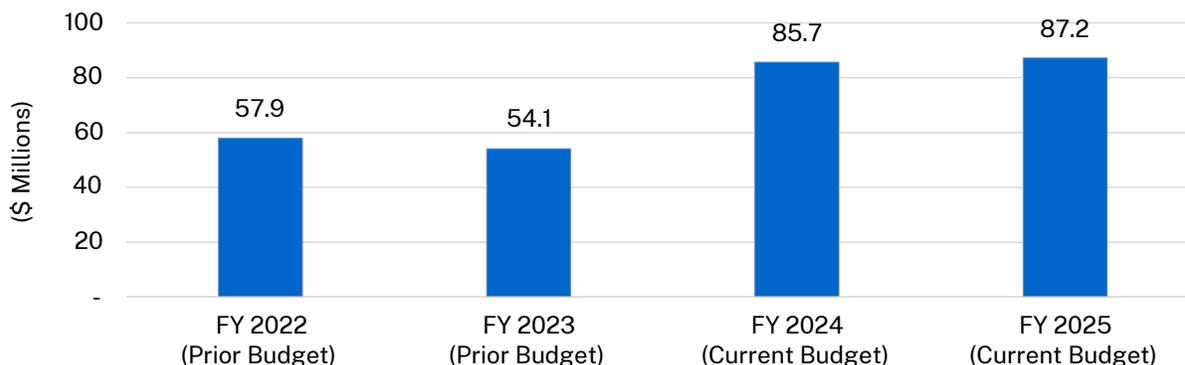
## APPROPRIATIONS

### Overview

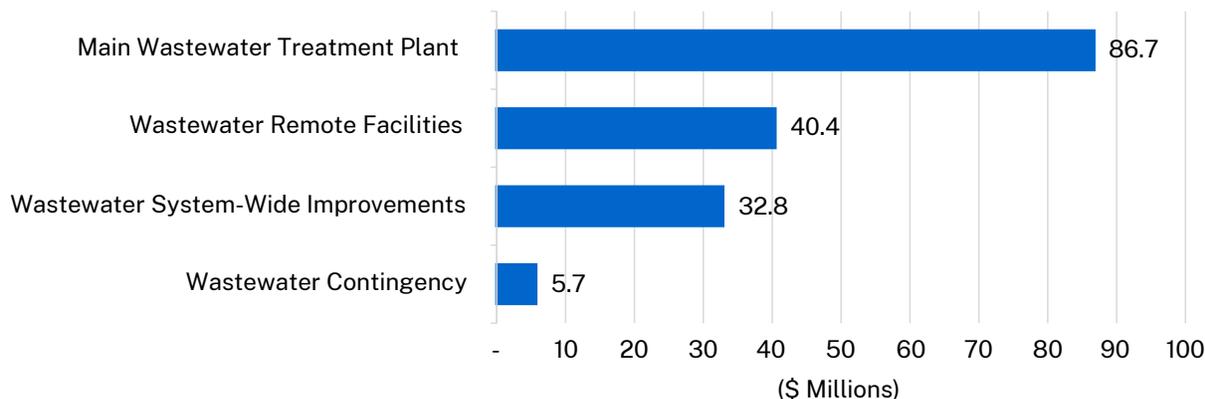
Supported by capital cash flow spending projections, adequate appropriations are necessary to complete the initiatives outlined in the CIP. Since appropriations are often spent over multiple years, the amounts appropriated for each fiscal year will vary depending upon project scope and timing, and any 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

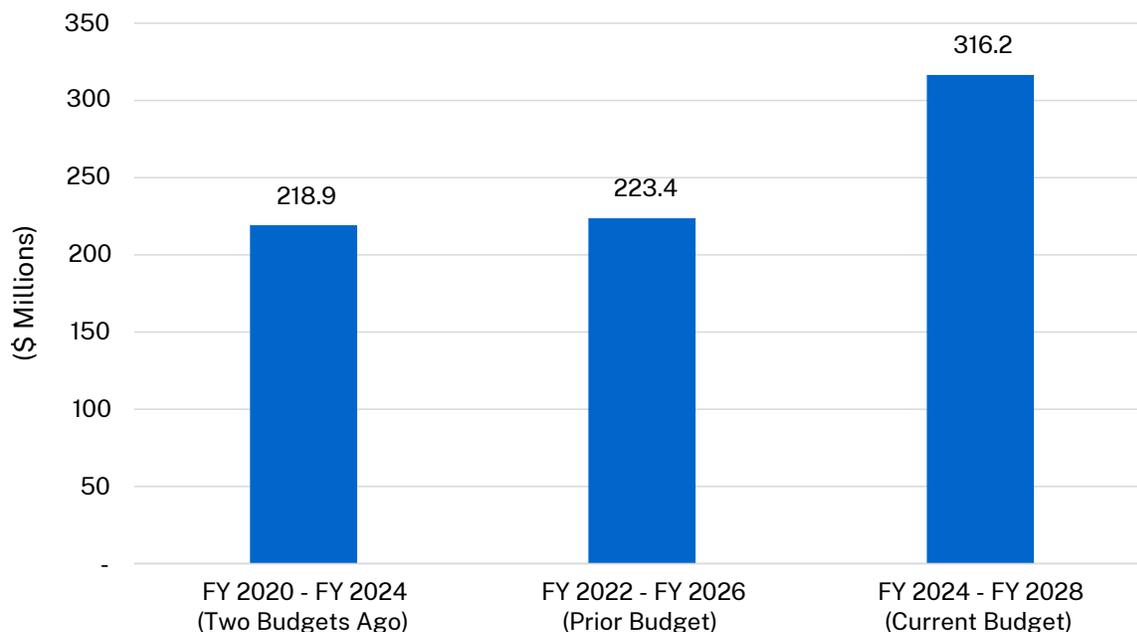
### Overview

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.

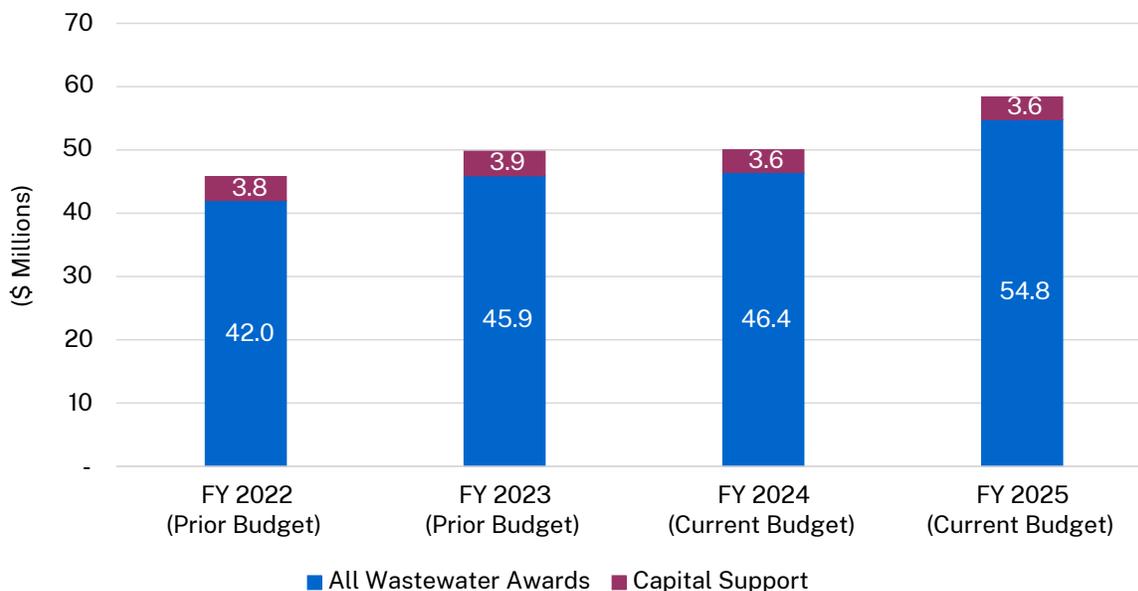
This change is driven by the combination of increasing investments to replace and rehabilitate aging infrastructure, working towards meeting Board-set priorities, and increased labor and construction costs. Capital Support, the indirect costs associated with capital work, is in line with recent expenses at \$3.6 million annually.

*Wastewater System Cash Flows Comparison by Budget Cycle / CIP (Excluding Capital Support)*



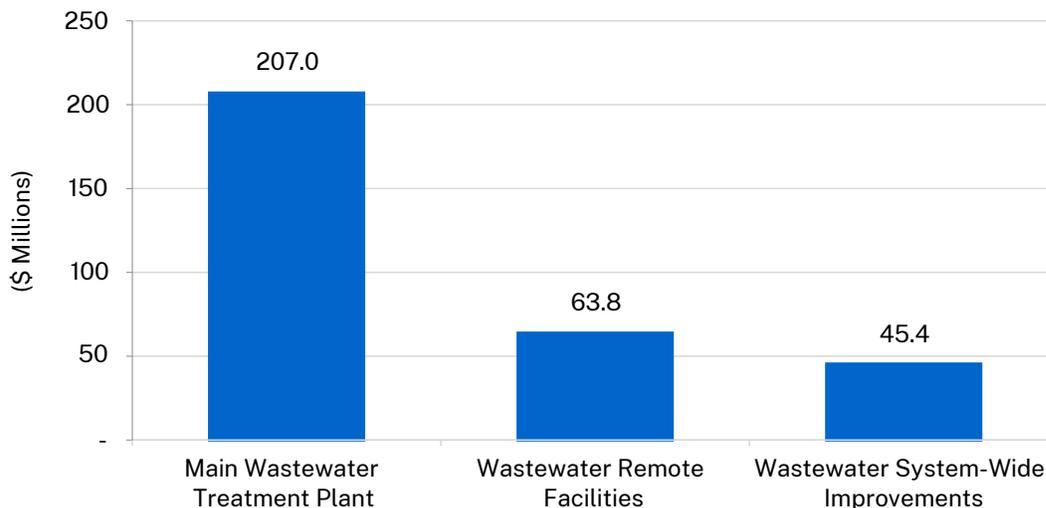
The four-year summary of capital cash flows highlights a 0.5 percent increase in budgeted cash flows from FY 2023 to FY 2024, followed by a 16.7 percent increase in FY 2025.

*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.

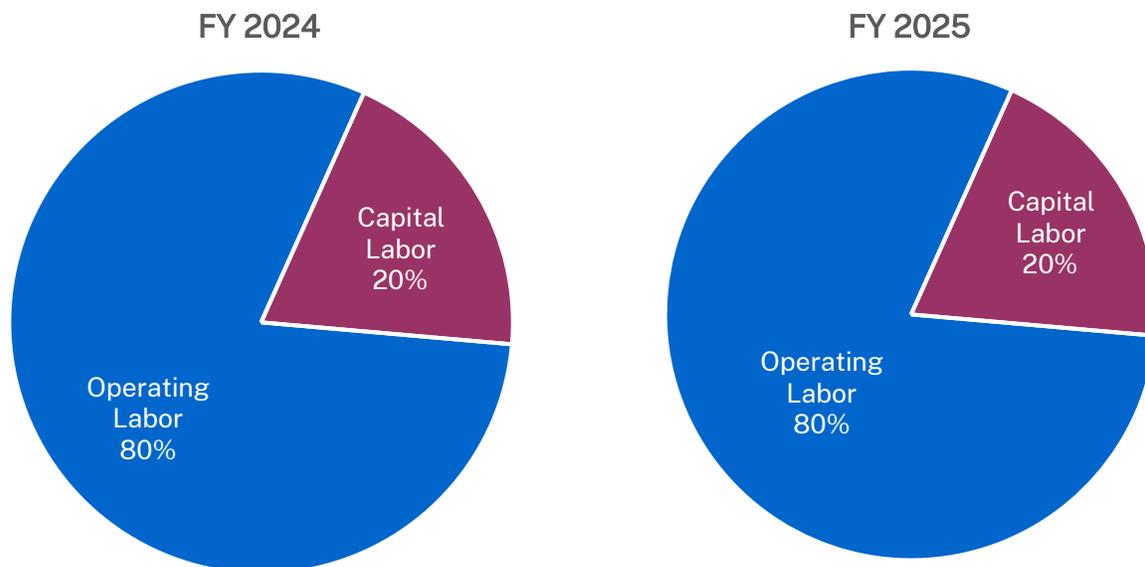
The following table shows the capital labor and benefits budget by department, though the Wastewater System has a single department so all regular labor costs are budget in that department.

*Wastewater System Capital Labor Budget by Department*

Capital Labor by Department (\$ Thousands)						
	FY 2022 Actuals	FY 2023 Budget	FY 2024		FY 2025	
			Budget	% Change	Budget	% Change
Wastewater	10,098	11,162	13,820	23.8%	14,026	1.5%
<b>Total Department</b>	10,098	11,162	13,820	23.8%	14,026	1.5%

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>			

## 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:

### Digester Upgrades - Phase 3

This project will rehabilitate and make improvements to Digesters 2, 3, and 4. Floating covers on Digester 3 and 4 will be replaced with new fixed covers and the existing cover on Digester 2 will be replaced with a gas membrane cover. These digesters will also be seismically upgraded to restrain the walls at the base. Other work includes piping upgrades, improved mixing, and associated electrical and controls upgrades. Digester coatings will be repaired for Digesters 5 and 7. The new fixed covers will increase gas storage for energy production which will increase the amount of biogas available for electricity generation and reduce flaring of unused biogas. This will increase electricity generation and potentially electricity sales while reducing environmental impacts. In addition, operational labor costs are expected to decrease once the improved piping and mixing systems are operational due to the reduced likelihood of equipment failure due to grit slugs, and better access for maintenance.

### Main Wastewater Treatment Plant (MWWTP) Administrative Building Improvements, Phases 1 and 2

This project includes improvements to the heating, ventilation and air conditioning (HVAC) systems, and roofing and fire protection improvements for the Administration Building and Laboratory at the MWWTP. Once implemented, these improvements will decrease operating costs due to an anticipated 15 to 20 percent reduction in power demand. Maintenance costs for roof repairs will also be reduced since the roof is at the end of its useful life.

### Power Generation Station (PGS) Reliability Improvements - Phase 3

This project includes piping replacements and improvements to the gas conditioning system to provide redundancy in order to reduce unplanned outages of the PGS. These improvements will reduce downtime for PGS equipment, and therefore increase electricity generation and potentially electricity sales.

### MWWTP Oxygen (O<sub>2</sub>) Plant Improvements

This project will make improvements to the O<sub>2</sub> plant built in 1973 which is critical for meeting water quality discharge permit requirements. The project will replace the existing analog control system with a new state-of-the-industry digital system. The project also includes a condition assessment of the Plant No. 1 and No. 2 reversing heat exchangers, control systems, and reactor feed control system. The scope of the design and construction will be defined based on risk of failure and improvements to reliability. Operating costs will be reduced substantially due to the new control system, which will allow finer tuning of oxygen dosing to the oxygen reactors, greatly reducing the production of pure oxygen and thus reducing electricity demand. The project should also reduce the risk of failure due to obsolescence of key infrastructure and increase plant safety and reliability.

### MWWTP Lighting Improvements

This project will replace aging, inefficient lighting systems with improved technology that reduces energy use and improves worker safety. Lighting installations at the primary sedimentation tanks, grit tanks, oxygen reactor decks, and secondary clarifier area will be replaced. The lighting proposed for replacement has a projected payback of five years due to savings from reduced energy use.

## 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

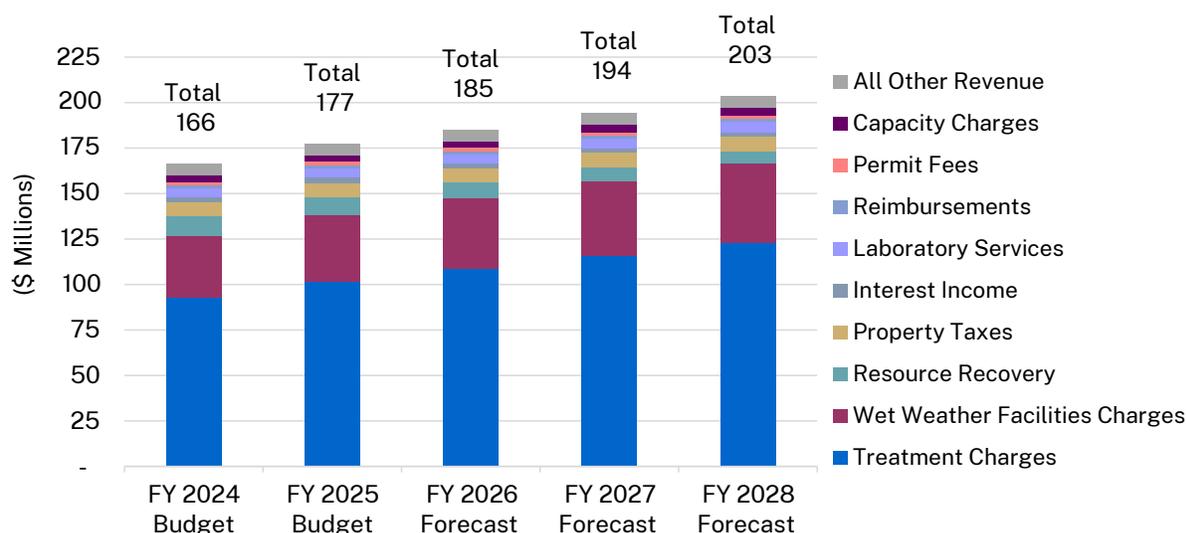
The following table shows the key assumptions used to create the revenue forecast. The debt service coverage ratio is projected to exceed the policy target of 1.60 by over 20 percent every year.

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.

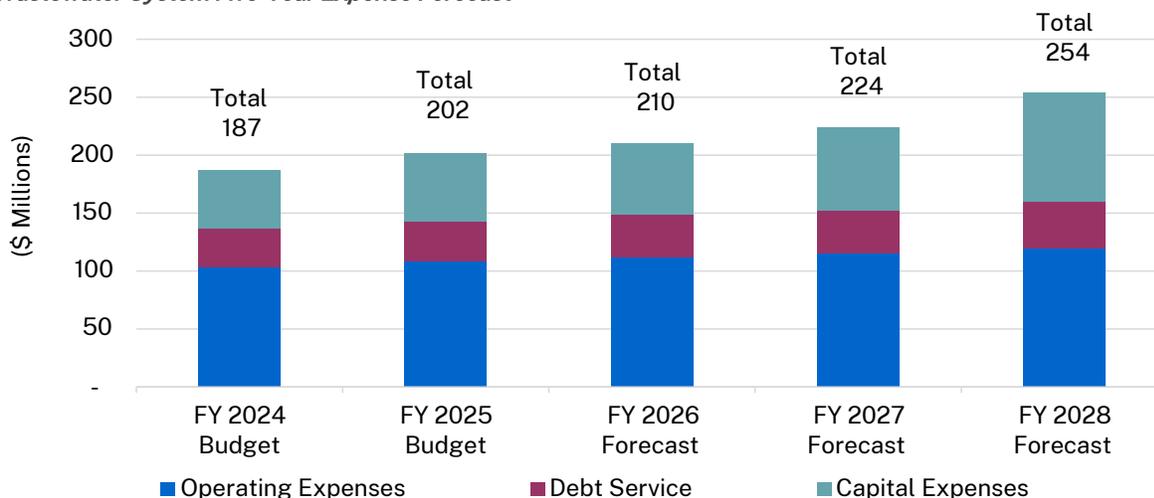
### FIVE-YEAR PROJECTION OF TOTAL EXPENSES

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.

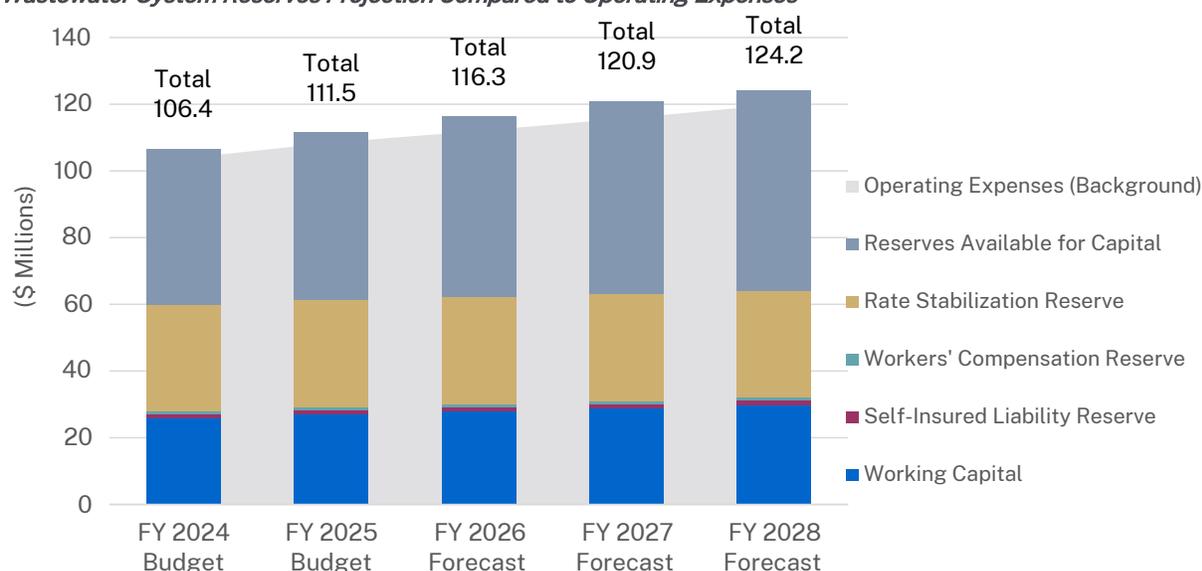
The table below shows the changes to reserve components over the five-year period. Reserve balances meet or exceed the policy reserve levels for the entire period.

*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 32,000 lab tests annually, generating and reporting about 100,000 data points. That's roughly the equivalent of one lab test ever 16 minutes for every hour of every day in a year.

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## Appendix

### Supplemental Statistical Information

The following provides additional statistical and supplemental information about the District and the Biennial Budget process.

#### FORM OF GOVERNMENT

The East Bay Municipal Utility District is a California Special District with water provision and wastewater treatment as its primary functions. It has corporate and tax powers but lacks the police powers of general-purpose governments. More detailed information can be found in the Introduction chapter, including the names and roles of elected and appointed officials. The Board of Directors is the body responsible for approving the biennial budget, and their appointed officials are responsible for developing and implementing the budget.

#### GEOGRAPHY

The location of the Water service area and Wastewater service area are shown on a map in the Introduction chapter. EBMUD's service area enjoys a Mediterranean climate and includes four modestly different climate zones (14-17) as defined by the Sunset Western Garden Book. The local climate impacts demand for water usage; the winter months are the coolest and when almost all precipitation occurs, and the summer and fall months are warm to hot and include almost no rainfall. EBMUD's reservoirs typically decrease during the summer and fall due to outdoor watering and increase during the winter and spring with rain and snow.

#### COMMUNITY PROFILE

A short historical narrative of the District as well as a timeline of the District's history is provided in Chapter 1. An additional publication providing specific historical details and photos of the District's legacy can be found in *Its Name was M.U.D. - A Story of Water*, which can be purchased online at [www.ebmud.com/store/books/its-name-was-mud](http://www.ebmud.com/store/books/its-name-was-mud).

#### COMMUNITY OUTREACH AND ENGAGEMENT

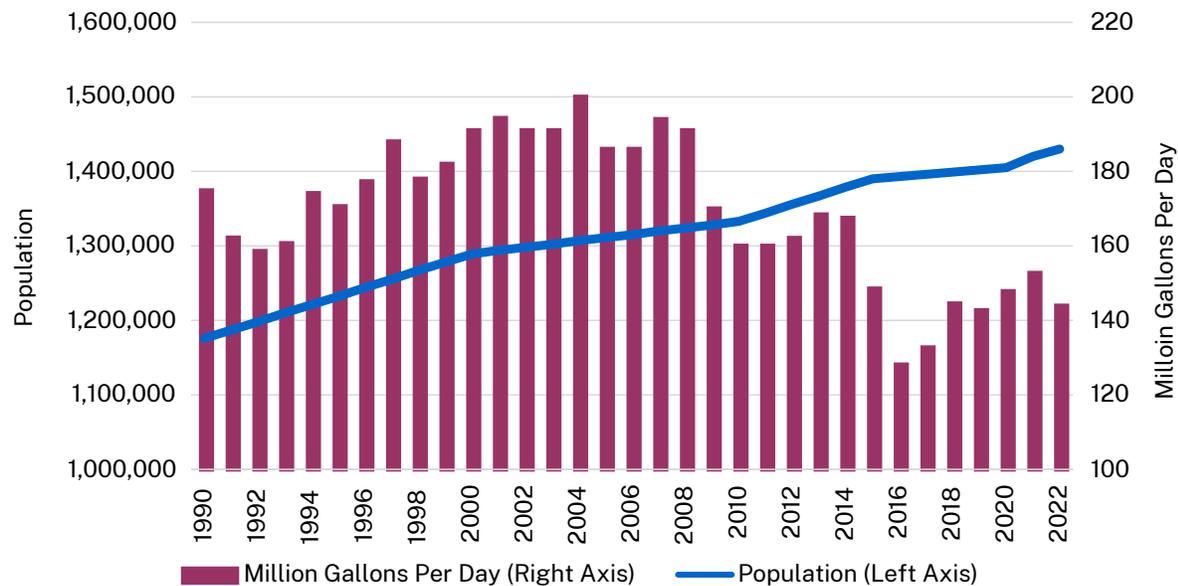
Extensive community outreach activities were held to engage the public and further their understanding of the cost of providing District's services, and rates needed to support the costs. More than 20 outreach meetings occurred across the service area, mostly in the early evenings, with a mix of virtual and in-person presentations. Additionally, two webinars were held to discuss the cost and value of water. More information about all of this outreach can be found at [ebmud.com/rates](http://ebmud.com/rates)

## DEMOGRAPHICS AND ECONOMICS

### Population and Water Consumption

As provided in the Introduction chapter, for the past 30 years the population trend data shows a slight rise for the region. Despite the population growth, per capita water usage has decreased due to customers' water efficiency. The largest drops in per-capita usage are during droughts, when mandatory conservation and economic incentives encourage reduced water usage.

*Water Consumption and Population Trends*



### Customer Accounts

The Water System has 387,083 active accounts as of the end of fiscal year 2022. Over 90 percent of water system active service connections are residential accounts, which comprises approximately 50 percent of total water usage. The Wastewater System has 181,458 accounts, with about 89 percent of those being residential and most of the rest are commercial accounts.

*Accounts by Customer Type for the Water and Wastewater Systems*

Customer Type	Water System				Wastewater System	
	Accounts	% of Total Accounts	Usage (MGD)	% of Total Usage	Accounts	% of Total Accounts
Residential	351,439	90.8%	71.9	49.7%	161,132	88.8%
Commercial	31,925	8.2%	46.4	32.1%	16,955	9.3%
Industrial	1,215	0.3%	19.8	13.7%	736	0.4%
Public Authority	2,504	0.6%	6.6	4.6%	2,635	1.5%
<b>Total</b>	<b>387,083</b>	<b>100.0%</b>	<b>144.7</b>	<b>100.0%</b>	<b>181,458</b>	<b>100.0%</b>

**MAJOR EMPLOYERS**

Major employers have remained relatively consistent over the years, though PG&E and Workday both climbed higher on the list for Alameda County as of June 2022. On the other hand, Walmart Stores, Contra Costa Newspapers, and Doctor Medical Center are new to the Contra Costa County list, with St. Mary's College, Job Connections and Martinez Medical Offices falling off the list since June 2020.

*Major Employers in Alameda County as of June 2022*

Alameda County Major Employers	
Employer Name	Industry
Kaiser Permanente	Health Care
Tesla	Electric Vehicle Manufacturer
Safeway Inc.	Supermarkets & Other Grocery
County of Alameda	Local Government
Sutter Health	Health Care
John Muir Health	Health Care
PG&E	Energy
Workday	Enterprise Cloud Applications
Chevron Corporation	Energy
Wells Fargo & Co.	Financial Services

Source: FY 2022 County of Alameda Annual Comprehensive Financial Report

*Major Employers in Contra Costa County as of June 2022*

Contra Costa County Major Employers	
Employer Name	Industry
Chevron Corporation	Energy
Kaiser Permanente	General Medical & Surgical Hospitals
Bio-Rad Laboratories, Inc.	Research & Development in Biotechnology
John Muir Medical Center	General Medical & Surgical Hospitals
La Raza Market	Supermarkets & Other Grocery
USS-POSCO Industries	Manufacturing
Target Corporation	Retail
Walmart Stores, Inc.	Retail
Contra Costa Newspapers, Inc.	Newspaper Publishers
Doctor Medical Center	General Medical & Surgical Hospitals

Source: FY 2022 County of Contra Costa Annual Comprehensive Financial Report

## UNEMPLOYMENT

Unemployment rates have mostly returned to typical levels as of calendar year 2022, after increasing significantly in 2020 as a result of the COVID-19 pandemic.

### *Unemployment Rates in Cities, Counties and State*

Unemployment Rates					
	2018	2019	2020	2021	2022
<b>Seven Largest Cities in the Service Area</b>					
Alameda	2.9%	2.7%	8.5%	5.6%	3.0%
Berkeley	2.9%	2.8%	6.8%	4.9%	3.0%
Oakland	3.5%	3.4%	10.8%	7.4%	3.9%
Richmond	3.7%	3.5%	11.3%	8.1%	4.1%
San Leandro	3.2%	3.2%	10.9%	7.0%	3.6%
San Ramon	2.7%	2.5%	6.3%	4.4%	2.6%
Walnut Creek	2.8%	2.6%	6.7%	4.8%	3.0%
<b>Two Counties Partially Served by the District</b>					
Alameda County	3.1%	3.0%	8.9%	6.1%	3.3%
Contra Costa County	3.2%	3.1%	9.0%	6.4%	3.5%
<b>Comparison to the State of California</b>					
California	4.2%	4.1%	10.1%	7.3%	4.2%

Source: [California Employment Development Department](#).

Annual average by year; not seasonally adjusted.

## Index of Tables and Charts

Summary of Rate Increases and Average Bill Impacts.....	6
FY 2024 & FY 2025 Appropriations Summary and Comparison to FY 2023.....	7
FY 2024 & FY 2025 Appropriations Summary and Comparison to FY 2023 .....	8
Water System Major Capital Focus Areas .....	10
Wastewater System Major Capital Focus Areas .....	11
Water Charges for Single-Family Residential Bills.....	13
Water Charges for Multi-Family Residential (MFR) Bills.....	13
Wastewater Charges on the Water Bill, including Multi-Family Residential (MFR).....	14
Wastewater Wet Weather Facilities Charge on Property Tax Bill.....	14
District Service Area Map .....	17
Population Statistics for Counties and Major Cities in the District’s Service Area.....	18
Population Growth Trends from 1990 to 2022 .....	18
Map Showing Water Supply from Mokelumne River Watershed to the San Francisco Bay .....	20
Map of District Service Area and Board of Directors Ward Boundaries .....	22
Structure of Funds, Including Proprietary Funds and Fiduciary Funds.....	32
Revenue and Expenses on a Budgetary Basis Compared to Accounting Basis.....	33
Capital Improvement Program Organization Flowchart (from highest level to lowest level) .....	41
Capital Improvement Program Structural Changes .....	41
Appropriations Summary for Water and Wastewater Systems.....	45
Appropriations by Category .....	45
Appropriations By System.....	45
Appropriations by Service Provided .....	46
District-Wide Operating Appropriations by Department.....	47
District-Wide Debt Service and Planned Bond Issuance.....	48
Planned Capital Appropriations by Fund.....	49
District-Wide CIP Award Purposes .....	50
Water & Wastewater Systems Capital Cash Flows .....	50
Staffing Summary and Comparison FY 2021 to FY 2025 by FTE Count.....	51
District-Wide Labor and Benefit Costs for Operations and Capital .....	52
District-Wide Labor and Benefit Costs by Operations and Capital.....	53
Employer Contribution Rates to District’s Retirement System Based on Plan .....	53
Percent of FY 2024 & FY 2025 Combined Water System Revenue from Major Sources.....	54
Total Water System Revenues from FY 2022 to FY 2025.....	54
Percent of FY 2024 & FY 2025 Combined Wastewater System Revenue from Major Sources.....	55
Total Wastewater System Revenues from FY 2022 to FY 2025.....	55
Water System Fund Summary .....	56
Water System Sources and Uses of Funds (Waterfall Charts) .....	56
Wastewater System Fund Summary .....	57
Wastewater System Sources and Uses of Funds (Waterfall Charts) .....	57
Water System Key Assumptions .....	59
Water System Detailed Fund Summary – Sources & Uses.....	60
Water System Detailed Revenue Summary .....	61
Water System Operating Revenue Components – Combined FY 2024 & FY 2025.....	62
Water Charges Details (Monthly Service, Volume and Elevation).....	63
Water System Use of Funds FY 2021 to FY 2025.....	66
Water System Use of Funds for Operations and Debt Service .....	66
Water System Staffed and Non-Staffed Department Operating Budgets.....	67
All Water System Departments Operating Budget Details.....	68
Water System Staffed Department Operating Expenses by Budget Category .....	70

Administration Department Operating Budget Detail .....72

Administration Department Staffing Summary .....72

Customer and Community Services Department Operating Budget Detail.....74

Customer and Community Services Department Staffing Summary.....74

Customer and Community Services Department Staffing Changes .....75

Engineering and Construction Department Operating Budget Detail.....77

Engineering and Construction Department Staffing Summary .....78

Engineering and Construction Department Staffing Changes (Part 1).....78

Engineering and Construction Department Staffing Changes (Part 2).....79

Finance Department Operating Budget Detail.....81

Finance Department Staffing Summary .....81

Finance Department Staffing Changes.....82

Human Resources Department Operating Budget Detail.....84

Human Resources Department Staffing Summary .....84

Human Resources Department Staffing Changes.....85

Information Systems Department Operating Budget Detail.....87

Information Systems Department Staffing Summary .....88

Information Systems Department Staffing Changes .....88

Maintenance and Construction Department Budget Table.....90

Maintenance and Construction Department Staffing Summary .....90

Maintenance and Construction Department Staffing Changes .....91

Natural Resources Department Operating Budget Detail .....94

Natural Resources Department Staffing Summary .....94

Office of the General Counsel Operating Budget Detail.....96

Office of the General Counsel Staffing Summary .....96

Office of the General Manager Operating Budget Detail .....98

Office of the General Manager Staffing Summary .....99

Office of the General Manager Staffing Changes.....99

Operations and Maintenance Support Department Operating Budget Detail.....101

Operations and Maintenance Support Department Staffing Summary .....102

Operations and Maintenance Support Department Staffing Changes.....102

Water Operations Department Operating Budget Detail.....104

Water Operations Department Operating Staffing Summary.....105

Water Operations Department Operating Staffing Changes .....105

Water Recycling Program Operating Budget Detail.....107

Water Recycling Program Staffing Summary.....107

Water Resources Department Operating Budget Detail.....109

Water Resources Department Staffing Summary.....109

Water System Department Staffing Summary .....110

FY 2024 vs FY 2023 Water System Department Changes in Bargaining Units .....111

FY 2025 vs FY 2024 Water System Department Changes in Bargaining Units .....111

Water System Debt Outstanding .....113

Water System Projected Debt Service on Current Debt .....114

Water System Debt Ratings .....115

Water System Debt Funded Capital.....117

Capital Improvement Program Organization Flowchart (from highest level to lowest level) .....118

Water System CIP Award Purposes .....118

Water System Appropriations Current Budget Compared to Prior Budget (by Fiscal Year).....119

Water System FY 2024 & FY 2025 Appropriations by Award Purpose .....120

Water System Cash Flows Comparison by Budget Cycle / CIP (Excluding Capital Support) .....121

Water System Cash Flows Four-Year Summary .....122

Water System FY 2024 – FY 2028 Cash Flows by Award Purpose .....123

Water System Capital Labor Budget by Department .....124

Water System Operating and Capital Labor Split.....124

District-Wide Building Facility Improvements - Cash Flows and Appropriations by Award Purpose.....125

Environmental Resources & Remediation - Cash Flows and Appropriations by Award Purpose.....126

New Business Infrastructure - Cash Flows and Appropriations by Award Purpose .....126

Pipelines – Distribution - Cash Flows and Appropriations by Award Purpose.....127

Pipelines – Transmission - Cash Flows and Appropriations by Award Purpose .....127

Pressure Zone Studies - Cash Flows and Appropriations by Award Purpose .....128

Process & System-Wide Improvements - Cash Flows and Appropriations by Award Purpose .....129

Pumping Plants - Cash Flows and Appropriations by Award Purpose.....130

Raw Water System - Cash Flows and Appropriations by Award Purpose .....130

Recreation Areas & Facilities - Cash Flows and Appropriations by Award Purpose.....131

Regulators & Rate Control Stations - Cash Flows and Appropriations by Award Purpose.....131

Reservoirs – Distribution - Cash Flows and Appropriations by Award Purpose .....132

Reservoirs – Supply - Cash Flows and Appropriations by Award Purpose .....132

Supplemental Supply, Regional Agreements - Cash Flows and Appropriations by Award Purpose .....133

Sustainable Energy - Cash Flows and Appropriations by Award Purpose.....133

Vehicles, Equipment & Related Facilities - Cash Flows and Appropriations by Award Purpose .....134

Water Recycling & Conservation - Cash Flows and Appropriations by Award Purpose.....134

Water Treatment - Cash Flows and Appropriations by Award Purpose.....135

Water Contingency - Cash Flows and Appropriations by Award Purpose .....135

Water System Five-Year Financial Forecast.....140

Water System Key Assumptions in Five-Year Forecast.....141

Water System Five-Year Revenue Projection.....141

Water System Five-Year Expense Forecast.....142

Water System Five-Year Projection of Reserves.....143

Water System Reserves Projection Compared to Operating Expenses .....143

Water System Five-Year Capital Cash Flows by Award Purposes, Including Capital Support.....144

Water System Five-Year Debt Projections.....145

Wastewater System Key Assumptions.....147

Wastewater System Detailed Fund Summary – Sources & Uses.....148

Wastewater System Detailed Revenue Summary.....149

Wastewater System Operating Revenue Components – Combined FY 2024 & FY 2025 .....150

Wastewater System Use of Funds FY 2021 to FY 2025.....154

Wastewater System Use of Funds for Operations and Debt Service.....154

Wastewater System Staffed and Non-Staffed Department Operating Budgets.....155

Wastewater System Staffed Department Budget Detail .....156

Wastewater System Staffed Department Operations by Category .....157

Wastewater Department Operating Budget Detail.....159

Wastewater Department Staffing Summary.....159

Wastewater Department Staffing Changes .....160

Wastewater System Department Staffing Summary.....161

FY 2024 vs FY 2023 Wastewater System Department Changes in Bargaining Units .....162

FY 2025 vs FY 2024 Wastewater System Department Changes in Bargaining Units .....162

Wastewater System Debt Outstanding.....163

Wastewater System Projected Debt Service on Current Debt .....164

Wastewater System Debt Ratings.....165

Wastewater System Debt-Funded Capital.....166

Capital Improvement Program Organization Flowchart (from highest level to lowest level) .....167

Wastewater System CIP Award Purposes.....167

Wastewater System Appropriations Four-Year Summary.....168

Wastewater System Appropriations by Award Purpose for FY 2024 & FY 2025 .....168

Wastewater System Cash Flows Comparison by Budget Cycle / CIP (Excluding Capital Support).....169

Wastewater System Budget Cash Flows Four-Year Summary .....170

Wastewater System FY 2024 – FY 2028 Cash Flows by Award Purpose .....170

Wastewater System Capital Labor Budget by Department .....171

Wastewater System Operating and Capital Labor Split.....171

Main Wastewater Treatment Plant - Cash Flows and Appropriations by Award Purpose .....172

---

Remote Facilities - Cash Flows and Appropriations by Award Purpose.....	173
System-Wide Improvements - Cash Flows and Appropriations by Award Purpose .....	173
Wastewater Contingency - Cash Flows and Appropriations by Award Purpose .....	173
Wastewater System Five-Year Financial Forecast.....	175
Wastewater System Key Assumptions in Five-Year Forecast.....	176
Wastewater System Five-Year Revenue Projection.....	176
Wastewater System Five-Year Expense Forecast.....	177
Wastewater System Five-Year Projection of Reserves.....	178
Wastewater System Reserves Projection Compared to Operating Expenses .....	178
Wastewater System Five-Year Capital Cash Flows by Award Purposes, Including Capital Support .....	179
Wastewater System Five-Year Debt Projections.....	179
Water Consumption and Population Trends .....	182
Accounts by Customer Type for the Water and Wastewater Systems .....	182
Major Employers in Alameda County as of June 2022 .....	183
Major Employers in Contra Costa County as of June 2022 .....	183
Unemployment Rates in Cities, Counties and State .....	184

## Index of Photos

Pardee Dam, 1929.....	5
EBMUD Seal on the Administration Building.....	15
Chinook Salmon Returns Home to the Mokelumne River.....	19
Infrastructure Investments, Including Larkey Reservoir, Ensure Water Quality .....	19
Freeport Water Project – Sacramento, CA .....	20
Wastewater Treatment Plant – Oakland, CA.....	21
Water Quality Inspectors Protect Public Health .....	24
Administration Building – Oakland, CA.....	26
Wastewater System Bond.....	35
Leak Detection Reduces Water Loss.....	43
Pumping Plant Construction .....	49
Staff Repair and Replace Water Mains .....	53
Water System Staff Work to Deliver High-Quality Water to East Bay Homes and Businesses.....	59
Mokelumne Watershed Snow .....	59
Recycled Water in Purple Pipes Provides an Important Source of Non-Potable Water .....	61
Water Conservation Messages Are Shared in English, Spanish and Chinese During the Drought.....	71
Water Development Bond.....	112
Photovoltaic Systems Offset Energy Use at District Facilities .....	122
Old 1890-Style Fire Hydrant.....	128
Current Model-64 Fire Hydrants.....	128
Lab Techs Perform Sample Extraction .....	147
Main Wastewater Treatment Plant – Oakland, CA.....	147
Setting Up Samples for Analysis in the Wastewater Lab .....	162

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## Board Resolutions

This section includes the Board-approved resolutions for the FY 2024 and FY 2025 Biennial Budget relating to:

- Adopting rates, charges and fees subject to Proposition 218
- Adopting rates, charges and fees not subject to Proposition 218
- Approving and adopting the FY 2024 and FY 2025 biennial budget and other related actions
- Authorizing the number and character of positions

To reduce paper used for the printed version of the Biennial Budget book, there are no coversheets, though the start of each resolution and its purpose will be clear by the description in the capital letters that begins each resolution.

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RESOLUTION NO. 35350-23

ADOPTING WATER SYSTEM SCHEDULE OF RATES AND CHARGES AND  
WASTEWATER SYSTEM SCHEDULE OF RATES AND CHARGES SUBJECT TO  
PROPOSITION 218 FOR FISCAL YEAR 2024 AND FISCAL YEAR 2025, CONFIRMING  
THE EXEMPTION DETERMINATION UNDER THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT, AND DIRECTING STAFF TO FILE A  
NOTICE OF EXEMPTION

Introduced by Director Linney

; Seconded by Director Young

WHEREAS, the Board of Directors of the East Bay Municipal Utility District (District) is adopting the Fiscal Year 2024 (FY 2024) and Fiscal Year 2025 (FY 2025) Operating, Debt Service, and Capital Biennial Budget for expenditures necessary and advisable for the proper conduct of the activities of the District, including funding for needed capital projects and the operation of the water and wastewater systems, and to provide an adequate level of financial reserves and debt service coverage; and

WHEREAS, in November 2013, the District retained Raftelis Financial Consultants to perform an independent Cost of Service (COS) study for the water and wastewater systems, including a study of the proposed Drought Surcharges, to ensure that the District's rates and charges are compliant with the requirements of article XIII D, section 6 of the California Constitution (Proposition 218); and

WHEREAS, in April 2015, Raftelis Financial Consultants completed the District's COS study and identified adjustments to individual water and wastewater rates and charges to conform to Proposition 218 cost of service principles, and substantiated the District's proposed Drought Surcharges as being consistent with Proposition 218; and

WHEREAS, in May 2019, Raftelis Financial Consultants completed a COS study for the District's wastewater system that found the District's charges to be generally consistent with Proposition 218 cost of service principles, and also recommended some adjustments to the wastewater system's rates and charges; and

WHEREAS, in accordance with section 14401 of the California Public Utilities Code, on May 9, 2023, the General Manager filed with the Board of Directors the Biennial Report and Recommendation of the General Manager Fiscal Years 2024 & 2025 (Biennial Report), recommending revisions to the water and wastewater rates and charges to meet the District's revenue requirements for FY 2024 and FY 2025 including: (1) the rates charged for water service as described on Revised Water System Schedule A (Rate Schedule for Water Service); (2) the rates charged for wastewater treatment service as described on Revised Wastewater System Schedule A (Rates for Treatment Service), and (3) the charge imposed to recover the cost of the District's wet weather program as described on Revised Wastewater System Schedule B (Wet Weather Facilities Charge); and

WHEREAS, the April 2015 COS study has been updated to reflect the proposed and projected FY 2024 and FY 2025 expenditures, revenues and water sales, and has been incorporated and reflected in the Biennial Report, and in the recommended revisions to the water system's rates and charges for FY 2024 and FY 2025; and

WHEREAS, the May 2019 COS study's recommended adjustments have been incorporated and reflected in the Biennial Report, and in the recommended revisions to the wastewater system's rates and charges for FY 2024 and FY 2025; and

WHEREAS, the rate structure for the water service charges has five customer classes: (1) Single-Family Residential, (2) Multi-Family Residential, (3) All Other (including commercial and other non-residential), (4) Nonpotable/Recycled, and (5) Private Fire Service; and has five components: (1) Water Flow Charge, (2) Water Service Charge, (3) Elevation Surcharge, (4) Private Fire Service Charge, and (5) Drought Surcharge applicable when a Stage 2, Stage 3, or Stage 4 Drought has been declared by the Board of Directors; and

WHEREAS, the District maintains a staged system of Drought Surcharges which may be imposed on each unit of water delivered during a Stage 2 Drought or greater to mitigate revenue reductions associated with the drought and recover additional costs expected to be incurred to provide water service during the drought, including, without limitation, costs related to supplemental water supplies, additional customer service resources and outreach efforts, and losses of revenue resulting from reduced water sales; and

WHEREAS, the Biennial Report recommended that the District continue to maintain its existing Drought Surcharges for potential future implementation in the event of a Stage 2 or greater drought declaration during FY 2024 and FY 2025; and

WHEREAS, prior to implementing any Drought Surcharge in FY 2024 or FY 2025, the District will prepare a drought budget which indicates the projected fiscal impact of the drought and update the COS study to incorporate available information regarding drought fiscal impacts, and any Drought Surcharge that is imposed will be consistent with the existing staged system, the drought budget, and the updated COS study, and will not exceed the maximum percentages described in Schedule L (Drought Surcharge Rate Schedule for Water Service); and

WHEREAS, as evidenced by the COS studies and Biennial Report, the water rates and charges are structured to proportionately allocate and recover the costs of providing water service among the various customer classes; and

WHEREAS, the wastewater rates and charges have three customer classes: (1) Single-Family Residential; (2) Multi-Family Residential; and (3) Non-Residential which is further classified based on the type of business operated; and

WHEREAS, the rates for the wastewater service fees have five components, the first four of which are historically collected on the water bill: (1) Treatment Service Charge, (2) Treatment Strength Charge, (3) Treatment Flow Charge, (4) San Francisco Bay Pollution Prevention Fee, and (5) Wet Weather Facilities Charge; and

WHEREAS, because the Wet Weather Facilities Charge (WWFC) is a fixed charge that is based on the size of a given parcel and is unrelated to water or wastewater usage at the property, the District historically collects the WWFC on the property tax rolls of Alameda and Contra Costa Counties, pursuant to its authority under California Health and Safety Code (H&SC) section 5471, et seq., for all parcels that have connections to the local wastewater collection systems within the District's wastewater service area; and

WHEREAS, H&SC section 5473 requires approval by two-thirds of the members of the Board of Directors (i.e., by at least five (5) Board members) for the WWFC to be collected on the property tax roll; and

WHEREAS, for entities that are exempt from property taxes, the WWFC is collected through the District's billing process; and

WHEREAS, revenues from the WWFC will be used for purposes authorized by H&SC section 5471(c), including to fund capital expenses for District facilities required to handle peak wet weather flows that are in excess of normal discharges from wastewater customers; and

WHEREAS, together, as evidenced by the COS studies and Biennial Report, the wastewater rates and charges are structured to proportionately allocate and recover the costs of providing wastewater service among the various customer classes; and

WHEREAS, as evidenced by the COS studies and Biennial Report, the revenues derived from the water and wastewater rates and charges will not exceed the funds required to provide water and wastewater services and shall be used exclusively for the water and wastewater systems, respectively; and

WHEREAS, the water and wastewater rates and charges will not exceed the proportional cost of the services attributable to each parcel upon which they are imposed; and

WHEREAS, the water and wastewater rates and charges will not be imposed on a parcel unless the water and wastewater services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, Proposition 218 and its implementing statute require that, prior to imposing any increase to the water and wastewater service rates and charges subject to Proposition 218, the District shall provide written notice (Notice) by mail of: (1) the proposed increases to such rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition and any tenant directly liable for payment of the rates and charges; (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the rates and charges were calculated; (4) the reason for the rates and charges; and (5) the date, time, and location of a public hearing (Hearing) on the proposed rates and charges; and

WHEREAS, pursuant to Proposition 218 such Notice is required to be provided to the affected record owners and any tenant directly liable for the payment of the rates and charges not less than forty-five days (45) prior to the Hearing on the proposed rates and charges; and

WHEREAS, the District did provide such Notice to the affected record owners and tenants of the proposed water and wastewater rates and charges in compliance with Proposition 218; and

WHEREAS, public workshops were conducted on January 24, 2023 and March 28, 2023, and the required Hearing, noticed in the manner and for the time required by law, was conducted by the Board of Directors on June 13, 2023, at which times all interested persons were afforded an opportunity to be heard on matters pertaining to revision of the water and wastewater rates and charges; and

WHEREAS, at the Hearing the Board of Directors heard all oral testimony, and considered all written materials and written protests concerning the establishment and imposition of the proposed rate increases for the rates and charges for water and wastewater services, and at the close of the Hearing the District did not receive written protests against the establishment and imposition of the proposed rates and charges for the water and wastewater services from record owners or tenants directly liable for the payment of the water or wastewater rates and charges with respect to a majority of the parcels upon which the rates and charges are proposed for imposition; and

WHEREAS, all comments, objections, and protests to the Biennial Report have been given full opportunity to be heard by the Board of Directors, and the Board of Directors has fully considered the Biennial Report; and

WHEREAS, the changes to the rates and charges as described above and as further set forth in this Resolution are subject to, and have been adopted in compliance with, Chapter 11.5 of the Municipal Utility District Act (Public Utilities Code section 14401, et seq.); and

WHEREAS, the Board of Directors now desires to adopt and impose the proposed water and wastewater rates and charges; and

WHEREAS, the District, as the lead agency under the California Environmental Quality Act (CEQA), in consultation with the District's legal counsel, has determined that adoption of the rates and charges set forth in this Resolution is exempt from CEQA review under Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 because the water and wastewater rates and charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the water and wastewater systems and will not result in the expansion of the water and wastewater systems. This exemption determination is supported by the COS study, Biennial Report, and the foregoing Recitals. Further, the District has determined that the adoption of the rates and charges set forth in this Resolution is also exempt from the requirements of CEQA as an action with no possibility of causing a significant effect on the environment;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby finds and determines the following:

1. The foregoing Recitals are true and correct, and by this reference are incorporated herein and made a part hereof.

2. Pursuant to California Constitution article X, section 2, which provides that because of the conditions prevailing in this State, the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare, the use of water in excess of year-round indoor water consumption is primarily for uses outside the home, and such uses are more discretionary in character than indoor uses.
3. A tiered water rate structure proportionately allocates the costs of providing water service to those who place the greatest demands on the District's water system and water supplies, and indirectly provides a conservation incentive to most users throughout the year to efficiently and reasonably use, and not waste, water.
4. The rates and charges for water service promote maximum beneficial use of the limited water resources available to the District to meet current and future demands consistent with state and federal policy and water conservation best management practices. The Board of Directors also finds and determines that these rate structures are reasonably calculated to proportionately recover normal District costs and to achieve overall revenue neutrality for the entire rate structure.
5. The District's water system and wastewater system COS studies, completed in April 2015 and May 2019, respectively, and each updated in 2023 to reflect current costs, support the COS to each customer class based on their respective demand characteristics, while being revenue neutral, and making no geographical differentiation except with respect to the Elevation Surcharge, based on the elevation of the property receiving service, as described in the following Section 6.
6. The rates for the water Elevation Surcharge adopted herein are imposed to recover the costs to the District of pumping and delivering water to higher elevations from those customers who receive service at higher elevations.
7. The rates and charges for water service are reasonable and appropriate, proportionately allocate the cost of providing water service, and will meet the Board of Directors' goal of overall revenue neutrality.

**BE IT FURTHER RESOLVED:**

8. The WWFC funds the capital expenses of the District's infiltration and inflow (I&I) facilities that are required to handle wet weather flows that enter the wastewater system, including wet weather facilities, interceptors, pumping stations and storage basins. The volume of wet weather flows that enter the wastewater system from each property is proportional to the size of the collection system to serve each property, and accordingly, the WWFC is based on lot size to reflect the potential amount of I&I entering into the wastewater system from a given lot. Three categories of lot size are used to calculate the WWFC: 0-5,000 square feet (sq. ft.); 5,001-10,000 sq. ft.; greater than 10,000 sq. ft.

9. The rates and charges for wastewater service are reasonable and appropriate, proportionately allocate the cost of providing wastewater service, and will meet the Board of Directors' goal of overall revenue neutrality.

BE IT FURTHER RESOLVED:

10. At the close of the Hearing held on June 13, 2023, the District had not received written protests against the establishment and imposition of the proposed rates and charges for the water and wastewater services from record owners or tenants directly liable for the payment of the water or wastewater rates and charges with respect to a majority of parcels upon which the rates and charges are proposed for imposition.
11. The Board of Directors finds and determines that the water system rates and charges and wastewater system rates and charges recommended in the Biennial Report are designed to recover the estimated cost of providing the services for which the rates are charged.

BE IT FURTHER RESOLVED:

12. All objections and protests to the Biennial Report are hereby overruled and denied and the Biennial Report is hereby accepted and approved.
13. The revised Schedule A of the Water System Schedule of Rates, Charges, and Fees for Customers of the District beginning FY 2024 contained in Chapter 5(a) of the Biennial Report is attached hereto as Exhibit A, and is hereby adopted, and the rates and charges and provisions therein contained are hereby fixed and established to be effective July 1, 2023; provided, however, that the revised water system rates and charges set forth in said Schedule A shall take effect with billing cycles commencing on or after July 1, 2023 for services rendered on or after July 1, 2023, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2023.
14. The revised Schedule A of the Water System Schedule of Rates, Charges, and Fees for Customers of the District beginning FY 2025 contained in Chapter 5(b) of the Biennial Report is attached hereto as Exhibit A, and is hereby adopted, and the rates and charges and provisions therein contained are hereby fixed and established to be effective July 1, 2024 and shall continue in effect unless and until modified by subsequent action of the Board of Directors; provided, however, that the revised water system service charges and consumption charges set forth in said Schedule A shall take effect with billing cycles commencing on or after July 1, 2024 for services rendered on or after July 1, 2024, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2024.
15. The existing Schedule L of the Water System Schedule of Rates, Charges, and Fees for Customers of the District is attached hereto as Exhibit A, is not modified by this Resolution and therefore the rates and charges and provisions therein contained shall continue in full force and effect during FY 2024 and FY 2025 and thereafter, and the Drought Surcharges described therein shall remain available to be implemented in the event of a Stage 2 or greater drought, provided that, prior to implementing any Drought Surcharge, the District will prepare a drought budget which indicates the projected fiscal impact of the drought and update the COS study to incorporate available information

regarding drought fiscal impacts, and any such Drought Surcharge that is imposed will be consistent with the existing staged system, the drought budget, and the updated COS study, and Schedule L and will not exceed the maximum percentages described therein.

16. The revised Schedules A and B of the Wastewater System Schedule of Rates, Charges, and Fees for Customers of the District beginning FY 2024 contained in Chapter 5(a) of the Biennial Report are attached hereto as Exhibit B, and are hereby adopted, and the rates and charges and provisions therein contained are hereby fixed and established to be effective July 1, 2023 for services rendered on or after July 1, 2023; provided, however, that the revised wastewater system rates and charges set forth in said Schedule A shall take effect with billing cycles commencing on or after July 1, 2023, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2023.
17. The revised Schedules A and B of the Wastewater System Schedule of Rates, Charges, and Fees for Customers of the District beginning FY 2025 contained in Chapter 5(b) of the Biennial Report are attached hereto as Exhibit B, and are hereby adopted, and the rates and charges and provisions therein contained are hereby fixed and established to be effective July 1, 2024 for services rendered on or after July 1, 2024 and shall continue in effect unless and until modified by subsequent action of the Board of Directors; provided, however, that the revised wastewater system rates and charges set forth in said Schedule A shall take effect with billing cycles commencing on or after July 1, 2024, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2024.
18. As set forth more fully above and as evidenced by the COS studies and Biennial Report, the aforesaid actions constitute modification and approval of rates and other charges for the purpose of meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or material; meeting financial reserve needs and requirements; or obtaining funds for capital projects necessary to maintain service in the existing service area; and the Board of Directors therefore confirms the District's determination that its aforesaid actions are exempt from the requirements of CEQA. The Board of Directors further confirms the District's determination that these actions are exempt from the requirements of CEQA because there is no possibility that adoption of the rates and charges set forth herein will have a significant effect on the environment. Therefore, the Board of Directors hereby directs the Secretary of the District to file a Notice of Exemption in accordance with applicable statutes and regulations with the County Clerks of Alameda and Contra Costa Counties.

**BE IT FURTHER RESOLVED:**

19. The appropriate officers of the District are hereby authorized and directed to take such actions as shall be necessary to impose, enforce and collect the rates and charges.
20. The Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective, and should any portion of this Resolution be invalidated by order of a court of competent jurisdiction, all other

portions of this Resolution shall remain in full force and effect until modified or superseded by action of this Board of Directors.

- 21. This Resolution shall supersede any and all other previous District resolutions and ordinances that conflict with, or are contrary to, this Resolution.

ADOPTED this 13th day of June, 2023 by the following vote:

AYES: Directors Chan, Linney, McIntosh, Patterson, Young, and President Katz.

NOES: Director Coleman.

ABSENT: None.

ABSTAIN: None.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

  
\_\_\_\_\_  
General Counsel

RESOLUTION NO. 35351-23

ADOPTING REVISED REGULATIONS AND REVISED WATER AND WASTEWATER SYSTEMS SCHEDULES OF RATES, CHARGES, AND FEES NOT SUBJECT TO PROPOSITION 218 FOR FISCAL YEAR 2024, INCLUDING SYSTEM CAPACITY CHARGE, STANDARD PARTICIPATION CHARGE, WASTEWATER CAPACITY FEE, RECREATION USE FEES, PUBLIC RECORDS ACT FEES, REAL PROPERTY USE APPLICATION FEES, AND OTHER RATES, FEES, AND CHARGES; CONFIRMING THE EXEMPTION DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND DIRECTING STAFF TO FILE A NOTICE OF EXEMPTION

Introduced by Director Patterson ; Seconded by Director Linney

WHEREAS, the Board of Directors is adopting the Fiscal Year 2024 (FY 2024) and Fiscal Year 2025 (FY 2025) Operating, Debt Service, and Capital Biennial Budget for expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District (District), including funding for needed capital projects and for the operation of the water and wastewater systems and to provide an adequate level of financial reserves and debt service coverage; and

WHEREAS, on May 9, 2023, the General Manager filed with the Board of Directors the Biennial Report and Recommendation of the General Manager Fiscal Years 2024 & 2025 (Biennial Report), recommending revisions to the rates and charges to meet the District's revenue requirements for FY 2024 and FY 2025, including: (1) capacity charges for the water and wastewater systems, installation and service charges and fees for single-family residential, multi-family residential (MFR), commercial, and industrial customers; (2) Schedules B, C, D, E, F, G, H, J, and N of the Water System Schedules of Rates, Charges, and Fees for Customers of the East Bay Municipal Utility District; (3) Schedules C, D, E, F, G, and H of the Wastewater System Schedules of Rates, Charges, and Fees for Customers of the East Bay Municipal Utility District; (4) Section 1 of the Regulations Governing Water Service to Customers of the East Bay Municipal Utility District (Regulations) to address changes in the zoning for allowances for duplexes and triplexes on single-family lots; (5) Recreation Use Fees for the Camanche Hills Hunting Preserve, Camanche North and South Recreation Areas, and San Pablo Recreation Area; (6) duplication and computer programming fees related to Public Records Act requests; and (7) real property use application fees; and

WHEREAS, the changes to rates, charges, and fees as described above and as further set forth in this Resolution are not subject to article XIII D, section 6 of the California Constitution (Proposition 218), but are subject to the public notice and hearing requirements of Chapter 11.5 of the Municipal Utility District Act (Public Utilities Code section 14401, et seq.); and

WHEREAS, public workshops held on January 24, 2023 and March 28, 2023, and a public hearing held on June 13, 2023, noticed in the manner and for the time required by law, were

conducted by the Board of Directors, at which times all interested persons were afforded an opportunity to be heard on matters pertaining to revision of the rates, charges, and fees; and

WHEREAS, all comments, objections, and protests to the Biennial Report have been given full opportunity to be heard by the Board of Directors, and the Board of Directors has fully considered said Biennial Report; and

WHEREAS, other proposed changes to the District's Water and Wastewater Systems Schedules of Rates, Charges, and Fees, which are subject to and comply with the notice and hearing requirements of Proposition 218, are not described in this Resolution and are instead described in a separate resolution, and in connection therewith, a Proposition 218 public hearing was conducted by the Board of Directors on June 13, 2023, to consider the proposed water and wastewater systems rates and charges subject to Proposition 218; and

WHEREAS, the District, as the lead agency under the California Environmental Quality Act (CEQA), in consultation with the District's legal counsel, has determined that adoption of the rates, charges, and fees set forth in this Resolution is exempt from CEQA review under Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 because the rates, charges, and fees are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the water and wastewater systems and will not result in the expansion of the water and wastewater systems. This exemption determination is supported by the Biennial Report and the foregoing Recitals. Further, the District has determined that the adoption of the rates, charges, and fees set forth in this Resolution is also exempt from the requirements of CEQA as an action with no possibility of causing a significant effect on the environment;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby finds and determines the following:

1. The foregoing Recitals are true and correct, and by this reference are incorporated herein and made a part hereof.
2. The service charges adopted herein are imposed to recover the cost of special services provided by the East Bay Municipal Utility District to the customer or fee payor and were determined based upon District estimates of the costs of providing the relevant services. The Water Demand Mitigation Fee, the System Capacity Charge (SCC), the Standard Participation Charge (SPC), and the Wastewater Capacity Fee (WCF) are levied only as a condition of extending or initiating service upon the request of a customer. The charges adopted herein are not imposed upon real property or upon a person as an incident of property ownership and were not calculated or developed on the basis of any parcel map, including an assessor's parcel map.
3. The purpose of the SCC and the SPC is to finance facilities necessary to provide service to new development that will be served by the East Bay Municipal Utility District. The SCC and SPC are charges for public facilities in existence at the time the charge is imposed or a charge for new public facilities to be acquired or constructed in the future

that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the District involving capital expense relating to its use of existing or new public facilities. The SCC methodology that combines the incremental cost and “buy-in” methodologies recovers the cost of many existing District facilities, which provide benefits to new users. The SCC reflects the findings and recommendations of the SCC study completed in 2021 by Stantec Consulting Services.

4. The revisions to the SCC, set forth in Schedule J of the Water System Schedule of Rates, Charges, and Fees which is attached as part of Exhibit A hereto, are necessary and appropriate to reflect updates for construction cost escalation, depreciation, additional facilities and future supply projects, and outstanding debt balance.
5. The revisions to the SPC, set forth in Schedule H of the Water System Schedule of Rates, Charges, and Fees which is attached to this Resolution as part of Exhibit A hereto, are necessary and appropriate to reflect the allowable costs for facilities necessary to serve applicants who had separate facility agreements with the District prior to July 1, 1983.
6. The revisions to the Water Demand Mitigation Fees, set forth in Schedule N of the Water System Schedule of Rates, Charges, and Fees which is attached to this Resolution as part of Exhibit A hereto, are necessary and appropriate to reflect the latest future water supply costs and to reflect the latest U.S. City Average of the Consumer Price Index.
7. The facts and evidence presented to the Board of Directors establish that there is a reasonable relationship between the need for the identified facilities and the impacts of the types of development for which the SCC and SPC are charged, and there is a reasonable relationship between the use of those fees to finance facilities necessary to provide a supply of water to new development and the type of development for which the fees are charged. The District’s methodology appropriately allocates to the SCC and SPC the costs related to augmenting the District’s water supplies to satisfy increased demand associated with future development within the District’s existing service area.
8. The purpose of the WCF is to recover the costs of providing wastewater treatment capacity for new or expanded system use. The WCF is a charge for public facilities in existence at the time the charge is imposed that is of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the District involving capital expense relating to its use of existing or new public facilities. The WCF is based on a “buy-in” or an equity approach, whereby new users “buy-in” to a wastewater system that has adequate capacity to serve both existing demands and new growth. The WCF reflects the findings and recommendations of the WCF study completed in 2019 by Raftelis Financial Consultants.
9. The revisions to the WCF, set forth in Schedule G of the Wastewater System Schedule of Rates, Charges, and Fees which is attached as part of Exhibit B hereto, include updates for the construction of additional facilities and construction cost escalations.

10. The facts and evidence presented to the Board of Directors establish that there is a reasonable relationship between the need for the identified facilities and the impacts of the types of development for which the WCF is charged, and there is a reasonable relationship between the use of those fees to finance facilities to new development and the type of development for which the fees are charged.
11. The Water and Wastewater Systems Rates, Charges, and Fees herein described and recommended in the Biennial Report, and the recommended Recreation Use Fees, Public Records Act-related fees, and Real Property Use Application Fees, are designed to recover the estimated cost to provide the services for which the fees are charged, as determined by the District based upon evidence regarding such costs.
12. The revisions to Section 1 of the Regulations are necessary to modify a definition in the Regulations for the purpose of addressing changes in the zoning for allowances for duplexes and triplexes on single-family lots.
13. The water, wastewater, recreation, real property, and Public Records Act rates, charges, and fees are imposed for specific products, services, benefits, and privileges provided, for entrance to and use of property, and/or for rental or lease of property, and those rates, charges, and fees do not exceed the reasonable costs to the District of providing those products, benefits, privileges and services to the payors, or in the case of fees for entrance to and use of property and/or for rental or lease of property, the fees do not exceed the reasonable value of the property interest provided. These rates, charges, and fees were determined by the District based upon evidence regarding such costs.

BE IT FURTHER RESOLVED:

14. All objections and protests to the Biennial Report are hereby overruled and denied and said Biennial Report is hereby accepted and approved.
15. The revised Schedules B, C, D, E, F, G, H, J, and N of the Water System Schedules of Rates, Charges, and Fees for Customers of the East Bay Municipal Utility District, beginning FY 2024, and the revised Section 1 of the Regulations, all contained in Chapter 5(a) of the Biennial Report, and all attached hereto as part of Exhibit A, are hereby adopted and the charges and provisions therein contained are hereby fixed and established to be effective July 1, 2023 for services rendered on or after July 1, 2023.
16. The revised Schedules C, D, E, F, G, and H of the Wastewater System Schedules of Rates, Charges, and Fees for Customers of the East Bay Municipal Utility District beginning FY 2024, all contained in Chapter 5(a) of the Biennial Report, and all attached hereto as part of Exhibit B, are hereby adopted and the charges and provisions therein contained are hereby fixed and established to be effective July 1, 2023 for services rendered on or after July 1, 2023.

17. The revised Recreation Use Fees for Calendar Year 2023, contained in Chapter 5(a) of the Biennial Report, and attached hereto as part of Exhibit C, are hereby fixed and established to be effective July 1, 2023.
18. The revised Recreation Use Fees for Calendar Year 2024, contained in Chapter 5(a) of the Biennial Report, and attached hereto as part of Exhibit C, are hereby fixed and established to be effective January 1, 2024 and shall remain in effect thereafter until modified by subsequent action of the Board of Directors.
19. The revised duplication and computer programming fees related to Public Records Act requests, contained in Chapter 5(a) of the Biennial Report, and attached hereto as part of Exhibit D, are hereby fixed and established to be effective July 1, 2023 for services rendered on or after July 1, 2023.
20. The revised Real Property Use Application Fees contained in Chapter 5(a) of the Biennial Report, and attached hereto as part of Exhibit D, are hereby fixed and established to be effective July 1, 2023 for services rendered on or after July 1, 2023.
21. As set forth more fully above and as evidenced by the Biennial Report, the aforesaid actions constitute modification and approval of rates and other charges for the purpose of meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or material; meeting financial reserve needs and requirements; or obtaining funds for capital projects necessary to maintain service in the existing service area; and the Board of Directors therefore confirms the District's determination that its aforesaid actions are exempt from the requirements of CEQA. The Board of Directors further confirms the District's determination that these actions are exempt from the requirements of CEQA because there is no possibility that adoption of the rates and charges set forth herein will have a significant effect on the environment. Therefore, the Board of Directors hereby directs the Secretary of the District to file a Notice of Exemption in accordance with applicable statutes and regulations with the County Clerks of Alameda, Amador, Calaveras, Contra Costa, and San Joaquin Counties.

BE IT FURTHER RESOLVED:

22. If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby and shall remain in full force and effect until modified or superseded by action of the Board of Directors. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

BE IT FURTHER RESOLVED:

23. The appropriate officers of the East Bay Municipal Utility District are hereby authorized and directed to take such actions as shall be necessary to impose, enforce and collect said fees, rates, charges, and regulations.

ADOPTED this 13th day of June, 2023 by the following vote:

AYES: Directors Chan, Linney, McIntosh, Patterson, Young, and President Katz.

NOES: Director Coleman.

ABSENT: None.

ABSTAIN: None.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

  
\_\_\_\_\_  
General Counsel

RESOLUTION NO. 35352-23

APPROVING AND ADOPTING THE BUDGET OF THE EAST BAY MUNICIPAL UTILITY DISTRICT WATER AND WASTEWATER SYSTEMS FOR FISCAL YEAR 2024 AND FISCAL YEAR 2025, ESTABLISHING THE TERMS AND CONDITIONS FOR THE PAYMENT OF DEMANDS AGAINST THE DISTRICT, DELEGATING AUTHORITY FOR CERTAIN BUDGET IMPLEMENTATION ACTIONS, AND EXPRESSING THE DISTRICT'S INTENTION TO ISSUE TAX EXEMPT DEBT OBLIGATIONS FOR REIMBURSEMENT OF EXPENDITURES FOR CERTAIN CAPITAL IMPROVEMENT PROJECTS

Introduced by Director Young ; Seconded by Director Linney

WHEREAS, the General Manager has prepared an estimate of all expenditures necessary and advisable for the proper conduct of the activities of the East Bay Municipal Utility District (District) and submitted the estimate to the Board of Directors in the Proposed Biennial Budget Fiscal Years 2024 and 2025 (Proposed Biennial Budget); and

WHEREAS, the Proposed Biennial Budget reflects proposed regular rate increases. The proposed regular rate increases for the Water System are 8.5 percent and an additional 8.5 percent for Fiscal Year 2024 (FY 2024) and Fiscal Year 2025 (FY 2025), respectively. The proposed regular rate increases for the Wastewater System are 8.5 percent and an additional 8.5 percent for FY 2024 and FY 2025, respectively; and

WHEREAS, the FY 2024 and FY 2025 Proposed Biennial Budget does not include an appropriation for drought contingency expenditures; and

WHEREAS, Drought Surcharges will continue to remain available as a contingency and will be up to 8.0 percent, 20.0 percent, and 25.0 percent for Drought Stages 2, 3, and 4, respectively, which would apply to each unit of potable water consumed if the Board of Directors declares a Stage 2 or greater drought, at an exact rate to be fixed by the Board but not to exceed the aforementioned percentages. Prior to implementing any Drought Surcharge, the District will update its projection of drought-related costs and will propose a drought contingency appropriation for consideration by the Board of Directors; and

WHEREAS, workshops were held on January 24, 2023 and March 28, 2023, at which time the Board of Directors and members of the public were provided an opportunity to review and ask questions about the Proposed Biennial Budget prepared by the General Manager; and

WHEREAS, the Board of Directors has considered all the oral and written information presented to it; and

WHEREAS, the Board of Directors desires to adopt a budget for FY 2024 and FY 2025, to appropriate funds for expenditure consistent with the adopted budget, and to delegate certain limited authority, as specified in this Resolution, to incur obligations, to provide for payment of demands against the District, to make certain transfers of appropriated funds, and for other purposes specified herein; and

WHEREAS, the District expects to finance, from time to time, a portion of the costs of the District’s capital improvement program for its Water and Wastewater Systems through the issuance and sale of obligations, the interest upon which is excluded from gross income for federal income tax purposes, and the Board of Directors desires to establish at this time the District’s intention to reimburse itself from the proceeds of such tax-exempt obligations for certain expenditures incurred by the District in connection with its capital improvement program prior to the issuance of the debt obligations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

Section 1. The Proposed Biennial Budget for FY 2024 and FY 2025 presented by the General Manager to the Board of Directors on March 28, 2023 is hereby approved and adopted as the FY 2024 and FY 2025 budget for the East Bay Municipal Utility District. The Director of Finance is directed to prepare final budget documents in accordance with such approval and adoption, which shall be kept on file in the Office of the Secretary. The final budget documents may incorporate minor modifications to the Proposed Biennial Budget provided such modifications do not result in a change to any amounts stated in Section 2 of this Resolution. The adopted budget may be further modified without further action of the Board of Directors only to the extent authorized by another provision of this Resolution.

Section 2. For the purposes of complying with section 11891.5 of the Public Utilities Code, the FY 2024 and FY 2025 budget is expressed in major groups of accounts as indicated below. The following amounts are hereby appropriated for expenditure:

WATER SYSTEM:	<u>FY 2024</u>	<u>FY 2025</u>
Operating Budget	\$397,428,634	\$413,176,571
Debt Service	238,673,425	256,317,818
Capital Budget	<u>541,631,256</u>	<u>359,938,282</u>
Total Water System	<u>\$1,177,733,315</u>	<u>\$1,029,432,671</u>
WASTEWATER SYSTEM:		
Operating Budget	\$103,742,517	\$108,464,054
Debt Service	32,870,923	34,775,679
Capital Budget	<u>85,674,154</u>	<u>87,235,602</u>
Total Wastewater System	<u>\$222,287,594</u>	<u>\$230,475,335</u>

Section 3. The General Manager is authorized to approve the payment of demands against the District in FY 2024, without further Board of Directors’ authorization, so long as the demands are incurred for purposes and within the amounts set forth in Section 2 of this Resolution, and as said amounts may be amended, with respect to FY 2024. Projection of the District’s operations with respect to FY 2025 will be resubmitted to the Board of Directors in June 2024 for review and approval, consistent with Public Utilities Code section 11891.5.

Section 4. The General Manager is authorized for FY 2024 and FY 2025 to transfer funds between the Capital Budget and the Operating Budget within each of the Water and

Wastewater Systems' respective budgets as required, but not to exceed a variance of 5.0 percent of the affected Capital or Operating Budgets, whichever is higher in dollar terms, and provided that the total budget for each of the two systems remains unchanged.

Section 5. Subject to compliance with section 12751 of the Public Utilities Code, authority is hereby delegated to incur obligations for the purposes and within the amounts specified for such purposes in the budget hereby approved under such terms and conditions as the General Manager shall establish.

Section 6. In order to provide for completion of work authorized but not completed as of the close of the fiscal year, balances remaining at the close of FY 2023 and FY 2024, respectively, are hereby appropriated for expenditure in the subsequent fiscal year, in addition to the applicable fiscal year appropriations for capital and operating expenditures.

Section 7. The Director of Finance is hereby authorized and directed to distribute the FY 2024 and FY 2025 appropriations to the various accounts of the District in accordance with generally accepted accounting principles and consistent with the purposes and objectives identified in the approved budget. The Director of Finance is further authorized to apply surplus revenues above the targeted reserve levels identified in the approved budget to retire currently outstanding bonds where it is cost-effective to do so, fund capital expenditures in FY 2024 and FY 2025, or set aside revenues in a restricted fund to fund capital expenditures. Department directors and department managers are authorized, with approval of the Office of Budget and Performance, to transfer unexpended funds to other approved operations or capital projects, provided that the total Capital Budget and Operating Budget for the Water and Wastewater Systems remain unchanged. An annual report of the transferred capital unexpended funds will be submitted by the Office of Budget and Performance to the General Manager. This Section 7 does not modify or limit the authority given to the General Manager by Section 4.

Section 8. Notwithstanding Section 2 of this Resolution, any appropriations necessary to fulfill the purposes of a grant duly accepted by the District are hereby appropriated for the purposes for which the grant has been approved. Such appropriation includes authorization for the General Manager to expend such monies and for the Director of Finance to make payments therefor in accordance with the terms and conditions and for the purposes of the grant.

Section 9. The Board of Directors hereby declares the District's intent to reimburse itself with the proceeds of one or more issues of tax-exempt bonds, commercial paper notes, or other indebtedness (Obligations) for a portion of the costs of the District's capital improvement program for its Water and Wastewater Systems, as set forth above in the District's Capital Budget for FY 2024 and FY 2025. The maximum principal amount of the Obligations expected to be issued from time to time to finance the costs of such capital improvement program, as set forth in the District's Capital Budget is in aggregate \$901.7 million for the Water System (\$541.7 million for FY 2024 expenditures, and \$360.0 million for FY 2025 expenditures), and in aggregate \$173.0 million for the Wastewater System (\$85.7 million for FY 2024 expenditures, and \$87.3 million for FY 2025 expenditures). The District reasonably expects on the date hereof that it will reimburse certain expenditures paid pursuant to the District's Capital Budget with the proceeds of the Obligations.

Section 10. Proceeds of the Obligations to be used to reimburse for costs are not expected to be used within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the District (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the District or any entity related in any manner to the District, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Section 11. This Resolution is consistent with the budgetary and financial circumstances of the District as of the date hereof. No monies from sources other than the Obligations are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the District or any related party pursuant to their budget or financial policies with respect to the costs to be reimbursed from the Obligations.

Section 12. Among other purposes, this Resolution is adopted as an official action of the District in order to comply with Treasury Regulation section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of the District expenditures incurred prior to the date of issue of the Obligations, is part of the District's official proceedings, and will be available for inspection by the general public at the main administrative office of the District.

ADOPTED this 13th day of June, 2023 by the following vote:

AYES: Directors Chan, Coleman, Linney, McIntosh, Patterson, Young, and President Katz.

NOES: None.

ABSENT: None.

ABSTAIN: None.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

  
\_\_\_\_\_  
General Counsel

RESOLUTION NO. 35353-23

AUTHORIZING THE NUMBER AND CHARACTER OF POSITIONS AND AUTHORIZING  
THE GENERAL MANAGER TO TAKE ACTION IN CONNECTION THEREWITH

Introduced by Director Coleman ; Seconded by Director Patterson

WHEREAS, the Board of Directors of the East Bay Municipal Utility District (District) is charged with the responsibility to determine and create the number and character of positions required to carry on the functions of the District; and

WHEREAS, the General Manager has filed a report with the Board of Directors recommending that 2,229.75 full-time equivalent (FTE) positions be authorized to carry on the functions of the District in Fiscal Year 2024 and 2,230.75 FTE positions be authorized to carry on the functions of the District in Fiscal Year 2025;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Bay Municipal Utility District as follows:

1. That 2,229.75 FTE positions be and hereby are authorized for Fiscal Year 2024 and 2,230.75 FTE positions be and hereby are authorized for Fiscal Year 2025, and that said positions are hereby converted, reallocated, created, deleted, and/or flexibly staffed in accordance with Exhibits A, B1, B2 and C, which are attached hereto and incorporated herein by this reference, and that the character of the positions (Full-Time Civil Service, Full-Time Civil Service Exempt, Limited Term, Temporary Construction, Temporary, Intermittent, and Part-Time) so authorized shall be as set forth in said Exhibits.
2. That the necessary amounts for salaries and benefits for the positions authorized in Section 1 of this Resolution for Fiscal Year 2024 and Fiscal Year 2025, which include the classification plan changes set forth in Exhibit C, are hereby authorized and appropriated, and that the salary schedules and monthly salary or wage rates for the positions authorized in this Resolution are approved.
3. That the Board of Directors hereby authorizes the General Manager to determine the specific classification and organizational placement within the District for each of the authorized positions and authorizes the General Manager to reallocate, flexibly staff, reassign and/or transfer said existing positions and personnel within the District, provided that: (1) the total number of positions that are represented remains unchanged for each fiscal year; (2) the character of the positions as enumerated above and as set forth in Exhibits A, B1, B2 and C is not changed provided, however, that the General Manager is authorized to flexibly staff regular full-time civil service positions with intermittent civil service positions consistent with procedures adopted by the General Manager for that purpose; (3) the total approved salaries and benefits for Fiscal Year 2024 and Fiscal Year 2025 are not exceeded; (4) this authority is exercised in accordance with applicable District rules, regulations, policies and procedures, including those adopted to implement the District's civil service system set forth at Section 12051, *et seq.* of the Municipal

Utility District Act and any applicable provisions of relevant Memoranda of Understanding between the District and AFSCME Local 444, AFSCME Local 2019, IFPTE Local 21, and Stationary Engineers Local 39; and (5) the General Manager posts notice of such proposed changes in a conspicuous place at the District, and also notifies the Board of Directors, AFSCME Local 444, AFSCME Local 2019, IFPTE Local 21, and Stationary Engineers Local 39 of such proposed changes at least seven (7) calendar days prior to making any such change.

4. That the continuing operational need for any and all Limited Term and Temporary Construction positions included in the budget for Fiscal Year 2024 and Fiscal Year 2025 be evaluated and reported on by departments as part of their budget request for Fiscal Year 2024 and Fiscal Year 2025. Departments are responsible for ensuring that Limited Term and Temporary Construction positions are terminated at the end of their assigned project and are not reassigned without obtaining approval from the General Manager and the Board of Directors.
5. That all other resolutions or motions or parts thereof in conflict with this Resolution are revoked, provided that the authority of the General Manager or the General Manager's designee to create special replacement positions (Section 4, Resolution No. 30950-84; Section 3, Resolution No. 31904-87, and Section 4, Resolution No. 32084-88 as amended by Resolution No. 33425-04) and to transfer functions and positions (Section 5, Resolution No. 30950-84) and to approve special replacement positions/classifications for Limited Term and Temporary Construction positions (Section 3, Resolution No. 31303-85) and to temporarily replace full-time employees who are absent or are on approved leave as a result of participation in the District's drug and alcohol testing program, not to exceed a maximum of six (6) months and in accordance with applicable District Civil Service Rules (Section 8, Resolution No. 32926-95) and to designate the classification, organizational assignment, duration, and appointments for up to ten (10) Workforce Transition (WT) positions to mitigate near term retirements (Resolution No. 33676-08) in accordance with applicable District Civil Service Rules shall remain in full force and effect.

BE IT FURTHER RESOLVED by the Board of Directors of the East Bay Municipal Utility District that, in accordance with Exhibit C, attached hereto and incorporated herein:

6. The following classification shall be added: Customer Affairs Representative III.
7. The following classifications shall be deleted: Assistant Superintendent, Water Treatment/Distribution; Supervising Systems Programmer; and Supervising Wastewater Control Inspector.

The salary for the Controller classification shall be decreased from Salary Grade 87 to 85; and the salary for the Internal Auditor Supervisor classification shall be increased from Salary Grade 77 to 80.

BE IT FURTHER RESOLVED that this Resolution shall become effective July 1, 2023.

ADOPTED this 13th day of June, 2023 by the following vote:

AYES: Directors Chan, Coleman, Linney, McIntosh, Patterson, Young, and President Katz.

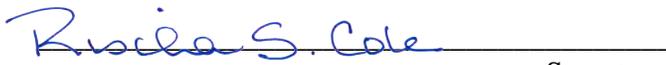
NOES: None.

ABSENT: None.

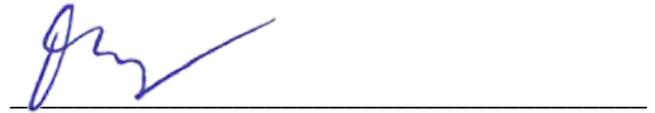
ABSTAIN: None.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND PROCEDURE:

  
\_\_\_\_\_  
General Counsel

**EXHIBIT "A"**  
**SUMMARY OF STAFF CHANGES**  
**(July 1, 2023)**

Group/Department	FY2023 Amended Staff Years <sup>(1)</sup>	FY2024 Recommended Staff Years <sup>(2)</sup>	FY2024 Net Change	FY2025 Recommended Staff Years <sup>(2)</sup>	FY2025 Net Change
ADMINISTRATION	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>
CUSTOMER AND COMMUNITY SERVICES	<u>153.5</u>	<u>154.5</u>	<u>1</u>	<u>154.5</u>	<u>0</u>
ENGINEERING AND CONSTRUCTION	<u>282</u>	<u>293</u>	<u>11</u>	<u>294</u>	<u>1</u>
FINANCE	<u>190.5</u>	<u>195.5</u>	<u>5</u>	<u>195.5</u>	<u>0</u>
Finance	97.5	99.5	2	99.5	0
Information Systems	93	96	3	96	0
HUMAN RESOURCES	<u>42.5</u>	<u>46.5</u>	<u>4</u>	<u>46.5</u>	<u>0</u>
OFFICE OF THE GENERAL COUNSEL	<u>16.5</u>	<u>16.5</u>	<u>0</u>	<u>16.5</u>	<u>0</u>
OFFICE OF THE GENERAL MANAGER	<u>74.5</u>	<u>80.5</u>	<u>6</u>	<u>80.5</u>	<u>0</u>
MAINTENANCE AND CONSTRUCTION	<u>606.5</u>	<u>630.5</u>	<u>24</u>	<u>630.5</u>	<u>0</u>
OPERATIONS & MAINTENANCE SUPPORT	<u>55</u>	<u>56</u>	<u>1</u>	<u>56</u>	<u>0</u>
WATER OPERATIONS	<u>337.25</u>	<u>341.25</u>	<u>4</u>	<u>341.25</u>	<u>0</u>
WATER AND NATURAL RESOURCES	<u>102.5</u>	<u>102.5</u>	<u>0</u>	<u>102.5</u>	<u>0</u>
Water Resources		35	0	35	0
Natural Resources	67.5	67.5	0	67.5	0
WATER RECYCLING PROGRAM	<u>8</u>	<u>8</u>	<u>0</u>	<u>8</u>	<u>0</u>
<b>WATER SYSTEM TOTAL</b>	<b>1869.75</b>	<b>1925.75</b>	<b>56</b>	<b>1926.75</b>	<b>1</b>
WASTEWATER	<u>289.5</u>	<u>304</u>	<u>14.5</u>	<u>304</u>	<u>0</u>
<b>DISTRICT-WIDE TOTAL IN FTEs <sup>(3)</sup></b>	<b>2159.25</b>	<b>2229.75</b>	<b>70.5</b>	<b>2230.75</b>	<b>1</b>

Notes (1), (2), (3) - See page 2

**EXHIBIT "A"**  
**SUMMARY OF STAFF CHANGES**  
**(July 1, 2023)**

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<b>TOTAL POSITIONS AUTHORIZED BY TYPE OF STATUS</b>	<b>FY24 Positions</b>	<b>FY24 Net Change</b>	<b>FY25 Positions</b>	<b>FY25 Net Change</b>
Full-Time	2131	48	2132	1
Temporary	51	7	51	0
Part-Time	17	0	17	0
Intermittent	5	0	5	0
Temporary Construction and Limited-Term	61	19	61	0
<b>DISTRICT-WIDE TOTAL IN POSITIONS<sup>(3)</sup></b>	<b>2265</b>	<b>74</b>	<b>2266</b>	<b>1</b>

**Notes to Exhibit A:**

- (1) Amended staffing applies mid-year Board actions, changes to the FY2023 Position Resolution under the General Manager's authority, position transfers, and administrative corrections effective May 12, 2023.
- (2) Regular Full-Time, Temporary Construction, and Limited Term Positions = 1.0 staff year  
Part-Time and Temporary = .5 staff year  
Intermittent = .75 staff year
- (3) The District-wide full-time equivalent (FTE) total takes into account that temporary, part-time and intermittent positions are valued at less than 1.0 staff year each. The District-wide position total does not make that distinction.

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

**Customer and Community Services Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/ CONF	NRP/ EXMPT	Explanation
325	1.00	TBD			New Business Representative I/II	L/T	62	1.00						Support new connections during peak workload

**Engineering and Construction Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/ CONF	NRP/ EXMPT	Explanation
577	1.00	TBD			Associate Civil Engineer	REG	76	1.00						Support capital improvement program
578	1.00	TBD			Associate Civil Engineer	REG	76	1.00						Support capital improvement program
502	1.00	TBD			Drafting Supervisor	REG	70			1.00				Support capital improvement program
561	1.00	TBD			Engineering Designer I/II	REG	67	1.00						Support capital improvement program
534	1.00	TBD			Senior Engineering Designer	REG	71	1.00						Support capital improvement program
502	1.00	TBD			Principal Management Analyst	REG	77					1.00		Innovation and best-practice research
535	1.00	TBD			Associate Civil Engineer	REG	76	1.00						Support capital improvement program
535	1.00	TBD			Assistant Engineer/ Junior Engineer	REG	72	1.00						Support capital improvement program

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

**Engineering and Construction Department (continued)**

ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	Representation Change <sup>1</sup>						Explanation	
								2019	444	21	39	MGR/CONF	NRP/EXMPT		
575	1.00	TBD			Associate Civil Engineer	REG	76	1.00							Support capital improvement program
576	1.00	TBD			Associate Civil Engineer	REG	76	1.00							Support capital improvement program
551	1.00	TBD			Associate Civil Engineer	REG	76	1.00							Support capital improvement program
572	0.00	2306	Senior Construction Inspector/ Construction Inspector	L/T <sup>2</sup>	Senior Construction Inspector/ Construction Inspector	REG	71	0.00							1.00 FTE affected; Support baseline growth in capital plan
572	0.00	2307	Senior Construction Inspector/ Construction Inspector	L/T <sup>2</sup>	Senior Construction Inspector/ Construction Inspector	REG	71	0.00							1.00 FTE affected; Support baseline growth in capital plan
572	0.00	2299	Senior Construction Inspector/ Construction Inspector	T/C <sup>2</sup>	Senior Construction Inspector/ Construction Inspector	REG	71	0.00							1.00 FTE affected; Support baseline growth in capital plan
575	0.00	2300	Associate Civil Engineer/ Associate Electrical Engineer/ Associate Mechanical Engineer	T/C <sup>2</sup>	Associate Civil Engineer/ Associate Electrical Engineer/ Associate Mechanical Engineer	REG	76	0.00							1.00 FTE affected; Support baseline growth in capital plan
572	0.00	2301	Supervising Construction Inspector	T/C <sup>2</sup>	Supervising Construction Inspector	REG	75	0.00							1.00 FTE affected; Support baseline growth in capital plan

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

**Engineering and Construction Department (continued)**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
576	0.00	2304	Assistant Engineer/ Senior Construction Inspector/ Junior Engineer	T/C <sup>2</sup>	Assistant Engineer/ Junior Engineer	REG	72	0.00						1.00 FTE affected; Support baseline growth in capital plan
577	0.00	2305	Assistant Engineer/ Senior Construction Inspector/ Junior Engineer	T/C <sup>2</sup>	Assistant Engineer/ Junior Engineer	REG	72	0.00						1.00 FTE affected; Support baseline growth in capital plan
572	0.00	2308	Construction Inspector	T/C <sup>2</sup>	Construction Inspector	REG	67	0.00						1.00 FTE affected; Support baseline growth in capital plan

**Finance Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
230	1.00	TBD			Buyer I/II	REG	64	1.00						Support capital improvement program
202	1.00	TBD			Principal Management Analyst	REG	77					1.00		Grants writing

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

**Human Resources Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
361	1.00	TBD			Information Systems Administrator II	REG	77			1.00				Product owner for new HRIS, including implementation
365	1.00	TBD			Human Resources Analyst I/II / Human Resources Technician	REG	69					1.00		Improve onboarding and communication
365	1.00	TBD			Senior Administrative Clerk, Confidential	L/T	55					1.00		Support peak workload and efficiency improvements
366	1.00	TBD			Human Resources Analyst I/II	L/T	69					1.00		Support peak workload and efficiency improvements
365	1.00	TBD			HRIS Analyst I	L/T	61					1.00		Support peak workload and efficiency improvements
365	(1.00)	4536	Principal Management Analyst	T/C			77					(1.00)		REG ISA position is better suited for long-term HRIS project

**Information Systems Department**

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
255	1.00	TBD			Management Analyst I/II	REG	69			1.00				Support cybersecurity
255	1.00	TBD			Senior Information Technology Engineer/ Information Technology Engineer I/II	REG	76	1.00						Support cybersecurity
251	1.00	TBD			Senior Software Engineer/ Software Engineer I/II	T/C	75	1.00						Support HRIS Implementation

**Maintenance and Construction Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
746	6.00	TBD			Heavy Transport Operator	REG	58		6.00					Aging infrastructure and reduce FM&O and contracting out
720	4.00	TBD			Water Distribution Plumber I/II/III	REG	59		4.00					Aging infrastructure and reduce FM&O and contracting out
746	2.00	TBD			Heavy Equipment Operator	REG	61		2.00					Aging infrastructure and reduce FM&O and contracting out
746	4.00	TBD			Water Distribution Plumber I/II/III	REG	59		4.00					Aging infrastructure and reduce FM&O and contracting out

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

**Maintenance and Construction Department (continued)**

ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	Representation Change <sup>1</sup>					Explanation	
								2019	444	21	39	MGR/CONF		NRP/EXMPT
746	1.00	TBD			General Pipe Supervisor	REG	72			1.00				Aging infrastructure and reduce FM&O and contracting out
753	3.00	TBD			Water Distribution Plumber I/II/III	L/T	59		3.00					Replace meters with highest rates of underbilling
720	2.00	TBD			Water Distribution Plumber I/II/III	T/C	59		2.00					Aging infrastructure and reduce FM&O and contracting out
720	1.00	TBD			Water Distribution Crew Foreman	T/C	68		1.00					Aging infrastructure and reduce FM&O and contracting out
720	1.00	TBD			Heavy Equipment Operator	T/C	61		1.00					Aging infrastructure and reduce FM&O and contracting out
755	0.00	2269, 2275, 2277, 6118	Concrete Finisher I/II & Gardener I/II	L/T <sup>2</sup> & REG	Concrete Finisher I/II	REG	58		0.00					4.00 FTE; Aging infrastructure and reduce FM&O and contracting out
747	0.00	2448, 2450	Paving Raker A & Janitor	L/T <sup>2</sup> & REG	Paving Raker A	REG	56		0.00					2.00 FTE; Aging infrastructure and reduce FM&O and contracting out

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
116	1.00	TBD			Community Affairs Representative I/II	REG	69			1.00				Support outreach on expanded capital plan
116	1.00	TBD			Community Affairs Representative III	REG	73			1.00				Consolidate and increase education programs and outreach
144	1.00	TBD			Ranger/Naturalist I/II	L/T	58	1.00						Support workforce diversity
144	2.00	TBD			Engineering Aide	TEMP	46	2.00						Support workforce diversity
144	1.00	TBD			Student Intern	TEMP	46	1.00						Support workforce diversity
144	1.00	TBD			Information Technology Intern I/II	TEMP	53	1.00						Support workforce diversity
141	(1.00)	3703, 3704	Worker Trainee	TEMP			5						(1.00)	Replaced by Engineering Aides

**Operations and Maintenance Support Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
792	1.00	TBD			Information Systems Support Analyst I/II	T/C	70	1.00						Support new assets in capital improvement program

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

**Water Operations Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
735	1.00	TBD			Instrument Technician/ Instrument Worker I/II/III	REG	66		1.00					Meet increased need for instrument maintenance
762	1.00	TBD			Hydroelectric Power Plant Supervisor	REG	72			1.00				Improve support for operating staff at Pardee
777	1.00	TBD			Water System Inspector I/II	REG	62	1.00						Meet increased need for water quality monitoring
734	1.00	TBD			Construction & Maintenance Scheduler	T/C	70	1.00						Support peak scheduling workload during treatment plant improvements

**Wastewater Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
911	2.00	TBD			Electrical Technician/ Electrical Worker I/II/III	REG	67		2.00					Aging infrastructure and reduce contracting out
911	1.00	TBD			Power Plant Mechanic/ Operator	REG	65		1.00					Support improved Operator coverage for power-generating facilities
926	1.00	TBD			Assistant Engineer/ Junior Engineer	REG	72	1.00						Improve capital program planning and asset management
927	1.00	TBD			Assistant Engineer/ Junior Engineer	REG	72	1.00						Support baseline growth in capital plan

**EXHIBIT "B1"**  
**FY2024**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2023)**

**Wastewater Department (continued)**

ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	Representation Change <sup>1</sup>						Explanation	
								2019	444	21	39	MGR/CONF	NRP/EXMPT		
927	1.00	TBD			Senior Construction Inspector	REG	71	1.00							Support baseline growth in capital plan
928	1.00	TBD			Engineering Designer I/II	REG	67	1.00							Support baseline growth in capital plan
929	1.00	TBD			Associate Electrical Engineer	REG	77	1.00							Support baseline growth in capital plan
911	1.00	TBD			Facility Specialist II	REG	61		1.00						Aging infrastructure and reduce contracting out
942	1.00	TBD			Wastewater Control Inspector I/II	L/T	62	1.00							Support potential partnership on private sewer laterals
911	1.00	TBD			Painter	L/T	60		1.00						Aging infrastructure and reduce contracting out
927	3.00	TBD			Associate Civil Engineer	T/C	76	3.00							Construction management for CIP workload above baseline
902	0.50	TBD			Engineering Aide	TEMP	46	0.50							Support workforce diversity

<b>District-wide Representation Change</b>	2019	444	21	39	MGR/CONF	NRP/EXMPT
Total FY2024 Representation (NET FTE)	30.50	29.00	7.00	0.00	5.00	-1.00

**Notes to Exhibit B:**

1. "0.00" in the Representation Change column indicates no net change in FTE count.
2. Character type will be extended until transitioned to new character type.

**EXHIBIT "B2"**  
**FY2025**  
**POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING**  
**(July 1, 2024)**

**Engineering and Construction Department**

								Representation Change <sup>1</sup>						
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/CONF	NRP/EXMPT	Explanation
561	1.00	TBD			Engineering Designer I/II	REG	67	1.00						Support capital improvement program

<b>District-wide Representation Change</b>	2019	444	21	39	MGR/CONF	NRP/EXMPT
Total FY2025 Representation (NET FTE)	1.00	0.00	0.00	0.00	0.00	0.00

**Notes to Exhibit B:**

1. "0.00" in the Representation Change column indicates no net change in FTE count.
2. Character type will be extended until transitioned to new character type.

**EXHIBIT "C"**  
**FY2024**  
**CLASSIFICATION PLAN CHANGES**  
**(July 1, 2023)**

**CLASSIFICATION ADDITIONS**

<b>Class Code</b>	<b>Class Title</b>	<b>Monthly Salary Range</b>	<b>Rep. Unit</b>	<b>Explanation</b>
TBD	Community Affairs Representative III	R73 \$11,674 - \$13,515	21	To provide oversight of long-range community affairs projects.

**CLASSIFICATION DELETIONS**

<b>Class Code</b>	<b>Class Title</b>	<b>Monthly Salary Range</b>	<b>Rep. Unit</b>	<b>Explanation</b>
2572	Assistant Superintendent, Water Treatment/Distribution	R76 \$12,575 - \$14,557	21	Redundant with Water Treatment Supervisor and Water Distribution Supervisor
2323	Supervising Systems Programmer	R83 \$14,940 - \$17,295	21	Redundant with Information Services Supervisor
4389	Supervising Wastewater Control Inspector	R73 \$11,674 - \$13,515	21	Redundant with Supervising Wastewater Control Representative

**OTHER CLASSIFICATION ACTIONS**

<b>Class Code</b>	<b>Class Title</b>	<b>Monthly Salary Range</b>	<b>Rep. Unit</b>	<b>Explanation</b>
1517	Controller	R85 \$13,977 - \$21,199	NA	Decrease salary from Grade 87 to Grade 85
5230	Internal Auditor Supervisor	R80 \$12,356 - \$18,741	MGR	Increase salary from Grade 77 to Grade 80

## Financial Policies Approved by the Board of Directors

This section includes five policies adopted by the District’s Board of Directors to govern fiscal matters. These are a selection of all Board-approved policies, with these being the most relevant to the budget. The Adopted date listed below is the most recent revision date.

Policy 4.02	Cash Reserves	Adopted July 28, 2020
Policy 4.04	Financial Planning and Budgetary Control	Adopted September 27, 2022
Policy 4.07	Investments	Adopted May 23, 2023
Policy 4.13	Establishing Water and Wastewater Rates	Adopted June 28, 2022
Policy 4.27	Debt Management	Adopted July 28, 2020



# Policy 4.02

EFFECTIVE 28 JUL 20

SUPERSEDES 25 OCT 16

## CASH RESERVES

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### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Maintain operating and self-insurance reserves necessary to provide ongoing working capital by striving to meet the financial goals outlined below.

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#### Financial Goals

- Maintain operating reserves at a level sufficient to meet working capital and unanticipated needs, specifically:
  - Maintain Working Capital Reserve of at least 3.0 times monthly net operating and maintenance expenses.
  - Maintain Self-Insured Liability Program Reserve based on the Actuarial Self-Insured Retention (SIR) funding recommendation for the following year's discounted loss and allocated loss adjustment expenses (ALAE) funding guidelines. Reserve amount should be calculated at a high (85%) confidence level. If an actuarial study is not available before close of the prior fiscal year end, the reserve shall equal 1.15 times the prior year reserve.
  - Maintain Workers' Compensation Program Reserve based on the Actuarial SIR funding recommendation for the following year's discounted loss and ALAE funding guidelines. Reserve amount should be calculated at a high (85%) confidence level. If an actuarial study is not available before close of the prior fiscal year end, the reserve shall equal 1.15 times the prior year reserve.
  - Maintain Rate Stabilization Reserve for the Water System at a minimum of 20 percent of projected annual water volume revenues and for the Wastewater System at a minimum of 5 percent of operating and maintenance expenses.

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#### Authority

Motion No. 058-94, April 12, 1994  
As amended by Resolution No. 33211-00, June 27, 2000  
As amended by Resolution No. 33429-04, June 8, 2004  
As amended by Resolution No. 33481-05, June 14, 2005  
As amended by Resolution No. 33485-05, July 12, 2005  
As amended by Resolution No. 34052-15, September 22, 2015  
As amended by Resolution No. 35008-16, October 25, 2016  
As amended by Resolution No. 35034-17, April 25, 2017  
As amended by Resolution No. 35192-20, July 28, 2020

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# Policy 4.04

EFFECTIVE 27 SEP 22

SUPERSEDES 22 SEP 20

## FINANCIAL PLANNING AND BUDGETARY CONTROL

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### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish a financial plan and biennial budget for the Water System and the Wastewater System, to include:

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- Financial Planning**
- Prepare financial forecasts for a minimum of five years using reasonable assumptions and historical data to anticipate changes in revenues and expenses in order to plan for long-term financial stability.
  - Develop operating, capital, and debt service expenditure budgets including staffing, to meet the spending requirement during the biennial budget period.
  - Establish a budget which is based on fair and reasonable water and wastewater rates that promotes long-term financial stability.
- 

- Financial Monitoring**
- Monitor the budget to ensure that the total amount expended and committed does not exceed the total approved budget available during the fiscal year.
  - Provide periodic status reports on expenditures, revenues, and investments.
- 

**Transfers**

The General Manager is authorized to transfer funds between the Capital Budget and Operating Budget within each of the Water and Wastewater systems' budgets as required, but not to exceed a variance of five percent from the originally budgeted sum, and provided that the total budget for each of the two systems remains unchanged. Budget transfers between the Water and Wastewater systems are prohibited.

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**Authority**

Resolution 27058, August 27, 1974  
 As amended by Resolution 32874-94, August 9, 1994  
 As amended by Resolution 33177-99, November 23, 1999  
 As amended by Resolution 33577-07, January 9, 2007  
 As amended by Resolution 33710-09, April 28, 2009  
 As amended by Resolution 35099-18, June 26, 2018  
 As amended by Resolution 35203-20, September 22, 2020  
 As amended by Resolution 35315-22, September 27, 2022

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**References**

Public Utilities Code, section 11891.5 [budgeting legal authority]  
 Annual Budget Resolution  
 Policy 4.02 Cash Reserves  
 Policy 4.13 Establishing Water and Wastewater Rates  
 Policy 4.27 Debt Management  
 Policy 7.03 Emergency Preparedness/Business Continuity  
 Procedure 417 Financial Planning and Budgetary Control



# Policy 4.07

EFFECTIVE 23 MAY 23

SUPERSEDES 24 MAY 22

## INVESTMENTS

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### IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Invest District funds and funds managed by the District on behalf of its Joint Powers Authorities (JPAs) in compliance with investment criteria for safety, liquidity, yield, and diversification as set forth herein. Investments shall be in securities with a range of maturities to provide adequate security and liquidity to pay demands when due while providing a risk-adjusted market rate of return on investments that takes into consideration the cash flow needs of the District and its JPAs.

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**Authority** Section 53600 et. seq. of the California Government Code (Government Code) and Chapter 6, Article 7 of the Municipal Utility District Act (M.U.D. Act) govern the investment of idle monies of the District. Section 53635 of the Government Code defines how investments are to be handled for Joint Powers Authorities.

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**Delegation of Authority** The authority and responsibility to invest idle monies of the District are delegated by the Board to the Director of Finance as the Treasurer. The Director of Finance may designate individual staff to carry out his/her responsibilities under this policy.

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**No Bond Proceeds** The investment of bond proceeds is specifically defined in individual bond indenture documents and is not included in this policy. This exemption also applies to funds held at the Trustee in Principal, Interest, Debt Service Reserve, or other accounts for the purpose of servicing the bonds.

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**Ethics and Conflicts of Interest** Officers and employees involved in the investment process shall:

- refrain from personal business activity that could conflict with proper execution of the District's investment program, or which could impair their ability to make impartial investment decisions on behalf of the District,
- disclose any material financial interest in financial institutions that conduct business with the District,
- disclose material personal financial/investments that are related to or could reasonably be affected by the performance of the District's investments,
- refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District's investments, and
- comply with the District's Conflict of Interest Code, Procedure 418 - Gifts, Personal Loans and Personal Benefit Interests, Procedure 601 - Conflict of Interest Disqualification Procedure, and District Procedure 447 - Vendor Interactions and Procurement Integrity

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**Investment Criteria and Objectives** Criteria for selecting investments shall:

- adhere to the prudent investor standard, described in Section 53600.3 of the Government Code as follows: "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of

a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency," **and**

- conform with the Government Code and the M.U.D. Act, **and**
- align with District policies, mission and values, **and**
- have the following objectives, in order of priority:
  1. *Safety* – The District's ability to recover principal and interest. Investments shall be made that will seek to ensure the preservation of principal and interest and to minimize risk to the greatest extent possible. It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments on behalf of the District.
  2. *Liquidity* – The District's ability to have cash available when needed to support expenditure cycles and budgetary objectives.
  3. *Yield* – The District's ability to provide a risk-adjusted market rate of return on the District's investments while conforming to the safety and liquidity criteria above.
  4. *Diversification* – The District's ability to maintain an investment portfolio that includes a range of security types. In order to accomplish this, each Investment Option shall have defined limits on maximum share of the portfolio, single issuer and single issue holdings; and maturity, rating and other restrictions where applicable.

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**Environmental,  
Social and  
Governance  
Factors**

It is the intent of the District to align its investment decisions with its policies, mission, and values. Safety, liquidity, yield and diversification are the District's primary investment objectives. The District will also consider sound Environmental, Social and Governance (ESG) factors and objectives in its investment process, subject to the prudent investor standard.

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**Maturity**

The weighted average maturity of the portfolio shall not exceed 900 days.

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**Rating Agencies  
and Rating  
Requirements**

As outlined below, some Investment Options have rating requirements. In that context, Rating Agencies is defined as:

- Standard & Poor's Financial Services (S&P),
- Moody's Investors Service (Moody's), and
- Fitch Ratings (Fitch), only.

Ratings requirements:

- are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. Rating Agencies scales are included for reference in Exhibit 1,
- apply at the time of purchase only, with subsequent downgrades below requirement levels or the assignment of negative watch our outlook prompting a case-by-case evaluation of the investment, and
- only apply to the Rating Agencies rating the security.

**Investment  
Options**

The District is able to purchase investments in the instruments listed in this section as allowed and defined under Section 53600 et. seq. of the Government Code, Chapter 6, Article 7 of the M.U.D. Act, Board Resolutions, and via this policy. Percentage limitations, where indicated, apply at the time of purchase. As used in this section, the term "Portfolio" refers to all investable funds covered by this policy.

**1. United States Treasury Obligations**

- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

**2. United States Government Agencies Obligations**

Under this subsection, only obligations issued by the following agencies are permitted:

- o Federal Agricultural Mortgage Corporation (FAMC)
- o Federal Farm Credit Bank (FFCB)
- o Federal Home Loan Bank (FHLB)
- o Federal Home Loan Mortgage Corporation (FHLMC)
- o Federal National Mortgage Association (FNMA)
- Maximum Share of Portfolio: Unlimited
- Maximum Issuer Limit: 40% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: n/a
- Other Restrictions: none

**3. State of California, Local Agency Investment Fund (LAIF)**

- Maximum Share of Portfolio: as determined by the State Treasurer and in accordance with Section 16429.1 of the Government Code
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: n/a
- Other Restrictions: none

**4. Local Government Investment Pools**

Under this subsection, only obligations of the following agencies are permitted:

- o California Asset Management Program (CAMP)
- o Investment Trust of California (CalTRUST)
- Maximum Share of Portfolio: 40% of the Portfolio
- Maximum Issuer Limit: 20% of the Portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: Ratings of AAAM for stable net asset value funds and AA category or higher for floating net asset value funds by at least one Rating Agency
- Other Restrictions: none

#### 5. Money Market Mutual Funds

Under this subsection, only Money Market Mutual Funds with stable, non-floating net asset value are permitted:

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Fund Limit: 5% of Money Market Mutual Fund's assets
- Maximum Issue Limit: n/a
- Maximum Maturity: n/a
- Minimum Rating: AAAM by at least two Rating Agencies
- Other Restrictions: none

The District will request from each Money Market Mutual Fund, prior to investing and on an annual basis after investing, documents which provide details on the operations of the fund. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

#### 6. Certificates of Time Deposit

Under this subsection, only investments in selected depositories, using one or more private sector entity, in compliance with and as authorized under Government Code Section 53601.8 are permitted.

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Negotiable Certificates of Deposit
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed one (1) year from the settlement date
- Minimum Rating: AA- by at least one Rating Agency
- Other Restrictions:
  - o Investment in local branches within the District, whenever possible.

#### 7. Negotiable Certificates of Deposit

- Maximum Share of Portfolio: 20% of the Portfolio when added together with Certificates of Time Deposits
- Maximum Issuer Limit: applicable maximum FDIC deposit insurance coverage limit
- Maximum Issue Limit: 10% of issue
- Maximum Maturity: Not to exceed five (5) years from the settlement date
- Minimum Rating: AA- by all Rating Agencies
- Other Restrictions:
  - o Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more.

#### 8. Commercial Paper

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the portfolio
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: A-1+ from at least one Rating Agency
- Other Restrictions:
  - o Issued by an entity that is, at the time of purchase:
    - organized and operating in the United States as a general corporation, with total assets exceeding \$500,000,000 and debt (other than commercial paper) rated A or better by at least one Rating Agency ; or
    - is organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, **and** has commercial paper that is rated A-1+ by at least one Rating Agency.

#### 9. Medium Term Corporate Notes

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: 5% of the Portfolio
- Maximum Issue Limit: 5% of original issue amount
- Maximum Maturity: Not to exceed 5 years from the settlement date
- Minimum Rating: AA- from at least one Rating Agency, and not lower than A by any Rating Agency
- Other Restrictions:
  - o Issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

#### 10. Repurchase Agreements

- Maximum Share of Portfolio: 20% of the Portfolio
- Maximum Issuer Limit: n/a
- Maximum Issue Limit: n/a
- Maximum Maturity: Not to exceed 270 days from the settlement date
- Minimum Rating: n/a
- Other Restrictions:
  - o Collateral may only be in any securities authorized in items 1, or 2
  - o A Master Repurchase Agreement must be on file with the District
  - o Security must be marked to market on a daily basis and delivered to the District's custodial bank at a market value of at least 102%

Funds on deposit at the District's commercial bank may be invested in overnight repurchase agreements through a sweep program.

## 11. Municipal Obligations

Under this subsection, only registered obligations of the following agencies are permitted:

- The State of California
- Any local agency within the State of California
- Municipal Bonds:
  - Maximum Share of Portfolio: 20% of the Portfolio when added together with Municipal Notes
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue Limit: 10% of original issue amount
  - Maximum Maturity: Not to exceed five (5) years or with a put provision within five (5) years of settlement date
  - Minimum Rating: AA- or equivalent by at least one Rating Agency, and not lower than A by any Rating Agency
  - Other Restrictions: none
- Municipal Notes:
  - Maximum Share of Portfolio: 20% of the Portfolio together with Municipal Bonds
  - Maximum Issuer Limit: 5% of the Portfolio
  - Maximum Issue limit: 10% of original issue amount
  - Maximum Maturity: n/a
  - Minimum Rating: Notes maturing within 365 days must have a rating of SP-1+ from at least one Rating Agency
  - Other Restrictions: none

### **Zero or Negative Market Rates**

As authorized under Section 53601.6 and at the discretion of the Director of Finance or its designees, investments can be made "in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates." Those investment may also then be held until their maturity dates. This provision sunsets January 1, 2026.

### **Investment Placement**

Investment placement shall be determined by, but not limited to, continual evaluation and projection of market conditions, interest rate trends, cash flow needs, economic data, yield curves, and interest rate forecasts. Additionally, for investments purchased or sold in the secondary market, best efforts will be made to obtain at least three quotations from Purchasing Entities (as defined below) or to obtain timely and verifiable third-party market pricing data for the investment in question. The combination of these factors shall determine where, in what denomination, and for what maturity investments are made.

### **Selling Securities Prior To Maturity**

When selling securities prior to maturity, principal losses are only allowable either:

- if the sale of securities is necessary to meet payment obligations,
- to comply with this policy, while considering the impact of the sale(s), or
- if the proposed sale is to be made in conjunction with a purchase and the proposed sale in combination with the subsequent purchase can enhance the Portfolio's yield.

**Collateral**

Securities placed with agents of depository shall at all times be maintained as specified in District Resolution 33232-01 in one or more trust companies, State or national banks located within California, the Federal Reserve Bank, or with any state or national bank located in any city designated as a federal reserve city by the Board of Governors of the Federal Reserve System, and to take from any such banks or trust companies receipts for securities so deposited. Requests for Collateral substitution and releases are subject to the Treasurer's written approval.

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**Portfolio Performance**

The Portfolio will seek to attain a risk-adjusted market rate of return that takes into consideration the cash flow needs of the District. As a result, portfolio performance will be measured using common market indicators. Those may include, but are not limited to: the Federal funds rate, short-term government obligations rates, and other market rates that reflect the mix of securities in the Portfolio.

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**Purchasing Entities**

Investments will be purchased from either:

- Primary Dealers as designated by the Federal Reserve Bank of New York,
- National or California State Chartered Banks,
- Federal or California Chartered Savings Institution,
- Broker-Dealers registered with the State of California, **or**
- Issuers of securities eligible for purchase by the District.

In addition, these institutions must:

- be registered by the Securities and Exchange Commission (SEC),
- be members in good standing of the Financial Industry Regulatory Authority (FINRA), **and**
- provide audited financial statements to the District annually.

The District shall maintain a current eligible list of established dealers, brokers, banks and savings and loan associations with which securities trading and placement of funds are authorized.

Additionally, to be placed on the eligible list, individuals need to certify in writing that they have read, understood, and agree to comply with this policy, where applicable, by completing and filing with the District the 'Certification of Compliance with Investment Policy' included in this policy as Exhibit 2.

Eligibility may be revoked at any time, in the District's sole discretion, for any reason, including but not limited to, failure to meet the above requirements.

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**Trade  
Confirmations and  
Settlements**

The District shall comply with the following:

1. To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all Securities purchased from dealers and brokers shall be held in safekeeping by the District's custodial bank, a national bank, a State chartered bank or trust company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the District's ownership. All transactions require delivery of the security prior to payment for the security (delivery vs. payment).
  2. To ensure a high degree of internal control, all trade confirmations shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. Any discrepancies will be brought to the attention of the Treasurer.
- 

**Review And  
Reporting  
Requirements**

On a monthly basis, in accordance with Section 53607 of the Government Code, the Treasurer shall prepare and submit a report listing investment transactions to the General Manager and the Board of Directors.

On a quarterly basis, in accordance with Section 53646 of the Government Code, the Treasurer may prepare and submit a report to the General Manager and the Board of Directors. If rendered, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the District, and provide an investment summary by security type, percent of the portfolio, investment yield and the remaining period of investment to maturity.

On an annual basis, in accordance with Section 53646 of the Government Code, an investment policy may be presented to the Board for consideration at a public meeting. In conjunction with the investment policy consideration, the Board shall also annually review the delegation of its authority for the management of investments to the Treasurer.

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**Performance  
Review And  
Internal Control**Office of Internal Audit

The Office of Internal Audit will periodically audit the investment portfolio to evaluate the effectiveness of the District's investment program as well as its compliance with the Investment Policy. These audits will supplement the annual review by the District's external auditors.

Finance Department

The Treasurer has established and maintains an internal control structure designed to ensure that funds covered under this policy are protected from loss, theft, fraud, or misuse.

The Treasurer will review the investment portfolio monthly for compliance with the Investment Policy and make recommendations for changes and improvements where warranted.

**Authority**

Resolution No. 33019-96 on December 10, 1996  
Amended by Resolution No. 33134-99 on January 26, 1999  
Amended by Resolution No. 33232-01 on January 9, 2001  
Amended by Resolution 33287-02 on January 22, 2002  
Amended by Resolution 33350-03 on February 25, 2003  
Amended by Resolution 33390-04 on January 27, 2004  
Amended by Resolution 33464-05 on February 22, 2005  
Amended by Resolution 33516-06 on January 24, 2006  
Amended by Resolution 33585-07 on March 13, 2007  
Approved by Resolution 33658-08, February 26, 2008  
Approved by Resolution 33702-09, February 24, 2009  
Approved by Resolution 33752-10, January 26, 2010  
Approved by Resolution 33792-10, November 23, 2010  
Approved by Resolution 33871-12, April 24, 2012  
Approved by Resolution 33920-13, March 26, 2013  
Reaffirmed by Motion 056-14, March 25, 2014  
Approved by Resolution 34027-15, April 28, 2015  
Approved by Resolution 34079-16, April 26, 2016  
Approved by Resolution 35033-17, April 25, 2017  
Approved by Resolution 35083-18, April 24, 2018  
Approved by Resolution 35137-19, April 23, 2019  
Approved by Resolution 35174-20, April 28, 2020  
Approved by Resolution 35220-21, April 27, 2021  
Approved by Resolution 35290-22, May 24, 2022  
Approved by Resolution 35346-23, May 23, 2023

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**References**

EBMUD Conflict of Interest Code  
Procedure 418 – Gifts, Personal Loans and Personal Benefit Interests  
Procedure 447 – Vendor Interactions and Procurement Integrity  
Procedure 601 – Conflict of Interest Disqualification Procedure

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**EXHIBIT 1  
RATING AGENCIES' SCALES**

For purposes of Investment Policy 4.07 the term "Rating Agencies" is defined as: Standard & Poor's Financial Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch).

Ratings requirements are provided using the S&P scale and should be read as "or equivalent" to other Rating Agencies scales. The equivalencies are provided in the tables below.

**EXAMPLE**

Investment Option 6, Certificates of Time Deposits, shows:

"Minimum Rating: AA- by at least one Rating Agency"

This requirement should be read as:

"Minimum Rating: AA- *or equivalent* by at least one Rating Agency."

To determine the equivalent rating in the table below, find the AA- rating under the S&P column and read across the row to find the Moody's equivalent rating of Aa3 and the Fitch equivalent rating of AA-. Accordingly, a Certificate of Time Deposit is equivalent as an investment if it is rated AA- by S&P, Aa3 by Moody's, or AA- by Fitch.

**INVESTMENT-GRADE RATING SCALES**

<b>LONG-TERM DEBT</b>		
<b>S&amp;P</b>	<b>MOODY'S</b>	<b>FITCH</b>
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
<hr/>		
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-

← Minimum rating required for District investments

<b>SHORT-TERM DEBT</b>		
<b>S&amp;P</b>	<b>MOODY'S</b>	<b>FITCH</b>
A-1+	P-1	F1+
<hr/>		
A-1	-	F1
A-2	P-2	F2
A-3	P-3	F3

← Minimum rating required for District investments

<b>MONEY MARKET FUNDS</b>		
<b>S&amp;P</b>	<b>MOODY'S</b>	<b>FITCH</b>
AAAm	Aaa-mf	AAAf
<hr/>		
AAm	Aa-mf	AAf
Am	A-mf	Af
BBBm	Baa-mf	BBBf

← Minimum rating required for District investments

<b>STABLE NAV LGIPs</b>		
<b>S&amp;P</b>	<b>MOODY'S</b>	<b>FITCH</b>
AAAm	Aaa-mf	AAAf
AAm	Aa-mf	AAf
Am	A-mf	Af
BBBm	Baa-mf	BBBf

←Minimum rating required for District investments

<b>FLOATING NAV LGIPs</b>		
<b>S&amp;P</b>	<b>MOODY'S</b>	<b>FITCH</b>
AAAf	Aaa-mf	AAAf
AAf	Aa-mf	AAf
Af	A-mf	Af
BBBf	Baa-mf	BBBf

←Minimum rating required for District investments

**EXHIBIT 2**  
**East Bay Municipal Utility District**  
**Certification of Compliance with Investment Policy**

The East Bay Municipal Utility District (the District), under Policy 4.07 (the Investment Policy), requires that securities trading and placement of funds be conducted only with eligible Purchasing Entities. The Investment Policy also specifies that the District must obtain written certification that eligible Purchasing Entities have read, understood, and agree to comply with the Investment Policy, where applicable. This certification is necessary to be included on an approved list of Purchasing Entities that are eligible to conduct investment transactions with the District. The District has no obligation to enter into securities trading and/or placement of funds transactions with any or all Purchasing Entities on the list. The District retains the sole and exclusive discretion to determine with which of the Purchasing Entities, if any, to engage in individual investment transactions. Eligibility may be revoked at any time, at the District's sole discretion, for any reason, including but not limited to, failure to meet the requirements of the policy and this exhibit.

Please complete the sections below, sign and return this completed form if you wish to be considered for inclusion on the approved list of Purchasing Entities eligible to conduct investment transactions with the District. Please send completed form:

via mail, to:  
Steven Goodman-Leibof  
East Bay Municipal Utility District  
375 11<sup>th</sup> Street, MS809  
Oakland, CA 94607

and electronically, to:  
steven.goodman-leibof@ebmud.com

-----  
**A.** Entity Name \_\_\_\_\_

- B.** My entity is a: (choose all that apply, **at least one must be checked for eligibility**)
- Primary Dealer as designated by the Federal Reserve Bank of New York
  - National or California State Chartered Bank
  - Federal or California Chartered Savings Institution
  - Broker-Dealer registered with the State of California

**AND**

I certify that my entity is: (**both must be checked for eligibility**)

- registered by the Securities and Exchange Commission (SEC)
- a member in good standing of the Financial Industry Regulatory Authority (FINRA)

- C.** My entity is an:
- issuer of securities eligible for purchase by the District

- D.** My entity:
- participates in the District's Contract Equity Program

- E.** I have provided:
- Audited Financial Statements

I certify that I have read, understood, and agree to comply where applicable with the District's Investment Policy.

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT 3**  
**East Bay Municipal Utility District**  
**Investment Policy Quick Reference Table**

The following is a summary of Investment Options and a few of their requirements. Full details on each Investment Option can be found in the main body of the Investment Policy on pages 2 through 5.

<b>Investment Option</b>	<b>Maximum Share of Portfolio</b>	<b>Minimum Rating at purchase</b>	<b>Maximum Maturity at settlement</b>	<b>Additional Limitations</b>
United States Treasury Obligations	100%	n/a	5 years	see page 2, Item 1
United States Government Agencies Obligations	100%	n/a	5 years	see page 3, Item 2
State of California, Local Agency Investment Fund	per Government Code	n/a	n/a	see page 3, Item 3
Local Government Investment Pools - Stable Net Asset Value	40%	AAAm	n/a	see page 4, Item 4
Local Government Investment Pools - Floating Net Asset Value		AA-f		
Money Market Mutual Funds	20%	AAAm	n/a	see page 3, Item 5
Certificates of Time Deposit	20%	AA-	1 year	see page 3-4, Item 6
Negotiable Certificates of Deposit		AA-	5 years	see page 4, Item 7
Commercial Paper	20%	A-1+	270 days	see page 4, Item 9
Medium Term Corporate Notes	20%	AA-	5 years	see page 4, Item 9
Repurchase Agreements	20%	n/a	270 days	see page 5, Item 10
Municipal Obligations	20%	AA-	5 years	see page 5, Item 11

**EXHIBIT 4**  
**Glossary of Investment Terms Used in the Policy**

This Glossary is for informational purposes only and is not intended to modify any of the terms of this Investment Policy, the Government Code, or the M.U.D. Act.

AVERAGE MATURITY	A calculation that expresses the average maturity of an investment portfolio using each investment's maturity weighted by the size of that investment in the portfolio.
BROKER	A broker brings buyers and sellers together and is compensated for his/her service.
CERTIFICATE OF DEPOSIT (CD)	A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.
COLLATERAL	Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.
COMMERCIAL PAPER (CP)	Short-term unsecured promissory notes.
CUSTODIAN	A bank or other financial institution that keeps custody of stock certificates and other assets.
DEALER	A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
DELIVERY VS. PAYMENT (DVP)	Delivery of securities with a simultaneous exchange of money for the securities.
DIVERSIFICATION	An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.
GOVERNMENT SECURITIES	Obligations of the U.S. Government and its agencies and instrumentalities.
INTEREST	The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.
LIQUIDITY	The speed and ease with which an investment can be converted to cash.
MATURITY	The date upon which the principal or stated value of an investment becomes due and payable.
MEDIUM TERM NOTES (MTN)	Debt securities issued by a corporation or depository institution with a remaining maturity ranging from nine months to five years.
MONEY MARKET MUTUAL FUNDS	An investment company that pools money from investors and invest in a variety of short-term money market instruments.
NET ASSET VALUE (NAV)	A per-share valuation of a mutual fund based on total assets minus total liabilities.
PRIMARY DEALER	A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight.
PRINCIPAL	The face value or par value of an investment.
RATE OF RETURN	The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.
RISK (INVESTMENT RISK)	The probability that an actual investment return outcome will differ from an expected return outcome.
RISK-ADJUSTED RETURN	The return on investment relative to the amount of risk taken over a given period of time (e.g. if two or more investments have the same return over a given time period, the one that has the lowest risk will

	have the better risk-adjusted return).
REPURCHASE AGREEMENT	The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.
SAFEKEEPING	Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.
SECONDARY MARKET	A market made for the purchase and sale of outstanding issues following the initial distribution.
SETTLEMENT DATE	The date when the security is delivered in exchange for the corresponding payment.
TREASURY BILLS	A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.
TREASURY BONDS	Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years from date of issue.
TREASURY NOTES	Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years from date of issue.
U. S. GOVERNMENT AGENCY SECURITIES	Debt securities issued by U.S. Government sponsored enterprises and federally related institutions.
U.S. TREASURY SECURITIES	Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States.
YIELD	The annual rate of return on a debt investment expressed as a percentage.



# Policy 4.13

EFFECTIVE 28 JUNE 22

SUPERSEDES 26 APR 16

## ESTABLISHING WATER AND WASTEWATER RATES

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### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Establish water and wastewater rates that recover costs included in the District's operating and capital budgets, meet the District's policy goals and comply with applicable law, including Proposition 218 and the Municipal Utility District (MUD) Act. Rates should also enhance the District's ability to provide safe, reliable, and sufficient water supply and wastewater treatment services to its customers over the long term. The District provides a customer assistance program, that is in compliance with state law, to help low income customers obtain water and wastewater at a reasonable price.

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**Rate Methodology** The District's water and wastewater rates are developed and structured in conformance with all applicable laws including the MUD Act and Proposition 218 (California Constitution article XIII D, section 6) and consistent with best management practice.

To ensure compliance with the MUD Act and Proposition 218, a cost-of-service study of the District's water and wastewater service fees and charges is to be completed at least every ten years.

---

**Water Rate Design** To the extent authorized by law, the District's water rates will be designed to encourage conservation, water use efficiency and resource management, and enhance reliability and supply. The District's water rates will be designed to recover the operating and capital costs of the water facilities in order to ensure reliable delivery of water.

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**Wastewater Rate Design** To the extent authorized by law, the District's wastewater rates will be designed to encourage conservation and resource management. The District's wastewater rates will be designed to recover the operating and capital costs of the wastewater facilities to ensure reliable treatment services and to protect public health and the environment.

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**Public Involvement in Rate Setting** In accordance with MUD Act Section 14401, prior to the Board's consideration of new or revised water and wastewater rates, a staff report presenting rate recommendations will be filed with the Board of Directors and made available to the public. Within 40 days of the filing of the report, the District will conduct a public hearing on the report and its rate recommendations.

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**Authority** Resolution No. 32985-96, May 14, 1996  
Amended by Motion 143-96, June 25, 1996  
Amended by Resolution 33550-06, July 25, 2006  
Amended by Resolution 33763-10, April 27, 2010  
Amended by Resolution No. 33871-12, April 24, 2012  
Amended by Resolution No. 34080-16, April 26, 2016  
Amended by Resolution No. 35299-22, June 28, 2022

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**References** MUD Act (Public Utilities Code, § 14401, *et seq.*)  
Proposition 218 (Cal. Const., art. XIII D, § 6.)

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# Policy 4.27

EFFECTIVE 28 JUL 20

SUPERSEDES NEW

## DEBT MANAGEMENT

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### IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Manage debt issuance and administration in a manner that is prudent, financially sustainable, in the best interest of ratepayers, and generally consistent with industry best practices.

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**Purpose** This policy describes and specifies the District's actions related to debt obligations. It is meant to outline what constitutes appropriate management of the District's debt portfolio. The District's Board of Directors (Board) may approve bonds that deviate from this policy. Failure of the District to comply with any provision of this policy will not affect the authorization, validity, or enforceability of any bonds or other forms of indebtedness that are otherwise issued in accordance with applicable law.

---

**Purpose of Debt** The general purpose of long-term debt is to spread the cost of capital assets over a longer time period than simply paying as costs are incurred. This allows the impact on rates to be spread over time and aligns the cost of assets to the estimated life of those assets. It is the policy of the District to issue debt to finance previous or anticipated capital expenditures. District staff will identify the specific purpose of the debt issue into a debt obligation. The types of debt described in this policy will not be used to finance operating expenditures. The primary reasons for this are, firstly, to spread out the impact on rates of particularly large capital expenditures; and secondly, to more closely align the payment of asset costs to the estimated life of the assets.

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**Legal Authority** The District has the legal authority to enter into debt obligations. This authority is given to the District by various state and federal codes (tax law for tax-exemption) as well as the Municipal Utility District Act ("MUD Act"), certain provisions of which are referenced below.

1. Revenue Bond Authorization

Under the MUD Act (Article 6a of Chapter 6), the District has authority to issue bonds payable from revenues of the water or wastewater system in accordance with the Revenue Bond Law of 1941 (Bond Law) found in the California Government Code, with specified exceptions from the provisions of the Bond Law.

The Board must authorize the District to sell long-term revenue bonds through a formal resolution, specifying, among other things: the maximum principal amount of bonds proposed to be issued; the maximum term of the bonds; and the maximum interest rate to be payable on the bonds. The authorized bonds may be issued from time to time in series. The resolution adopted by the Board authorizing the issuance of revenue bonds is subject to the right of referendum. Staff will request this preliminary bonding authority from the Board periodically to ensure the amount authorized at any given time is sufficient to cover any expected bond sales.

In addition, staff will present and ask the Board to approve its expected debt financing plan annually at the beginning of each fiscal year.

## 2. Short-Term Borrowing Authorization

The MUD Act (Chapter 7.5) also authorizes the issuance of short-term bonds, notes and other forms of indebtedness (including through or with bank credit) with maturities not exceeding seven years. Short-term indebtedness must be authorized by resolution of the Board, which resolution is subject to a right of referendum. Under the MUD Act, the maximum amount of all such short-term indebtedness (including amounts drawn under available bank lines of credit), shall not at any one time exceed the lesser of either (1) the annual average of the total revenue for the three preceding years or (2) 25% of the District's total outstanding bonds issued pursuant to Chapter 6, Chapter 7 and Chapter 8 of the MUD Act. Successive issues of short-term indebtedness may be authorized from time to time.

## 3. Other Forms of Borrowing

From time to time, the District may incur other forms of indebtedness as authorized by the MUD Act, including loans and other arrangements with the State (Section 12802) or federal government (Section 12844), general obligation bonds (Chapter 7), assessment bonds (Section 12921 and 13010) and emergency financing (Chapter 7.1), subject to the limitations contained in the MUD Act.

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### **Types of Debt**

The District has the ability to enter into various types of debt obligations. Debt obligations can be short-term or long-term in nature, as well as tax-exempt or taxable. Brief descriptions of these financing instruments are provided below.

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### **Long-Term Debt**

Long-term debt generally encompasses debt issued to finance capital expenditures with the objective of structuring repayment to match the expected life of the asset financed. It can be used as a tool for maintaining rate stabilization as repayment is spread over the useful life of the project. Long-term bonds can be fixed or variable rate with serial or term maturities. Revenue bonds are historically the primary form of long-term debt obligation entered into by the District. The District has also issued General Obligation Bonds based on voter approved bond measures.

The repayment of long-term revenue bonds is secured by a lien on revenues of the District. In essence, it is the net revenues that are pledged to pay debt service. Net revenues are defined generally by the District's bond indentures as all System revenues less all operation and maintenance costs. The District may issue revenue bonds that are secured by liens on net revenues that are either senior or subordinate in relation to each other.

General obligation bonds are another type of long-term bonds available to the District. The issuance of general obligation bonds requires a two-thirds vote of the electorate. These bonds have been used less frequently by the District. General obligation bonds are payable by a dedicated property tax, and do not have a claim on the District's other operating revenues.

The District may also enter into long-term loans with state or federal agencies. These loans typically have fixed interest rates. Government loan programs can offer favorable interest rates, and should be considered as alternatives to market rate debt when available.

**Short-Term Debt**

Historically, short-term notes and commercial paper have been the most commonly issued by the District. Short-term debt, like long-term debt, can be issued by the District at various lien levels but is most typically secured by net revenues on a subordinate basis to the District's long-term bonds.

One common reason to issue short-term debt is to secure funding for a capital project or group of capital projects during the construction period. Once the construction period is complete, the short-term debt may be refinanced, or "taken out," with long-term debt that matures over a period of time more closely matching the lifespan of the assets that were built.

Direct bank loans are another type of short-term debt obligation the District may enter into over time, and could be issued with either fixed or variable rates and generally over a term extending from one to seven years.

---

**Debt-Related Instruments**

The District may enter into other debt-related arrangements that include interest rate swaps, letters of credit, and standby bond purchase agreements. Policy 4.23 (Interest Rate Swap Policy) sets forth the District's policy on swaps.

Because variable rate debt generally requires remarketing agents to periodically remarket the debt to investors, bank credit or liquidity facilities in the form of a letter of credit or standby bond purchase agreements or similar arrangements are required to provide credit and/or liquidity support. Such bank facilities are generally for terms that are shorter than the debt that they support, and therefore need to be renewed periodically throughout the life of the related debt. These renewals will be brought to the Board for approval in advance of expiration.

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**Types of Bond Issuance**

The District may issue taxable or tax-exempt bonds. Tax-exempt bonds are usually the preferred type of bonds given that they typically provide the lowest interest cost. Tax-exempt issuance must adhere to all applicable federal tax laws.

Types of bond issuance include:

1. New Money

"New money" bonds are issued to provide the District with funding for capital expenditures. New money bonds may fund upcoming capital expenditures or reimburse the District for capital expenditures already incurred. Significant restrictions exist around public purpose versus private activity use of bond proceeds. Taxable bonds can be used for projects and structures where IRS tax-exempt regulations cannot be met, such as those with private benefit.

2. Refunding

Refunding bonds may be issued to refinance existing bonds to achieve debt service savings. Staff works with the District's financial advisor to assess potential savings and determine whether refunding bond issuance is warranted.

3. Restructuring

From time to time, the District may issue refunding bonds to restructure the type of debt outstanding, the "shape" of future debt service payments, or to take advantage of market opportunities.

**Sale Method**

The District may choose to issue bonds using either a competitive or negotiated sale process. The District may also sell bonds by means of a private placement or direct sale with a financial institution or other accredited investor when this method is demonstrated to result in cost savings or provide other advantages relative to a traditional public offering. Staff will work with the District's financial advisor to determine the most appropriate method of sale for each issuance.

---

**Structure and Term**

The repayment schedule of a bond issue can vary greatly from one sale to another. The same is true for other debt instruments. The District will consider which structures are most cost effective for ratepayers, the new debt's impact on the District's overall debt service schedule, future debt capacity, and other factors when deciding how to structure new debt. In addition to debt amortization terms, structuring options may include procuring credit enhancement, the establishment of reserves, the use of capitalized interest, and appropriate call options.

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**Goals and Objectives**

Long-term financial stability is the primary underlying objective the District will consider when making decisions related to debt.

When it deems debt as the most appropriate source of funding, the District must seek to keep the cost of the debt, including the cost of issuance, as low as can be reasonably achieved. Given that interest costs can have a major impact on the District's budget and rates, efforts should be made to achieve low interest rates on new debt and to achieve interest rate savings when practicable. Short term variable rates will usually offer the lowest interest rates but do expose the District to long term interest rates risk to the extent those rates are left unhedged. Achieving the lowest interest rates must be carefully balanced against long-term financial stability.

Credit ratings have a significant impact on the interest rates at which the District borrows. Therefore, efforts should be made to maintain strong credit ratings through strong financial decision-making. In addition, marketing efforts should be undertaken when practical to ensure the District's name and credit are in good standing with municipal bond investors.

1. CIP and Budget

The District's capital and operating budgets are key to estimating the timing of and need for future borrowing. While debt will generally only fund capital expenditures, and not operating costs, the amount of debt issued can still have an indirect effect on operating performance due to its impact on cash reserves and water/wastewater rates. Staff will analyze the budget projections throughout each fiscal year, including expected cash reserves and required rate increases. This information will provide the basis for decisions regarding how much, if any, debt to issue in each year.

In addition, staff will monitor the capital improvement program to identify upcoming projects that may be appropriate candidates for state or federal loans.

2. Ratio Targets

When deciding on the amount of current and future debt to issue, staff must pay particularly close attention to certain financial ratios. The most important of these is the debt service coverage ratio, which is generally expressed as annual net revenues divided by annual debt service.

The District has a legal covenant to maintain the debt service coverage ratio at a minimum of 1.1. Under no circumstances should the District allow its debt service coverage ratio to fall below 1.1 as calculated under its bond indentures and other debt documents. State and federal loans also have coverage requirements that may differ from what is required by bond documents.

The District's long-term goal may evolve over time to target a debt service coverage ratio that allows for full cash funding of a base level of capital spending. In the meantime, it is the District's policy to maintain debt service coverage (as calculated under its bond indenture) at or above 1.6.

Another ratio that helps measure the District's financial health is the ratio of debt-funded capital to overall capital spending. This can be measured in any given fiscal year as well as over a rolling period of years. The ideal percentage of debt-funded capital will fluctuate over time. However, the District will strive to maintain this ratio below 65% in each five year planning period.

While variable rate debt typically has a lower cost of borrowing than fixed rate debt, it carries the risk of increasing interest rates and market volatility. Given the added risk that variable rate debt adds to the District's budgetary performance, the amount of variable rate debt outstanding in either the Water or Wastewater Systems will not exceed 25% of the total amount of long-term debt outstanding in either system.

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**Bond Sale Process** The process of selling bonds takes the careful coordination of a number of participants including the District's staff, its financial advisors and bond counsel, third-party bond trustee or paying agent, verification agent, underwriters, broker-dealer, rebate consultant, bank liquidity and credit provider, and/or rating agencies.

1. Preparation

The District relies on its bi-annual budget as the basis for financial estimates that underlie how much, if any, new debt should be issued in any given year. In addition, staff monitors the municipal bond market to identify opportunities to save costs by issuing refunding bonds. In either case, once it is determined that debt issuance is appropriate staff begins the process by coordinating dates and milestones with the District's financial advisors and bond counsel.

While there are many different tasks to perform during the preparation, one of the most critical and involved is the preparation of the Official Statement and its accompanying Appendix A. These disclosure documents are distributed to potential investors in and purchasers of the District's bonds and provide information needed to make an informed investment decision. These documents are subject to federal securities laws and are required to be accurate and current, and not contain material misstatements or omissions. Policy 4.26 (Municipal Securities Disclosure Policy) sets forth the District's disclosure policies.

## 2. Board Authorization

Before the District can issue new bonds, the Board must authorize the sale. Staff will generally ask for the Board's authorization to approve documents and proceed in the financing transaction once the structure and major aspects of the sale are determined.

## 3. Execution

Once the Board has approved a particular bond issuance, staff is authorized to execute the transaction within the authorized parameters. Depending upon the method of sale chosen (negotiated or competitive), staff will work with its financial advisor along with any underwriters that may be involved to finalize the bond sale.

## 4. Handling of Bond Proceeds

Proceeds of debt should be held either by a third-party trustee or by the District. A third-party trustee will disburse bond proceeds to the District upon submission of one or more written requisitions signed by an authorized District officer. If the funds are held directly by the District, they must be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District and subject to established internal controls consistent with the District's applicable policies and procedures. These procedures will include, in connection with each requisition or expenditure of proceeds held by the District, a written record of the particular capital project or program or other expense to which the funds drawn were applied or allocated.

For bond proceeds that are meant to reimburse the District for previous expenditures, District staff will certify that the reimbursing proceeds comply with all tax requirements and other regulations. To support this certification, staff will analyze capital expenditures and ensure that all requirements are met before the bond issuance takes place and maintain a written record of such analysis and the amount reimbursed to each particular capital project or program or other expense to which such reimbursed proceeds are to be allocated.

For bond proceeds meant to provide funding for ongoing or upcoming capital expenditures, District staff will ensure proceeds are spent according their intended purpose as well as all regulations. Staff will analyze the use of proceeds on an annual basis or more frequently, if necessary, until the proceeds are completely spent and will perform monitoring and record-keeping in accordance with any applicable post-issuance compliance procedures and guidelines of the District.

For bond proceeds meant to refund existing bonds, such funds will generally be held by a third party trustee or fiscal agent to be applied in connection with written directions generally prepared by or in consultation with bond counsel to ensure funds are used according to legal requirements. The District will maintain records of the directions to, and will perform timely review of fund statements and other records received from, the third party agents.

**Post Issuance  
Administration**

The District will comply with all requirements pertaining to initial bond disclosure, continuing disclosure, tax-exemption, post-issuance compliance, and investment of bond proceeds. This includes any continuing disclosure undertakings under SEC Rule 15c2-12; tax covenants and related federal tax compliance requirements such as arbitrage restrictions and rebate requirements; and all California State reporting requirements.

1. Financial Disclosure

The District must comply with all ongoing deliverable obligations and financial disclosure requirements, as specified in any and all bond and debt-related documents. Policy 4.26 (Municipal Securities Disclosure Policy) sets forth the District's disclosure policies. Staff has developed and will maintain an updated schedule of the requirements, and ensure there is redundancy in the internal processes to ensure compliance with all timelines and prevent any missed deadlines. The District will post required documents to the MSRB's EMMA website and deliver periodic deliverables on or before the dates by which it is required to do so by its bond documents. The District, at its discretion, may also post documents to EMMA that it believes are relevant to bondholders, but that are not required to be posted. The Treasury Division is responsible for ensuring all District actions related to financial disclosure are completed as required.

2. Tax Compliance

The District will comply with federal arbitrage and rebate regulations related to its bonds and other debt instruments. These responsibilities include monitoring the investment and expenditure of bond proceeds, maintaining a system of record-keeping and reporting and contracting for the services of outside arbitrage consultants as necessary. The District has established and implemented post-issuance procedures to guide its compliance with these requirements. The Treasury Division is responsible for ensuring all District actions related to tax compliance are completed as required.

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**Authority**

Resolution 35192-20, July 28, 2020

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**References**

Policy 4.23 – Interest Rate Swap Policy  
Policy 4.26 – Municipal Securities Disclosure

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## Strategic Plan and Key Performance Indicators

### STRATEGIC PLAN

The Strategic Plan (Plan) was adopted by the Board of Directors in June 2020 and guides the development of the FY 2024 and FY 2025 biennial budget. The Plan outlines the goals, strategies, and objectives the District will pursue to achieve its mission to provide reliable and high-quality services, manage the precious natural resources, and preserve and protect the environment for future generations. The Key Performance Indicators (KPI) publication is a separate document that contains a set of criteria to assess whether the Plan's goals are met.

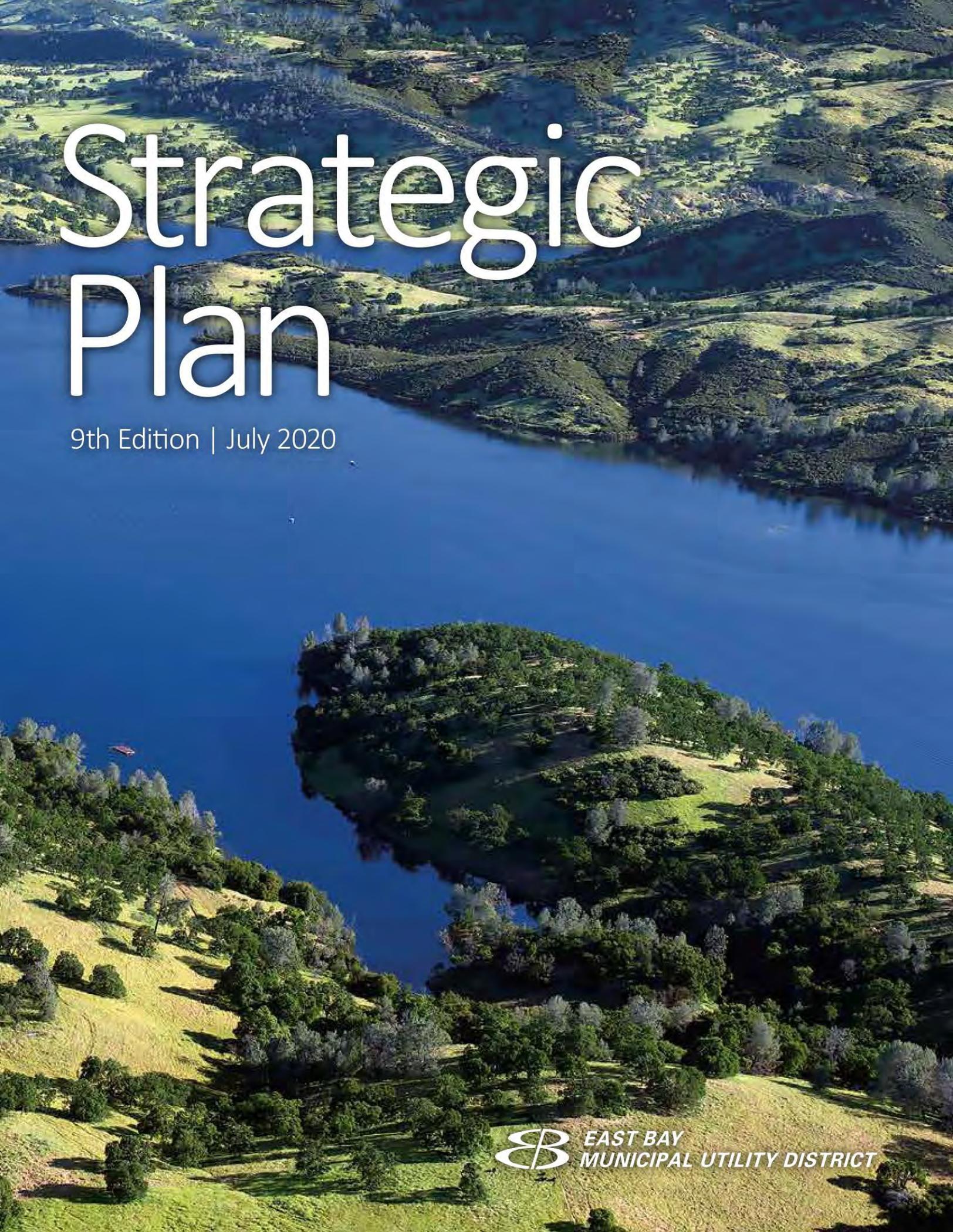
### KEY PERFORMANCE INDICATORS (KPI)

The KPI publication focuses on the KPI targets for FY 2023 and FY 2024 to measure the progress made to achieve the Plan goals. Examples of KPI targets include water quality regulations met, miles of distribution pipelines replaced, water and wastewater rates comparison, unplanned water service interruptions, and exams resulting in hiring lists. The KPIs and targets are evaluated and revised as part of the Plan update process.

### ANNUAL KEY PERFORMANCE INDICATORS REPORT

The Annual Key Performance Indicators Report is a summary of performance results that is reported to the Board of Directors. Staff can evaluate its progress in meeting KPI targets based on performance measures in the KPI publication. The District met or was on track to meet the targets for 95 percent of its measured FY 2022 KPIs, which is the most recent report available at the time of the Budget's publication. Reports are provided annually to the Board, typically in October each year.

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# Strategic Plan

9th Edition | July 2020

Photo on cover is the Pardee Reservoir.

# Table of Contents

General Manager’s Message .....	1
District Overview .....	2
Strategic Plan Overview .....	3
Planning and Implementation .....	4
Our Values.....	6
Our Goals.....	7
Goals, Strategies, and Objectives	
Long-Term Water Supply.....	8
Water Quality and Environmental Protection .....	12
Long-Term Infrastructure Investment .....	16
Long-Term Financial Stability.....	20
Customer and Community Services.....	24
Workforce Planning and Development.....	28

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July 1, 2020

The East Bay Municipal Utility District has been operating for nearly a century. In the 1920s, early regional leaders envisioned a bustling East Bay community and established a water source in the Sierra Nevada to meet that increasing demand. We are the beneficiaries of that vision. But the challenges of today are different than they were decades ago. Foresight and planning are essential to deliver water and wastewater services 24 hours a day.



*This plan was developed under the leadership of Alex Coate (retired June 2020)*

This Strategic Plan is a roadmap that will guide EBMUD in ensuring to our ability to provide high-quality drinking water to 1.4 million customers and critical wastewater treatment to 685,000 customers. These efforts protect public health and the environment, and help our East Bay economy thrive.

The results of our comprehensive planning efforts were on display during the 2019 wildfire season, when our customers received continuous water and wastewater services despite unprecedented pre-emptive power shutoffs. EBMUD began preparing for power shutoffs more than a year before, as we depend on round-the-clock power to pump, treat and distribute water to customers and firefighters.



*This plan will be implemented by Clifford Chan (appointed General Manager June 2020)*

On a larger scale, EBMUD undertook a multi-decade partnership to build the Freeport facility on the Sacramento River to provide a supplemental water supply during dry years. During the historic 2014 – 2016 drought, this facility allowed EBMUD to provide all the water needed to serve our diverse customer base.

Over the next five years, EBMUD will plan for and respond to a broad range of water and wastewater issues such as water supply reliability, water quality improvements, sustainable management of groundwater resources, aging infrastructure, wildfire preparedness, healthy forest management, climate change and emerging contaminants in San Francisco Bay. Managing such dynamic issues requires forward-thinking leadership, sound planning, and financial stability.

From creating a new water source 90 miles away in the Sierra Nevada nearly 100 years ago, to adapting to the impacts of a rapidly changing climate, EBMUD stands ready to meet the challenges of today and tomorrow.



ALEXANDER R. COATE  
Retired General Manager



CLIFFORD C. CHAN  
General Manager

## District Overview

The East Bay Municipal Utility District (EBMUD) supplies water and provides wastewater treatment for parts of Alameda and Contra Costa counties in California. EBMUD is a California special district formed under the Municipal Utility District Act with a seven-member publicly elected Board of Directors.



*Pardee Reservoir*

Residents voted in 1923 to organize the East Bay Municipal Utility District in response to an uncertain local water supply and periodic water shortages. Pardee Dam was completed in 1929 which was the highest in the world at the time. The first water deliveries were made using the Mokelumne aqueduct that same year. The water traveled 90 miles from the Sierra Mountains to the East Bay to serve a population of 460,000.

Today, the EBMUD water service area now includes 20 cities and 15 unincorporated East Bay communities, and serves 1.4 million customers. It is a 332-square mile area, which is larger than New York City, extending from Crockett in the north to San Lorenzo in the south, and eastward from San Francisco Bay through the Oakland-Berkeley hills to Walnut Creek and south through the San Ramon Valley.



*Main Wastewater Treatment Plant*

In 1944, voters in six of the East Bay cities served by EBMUD elected to create a wastewater treatment facility to treat waste and raw sewage that was being released directly into San Francisco Bay. Wastewater treatment began in 1951 at the plant constructed in Oakland near the entrance of the San Francisco-Oakland Bay Bridge. The wastewater service area is 88-square miles 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 water quality for drinking water and treated water from the wastewater plant that is discharged to the San Francisco Bay.

Sustainability and resilience are essential principles that guide our actions in meeting the needs of our customers. Sustainability incorporates environmental, social, and economic objectives into our decision-making and work practices to meet the needs of today without compromising the ability to meet the needs of future generations. Resilience enables the District to recover from and adapt to unforeseen events.

The Board of Directors is committed to developing policy through an open, public process, guided by the District's Mission Statement. Policies are then implemented under the direction of the General Manager who is appointed by and reports directly to the Board of Directors. Day to day operations are managed by the senior management team and carried out by approximately 2,000 dedicated employees.

# Strategic Plan Overview

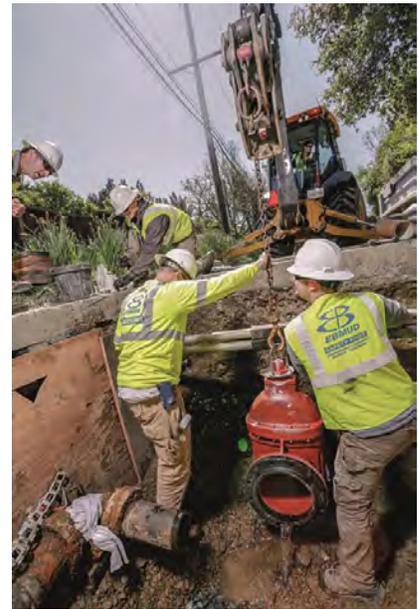
The Strategic Plan incorporates the District’s mission and principles, and identifies its goals, strategies, objectives and key performance indicators. The Plan guides staff in setting priorities and allocating resources.

Our **Mission** 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.

Our **Principles** provide the foundation of the Strategic Plan and form the basis of our business practices. Our principles are:

- 💧 Exercise responsible financial management
- 💧 Ensure fair and reasonable rates and charges
- 💧 Provide responsive and high quality customer service
- 💧 Promote ethical behavior in the conduct of District business
- 💧 Ensure fair and open public processes
- 💧 Provide a safe and healthy work environment
- 💧 Protect the environment and preserve natural resources
- 💧 Minimize waste and conserve energy
- 💧 Promote diversity and equality in personnel matters and contracting
- 💧 Promote environmental, economic, and social sustainability

Our **Goals** define in broad terms the high-level achievements the District will pursue; they explain ‘what’ not ‘how’, and tell where we are going rather than how we will get there. Our **Strategies** define the actions that are necessary to achieve each goal, and may take several years to implement. Our **Objectives** reflect what we need to accomplish in the near term. Our **Key Performance Indicators** (KPIs) measure how well we are doing in achieving our goals.



*Pipeline Renewal*

# Planning and Implementation

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 well 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.

Development of the Strategic Plan is the responsibility of the senior management team who work together in cross functional teams. They assess and build consensus on initiatives and challenges, using input from the Board of Directors and various sources such as **facility master plans** which optimize capital investments, **long-range action plans**, **new initiatives**, and **employee** and **customer feedback** to update the goals, strategies, objectives and key performance indicators.

## Strategic Plan Process



Once the Strategic Plan is adopted by the Board of Directors, development of specific actions to implement the Strategic Plan can begin. The Strategic Plan provides staff with an overall high-level direction to achieve future success; it does not describe all of 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.

The Strategic Plan guides the development of the **biennial budget** and the **five-year capital improvement program** to ensure that necessary resources are provided to implement the plan’s strategies and objectives.

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



*Heavy Equipment Operator*

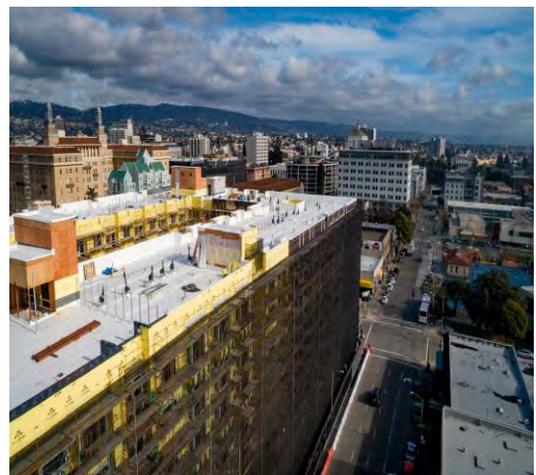
The Strategic Plan is comprised of two documents. This document contains our goals, strategies and objectives to define the actions to take to ensure both long-term achievements and near-term accomplishments. Guidance from the Board of Directors is incorporated into the plan through committee meetings and workshops.

The plan also 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. The KPI report and results are presented to the Board’s Finance Committee in October.

A critical component of the strategic planning process is continuous improvement, an ongoing effort to **assess and evaluate** performance. The objective is to update the Strategic Plan based on these assessments and evaluations, including KPI results to develop and prioritize strategies for addressing issues that may impact District operations and our customers.



*Mixed use complex with 634 dwelling units in Oakland*



*Mixed use complex with 333 dwelling units in Oakland*

## Our Values

With extensive input from employees of all levels and disciplines, the District developed the following four values that were adopted by EBMUD in support of our mission:



### STEWARDSHIP

"I am a steward of our resources and committed to public service."



### INTEGRITY

"I act with integrity."



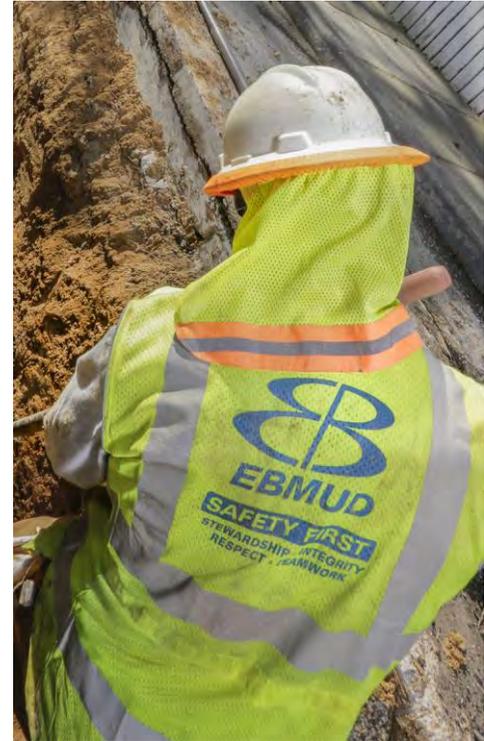
### RESPECT

"I treat others with respect."



### TEAMWORK

"We are EBMUD and we are one team."



*Visible reminder of our values*

These values and their related behaviors guide EBMUD staff as they pursue the goals identified in this Strategic Plan. Our ongoing values efforts are focused on:

- Communication of our strategy and mission to employees and customers,
- Continuous improvement of our systems and processes, and
- Cultivation and maintenance of a diverse, engaged, and high performing culture.

It is our belief that working better together will enable us to achieve our mission to serve our customers, manage our natural resources, and protect our environment for future generations.



## Our Goals

### 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.

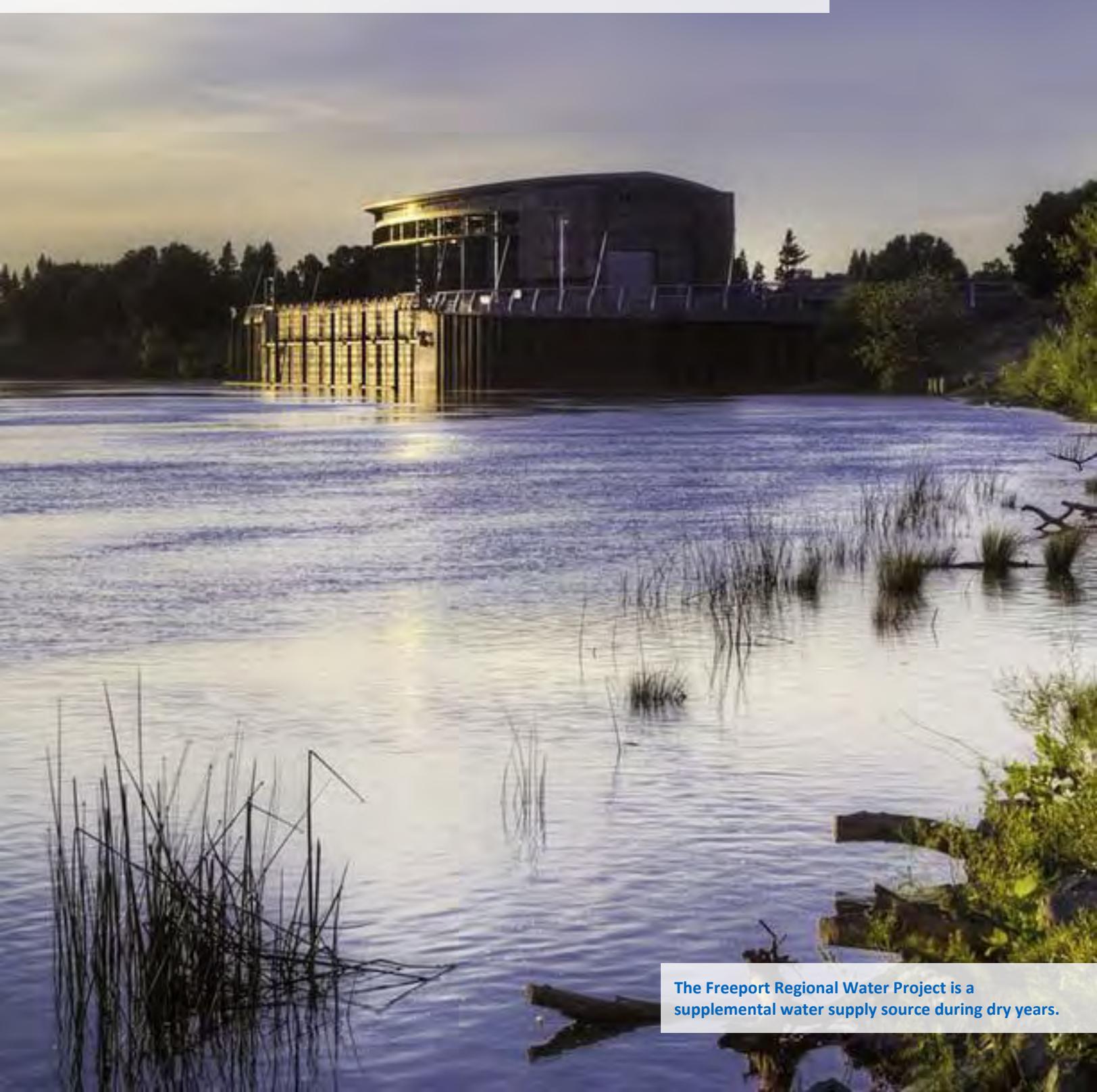


*Lake Merritt in Oakland shown in the distance*

# Long-Term Water Supply

*“We have created a resilient water supply by developing new water sources and protecting our existing supplies. We will continue to diversify our supplies to meet future needs while acknowledging the challenges that accompany them.”*

*Michael Tognolini, Director of Water and Natural Resources*



**The Freeport Regional Water Project is a supplemental water supply source during dry years.**

**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.

### Objectives:

- 💧 Protect water rights and Central Valley Project contract entitlements to maximize benefits to District customers.
- 💧 Prioritize water transfers, groundwater storage, off-stream storage, and other water supply opportunities to cost-effectively improve reliability while providing the best available water quality.
- 💧 Use the Urban Water Management Plan to assess supply and demand conditions, analyze future needs, anticipate obstacles, and prescribe approaches to meeting future requirements consistent with District policy.
- 💧 Integrate the District's long-term water supply strategies and infrastructure planning efforts with regional partnerships.
- 💧 Plan for a sustainable local groundwater basin for the East Bay.

## 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.

### Objectives:

- 💧 Implement and update the conservation strategies identified in the District's Water Conservation Master Plan (WCMP) to meet long-term water use reduction goals.
- 💧 Use the Water Shortage Contingency Plan to implement drought response actions to meet short-term water use reduction goals.
- 💧 Implement comprehensive water management, conservation incentives, education and outreach programs and workshops to engage customers and stakeholders with information and tools to effectively manage water use and promote water use efficiency.
- 💧 Implement supply-side conservation and water loss control measures through leak detection, pipeline repair and replacement, and information management to reduce demand, improve system reliability and comply with state regulations.
- 💧 Pursue and implement regulatory and legislative initiatives that promote water conservation through efficiency standards and codes, including plan check reviews as a condition for new water services.
- 💧 Identify, encourage and create partnerships to research and test new efficiency technologies, including water-energy nexus applications and measurement methodologies.

## Long-Term Water Supply

### Strategy 3

Reduce potable water demand through water recycling and build on past success to achieve a diversified and reliable water supply.

#### Objectives:

- 💧 Maximize use of recycled water projects while protecting public health.
- 💧 Invest in innovative technology and monitor research to improve cost-effectiveness.
- 💧 Identify, evaluate and implement new opportunities for recycled water, including potential for potable reuse.
- 💧 Continue education and outreach programs to support customers and the District's programs.
- 💧 Monitor regulatory and legislative initiatives that promote recycled water use and the District's programs.

### 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.

#### Objectives:

- 💧 Regularly review developing climate change science and evaluate future scenarios that illustrate a range of potential impacts to the District.
- 💧 Maintain a Climate Change Monitoring and Response Plan to inform the District's efforts for future water supply, watershed, water quality, and water and wastewater infrastructure investment decisions.
- 💧 Use the scenarios to identify infrastructure vulnerabilities and make cost-effective infrastructure investments and operational changes to adapt and mitigate impacts based on the best available science and a range of foreseeable conditions (i.e., "no regrets" investments).
- 💧 Educate the public and policymakers on District and industry climate change concerns and interests, participate in research, and advocate for reasonable legislation and regulatory changes.
- 💧 Develop standards to use in planning studies and infrastructure designs.

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# Water Quality and Environmental Protection

*"Our employees strive every day to provide high quality water to our customers and protect the environment."*

*Clifford Chan, Director of Operations and Maintenance*

Water travels from the Mokelumne River Watershed into Pardee Reservoir.

**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.

### Objectives:

- 💧 Use the Watershed Master Plans as the foundation for standards and protocols to ensure drinking water quality and protect natural resources.
- 💧 Perform monitoring and data assessment to adaptively manage the watersheds.
- 💧 Provide public access and recreational opportunities, education and outreach compatible with water quality and natural resource protection, and collect user feedback.
- 💧 Maintain upcountry facilities to support recreation commitments.
- 💧 Protect the Mokelumne River salmonid fishery through habitat enhancement projects, effective and efficient hatchery operations, and a robust science program.
- 💧 Collaborate with stakeholders to protect water quality and the environment in the Mokelumne and East Bay watersheds.
- 💧 Comply with federal and state requirements of the Mokelumne River Project to protect cultural resources, maintain structural integrity, and operate facilities to protect public health and safety, property and the environment.

## Strategy 2

Operate and maintain District facilities to surpass federal and state drinking water regulations.

### Objectives:

- 💧 Establish and meet District water quality goals and exceed customers' expectations.
- 💧 Advocate for water quality and environmental regulations that are based on sound science, are protective of public health and beneficial uses and that are attainable and sustainable.
- 💧 Maintain a leadership role in the professional community to further regulatory and legislative initiatives and advocate for protection of public health.
- 💧 Provide timely and accurate water quality information to customers.

# Water Quality and Environmental Protection

## 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.

### Objectives:

- 💧 Meet or surpass all water discharge, air, and land requirements.
- 💧 Ensure that management of biosolids is cost-effective, environmentally safe and meets all local ordinance and state and federal requirements.
- 💧 Promote environmental regulations that are based on regional approaches and achieve water quality objectives through cost-effective and sustainable means.

## Strategy 4

Minimize impacts to the environment by reducing, recycling, reusing and reclaiming waste, and by conserving natural resources.

### Objectives:

- 💧 Pursue opportunities to recover and utilize resources (e.g., nutrients and minerals), and renewable energy in wastewater.
- 💧 Increase the cost-effective use of renewable energy.
- 💧 Identify and implement energy efficient projects.
- 💧 Reduce the District's greenhouse gas (GHG) emissions.
- 💧 Focus on reduction of pollutants at the source.
- 💧 Identify and implement waste reduction and recycling programs.

# Water Quality and Environmental Protection

## Strategy 5

Ensure protection and stewardship of San Francisco Bay.

### Objectives:

- 💧 Proactively develop and implement regional Pollution Prevention activities that will further reduce pollutant discharges to San Francisco Bay.
- 💧 Support collaborative efforts and programs that develop science-based watershed solutions to address nutrients and other constituents-of-concern in the San Francisco Bay.
- 💧 In collaboration with the satellite collection system communities and the regulators, implement an Inflow and Infiltration Control Program that will over the long term reduce or eliminate the need for wet weather facilities.

## 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.

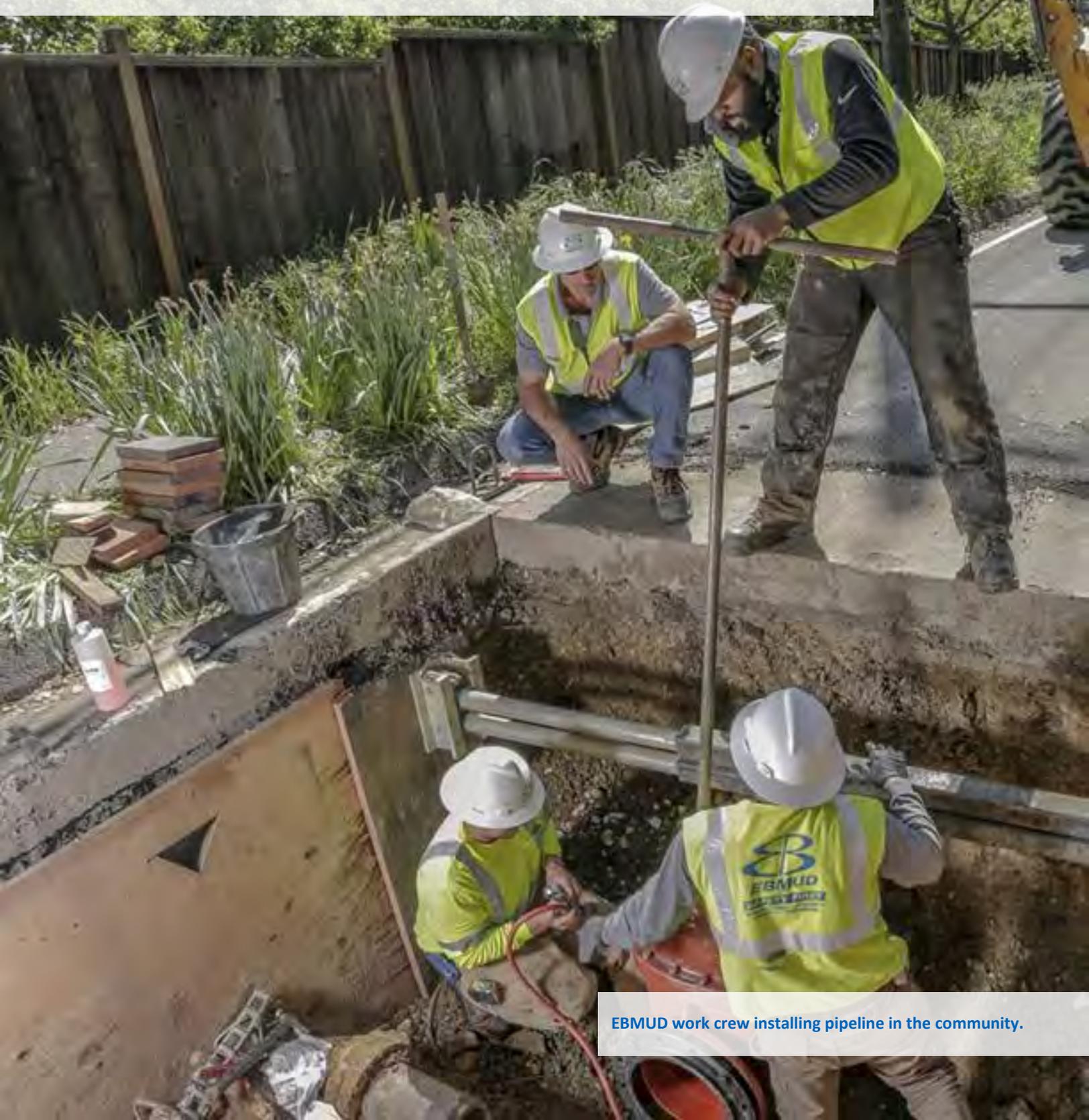
### Objectives:

- 💧 Balance the competing objectives and requirements by setting clear operational priorities and employing effective models for flow and temperature management.
- 💧 Work collaboratively with stakeholders to adaptively operate Pardee and Camanche Reservoirs to meet downstream objectives for water supply, flood control and environmental resources.
- 💧 Sustain and enhance the successful salmonid fishery on the Lower Mokelumne River through adaptive management of variable flows, temperature optimization, and collaborative efforts with lower Mokelumne stakeholders.
- 💧 Proactively comply with all state, federal, and local permit and license requirements.

# Long-Term Infrastructure Investment

*"We make investments in resilient infrastructure to ensure safe, reliable delivery of high quality water to our customers and wastewater discharges that protect the San Francisco Bay."*

*Jimi Yoloye, Director of Engineering and Construction*



EBMUD work crew installing pipeline in the community.

**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.

### Objectives:

- 💧 Maintain and update a master plan for each asset or group of assets that reflects current condition and performance information and addresses improvements needed to meet defined service-level requirements.
- 💧 Coordinate master plans and capital projects to optimize investments and maximize drinking water quality, and the reliability, safety, flexibility, and overall efficiency of the water and wastewater systems.
- 💧 Periodically inspect and evaluate facilities to support capital and maintenance planning.
- 💧 Consider risk, community and stakeholder concerns, workforce and technology trends, and the potential impacts of climate change as part of the planning process. Involve stakeholders in the project planning and development stage.
- 💧 Ensure that all system improvements and capital projects meet or surpass environmental and regulatory requirements, improve resilience to climate change, and incorporate sustainable practices.

## Strategy 2

Meet operational needs and reliability goals by effectively maintaining the infrastructure.

### Objectives:

- 💧 Define and document operational needs and reliability goals to inform maintenance decision making.
- 💧 Collect and maintain accurate asset records including criticality, maintenance history, asset condition, and performance for continuous improvement.
- 💧 Expand and refine the use of cost-effective methods and practices to determine the need for maintenance or replacement.
- 💧 Implement preventive, predictive, and corrective maintenance plans to ensure safety, service reliability, and efficiency.
- 💧 Lead the industry in water loss control through using new and innovative technology, effective maintenance practices, and efficient operations.

## Long-Term Infrastructure Investment

### Strategy 3

Implement the master plans and set priorities in the operating and capital budget process to reflect the needs identified in those plans.

#### Objectives:

- 💧 Balance life-cycle costs and risks of plans and projects in the operating and capital budgets to account for near-term needs as well as long-term sustainability and resilience.
- 💧 Complete projects on schedule, within budget and meet the desired intent and quality.
- 💧 Innovate and improve project workflows to maximize efficiency.
- 💧 Use value engineering of proposed capital projects to help implement projects cost-effectively.
- 💧 Coordinate and collaborate construction project scheduling with city, county, and other agencies and communicate with all stakeholders during construction to minimize impacts on communities.

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**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.

### Objectives:

- 💧 Maintain financial planning models to include long-term forecasts of operating and capital expenditures, revenue requirements and rates and charges.
- 💧 Ensure the financial plan is based on reasonable, conservative assumptions and accounts for uncertainties.
- 💧 Ensure the financial plan maintains the District’s good standing in the credit markets to provide ready access to cost-effective capital financing.
- 💧 Evaluate the District’s capital financing and debt service coverage policies to optimize cash funding of capital investments.
- 💧 Evaluate the District’s cash reserve policies to consider optimal uses and levels of reserves, including alternative strategies for funding drought-related costs to ensure financial resiliency.

## Strategy 2

Implement water and wastewater rates and charges that are legal, fair, reasonable, and equitable.

### Objectives:

- 💧 Plan for rate increases that are steady, predictable, and based on our strategic needs.
- 💧 Mitigate increases in rates and charges by optimizing use of non-rate revenue and pursue opportunities for cost control through efficiencies and new technologies.
- 💧 Continue to establish rates and charges based on cost of service principles.
- 💧 Periodically conduct third-party cost of service studies.

## Long-Term Financial Stability

### Strategy 3

Ensure integrity, accountability and transparency in financial management.

#### Objectives:

- 💧 Develop operating and capital budgets aligned with the Strategic Plan.
- 💧 Manage operating and capital expenditures within their respective budgets.
- 💧 Develop and maintain accurate, timely, and meaningful financial data.
- 💧 Enhance the usability, clarity and accessibility of District financial information.
- 💧 Maintain and regularly evaluate internal financial controls.
- 💧 Conduct regular internal and external financial audits.
- 💧 Promote diversity and equity in contracting, consistent with state and federal laws.

### Strategy 4

Implement technologies that improve the efficiency and effectiveness of business processes.

#### Objectives:

- 💧 Maintain a long-term plan to guide technology investments and resources.
- 💧 Apply a consistent approach to set IT priorities and evaluate, plan, and implement projects that address the needs of customers, employees and, other stakeholders.
- 💧 Ensure all employees have ready access to tools and data so they can provide excellent customer service and maintain and operate our infrastructure.
- 💧 Make effective use of tools and data to best maintain and monitor District infrastructure and develop workflows that enable rapid capture and use of the data.
- 💧 Structure and manage data to support consistent analysis and reporting and provide appropriate access to customers, employees and other stakeholders.
- 💧 Proactively ensure adequate security to meet all regulatory requirements, maintain operations, and protect the privacy of customer and employee data.

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# Customer and Community Services

*"We strive to meet customer expectations by providing responsive, trusted, and high quality service."*

*Andrew Lee, Manager of Customer and Community Services*



**A Field Services Representative performing an inspection of a water meter with a customer.**

**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.

### Objectives:

- 💧 Collect and analyze customer feedback on District operations, activities and service experience and expectations.
- 💧 Proactively communicate electronically through multiple channels, via print publications, and media or community events.
- 💧 Maintain a robust web and social media presence.
- 💧 Enhance internal communication, tools and technology to effectively disseminate information to District staff.

## Strategy 2

Continue to build trust by providing quality service, timely information, and resolution of customer and community inquiries.

### Objectives:

- 💧 Employees recognize they are representing the customers' interest and provide professional, high quality service.
- 💧 Invest in business process improvements and technology to enhance the customer experience and customer access to information.
- 💧 Protect customer data and other personally identifiable information.
- 💧 Minimize customer and community impacts from water and wastewater operations.
- 💧 Provide programs and services that support or benefit the community, residents, and businesses.

## Customer and Community Services

### 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.

#### Objectives:

- 💧 Build and actively participate in regional and national industry groups, coalitions, and partnerships to advance common goals.
- 💧 Partner with non-profit, community and education organizations in support of the District's Mission and Strategic Plan.
- 💧 Advance Contract Equity and Diversity Inclusion Programs to enhance diversity and equal opportunities for business owners and prospective and current employees.

### 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.

#### Objectives:

- 💧 Maintain current documentation of emergency response, business continuity, risk and resilience assessment, and disaster recovery plans, including support documents for regional coordination, and mutual assistance.
- 💧 Review and exercise emergency communications, critical functions, information technology infrastructure and protocols to support emergency response and recovery goals at all levels of the organization.
- 💧 Provide training and exercise emergency response, and business continuity plans to achieve response and recovery goals.
- 💧 Provide timely public and employee communication during emergencies and business interruptions.
- 💧 Enhance customer outage notification tools.
- 💧 Work collaboratively with local, city, county, state, and regional stakeholders on emergency preparedness, response, and recovery efforts.

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# Workforce Planning and Development

*"Our mission can only be fulfilled through our high performing employees. We hire, train, and retain the best."*

*Laura Acosta, Manager of Human Resources*



Employees receive hands-on training in treatment plant operations.

**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.

### Objectives:

- 💧 Preserve intellectual capital (knowledge retention) at all levels of the organization.
- 💧 Regularly evaluate advances in technology and associated skills required for improved efficiency.
- 💧 Regularly analyze evolving workforce needs and risks to ensure the District’s current and future workforce needs are met.

## Strategy 2

Continue to develop employees to meet evolving workforce demands and implement actions to close gaps.

### Objectives:

- 💧 Offer career and professional development opportunities and support to expand the skills of District employees to meet emerging industry needs.
- 💧 Maximize opportunities to “grow our own” through academies, cross-training, mentoring, and rotation programs.
- 💧 Encourage personal accountability for professional development through programs such as tuition reimbursement and internal training.
- 💧 Implement organizational practices that promote and value employee contributions, safety, employee-well-being, diversity and inclusion, and encourage learning and networking.
- 💧 Engage employees and labor unions in improving the work of the District.

## Workforce Planning and Development

### Strategy 3

Support District values, recognize employee contributions, and establish clear performance measures to achieve a high performance culture.

#### Objectives:

- 💧 Engage District employees in values-based continuous improvement efforts with a focus on internal communication, teamwork, performance, and employee recognition.
- 💧 Establish and communicate clear performance and behavioral expectations and standards.
- 💧 Regularly assess and communicate performance against standards.
- 💧 Enhance managers' and supervisors' ability to accurately evaluate and recognize good performance and observable behavior that supports the District values.
- 💧 Provide coaching and opportunities for improvement of performance deficiencies.
- 💧 Incorporate diversity and inclusion practices to support the District's hiring, promotion, and retention goals.

### Strategy 4

Enhance the District's ability to recruit a highly qualified, diverse staff that exhibits the District's values.

#### Objectives:

- 💧 Promote EBMUD's industry reputation as an employer of choice.
- 💧 Support our employees as ambassadors in our communities (peer, industry, education) to educate and share knowledge about the District's culture, values, career opportunities and work.
- 💧 Target specific employment markets and partner with colleges and regional agencies to attract and hire quality candidates that reflect the diversity of our community.
- 💧 Seek opportunities to expand internships/apprenticeships and training programs to introduce career opportunities to our community.

Strategic Plan

# Key Performance Indicators

Fiscal Years 2023 & 2024



# Table of Contents

Overview .....	1
Long-Term Water Supply.....	5
Water Quality and Environmental Protection .....	9
Long-Term Infrastructure Investment .....	11
Long-Term Financial Stability .....	13
Customer and Community Services.....	15
Workforce Planning and Development .....	19



*Downtown Oakland*

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# Overview

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- Our **Mission** 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.
- Our **Principles** provide the foundation of the Strategic Plan and form the basis of our business practices.
- Our **Goals** define in broad terms the high-level achievements the District will pursue; they explain ‘what’ not ‘how’, and tell where we are going rather than how we will get there.
- Our **Strategies** define the actions that are necessary to achieve each goal, and may take several years to implement.
- Our **Objectives** reflect what we need to accomplish in the near term.
- Our **Key Performance Indicators** (KPIs) measure how well we are doing in achieving our goals.



*Pardee Reservoir*



*Recycled Water*

This Key Performance Indicators publication focuses solely on the KPIs for Fiscal Years 2023 and 2024. Please see the Strategic Plan document for further details on the Plan including goals, strategies and objectives.

## Key Performance Indicators

Key Performance Indicators (KPIs) measure the progress we are making in achieving the Strategic Plan goals. An effective KPI serves as an important measure of progress. KPIs can track efficiency, effectiveness, quality, timeliness, compliance, behaviors, economics, project performance, personnel performance or resource utilization. The KPIs and targets are evaluated and revised as part of the Strategic Plan update process. Performance is reported annually to the Board of Directors. The current set of KPIs is part of the Strategic Plan adopted by the Board of Directors in June 2020.

The following page details all six goals and associated strategies on a single page.



*Main Wastewater Treatment Plant*

# Strategic Plan | Goals and Strategies

East Bay Municipal Utility District | July 2020

## 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)**



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## 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.



*The Freeport Regional Water Project is a supplemental water supply source during dry years.*

# Long-Term Water Supply

Key Performance Indicator	FY23 Target	FY24 Target
<b>Strategy 1: Supplemental Supply</b>		
Additional supply by 2040 to provide 85 percent reliability under design drought conditions and diversify through regional partnerships	Negotiate a Warren Act contract with the Bureau of Reclamation for a long-term water transfer with Placer County Water Agency	Work with Placer County Water Agency to complete environmental document for a long-term water transfer
	Work with Placer County Water Agency to publish a draft environmental document for a long-term water transfer	
	If needed, complete short-term water transfers to supplement water supplies	If needed, complete short-term water transfers to supplement water supplies
	Operate the DREAM Pilot Project in San Joaquin County and compile lessons learned	Operate the DREAM Pilot Project in San Joaquin County and compile lessons learned
	Continue working with Bay Area Regional Reliability (BARR) partners to develop the Shared Water Access Program (SWAP)	Complete the BARR SWAP study and pilot test
	Negotiate key agreements necessary to determine degree of participation in the Los Vaqueros Expansion	Determine level of participation in Los Vaqueros, assist JPA with securing grant funding, initiate water rights permits, and complete negotiation of all required agreements
	Continue implementation of the Groundwater Sustainability plan for East Bay Plain	Continue implementation of the Groundwater Sustainability plan for East Bay Plain
<b>Strategy 2: Water Conservation</b>		
70 MGD savings from conservation programs / natural replacement by 2050 (baseline yr. 1995)	Implement Water Conservation Strategic Plan measures that are expected to result in 50 MGD of savings	Implement Water Conservation Strategic Plan measures that are expected to result in 50.8 MGD of savings
	Meet state long-term framework target by achieving established residential indoor per capita water use	55 gpcd

## Long-Term Water Supply (continued)

Key Performance Indicator	FY23 Target	FY24 Target
<b>Strategy 2: Water Conservation (continued)</b>		
	Implement Water Conservation Strategic Plan	Implement Water Conservation Strategic Plan
<b>Strategy 3: Water Recycling</b>		
20 MGD of recycled water capability by 2040	Implement strategies from the DERWA Side Agreement for demand management	Continue to implement strategies in the DERWA Side Agreement
	Complete hydraulic analysis and preliminary design of the future Emeryville to Albany pipeline, and begin environmental documentation	Complete environmental documentation of the future Emeryville to Albany pipeline and begin final design
	Complete the East Bayshore water quality improvement pilot project	Begin implementing recommendations from the East Bayshore water quality improvement pilot project
<b>Strategy 4: Climate Change</b>		
Update the Climate Change Monitoring and Response Plan. Explore approaches for how to adapt to potential future conditions and identify "no regrets" infrastructure investment decisions	Update the Climate Change Monitoring & Response Plan to account for new information	Develop planning and design standards that incorporate climate change adaptation and mitigation principles
	Complete annual greenhouse gas emission inventory	Complete annual greenhouse gas emission inventory
Continue District leadership in climate change by participating in climate change studies, workshops, or education events	3	3

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# 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.



*Water travels from the Mokelumne River Watershed into Pardee Reservoir.*

# Water Quality and Environmental Protection

Key Performance Indicator	FY23 Target	FY24 Target
<b>Strategy 1: Watershed Protection and Management</b>		
Mokelumne River fall-run Chinook salmon returns (long-term average)	4,734	4,734
<b>Strategy 2: Drinking Water Regulations Compliance</b>		
Percent of water quality regulations met	100 percent	100 percent
Percent of water quality goals met	100 percent	100 percent
<b>Strategy 3: Environmental Regulations Compliance</b>		
Number of NPDES and Waste Discharge Permit Notices of violation received	0	0
<b>Strategy 4: Reduce, Recycle, Reuse, Reclaim</b>		
Water System: Eliminate GHG emissions for indirect and direct emissions by 2030 Wastewater System: Eliminate GHG emissions for indirect emissions and reduce direct GHG emissions by 50 percent compared to 2000 levels by 2040	31,141 MT CO <sub>2</sub> e	28,348 MT CO <sub>2</sub> e
Capture biogas sufficient to produce on-site energy to meet electric power demands of the Main Wastewater Treatment Plant and evaluate the best uses of excess biogas	100 percent of plant power demand	100 percent of plant power demand
Pursue large-scale photovoltaic project at the Duffel property located in Orinda	Complete permitting and design	Begin construction
<b>Strategy 5: San Francisco Bay Protection</b>		
Implement Private Sewer Lateral Program to reduce wet weather flows and achieve a high compliance rate at point of sales	90 percent compliance with program requirements following a title transfer	90 percent compliance with program requirements following a title transfer
<b>Strategy 6: Operate Pardee and Camanche Reservoirs and Facilities</b>		
Meet JSA Mokelumne River minimum flow releases 100 percent of the time	100 percent	100 percent
Review operations with lower Mokelumne stakeholders every two years	Conduct stakeholder meeting	N/A

## 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.



*EBMUD work crew installing pipeline in the community.*

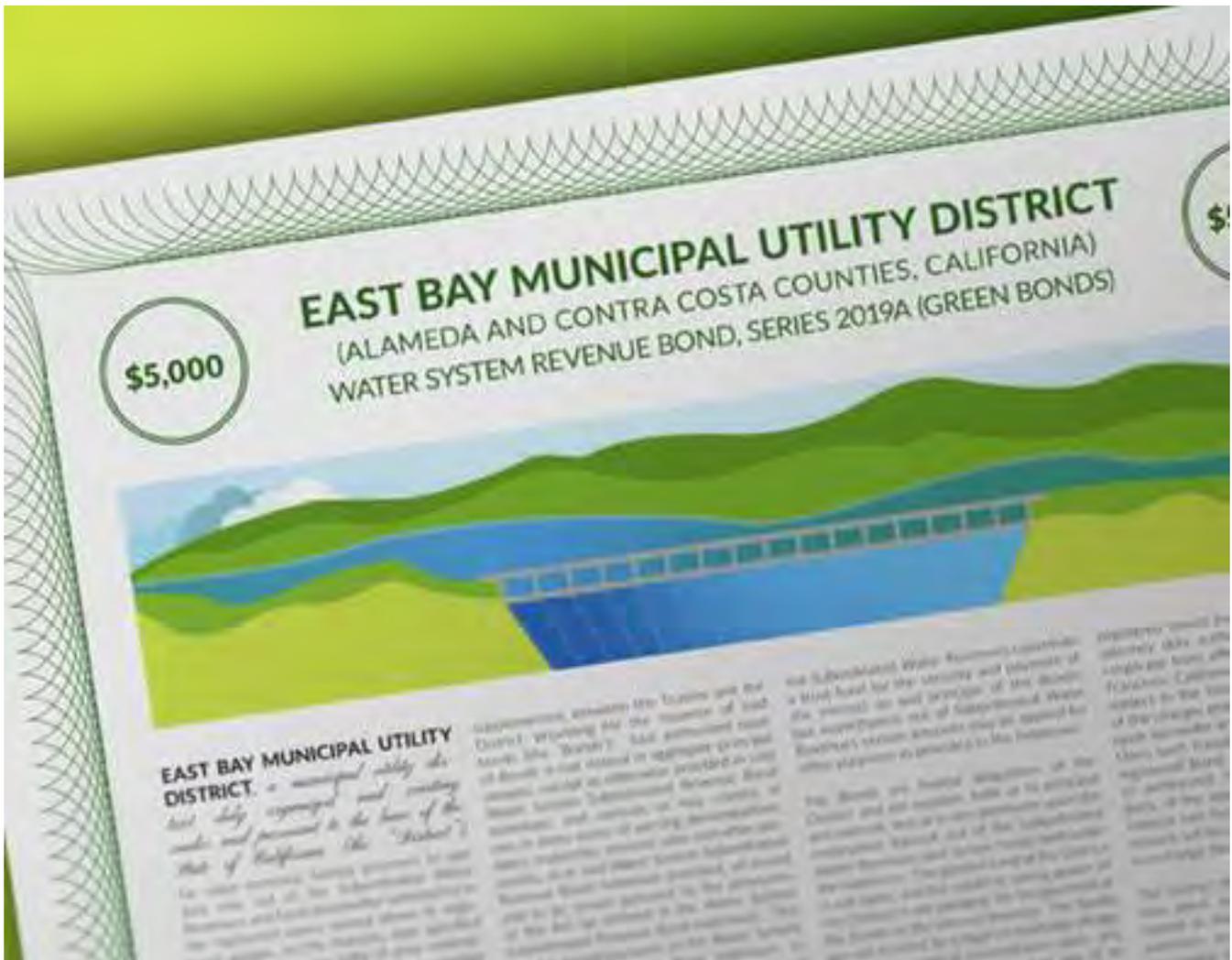
# Long-Term Infrastructure Investment

Key Performance Indicator	FY23 Target	FY24 Target
<b>Strategy 1: Master Plans</b>		
Wastewater Interceptor Master Plan	Develop Interceptor Inspection Master Plan	Complete inspections and prepare Draft Wastewater Interceptor Master Plan
<b>Strategy 2: Effective Infrastructure Maintenance</b>		
Number of water system pipeline breaks per 100 miles of pipe	≤ 20	≤ 20
Percent of water system corrective work order hours classified high priority	≤ 10 percent	≤ 10 percent
Miles of pipe surveyed for leaks	≥ 800	≥ 800
Percent of water system valves exercised	≥ 10 percent	≥ 10 percent
Real water losses in gallons per connection per day	The State Water Resources Control Board is developing a water loss performance standard for each urban retail water supplier in California under Senate Bill 555. The District's performance standard has not been finalized.	The State Water Resources Control Board is developing a water loss performance standard for each urban retail water supplier in California under Senate Bill 555. The District's performance standard has not been finalized.
Percent of high priority meter repair orders completed in 60 days	≥ 90 percent	≥ 90 percent
<b>Strategy 3: Capital Budget Priorities</b>		
Miles of distribution pipe replaced	≥ 22.5	≥ 22.5
District directed non-discretionary change orders on construction contracts	≤ 4 percent	≤ 4 percent
MWWTP Administrative Facilities Seismic Retrofits	Complete design	Complete construction
Implement the Orinda Water Treatment Plant Disinfection Improvements (UV/CCB)	Continue construction and report annually in Fall	Continue construction and report annually in Fall
Cumulative annual average number of steel water tanks rehabilitated	2	2
Cumulative annual average number of pumping plants rehabilitated	2	2

# 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.



Green bonds finance infrastructure projects that promote environmental sustainability.

# Long-Term Financial Stability

Key Performance Indicator		FY23 Target	FY24 Target
<b>Strategy 1: Long-Range Financing Plan</b>			
Percent of capital program funded from debt over five-year period		≤ 65 percent	≤ 65 percent
Debt service coverage		≥ 1.6 times coverage	≥ 1.6 times coverage
Actual reserves as percent of target		≥ 100 percent	≥ 100 percent
<b>Strategy 2: Rates and Charges</b>			
Water rates as compared to other Bay Area Agencies		At or below median	At or below median
Wastewater treatment charge as a share of the total bill when compared to other Bay Area agencies		At or below median percent	At or below median percent
<b>Strategy 3: Integrity, Accountability and Transparency</b>			
Percent of planned audits completed		100 percent	100 percent
Percent of audit findings resolved within 90 days		100 percent	100 percent
Operating expenditures as a percentage of operating budget		≤ 100 percent	≤ 100 percent
Capital expenditures as a percentage of capital budgeted cash flow		Between 90 percent and 110 percent of a two-year rolling average	Between 90 percent and 110 percent of a two year rolling average
<b>Strategy 4: Technology</b>			
Cyber Security Operational Readiness	Planned patch cycles met	> 90 percent	> 90 percent
	Business recovery exercises	2 per year	2 per year
	Cyber Security awareness events	4 per year	4 per year
	Biennial IT security controls assessment	Implement Critical Security Controls 20 IG2 Improvement Plan	Implement Critical Security Controls 20 IG3 Improvement Plan

## 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.



*A Field Services Representative performing an inspection of a water meter with a customer.*

# Customer and Community Services

Key Performance Indicator		FY23 Target	FY24 Target
<b>Strategy 1: Communications</b>			
Consolidate District education resources		Complete	Review
Conduct media/advertising campaigns		3	3
Publish external digital/print publications		8	8
Participate in community engagement events		100	100
<b>Strategy 2: Customer Satisfaction</b>			
Percent of customers rating the District's services as Good or Excellent: Field Services, New Business, Water Quality, and Recreation		≥ 90 percent	≥ 90 percent
Percent of customers rating Overall Job as Good or Excellent from the customer opinion survey		Conduct research and evaluate outreach methods	N/A
Contact Center service level	Average speed of answer to calls coming into the Contact Center	≤ 60 seconds	≤ 60 seconds
	Percent of calls answered within the target of ≤60 seconds	≥ 80 percent	≥ 80 percent
	Percent of customers rating as Good or Excellent based on first call resolution, staff knowledge, promptness, courtesy, and overall quality	≥ 80 percent	≥ 80 percent
	Abandonment rate	≤ 3 percent	≤ 3 percent
Timely billing of customer statements as scheduled		≥ 99 percent	≥ 99 percent
Percent of time customer dependent systems are available		≥ 99.9 percent	≥ 99.9 percent
Unplanned water service interruptions per 1,000 active accounts	< 4 hrs.	≤ 10	≤ 10
	4-12 hrs.	≤ 5	≤ 5
	> 12 hrs.	≤ 2	≤ 2
Odor complaints near the MWWTP		≤ 30 complaints	≤ 30 complaints
Notify customers in advance of service interruption for non-payment and provide information on options to avoid service interruption for non-payment of bills per District Regulations – Sections 15 and 15A		100 percent	100 percent
<b>Strategy 3: Partnerships and Programs</b>			
Proactively review and update alternative to shut-off program and Customer Assistance Program (CAP)		Continue to address COVID impacts with Board guidance and implement alternative to shut-off program after the health emergency order is rescinded	Annual review and adjustment based on experience
Increase CAP enrollments		Performance Measure Only	Performance Measure Only
Reduce service interruptions for CAP participants		Performance Measure Only	Performance Measure Only
Participate in targeted outreach events in disadvantaged communities to increase CAP enrollment		3	3

## Customer and Community Services (continued)

Key Performance Indicator	FY23 Target	FY24 Target
<b>Strategy 4: Emergency Preparedness</b>		
Update the District's Emergency Operation Plan every five years	Complete update	N/A
Conduct the District's Emergency Operations Team exercise annually	Complete annual exercise	Complete annual exercise
Update all Business Continuity plans every two years	Complete updates	N/A
Conduct Business Continuity exercises annually	100 percent	100 percent
Update the District's Risk and Resilience assessment every five years	Complete update	N/A
Conduct annual exercises or meetings with mutual assistance partners and stakeholders	3	3

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# 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.



*Employees receive hands-on training in treatment plant operations.*

# Workforce Planning and Development

Key Performance Indicator	FY23 Target	FY24 Target
<b>Strategy 1: Workforce Plans</b>		
Number of injury & illness incidents resulting in time away from work per 100 employees	≤ 3.0	≤ 3.0
Injury and Illness Investigations (PE-020 forms) completed within 10 working days	>99 percent	>99 percent
Complete departmental workforce plans	Complete	Review
Diversity, Equity, and Inclusion Strategic Plan	Complete and report on all first-year actions in the Two-Year Action Plan	Complete and report on all second-year actions in the Two-Year Action Plan
Annually implement outreach campaigns on wellbeing themes	4	4
<b>Strategy 2: Employee Development</b>		
Annual average training per employee	30 hours	30 hours
Ensure employees complete all required training	Develop tracking process and standards	Implement tracking system and begin pilot
Number of employees in development programs (academies, rotations, internships, mentorships)	Performance Measure Only	Performance Measure Only
<b>Strategy 3: District Values</b>		
Percent of performance plans completed on time	> 99 percent	> 99 percent
Percent of performance appraisals completed on time	> 99 percent	> 99 percent
<b>Strategy 4: Recruitment</b>		
Percent of exams resulting in hiring lists within 60 days	80 percent	80 percent
Percent of candidates on hiring eligibility lists (including employees and external applicants) who identify as minority and/or female	Performance Measure Only	Performance Measure Only
Number of interns	Performance Measure Only	Performance Measure Only
Percent of interns who identify as minority and/or female	Performance Measure Only	Performance Measure Only

# Strategic Plan

9th Edition | July 2020

Photo on cover is the Pardee Reservoir.

# Table of Contents

Overview .....	1
Summary .....	2
Long-Term Water Supply.....	7
Water Quality and Environmental Protection .....	14
Long-Term Infrastructure Investment .....	18
Long-Term Financial Stability .....	22
Customer and Community Services.....	26
Workforce Planning and Development .....	36



*Downtown Oakland*

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## Introduction

Key Performance Indicators (KPIs) measure the progress we are making in achieving the Strategic Plan goals. An effective KPI serves as an important measure of progress. KPIs can track efficiency, effectiveness, quality, timeliness, compliance, behaviors, economics, project performance, personnel performance, or resource utilization. The KPIs and targets are evaluated and revised as part of the Strategic Plan update process. Performance is reported annually to the Board of Directors. The current set of KPIs is part of the Strategic Plan adopted by the Board of Directors in June 2020.

## Strategic Plan Overview

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 well into the future. The Strategic Plan incorporates the District's mission and principles and identifies its goals, strategies, objectives, and key performance indicators. The Plan guides staff in setting priorities and allocating resources.

- 💧 Our **Mission** 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.
- 💧 Our **Principles** provide the foundation of the Strategic Plan and form the basis of our business practices.
- 💧 Our **Goals** define in broad terms the high-level achievements the District will pursue; they explain 'what' not 'how' and tell where we are going rather than how we will get there.
- 💧 Our **Strategies** define the actions that are necessary to achieve each goal and may take several years to implement.
- 💧 Our **Objectives** reflect what we need to accomplish in the near term.
- 💧 Our **Key Performance Indicators** (KPIs) measure how well we are doing in achieving our goals.



*Pardee Reservoir*



*Recycled Water*

# KEY PERFORMANCE INDICATOR SUMMARY

The Fiscal Year 2022 (FY22) KPI results are summarized in the table below. The District met or was on target to meet

96 percent of its KPIs where targets were set, and data was available despite impacts from the pandemic.

Key	FY22 Results	# KPIs
++	Target met	65
+	Target not met, but on track	11
--	Target not met	4
n/a	Target/Data not available	4
■	Performance measure only	5
	<b>Total KPIs</b>	<b>89</b>



Upper San Leandro Water Treatment Plant

A summary of the performance of each current KPI from FY19 through FY22, along with its FY22 target is shown in the following table.

KEY PERFORMANCE INDICATOR – SUMMARY	FY22 TARGET	FY19	FY20	FY21	FY22
<b>Long-Term Water Supply</b>					
Additional supply by 2040 to provide 85% reliability under design drought conditions and diversify through regional partnerships	Various	+	+	+	+
70 MGD savings from conservation programs / natural replacement by 2050 (baseline yr. 1995)	Min. 48.4 MGD	++	++	++	++
Meet state long-term framework (conservation) target by achieving established residential indoor per capita water use	Various	++	++	++	++
20 MGD of recycled water capability by 2040	Various	+	++	+	--
Update the Climate Change Monitoring and Response Plan. Explore approaches for how to adapt to potential future conditions and identify "no regrets" infrastructure investment decisions	Risk Assessments	n/a	n/a	++	++
Continue District leadership in climate change by participating in climate change studies, workshops or education events (NEW)	3	n/a	n/a	++	++
<b>Water Quality and Environmental Protection</b>					
Mokelumne River fall-run Chinook salmon returns (long-term average)	4,734	++	++	++	++
% of water quality regulations met	100%	++	++	++	++

KEY PERFORMANCE INDICATOR – SUMMARY	FY22 TARGET	FY19	FY20	FY21	FY22
% of water quality goals met	100%	+	+	+	+
<b>Water Quality and Environmental Protection (continued)</b>					
Number of NPDES and Waste Discharge Permit Notices of violation received	0	+	+	+	++
Eliminate GHG emissions by 2030 for the Water System. Eliminate GHG emissions for indirect emissions and reduce direct emissions by 50% compared to 2000 levels by 2040 for the Wastewater System	≤33,935 MT CO <sub>2</sub>	++	++	++	++
Capture biogas sufficient to produce on-site energy to meet electric power demands of the Main Wastewater Treatment Plant and evaluate the best uses of excess biogas	100% of demand	--	+	++	++
Pursue large-scale photovoltaic project at the Duffel property located in Orinda	Permitting and design	n/a	n/a	+	+
Implement Private Sewer Lateral Program to reduce wet weather flows and achieve a high compliance rate at point of sales	90%	++	++	++	++
Meet JSA Mokelumne River minimum flow releases 100% of the time	100%	++	++	++	++
Review operations with lower Mokelumne stakeholders every two years	Stakeholder meeting	n/a	n/a	++	++
<b>Long-Term Infrastructure Investment</b>					
Complete the Wastewater Treatment Plant Master Plan	Complete draft	n/a	n/a	++	++
Number of water system pipeline breaks per 100 miles of pipe	≤ 20	--	+	--	--
% of water system corrective work order hours classified high priority	≤ 10%	++	++	++	--
Miles of pipe surveyed for leaks	≥ 800	++	++	++	++
% of water system valves exercised	≥ 10%	++	++	++	+
Real water losses in gallons per connection per day	TBD by SWRCB	n/a	n/a	n/a	n/a
% of high priority meter repair orders completed in 60 days	≥ 90%	++	++	++	++
Miles of distribution pipe replaced	≥ 20	++	++	++	++
District directed non-discretionary change orders on construction contracts	≤ 5%	++	+	++	++
Number of concrete digesters and concrete aerated grit tanks rehabilitated	2	n/a	n/a	++	--
Implement the Orinda Water Treatment Plant Disinfection Improvements (UV/CCB)	Complete design	n/a	n/a	++	++
Cumulative annual average number of steel water tanks rehabilitated	2	++	++	++	++
Cumulative annual average number of pumping plants rehabilitated	2	++	--	++	++

KEY PERFORMANCE INDICATOR – SUMMARY	FY22 TARGET	FY19	FY20	FY21	FY22
<b>Long-Term Financial Stability</b>					
% of capital program funded from debt	≤ 65%				
Water		++	++	++	++
Wastewater		++	++	++	++
Debt service coverage	≥ 1.6 times				
Water		++	++	++	++
Wastewater		++	++	++	++
Actual reserves as % of target	≥ 100%				
Water		++	++	++	++
Wastewater		++	++	++	++
Water rates as compared to other Bay Area agencies	< median	++	++	+	+
Wastewater treatment charge as a share of the total bill when compared to other Bay Area agencies	≤ median	--	--	++	++
% of planned audits completed	100%	+	+	+	+
% of audit findings resolved within 90 days	100%	++	++	++	++
Operating expenditures as a percentage of operating budget	≤ 100%				
Water		++	++	++	++
Wastewater		++	++	++	++
Capital expenditures as a percentage of capital budgeted cash flow	90% - 110% of a two-year average				
Water		++	+	+	++
Wastewater		--	+	+	++
Cyber Security Operational Readiness					
• Planned patch cycles met	> 90%	++	++	++	++
• Business recovery exercises	2 per year	++	++	++	++
• Security awareness events	4 per year	++	++	++	++
• Biennial IT security controls assessment	Complete	++	++	++	++
<b>Customer and Community Services</b>					
Consolidate District education resources	Complete	n/a	n/a	+	+
Conduct media/advertising campaigns	3	n/a	n/a	++	++
Conduct customer opinion research	Complete	++	n/a	++	++
Publish external digital/print publications	8	n/a	n/a	++	++
Participate in community engagement events	100	n/a	n/a	++	++
% of customers rating the District's services as "Good" or "Excellent":					
• Field Services	≥ 90%	++	++	++	++
• New Business		++	++	++	+
• Water Quality		++	++	++	++
• Recreation		+	++	n/a	n/a
% of customers rating "Overall Job" as "Good" or "Excellent" from the customer opinion survey	N/A	--	n/a	n/a	n/a

KEY PERFORMANCE INDICATOR – SUMMARY	FY22 TARGET	FY19	FY20	FY21	FY22
<b>Customer and Community Services (continued)</b>					
Contact Center service level					
<ul style="list-style-type: none"> <li>Average speed of answer to calls coming into the Contact Center</li> </ul>	≤ 60 seconds	++	++	++	++
<ul style="list-style-type: none"> <li>% of calls answered within the target of ≤60 seconds</li> </ul>	≥ 80%	++	++	++	++
<ul style="list-style-type: none"> <li>% of customers rating Call Center as “Good” or “Excellent” based on first call resolution, staff knowledge, promptness, courtesy, and overall quality</li> </ul>	≥ 80%	--	--	++	++
<ul style="list-style-type: none"> <li>Abandonment rate</li> </ul>	≤ 3%	++	++	++	++
Timely billing of customer statements as scheduled	99%	++	++	++	++
Notify customers in advance of shut-off for non-payment and provide information on options to avoid service interruption for non-payment of bills per District Regulations – Section 15	100%	++	++	n/a	n/a
% of time customer dependent systems are available	≥ 99.9%	++	++	++	++
Unplanned water service interruptions per 1,000 active accounts:					
<ul style="list-style-type: none"> <li>&lt;4 hours</li> </ul>	≤ 10	++	++	++	++
<ul style="list-style-type: none"> <li>4-12 hours</li> </ul>	≤ 5	++	++	++	++
<ul style="list-style-type: none"> <li>&gt;12 hours</li> </ul>	≤ 2	++	++	++	++
Odor complaints near the MWWTP	≤ 30 complaints	++	++	++	++
Reduce shut-offs for CAP participants by 10% over two years while increasing CAP enrollment	Performance Measure Only	■	■	■	■
Proactively review and update shut-off guidelines and Customer Assistance Program (CAP)	Complete review	++	++	++	++
Participate in targeted outreach events in disadvantaged communities to increase CAP enrollment	3	n/a	n/a	++	++
Update the District's Emergency Operation Plan every five years	Complete	++	++	++	++
Conduct the District's Emergency Operations Team exercise annually	Complete	++	++	++	++
Update all Business Continuity plans every two years	Complete	++	n/a	++	++
Conduct Business Continuity exercises annually	100%	++	+	++	++
Update the District's Risk and Resilience assessment every five years	Complete	n/a	n/a	++	++
Conduct annual exercises or meetings with mutual assistance partners and stakeholders	3	n/a	n/a	++	++

KEY PERFORMANCE INDICATOR – SUMMARY	FY22 TARGET	FY19	FY20	FY21	FY22
<b>Workforce Planning and Development</b>					
Number of injury & illness incidents resulting in time away from work per 100 employees	≤ 3.0	++	++	++	++
Injury and Illness Investigations (PE-020 forms) completed within 10 working days	> 99%	n/a	n/a	--	+
Diversity & Inclusion Master Plan	Complete draft	n/a	n/a	+	++
Annually implement outreach campaigns on wellness themes	4	++	++	++	++
Annual average training hours per employee	30	++	++	--	++
Number of employees in development programs (academies, rotations, internships, mentorships)	Performance Measure Only	■	■	■	■
% of performance plans completed on time	> 99%	++	+	++	+
% of performance appraisals completed on time	> 99%	++	++	++	+
% of exams resulting in hiring lists within 60 days or less	80%	++	++	++	++
% of minorities and % of women on District eligibility lists (including both employees and external applicants)	Performance Measure Only	■	■	■	■
Number of internships	Performance Measure Only	■	■	■	■
% of minority and % of female interns	Performance Measure Only	n/a	n/a	■	■

## 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.



*The Freeport Regional Water Project is a supplemental water supply source during dry years.*

## Long-Term Water Supply

Key Performance Indicator	FY22 Target	FY22 Performance	Target Met?
<b>Strategy 1: Supplemental Supply</b>			
Additional supply by 2040 to provide 85% reliability under design drought conditions and diversify through regional partnerships	Work with Placer County Water Agency to publish a draft environmental document for a long-term water transfer	Draft Environmental Assessment was submitted to USBR for review and approval consideration in April 2022.	+
	Develop an agreement for a long-term water transfer with YWA or another transfer partner	Due to the drought, focus was shifted to short-term agreement that was developed with YWA and CCWD. The agreement is being extended to 2025.	+
	Operate the DREAM Project in San Joaquin County	Completed construction of the DREAM Project, but weather and pandemic-related supply chain issues delayed startup-testing into FY23.	+
	Complete the BARR SWAP study and pilot test	Draft pilots and SWAP Study completed but will not be finalized until FY23 due to prioritization by BARR agencies on immediate drought response actions.	+
	Evaluate project yield, costs, governance, and other factors to determine degree of participation in the Los Vaqueros Expansion (LVE)	Negotiated a draft Joint Powers Authority agreement, a new Backstop Memorandum of Understanding, a 2 <sup>nd</sup> Amendment to the Multiparty Agreement, made progress on securing a water supply, finalized EBMUD's usage fees, revised a tool to evaluate costs, assisted CCWD with the LVE Biological Assessment, and initiated planning for EBMUD's LVE facilities.	++

Key Performance Indicator	FY22 Target	FY22 Performance	Target Met?
<b>Strategy 1: Supplemental Supply (continued)</b>			
	Complete the 2020 Urban Water Management Plan	In June 2021, the Board of Directors adopted the 2020 Urban Water Management Plan.	++
	Finalize the Groundwater Sustainability Plan for the East Bay Plain Basin and submit to the Department of Water Resources for review	Groundwater Sustainability Plan was submitted to the Department of Water Resources.	++
<b>Strategy 2: Water Conservation</b>			
70 MGD savings from conservation programs / natural replacement by 2050 (baseline yr. 1995)	Lock in a minimum of 48.4 MGD of water conservation savings	Progress is on track; savings will be assessed every five years using the Demand Study econometric model.	++
Meet state long-term framework target by achieving established residential indoor per capita water use	55 gallons per capita per day (GPCD)	Indoor residential use for FY22 is below the 55 GPCD set by current State regulations.	++
	Update Water Conservation Strategic Plan	Update completed and published in December 2021	++
<b>Strategy 3: Water Recycling</b>			
20 MGD of recycled water capability by 2040	Operate the DERWA groundwater supplemental supply pilot project	DERWA placed this project on hold as the member agencies re-evaluate supplemental supply and demand management options.	--
	Operate the DERWA/Central San summer flow diversion project	The project operated from June 21, 2021, through September 10, 2021, and diverted 57.65 million gallons (177 acre-feet) of additional supply for the DERWA Recycled Water Program.	++
	Operate the East Bayshore water quality improvement pilot project	The pilot evaluation is ongoing and in test operation. Partial reverse osmosis testing and interceptor testing are complete.	++

<b>Strategy 4: Climate Change</b>			
Update the Climate Change Monitoring and Response Plan. Explore approaches for how to adapt to potential future conditions and identify "no regrets" infrastructure investment decisions	Update the Climate Change Monitoring & Response Plan to account for new information	A Climate Action Plan update was completed.	++
	Complete annual greenhouse gas emission inventory (NEW)	Inventory completed	++
Continue District leadership in climate change by participating in climate change studies, workshops or education events	3	3	++

**Strategy 1: Supplemental Supply:** The Water Supply Management Program (WSMP) identified a portfolio of resources to secure additional supplemental supplies and the Urban Water Management Plan reflects the updates. In FY22, progress continued on obtaining approvals to implement a long-term water transfer arrangement with the Placer County Water Agency (PCWA). In April 2022, the revised draft Environmental Assessment supporting the Long-Term Warren Act Contract with the U.S. Bureau of Reclamation (USBR) was submitted to USBR for review. The hydrologic modeling was updated to incorporate the 2019 Re-initiation of Consultation on Long-term Operations.

In FY22, EBMUD’s efforts focused on securing short-term water transfer projects due to the current drought. EBMUD executed a short-term water transfer agreement with PCWA for up to 20,000 acre-feet (AF) in June 2022. All permits required to implement the transfer were obtained. Diversion of the transfer water began on August 2, 2022 and is scheduled to be completed by October 2022. A short-term Central Valley Project water transfer for 2,000 AF from Contra Costa Water District (CCWD) to EBMUD was completed in October 2021.

Temporary water purchase option agreements for up to 20,000 AF of transfer water from Yuba Water Agency (YWA) in coordination with CCWD and up to 6,000 AF from Sycamore Mutual Water Company (Sycamore) were finalized. Due to 2022 hydrologic conditions, YWA and Sycamore could not transfer any water to EBMUD this year. Staff has extended the Sycamore option agreement for an additional year as the drought is expected to continue into calendar year 2023. Staff is working with YWA and CCWD to extend the 2022 option agreement through 2025. Additional discussions have been initiated with several Sacramento River Settlement Contractors to negotiate and implement short-term water transfers in 2023 if needed.

EBMUD, North San Joaquin Water Conservation District, and San Joaquin County completed construction of the facilities necessary to pilot a groundwater banking demonstration project. Weather and pandemic-related supply chain issues delayed startup testing and operation of the new facilities until FY23. In FY22, as part of this demonstration project, EBMUD obtained from the State Water Resources Control Board a third change petition approval order using recycled water credit. The order allows transfer of up to 658 AF of water made available from using recycled water in EBMUD’s service areas instead of water from Pardee Reservoir to complete a planned 1,000 AF transfer in the future under surplus water declaration.

In partnership with the City of Hayward, EBMUD completed and submitted a Groundwater Sustainability Plan (GSP) and Annual Report for the East Bay Plain Sub-basin to the Department of

Water Resources in January 2022 and April 2022, respectively. EBMUD and Hayward also completed a Data Management System that provides the public web-based access to data collected during GSP implementation.

The Urban Water Management Plan (UWMP) is part of EBMUD's long-range planning to ensure water service reliability to meet multiple needs. On June 22, 2021, the EBMUD Board of Directors adopted the 2020 UWMP and Water Shortage Contingency Plan, and they were submitted to the Department of Water Resources on July 1, 2021.

**Strategy 2: Water Conservation:** In FY22, the Water Conservation Program (Program) made progress in meeting the District's long-term conservation goals and also responded to the worsening statewide drought situation. In December 2021, staff completed and published the 2021 Water Conservation Strategic Plan (WCSP) Update. The WCSP Update charts a path for complying with emerging statewide regulations and meeting the District's long-term goal of achieving 70 million gallons per day (MGD) of water conservation by the year 2050.

In FY22, the Program launched two new rebates: a "Super Rebate" that incentivizes lawn replacement projects that incorporate specific sustainability features, and a rebate for replacing turf in medians. In total, the Program issued 1,312 rebates in FY22, including the replacement of over 337,000 square feet of lawn with water efficient landscaping (including the standard, median, and super rebates). The program continued to offer tools to help customers understand and manage their water use, such as Home Water Reports, leak alerts, and irrigation water budgets. Building upon the success of its webinar series, the Program also began offering bi-weekly virtual "Office Hours" where customers could meet with Water Conservation staff to ask questions and discuss projects.

The drought led to an increase in Water Conservation activity. In the summer of 2021, the District initiated an outreach campaign that included messaging through tools such as Home Water Reports, irrigation water budgets, social media, coordination with local media, and print, digital, and outdoor advertising. The drought worsened statewide in 2022, and in April the Board declared a Stage 2 drought, calling for 10 percent mandatory water use reduction District-wide, setting restrictions on water use, and activating the Excessive Water Use Penalty Ordinance. The Program increased the dollar value of several rebates and expanded its drought advertising campaign to include television and outdoor ads east of hills.

Progress towards achieving the water conservation savings target is on track. Based on the demand study, the District reached 46 MGD through 2018 and is averaging 0.8 MGD of annual savings. Progress will be assessed again the next time the econometric model is run, which is every five years.

Indoor residential water use can be calculated by looking at demand during the winter months when outdoor irrigation is expected to be low. An examination of winter 2021-2022 residential water consumption data shows that indoor residential use is below the current target of 55 GPCD.

**Strategy 3: Water Recycling:** The target for water recycling is to reduce potable water demand by 20 MGD by the year 2040. Recycled water capability of more than nine MGD has been achieved through a

combination of irrigation and industrial reuse projects which include refinery processes, irrigation, and commercial applications in Richmond, Oakland, Emeryville, and San Ramon.

Staff continued working on the water quality improvements pilot study for the East Bayshore project to support expanded recycled water use. Water quality was sampled from the Adeline and North Interceptors to determine their characteristics and assess feasibility as alternative supplies and treatment needs. The District entered into a Utility Agreement with Alameda County Transportation Commission to install a recycled water pipeline at the Interstate-80/Gilman Interchange. Caltrans advertised the project in June 2021, awarded the contract in January 2022, and construction is anticipated to start in FY23. Staff completed an update of the East Bayshore Recycled Water Project hydraulic model in April 2022. Five landscape irrigation sites within the East Bayshore Project service area were connected to the recycled water system in FY22, including irrigation meters at two Prologis warehouses at the former Oakland Army Base in Oakland, a high-rise development in downtown Oakland, one large apartment complex, and the South Bayfront Bridge/Horton Landing Park Project in Emeryville.

EBMUD continued to monitor development of potential future satellite recycled water projects at the Rossmoor Community in Walnut Creek, Diablo Country Club in Diablo, and Sequoyah Country Club in Oakland. The North Richmond Water Recycling Plant (NRWRP) and Richmond Advanced Recycled Expansion (RARE) facilities continued to operate in FY22 to maximize use of recycled water at the Chevron refinery. The multi-phased NRWRP capital improvements project is in progress, which includes upgrades and rehabilitation of aging equipment. The RARE waste tank recirculation project was completed to improve mixing of the waste stream and maintain compliance with the District's Waste Discharge Permit to West County Wastewater District.

In April 2022, EBMUD submitted a project fact sheet for the East Bayshore Emeryville to Albany Pipeline project to members of the District's federal delegation to request funding. Congresswoman Barbara Lee included the project in her community grant fund initiative, and in June the House Appropriations Energy & Water spending bill for FY23 included \$4.2 million for this recycled water pipeline design through the US Army Corps of Engineers.

The District signed an Interim Agreement related to the Supply and Sale of Recycled Water with Dublin San Ramon Services District (DSRSD) – EBMUD Recycled Water Authority (DERWA) in March 2022. DERWA has since placed this project on hold as the member agencies re-evaluate supplemental supply and demand management options. The Interim Agreement sets forth the concepts to be included in future negotiations, and addresses demand management, supplemental supplies, and changes in regulations affecting wastewater flows. In April 2022, the District installed Hydropoint Flow Monitors on 14 recycled water customer sites to provide hourly demand readings for customer demand management.

The District connected the Canyon Lakes Golf Course to recycled water in September 2021. Construction work on Crow Canyon Country Club golf course, the last remaining site to be converted under the District's San Ramon Valley Recycled Water Project Phase 2, continued in FY22.

**Strategy 4: Climate Change:** This KPI ensures the District's future water supply and infrastructure planning incorporates adaptation to and mitigation of climate change. In the prior fiscal year, the

Climate Action Plan was prepared as a synopsis of the District's Climate Action strategies. The District continued to support amendments to The Climate Registry's Water Energy Nexus Protocol and remains an active participant with this effort to capture greenhouse gas emissions accurately and consistently in the water industry.

Staff participated in various climate change studies, workshops, and education events.

- August 25, 2021 – Deepening Local and Regional Connections to Adapt to Sea Level Rise (SPUR)
- September 8, 2021 – San Leandro Bay/Oakland-Alameda Estuary Adaptation Working Group
- September 28, 2021 – BayCAN All-Region Meeting
- November 18, 2021 - BayCAN Bay Adapt Webinar
- December 1, 2021 – ACWA Conference, Energy Program
- December 8-9, 2021 – Two-day Sea Level Rise and Shoreline Contamination Regional Workshop
- January 10, 2022 – Stakeholder briefing on Climate and Opportunity Investments in Governor's Proposed 2022-23 Budget
- January 20, 2022 – BayCAN Regional Meeting
- April 27, 2022 – BayCAN Regional meeting
- May 10, 2022 – San Leandro Bay/Oakland-Alameda Estuary Adaptation Working Group

Additionally, Water Supply Engineering staff participated in HyperFACETS Spotlight Meetings and Forecast Informed Reservoir Operations Workshop Webinars monthly throughout the fiscal year.

Engineering staff continues to prioritize and plan projects based on projected changes due to climate change, notably the already-observed changes to water quality and the predicted changes due to sea-level rise and flooding.

The District continues to calculate GHG emissions for direct and indirect emissions for both water and wastewater operations following the protocols developed by The Climate Registry. The District developed a Green Fleet Master Plan with the intention of adding more electric and hybrid vehicles to the fleet.

The 2021 Water Conservation Strategic Plan update emphasizes the role of water conservation in mitigating climate change and as a tool for adapting to potential changes in hydrology. Given the energy intensity of water, saving water also saves energy. Water conservation measures, like water-wise landscaping, can also support carbon sequestration and reduce the need for maintenance activities that generate carbon emissions. The Water Conservation Program incorporates similar discussions of the multiple benefits of water conservation in its education and outreach materials.

# 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.



*Water travels from the Mokelumne River Watershed into Pardee Reservoir.*

# Water Quality and Environmental Protection

Key Performance Indicator	FY22 Target	FY22 Performance	Target Met?
<b>Strategy 1: Watershed Protection and Management</b>			
Mokelumne River fall-run Chinook salmon returns (long-term average)	5,429	11,378	++
<b>Strategy 2: Drinking Water Regulations Compliance</b>			
% of water quality regulations met	100%	100%	++
% of water quality goals met	100%	97%	+
<b>Strategy 3: Environmental Regulations Compliance</b>			
Number of NPDES and Waste Discharge Permit Notices of violation received	0	0	++
<b>Strategy 4: Reduce, Recycle, Reuse, Reclaim</b>			
Eliminate GHG emissions by 2030 for the Water System. Eliminate GHG emissions for indirect emissions and reduce direct emissions by 50% compared to 2000 levels by 2040 for the Wastewater System*	≤ 33,935 MT CO <sub>2</sub>	33,706	++
Capture biogas sufficient to produce on-site energy to meet electric power demands of the Main Wastewater Treatment Plant and evaluate the best uses of excess biogas	100% of plant power demand	106% of plant demand	++
Pursue large-scale photovoltaic project at the Duffel property located in Orinda	Complete permitting and design	Vendor completed the Design and completed submittals for City and County permit. District acquired three of the four required regulatory permits. Vendor and District currently negotiating revised contract terms.	+
<b>Strategy 5: San Francisco Bay Protection</b>			
Implement Private Sewer Lateral Program to reduce wet weather flows and achieve a high compliance rate at point of sales	90%	94%	++
<b>Strategy 6: Operate Pardee and Camanche Reservoirs and Facilities</b>			
Meet JSA Mokelumne River minimum flow releases 100% of the time	100%	100%	++
Review operations with lower Mokelumne stakeholders every two years	Conduct stakeholder meeting	Provided updates at various local forums	++

\* This was adopted in Energy Policy 7.07 replacing the KPI in the Strategic Plan.

**Strategy 1: Watershed Protection and Management:** The salmon escapement target is the average number of fish returning since 1940, while performance is the average escapement over the past six years (two cohorts or life cycles). The FY22 escapement of 5,043 fish remains below the long-term average for the second year. The six-year average, representing two full chinook life cycles, remains high at 11,378. Given that the last two years have been Joint Settlement Agreement (JSA) dry years, the population is still doing well. Most of the escapement on the Mokelumne is comprised of hatchery-origin fish. The Mokelumne River Fish Hatchery produced 6.7 million juvenile Chinook salmon, 3.5 of those were to meet EBMUD's mitigation goals, 3.2 million for enhancement of the ocean harvest. Of those 3.2 million enhancement fish, 1.8 million were Mokelumne origin 2.2 million were imported from the American River to contribute to enhancement goals.

**Strategy 2: Drinking Water Regulations Compliance:** The District met 100 percent of state and federal drinking water regulations and 97 percent of its voluntary water quality goals, similar to previous years. The District's water quality goals are more stringent than government regulations to ensure the highest quality drinking water. Levels of three disinfection byproducts: trihalomethanes (THMs), haloacetic acids (HAAs), and n-nitrosodimethylamine (NDMA) exceeded District goals but remained below regulatory levels; and the goal to maintain high disinfectant residuals throughout the entire distribution system was not met during seven months of the fiscal year. Balancing the competing objectives of disinfecting water while minimizing disinfection byproducts continues to be a challenge. Further, treating supplemental water supplies from the Sacramento River during drought conditions was challenging due to this water source's higher chlorine disinfection need compared to the District's own water sources. Capital improvements to the water treatment plants and distribution facilities will provide more tools to accomplish the water quality objectives.

Efforts also continued to minimize potential exposure to lead in water. The customer lead sampling voucher program is operating successfully, with refinements being made to how materials used in service lines are characterized. Water Quality staff continued to participate in several industry workgroups providing regulatory agencies input in the development of new regulations.

These issues are detailed in the March 2022 Water Quality Program Annual Update presented to the Planning Committee.

**Strategy 3: Environmental Regulations Compliance:** The District had no violations of National Pollutant Discharge Elimination System Permits (NPDES) or Waste Discharge Requirements (WDR) in this reporting period.

There were no permit violations at the Main Wastewater Treatment Plant, demonstrating 274 consecutive months of continued compliance with effluent limits through the end of FY22. However, during FY22, the District did report a 15,000-gallon sanitary sewer overflow in Richmond and a 16.5-million-gallon unauthorized discharge from the Point Isabel Wet Weather Facility, both of which occurred on October 24, 2021.

**Strategy 4: Reduce, Recycle, Reuse, Reclaim:** The District’s Energy Policy 7.07, updated in September 2020, established a new greenhouse gas (GHG) emission reduction goal to eliminate GHG emissions by 2030 for the water system and to eliminate indirect GHG emissions and reduce direct GHG emissions by 50 percent compared to 2000 levels by 2040 for the wastewater system. The District has established annual District-wide GHG emission goals.

Producing energy onsite at the Main Wastewater Treatment Plant (MWWTP) more than the electric power demand reduces costs, increase revenues, and minimizes GHG emissions. During FY22, the engines and turbine were offline for planned and unplanned maintenance, which reduced available onsite power generation. Nevertheless, through energy conservation efforts and the Resource Recovery program, onsite power generation was equivalent to 106 percent of MWWTP energy demand, which exceeds the target of 100 percent.

Work continued on the large-scale photovoltaic project at the Duffel property located in Orinda, which will provide renewable electricity to serve various District facilities. The vendor completed the design and completed submittals for City and County permits. The District acquired three of the four required regulatory permits. The vendor and the District are currently negotiating revised contract terms.

**Strategy 5: San Francisco Bay Protection:** Cracks in Private Sewer Laterals (PSLs) lead to infiltration of stormwater during wet weather, which can overwhelm the wastewater treatment facilities and result in discharge of partially treated wastewater into the San Francisco Bay through the Wet Weather Facilities. The PSL Ordinance helps to reduce infiltration into the wastewater system by requiring PSLs to be certified as “leak free” at the point of sale. The District’s continued implementation and enforcement of the PSL Ordinance is required to meet the long-term goals of the Wet Weather Consent Decree. In FY22, the PSL Program achieved 94 percent compliance rate exceeding the KPI of 90 percent.

**Strategy 6: Operate Pardee and Camanche Reservoirs and Facilities:** The District met all JSA minimum flow releases from Camanche Dam in the Lower Mokelumne River and conducted an adaptive management action. To save water for fall fish attractions, a plan to reduce Camanche release rates and flow below Woodbridge by 30 cubic feet per second (CFS) below JSA minimums during March was submitted to the State Water Resources Control Board (SWRCB). The SWRCB approved the request and EBMUD implemented the action, saving approximately 1,800 acre-feet of water for fall.

Drought conditions, along with lower than predicted runoff were the focus of information provided to Mokelumne River stakeholders of current conditions within the basin. District staff presented at several local forums and regional agency public meetings. Presentations focused primarily on drought operations and Mokelumne River fishery updates. Biannual Mokelumne River Technical Advisory Committee and Partnership Coordinating Committee meetings were held to coordinate operations. The Partnership Steering Committee met in December of 2021.

## 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.



*EBMUD work crew installing pipeline in the community.*

## Long-Term Infrastructure Investment

Key Performance Indicator	FY22 Target	FY22 Performance	Target Met?
<b>Strategy 1: Master Plans</b>			
Complete the Wastewater Treatment Plant Master Plan	Complete draft plan	Completed	++
<b>Strategy 2: Effective Infrastructure Maintenance</b>			
Number of water system pipeline breaks per 100 miles of pipe	≤ 20	22.72	--
% of water system corrective work order hours classified high priority	≤ 10%	12.6%	--
Miles of pipe surveyed for leaks	≥ 800	4,250	++
% of water system valves exercised	≥ 10%	9.8%	+
Real water losses in gallons per connection per day	The State Water Resources Control Board is developing a water loss performance standard for each urban retail water supplier in California under Senate Bill 555. The District's performance standard has not been finalized.	33 gallons per connection per day (calendar year 2021 preliminary water audit value)	n/a
% of high priority meter repair orders completed in 60 days	≥ 90%	90%	++
<b>Strategy 3: Capital Budget Priorities</b>			
Miles of distribution pipe replaced	≥ 20	21.4	++
District directed non-discretionary change orders on construction contracts	≤ 5%	2.0%	++
Number of concrete digesters and concrete aerated grit tanks rehabilitated	2	0	--
Implement the Orinda Water Treatment Plant Disinfection Improvements (UV/CCB)	Complete design	Design completed	++
Cumulative annual average number of steel water tanks rehabilitated	2	FY22 = 0 FY11-FY22 = 3.5 average	++
Cumulative annual average number of pumping plants rehabilitated	2	FY22 = 1 FY15-FY22 = 2.8 average	++

**Strategy 1: Master Plans:** The Master Plan Roadmap 'In Brief' summarizing all the findings and recommendations of the Integrated Main Wastewater Treatment Master Plan was finalized in December 2021 and posted to the District's website. The Biogas Utilization Task Report, the final piece of the Master Plan, was completed in April 2022. The Biogas Utilization Task Report lays out an adaptive plan to opportunistically utilize the biogas generated at the Main Wastewater Treatment Plant to maximize renewable energy generation in the most cost-effective manner. The recommendations of the Biogas Utilization Task Report were incorporated in the final Roadmap

Report, which was finalized in May 2022 with those additional recommendations. The Roadmap Report describes in detail the proposed projects that will be implemented at the Main Wastewater Treatment Plant in the next 30 years to address challenges of aging infrastructure, new regulations, growing population, and climate change. Projects recommended within the next 10 years have already been incorporated in the Capital Improvement Program.

**Strategy 2: Effective Infrastructure Maintenance:** For the nearly 4,200 miles of distribution pipeline there were 950 breaks, less than the 1,022 in FY21 but more than the 842 breaks in FY20 and 935 in FY19. In the long run, as the miles of pipe replaced under the Pipeline Rebuild Program increases, and the leak detection and corrosion control programs expand, the number of unplanned breaks is expected to decrease.

Of the corrective work orders completed, 12.6 percent were high priority. This represents an increase from FY21 but is consistent with the number of distribution pipeline breaks. High priority pipe breaks can fluctuate based on the nature of pipeline breaks and other conditions.

A total of 4,250 miles of pipe were surveyed, again exceeding the target as EBMUD continues to pilot satellite imagery, and 1,000 leak detection loggers have been placed on hydrants to monitor water distribution pipes near creeks. Other loggers throughout the distribution system monitor leaks before they surface in high-risk areas, such as pipes in slide areas or near fault lines.

In FY22, 9.8 percent of system valves were exercised, below the 10 percent target, but only slightly less than the 10.2 percent exercised in FY21. This KPI includes the valves used to isolate leaks and other maintenance activities.

The SWRCB is developing a water loss performance standard for each urban retail water supplier in California under Senate Bill 555 (SB 555). SB 555 requires the SWRCB to adopt performance standards by July 1, 2020, but the SWRCB did not meet the deadline. As of August 12, 2022, the SWRCB's formal rulemaking process has not concluded. Consequently, the District's performance in FY22 cannot be evaluated with respect to a water loss KPI because the District's performance standard under SB 555 has not been finalized.

In FY22, the target for meter repair orders completed within 60 days was met at 90 percent.

**Strategy 3: Capital Budget Priorities:** Pipeline replacements again exceeded the target totaling 21.4 miles in FY22, greater than the 20-mile target. Total pipe installed was less than production in FY21 (25.4 miles) largely due to staffing shortages caused by a winter surge in COVID-19 cases as well as additional time spent training new staff. Overall results show consistent gains in efficiency through a reduction in time and labor to produce design plans and general improvements in installation practices with a decrease in construction impacts to customers.

Design errors and omissions and value-added change orders on combined Water and Wastewater Systems contracts were 2.0 percent, an increase from 1.0 percent in FY21, and a decrease from 3.3 percent in FY20. The Water System's share was 1.7 percent on contracts worth \$62.8 million; and Wastewater's share was 4.3 percent on contracts worth \$6.3 million. No digesters were rehabilitated. Rehabilitation of the digesters was deferred in FY22 pending negotiations of a construction claim. Rehabilitation of the Aerated Grit Tanks was completed in FY21.

On January 25, 2022, the District awarded the construction contract for the Orinda Water Treatment Plant (WTP) Disinfection Improvements Project. The project bid was \$267 million, and one of the largest single contracts ever awarded by the District. This project will improve the disinfection process at the District's largest WTP, overhaul the chemical storage and feed systems, and improve electrical reliability of the WTP and a critical distribution system pumping plant. The final design was the culmination of a four-year planning and design effort. This project will result in significantly lower disinfection by-products by allowing the District to move away from chlorination in its aqueducts to ultraviolet (UV) disinfection and chlorination downstream of filtration using a new UV and chlorine contact basin (CCB) facility. This project is a substantial investment in treatment technologies improving the District's ability to adapt to changing water quality due to climate change.

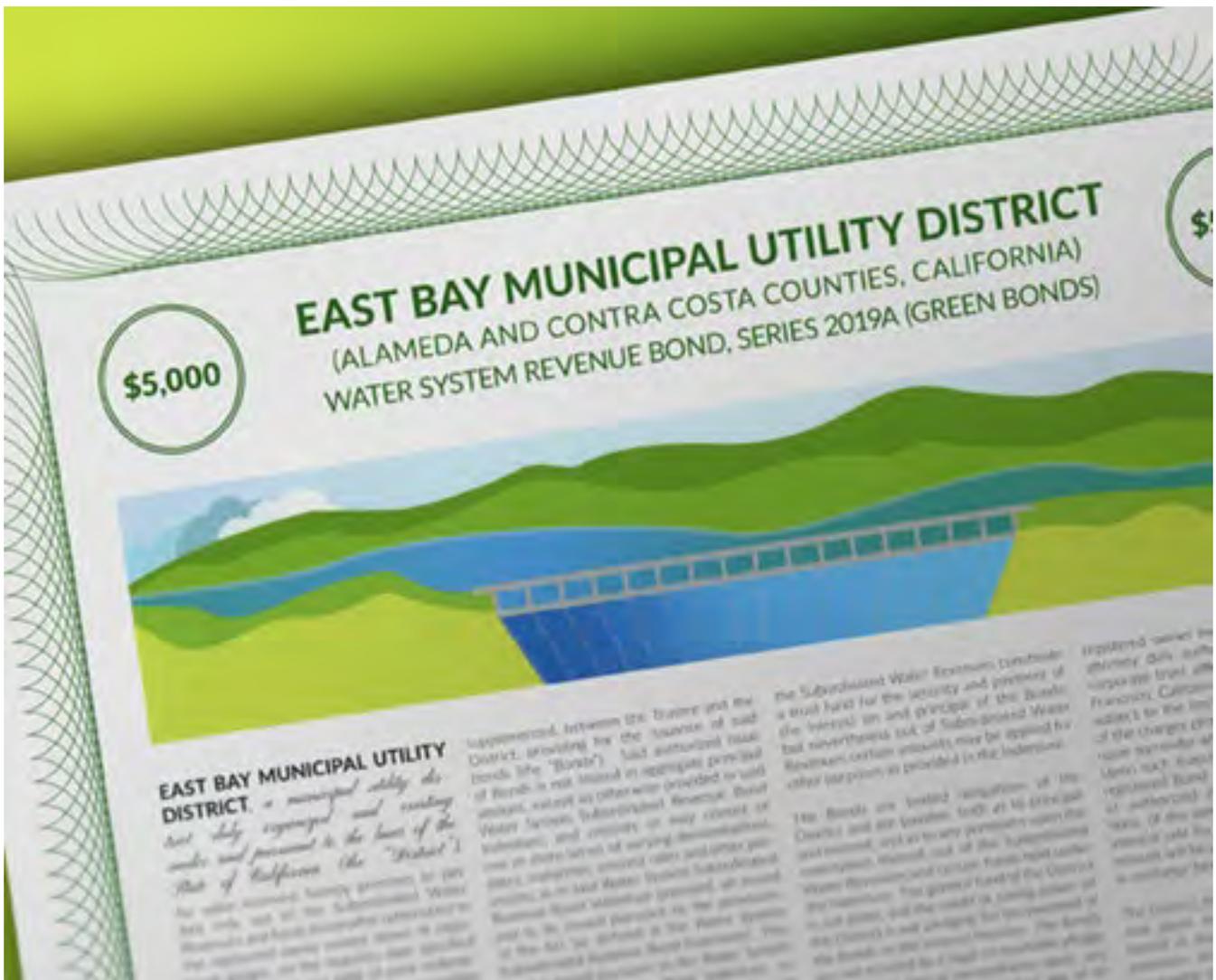
In FY22, the District did not award a contract for the rehabilitation of steel reservoirs resources being allocated to higher priority projects. Since the KPI was established in FY11, the District has awarded contracts to replace, rehabilitate or demolish 41 steel distribution reservoirs, corresponding to a cumulative annual average of approximately 3.5 reservoirs.

In FY22, the District awarded the Los Altos Pumping Plant Rehabilitation Project as part of the improvements at Orinda Water Treatment Plant. Since the KPI was established in FY15, the District has awarded contracts to replace, rehabilitate, or demolish 23 pumping plant facilities, corresponding to an annual average of 2.8 since the inception of the program.

## 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.



Green bonds finance infrastructure projects that promote environmental sustainability.

# Long-Term Financial Stability

Key Performance Indicator	FY22 Target	FY22 Performance	Target Met?
<b>Strategy 1: Long-Range Financing Plan</b>			
% of capital program funded from debt	≤ 65%	Water – 22%	++
		Wastewater – 10%	++
Debt service coverage	≥ 1.6 times coverage	Water – 2.32	++
		Wastewater – 2.63	++
Actual reserves as % of target	≥ 100%	Water >100%	++
		Wastewater >100%	++
<b>Strategy 2: Rates and Charges</b>			
Water rates compared to other Bay Area Agencies	At or below median	Above median	+
Wastewater treatment charge as a share of the total bill compared to other Bay Area agencies	At or below median %	Below median	++
<b>Strategy 3: Integrity, Accountability and Transparency</b>			
% of planned audits completed	100%	88%	+
% of audit findings resolved within 90 days	100%	100%	++
Operating expenditures as a percentage of operating budget	≤ 100%	Water - 99%	++
		Wastewater - 98%	++
Capital expenditures as a percentage of capital budgeted cash flow	Between 90% and 110% of a two-year rolling average	Water - 91.5%	++
		Wastewater - 90%	++
<b>Strategy 4: Technology</b>			
Cyber Security Operational Readiness	Planned patch cycles met	> 90%	++
	Business recovery exercises	2 per year	++
	Security awareness events	4 per year	++
	Biennial IT security controls assessment	Complete ISD staff led security and control assessment	Completed

**Strategy 1: Long-Range Financing Plan:** District policy is to limit debt funded capital to no greater than 65 percent of the total capital program over each five-year planning period. The Water System debt funded 22 percent of its capital program for the five-year period through FY22. This is down from 25 percent in FY21, 34 percent in FY20, and 46 percent in FY19 due, in part, to no new debt issuance in FY20 and FY21, though new debt was issued in FY22. The Wastewater System debt funded 10 percent of its capital program for the five-year period through FY22. This increased from 3 percent in FY21 but aligns with the 10 percent reported in FY20 and the 11 percent in FY19.

District policy is to maintain an annual revenue bond debt service coverage ratio of at least 1.6 times. The Water System debt coverage ratio was 2.32 in FY22 which was similar to the 2.18 and 2.28 coverage in FY21 and FY20 respectively. The Wastewater System debt coverage ratio was 2.63 in FY22, increased from 2.37 in FY21 and in line with 2.59 reported in FY20.

The District's goal is to meet or exceed the target for operating reserves. The target reserve levels of \$191.2 million for the Water System and \$45.8 million for the Wastewater System were exceeded which allows the balance more than the target to be used to fund capital projects, pay down debt, and make deposits to the Rate Stabilization Funds when appropriate.

**Strategy 2: Rates and Charges:** The District compares its rates and charges with other Bay Area agencies to determine whether they are fair and reasonable. EBMUD's water bill for an average single family using 8 CCF per month was just above the median of surveyed agencies as 8 of the 13 agencies had lower bills. The Wastewater treatment charge as a share of the total bill for an average single-family discharging 6 CCF per month was second lowest of the 15 other Bay Area agencies surveyed.

**Strategy 3: Integrity, Accountability, and Transparency:** The Internal Audit section conducts assessments of operating activities, including evaluating internal controls to ascertain whether: assets are properly safeguarded, maintained, and accounted for; resources are appropriately and efficiently utilized; financial and operating reporting is accurate; and staff complies with District policies, procedures, applicable regulations, ordinances, and statutes. Internal Audit assessments also include evaluations of the effectiveness of the preventive, detective, and compensating controls in mitigating risks and reducing financial, regulatory, or legal exposure. Internal Audit also conducts investigations to determine the validity and impact of allegations of impropriety or malfeasance.

The six audits and two follow up reviews listed in the FY22 audit plan were initiated and/or completed during the period. The status of internal audit efforts, including a discussion of each of the audits listed in the annual audit plan was provided to the Finance/Administration Committee as part of the Annual Internal Audit Report in August 2022.

As part of the ongoing effort to ensure recommended controls remain in place and are functioning as intended, the internal audit plan will continue to review remediation efforts made by staff to address internal control weaknesses and other deficiencies identified during previous reviews. Review of the status of recommendations made during the review period confirmed implementation within 90 days.

The budget performance KPIs measure expenses as a percent of budget, with a target not to exceed 100 percent of the operating budget, and to be between 90 and 110 percent of a two-year rolling average for the capital budget.

The FY22 Water System operating expenses were 99 percent of budget, which was higher than prior years due to: the additional costs from settled labor agreements; the costs of purchasing, conveying and treating supplement water, which were not budgeted; and general inflationary pressures in major expense areas, such as energy and chemicals. In FY21, Water System expenditures were 92 percent of budget, primarily due to labor savings; impacts of COVID-19 that reduced spending; lower overall spending in operations; higher than budgeted offset for capital support; and unspent contingency. The FY22 Wastewater System operating expenses were 98 percent of budget, which was higher than prior

years due to: the additional costs from settled legal agreements; and, general inflationary pressures in major expense areas, such as energy and chemicals. In FY21, Wastewater System expenditures were 96 percent of budget, primarily due to lower contract spending; a higher than budgeted offset for capital support; and unspent contingency.

Capital spending over the FY21 and FY22 two-year rolling average was 91.5 percent of budget for the Water System and 90 percent of budget for the Wastewater System.

**Strategy 4: Technology:** All FY22 Cyber Security Operational Readiness KPIs were met. Patching systems addresses vulnerabilities and minimizes the possibility of systems being breached and for FY22 17 of 18 planned patch cycles (94 percent) were met. Security awareness reminds employees to remain vigilant while using District systems and there were four events in FY22 which are delivered through periodic phishing exercises, cybersecurity training, and presentations. Business recovery exercises test the ability to recover key systems and two exercises occurred in FY22. The IT security assessment reviews the status of security controls and was completed in May 2022.

## 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.



*A Field Services Representative performing an inspection of a water meter with a customer.*

## Customer and Community Services

Key Performance Indicator	FY22 Target	FY22 Performance	Target Met?
<b>Strategy 1: Communications</b>			
Consolidate District education resources	Complete	Three educational workbooks were completed and translated into Spanish. An RFP was issued on September 22, 2022 to develop an Education Strategic Plan aligned with the Strategic Communications Plan.	+
Conduct media/advertising campaigns	3	5 campaigns conducted: Redistricting, including ads in ethnic papers; Drought/Conservation (digital/print ads, including at Bishop Ranch and Broadway Plaza, KTVU ads, and billboards); COVID-19 in Wastewater; partnership with UC Berkeley on the Center for Smart Infrastructure, and Public Safety Power Shutoffs (PSPS) preparations	++
Conduct customer opinion research	Complete	2 focus group discussions conducted with East and West of Hills customers on drought/conservation messaging and the District's lawn rebate programs	++
Publish external digital/print publications	8	10 publications, including 6 Customer Pipeline newsletters, 1 Biennial Report, 1 Annual Water Quality Report (digital only), and Story map translations	++

**Strategy 1: Communications (continued)**

Participate in community engagement events	100	111 community engagement events, including public meetings, community events with booths, virtual and in-person tours, water conservation webinars and presentations, Water Wednesday webinars, career fairs, ward events, and a community walk	++
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**Strategy 2: Customer Satisfaction**

% of customers rating the District's services as "Good" or "Excellent":	≥ 90%		
Field Services		99%	++
New Business		81%	+
Water Quality		100%	++
Recreation		n/a	n/a
% of customers rating "Overall Job" as "Good" or "Excellent" from the customer opinion survey	n/a	An opinion survey was not conducted. Focus groups were convened instead. The District will conduct its next Customer Opinion Survey in FY23.	n/a
Contact Center service level:			
Average speed of answer to calls coming into the Contact Center	≤ 60 seconds	43 seconds	++
% of calls answered within the target of ≤60 seconds	≥ 80%	83%	++
% of customers rating Call Center as "Good" or "Excellent" based on first call resolution, staff knowledge, promptness, courtesy, and overall quality	≥ 80%	88%	++
Abandonment rate	≤ 3%	2.06%	++
Timely billing of customer statements as scheduled	≥ 99%	99.5%	++
Notify customers in advance of shut-off for non-payment and provide information on options to avoid service interruption for non-payment of bills per District Regulations – Section 15	100%	Shutoff activities suspended	n/a
% of time customer dependent systems are available	≥ 99.9%	>99.9%	++

<b>Strategy 2: Customer Satisfaction (continued)</b>			
Unplanned water service interruptions per 1,000 active accounts			
< 4 hrs.	≤ 10	2.2	++
4-12 hrs.	≤ 5	2.2	++
> 12 hrs.	≤ 2	0.6	++
Odor complaints near the MWWTP	≤ 30 complaints	4 complaints	++
<b>Strategy 3: Partnerships and Programs</b>			
Reduce shut-offs for CAP participants by 10% over two years while increasing CAP enrollment	Performance Measure Only	CAP participation decreased by 2%	■
Proactively review and update shut-off guidelines and Customer Assistance Program (CAP)	Complete review and with Board guidance address COVID-19 impacts	Reviewed COVID-19 impacts with the Board during 2022 CAP Workshop. District to resume shutoffs for non-residential customers as early as Fall 2022 and implement the alternative to shutoffs for residential customers during the first quarter of 2023.	++
Participate in targeted outreach events in disadvantaged communities to increase CAP enrollment	3	<ul style="list-style-type: none"> <li>Partnered with 12 organizations to promote CAP. Followed up with 12 community contacts to promote CAP as a results WC efforts to reach 64 listed organizations.</li> <li>Promoted CAP, WC, Employment at the Black Joy Parade.</li> <li>Worked with staff with Watershed passes for CAP customer outreach letter</li> <li>Worked with ISD and the team to create a CAP online application. Which generated over 1,300 applications as of May 13, 2022.</li> </ul>	++

**Strategy 4: Emergency Preparedness**

Update the District's Emergency Operation Plan every five years	Complete update	Completed	++
Conduct the District's Emergency Operations Team exercise annually	Complete annual exercise	Completed	++
Update all Business Continuity plans every two years	Complete updates	Completed	++
Conduct Business Continuity exercises annually	100%	100%	++
Update the District's Risk and Resilience assessment every five years	Complete update	Completed	++
Conduct annual exercises or meetings with mutual assistance partners and stakeholders	3	3	++

**Strategy 1: Communications:** The District continued to build on efforts to develop interactive ways to engage with customers as well as the general public (non-bill payers, opinion leaders and more). Building on EBMUD's award-winning ARC GIS story maps that began in FY21 (Orinda Water Treatment Plant tour, watershed trails, and fossil find), the District translated story maps into Spanish and Chinese and added a story map about wastewater treatment. The District issued 16 press releases and advisories and responded to 193 media inquiries.

In FY22, the District redesigned and updated its K-12 educational materials. Three workbooks (K-5th grade, 6-8th grade, 9-12th grade) are now available in digital and print formats in English and in Spanish and offer a fun, engaging opportunity for students to learn about their local water supply and water treatment as well as water conservation, wastewater treatment, pollution prevention, and the value of water. The District also developed an animated video to introduce younger audiences to EBMUD's goals of providing high-quality water and protecting the San Francisco Bay.

Five large-scale media and public outreach campaigns were completed in FY22.

- **Redistricting:** Beginning in the fall of 2021 through early 2022, staff launched an outreach campaign to inform the public about the District's redistricting process and to solicit input. The District placed advertisements in ethnic newspapers (translated in Spanish, Chinese, and Vietnamese) and Bay Area News Group, and promoted the campaign in social media, emails, letters to elected officials, legal notices, and through its website.
- **Drought/Conservation:** The District promoted conservation through a wide-range of mediums: Clear Channel transit shelters and digital billboards; the District's Oakport billboard; the KTVU campaign (video, web, news tie ins); digital ads at Bishop Ranch and Broadway Plaza; Chamber of Commerce ads for businesses; multiple issues of Customer Pipeline; social media channels; internal communications (Splashes); top of bill messages; courtesy letters for Excessive Use; website information; bill messages; home water report messages; and press releases about drought and water supply (Freeport, conservation tips, drought level declaration, conservation by customers) and virtual community presentations. The District provided weekly messages to the public on all social media platforms, conducted more than 100 interviews on water supply and conservation with local media, and delivered 28 drought presentations to the community. In addition, the District hosted office hours to increase interaction with the public and provide easy, quick answers to drought/conservation questions.
- **COVID-19 in Wastewater:** The District issued a press release, conducted media interviews, shared social media posts, and crafted internal communications to inform external and internal audiences about EBMUD's role in wastewater surveillance.
- **Center for Smart Infrastructure:** The District issued a joint press release with UC Berkeley and shared promotional materials via social media and internal communications to announce EBMUD's partnership with UC Berkeley on the Center for Smart Infrastructure.
- **Public Safety Power Shutoff (PSPS):** The District issued a press release and used several avenues (media response, social media, Customer Pipeline, and web) to share information about EBMUD's preparations for PSPS events and other emergencies.

The customer opinion survey was last completed in FY19; the District will conduct another large-scale survey in FY23. In FY22, two drought-related focus group discussions were conducted with customers

East of Hills and West of Hills. Customer insights from these discussions have informed the District's drought-related messaging and campaign to promote the District's lawn conversion rebate program and other conservation efforts.

The District published eight external digital and print publications in FY22. Six Customer Pipeline newsletters were published to communicate seasonal topics focused on drought, conservation, water supplies, Customer Assistance Program, recreation, PSPS and emergency preparedness, sustainable water supplies, and achievements during the pandemic. In April 2022, the Annual Water Quality Report was published with postcards mailed to all water users in our service area and subsequently translated into Chinese and Spanish. The first digital-only version of the Biennial Report (2020-2021) was published and emailed to customers and posted on the website.

Participation in community engagement events is a new KPI developed to reflect the District's efforts to engage with the public and raise awareness of the District's priorities, policies, and actions. The District participated in 111 community engagement events in FY22, including public meetings, community events with booths, virtual and in-person tours, water conservation webinars and presentations, Water Wednesday webinars, career fairs, ward events, and a community walk.

**Strategy 2: Customer Satisfaction:** In FY22, the District received 67 field services survey responses. Ratings continue to be high with 99 percent of customers rating service as "good or excellent", similar to the 99 percent in FY21 and 98 percent in FY20. The total number of surveys received has decreased due to the ongoing pandemic measures. Overall, Field Services' performance continues to be responsive in meeting customer expectations by conducting customer support activities remotely.

In FY22, New Business achieved an overall 81 percent rating as "good or excellent", which is down from 90 percent in FY21. While New Business obtained 90 percent or greater rating in specific areas in staff knowledge, responsiveness, clarity in communication, and quality of customer service, the development community expressed dissatisfaction with the online water service application and the long timeline required for delivery of projects and new water services. This led to applicants rating the overall new business experience lower where an average 70 percent rating as "good or excellent" is achieved. System Water Quality achieved a 100 percent customer rating. Visitation at the recreation areas and trails remained strong. However, to reduce COVID-19 transmission, distribution, and collection of the Visitor's Satisfaction Surveys were suspended in early March 2020.

The Contact Center was rated "good or excellent" by 88 percent of customers in FY22, up from 85 percent in FY21 and 82 percent in FY20. The survey result is based on a process where all callers are offered the opportunity to rate a call. The Contact Center received over 212,941 calls and emails in FY22 and achieved its service level by answering 83 percent of calls within 60 seconds, matching the 83 percent achieved in both FY20 and FY19, but lower than the 84 percent achieved in FY21. The Contact Center continues to meet its goal of answering calls in less than 60 seconds with an average time of 43 seconds in FY22, similar to the 40 seconds in FY21 and 39 seconds in FY20. The call abandonment rate for FY22 was 2.06 percent, up from 1.75 from FY21 and up from 1.5 percent both in FY20 and FY19. The timely billing of 99.5 percent of customer statements met the target as well. In FY22, the average weekly number of delayed bills was 216, slightly up from 200 in FY21, and down from 310 in FY20 and 350 in FY19. This is well below the benchmark of 800.

The availability of automated systems used by customers is also a measure of customer satisfaction. These systems include Internet, Call Center and Dispatch Center telephones, Customer Information System, and Integrated Voice Response self-service applications. The key performance indicator that customer dependent systems are available greater than or equal to 99.9 percent of the time was met at 99.9 percent, an increase of 0.01 percent from FY21.

Minimizing the impacts to customers from unplanned water service interruptions is vital. The District met its KPI for interruptions in all categories by limiting interruptions to at least 30 percent lower than the targets. The KPI for interruptions lasting 4 to 12 hours decreased by more than half compared to FY20 due to an error that inflated FY20's reported amount, which has been corrected since FY21.

A measure of customer satisfaction is to have less than 30 odor complaints attributable to the Wastewater Treatment Plant. In FY22 the target was met with four odor complaints received, less than the six complaints in FY21 and the lowest number of complaints recorded since the District began tracking odor complaints in FY06. The continued decrease in the number of odor complaints is likely related to staff planning work to minimize the potential for generating odors and optimizing operational and maintenance practices.

**Strategy 3: Partnerships and Programs:** On March 12, 2020, the District suspended shutoff activities in response to COVID-19. Although the State's shutoff moratorium ended on December 31, 2021, the District extended the shutoff moratorium to support its customers affected by COVID-19. In FY23, District will resume shutoffs for non-residential customers as early as Fall 2022 to minimize uncollected debt. Additionally, the alternative to water shutoff policy to end water shutoffs for long-delinquent accounts is scheduled to start during the second half of FY23. The District's policy calls for increasing customer outreach and offering a range of options for those households facing financial difficulties including the Customer Assistance Program (CAP), flexible payment plans and extensions, and water conservation resources to manage water use. As designed, the District will only install flow restrictors on tenant-occupied single-family residential accounts with water bills more than 90 days overdue after all other options have been exhausted. In addition to offering customers payment plans and CAP, customers will be directed to Low Income Household Water Assistance Program (LIHWAP) for additional financial assistance.

The District mailed more than 308,000 payment reminders to customers with long delinquencies during FY22. These reminders provided information on CAP, payment plans, and payment extension options. As an ongoing priority to support customers impacted by COVID-19, several channels were used (top-of-bill messages, emails, mail, web, social media, newsletter, bus ads, pipeline, USPS customer mail verification, and outside partnerships) to reach customers to provide information on the District's customer support programs, especially customers in historically disadvantaged communities.

In FY22, the District focused its effort in seeking both Federal and State COVID-19 relief funding on behalf of its customer impacted by the pandemic. The District secured \$13.6 million from the California Water and Wastewater Arrearage Payment Program (CWWAPP). CWWAPP is a state program to provide financial relief to eligible customers who fell behind on their water utility bill payments because of the pandemic and covered customers arrearages accrued for the period March 20, 2020 through June 15, 2021. Funding secured by the District provided financial relief to nearly 11,000

customers. Additionally, by coordinating with the Emergency Rental Assistance Program, the District received \$79,000 on behalf of 89 households impacted by COVID-19.

As the District is a leader in affordability, the District's Director of Customer and Community Services was appointed by the U.S. Department of Health & Human Services to help launch LIHWAP, which provides financial assistance to eligible households to help manage their residential water and wastewater bills. LIHWAP was formally launched in California in June 2022 and the District is actively promoting the program to its customers.

CAP enrollment for FY22 decreased slightly by 1.7 percent in FY22 with 8,860 active participants in June 2022, compared to 9,015 active participants in June 2021. However, the District's CAP served a total of 10,969 households during FY22. In an ongoing effort to increase CAP participation, the District continued to collaborate with community partners to promote CAP, including housing agencies, local county food banks, cities, county agencies, and community religious institutions. In addition, the District continues distribution of CAP materials to customers through Richmond Community Foundation (RCF) Connects and Saint Vincent De Paul of Alameda County, the District's Water Lifeline Partners.

**Strategy 4: Emergency Preparedness:** These KPIs measure the District's ability to maintain an active emergency preparedness program and test emergency response and business continuity plans. In FY22, progress continued to be made in mitigating risk, preparing for disasters, and improving readiness. The America's Water Infrastructure Act (AWIA) was passed in October 2018 requiring water agencies to complete a risk and resiliency assessment and update the Emergency Operations Plan (EOP) every five years. The next update is scheduled for FY25.

An Emergency Operations Team (EOT) exercise was held in June 2022 on the topic of Communicable Disease and Pandemic Response specifically focusing on COVID-19. The EOT was activated in March of 2020 to manage the Pandemic response to COVID-19. The EOT was activated for the duration of FY22 and produced 14 Incident Action Plans and Situation Status reports.

During FY22, 14 Business Continuity Plans were updated, and 24 Business Continuity exercises were conducted. Each department performed an annual exercise from their Business Continuity Plan. In May, the Multi-Agency Tri-Annual workshop between the signatories of the Multi-Agency Water Mutual Assistance Agreement was held with members of EBMUD, Los Angeles Department of Water and Power (LADWP) and Las Vegas Valley Water District (LVVWD). Throughout FY22, the Mutual Assistance Unit Leaders continued monthly meetings with the District's mutual aid liaison partners.

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## 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.



*Employees receive hands-on training in treatment plant operations.*

# Workforce Planning and Development

Key Performance Indicator	FY22 Target	FY22 Performance	Target Met?
<b>Strategy 1: Workforce Plans</b>			
Number of injury & illness incidents resulting in time away from work per 100 employees	≤ 3.0	1.93	++
Injury and Illness Investigations (PE-020 forms) completed within 10 working days	> 99%	95%	+
Diversity & Inclusion Master Plan	Complete draft	Complete	++
Annually implement outreach campaigns on wellbeing themes	4	5	++
<b>Strategy 2: Employee Development</b>			
Annual average training hours per employee	30	30.3	++
Number of employees in development programs (academies, rotations, internships, mentorships)	Performance Measure Only	255	■
<b>Strategy 3: District Values</b>			
% of performance plans completed on time	> 99%	98%	+
% of performance appraisals completed on time	> 99%	98.6%	+
<b>Strategy 4: Recruitment</b>			
% of exams resulting in hiring lists within 60 days or less	80%	84%	++
% of minorities and % of women on District eligibility lists (including both employees and external applicants)	Performance Measure Only	62.4% minorities 33.6% women	■
Number of Interns	Performance Measure Only	45	■
% of minority and % of female interns	Performance Measure Only	86.7% minority 60% female	■

**Strategy 1: Workforce Plans:** The Lost Time Incidence Rate is used by OSHA and the Bureau of Labor Statistics to show the number of job-related injuries and illnesses that result in one or more lost workdays by employees. The ratio shows the number of lost time injuries or illnesses per 100 employees. For FY22, the Lost Time Incidence Rate was 2.5 and there were 41 lost time injuries excluding COVID-19 cases.

A PE-020, *Supervisor’s Investigation of Employee Occupational Injury or Illness*, is required for every workplace incident. In FY22, 140 of 147, or 95 percent were completed in 10 working days. The Regulatory Compliance Office will continue including PE-020 completion information in the monthly report that is issued to Management.

Staff contracted with a diversity and inclusion (DI) consulting firm, The Winters Group, to develop a strategic plan for DI at the District. The process for creating the strategic plan began with implementing

a cultural audit to identify the District's current status and attitudes of employees and key stakeholders regarding DI. The completed cultural audit was presented to the Board of Directors in April 2021. The cultural audit identified several areas of improvement for the District, but staff's review of the audit identified the need to engage additional groups of employees to expand data gathering for verifying the findings of the audit. As a result, the District sponsored an extra nine focus groups. Staff used the data to develop the strategic plan.

In FY22, the following five wellbeing activities were held:

- Three financial wellbeing webinars through Fidelity,
- Two wellbeing sessions through Claremont EAP focused on Managing the stress of COVID-19, and
- Strengthening Resilience and Enhancing Wellness.

**Strategy 2: Employee Development:** The annual average number of training hours per employee is a best practice benchmark by employers. During FY22, the District met the goal of 30 hours of training per employee. In FY21, employees averaged 24 hours of training.

The number of employees in development programs measures the engagement and the development of employees. In FY22, 255 employees participated in such programs including engineering rotations, values and organizational improvement teams, values advocates, Diversity Committee, Equity Core Team, internships, and mentoring. The Peralta Cohort Learning Program career coaching cohort #3 is planned to begin in early FY23 with approximately 25 participants. In FY21, 269 employees participated in such programs.

**Strategy 3: District Values:** These KPIs measure the percent of employees with performance plans and appraisals completed within the past 13 months. In FY22, 98 and 98.6 percent of performance plans and appraisals were completed on time, respectively. Both KPIs were met in FY21, with the number of employees with a current performance plan at 99.6 percent, and the number of employees with a current performance appraisal at 99.7 percent.

**Strategy 4: Recruitment:** The percent of exams resulting in hiring lists within 60 days is a measure of the hiring process and is based on the time from the close of application filings to the establishment of eligible lists. In FY22, there were 128 exams completed and 115 resulted in hiring lists within 60 days (90 percent). In FY21, there were 89 exams completed.

The District tracks the diversity of candidates considered for employment to determine if recruitment efforts are attracting sufficiently diverse applicants. In FY22, the percentage of minorities on District eligibility lists was 62.4 percent with 6.5 percent declining to state ethnicity, compared to 62 percent and 6 percent, respectively, in FY21. The percentage of women on District eligibility lists was 33.6 percent, compared to 26 percent in FY21.

In FY22, the District facilitated virtual and in-person internships for high school and post-secondary participants. The annual Summer High School Internship Program hosted a highly diverse group of 32 students, with 97 percent of the interns identifying as ethnic minorities and 43.8 percent as female. The students represented all wards of the District. Through the Virtual Internship Program (VIP),

student-interns worked in small teams on projects designed by their assigned EBMUD-mentors to address a variety of water and wastewater issues. The Traditional In-Person Program (TRIPP) was reintroduced in 2022 and allowed in-person interns to get hands-on experience in wastewater, engineering, legal, customer service, and other fields. Interns in both programs received: weekly enrichment workshops to expand their skills, knowledge, and understanding of EBMUD; as well as opportunities to attend in-person facility tours. In the final week, interns presented their final projects to a live, virtual audience. Each intern also wrote a formal letter to be delivered to their respective EBMUD Board Director. Additionally, 13 post-secondary interns gained virtual and hands-on experience in the fields of Web Design, Environmental Management, Instrumentation, Human Resources, and Ranger/Naturalist. Combined, the 45 high school and post-secondary interns were 86.7 percent ethnic minorities and 60 percent female.

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## Memberships

The following are District-approved memberships for FY 2024 and FY 2025. Memberships must provide definite and clear benefits to the District. Examples include access to training resources at a reduced cost, which at times saves more in training costs than it costs to maintain the membership. Other memberships ensure the District remains a strong community partner in its service area and in the areas of its work. Senior management routinely reviews the list of approved memberships to ensure each supports operations or fulfills licensing or certification requirements for employees to perform District work. The membership budget is approximately \$1 million in each fiscal year.

District-Wide Memberships		
Membership Name	FY 2024	FY 2025
Alameda County Bar Association	390	390
Alameda County Green Business Association (Balance Foundation)	5,000	5,000
Alliance for Water Efficiency (AWE)	6,161	6,161
American Contract Compliance Association	400	400
American Fisheries Society	330	330
American Geophysical Union	50	50
American Institute of Certified Public Accountants	315	315
American Payroll Association	285	300
American Public Works Association (APWA)	512	512
American Society For Testing And Materials (ASTM) International	170	170
American Society of Civil Engineers	3,575	3,575
American Society of Heating, Refrigerating and AC Engineers (ASHRAE)	290	290
American Society of Safety Professionals	425	435
American Society of Testing And Materials	75	75
American Water Works Association	26,642	26,847
American Welding Society	1,000	1,000
Asian Business League of San Francisco	150	150
Association for Materials Protection and Performance (formerly NACE)	600	600
Association for Talent Development	1,421	1,421
Association of Bay Area Governments	600	600
Association of California Water Agencies (ACWA)	56,710	58,970
Association of Metropolitan Water Agencies	22,000	23,000
Association of Records Managers and Administrators (AMRA)	225	250
Association of State Dam Safety Officials	605	605
Association of Women in Water Energy and Environment (AWWEE)	135	135
Association of Workplace Investigators	675	675

## Appendix: Memberships

District-Wide Memberships		
Membership Name	FY 2024	FY 2025
Bay Area Biosolids Coalition	26,000	27,300
Bay Area Clean Water Agencies (BACWA)	111,780	117,400
Bay Area Climate Adaptation Network	3,200	3,500
Bay Area Council	13,750	13,750
Bay Planning Coalition	1,250	1,250
BayGeo Membership	120	120
Bioenergy Association of CA	6,050	6,050
Business Recovery Managers Association	120	130
CalChamber	1,150	1,150
CalGovHR	260	260
California Association of Public Information Official (CAPIO)	2,750	2,825
California Association of Public Procurement Officials (CAPPO)	280	280
California Association of Public Retirement Systems	1,930	1,930
California Association of Sanitation Agencies (CASA)	22,601	23,731
California Land Surveyors Association - Local	160	160
California Land Surveyors Association - State	2,025	2,025
California Landscape Contractors Association	500	500
California League of Food Producers	545	575
California Municipal Treasurer's Association (CMTA)	200	210
California Municipal Utilities Association	22,500	23,600
California Public Employees Labor Relations Association	2,705	2,705
California Regional Common Ground Alliance (CARCGA)	100	100
California Rural Water Association	709	745
California Society of Municipal Finance Officers (CSMFO)	382	388
California Special Districts Association - Alameda County	100	100
California Special Districts Association - Contra Costa Chapter	100	100
California Special Districts Association - Statewide	8,438	8,860
California Urban Water Agencies (CUWA)	60,000	60,000
California Utilities Emergency Association	3,200	3,200
California Water & Environmental Association	212	222
California Water & Environmental Modeling Forum	2,500	2,500
California Water Efficiency Partnership (CALWEP)	23,037	23,037
California Water Environment Association (CWEA)	426	447

## Appendix: Memberships

District-Wide Memberships		
Membership Name	FY 2024	FY 2025
California Women in Energy	90	90
California Workers' Compensation Institute	550	550
Calstart	2,000	2,100
Capitol Network	320	330
Center for Western Weather and Water Extremes (CW3E) Water Affiliates Group	10,000	10,000
Central Valley Clean Water Association (CVCWA)	2,100	2,205
Central Valley Project Water Association	3,000	3,000
Centre for Energy Advancement through Technological Innovation (CEATI)	19,500	19,500
Certified Commercial Investment Member Institute (CCIM)	3,300	3,300
Certified Information Systems Auditor (CISA)	205	205
Chamber of Commerce - Alameda	1,500	1,500
Chamber of Commerce - Amador County	525	525
Chamber of Commerce - American Indian	750	750
Chamber of Commerce - Bay Front (Pinole, Hercules, Rodeo)	500	500
Chamber of Commerce - Berkeley	525	525
Chamber of Commerce - Calaveras County	660	660
Chamber of Commerce - Castro Valley	600	600
Chamber of Commerce - Crockett	250	250
Chamber of Commerce - Danville	360	360
Chamber of Commerce - El Cerrito	432	432
Chamber of Commerce - El Sobrante	150	150
Chamber of Commerce - Greater Stockton	378	397
Chamber of Commerce - Lafayette	430	430
Chamber of Commerce - Lodi	378	397
Chamber of Commerce - Moraga	200	200
Chamber of Commerce - Oakland African-American	1,000	1,000
Chamber of Commerce - Oakland Chinatown	340	340
Chamber of Commerce - Oakland Latino	800	800
Chamber of Commerce - Oakland Metropolitan	6,600	6,600
Chamber of Commerce - Orinda	240	240
Chamber of Commerce - Pleasant Hill	445	445
Chamber of Commerce - Richmond	550	550
Chamber of Commerce - San Joaquin County Hispanic	800	800

**Appendix: Memberships**

<b>District-Wide Memberships</b>		
<b>Membership Name</b>	<b>FY 2024</b>	<b>FY 2025</b>
Chamber of Commerce - San Leandro	350	350
Chamber of Commerce - San Ramon	550	550
Chamber of Commerce - Vietnamese	200	200
Chamber of Commerce - Walnut Creek	855	855
CIO Forum	750	750
CISSP Certification (Certified Info Sys Security Professional)	375	375
Climate Registry	4,500	4,500
Construction Management Association of America	2,750	2,750
Construction Specifications Institute	370	370
Contra Costa County Green Business	5,000	5,000
Council of Industries	2,200	2,200
Dispute Resolution Board Foundation (DRBF)	235	235
Earthquake Engineering Research Institute	320	320
East Bay Economic Development Alliance	1,500	1,500
East Bay Leadership Council (formerly Contra Costa Council)	2,500	2,500
East Bay Rental Housing Association	750	750
Employee Assistance Professional Association	210	210
Exchange Club of San Ramon Valley	198	198
Golden Gate Business Association (GGBA)	350	350
Government Alliance On Race and Equity (GARE)	5,500	5,500
Government Finance Officers Association	700	700
Groundwater Resources	400	400
HDI	295	295
Hills Emergency Forum	5,500	5,500
HR.com	199	209
Illuminating Engineering Society	206	206
Institute of Electrical And Electronics Engineers (IEEE)	1,288	1,288
Institute of Governmental Advocates	210	220
Institute of Internal Auditors	390	390
International Association for HR Information Management (IHRIM)	250	250
International Foundation of Employee Benefit Plans	1,310	1,320
International Institute of Municipal Clerks	290	290
International Public Management Association for Human Resources (IPMA-HR)	163	170

**Appendix: Memberships**

District-Wide Memberships		
Membership Name	FY 2024	FY 2025
International Right of Way Association (IRWA)	1,000	1,000
International Society of Automation	113	113
Irrigation Association	790	830
Isle Utilities - Technology Approval Group (TAG)	37,500	38,500
League of California Surveying Organizations	100	100
Municipal Equipment Maintenance Association (MEMA)	300	300
Municipal Information Systems Association of California (MISAC)	260	260
National Association of Clean Water Agencies (NACWA)	39,870	41,066
National Association of Govtl Defined Contribution Administrators	750	750
National Association of Local Government Auditors	200	200
National Association of Minority Contractors	2,000	2,000
National Association of Realtors	210	210
National Environmental Laboratory Accreditation Conference (NELAC)	85	85
National Fire Protection Association	588	588
National Pension Education Association	850	850
NOREX	10,300	10,300
North American Society of Trenchless Technology (NASTT)	305	305
Northern California Backflow Prevention	270	270
Northern California Institute of Food Technologists	124	124
Northern California Joint Pole Association	621	621
Northern California Pipe Users Group	400	400
Park Rangers Association of California (PRAC)	200	200
Pesticide Applicators Professional Association	3,540	3,540
Project Management Institute Certification	1,389	1,389
Public Agency Risk Management Association	275	325
Public Retirement Information Systems Management (PRISM)	350	350
Risk & Insurance Management Society	800	850
San Francisco Bay Hispanic Chamber of Commerce (SFBAYHCC)	300	300
San Francisco Paralegal Association	85	85
Society for Conservation GIS	700	750
Society for Human Resource Management	3,714	3,834
Society for Protective Coating	850	850
Society for Range Management	135	135

**Appendix: Memberships**

<b>District-Wide Memberships</b>		
<b>Membership Name</b>	<b>FY 2024</b>	<b>FY 2025</b>
State Bar of California	6,345	6,345
Structural Engineers Association of Northern California	927	927
The Wildlife Society	165	165
Toastmasters	2,700	2,700
Together Bay Area	5,000	5,000
Underground Service Alert	5,500	6,000
United States Society of Dams	1,120	1,120
US Green Building Council (USGBC)	750	750
US Water Alliance	35,000	35,000
Water Customer Care Forum (WCCF)	950	950
Water Education Foundation	15,000	16,000
Water Environment Federation	2,340	2,340
Water Research Foundation (WRF)	194,000	200,000
WaterReuse Association	17,300	18,000
Waterstart	50,000	50,000
West Oakland Commerce Association	190	190
Western Regional Minority Supplier Development Council (WRMSDC)	4,000	4,000
Women Construction Owners and Executives	1,300	1,300
Women's Business Enterprise Council (WBEC) Pacific	3,000	3,000
<b>Total:</b>	<b>1,002,524</b>	<b>1,027,105</b>

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## Appendix: Sponsorships

### Sponsorships

The following are District-approved sponsorships for FY 2024 and FY 2025. The District sponsors community activities and organizations that support the District’s mission and provide educational and outreach opportunities. Sponsorships include, but aren’t limited to, booths or tables at trade shows, festivals, street fairs, community events, garden tours, and advertising in event programs. The sponsorship budget, which is routinely reviewed and adjusted throughout the fiscal year based on changing conditions, is \$255,520 in FY 2024 and \$257,520 in FY 2025.

District-Wide Sponsorships		
Sponsorship Organization	FY 2024	FY 2025
23rd Street Merchants Association - Richmond Cinco de Mayo Festival	1,000	1,000
Alameda County - Statewide Illegal Dumping Conference	2,500	2,500
Alameda County Environmental Health - Food Facility Permits for Water on Wheels trailer	1,430	1,430
Alameda County Science and Engineering Fair - Alameda County Water District	500	500
Alameda County Special Districts Association – Raffle	200	200
Alameda Recreation and Parks - Earth Day	75	75
Alliance for Water Efficiency - Standards & Code Development - California Water Efficiency Partnership	2,000	2,000
Amador County Fair	1,000	1,000
Amador Flyfishers	500	500
American Contract Compliance Association	1,000	1,000
American Fisheries Society (AFS) National Conference	1,000	1,000
American Indian Chamber	2,000	2,500
American Society of Civil Engineers - Annual Infrastructure Symposium	1,000	1,000
American Society of Civil Engineers - Center for Smart Infrastructure	2,500	2,500
Anne J. Schneider Fund - Northern CA Water Association	500	500
Arc of Amador and Calaveras	1,000	1,000
Argonaut High School Scholarship	500	500
Asian Business League - SF Chapter	1,000	500
Asian Enterprise Magazine - Awards Gala	750	750
Asian Health Services	2,500	1,000
Asian, Inc.	3,000	3,000
Bay Nature Institute	1,000	1,000
Bay Planning Coalition - Spring Summit	1,000	1,000
Bayfront Chamber (Pinole, Hercules, Rodeo) - Bayfront Festival	1,000	1,000
Berkeley Juneteenth Cultural Celebration (BJCC) - Juneteenth	1,000	1,000
Black Joy Parade	2,500	2,500

**Appendix: Sponsorships**

<b>District-Wide Sponsorships</b>		
<b>Sponsorship Organization</b>	<b>FY 2024</b>	<b>FY 2025</b>
Blake Garden - UC Regents Berkeley	1,000	1,000
CA Black Chamber	1,500	2,000
CA Hispanic Chamber Conference - Annual Convention	1,500	2,000
Calaveras County Fair	500	500
Calaveras County Water District - Scholarship Program	1,000	1,000
Calaveras Mentoring	500	500
California Farm Bureau Federation	500	500
California Native Plant Society	2,500	2,500
California Water Data Consortium	5,000	5,000
California Water Efficiency	2,500	2,500
Castro Valley Chamber Fall Festival	535	535
Chabot Los Positas Community College District	1,000	1,000
Chinese for Affirmative Action (CAA)	500	500
City College of SF	1,000	1,000
City of El Cerrito Recreation and worldOne's Bring Back the 4th Festival	2,500	2,500
City of San Leandro - Cherry Festival	310	310
Community Resources for Science - STEM Education & Outreach	2,000	2,000
Computer Technologies Program (CTP)	1,000	1,000
Construction Resource Center	2,500	3,000
Contingency for Events	15,945	15,945
Contra Costa County Community College District	1,000	1,000
Contra Costa County Fire Protection District - Fire Permit Fees for Water on Wheels trailer	300	300
Contra Costa County Science & Engineering Fair	500	500
Contra Costa Special Districts Association - Raffle	200	200
Council of Industries - Shoreline Tour	800	800
Crockett Chamber - Sugartown Festival & Street Faire	300	300
Cypress Mandela	2,500	2,500
Danville Chamber - Danville Summer Fest Street Festival	150	150
Danville Home Expo	600	600
David Brower Center - Corporate Contribution	2,500	2,500
Delta Fly Fishers, Inc	500	500
Disabled Veteran Business Alliance - Info Tech and Professional Services Expo	1,500	1,500
Earth Day/July 4th Events (Various cities)	1,500	1,500

**Appendix: Sponsorships**

<b>District-Wide Sponsorships</b>		
<b>Sponsorship Organization</b>	<b>FY 2024</b>	<b>FY 2025</b>
Earth Island Institute (Clean Power, Healthy Communities) - Corporate Contribution	1,000	1,000
Earthteam	1,500	1,500
East Bay Economic Development Alliance Foundation - Annual Innovation Awards	2,500	2,500
East Bay Leadership Council - Leadership Series	2,500	2,500
El Sobrante Chamber - Annual El Sobrante Stroll	305	305
Engineers Without Borders	1,000	1,000
Foothill Conservancy	500	500
Friends of San Leandro Creek	2,000	2,000
Friends of Sausal Creek - Native Plant Sale	2,000	2,000
Friends of the Gardens at Lake Merritt	500	500
Friends of the River	1,000	1,000
Galt Joint Union High School	500	500
Greater Richmond Interfaith Program (GRIP)	1,000	1,000
Greater Stockton Chamber	750	750
Greenbelt Alliance Hidden Heroes of the Greenbelt Awards	2,500	2,500
Irrigation Association Landscape Symposia	500	500
Justice Outside (previously Youth Outside)	1,000	1,000
Kid Scoop News	3,000	3,000
Lafayette Chamber Art & Wine Festival	3,000	3,000
Lamorinda Home Expo	500	500
Laney College - CTE Programs Event	500	500
Lao Family Community Development	2,500	2,500
Latino Times	1,000	1,000
Lawrence Hall of Science	1,000	1,000
League of Woman Voters of the Bay Area - Education Fund	1,500	1,500
Lend a Hand Foundation Juneteenth Town Jubilee	3,000	3,000
Liberty Ranch FFA Alumni	500	500
Lodi Chamber Crane Festival	500	500
Lodi High School FFA - NEW	500	500
Minority Business Enterprise Magazine - Enterprise Publishing	2,000	2,000
Mother Lode Job Training Agency	500	500
Museum of Children's Art (MOCHA)	2,000	2,000
National Association of Minority Contractors - Bay Area	1,000	1,000

**Appendix: Sponsorships**

<b>District-Wide Sponsorships</b>		
<b>Sponsorship Organization</b>	<b>FY 2024</b>	<b>FY 2025</b>
National Association of Minority Contractors - National	1,500	1,000
National Association of Women in Construction - SF Chapter	500	500
National Coalition of 100 Black Women - Oakland-Madam CJ Walker Luncheon & Empowerment	1,000	1,250
Oakland African American Chamber - Champion Luncheon/Business Award	2,000	2,000
Oakland Art Murmur	500	500
Oakland Asian Cultural Center - Annual Gala	2,500	2,500
Oakland Chinatown Chamber - Streetfest	3,500	3,500
Oakland Chinatown Improvement Council - NEW	1,500	1,500
Oakland Latino Chamber of Commerce	2,000	2,000
Oakland Metropolitan Chamber - Annual Event	2,500	2,500
Oakland Metropolitan Chamber of Commerce - Business Expo	750	750
Oakland Museum of California	5,000	5,000
Oakland Pride	4,000	4,000
Oakland Public Education Fund - Career Exploration Events	1,000	1,000
Oakland Zoo - Earth Day	500	500
Outdoor Afro Glamp Out Gala	3,000	3,000
Peralta Colleges Foundation - Scholarship Resources	2,500	2,500
Peralta Community Colleges Foundation - EcoFest Sustainability	500	500
Planting Justice	2,000	2,000
Pride and a Paycheck	500	750
Pridefest Oakland	4,000	4,000
ReScape California - Educational exhibits/workshops	2,500	2,500
Residential Homeworkers HOA Landscape Workshop	500	500
Richmond Build - City of Richmond	1,250	1,250
Richmond Demo Garden	500	500
Richmond Main Street Initiative - Spirit and Soul Festival	1,000	1,000
Richmond Police Activities League - NBA Nat'l Block Assoc - Juneteenth	1,000	1,000
Rising Sun Energy Center - Energy Saver Bright Night Event	1,000	1,000
Rose Foundation - New Voices are Rising Summer Program	1,000	1,000
Rosie the Riveter Trust	2,000	2,000
Ruth Bancroft Garden Seminar Series	500	500
Ruth Bancroft Garden Water Wise Garden Tour	5,000	5,000
Salmonid Restoration Federation Annual Conference	1,000	1,000

**Appendix: Sponsorships**

<b>District-Wide Sponsorships</b>		
<b>Sponsorship Organization</b>	<b>FY 2024</b>	<b>FY 2025</b>
San Francisco Bay Area Hispanic Chamber	1,000	1,000
San Francisco Bay Section, CA Water Environment Assoc (CWEA)	350	350
San Francisco BayKeeper - Annual Bay event	1,500	1,500
San Francisco Estuary Partnership/ABAG - Estuary News Magazine and State of Estuary Conference	1,500	1,500
San Joaquin County Hispanic Chamber	1,500	2,000
San Joaquin Delta College Foundation	1,000	1,000
San Joaquin Farm Bureau	500	500
San Joaquin Future Farmers of America	500	500
San Pablo Chamber - Street Faire	150	150
San Pablo Reservoir - Family Fishing Days	1,000	1,000
Save SF Bay Association - Wetland Restoration Education Program	2,000	2,000
Sierra Club of SF Bay Chapter Annual Awards Ceremony (David Brower Dinner)	1,000	1,000
Sierra Fund	500	500
Social Good Fund's The East Oakland Collective	3,000	3,000
Solano Avenue Association - Solano Avenue Stroll	450	450
Spiral Gardens Community Food Security Project	2,000	2,000
Stewardship Through Education	1,500	1,500
Sustainable Contra Costa	3,500	3,500
Swords to Plowshare	5,000	5,500
The Gardens at Heather Farms	500	500
The Unity Council - Día de Los Muertos Festival	3,000	3,000
Tokay High School FFA	500	500
Tradeswomen, Inc - Dinner Gala	1,500	1,500
Training Institute for Leadership Enrichment (TILE) - Powerful Women of the Bay Awards Luncheon	2,000	2,000
UC Berkeley - Sustainable Events	500	500
UC Berkeley - UC Regents Master Gardener Program of Alameda County	2,000	2,000
UC Berkeley - UC Regents Master Gardener Program of Contra Costa	2,000	2,000
UC Botanical Garden	250	250
United Seniors of Oakland & Alameda Cty - Healthy Living Festival	170	170
Urban Tilth	2,000	2,000
US Green Building Council, Northern CA Chapter - PG&E Water Conservation Showcase & Seminars	2,000	2,000
US Green Building Council, Northern CA Chapter meetings	500	500

**Appendix: Sponsorships**

<b>District-Wide Sponsorships</b>		
<b>Sponsorship Organization</b>	<b>FY 2024</b>	<b>FY 2025</b>
Walnut Creek Oktoberfest	2,000	2,000
Water Education for Latino Leaders	2,500	2,500
Water Education Foundation	2,500	2,500
Water for People (BAWWA)	1,000	1,000
Watershed Project	1,000	1,000
West Contra Costa Public Education Fund - Calculus Roundtable A- Z Program	3,000	3,000
Western Regional Minority Suppliers (WRMSDC)	3,500	3,500
Women Construction Owners & Executives - California	1,000	1,000
Women Construction Owners & Executives - National	500	1,000
Women's Business Enterprise Council Pacific - Astra Society International	2,500	3,000
<b>Total:</b>	<b>255,520</b>	<b>257,520</b>

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## Glossary

<b>AB</b>	Administration Building.
<b>Accrual Basis</b>	Accounting method that records income items when they are earned and records deductions when expenses are incurred.
<b>ADM</b>	Administration Department.
<b>Adopted Budget</b>	A balanced financial plan for a specific period of time authorized by the Board of Directors.
<b>AFSCME</b>	American Federation of State, County and Municipal Employees.
<b>AMC</b>	Adeline Maintenance Center.
<b>Amended Budget</b>	A budget that reflects budgetary transfers that occurred after adoption of the budget. The total amended budget amount does not exceed the Board approved appropriation.
<b>Amortization</b>	The process of incrementally charging the cost of an asset to expense over its expected period of use, which shifts the asset from the balance sheet to the income statement. Amortization is commonly used for the gradual write-down of the cost of intangible assets that have a specific useful life. Examples of intangible assets are patents, copyrights, and trademarks.
<b>Appointment Type</b>	Indicates the character of a staff position. The following are the appointment types: Regular, Civil Service Exempt, Intermittent, Temporary, Part-Time, Limited-Term, and Temporary Construction.
<b>Appropriation</b>	Funds for expenditure in the operating and capital budget authorized by the Board of Directors for a specific purpose.
<b>Authorized FTE</b>	A full-time equivalent (FTE) approved by the Board of Directors.
<b>AWWA</b>	American Water Works Association.
<b>Balanced Budget</b>	The budget is balanced when revenues are equal to or greater than expenditures including debt service and ending fund balances meet minimum policy levels.
<b>Bargaining Unit</b>	Employees represented by 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.
<b>Benefit Costs</b>	The District's costs associated with employee compensation over and above salary and wages such as retirement, health care, Social Security, disability, and unemployment insurance.
<b>Biennial Budget</b>	A biennial budget contains two standalone annual budgets. The second year of the budget is reviewed and reaffirmed by the Board of Directors.
<b>Board of Directors</b>	The seven public officials elected to represent the wards within the District service area. Also referred to as the "Board".

## Appendix: Glossary

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<b>Bonds</b>	A form of borrowing where bonds are sold to investors, and the proceeds are used to pay for capital expenditures. Debt service payments are made to repay the bond holders. The District's goal is to limit debt funded capital to no more than 65 percent of the total capital program.
<b>Budget</b>	A financial plan that outlines estimated revenues and expenditures for the year to provide customers with safe, reliable water and wastewater services.
<b>Build America Bonds</b>	A type of municipal bond created under the American Recovery and Reinvestment Act of 2009.
<b>Capital Appropriation</b>	Board approved funding for capital projects for which relatively accurate time estimates can be made. Unspent appropriations carry forward to the next fiscal year.
<b>Capital Budget</b>	A financial plan for purchasing, constructing, or rehabilitating fixed assets such as equipment, facilities, and systems.
<b>Capital Cash Flow</b>	Cash disbursements for capital projects. The estimated capital cash flow is used to calculate the rates, and the amount and timing of borrowings to meet the projected expenditure needs for a given time period.
<b>Capital Expenditures/ Expenses</b>	Expenditures related to capital projects such as the purchase or construction of equipment, building structures, aqueducts and water/sewer pipelines that have a useful life greater than three years and a cost greater than \$5,000.
<b>Capital Improvement Program</b>	The Board approved set of capital projects that typically results in the construction of new capital facilities, or the modification or upgrade of existing facilities over a five-year period. Project costs include all expenditures to purchase, study, plan, design, construct, or repair/upgrade new or existing physical facilities. Also referred to as "CIP".
<b>Capital Labor</b>	The portion of District labor costs supporting the capital improvement program.
<b>Capital Steering Committee</b>	Capital Steering Committee is responsible for the oversight and development of the biennial CIP recommendation to the General Manager. Also referred to as the "CSC".
<b>Capital Support</b>	A method for allocating capital support function costs to a capital project. Costs are allocated using a rate applied to direct labor. Capital support in the operations budget will decrease operating expense by a like amount and reallocate the cost to the capital budget.
<b>CCF</b>	One hundred cubic feet of water which equals 748 gallons or one unit.
<b>CIP</b>	Capital Improvement Program.
<b>Civil Service</b>	The status of an employee who occupies a full-time Regular or less-than-full-time Regular position and has completed probation in that classification.
<b>Commercial Paper</b>	Another form of financing for capital projects.

## Appendix: Glossary

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<b>Consent Decree</b>	An agreement or settlement to resolve a dispute between two parties.
<b>Contingency</b>	Funds budgeted each fiscal year to cover projected labor-related expenses such as the employee cost of living adjustment which is based upon each year's February Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the San Francisco-Oakland-Hayward area. The contingency budget also includes funding for unanticipated needs which may arise before the next budget cycle.
<b>Cost of Service Study</b>	A study of providing water and wastewater services conducted by a third-party to allocate costs among customer classes based on usage characteristics in compliance with Proposition 218 requirements and industry standards.
<b>CP</b>	See Commercial Paper.
<b>CSC</b>	See Capital Steering Committee.
<b>CSMFO</b>	California Society of Municipal Finance Officers.
<b>CUS</b>	Customer and Community Services Department.
<b>Customer Information System</b>	The District's system for billing customers, collecting revenue, and recording account information.
<b>Debt Service</b>	Expenditures for interest and principal repayment on bonds or other debt.
<b>Debt Service Coverage</b>	The ratio of net revenues to debt service requirements, calculated in accordance with the District's bond documents. The District's policy is to maintain a debt coverage ratio of at least 1.6.
<b>Debt-Funded Capital</b>	Expenditures for capital projects which are funded by bonds, loans, or other debt.
<b>Department</b>	A major organizational unit with overall managerial responsibility for functional programs of the District.
<b>Depreciation</b>	An accounting method of allocating the cost of an asset over the useful life of the asset.
<b>DERWA</b>	Dublin San Ramon Services District, East Bay Municipal Utility District, Recycled Water Authority, a joint program to supply recycled water to portions of San Ramon, Danville, Blackhawk, and surrounding areas.
<b>Distribution System</b>	Water treatment plants, storage reservoirs, pumping plants, pipelines, and appurtenances that treat and transmit water to customers.
<b>District</b>	East Bay Municipal Utility District.
<b>Division</b>	A major organizational unit of a Department. Most departments have several divisions, each providing different services.
<b>Drought</b>	A decrease in the total water system storage at District reservoirs over an extended period of time which results in a water shortage for meeting customers' demand.

## Appendix: Glossary

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<b>DSOD</b>	The California Department of Water Resources Division of Safety of Dams.
<b>East Bay</b>	Communities located in Alameda and Contra Costa counties on the east side of the San Francisco Bay.
<b>EBMUD</b>	East Bay Municipal Utility District. A publicly owned utility formed in 1923 under the Municipal Utility District Act to provide water service, and in 1944 wastewater service in portions of Alameda and Contra Costa Counties. Also referred to as the “District”.
<b>EBRWP</b>	East Bayshore Recycled Water Project.
<b>ECP</b>	Extendable Commercial Paper.
<b>EEO</b>	Equal Employment Opportunity.
<b>Encumbrance</b>	The obligated but unspent portion of a contingent liability established through a purchase order. The budget recognizes an encumbrance as an obligation.
<b>ENG</b>	Engineering and Construction Department.
<b>Enterprise Fund</b>	A type of proprietary fund in which a user charge, rather than taxes, is charged to external users for goods or services, and costs are recovered.
<b>ERF</b>	Equipment Replacement Fund.
<b>Expenditure</b>	The payment of an obligation.
<b>Expenditure Category</b>	There are three types of operating expenditure categories: labor, contracts, and all other costs or operation/maintenance.
<b>FERC</b>	Federal Energy Regulatory Commission.
<b>Fiduciary Fund</b>	A fund in which assets are held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. EBMUD has four types of fiduciary funds: Pension (and other employee benefit), Investment, Private-Purpose and Agency.
<b>FIN</b>	Finance Department.
<b>Fiscal Year</b>	The 12-month period that begins July 1 and ends June 30 of the following calendar year. Also referred to as “FY”.
<b>FM&amp;O</b>	Fully-Maintained and Operated.
<b>FOG</b>	Fats, oils, and grease.
<b>Freeport Regional Water Project</b>	A joint project with the Sacramento County Water Agency to secure a supplemental dry-year water supply.
<b>FTE</b>	See Full-Time Equivalent.

## Appendix: Glossary

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<b>Full-Time Equivalent</b>	Ratio of the number of hours an employee is paid compared to the number of working hours. An employee who works full-time (2,080 hours per year) counts as one Full-Time Equivalent. Also referred to as “FTE”.
<b>Fund</b>	A fiscal entity with a set of accounts recording financial resources, together with all related liabilities, which are segregated for the purpose of carrying on specific activities in accordance with special regulations or restrictions. The primary District funds are the Water System Fund and Wastewater System Fund.
<b>Fund Balance</b>	The net position of governmental funds calculated in accordance with the generally accepted accounting principles and used in financial reporting.
<b>Funded Position</b>	Authorized position that the Board of Directors has appropriated funding for a fiscal year.
<b>FY</b>	See Fiscal Year.
<b>GAAP</b>	Generally Accepted Accounting Principles.
<b>GASB</b>	Governmental Accounting Standards Board.
<b>GDP</b>	Gross domestic product.
<b>General Manager</b>	The chief executive officer of the District hired by the Board of Directors. Also referred to as “GM”.
<b>GFOA</b>	Government Finance Officers Association.
<b>GM</b>	See General Manager.
<b>GPD</b>	Gallons Per Day.
<b>HRD</b>	Human Resources Department.
<b>HRIS</b>	Human Resources Information System.
<b>Infrastructure</b>	The tangible physical components that ensure delivery of reliable, high quality water and wastewater service such as reservoirs, pumping plants, pipelines, and anaerobic digesters.
<b>INT</b>	See Intermittent.
<b>Intermittent</b>	Intermittent employees work less than full-time but work more than part-time, typically 32 hours per week or more than 1,040 aggregate hours per payroll year. Also referred to as “INT”.
<b>Intradistrict</b>	Certain internal service accounts such as vehicle expenses are included in balance sheets to assure that internal expenses are not counted twice within the operations budget.
<b>ISD</b>	Information Systems Department.
<b>JSA</b>	Joint Settlement Agreement.

## Appendix: Glossary

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<b>Key Performance Indicators</b>	Indicators with specific targets that measure how well the District is progressing in achieving its goals under the Strategic Plan. Also referred to as “KPI”.
<b>KPI</b>	See Key Performance Indicators.
<b>Limited-Term</b>	Positions of a limited duration (maximum of four years) intended to augment regular District staff to accomplish extra work or other operational programs and activities. Also referred to as “LT”.
<b>LT</b>	See Limited-Term.
<b>MCD</b>	Maintenance and Construction Department.
<b>MG</b>	Million Gallons.
<b>MGD</b>	Million Gallons per Day. (One MGD = 3.07 acre feet which is the volume of water required to cover one acre of land to a depth of one foot).
<b>Modified Cash Flow Basis</b>	Income and expense accounting method that records revenue when cash is received, and records expenses when cash is paid.
<b>MUD Act</b>	Municipal Utility District Act was passed by the California Legislature in 1921; codified in the Public Utilities Code of the State of California, Ch. 764, Stats. 1951 and thereafter amended.
<b>MWWTP</b>	Main Wastewater Treatment Plant.
<b>NOE</b>	Notice of Exemption.
<b>NRD</b>	Natural Resources Department.
<b>NRP</b>	Non-represented.
<b>OGC</b>	Office of the General Counsel.
<b>OGM</b>	Office of the General Manager.
<b>Operating Budget</b>	A financial plan to fund ongoing operations costs incurred to operate the District; excludes the building of capital assets which are included in the capital budget.
<b>Operating Labor</b>	The portion of the District’s labor costs supporting the day-to-day operations.
<b>Organization</b>	A group of staff organized into one unit or section working under a division or department. This is the lowest level at which operating budgets are developed.
<b>OSD</b>	Operations and Maintenance Support Department.
<b>Part-Time</b>	Part-time employees are restricted to working no more than 832 hours per year, and do not have civil service status.

## Appendix: Glossary

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<b>Pay-As-You-Go</b>	Capital financing strategy to pay-as-you-go by cash funding capital projects with current and accumulated revenues rather than borrowing funds that will be repaid with future revenues.
<b>PEPRA</b>	California Public Employees' Pension Reform Act.
<b>PGS</b>	Power Generation Station.
<b>PP</b>	Pumping Plant.
<b>Proposed Budget</b>	The recommended balanced financial plan for a specific period of time submitted for consideration to the Board of Directors prior to the start of the Proposition 218 notification process.
<b>Proposition 218</b>	Passed by California voters in 1996 gave taxpayers the right to vote on all local taxes and requires taxpayer approval of property related assessments and fees.
<b>Proprietary Fund</b>	Proprietary funds are used to account for a government's ongoing activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of EBMUD proprietary funds: Enterprise and Internal Service.
<b>PT</b>	See Part-Time.
<b>PZ</b>	Pressure Zone.
<b>PZI</b>	Pressure Zone Improvements.
<b>RARE</b>	Richmond Advanced Recycled Expansion project.
<b>Rates</b>	Charges for services to District customers that cover the costs of such services while allowing the District to remain revenue neutral.
<b>RCS</b>	Regulator/Rate Control Station.
<b>REG</b>	See Regular.
<b>Regular</b>	A full-time civil service position.
<b>Reserves</b>	Reserves include cash, operating and policy reserves. Reserves are available for self-insurance claims, unplanned revenue changes, working capital, worker's compensation, and unanticipated contingencies.
<b>Revenue</b>	Monies the District receives from rates and charges, property taxes, sale of energy, and other sources. Revenues are used to pay expenditures and fund reserves.
<b>Revenue Funded Capital</b>	Expenditures on capital projects which are funded by current year revenues rather than by debt, grants or other funds.
<b>SCC</b>	See System Capacity Charges.

## Appendix: Glossary

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<b>SD-1</b>	Special District No. 1. Created in 1944, responsible for the treatment and disposal of all domestic, commercial, and industrial wastewater from the cities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District (City of El Cerrito, Richmond annex and the Kensington area).
<b>SEP</b>	Special Employment Program.
<b>SIR</b>	Self-Insured Retention.
<b>SMT</b>	Senior Management Team.
<b>Staffing</b>	The number and character of positions that have been authorized by the Board of Directors and have been determined necessary to carry out District functions.
<b>Step Increases</b>	Employee salary increases based on progression along a salary market range.
<b>Strategic Plan</b>	A document that provides a blueprint for how the District will respond to future challenges and changing priorities. It outlines specific goals, strategies, and objectives to guide the District to where it wants to be and establishes criteria to measure progress.
<b>SWRCB</b>	State Water Resources Control Board.
<b>System Capacity Charges</b>	Charges paid at the time of new connections to the water system to compensate the District for construction of capital facilities that provide water service, such as reservoirs, transmission facilities, treatment facilities, and treated water storage facilities. Also referred to as “SCC”.
<b>TC</b>	See Temporary Construction.
<b>TEMP</b>	See Temporary.
<b>Temporary</b>	Positions limited to six-month duration and do not have civil service status.
<b>Temporary Construction</b>	Positions of limited and specified duration typically associated with a specific capital project. Temporary Construction positions do not have civil service status. Also referred to as “TC”.
<b>Uniform System of Accounts for Water Utilities</b>	Guidelines established for the financial reporting of accounts, account structure and definitions, used to track revenue, expenses and asset and liability balances. The District uses the Uniform System of Accounts for Water Utilities established by the California Public Utilities Commission.
<b>USL</b>	Upper San Leandro.
<b>Wastewater Capacity Fee</b>	Charges paid at the time of new connections to the wastewater system to compensate the District for capital facilities that provide wastewater treatment, such as interceptors, primary and secondary treatment facilities, and wet weather treatment plants. Also referred to as “WCF”.
<b>WCF</b>	See Wastewater Capacity Fee.

## Appendix: Glossary

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<b>WOD</b>	Water Operations Department.
<b>WRD</b>	Water Resources Department.
<b>WRP</b>	Water Recycling Program.
<b>WSMP</b>	The Water Supply Management Program is a plan for ensuring a reliable high quality water supply for the future that includes pursuing supplemental supplies, water conservation, and recycled water.
<b>WTP</b>	Water Treatment Plant.
<b>WWF</b>	Wet Weather Facilities.