

■ Fiscal Years 2026 & 2027 ■

Biennial Budget

Volume 1:
Water & Wastewater
Operating and Capital



East Bay Municipal Utility District Biennial Budget Fiscal Years 2026 & 2027

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

Volume 2: Capital Award Summaries

**Adopted by the Board of Directors
June 10, 2025**

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.

Biennial Budget Fiscal Years 2026 and 2027

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General Manager's Message

July 1, 2025

Honorable Members of the Board of Directors:

I am pleased to present the water and wastewater budgets for Fiscal Year 2026 (FY 2026) and Fiscal Year 2027 (FY 2027) in support of our mission to provide reliable, high-quality water and wastewater services for the people of the East Bay.

BUDGET OVERVIEW

For more than a century, the East Bay Municipal Utility District (EBMUD) has managed the critical water and wastewater infrastructure that allows our community to thrive. EBMUD employees are dedicated to serving our more-than 1.4 million water customers and 740,000 wastewater customers in Alameda and Contra Costa counties.

From our watershed in the Sierra Nevada foothills to our customers in the East Bay, EBMUD ensures that water is delivered to taps reliably, safely, and adhering to high water-quality standards. For approximately half of our customers, we treat the wastewater generated by residences, businesses, and other entities before it is released into the San Francisco Bay. A small portion of this treated discharge is recycled for non-potable uses.

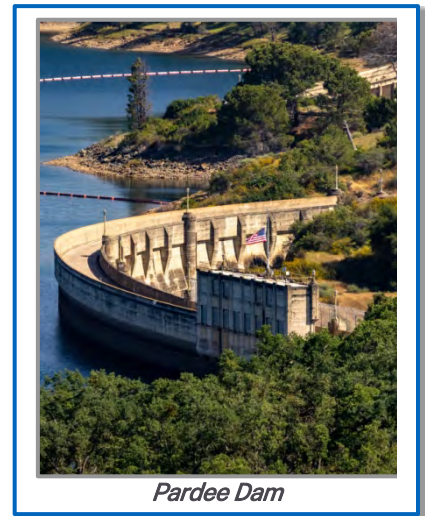
EBMUD is dedicated to fulfilling its mission while maintaining reasonable rates. We prioritize efficiency and innovation, and adopt a strategic, long-term perspective on our systems and finances to effectively serve current customers and future generations.

Even with planning and foresight, EBMUD faces many challenges that require increased residential and commercial rates to prepare for the future. We work to preserve high water quality as we confront adverse impacts from climate change. Aging infrastructure requires renewal to ensure continued reliability. We must meet changing regulations to protect our environment. As we go about our work, we develop new and better ways to engage our customers and cultivate the workforce we need to meet our challenges.

EBMUD's significant investments in our infrastructure include modernizing water treatment plants, relining aqueducts, and replacing aging pipelines to ensure continued reliability. Seismic improvements and facility renewal will enhance safety and better protect the bay. These and other essential investments are accompanied by rising costs in equipment, materials, and labor.

Fulfilling our community's needs requires financial strength. EBMUD navigates its long-term fiscal health by balancing expenses, the use of debt financing, and customer rates to maintain our effectiveness at a reasonable price. Our drinking water remains a good value at about 2 cents per gallon. And for those who need it, EBMUD also offers an industry-leading Customer Assistance Program.

Customer rate increases are necessary to invest in building resilient and reliable water and wastewater systems of the future. Under the adopted average rate increases, pending Board approval, in FY 2026, the typical customer will see monthly increases of \$3.77 in their water bills (or 12 cents per day) and \$2.17 in wastewater bills (or 7 cents per day) after new rates take effect July 1, 2025. For the Water System, these rate changes additionally reflect the results of the 2025 Cost of Service Study, described further below. The increases for FY 2027 result in an additional increase of \$4.30 per month for water (or 14 cents per day) and \$2.35 per month for wastewater (or 8 cents per day) for the same typical customer,



Pardee Dam

East Bay Municipal Utility District
General Manager's Message

effective July 1, 2026. For Water, this represents a 6.5 percent average rate increases in each of these two fiscal years; for Wastewater, the average rate increases are 8.5 percent in each year.

This year, the District updated its Cost of Service (COS) study for the Water System, leading to changes in the structure of some Water rates and charges. COS studies allocate costs among customer classes based on usage characteristics. State law requires basing rates and charges on the cost of providing service. The effort to update the Water COS was thorough and comprehensive and is published separately from the Biennial Budget. The rates and charges for the Wastewater System continue to reflect the 2019 Wastewater COS study.

Resources have been prioritized to achieve Strategic Plan goals and expand new initiatives while maintaining fair and reasonable water and wastewater rates. The FY 2026 and FY 2027 biennial budget supports our Strategic Plan in a wide range of ways:

- **Long-Term Water Supply:** Continuing to support non-potable reuse projects, groundwater projects, and other smart investments.
- **Water Quality & Environmental Protection:** Completing several large Water Treatment Plant Improvements in the 10-year Capital Improvement Program (CIP) will support continued delivery of high-quality water. Additionally, we are continuing to fund efforts to manage the watershed and support healthy rivers and natural lands.
- **Long-Term Infrastructure Investment:** Increasing funding for aging infrastructure and upgrades to major facilities. Additionally, the 10-year CIP is funded using a mix of cash and debt, ensuring future flexibility for significant projects.
- **Long-Term Financial Stability:** Balancing expenses, rate increases, and the use of debt to fund the system's capital investments and operations. Additionally, the new 10-year CIP reflects new Long-Range Financial Planning efforts that has the District on a path to more flexible and resilient finances.
- **Customer and Community Services:** Continuing to increase support for the Customer Assistance Program and increasing resources for education programs for schools.
- **Workforce Planning and Development:** Increasing funding for training with an enhanced focus on training and workforce development for the trades.

CUSTOMER BILL IMPACTS

The FY 2026 and FY 2027 average rate increases and customer bill impacts are shown below. The median single-family residential (SFR) customer uses 5 Units of water per month (about 123 gallons per day) – meaning half of our SFR customers use more water and half use less. We also provide wastewater treatment services for about half of the same service area, and median usage is 4 Units per month.

Summary of Adopted Average Rate Increases and Average Bill Impacts for SFR Customers

FY 2026 & FY 2027 Proposed Overall Rate & Average Monthly Bill Increase				
	Water System*		Wastewater System**	
	FY 2026	FY 2027	FY 2026	FY 2027
Typical Bill Increase*/**	\$3.77	\$4.30	\$2.17	\$2.35
Overall Average Rate Increase***	6.5%	6.5%	8.5%	8.5%

*For Water, typical bill increases are based on 5 Units of usage, or about 123 gallons per day, which is the median usage for Water SFR customers.

**For Wastewater, typical bill increases are based on 4 Units of water usage, which determines billing for wastewater, and is the median for Wastewater customers.

***Overall average rate increases are based on all customers' average bill increases.

East Bay Municipal Utility District
General Manager's Message

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 2026, or \$12.52 for the smallest lots to \$44.70 for the largest lots. In FY 2027, the charge will increase an additional 8.5 percent, an increase that ranges from \$13.58 to \$48.50 per year.

LABOR AGREEMENTS

District employees are represented by four bargaining groups. American Federation of State, County and Municipal Employees (AFSCME) Local 444, International Federation of Professional and Technical Engineers Local 21, and International Union of Operating Engineers Local 39 all have labor agreements expiring in April 2025, before the beginning of the FY 2026 budget year, which begins July 1, 2025. The fourth bargaining group, AFSCME Local 2019, has a contract that extends to July 13, 2025. The District is currently in negotiations with all four groups.

BUDGET OVERVIEW

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.

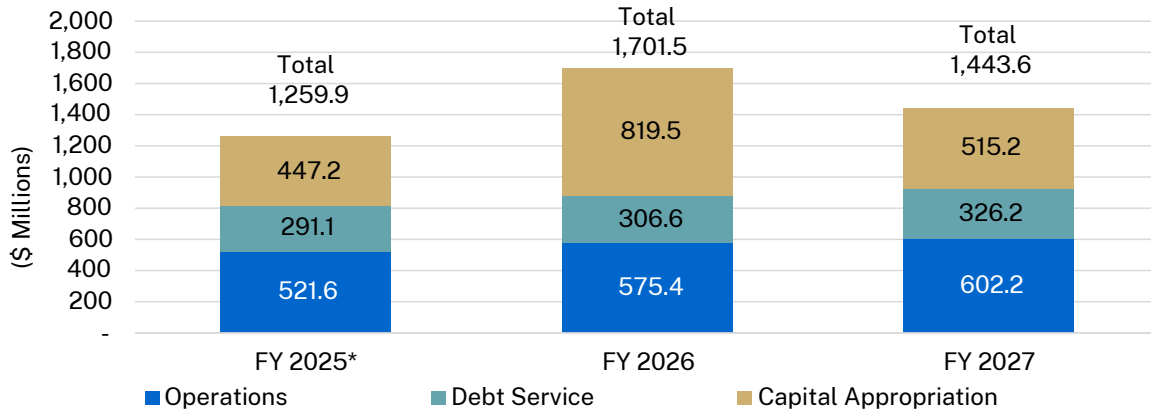
The development of this biennial budget and the 10-year CIP was guided by our Strategic Plan. Our main budget priorities are to continue investments in and maintenance of aging infrastructure and provide for long-term financial stability. The budget was developed after determining the highest-priority projects based on these priorities and Board direction.

The following chart and table show the budget appropriations for FY 2026 and FY 2027 for the Water System and Wastewater System operations, debt service, and capital appropriation compared to FY 2025.

- 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 other related costs.
- The capital appropriation budget includes funding for planned 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. Note that appropriations reflect the authority to spend funds. For the capital budget, those funds may be spent over the life of the project. This is why the appropriations may vary year-over-year, despite relatively steady growth in planned capital expenses.

East Bay Municipal Utility District
General Manager's Message

FY 2026 & FY 2027 Appropriations Summary and Comparison to FY 2025



*As approved on June 11, 2024.

FY 2026 & FY 2027 Appropriations Summary and Comparison to FY 2025

Appropriations Summary (\$ Millions)					
	FY 2025 Budget*	FY 2026		FY 2027	
		Budget	% Change	Budget	% Change
Water System					
Operations	413.2	456.4	10.5%	478.5	4.8%
Debt Service	256.3	269.7	5.2%	289.4	7.3%
Capital Appropriation	359.9	729.2	102.6%	394.4	-45.9%
Wastewater System					
Operations	108.5	118.9	9.7%	123.7	4.0%
Debt Service	34.8	36.9	6.2%	36.8	-0.4%
Capital Appropriation	87.2	90.3	3.5%	120.8	33.7%
District-Wide					
Operations (Baseline)	521.6	575.4	10.3%	602.2	4.7%
Debt Service	291.1	306.6	5.3%	326.2	6.4%
Capital Appropriation	447.2	819.5	83.3%	515.2	-37.1%
Total District-Wide	1,259.9	1,701.5	35.0%	1,443.6	-15.2%

*As approved on June 11, 2024.

Water System

FY 2026

In FY 2026, the baseline operations budget, excluding drought operations, is increasing \$43.3 million, or 10.5 percent compared to FY 2025. This significant increase is driven primarily by:

- Increased wages and benefits, driven by existing Board-approved labor agreements, as well as increased health insurance costs, driven primarily by increases in premiums for Kaiser Health Insurance, which a majority of employees choose for their health plan. Additionally, new positions are being added to meet critical needs.
- Increasing costs for District facility security contracts and computer software and technology, and increased liability insurance premiums and liability claims. Additionally, water conservation expenses are moving to the operating budget from the capital budget. Other operating expenses continue to grow at about the same rate as inflation.

East Bay Municipal Utility District
General Manager's Message

Offsetting those increases are that a larger CIP drives higher capital support services as there are increased needs for managing the larger CIP. Capital support transfers costs to the capital budget for the portion of operations that is supporting the District's extensive capital program.

Debt service in FY 2026 is increasing by \$13.4 million, or 5.2 percent, primarily due to the planned issuance of additional debt to fund capital reinvestment.

Capital appropriations in FY 2026 are increasing by \$369.2 million, or 102.6 percent, driven by significant growth in the District's CIP. Appropriations fund work over many years and do not reflect actual expected expenses. 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 2027

In FY 2027, the operations budget is increasing by \$22.1 million, or 4.8 percent. Labor expenses are expected to increase due to scheduled step increases, expectations for cost-of-living related wage increases, and a rise in retirement and health care costs. Other operating expenses are projected to grow as well, though not significantly faster than inflation estimates.

Debt service in FY 2027 will increase by \$19.7 million, or 7.3 percent, due to the planned issuance of additional debt to fund capital reinvestment. Capital appropriations are expected to decrease by \$334.7 million, or 45.9 percent, as existing appropriations will be sufficient to fund projects expected to be in progress during the year.

Wastewater System

FY 2026

In FY 2026, the operations budget is increasing \$10.5 million, or 9.7 percent compared to FY 2025. This significant increase is driven primarily by:

- Increased wages and benefits, driven by existing Board-approved labor agreements, as well as increased health insurance costs, driven primarily by increases in premiums for Kaiser Health Insurance, which a majority of employees choose for their health plan. Additionally, new positions are being added to meet critical needs.
- Significant increase in contingency funding for the Wastewater System, driven by a shift in the way the District will pay for liability insurance, self-insured claims, and workers' compensation insurance, as well as reserving funds for potential cost overruns in energy and chemicals.
- Expenses shifting from the capital budget to the operating budget, as part of refocusing on the capital program and ensuring capital resources are devoted to long-term investments.
- Other operating expense increases for important expenses such as small tools and equipment, computer software, laboratory supplies, and the materials needed for capital maintenance.

Debt service in FY 2026 is increasing by \$2.1 million, or 6.2 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 has no exposure to variable interest costs, except for at the time of issuance of new bonds.

Capital appropriations in FY 2026 are increasing slightly by \$3.1 million, or 3.5 percent, while there is significant expected growth in the system's planned capital expenses. Appropriations fund work over many years and do not reflect actual expected expenses. Wastewater capital projects already have sufficient appropriations to meet expected FY 2026 expenses. Major projects in the capital program include rehabilitation of interceptor segments, modernization of existing buildings and critical facilities at the Main Wastewater Treatment Plant (MWWTP), and other work to address aging infrastructure.

FY 2027

In FY 2027, the operations budget is increasing by \$4.7 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. Chemical and energy expenses are expected to continue to increase, along with fees and licenses, and liability insurance and related costs.

Debt service in FY 2027 will decrease by about \$0.1 million or 0.4 percent as there is a small decrease in that year's principal and interest payments. Capital appropriations are expected to increase by \$30.5 million, or 33.7 percent.

10-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.

Water System Top Projects

During FY 2026 - FY 2035, planned Water System capital spending totals \$5.6 billion, including capital support.

The table below shows major Water System capital focus areas and the projected 10-year spending as we continue to invest in infrastructure and maintain a high level of system reliability and water quality. Among these major projects are:

- Replacement of more than 290 miles of distribution pipeline over the next 10 years;
- Investments in water treatment remains a focal point of the CIP, which includes comprehensive operational and water quality improvements at Orinda, Upper San Leandro, and Walnut Creek treatment plants, and disinfection modernization at Lafayette Treatment Plant;
- Replacement of distribution reservoirs is driven by the \$200 million Central Reservoir Replacement;
- Replacement of pumping plants will occur regularly at approximately 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 businesses.

Water System Major Capital Focus Areas

Expected Capital Expenses (\$ Millions)	
Award Purpose	10-Year Cash Flow
Pipelines - Distribution System	1,689.7
Water Treatment	713.0
Reservoirs - Distribution	366.1
New Business Infrastructure	321.8
Raw Water System	335.9
Pumping Plants	232.1
Process & System-Wide Improvements	228.5
Excludes Capital Support	

East Bay Municipal Utility District
General Manager's Message

Wastewater System Top Projects

During FY 2026 - FY 2035, the planned Wastewater System capital spending totals \$1.2 billion, including capital support.

The table below shows the major Wastewater System capital projects and the projected 10-year spending. Major investments will occur throughout the infrastructure that comprises the Wastewater System. Among those major projects are:

- Rehabilitation of five interceptor segments;
- Modernization of the Influent Pump Station, Oxygen Production Plant, and Secondary Reactors and Clarifiers;
- Embarking 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 (\$ Millions)	
Award Purpose	10-Year Cash Flow
Main Wastewater Treatment Plant	881.4
Remote Facilities	192.1
System-Wide Improvements	91.4
Excludes Capital Support	

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 seventh time, the California Society of Municipal Finance Officers has conferred its Operating Budget Excellence Award for the District's biennial budget documents.

Budget Awards from GFOA and CSMFO



Conclusion

For over a century, EBMUD has demonstrated the reliability of our water and wastewater services and our commitment to the communities we serve. With the support of our employees and community, we have consistently ensured high-quality, reliable water and protected the environment, despite many challenges. As we look ahead, we remain dedicated to investing in our infrastructure, adapting to the impacts of climate change, and ensuring we maintain strong finances and improve our financial resiliency. EBMUD's commitment remains steadfast to the East Bay community and all of the communities we touch.

The FY 2026 and FY 2027 biennial budget funds critical infrastructure work and sets us on the right course for the next several decades. With the ongoing support of the Board, staff, and the community, I am confident that we will meet our challenges and ensure our finances and 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. The names of critical staff involved in producing the adopted budget are listed below my signature in recognition of their diligent work.

Respectfully submitted,



Clifford C. Chan
General Manager

CCC:SDS
Attachment

Office of Budget & Performance

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Adopted Budget Book covers and style designed by Michael Bergstrom, Senior Graphic Designer

ATTACHMENT TO THE GENERAL MANAGER'S MESSAGE

Rate Impacts by Use Level and Customer Class

This attachment shows the bill impacts of the FY 2026 and FY 2027 water and wastewater rates and charges for a range of customer classes and use levels. Water use is measured and billed in Units where 1 Unit equals 748 gallons. Please visit ebmud.com/rates to view the Cost of Service Studies for each system and more details on rate-setting.

WATER CHARGES: MONTHLY BILL IMPACTS

The following table shows the monthly bill impact of the adopted average rate increases on a cross-section of single-family residential (SFR) customers, ranging from 3 Units (25th percentile) to 19 Units (95th percentile), and for the typical (or median) customer using 5 Units and the mean customer using 7 Units. SFR customers receive bills covering a two-month period, however the below shows the monthly bill.

Adopted Example Single-Family Residential Monthly Bill Impacts

Example Single-Family Residential Monthly Bill Impacts								
	Use*	FY 2025 Bill	FY 2026 Bill	\$ Change	% Change	FY 2027 Bill	\$ Change	% Change
25 th Percentile	3	\$ 51.71	\$ 50.52	\$ (1.19)	-2.3%	\$ 53.80	\$ 3.28	6.5%
Typical Customer** (50 th Percentile)	5	\$ 62.53	\$ 66.30	\$ 3.77	6.0%	\$ 70.60	\$ 4.30	6.5%
75 th Percentile	9	\$ 88.23	\$ 100.38	\$ 12.15	13.8%	\$ 106.88	\$ 6.50	6.5%
95 th Percentile	19	\$ 169.80	\$ 196.80	\$ 27.00	15.9%	\$ 209.53	\$ 12.73	6.5%
Mean Single Family Residential Use***	7	\$ 73.35	\$ 82.08	\$ 8.73	11.9%	\$ 87.40	\$ 5.32	6.5%

*Use presented in Units per month. One Unit is about 748 gallons.

**Typical customer is the median – half of Single-Family Residential customers pay less, and half pay more.

***7 Units/month represents recent mean single-family residential use.

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

Adopted Example Multi-Family Residential (MFR) and Non-Residential Monthly Bill Impacts

Example Multi-Family Residential (MFR) and Non-Residential Monthly Bill Impacts									
	Meter Size	Use*	FY 2025 Bill	FY 2026			FY 2027		
				Bill	\$ Change	% Change	Bill	\$ Change	% Change
MFR 4 dwellings	1"	20	\$ 206.60	\$ 207.14	\$ 0.54	0.3%	\$ 220.60	\$ 13.46	6.5%
MFR 5+ dwellings	1"	35	\$ 321.35	\$ 331.79	\$ 10.44	3.2%	\$ 353.35	\$ 21.56	6.5%
Commercial	1"	50	\$ 434.60	\$ 466.94	\$ 32.34	7.4%	\$ 497.10	\$ 30.16	6.5%
Industrial	2"	500	\$ 3,963.23	\$ 4,378.37	\$ 415.14	10.5%	\$ 4,661.06	\$ 282.69	6.5%

*Use presented in Units per month. One Unit 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 on 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 Units 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 the typical single-family residential customer using 4 Units per month and a customer discharging the maximum of 9 Units. The typical customer is based on median usage – that is, half of customers use less than 4 units per month of water, and half use more. In addition, impacts are shown for two multi-family residential customers: one with 4 dwellings using 25 Units per month, and one with 5+ dwellings using 50 Units per month. Impacts are also shown for a sample commercial customer using 50 Units per month (using the “All Other Business Classifications” strength and flow charges) and an industrial customer using 500 Units per month (using the BCC 2080 “Beverage Manufacturing & Bottling”).

Adopted Example Wastewater Treatment Charges per Month

Example Wastewater Monthly Bill Impacts								
	Use*	FY 2025 Bill	FY 2026 Bill	\$ Change	% Change	FY 2027 Bill	\$ Change	% Change
Typical Single-Family Residential**	4	\$ 25.88	\$ 28.05	\$ 2.17	8.4%	\$ 30.40	\$ 2.35	8.4%
Maximum Single-Family Residential	9	\$ 34.28	\$ 37.15	\$ 2.87	8.4%	\$ 40.25	\$ 3.10	8.3%
MFR 4 dwellings	20	\$ 82.37	\$ 89.24	\$ 6.87	8.3%	\$ 96.66	\$ 7.42	8.3%
MFR 5+ dwellings	35	\$ 141.54	\$ 153.53	\$ 11.99	8.5%	\$ 166.64	\$ 13.11	8.5%
Commercial	50	\$ 202.27	\$ 219.06	\$ 16.79	8.3%	\$ 237.42	\$ 18.36	8.4%
Industrial	500	\$ 2,784.77	\$ 3,020.56	\$ 235.79	8.5%	\$ 3,276.42	\$ 255.86	8.5%

*Use presented in Units per month. One Unit is about 748 gallons.

**Typical customer is the median for Wastewater – half of Single-Family Residential customers pay less, and half pay more.

WASTEWATER WET WEATHER FACILITIES CHARGE: ANNUAL PROPERTY TAX BILL IMPACTS

The following table shows the annual Wet Weather Facilities Charges. These charges fund the capital facilities designed to meet peak wet weather flows that are in excess of normal wastewater discharge. These are collected on the property tax bill on each property that is connected to the wastewater system to pay for the capital facilities required to handle the wet weather flows that enter the District's wastewater system through the local collection systems and sewer connections.

Adopted Annual Wet Weather Facilities Charge on Property Tax Bill

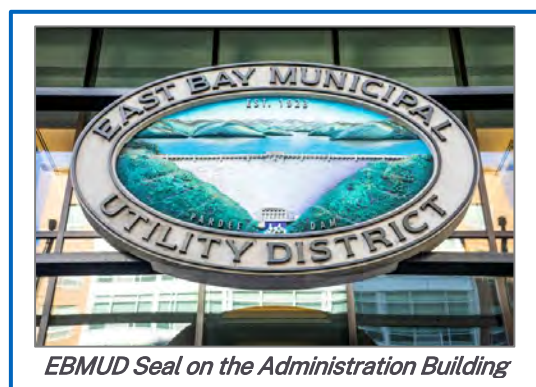
Example Wet Weather Facilities Charge on Annual Property Tax Bill							
	FY 2025 Charge	FY 2026 Charge	\$ Change	% Change	FY 2027 Charge	\$ Change	% Change
Small Lot 5,000 sq. ft. or less	\$ 147.38	\$ 159.90	\$ 12.52	8.5%	\$ 173.48	\$ 13.58	8.5%
Medium Lot 5,001 - 10,000 sq.ft.	\$ 230.16	\$ 249.72	\$ 19.56	8.5%	\$ 270.94	\$ 21.22	8.5%
Large Lot 10,000 sq. ft. or larger	\$ 526.00	\$ 570.70	\$ 44.70	8.5%	\$ 619.20	\$ 48.50	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 tallest 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.



Originally providing water service to nine cities, EBMUD now provides service to a population of 1.4 million in 20 incorporated and 15 unincorporated communities. Covering 332-square mile area, our service area extends from Crockett in the north to San Lorenzo in the south, and eastward from the 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, which is 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 have EBMUD treat factory waste and raw sewage that was being released into the San Francisco Bay. In 1951, wastewater treatment began at a plant constructed in Oakland near the San Francisco-Oakland Bay Bridge. Wastewater service is now provided to a population of 740,000 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 the 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 more than 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 Chabot Reservoir 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 by EBMUD. EBMUD purchases the East Bay Water Company.
1929	Pardee Dam, tallest dam of its kind 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 the 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 “Get the Lead Out” law passed to limit lead in drinking-water plumbing based on EBMUD-sponsored California law.
2015	Population of 1.4 million served at 149 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/.

Community

SERVICE AREA

Since 1929, when the District first delivered water from the Sierra Nevada 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 \$779 billion Bay Area regional economy, based on 2023 gross domestic product (GDP), which is essential to the economic health of California and the nation.

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 the 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.

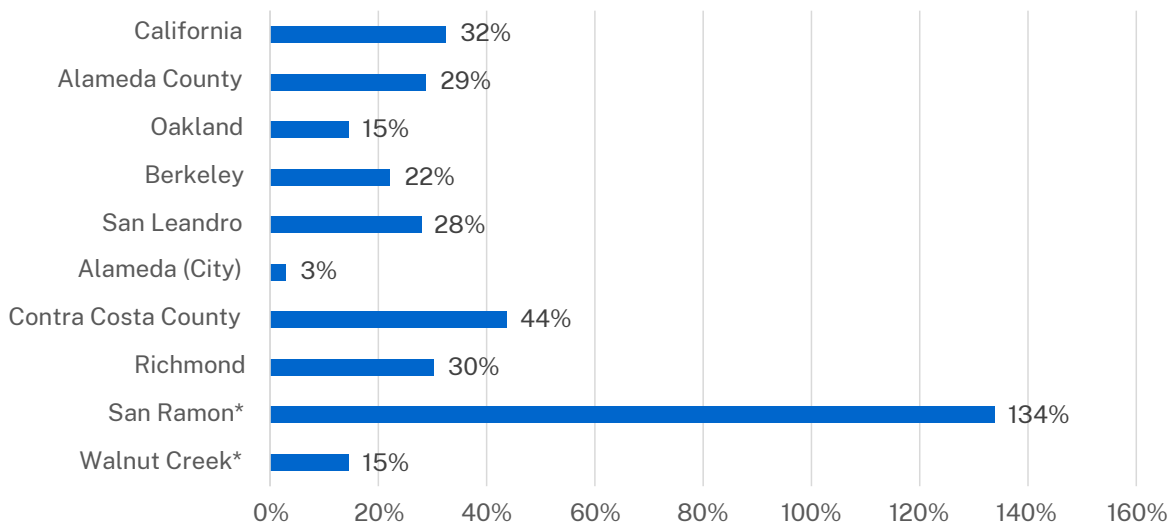
Population Statistics for Counties and Major Cities in the District's Service Area

Population Trends for Counties & Seven Largest Cities					
	1990	2000	2010	2020	2024
California	29,558,000	33,872,000	37,223,900	39,782,870	39,128,162
Alameda County	1,274,700	1,443,700	1,509,240	1,670,834	1,641,869
Oakland	371,100	399,500	390,757	433,697	425,093
Berkeley	102,700	102,700	112,621	122,580	125,327
San Leandro	68,100	79,500	84,977	87,930	87,098
Alameda (City)	75,900	72,300	73,835	81,312	78,071
Contra Costa County	797,600	948,800	1,047,948	1,153,561	1,146,626
Richmond	86,600	99,200	103,661	111,217	112,735
San Ramon*	35,300	44,800	72,148	83,118	82,525
Walnut Creek*	60,600	64,300	64,140	70,860	69,433

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

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

Population Growth Trends from 1990 to 2022



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

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

Water and Wastewater Systems

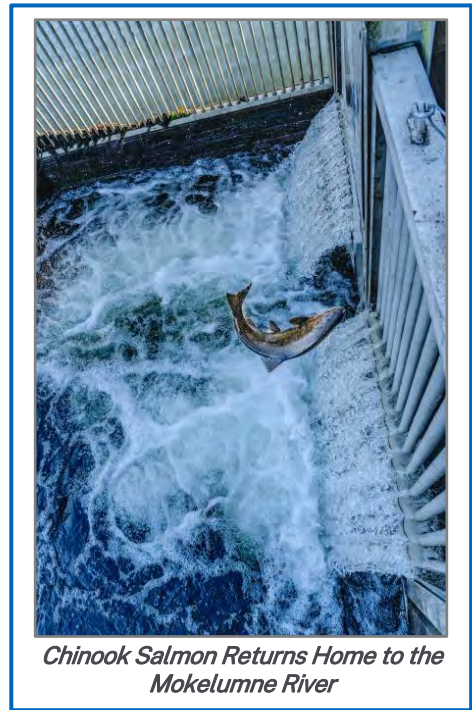
WATER SUPPLY

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

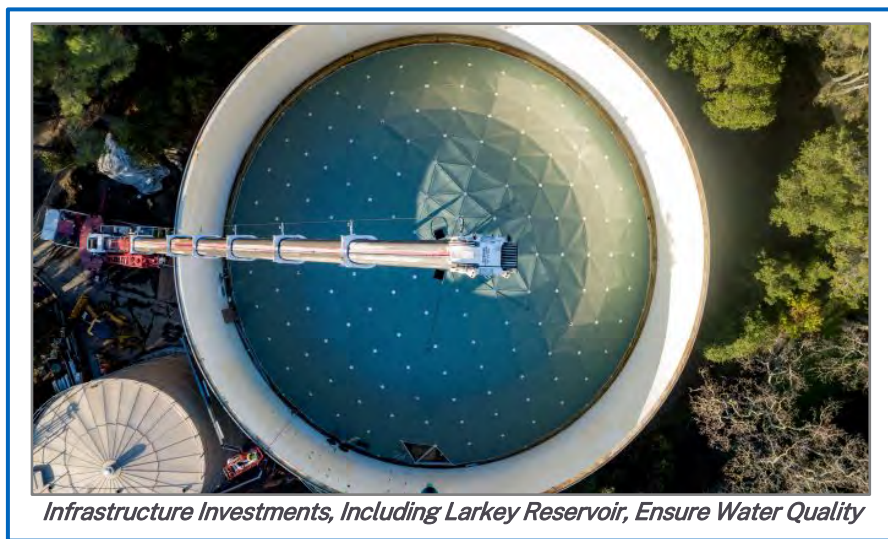
One of the most important factors in water quality is the source. Ninety percent of the District's water comes from the 578-square mile watershed of the Mokelumne River located on the western slope of the Sierra Nevada. This area is mostly national forest, District-owned lands, and other undeveloped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

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

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



Chinook Salmon Returns Home to the Mokelumne River



Infrastructure Investments, Including Larkey Reservoir, Ensure Water Quality

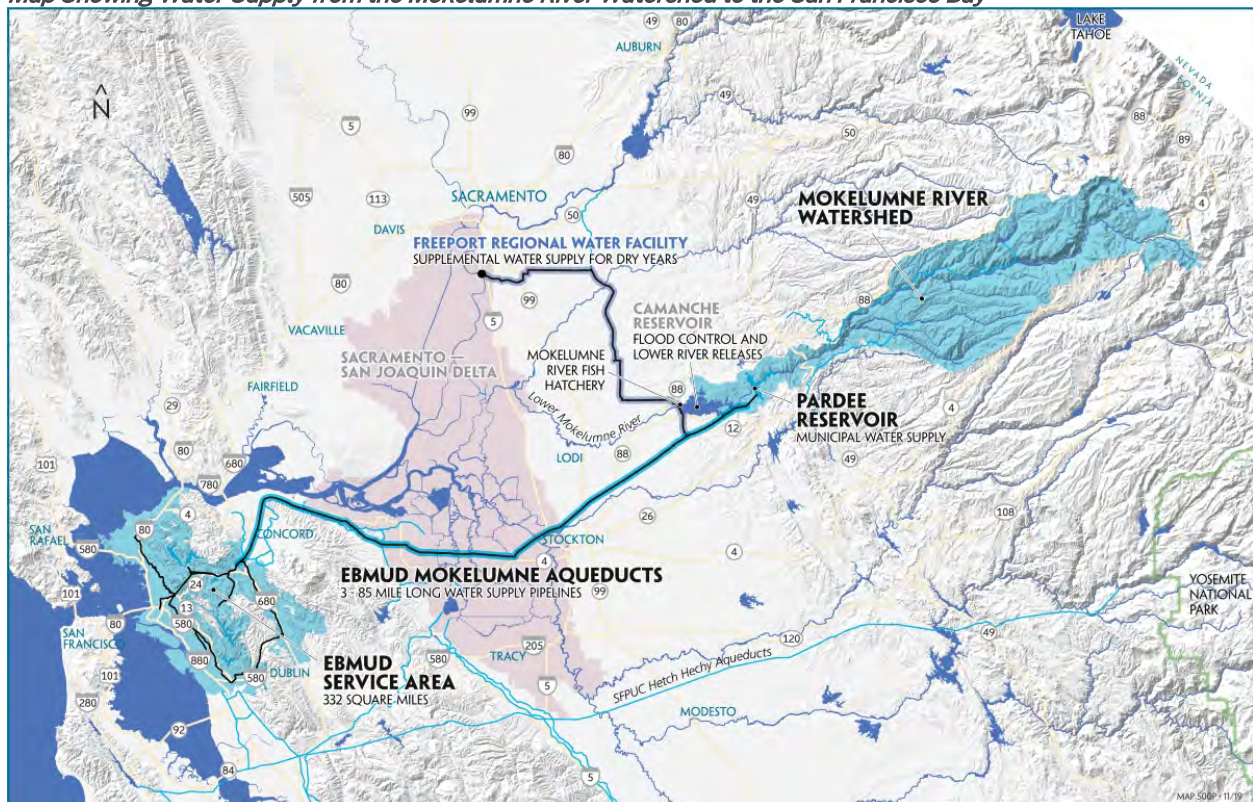
Every five years, the District updates its Urban Water Management Plan to ensure a reliable water supply for the next generation. Plan elements include making the best use of limited supplies through water conservation and recycling and developing long-term projects to augment the water supply, including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



Freeport Water Project – Sacramento, CA

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

Map Showing Water Supply from the 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 54 million gallons of municipal wastewater per day in Fiscal Year 2024. 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 water 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/.

Ward 1	Joey D. Smith	Term expires 12/31/2028
CONTRA COSTA COUNTY: Cities of Crockett, Hercules, Rodeo, and San Pablo; portions of Richmond and Pinole; and communities of North Richmond and Selby.		
Ward 2	Luz Gómez, Vice President	Term expires 12/31/2026
CONTRA COSTA COUNTY: Cities of Alamo, Lafayette, Walnut Creek, Town of Danville; communities of Blackhawk and Diablo; and portions of San Ramon and Pleasant Hill.		
Ward 3	Marguerite Young, President	Term expires 12/31/2026
ALAMEDA COUNTY: City of Piedmont, and a portion of Oakland. CONTRA COSTA COUNTY: Cities of Orinda and El Sobrante; Town of Moraga, and portions of Pinole and Richmond.		
Ward 4	Andy Katz	Term expires 12/31/2026
ALAMEDA COUNTY: Cities of Albany, Berkeley, and Emeryville; and a portion of Oakland. CONTRA COSTA COUNTY: Cities of El Cerrito and Kensington.		
Ward 5	Jim Oddie	Term expires 12/31/2028
ALAMEDA COUNTY: City of Alameda; portions of the cities of Oakland and San Leandro, and a portion of the community of San Lorenzo.		
Ward 6	Valerie D. Lewis	Term expires 12/31/2028
ALAMEDA COUNTY: Portions of Oakland, including East Oakland and south of Park Boulevard/5 th Avenue to the City of San Leandro boundary.		
Ward 7	April Chan	Term expires 12/31/2026
ALAMEDA COUNTY: Castro Valley; portions of San Lorenzo, San Leandro, and Hayward; communities of Cherryland and Fairview. CONTRA COSTA COUNTY: Portions 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

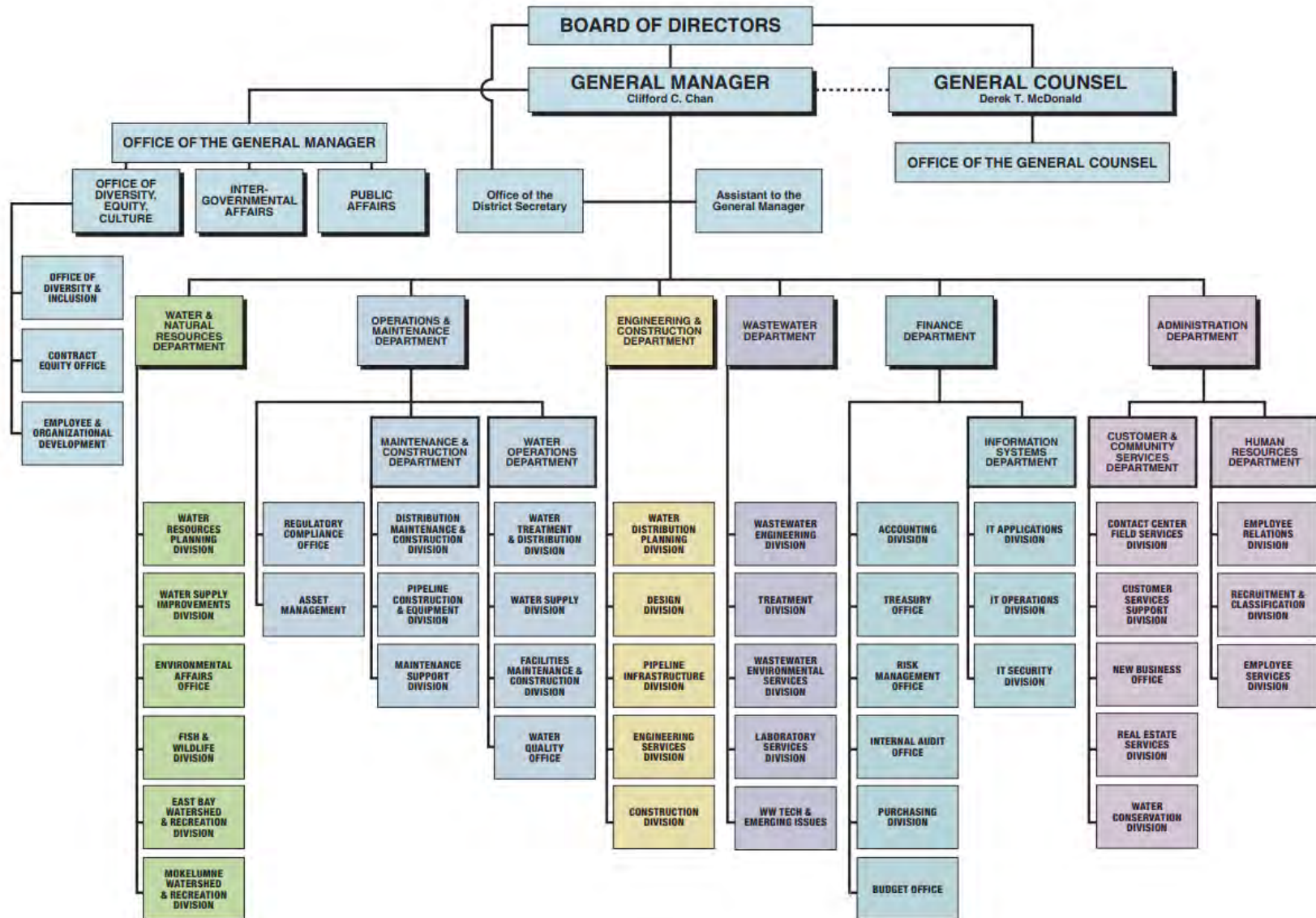
The Senior Management Team members are listed below.

David A. Briggs	Director of Operations and Maintenance
Cindy R. Charan	Director of Human Resources
Rischa S. Cole	Secretary of the District
Roberto Cortez	Manager of Water Operations
Janetta M. Johnson	Assistant to the General Manager
Andrew Lee	Director of Customer and Community Services
Orlando Leon	Chief Information Officer
Derry L. Moten	Manager of Office of Diversity, Equity, and Culture
Amit Mutsuddy	Director of Wastewater
Sophia Skoda	Director of Finance
Serge Terentieff	Director of Engineering and Construction
Alice E. Towey	Director of Water and Natural Resources
Kathy Viatella	Intergovernmental Affairs Manager
Michelle L. Workman	Manager of Natural Resources
Crystal Yezman	Manager of Maintenance and Construction
Kelly Zito	Manager of Public Affairs

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/.



ORGANIZATION CHART



WORKFORCE

The District has more than 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 work in the Central Valley and Mokelumne watershed area.

EBMUD 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 workforce composition reflective of the labor market, and to develop action-oriented programs to improve recruitment efforts. We are committed to providing a professional environment which is free from EEO discrimination, harassment, and/or retaliation.

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



Administration Building – Oakland, CA

Strategic Plan

SUMMARY

The District's Strategic Plan incorporates its mission and principles, and identifies its goals, strategies, objectives, and key performance indicators. The plan guides staff in the management and allocation of resources and assets. The Strategic Plan also guides the development of the biennial budget and the 10-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 document 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



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 Key Performance Indicators (KPI) 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/.

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 the 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.

EBMUD Fun Fact:

EBMUD infrastructure provides 7.75 million gallons of recycled water each day. That's estimated to be enough to water nearly 4,500 sports fields year-round.

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

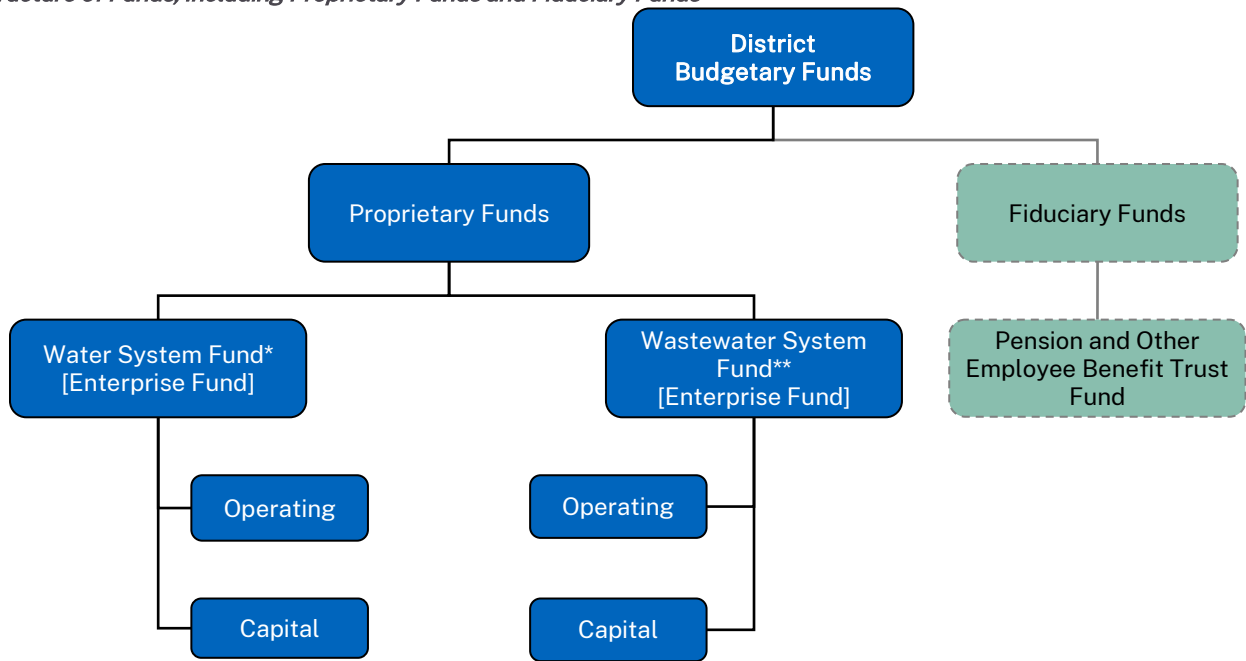
The District's financial structure is composed of proprietary funds (ongoing business operations) and fiduciary funds (see glossary for definitions of terms). The proprietary funds include two legally distinct and financially independent enterprise funds: Water System and Wastewater System. The two separate 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 primarily 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 primarily 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

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, 2024. 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 eighteenth consecutive year that the District has received the award.

BUDGETARY AND ACCOUNTING BASIS

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

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

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

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

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

Revenue and Expenses on a Budgetary Basis Compared to Accounting Basis

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

FINANCIAL PLANNING

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

Revenue requirements over a ten-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 at least 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 Investments
- 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. The Water System requires a minimum of 20 percent of projected annual water volume revenues, and 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: Investments

This policy guides the investment of District funds. The policy ensures that all investments are compliant with the state law, protects investments (safety), ensures availability of funds when needed (liquidity), and 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.

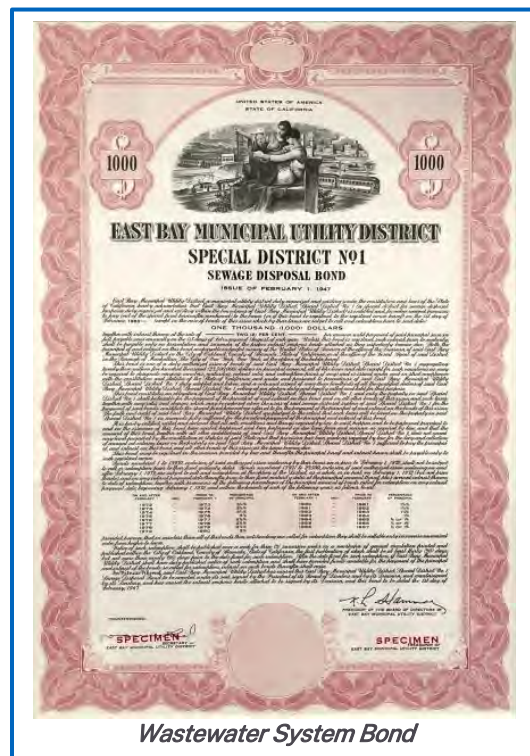
Policy 4.13: Establishing Water and Wastewater Rates

This policy guides the establishment of water and wastewater rates for the East Bay Municipal Utility District. The policy ensures that rates comply with applicable laws, including Proposition 218 and the Municipal Utility District (MUD) Act. Among the key guidelines included in the policy are the methodology for setting rates, the requirement for a cost-of-service study at least every ten years, and the design principles that ensure cost recovery for the operation and capital needs of water and wastewater facilities. The policy also outlines the public involvement process in rate-setting, ensuring transparency through public hearings and board review before implementing new or revised rates.

Policy 4.27: Debt Management

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

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



Budget Process

SUMMARY

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

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

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

The District received the GFOA's Distinguished Budget Presentation Award for its FY 2024 and FY 2025 biennial budget document. This is the eighteenth consecutive budget document for which the District has received the GFOA award. For the seventh 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

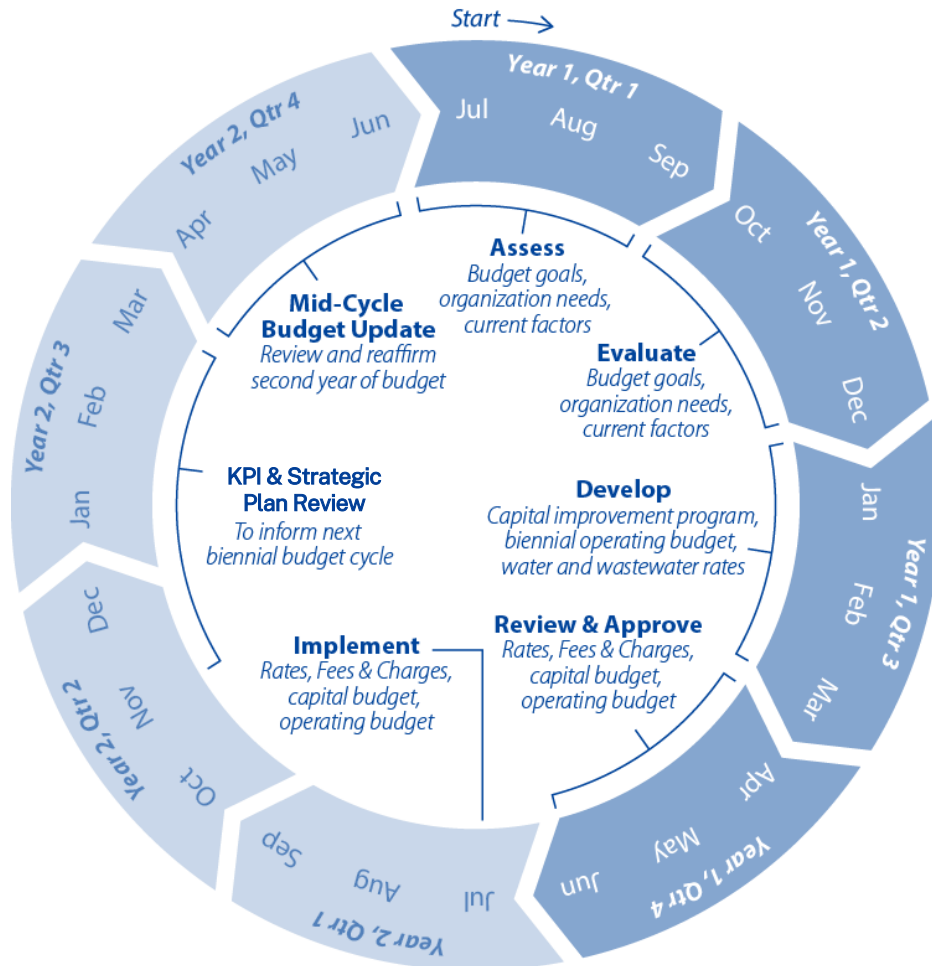
The District budget is balanced when revenues are equal to or greater than expenditures, including debt service, and ending fund balances meet minimum policy levels. The District's rates and charges are set to ensure that rate revenues are sufficient to recover the total revenue requirement in a given fiscal year. To calculate rate structures, the District conducts Cost of Service (COS) studies. COS studies allocate costs among customer classes based on usage characteristics. State law requires basing rates and charges on the cost of providing service.

This year, the District updated the COS study for the Water System, leading to changes in the structure of some Water rates and charges. The effort to update the Water COS was thorough and comprehensive and is published separately from the Biennial Budget. The rates and charges for the Wastewater System continue to reflect the 2019 Wastewater COS study.

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.

Biennial Budget Development Cycle



Assess	Budget goals, organization needs, and current factors
Before July	Capital budget process starts before the fiscal year begins.
July	Budget guidelines and assumptions prepared.
August	Operating budget and staffing-related budget development starts.
Evaluate	Budget goals, organization needs, and current factors
October	Review of staffing, operating, and capital budget requests.
November	Infrastructure Workshop presents information on the 10-Year CIP.
December	Senior Management Team (SMT) reviews and discusses budget requests.

Develop	Capital Improvement Program, biennial operating budget, rates
January	Operating, staffing, and capital budget 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 further refined.
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.
Approve	Rates, charges, and fees, capital budget, operating budget
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, charges, and fees schedules; and positions authorization.
Implement	Adopted rates, charges, and fees, capital and operating budgets
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 periodically as needed. 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.

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:

All Departments' Responsibilities

- Support preparation of the 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's 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 updates to 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 the 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 projects.

Starting in FY 2026, the District will be modifying its capital budget controls to increase accountability associated with capital project costs. The development of these new control methods is ongoing and will be phased in using a combination of existing financial system and manual monitoring processes.

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, except when approval is granted in advance through the biennial budget resolution, which allows for increases in appropriations when awarded grant funds. No appropriations can be transferred between the Water and Wastewater Systems.

CAPITAL IMPROVEMENT PROGRAM PREPARATION

About the CIP

The CIP communicates the District's planned infrastructure investments for the next 10 years by first identifying and prioritizing capital needs, then refining the plan given available resources. 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.

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:

- Managing the CIP budget preparation and planning process, including forecasting, stewardship of enterprise budget development software, and internal communications;
- Providing staff support to the Capital Steering Committees (CSCs);
- Ensuring that the decisions of the CSC and General Manager are reflected in the budget;
- Determining the level and sources of funding necessary for the CIP;
- Reporting to the General Manager and CSCs the status of capital cash flow spending; and
- If required, requesting General Manager or Board approval for adjustments to CIP appropriations.

CIP Budget Development

The responsibilities for preparing and managing the CIP continue to be a collaborative effort, with new elements incorporated for this budget cycle.

PRIORITIZATION

For the FY 2026 - FY 2035 CIP, OBP and the CSC embarked on a new capital prioritization process. Every project in this CIP was individually scored by the members of the Water and Wastewater CSCs and evaluated for its importance to the system along multiple criteria as well as the urgency of its need. The projects were then organized in priority order. After this, project resources were considered, and staff adjusted the CIP to align with the District's financial and staffing capabilities. This process helped prioritize the organization's infrastructure needs.

TECHNOLOGY

The District continues to invest in technology to modernize the District's financial processes, enhance reporting, streamline data entry, and foster innovative methods of budget development. The tools heavily supported this CIP development processes. The new practices 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.

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, project staff submitted questionnaires for each project included in the CIP, to be scored according to the criteria above. After scores placed projects in priority order, project appropriations and cash flows were updated, and project descriptions and justifications were modified. Managers also worked together to identify the most effective ways to schedule, staff, and coordinate projects.

CAPITAL STEERING COMMITTEES (CSCs)

The CSCs – one for the Water System and Wastewater System – consist 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.



Leak Detection Reduces Water Loss

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, and Capital Improvement Program
- Staffing and Labor and Benefits
- Sources of Funds and Fund Summaries

Budget Appropriations

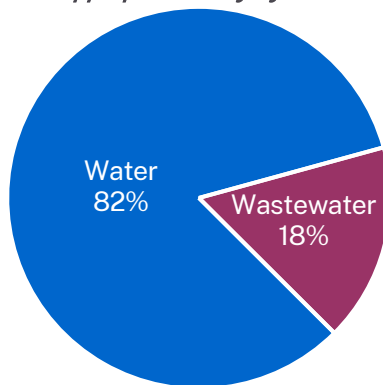
The budgeted appropriations are divided into three categories:

- **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.

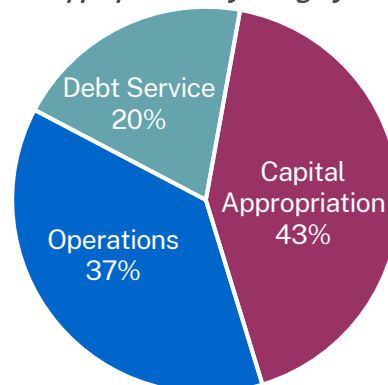
Appropriations Summary for Water and Wastewater Systems

Appropriations Summary (\$ Millions)							
	FY 2026			FY 2027			Grand Total
	Water	Wastewater	Total	Water	Wastewater	Total	
Operations	456.4	118.9	575.4	478.5	123.7	602.2	1,177.6
Debt Service	269.7	36.9	306.6	289.4	36.8	326.2	632.8
Capital Appropriation	729.2	90.3	819.5	394.4	120.8	515.2	1,334.7
Total	1,455.3	246.2	1,701.5	1,162.3	281.3	1,443.6	3,145.1

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, 344 miles of aqueducts, 171 reservoirs including 164 treated water reservoirs, 143 pumping plants, 37 miles of sewer interceptors, and 10 water treatment plants and one wastewater treatment plant plus three wet weather facilities. Other services include recreation, fishery and habitat restoration, water conservation, pollution prevention, youth and adult 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.

Appropriations by Service Provided

FY 2026 & FY 2027 Appropriations by Services Provided (\$ Millions)		
Services	FY 2026	FY 2027
Capital Improvement Program 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.	819.5	515.2
Debt Service Interest and principal repayment of bonds sold to pay for capital investments along with other debt-related expenses.	306.6	326.2
Water Service 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.	285.6	297.6
Wastewater Service 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.	115.1	119.1
Support Services Human resources, finance, legal, information systems, and other services.	113.3	121.7
Customer Service Water conservation programs, public information, school outreach, billing services, contact center, and additional customer support services.	37.5	39.3
Natural Resource Management and Protection Environmentally sound management of over 57,000 acres of watershed lands, and operation of public recreation facilities and fisheries programs.	23.9	24.5
Total Budget Appropriations	1,701.5	1,443.6

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. Capital support costs, such as administration and general oversight, capture costs that support but are not directly attributable to a single capital project. 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 small 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 2026	FY 2027	% Change
Water System			
Administration	-	-	
Customer & Community Services	31.4	32.9	4.7%
Engineering & Construction	32.3	33.7	4.5%
Finance	27.5	28.3	2.9%
Human Resources	14.5	15.1	4.2%
Information Systems	43.0	44.1	2.4%
Maintenance & Construction	107.8	111.8	3.7%
Natural Resources	23.9	24.5	2.8%
Office of the General Counsel	6.8	7.1	3.6%
Office of the General Manager	21.4	23.7	10.7%
Operations & Maintenance Support	36.4	38.1	4.6%
Water Operations	130.8	136.3	4.1%
Water Recycling Program	8.2	8.5	4.1%
Water Resources	14.8	15.4	4.2%
Staffed Departments Subtotal	498.8	519.4	4.1%
Contingency	28.1	29.6	5.2%
Intradistrict	(12.5)	(12.5)	0.0%
Capital Support	(58.0)	(58.0)	0.0%
Total Water System	456.4	478.5	4.8%
Wastewater System			
Staffed Department	115.1	119.1	3.4%
Contingency	6.9	7.7	11.4%
Capital Support	(3.1)	(3.1)	0.0%
Total Wastewater System	118.9	123.7	4.0%
District Total	575.4	602.2	4.7%

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 10-year FY 2026 – FY 2035 CIP, approximately 35.0 percent of the Water System’s capital program and 50.9 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 for the Water System is projected to be \$2.82 billion as of June 30, 2025, and \$356.1 million on the Wastewater System as of June 30, 2025.

District-Wide Debt Service and Planned Bond Issuance

Debt Service and Bond Issuance (\$ Millions)				
	FY 2026		FY 2027	
	Water System	Wastewater System	Water System	Wastewater System
Debt Service Payments	266.3	36.9	286.6	36.8
New Bond Issuance	355.0	40.0	345.0	35.0

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 first two years of 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.

Planned Capital Appropriations by Fund

Planned Capital Appropriations by Fund (\$ Thousands)			
	FY 2026	FY 2027	Total
Water	671,154	336,444	1,007,599
Capital Support	58,000	58,000	116,000
Water Total	729,154	394,444	1,123,599
Wastewater	87,216	117,679	204,895
Capital Support	3,100	3,100	6,200
Wastewater Total	90,316	120,779	211,095
District Total	819,470	515,224	1,334,694

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 illustrating 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.

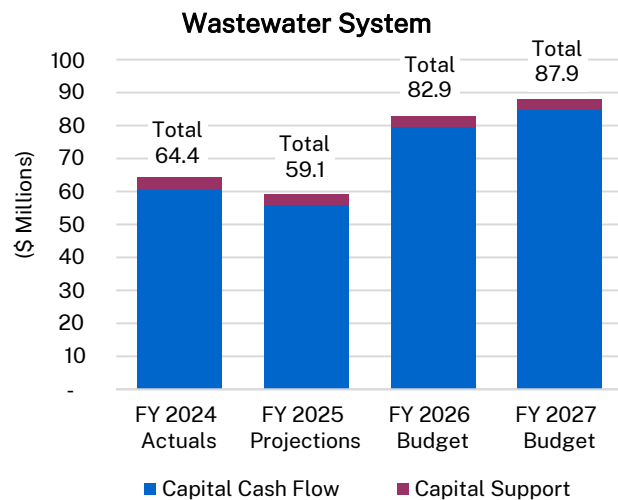
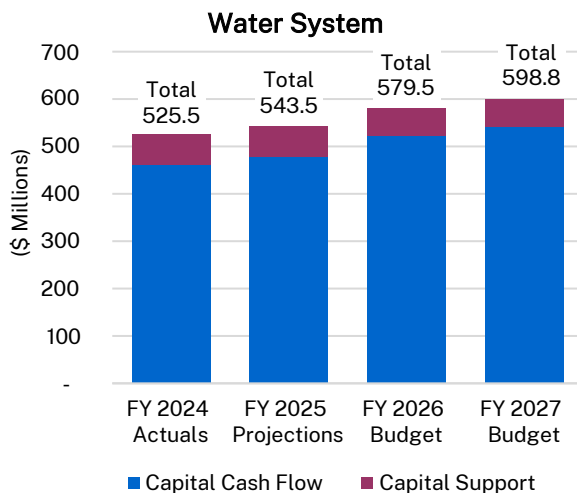
The CIP is described in more detail for each system in Chapters 4 and 5, as well as in Volume 2 – Capital Award Summaries. The following table lists the 22 award purposes.

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. In previous budget cycles, capital cash flows were “discounted” 20 percent each year from what project managers projected for the CIP. This was based on historical patterns of spending, which often underperformed projections due to delays resulting from external regulations, staff turnover, unexpected contractor or materials delays, or other unforeseen resource constraints. Beginning in FY 2026, projected cash flows are no longer discounted as the prioritization and refining process was more rigorous. The following shows a four-year view of actual capital cash flow and budgeted, discounted capital cash flows.

Water and 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 2026, the District will have 2,242.25 authorized FTE, with full-time positions comprising over 95 percent of the workforce. The following shows the number of authorized FTEs for FY 2023 through FY 2027, as amended by Board actions and transfers between departments. Over this five-year period, staff levels have increased by 85.00 FTE, or 3.9 percent.

Staffing Summary and Comparison FY 2023 to FY 2027 by FTE Count

District-Wide Staffing Summary and Comparison (FTE)					
Position Type	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Full-Time (Civil Service and C.S. Exempt)	2,069.00	2,125.00	2,126.00	2,139.00	2,139.00
Limited-Term / Temp. Construction	56.00	67.00	68.00	71.00	73.00
Intermittent	3.75	3.75	3.75	3.75	3.75
Temporary / Part-Time	30.50	34.00	34.00	28.50	28.50
Total FTE	2,159.25	2,229.75	2,231.75	2,242.25	2,244.25
FTE Change from Previous Fiscal Year		70.50	2.00	10.50	2.00

FY 2026 and FY 2027 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 2026 and FY 2027, the budget includes a net increase in 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 10.50 in FY 2026. In FY 2027, 2.00 FTE will be added. The increase is driven by several factors:

WATER SYSTEM

The 8.50 FTEs added in FY 2026, as well as the 2.00 FTE added in FY 2027, will:

- Add Data Scientists to harness the potential of the District's operational data to improve efficiency and effectiveness;
- Invest in the Customer Assistance Program (CAP) to expand affordability for all customers;
- Support operations, including reducing contracted services for the District's infrastructure work;
- Add to warehouse staffing to meet higher demand for the function as pipeline mileage has grown;
- Respond to critical needs in human resources;
- Support the work management system replacement project;
- Enhance school field trips and community education; and
- Reduce risk at upcountry recreation areas.

WASTEWATER SYSTEM

The 2.00 FTEs added in FY 2026 will:

- Complete critical electrical projects in the ongoing maintenance and improvements to the Main Wastewater Treatment Plant; and
- Increase opportunities in the skilled trades through an additional Limited-Term Technical Trades Apprentice position, bringing the total to four District-wide.

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, information systems, and finance. Typical capital duties include upgrades, rehabilitation, and replacement of pipelines, reservoirs, pumping plants, and treatment plants.

The table below shows labor and benefits for the operations and capital budgets. Total labor and benefits are projected to increase 9.1 percent in FY 2026, and 4.5 percent in FY 2027.

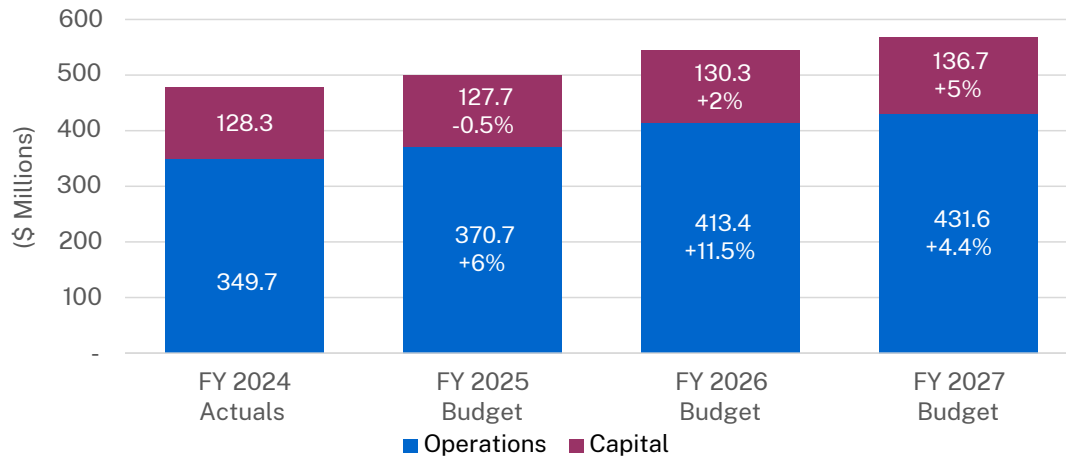
- Total labor and benefits budget attributable to operations is 76.0 percent.
- Benefits represent 40.3 percent of the total labor budget.

District-Wide Labor and Benefit Costs for Operations and Capital

	Labor and Benefit Costs (\$ Millions)					
	FY 2024 Actuals	FY 2025 Budget	FY 2026 Budget	% Change	FY 2027 Budget	% Change
Water						
Operations	292.8	313.1	348.0	11.2%	363.3	4.4%
Capital	115.5	113.7	116.6	2.5%	122.3	4.9%
Subtotal Water	408.3	426.8	464.6	8.9%	485.7	4.5%
Wastewater						
Operations	56.9	57.6	65.4	13.5%	68.2	4.4%
Capital	12.8	14.0	13.7	-2.2%	14.4	5.0%
Subtotal Wastewater	69.8	71.6	79.1	10.5%	82.6	4.5%
Total District-Wide						
Operations	349.7	370.7	413.4	11.5%	431.6	4.4%
Capital	128.3	127.7	130.3	2.0%	136.7	5.0%
Total District Labor Costs	478.1	498.4	543.7	9.1%	568.3	4.5%

Increases in labor and benefit costs are primarily attributable to increases to salaries and wages due to existing Board-approved labor agreements, as well as increased benefit costs, which are primarily driven by large increases in the costs for Kaiser Health Insurance, which many employees select as their health plan. Additional factors include funding additional FTEs and expected increases in other benefit costs.

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

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

Several complex drivers impact benefit costs, such as a projected rise in benefits costs for retirement and health care insurance. 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 fund a greater share of the 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, though costs for the 2013 Plan also continue to grow, along with costs associated with funding the unfunded liability portion of the pension plans.



The following table shows the different employer pension contribution rates since FY 2022. Most new employees are part of the 2013 Plan and all other employees participate in the 1955/1980 Plan. Approximately 63 percent of employees are part of the 2013 Plan as of February 5, 2025. The FY 2026 contribution rates were changed based on updated actuarial assumptions adopted by the Retirement System and an updated Actuarial Valuation. The actual FY 2027 rate will not be available until it is calculated by the actuary and adopted by the Retirement Board in 2026.

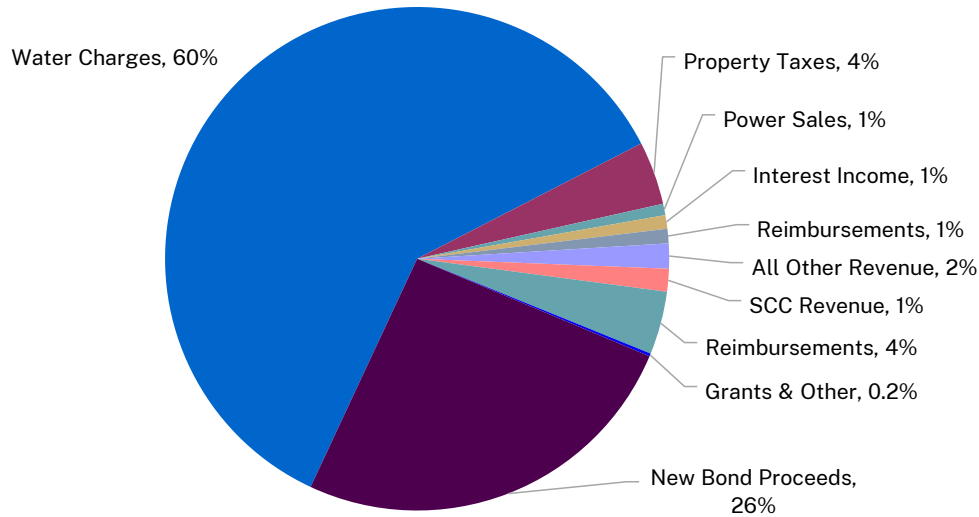
Employer Contribution Rates to District's Retirement System Based on Plan

Employer Pension Contribution Rates					
Plan	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
1955/1980 Plans	42.37%	47.16%	48.48%	49.02%	49.86%
2013 Plan	33.32%	37.84%	39.21%	40.07%	40.15%

Sources of Funds

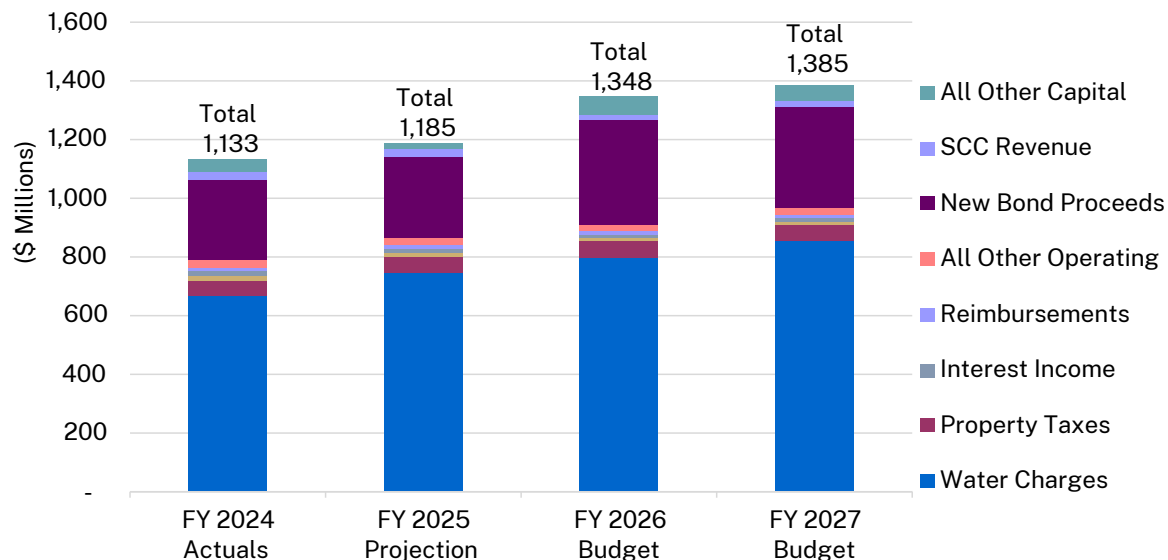
WATER SYSTEM SOURCES OF FUNDS

Percent of FY 2026 & FY 2027 Combined Water System Revenue from Major Sources



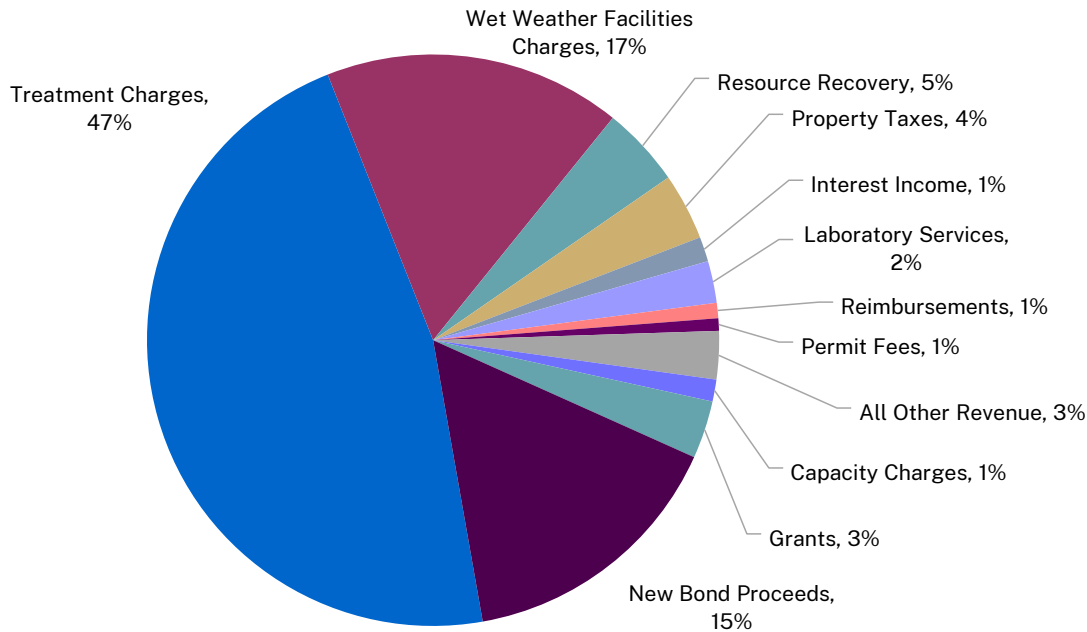
The principal source of Water System revenue is Water Charges which account for 60 percent of total sources of funds. The following graph shows the revenue trend from actual revenues in FY 2024 to budgeted revenues in FY 2027. For more detail on Water System revenues, see Chapter 4.

Total Water System Revenues from FY 2024 to FY 2027



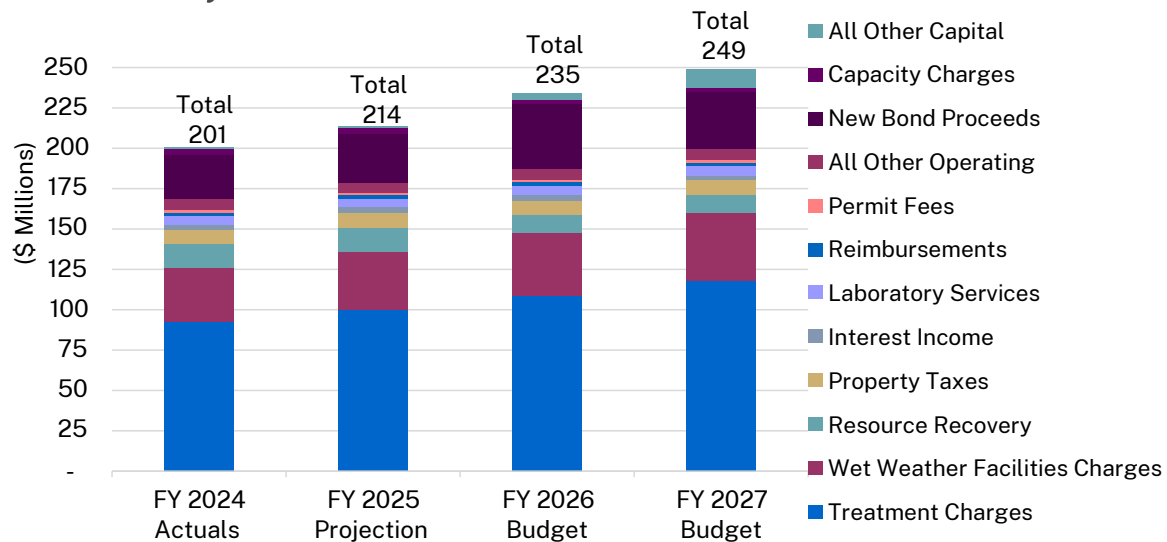
WASTEWATER SYSTEM SOURCES OF FUNDS

Percent of FY 2026 & FY 2027 Combined Wastewater System Revenue from Major Sources



The principal source of Wastewater System revenue is Treatment Charges which account for 47 percent of all sources of funds. 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 because there is less variability in the water use used to calculate wastewater treatment charges than in water use overall. The following graph shows the revenue trend from actual revenues in FY 2024 to budgeted revenues in FY 2027. For more detail on wastewater revenues, see Chapter 5.

Total Wastewater System Revenues from FY 2024 to FY 2027



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

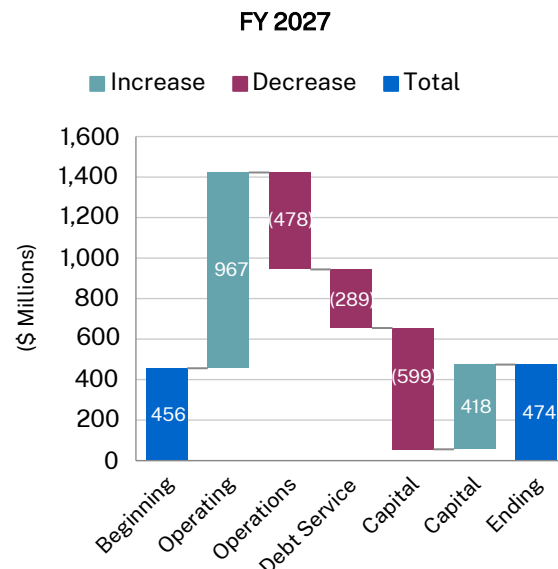
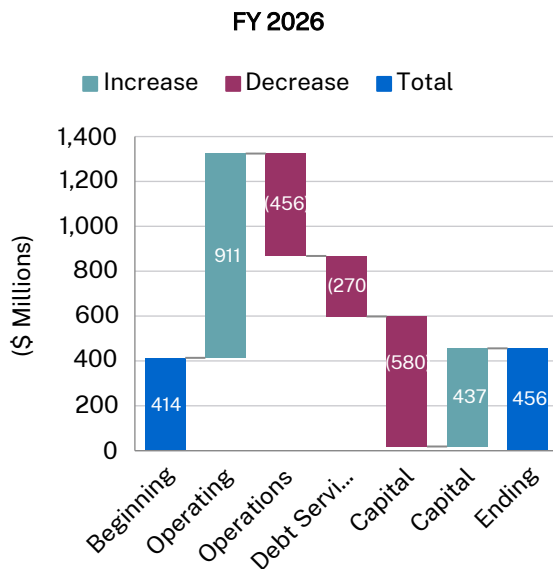
Fund Summary (\$ Millions)		
	FY 2026	FY 2027
Beginning Balance (Projected)	413.7	456.0
Source of Funds		
Operating	910.5	966.5
Capital**	437.5	418.3
Total Sources of Funds	1,348.0	1,384.8
Use of Funds		
Operations	456.4	478.5
Debt Service	269.7	289.4
Capital	579.5	598.8
Total Uses of Funds	1,305.7	1,366.7
Sources less Uses	42.3	18.1
Ending Balance*	456.0	474.1

*Includes reserve set-asides.

**Includes bonds, system capacity charges, reimbursements, and grants.

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

Water System Sources and Uses of Funds (Waterfall Charts)



WASTEWATER SYSTEM

Wastewater System Fund Summary

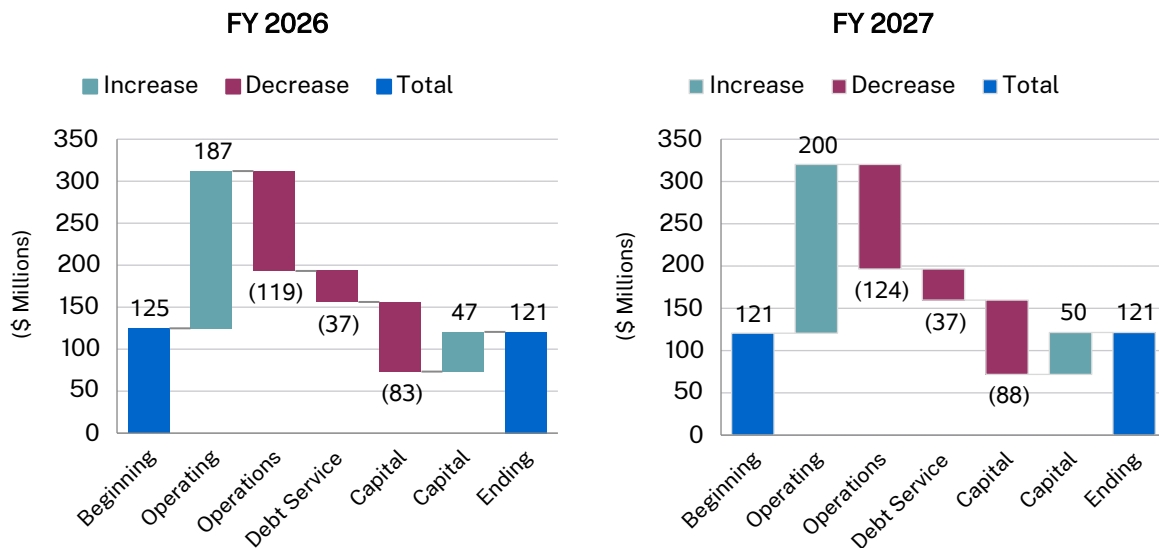
Fund Summary (\$ Millions)		
	FY 2026	FY 2027
Beginning Balance (Projected)	124.8	120.6
Source of Funds		
Operating	187.3	199.6
Capital**	47.2	49.6
Total Sources of Funds	234.5	249.2
Use of Funds		
Operations	118.9	123.7
Debt Service	36.9	36.8
Capital	82.9	87.9
Total Uses of Funds	238.8	248.3
Sources less Uses	(4.3)	0.9
Ending Balance*	120.6	121.4

*Includes reserve set-asides.

**Includes bonds, capacity fees, and grants.

The following charts visualize the inflow and outflow of resources. The total columns represent the beginning and ending balances; the increase columns show revenues; and the decrease columns are 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
- The Capital Improvement Program (CIP)
- The 10-Year Financial Forecast



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

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

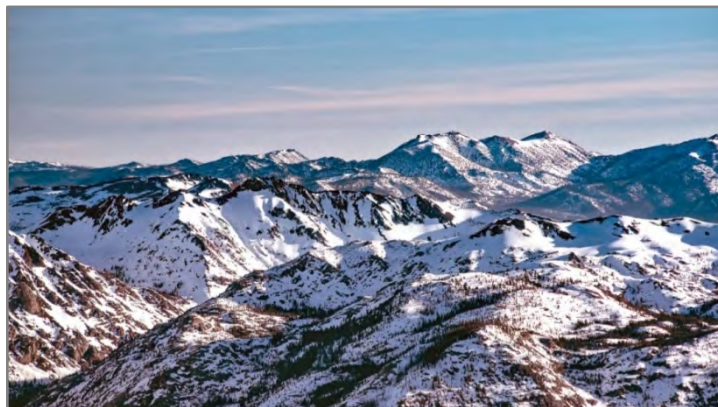
KEY ASSUMPTIONS

The following are key projections and assumptions used in the FY 2026 and FY 2027 budget.

Water System Key Assumptions

Key Assumptions		
	FY 2026	FY 2027
Water Sales Volume (MGD)	143.9	144.6
Average Rate Increase	6.50%	6.50%
Typical Monthly Single-Family Residential Bill	\$ 66.30	\$ 70.60

Typical bill based on 5 Units per month, or about 123 gallons per day.



Mokelumne Watershed Snow

FUND SUMMARY

The following fund summary table shows the Water System beginning and ending fund balance, and projected revenue and expenditure budgets for FY 2026 and FY 2027.

Water System Detailed Fund Summary – Sources & Uses

Detailed Fund Summary - Sources & Uses (\$ Millions)			
	FY 2026	FY 2027	% Change
Beginning Balance (Projected)	413.7	456.0	10.2%
Sources of Funds			
Sources of Funds (Operating)			
Water Charges	798.9	854.0	6.9%
Property Taxes	55.0	56.1	2.0%
Power Sales	10.0	10.0	0.0%
Interest Income	12.4	11.4	-7.8%
Reimbursements	12.5	12.9	2.8%
All Other Revenue	21.8	22.2	1.8%
Subtotal Sources of Funds (Operating)	910.5	966.5	6.1%
Sources of Funds (Capital)			
New Bond Proceeds	355.0	345.0	-2.8%
SCC Revenue	20.0	20.0	0.0%
Reimbursements	60.1	50.7	-15.6%
Grants & Other	2.4	2.6	8.4%
Subtotal Sources of Funds (Capital)	437.5	418.3	-4.4%
Total Sources of Funds	1,348.0	1,384.8	2.7%
Uses of Funds			
Use of Funds (Operating)			
Labor	348.0	363.3	4.4%
Contract Services	33.5	33.8	1.0%
Other	119.9	124.9	4.2%
Contingency (Non-Labor)	25.6	27.0	5.4%
Debt Service	269.7	289.4	7.3%
Capital Support	(58.0)	(58.0)	0.0%
Intradistrict	(12.5)	(12.5)	0.0%
Subtotal Use of Funds (Operating)	726.1	767.9	5.7%
Use of Funds (Capital)			
Capital Cash Flows	521.5	540.8	3.7%
Capital Support	58.0	58.0	0.0%
Subtotal Use of Funds (Capital)	579.5	598.8	3.3%
Total Uses of Funds	1,305.7	1,366.7	4.7%
Total Sources	1,348.0	1,384.8	2.7%
Total Uses	1,305.7	1,366.7	4.7%
All Sources less Uses	42.3	18.1	--
Ending Balance*	456.0	474.1	4.0%

*Includes all policy reserves and reserves for capital projects.

Sources of Funds

OVERVIEW

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

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



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

Water System Detailed Revenue Summary

Detailed Revenue Summary (\$ Millions)					
	Actuals		Projection*	Budget	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Operating Revenues					
Water Charges	603.6	667.1	747.3	798.9	854.0
Property Taxes	46.8	52.8	53.9	55.0	56.1
Power Sales	20.4	14.2	11.5	10.0	10.0
Interest Income	13.1	16.9	16.7	12.4	11.4
Reimbursements	14.0	13.2	12.2	12.5	12.9
All Other Revenue	26.7	25.2	24.1	21.8	22.2
Drought Revenues**	20.3	-	-	-	-
Total Operating Revenues	744.9	789.5	865.7	910.5	966.5
Capital Funding Sources					
New Bond Proceeds	-	275.0	275.0	355.0	345.0
SCC Revenue	42.9	25.9	27.5	20.0	20.0
Reimbursements	14.3	36.6	15.5	60.1	50.7
Grants & Other	2.2	5.9	1.6	2.4	2.6
Total Capital Funding Sources	59.4	343.4	319.6	437.5	418.3
Total Funding Sources	804.3	1,132.9	1,185.3	1,348.0	1,384.8

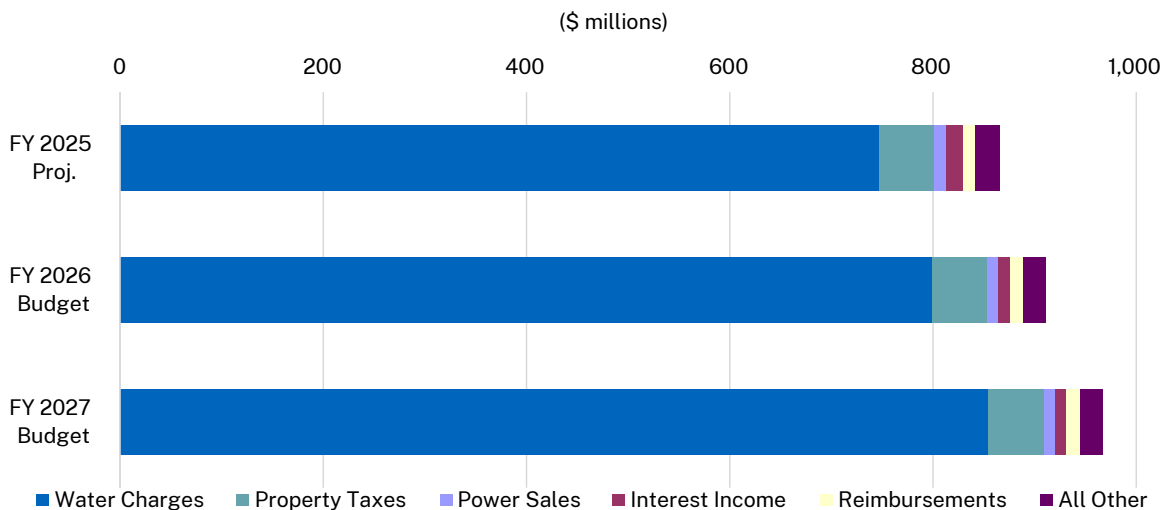
*Based on first six months of the fiscal year and updated as of March 1, 2025.

**Only during declared droughts.

OPERATING REVENUE SOURCES

Water System operating revenues for FY 2026 are budgeted to increase \$44.8 million, or 5.2 percent compared to year-end projections for FY 2025, for total revenue of \$910.5 million. In FY 2027, operating revenue is budgeted at \$966.5 million, an increase of \$56.0 million or 6.1 percent. The figure below illustrates the various sources of operating revenue.

Water System Operating Revenue Sources



The following are descriptions of the sources of operating revenue, including information about the projected revenues for FY 2026 and FY 2027.

Water Charges

In FY 2026, growth in Water Charges are primarily driven by an average rate increase of 6.5 percent. FY 2026 water sales are increasing slightly to 143.9 million gallons per day (MGD) compared to the FY 2025 year-end projection of 143.2 MGD.

In FY 2027, water charges are budgeted to increase by \$55.1 million, also increasing primarily due to the average rate increase of 6.5 percent. FY 2027 water sales are expected to increase by 0.7 MGD to 144.6 MGD, contributing to a smaller percent of the overall growth.

Property Taxes

The District receives approximately 1.25 percent of the 1.0 percent county tax levy on properties within District boundaries. For FY 2026 and FY 2027, budgeted property tax revenue of \$55.0 million and \$56.1 million, respectively, are based upon FY 2024 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 \$10.0 million in FY 2026 and \$10.0 million in FY 2027. 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 \$12.4 million in FY 2026 and \$11.4 million in FY 2027. This is lower than prior years as the current expectation is that yields on the District's investments will decline slightly over the next two years.

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. Reimbursements are projected to be \$12.5 million in FY 2026 and \$12.9 million in FY 2027.

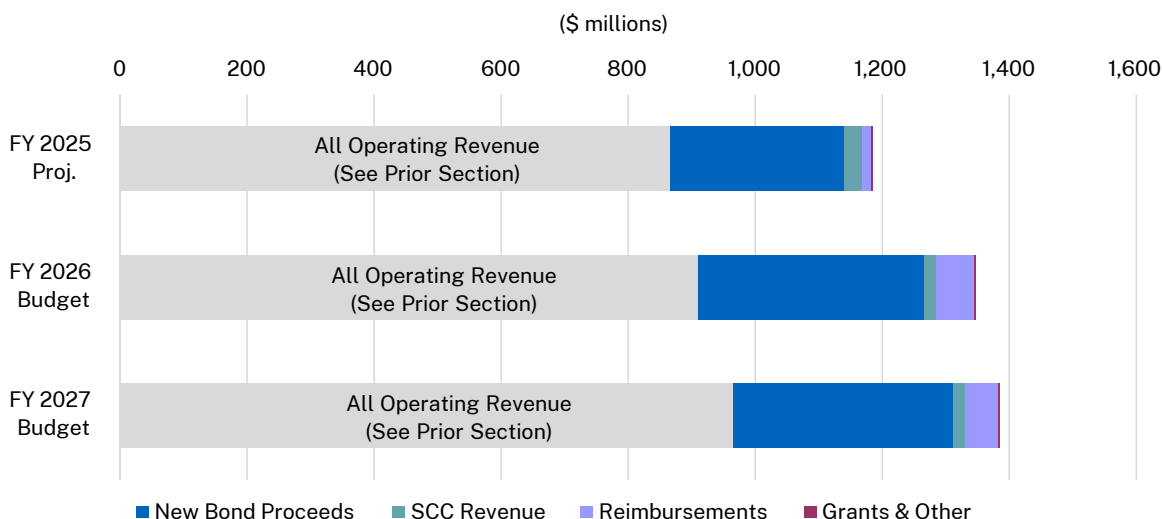
All Other Revenue

All Other Revenue includes, most notably, the Build America Bond subsidy payments, which in recent years have been subject to sequestration. Additional sources include 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, reimbursement of operating expenses from the Richmond Advanced Recycled Expansion (RARE) project, and other miscellaneous revenues. All Other Revenue is projected to be \$21.8 million in FY 2026 and \$22.2 million in FY 2027.

CAPITAL FUNDING SOURCES

Capital sources of funding are dedicated to paying for capital expenses as well as, in the case of System Capacity Charges (SCCs), debt service for past capital projects. The primary component of capital funding are new bond proceeds. These funds are not the exclusive way to fund the capital program, however, as all operating revenues above the amount required to pay for operating and debt service expenses can be used to pay for the CIP.

Water System Capital Funding Sources



The following describe the sources of capital funding.

New Bond Proceeds

It is anticipated that the District will receive \$355 million in new revenue bond proceeds in FY 2026 and \$345 million in FY 2027. 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. Please refer to the section on Debt Service and Financing for details on debt funding of capital projects.

System Capacity Charges (SCC) Revenue

SCCs 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.

SCC revenue is projected to be \$20.0 million in FY 2026 and \$20.0 million in FY 2027. Although SCC revenue has exceeded expectations over the past few years, SCC revenues have fallen recently as development activity has slowed, driven in part by the high interest-rate environment. This revenue

source continues to be conservatively projected due to these economic conditions, which may prolong the slowdown in building activity.

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.

Grants and Other

The District pursues federal and state grants to fund some of its capital projects when they meet the conditions of the District's grants program. The District has been investing additional resources to seek and apply for more grants than it has previously, however grants fitting the District's mission have been somewhat limited. Other sources under this category include interest earnings on capital reserves.

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 2023 to FY 2027

Use of Funds (\$ Millions)					
	Actuals		Projection*	Budget	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Operations (Baseline)	319.3	348.3	399.1	456.4	478.5
Operations (Drought)**	22.5	-	-	-	-
Debt Service	233.8	233.5	253.5	269.7	289.4
Capital Cash Flow	414.0	525.5	544.2	579.5	598.8
Total Expenses	989.5	1,107.4	1,196.7	1,305.7	1,366.7

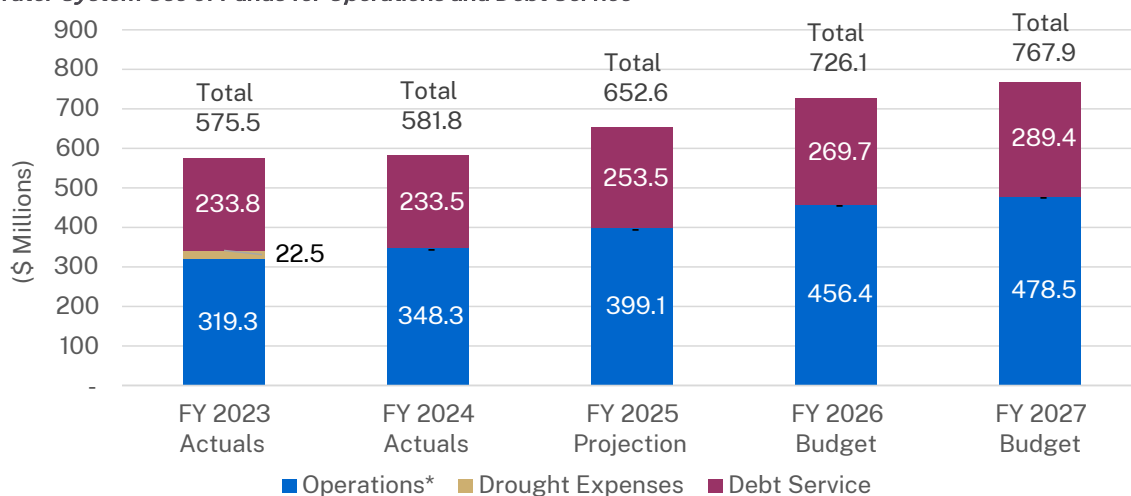
*Projection is based on the first six months of the year, adjusted as of March 1, 2025.

**Only in years with a declared drought.

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 2026, the operations and debt service budget, excluding drought expenses, is increasing \$73.6 million or 11.3 percent compared to FY 2025 projected actual expenses, and in FY 2027 will increase \$41.7 million or 5.7 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 2026 and FY 2027 Water System operating budget by department.

Water System Staffed and Non-Staffed Department Operating Budgets

Operating Budget by Department (\$ Millions)							
Departments	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Projected*	FY 2026 Budget	% Change	FY 2027 Budget	% Change
Administration	-	-	-	-		-	
Customer & Community Svcs.	23.2	25.7	29.5	31.4	6.3%	32.9	4.7%
Engineering & Construction	21.4	24.0	26.2	32.3	23.3%	33.7	4.5%
Finance	31.4	35.4	41.6	27.5	-34.0%	28.3	2.9%
Human Resources	11.2	12.7	14.5	14.5	-0.3%	15.1	4.2%
Information Systems	32.8	36.6	40.4	43.0	6.6%	44.1	2.4%
Maintenance & Construction	86.4	89.9	89.7	107.8	20.3%	111.8	3.7%
Natural Resources	19.4	19.1	23.1	23.9	3.2%	24.5	2.8%
Office of the General Counsel	5.2	5.7	6.0	6.8	13.4%	7.1	3.6%
Office of the General Manager	14.7	17.5	21.1	21.4	1.6%	23.7	10.7%
Operations & Maintenance Sup.	25.2	27.9	29.6	36.4	22.9%	38.1	4.6%
Water Operations	105.3	116.5	126.1	130.8	3.8%	136.3	4.1%
Water Recycling Program	6.6	7.3	7.9	8.2	3.3%	8.5	4.1%
Water Resources	10.5	11.1	13.3	14.8	11.3%	15.4	4.2%
Staffed Departments Subtotal	393.4	429.6	469.0	498.8	6.3%	519.4	4.1%
Contingency	-	-	10.0	28.1	181.5%	29.6	5.2%
Intradistrict	(16.4)	(16.2)	(14.5)	(12.5)	-14.0%	(12.5)	0.0%
Capital Support	(57.7)	(65.0)	(65.4)	(58.0)	-11.3%	(58.0)	0.0%
Total Operations	319.3	348.3	399.1	456.4	14.4%	478.5	4.8%
Debt Service	233.8	233.5	253.5	269.7	6.4%	289.4	7.3%
Total Operating (Excluding Drought)	553.1	581.8	652.6	726.1	11.3%	767.9	5.7%

*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 2026 and FY 2027.

All Water System Staffed Departments Operating Budget Details

Staffed Departments Operating Budget Detail and Historical Comparison (\$ Millions)

Category	FY 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	369.7	408.3	424.2	462.0	8.9%	483.0	4.5%
<i>Less: Capital Labor and Benefits</i>	104.9	115.5	113.7	116.6	2.5%	122.3	4.9%
Operating Labor and Benefits	264.8	292.8	310.5	345.5	11.3%	360.7	4.4%
Contract Services	19.1	20.4	25.7	33.5	30.3%	33.8	1.0%
Other Costs	132.0	116.4	128.0	119.9	-6.3%	124.9	4.2%
Operating Total	415.9	429.6	464.2	498.8	7.5%	519.4	4.1%

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 \$37.8 million, or 8.9 percent, compared to FY 2025. The growth in labor and benefit costs in FY 2026 is driven by several factors, including:

- Staff increases due to investments in several key areas, discussed throughout this chapter;
- Increased wages and benefits, driven by existing Board-approved labor agreements; and
- Increased health insurance costs, driven primarily by increases in premiums for Kaiser Health Insurance.

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 than the 1980 plan.

In FY 2027, total labor and benefit costs increase \$21.0 million, or 4.5 percent compared to FY 2026, primarily for scheduled step increases and assumptions for cost-of-living adjustments. Additionally, there are two additional positions in FY 2027.

Non-Labor

In FY 2026, staffed department non-labor costs are budgeted to decrease by \$0.3 million, or 0.2 percent compared to the prior fiscal year's adopted budget. Changes include:

- \$13.1 million decrease (100 percent decrease) that is due to moving insurance premiums and fees, workers' compensation claims, self-insured liability claims, and 415(m) supplemental benefit costs out of the Finance and Human Resources departments' budget and into the Contingency Department, which is not a staffed department. This change was made to improve tracking and accountability for these two departments' budgets, separating out costs that are not within each departments' control and represent system-wide expenses.
- \$1.9 million decrease (14 percent decrease) for chemicals compared to the FY 2025 budget. This is expected to be a more accurate projection of chemical costs as compared to prior budgets as the growth in chemical costs has slowed though it remains a significant expense.
- \$1.3 million decrease (6 percent decrease) for energy costs compared to the FY 2025 budget. Similar to chemicals, energy cost growth is expected to slow modestly so the budget has been sized closer to past actual expenses.
- \$3.9 million increase (62 percent increase) for security contracts as compared to the FY 2025 budget. A new contract and an increased need for security has driven costs significantly higher.
- \$2.2 million increase (24 percent increase) for computer software and related consultant services, due to continued investments in cloud-computing resources and transitioning away from internally built and serviced software.
- \$1.5 million increase (36 percent increase) in the operating budget for water conservation work. Instead of a net increase in the total budget, however, this represents a shift from the capital budget to the operating budget, as most water conservation work will now be budgeted as operating expenses.

In FY 2027, staffed department non-labor costs are budgeted to increase \$5.4 million or 3.5 percent compared to FY 2026. The major drivers accounting for the increase include:

- \$1.5 million increase (5 percent increase) in energy and chemical costs as compared to the FY 2026 budget, driven by expected cost increases due to inflation.
- \$1.25 million increase for election-related costs in FY 2027 as compared to no budget for this in FY 2026 because of the every-other-year schedule for elections. The next election for Board members is expected in November 2026, which falls within FY 2027.
- \$2.3 million increase (4 percent increase) for a range of major expense accounts that are growing slightly faster than expected inflation. The accounts contributing to this increase include: mailing costs; vehicle use charges, which pay for internal costs associated with maintaining and replacing vehicles; computer software; security contracts; District laboratory services; disbursements to outside agencies; and petroleum, oil, and lubricants.

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 2026				FY 2027			
	Labor	Contracts	Other	Total	Labor	Contracts	Other	Total
Administration	-	-	-	-	-	-	-	-
Customer & Community Services	25.3	1.0	5.1	31.4	26.6	0.8	5.4	32.9
Engineering & Construction	29.1	0.3	2.9	32.3	30.4	0.3	3.1	33.7
Finance	23.7	1.5	2.3	27.5	24.7	1.6	1.9	28.3
Human Resources	12.5	1.5	0.5	14.5	13.0	1.6	0.5	15.1
Information Systems	28.9	3.8	10.4	43.0	30.1	3.5	10.5	44.1
Maintenance & Construction	80.1	2.0	25.7	107.8	83.8	2.0	26.0	111.8
Natural Resources	15.0	3.9	5.0	23.9	15.6	4.0	4.9	24.5
Office of the General Counsel	5.8	0.8	0.3	6.8	6.0	0.8	0.3	7.1
Office of the General Manager	17.1	2.0	2.3	21.4	17.9	1.9	3.9	23.7
Operations & Maintenance Sup.	17.6	9.2	9.6	36.4	18.3	9.5	10.3	38.1
Water Operations	78.0	6.7	46.1	130.8	81.3	7.0	48.0	136.3
Water Recycling Program	2.7	0.2	5.3	8.2	2.8	0.2	5.5	8.5
Water Resources	9.8	0.7	4.3	14.8	10.2	0.7	4.6	15.4
Total	345.5	33.5	119.9	498.8	360.7	33.8	124.9	519.4

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 2026 and FY 2027 Goals** highlight the highest priority tasks or projects related to the budget and the District Strategic Plan.
- **Department Budget Summary** 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 costs relative to the previous fiscal year and describes reasons for those changes. This section focuses on the significant budget changes.
- **Staffing Summary** shows the Full-Time Equivalency (FTE) for the department by appointment type (full-time, part-time, etc.).
- **Staffing Changes** is included only if the department has position changes that require Board approval. The table details the position changes, and provides a change in cost, which is an estimate based on typical salaries and benefit costs for the classification.

Water System Departments

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ADMINISTRATION DEPARTMENT**Overview**

The Administration Department (ADM) is currently inactive, and its functions are conducted by the Customer and Community Services and Human Resources departments. Because it still contains one position, the Director of Administration, the department remains active. There are no plans to fill the Director of Administration role, so there is no budget provided for the position.

Description of Services Provided

The department does not have any functions or budget in FY 2026 or FY 2027.

FY 2026 and FY 2027 Goals

The department does not have any Strategic Plan goals in FY 2026 or FY 2027.

Department Budget Summary

As shown below, the Department has no budget.

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

Category	FY 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	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	-	-	-	-	0.0%	-	0.0%
Operating Total	-	-	-	-	0.0%	-	0.0%

Budget Highlights

The department has no budget.

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 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	1.00	1.00	1.00	1.00	-	1.00	-
Limited-Term / Temp. Const.	-	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
Total FTE	1.00	1.00	1.00	1.00	-	1.00	-

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 interface directly with external customers and internal stakeholders to support service inquiries; billing and collection; payment processing and mailing services; field service requests; and other customer programs and services; Customer Information System administration and maintenance; water conservation services; new service and development requests; and property management and land acquisitions.

FY 2026 and FY 2027 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;
- Continuing to support the District's most vulnerable customers to improve affordability through new and existing Customer Support Program initiatives funded through non-rate revenue;
- Enhancing multi-channel customer support to provide greater convenience to customers and improve the digital experience;
- Improving the applicant project process to align project delivery timelines 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; and
- Leveraging the District's land assets and implementing a long-term real estate utilization plan to enhance business operations and increase non-rate revenue.

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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	20,290	22,667	24,710	25,909	4.9%	27,263	5.2%
Less: Capital Labor and Benefits	424	391	642	608	-5.3%	639	5.1%
Operating Labor and Benefits	19,867	22,275	24,068	25,301	5.1%	26,624	5.2%
Contract Services	212	245	300	1,032	244.5%	811	-21.5%
Other Costs	3,106	3,210	4,180	5,052	20.9%	5,441	7.7%
Operating Total	23,185	25,730	28,547	31,386	9.9%	32,875	4.7%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$2.8 million, or 9.9 percent, compared to FY 2025. In FY 2027, the budget will increase \$1.5 million, or 4.7 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Costs are increasing above inflation for CUS primarily due to the transfer of expenses related to water conservation from the capital budget to the operating budget, primarily affecting the Other Costs category. Labor costs are increasing driven primarily because of investments in the District's ongoing customer assistance efforts. Additionally, costs are increasing due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Contract Services are increasing due to the expansion of language interpretation services, as well as the previously mentioned transfer of water-conservation costs from the capital budget. These increased costs are offset by reduced maintenance of equipment.

FY 2027

Total labor and benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. 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 2026, one Limited-Term FTE position will be eliminated, and four Temporary or Part-Time FTE will be eliminated through deletions or conversions to Full-Time positions.

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

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	120.00	120.00	120.00	123.00	3.00	123.00	-
Limited-Term / Temp. Const.	4.00	5.00	5.00	4.00	(1.00)	4.00	-
Intermittent	3.00	3.00	3.00	3.00	-	3.00	-
Temporary / Part-Time	11.50	11.50	11.50	7.50	(4.00)	7.50	-
Total FTE	138.50	139.50	139.50	137.50	(2.00)	137.50	-

Staffing Changes

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

Customer and Community Services Department Staffing Changes

FY 2026 & FY 2027 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change	FTE Change	Purpose, Project or Program
2026	Convert Character	Senior Customer Services Representative	L/T	Senior Customer Services Representative	REG	177,394	-	Provide permanent support for the Customer Assistance Program
2026	Convert Character	Customer Services Representative I/II	P/T	Customer Services Representative III	REG	80,352	0.50	Improve career ladder in the call center and better support customers
2026	Convert Character	Customer Services Representative I/II	P/T	Customer Services Representative III	REG	80,352	0.50	Improve career ladder in the call center and better support customers
2026	Convert Character	Customer Services Representative I/II	P/T	Customer Services Representative I/II	REG	72,764	0.50	Full-time positions can provide better customer service
2026	Convert Character	Customer Services Representative I/II	P/T	Customer Services Representative I/II	REG	72,764	0.50	Full-time positions can provide better customer service
2026	Convert Character	Customer Services Representative I/II	P/T	Customer Services Representative I/II	REG	72,764	0.50	Full-time positions can provide better customer service
2026	Delete	Worker Trainee	TEMP			-	(0.50)	Classification no longer exists
2026	Delete	Customer Services Representative I/II	P/T			(59,402)	(0.50)	Replaced with REG positions
2026	Delete	Customer Services Representative I/II	P/T			(59,402)	(0.50)	Replaced with REG positions
2026	Delete	Water Conservation Representative	REG			(199,548)	(1.00)	Position no longer needed
2026	Extend L/T	Senior Customer Services Representative	L/T	Senior Customer Services Representative	L/T	211,005	-	Support single-family liens as an alternative to shut-offs
2026	Extend L/T	Customer Services Representative III	L/T	Customer Services Representative III	L/T	186,030	-	Support single-family liens as an alternative to shut-offs
2026	Extend L/T	New Business Coordinator I/II	L/T	New Business Coordinator I/II	L/T	181,692	-	Continue to support peak workload

In FY 2026, six positions will have their character converted to REG (i.e., Full-Time), all to improve direct customer outreach. Offsetting those are the deletion of 2.5 FTEs that are no longer needed. Three L/Ts will be extended through Board approval; two will support the single-family lien program, and one will continue to support peak workload in the New Business Office.

ENGINEERING AND CONSTRUCTION DEPARTMENT**Overview**

The Engineering and Construction Department (ENG) is responsible for the planning, design, development, and construction of infrastructure related to the District's raw water, treatment, and distribution systems (e.g., pipelines, water treatment plants, reservoirs, pump stations, and other essential facilities such as buildings, warehouses and other locations that provide workspaces for staff and storage of equipment) that support the delivery of clean and safe water to the community. These responsibilities include water system capital program implementation, infrastructure management of facility rehabilitation or replacement projects, system expansions, and building facility improvements. The department provides leadership in engineering planning, design, and construction of water infrastructure through innovation 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 2026 and FY 2027 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:

- Executing the Capital Improvement Program (CIP) to support the District's Strategic Plan in maintaining and enhancing its infrastructure;
- Increasing the pipeline replacement rate by continuing to improve construction efficiencies and leveraging technology to assess and prioritize pipeline renewal selection;
- Continuing to effectively manage significant progress towards completion of high priority construction projects including the Orinda Water Treatment Plant Disinfection and Chemical Systems Safety Improvements (CSSIP), Upper San Leandro (USL) Water Treatment Plant Maintenance and Reliability and USL and Sobrante CSSIP, and rehabilitation or replacement of critical pumping plants, reservoirs, rate control stations, and regulators;
- Initiating construction of new high priority capital projects including the Pardee Chemical Plant Improvements, Lafayette and Walnut Creek Water Treatment Plants CSSIP, Lafayette Tower Seismic Safety Project, and Mokelumne Aqueduct Relining and Bents Projects;
- Completing designs and awarding construction contracts for high-priority capital projects including the Lafayette Aqueduct No. 1 Relining Improvements, Lafayette Water Treatment Plant Interim Improvements, Central Reservoir Replacement, Walnut Creek Water Treatment Plant Filters Improvements, New Central Area Service Center, Walnut Creek Water Treatment Plant Pretreatment (to 30%), Castenada PP Standby Generator, and Pardee Powerline Upsizing; and
- Completing the Zero Emission Master Plan and the conceptual engineering report and drawings for the Mokelumne Aqueduct Resiliency Project.

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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	65,246	72,726	75,301	80,631	7.1%	84,151	4.4%
Less: Capital Labor and Benefits	46,642	51,657	50,220	51,508	2.6%	53,767	4.4%
Operating Labor and Benefits	18,604	21,069	25,080	29,123	16.1%	30,384	4.3%
Contract Services	85	152	158	292	85.3%	313	7.0%
Other Costs	2,711	2,749	3,326	2,873	-13.6%	3,051	6.2%
Operating Total	21,400	23,969	28,564	32,289	13.0%	33,748	4.5%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$3.7 million, or 13.0 percent, compared to FY 2025. In FY 2027, the budget will increase \$1.5 million, or 4.5 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total Labor and Benefit Costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Operating Labor is increasing more than Capital Labor as more work has shifted from the capital budget to the operating budget. Contract Services are increasing, in part, for specialized professional services in support of Geographic Information Systems (GIS). Other Costs are decreasing due to transfers of budget line items out of the department and other minor decreases.

FY 2027

Total Labor and Benefit Costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract Services are expected to increase due to an additional 10 percent annual increase in specialized professional services contracts for GIS. Other Costs are expected to increase modestly due to computer software, fees and licenses, and equipment.

Staffing Summary

The table below summarizes the staffing changes, including transfers. The reduction in FTE in FY 2026 reflects position transfers to other departments to meet staffing needs in those areas.

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

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	274.00	293.00	294.00	292.00	(2.00)	292.00	-
Limited-Term / Temp. Const.	9.00	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	3.50	-	-	-	-	-	-
Total FTE	286.50	293.00	294.00	292.00	(2.00)	292.00	-

FINANCE DEPARTMENT

Overview

The Finance Department (FIN) is responsible for providing proactive and strategic management of the District's finances and ensuring the long-term financial stability of the two systems. 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 and 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 2026 and FY 2027 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 2028 and FY 2029;
- Developing the FY 2028 and FY 2029 rates, fees, and charges;
- Implementing the long-range financial plan in support of sustainability and resiliency;
- Continuing to grow fiscal transparency, accountability in financial reporting, and understanding of the District's rates and charges for the District's ratepayers;
- Implementing Contracts Pilot and reporting results;
- Enhancing Capital Management with revamped CSCs (Capital Steering Committees);
- Initiating innovation planning efforts with a new position;
- Overhauling grants management at the District and promoting utilization;
- Recruiting Data Scientist positions and advocating use across the District;
- Launching Captive Insurance creation (pending approval); and
- Improving access to Elsie Warehouse.

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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	20,171	21,007	21,334	23,700	11.1%	24,720	4.3%
Less: Capital Labor and Benefits	1,582	91	355	14	-96.2%	14	0.0%
Operating Labor and Benefits	18,589	20,917	20,980	23,687	12.9%	24,706	4.3%
Contract Services	784	1,072	1,673	1,476	-11.8%	1,629	10.4%
Other Costs	12,017	13,399	13,397	2,305	-82.8%	1,927	-16.4%
Operating Total	31,390	35,387	36,050	27,468	-23.8%	28,262	2.9%

Budget Highlights

The department's operating budget in FY 2026 is decreasing \$8.6 million, or 23.8 percent, compared to FY 2025. In FY 2027, the budget will increase \$0.8 million, or 2.9 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

The major driver of cost decreases is moving insurance- and claims-related expenses to a non-staffed department. Total Labor and Benefit Costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for inflation-linked wage increases, and higher costs for fringe benefits including health insurance. In addition, labor is increasing due to the addition of two data scientists. There is also a large decrease in the copier maintenance contract due to negotiated flat monthly fees, with no overage charges. Another change is moving non-debt-service expenses to Finance from the Debt Department, which will make analyzing costs easier and more transparent. Changes in software include the planned procurement of a new liability claims management software, a crucial upgrade to replace the existing system, which is critically outdated and no longer meets the operational needs of the Risk Management Program. Changes in contracts include the Custodian Services contract with US Bank increasing significantly after staying relatively flat for at least a decade as US Bank has adjusted its pricing on legacy clients brought on from the former Union Bank. Contracts are decreasing as there is lower expected spending in a few larger non-recurring contracts.

FY 2027

Total labor and benefit costs will remain relatively stable in FY 2027 due to expectations for inflation-linked wage increases. Similar to FY 2026, there may be additional overtime costs relating to new systems being implemented by the District including Accela (PSL Replacement), new integration with Kahua, Pension Gold, and possibly a new Payroll System. Other costs are expected to remain relatively stable compared to FY 2026 with increases attributable to inflation.

Staffing Summary

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2026, two FTEs will be added, as detailed below, however this is offset by deleting a position that is no longer needed. Another change is the conversion of a temporary position to regular. There are no net changes in FTE in FY 2027.

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

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	99.00	99.00	99.00	102.00	3.00	102.00	-
Limited-Term / Temp. Const.	-	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	0.50	0.50	0.50	-	(0.50)	-	-
Total FTE	99.50	99.50	99.50	102.00	2.50	102.00	-

Staffing Changes

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

*Finance Department Staffing Changes***FY 2026 & FY 2027 Department Staffing Changes**

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change	FTE Change	Purpose, Project or Program
2026	Add			Data Scientist I/II	REG	479,328	2.00	Improve data analytics
2026	Convert Character	Storekeeper I/II	TEMP	Storekeeper I/II	REG	67,595	0.50	Meet growing demand for warehouse products, particularly pipe
2026	Delete	Buyer I/II	REG			(180,641)	(1.00)	Position no longer needed

In FY 2026, two full-time FTEs will be added to improve data analytics offset by the deletion of a Buyer position that is no longer needed. Another change is the conversion of a Storekeeper position from temporary to regular to meet the growing demand for warehouse products, particularly pipe. There are no new positions added in FY 2027.

HUMAN RESOURCES DEPARTMENT

Overview

The Human Resources Department (HRD) plays a pivotal role in managing the District's workforce, ensuring that employees are well-supported, and maintaining compliance with various regulations. The department's mission is to ensure that EBMUD has a high-performing, quality, and diverse talent pool to effectively meet both current and future needs. The department collaborates closely with the Board, managers, unions, and employees to provide a wide range of support systems and benefits, encourages teamwork, promotes a diverse and inclusive workplace, promotes continuous improvement and learning, and implements workforce planning strategies to anticipate and respond to emerging needs.

Description of Services Provided

Human Resources provides a comprehensive range of services to all EBMUD departments through three divisions. Employee Relations manages labor and employee relations, including negotiations with the District's four bargaining units. Employee Services administers benefits, including health insurance and wellness programs, and along with the Finance Department administers the independent retirement system and deferred compensation programs. This division also onboards new hires to ensure all pre-employment records are completed, manages employee records data, and provides support to the core HR and Payroll systems. Recruitment and Classification oversees the hiring process, job postings, and classification of positions to ensure the organization attracts and retains qualified personnel.

The Department is governed using civil service, merit-based principles under the Municipal Utility District (MUD) Act, along with relevant employment laws, union contract requirements, the Retirement Ordinance, the 401k, 457, and 401a Plan Documents, and other District policies and procedures. Key departmental service goals include providing timely, responsive services to clients, ensuring fairness and equity in employment matters, and supporting organizational efforts to be an "employer of choice."

FY 2026 and FY 2027 Goals

The department is primarily responsible for leading the Workforce Planning and Development Strategic Plan Goal. Key department goals in the Biennial Budget include:

- Modernizing the practice of human resources management;
- Implementing a new Human Resources Information System to modernize employee services such as benefits, payroll, recordkeeping, onboarding, and the District's retirement system;
- Implementing a healthcare strategy that provides a competitive benefit package while recognizing the potential increase in forecasted health care costs; and
- Planning for the future workforce, aimed at attracting and retaining a skilled, talented, and diverse workforce.

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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	9,066	10,303	10,260	12,459	21.4%	13,028	4.6%
Less: Capital Labor and Benefits	499	1	638	-	-100.0%	-	0.0%
Operating Labor and Benefits	8,567	10,302	9,622	12,459	29.5%	13,028	4.6%
Contract Services	1,070	1,125	1,444	1,514	4.8%	1,560	3.1%
Other Costs	1,529	1,288	2,037	497	-75.6%	492	-1.0%
Operating Total	11,166	12,716	13,103	14,470	10.4%	15,080	4.2%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$1.4 million, or 10.4 percent, compared to FY 2025. In FY 2027, the budget will increase by \$0.6 million or 4.2 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total Labor and Benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to the addition of two positions as well as the upgrade and funding of existing positions, which accounts for a significant portion of the labor cost increase. Additionally, labor costs are rising due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Contract Services are expected to increase because of new requests including a McLean & Co. subscription service. Other Costs are decreasing significantly due to the transfer of the 415(m) supplemental payments to the Contingency Department to improve accountability and transparency into the department's budget.

FY 2027

Total Labor and Benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract Services and Other Costs are expected to remain relatively stable compared to FY 2026.

Staffing Summary

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2026, two new Full-Time positions will be added and one Part-Time position is being transferred to the Office of Diversity, Equity, and Culture in the Office of the General Manager. There are no changes to the department's staffing in FY 2027.

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

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	38.00	40.00	40.00	42.00	2.00	42.00	-
Limited-Term / Temp. Const.	4.00	6.00	6.00	6.00	-	6.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	0.50	0.50	0.50	-	(0.50)	-	-
Total FTE	42.50	46.50	46.50	48.00	1.50	48.00	-

Staffing Changes

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

Human Resources Department Staffing Changes

FY 2026 & FY 2027 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change	FTE Change	Purpose, Project or Program
2026	Add			Senior Human Resources Analyst	REG	580,242	2.00	Support improved approach to employee relations
2026	Extend L/T	Human Resources Analyst I/II	L/T	Human Resources Analyst I/II	L/T	225,547	-	Continue to support peak workload
2026	Extend L/T	HRIS Analyst I/II	L/T	HRIS Analyst I/II	L/T	204,049	-	Continue to support peak workload
2026	Extend L/T	Senior Administrative Clerk, Confidential	L/T	Senior Administrative Clerk, Confidential	L/T	186,030	-	Continue to support peak workload

In FY 2026, two new positions will be added to support an improved approach to employee relations. Three L/T positions are being extended to continue to support peak workload.

INFORMATION SYSTEMS DEPARTMENT

Overview

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

Description of Services Provided

The department includes the IT Strategy & Planning, IT Applications, IT Operations, and IT Security divisions. Together, these divisions support the lifecycle of the District's technology and communication needs including management and support of: project management; District websites; digital accessibility; 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 2026 and FY 2027 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 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;
- Modernizing legacy infrastructure, systems, and processes through continuous improvement efforts;
- Facilitating the implementation of key District projects, which includes the replacement of the human resources core and pension systems; and
- Implementing the IT Governance FY 2026 – FY 2027 Project Portfolio.

Department Budget Summary

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

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

Category	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Budget	FY 2026 Budget	% Change	FY 2027 Budget	% Change
Total Labor and Benefits	25,072	27,662	27,217	30,008	10.3%	31,247	4.1%
Less: Capital Labor and Benefits	553	246	-	1,138	0.0%	1,192	4.8%
Operating Labor and Benefits	24,519	27,416	27,217	28,870	6.1%	30,055	4.1%
Contract Services	1,808	2,259	2,828	3,754	32.8%	3,481	-7.3%
Other Costs	6,482	6,951	8,348	10,402	24.6%	10,540	1.3%
Operating Total	32,809	36,626	38,393	43,026	12.1%	44,076	2.4%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$4.6 million, or 12.1 percent, compared to FY 2025. In FY 2027, the budget will increase \$1.1 million, or 2.4 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total labor and benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Contract services are increasing substantially due to addition of contracts that will support continued transitions away from outdated, legacy systems and the implementation of modern tools. Other Costs are growing due to increasing software costs, especially for large enterprise cloud technology.

FY 2027

Total labor and benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract services are budgeted to decrease due to reducing a contract for external data security support that will no longer be needed in FY 2027 as the District will use internal staff to support the function. Other Costs for the department are expected to increase due to increases in computer software costs, cloud computing, telephone expenses, and a data center lease for disaster recovery.

Staffing Summary

The table below summarizes the staffing changes within the department. The increase in two FTE in FY 2026 as compared to FY 2025 is due to transfers between departments.

*Information Systems Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	92.00	95.00	95.00	97.00	2.00	97.00	-
Limited-Term / Temp. Const.	2.00	1.00	1.00	1.00	-	1.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
Total FTE	94.00	96.00	96.00	98.00	2.00	98.00	-

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 1,350 vehicles and heavy equipment in the District's fleet.

Description of Services Provided

The department includes the Distribution Maintenance and Construction, Pipeline Construction, 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 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 2026 and FY 2027 Goals

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

- Replacing 25.0 miles of distribution pipe in FY 2026 and 27.5 miles in FY 2027;
- Reading, testing, and replacing 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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	106,332	117,144	124,498	135,434	8.8%	142,045	4.9%
Less: Capital Labor and Benefits	46,616	53,031	53,871	55,321	2.7%	58,267	5.3%
Operating Labor and Benefits	59,716	64,112	70,626	80,113	13.4%	83,779	4.6%
Contract Services	1,046	1,518	1,707	1,985	16.3%	1,978	-0.3%
Other Costs	25,681	24,286	23,387	25,747	10.1%	26,042	1.1%
Operating Total	86,443	89,916	95,721	107,845	12.7%	111,799	3.7%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$12.1 million, or 12.7 percent, compared to FY 2025. In FY 2027, the budget will increase \$4.0 million, or 3.7 percent, compared to the first year of the biennial budget.

FY 2026

Total labor and benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Contract costs are increasing due to specialized professional services contracts for the Pipeline Training Academy Truck Driving Training and concrete repairs. Other Costs are increasing because of the increase in costs for computer software; outside services for vehicle and construction equipment; and disposal costs.

FY 2027

Total labor and benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. 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

The table below summarizes staffing changes, including transfers. In FY 2026, there is a decrease of one full-time FTE due to various position transfers between departments to meet staffing needs, and two new Limited-Term (L/T) positions. In FY 2027, there are two additional Limited-Term (L/T) positions added.

Maintenance and Construction Department Staffing Summary

Department Staffing Summary and Comparison (FTE)

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	598.00	617.00	617.00	616.00	(1.00)	616.00	-
Limited-Term / Temp. Const.	11.00	13.00	13.00	15.00	2.00	17.00	2.00
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	2.50	2.50	2.50	2.50	-	2.50	-
Total FTE	611.50	632.50	632.50	633.50	1.00	635.50	2.00

Staffing Changes

*Maintenance and Construction Department Staffing Changes***FY 2026 & FY 2027 Department Staffing Changes**

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change	FTE Change	Purpose, Project or Program
2026	Add			Paving Crew Foreman	L/T	221,571	1.00	Reduce concrete paving backlog
2026	Add			Concrete Finisher II	L/T	173,035	1.00	Reduce concrete paving backlog
2026	Extend L/T	Meter Reader/Mechanic	L/T	Meter Reader/Mechanic	L/T	175,904	-	Meter reading and maintenance
2026	Extend L/T	Meter Reader/Mechanic	L/T	Meter Reader/Mechanic	L/T	169,744	-	Meter reading and maintenance
2026	Extend L/T	Meter Reader/Mechanic	L/T	Meter Reader/Mechanic	L/T	168,171	-	Meter reading and maintenance
2026	Extend L/T	Meter Reader/Mechanic	L/T	Meter Reader/Mechanic	L/T	166,887	-	Meter reading and maintenance
2026	Extend L/T	Meter Reader/Mechanic	L/T	Meter Reader/Mechanic	L/T	165,932	-	Meter reading and maintenance
2026	Extend L/T	Meter Reader/Mechanic	L/T	Meter Reader/Mechanic	L/T	156,821	-	Meter reading and maintenance
2027	Add			Utility Laborer	L/T	291,055	2.00	Reduce FM&O for saw cutting as pipeline mileage goal increases

In FY 2026, two Limited-Term positions will be added to reduce the backlog of concrete paving orders. Additionally, Six Meter Reader/Mechanic Limited-Term (LT) positions will be extended to support high priority meter reading and maintenance projects. In FY 2027, there is an additional increase of two Limited-Term Utility Laborer positions to reduce Fully Maintained and Operated (FM&O) for saw cutting as the pipeline mileage goal increases.

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 protection 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 East Bay and Mokelumne watershed lands owned by the District, including overseeing environmental, recreation, and land stewardship 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, Federal Energy Regulatory Commission (FERC) relicensing and Bay-Delta processes, and responds to service area water discharge incidents. Together the divisions support each other with planning, grant execution, regional collaborations, and new initiatives.

FY 2026 and FY 2027 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;
- Reducing wildfire risk in the East Bay and Mokelumne watersheds and collaborating with local partners on fuels management and forest health projects;
- Providing subject matter expertise for Recreation and Fisheries and Wildlife management in the FERC relicensing process, related to the District's hydroelectric power generation;
- Responding to the new invasive species, Golden Mussel, found in the Sacramento San Joaquin Delta to protect EBMUD infrastructure and natural resources;
- Implementing habitat restoration and other non-flow measures associated with the Healthy Rivers and Landscapes Program;
- Continuing to build on the successful fisheries program for the Mokelumne River including assessing impacts of Delta water projects through acoustic tracking, investigating innovative temperature management infrastructure, and working collaboratively with public organizations, non-profits, and local landowner partners along the Lower Mokelumne River; and
- 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, number of elderberry bushes, and enhancing federally listed species on 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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	11,584	12,851	13,425	15,001	11.7%	15,641	4.3%
Less: Capital Labor and Benefits	47	69	85	-	-100.0%	-	0.0%
Operating Labor and Benefits	11,536	12,782	13,341	15,001	12.4%	15,641	4.3%
Contract Services	3,247	2,321	3,347	3,860	15.3%	3,966	2.7%
Other Costs	4,648	4,033	4,617	5,019	8.7%	4,941	-1.6%
Operating Total	19,431	19,136	21,305	23,880	12.1%	24,548	2.8%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$2.6 million, or 12.1 percent, compared to FY 2025. In FY 2027, the budget will increase \$0.7 million, or 2.8 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total labor and benefit costs are increasing in FY 2026 compared to the FY 2025 budget due in part to the addition of two Limited-Term positions, as well as expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. The increase to Contract Services is primarily due to the cost of facility and upcountry security needs. Other major drivers include the increased costs of operating contracts with California Department of Fish and Wildlife for the Mokelumne River Fish Hatchery.

FY 2027

Total labor and benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract Services increase due to the agreement with the East Bay Regional Park District. Other Costs decrease due to a one-time fee paid in FY 2026.

Staffing Summary

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2026, two Limited-Term positions will be added.

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

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	65.00	65.00	65.00	65.00	-	65.00	-
Limited-Term / Temp. Const.	-	-	1.00	3.00	2.00	3.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	2.50	2.50	2.50	2.50	-	2.50	-
Total FTE	67.50	67.50	68.50	70.50	2.00	70.50	-

Staffing Changes

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

Natural Resources Department Staffing Changes

FY 2026 & FY 2027 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change	FTE Change	Purpose, Project or Program
2026	Add			Ranger/Naturalist I/II	L/T	298,487	2.00	Reduce risk at upcountry recreation areas

In FY 2026, two Limited-Term Ranger/Naturalist I/II positions will be added to support managing risk during the busiest recreation seasons in the recreation areas around the Pardee and Camanche reservoirs.

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 2026 and FY 2027 Goals

Key department goals include:

- Providing legal advice and assistance necessary to implement the District's mission, policies and programs, and in support of the District's Strategic Plan and Diversity, Equity, and Inclusion Plan, 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;
- Keeping up to date with current and necessary legal technology trends and tools; and
- Providing dedicated legal advice to a centralized contracting group.

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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	4,233	4,816	4,982	5,768	15.8%	6,012	4.2%
Less: Capital Labor and Benefits	-	-	-	-	0.0%	-	0.0%
Operating Labor and Benefits	4,233	4,816	4,982	5,768	15.8%	6,012	4.2%
Contract Services	833	746	750	750	0.0%	750	0.0%
Other Costs	178	160	251	307	22.2%	309	0.8%
Operating Total	5,243	5,721	5,983	6,825	14.1%	7,071	3.6%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$0.8 million, or 14.1 percent, compared to FY 2025. In FY 2027, the budget will increase slightly, or 3.6 percent, compared to the first year of the biennial budget. Changes include:

FY 2026

Total labor and benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Other Costs are increasing in software costs for managing document production, which were not budgeted in the previous budget cycle, and for a replacement document management software (DMS) to replace the current software that will be obsolete within this budget cycle. Another large expense is for upgrading to a better legal research platform to reduce time attorneys spend researching, enhancing the department's efficiency. There is an anticipated increase in managing complex litigation and administrative cases in-house which will require an increase in litigation and legal expenses.

FY 2027

Total Labor and Benefit Costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Other Costs are expected to remain relatively stable compared to FY 2026 with increases attributable to inflation.

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 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	16.00	16.00	16.00	16.00	-	16.00	-
Limited-Term / Temp. Const.	-	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	0.50	0.50	0.50	0.50	-	0.50	-
Total FTE	16.50	16.50	16.50	16.50	-	16.50	-

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 California State Legislature and United States 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 2026 and FY 2027 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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	11,316	14,549	16,012	17,479	9.2%	18,361	5.0%
Less: Capital Labor and Benefits	19	301	-	415	0.0%	459	10.6%
Operating Labor and Benefits	11,297	14,249	16,012	17,064	6.6%	17,902	4.9%
Contract Services	791	890	1,747	1,987	13.7%	1,885	-5.1%
Other Costs	2,649	2,312	2,834	2,335	-17.6%	3,880	66.2%
Operating Total	14,736	17,451	20,594	21,386	3.8%	23,668	10.7%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$0.8 million, or 3.8 percent, compared to FY 2025. In FY 2027, the budget will increase \$2.3 million, or 10.7 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total Labor and Benefit costs are increasing due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Contract Services are increasing due to general inflationary increases, as well as new contracts, including one for diversity, equity and inclusion training and another for audio/visual services previously paid by the Information Services Department. Other Costs overall are decreasing in FY 2026 as only odd-numbered fiscal years have election costs. Despite that decrease, increases in the budget include: new Annual Water Quality Report regulations, which require twice-per-year mailings effective January 2027; adding advertising costs, which were not budgeted in the previous cycle; and costs associated with outreach events with Board members.

FY 2027

Total Labor and Benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. The major driver of the significant increase to Other Costs is the increase in budget for the November 2026 election.

Staffing Summary

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2026, the department's staff is growing by 2.50 FTE. There are no changes to the department's staffing in FY 2027.

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

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	49.00	52.00	52.00	52.00	-	52.00	-
Limited-Term / Temp. Const.	2.00	15.00	15.00	18.00	3.00	18.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	6.50	13.50	13.50	13.00	(0.50)	13.00	-
Total FTE	57.50	80.50	80.50	83.00	2.50	83.00	-

Staffing Changes

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

Office of the General Manager Staffing Changes

FY 2026 & FY 2027 Department Staffing Changes								
FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change	FTE Change	Purpose, Project or Program
2026	Add			Outreach and Education Specialist	P/T	190,784	1.00	Enhance school field trips and community education
2026	Convert Character	Ranger/Naturalist I/II	P/T	Ranger/Naturalist I/II	L/T	74,622	0.50	Provide improved workforce development opportunities
2026	Delete	Information Technology Intern I/II	TEMP			(63,943)	(0.50)	Position no longer needed
2026	Delete	Information Technology Intern I/II	TEMP			(63,943)	(0.50)	Position no longer needed
2026	Delete	Ranger/Naturalist I/II	P/T			(75,764)	(0.50)	Replaced with L/T position

Two Part-Time Community Education and Outreach Specialist positions will be added (for a total of 1.00 FTE) to the Office of Public Affairs to enhance school field trips and community education. These are replacing two Temporary positions (1.00 FTE combined) that will be deleted as the positions are no longer needed. One Part-Time Ranger/Naturalist I/II position will be converted to Limited-Term and another Part-Time Ranger/Naturalist I/II will be deleted, for no net change in FTE; these actions will improve workforce development opportunities as the Limited-Term positions are better suited for training and development opportunities in the watershed and at recreation areas.

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 and Administrative Support divisions. Regulatory Compliance provides environmental compliance guidance and assistance, security services, emergency preparedness support, and workplace health and safety support to the entire District. Administrative Support provides departmental administrative services, 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; 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 2026 and FY 2027 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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	14,426	15,336	15,536	18,101	16.5%	18,809	3.9%
Less: Capital Labor and Benefits	1,148	876	604	520	-14.0%	539	3.7%
Operating Labor and Benefits	13,278	14,460	14,932	17,582	17.8%	18,270	3.9%
Contract Services	4,895	4,686	5,451	9,175	68.3%	9,532	3.9%
Other Costs	6,990	8,780	9,530	9,645	1.2%	10,266	6.4%
Operating Total	25,163	27,926	29,912	36,402	21.7%	38,069	4.6%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$6.5 million, or 21.7 percent, compared to FY 2025. In FY 2027, the budget will increase \$1.7 million, or 4.6 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total labor and benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Contract services costs are increasing due to large increases to security contracts as well as smaller increases in other contracts. Other Costs are increases primarily in laboratory services; fees and licenses; hazardous waste disposal; and spoils/sludge disposal.

FY 2027

Total labor and benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract Services are expected to increase due to continued inflationary pressures. Other Costs are expected to increase due to laboratory services; fees and licenses; and computer software for environmental compliance and workplace health and safety management. 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 staffing changes, including transfers among departments, which accounts for the net increase in Full-Time FTEs for the department. In FY 2026, two Temporary Construction (T/C) positions will be added, as detailed on the next page.

*Operations and Maintenance Support Department Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	55.00	55.00	55.00	56.00	1.00	56.00	-
Limited-Term / Temp. Const.	-	1.00	1.00	3.00	2.00	3.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
Total FTE	55.00	56.00	56.00	59.00	3.00	59.00	-

Staffing Changes

*Operations and Maintenance Support Department Staffing Changes***FY 2026 & FY 2027 Department Staffing Changes**

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change	FTE Change	Purpose, Project or Program
2026	Add			Information Systems Support Analyst II	T/C	465,522	2.00	Support work management software replacement project

In FY 2026, two T/C Information Systems Support Analyst II will be added to support the work management software replacement project.

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 the Freeport Regional Water Authority facilities. Duties include oversight at 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 Supply, and Water Treatment and Distribution 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 Supply 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. Water Treatment and Distribution is responsible for providing high quality water by meeting or exceeding public health and water quality standards.

FY 2026 and FY 2027 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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	69,295	76,722	78,498	83,924	6.9%	87,566	4.3%
Less: Capital Labor and Benefits	5,760	6,614	5,420	5,914	9.1%	6,276	6.1%
Operating Labor and Benefits	63,535	70,108	73,078	78,011	6.7%	81,290	4.2%
Contract Services	3,835	5,191	5,831	6,734	15.5%	7,017	4.2%
Other Costs	37,956	41,229	47,029	46,087	-2.0%	47,952	4.0%
Operating Total	105,325	116,528	125,938	130,832	3.9%	136,259	4.1%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$4.9 million, or 3.9 percent, compared to FY 2025. In FY 2027, the budget will increase \$5.4 million, or 4.1 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total labor and benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. Contract Services are expected to increase due to new specialized outside services and professional services. Other Costs are expected to decrease primarily due to a reduction in energy costs for water treatment as a result of a lower projected PG&E rate increase for FY2026 over the prior fiscal year.

FY 2027

Total labor and benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract services are expected to slightly increase, with small increases for continued inflation. Other costs are expected to increase due to continued inflationary pressures on chemical and energy costs.

Staffing Summary

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2026, there is a net decrease of one Full-Time FTE due to various position transfers between departments. Additionally, two Limited-Term FTEs will be transferred to the Office of Diversity, Equity and Culture in the Office of the General Manager to support a coordinated trades development program.

*Water Operations Department Operating Staffing Summary***Department Staffing Summary and Comparison (FTE)**

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	333.00	334.00	334.00	333.00	(1.00)	333.00	-
Limited-Term / Temp. Const.	4.00	3.00	3.00	1.00	(2.00)	1.00	-
Intermittent	0.75	0.75	0.75	0.75	-	0.75	-
Temporary / Part-Time	2.00	1.50	1.50	1.50	-	1.50	-
Total FTE	339.75	339.25	339.25	336.25	(3.00)	336.25	-

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 (NRWRP) and the Richmond Advance Recycled Expansion (RARE) facility that provide recycled water for use in the Chevron refinery, and the East Bayshore Recycled Water Recycling Facility (EBWRF) 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 2026 and FY 2027 Goals

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

- Maintaining all equipment in operable condition to maximize recycled water production;
- Upgrading equipment to increase overall output to greater than 3.5 million gallons per day (MGD) including procurement and installation of new microfiltration membranes at RARE;
- Assisting with the NRWRP Engineering Study and Tracer Study required by the Department of Health;
- Adding dual cellular wireless equipment to eliminate frequent communications outages at NRWRP; and
- Assisting with capital improvement designs for NRWRP and EBWRF.

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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	2,276	2,424	2,342	2,706	15.5%	2,800	3.5%
Less: Capital Labor and Benefits	60	-	19	26	32.1%	27	3.9%
Operating Labor and Benefits	2,216	2,424	2,323	2,680	15.4%	2,773	3.5%
Contract Services	86	131	252	226	-10.5%	229	1.4%
Other Costs	4,282	4,776	5,649	5,263	-6.8%	5,502	4.5%
Operating Total	6,583	7,331	8,224	8,169	-0.7%	8,504	4.1%

Budget Highlights

The department's operating budget in FY 2026 is decreasing \$0.1 million, or 0.7 percent, compared to FY 2025. In FY 2027, the budget will increase \$0.3 million, or 4.1 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total labor and benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance. In addition, one position was transferred from the Water Operations Department (WOD) to maintain sustainable staffing levels for operational support and reduce reliance on overtime. Contract Services are decreasing primarily because the tracer study at the North Richmond Water Reclamation Plant is budgeted under a different department. Other Costs are also decreasing due to reductions in chemicals and energy. The FY 2025 budget was influenced by rapid price increases; however, costs did not grow as significantly as anticipated and are being adjusted to align closer to actual spending trends.

FY 2027

Total labor and benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract Services are essentially flat. Other Costs are expected to increase modestly due to general price inflation.

Staffing Summary

The table below summarizes the staffing changes and transfers that have occurred among departments. There is one transfer from WOD to support improved staffing levels.

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

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	8.00	8.00	8.00	9.00	1.00	9.00	-
Limited-Term / Temp. Const.	-	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
Total FTE	8.00	8.00	8.00	9.00	1.00	9.00	-

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 supplemental water supplies, and administer the District's Federal Energy Regulatory Commission program.

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, capital projects support for the Natural Resources Department, 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 2026 and FY 2027 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, complying with and seeking renewal of the District's Federal Energy Regulatory Commission (FERC) hydropower license, and complying with the U.S. Bureau of Reclamation Central Valley Project contract entitlements;
- Continuing collaborative partnerships for ensuring dry-year water supply including long-term water transfer agreements with Placer County Water Agency and with Yuba Water Agency/Contra Costa Water District, development of a long-term groundwater banking project with San Joaquin County and other partners, regional water supply reliability partnerships in the Bay Area and with upcountry agencies, and Groundwater Sustainability Plan compliance activities;
- 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 expand use of recycled water to further reduce demand on Mokelumne River and East Bay water supplies, secure supplemental supply arrangement for DERWA to facilitate project expansion, and develop an outreach, education and messaging plan to support a future potable reuse (purified water) program as part of the long-term recycled water goal;
- Participating in State Water Resources Control Board hearings on the Water Quality Control Plan and development of the associated Healthy Rivers and Landscapes Program, and monitoring of the state's Delta Conveyance Project to ensure compliance with settlement agreements; 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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	9,548	10,114	10,118	10,902	7.7%	11,362	4.2%
Less: Capital Labor and Benefits	1,573	2,214	1,858	1,096	-41.0%	1,145	4.4%
Operating Labor and Benefits	7,975	7,900	8,260	9,805	18.7%	10,217	4.2%
Contract Services	348	34	190	680	257.9%	650	-4.4%
Other Costs	2,204	3,186	3,389	4,323	27.5%	4,561	5.5%
Operating Total	10,527	11,120	11,840	14,808	25.1%	15,428	4.2%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$3.0 million, or 25.1 percent, compared to FY 2025. In FY 2027, the budget will increase \$0.6 million, or 4.2 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total labor and benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially healthcare insurance. Operating Labor is increasing due to a shift to the operating budget for water supply project planning. The rise in Contract Services is largely due to contracted support for new water supply projects, previously budgeted as capital expenses. Other Costs increases are for fees to the Dublin San Ramon Services District-EBMUD Recycled Water Authority (DERWA) and water right fees paid to the State Water Resources Board.

FY 2027

Total labor and benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract Services are essentially flat, with just a \$30,000 reduction in FY 2027. Other Costs are expected to increase primarily related to DERWA.

Staffing Summary

The table below summarizes any staffing changes and transfers that have occurred among departments. There are no staffing changes in WRD.

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

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	35.00	35.00	35.00	35.00	-	35.00	-
Limited-Term / Temp. Const.	2.00	-	-	-	-	-	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	-	-	-	-	-	-	-
Total FTE	37.00	35.00	35.00	35.00	-	35.00	-

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 2026 & FY 2027 Department Staffing (FTE)					
Department	FY 2025	FY 2026		FY 2027	
	Budget	Budget	FTE Change	Budget	FTE Change
Administration	1.00	1.00	-	1.00	-
Customer & Community Services	139.50	137.50	(2.00)	137.50	-
Engineering & Construction	294.00	292.00	(2.00)	292.00	-
Drought	15.00	15.00	-	15.00	-
Finance	99.50	102.00	2.50	102.00	-
Human Resources	46.50	48.00	1.50	48.00	-
Information Systems	96.00	98.00	2.00	98.00	-
Maintenance & Construction	632.50	633.50	1.00	635.50	2.00
Natural Resources	68.50	70.50	2.00	70.50	-
Office of the General Counsel	16.50	16.50	-	16.50	-
Office of the General Manager	80.50	83.00	2.50	83.00	-
Operations & Maintenance Support	56.00	59.00	3.00	59.00	-
Water Operations	339.25	336.25	(3.00)	336.25	-
Water Recycling Program	8.00	9.00	1.00	9.00	-
Water Resources	35.00	35.00	-	35.00	-
Total FTE	1,927.75	1,936.25	8.50	1,938.25	2.00

In FY 2026, a net total of 8.5 FTEs are being added to the Water System. In FY 2027, two full-time FTEs will be added in the Maintenance & Construction Department. For a more detail description of the staffing changes, please see the specific department pages earlier 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 2026 and FY 2027 and correspond to the staffing changes table in each department.

*FY 2026 vs FY 2025 Water System Department Changes in Bargaining Units***FY 2026 vs FY 2025 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	(1.50)	-	-	-	-	(0.50)	-
Engineering & Construction	(1.00)	-	-	-	(1.00)	-	-
Drought	-	-	-	-	-	-	-
Finance	(1.00)	0.50	-	-	3.00	-	-
Human Resources	-	-	-	-	1.50	-	-
Information Systems	2.00	-	-	-	-	-	-
Maintenance & Construction	(1.00)	2.00	-	-	-	-	-
Natural Resources	2.00	-	-	-	-	-	-
Office of the General Counsel	-	-	-	-	-	-	-
Office of the General Manager	(1.00)	2.00	1.00	-	0.50	-	-
Operations & Maintenance Support	3.00	-	-	-	-	-	-
Water Operations	-	(3.00)	-	-	-	-	-
Water Recycling Program	-	1.00	-	-	-	-	-
Water Resources	-	-	-	-	-	-	-
Total FTE	1.50	2.50	1.00	-	4.00	(0.50)	-

*FY 2027 vs FY 2026 Water System Department Changes in Bargaining Units***FY 2027 vs FY 2026 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	-	-	-	-	-	-	-
Drought	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	-	-
Information Systems	-	-	-	-	-	-	-
Maintenance & Construction	-	2.00	-	-	-	-	-
Natural Resources	-	-	-	-	-	-	-
Office of the General Counsel	-	-	-	-	-	-	-
Office of the General Manager	-	-	-	-	-	-	-
Operations & Maintenance Support	-	-	-	-	-	-	-
Water Operations	-	-	-	-	-	-	-
Water Recycling Program	-	-	-	-	-	-	-
Water Resources	-	-	-	-	-	-	-
Total FTE	-	2.00	-	-	-	-	-

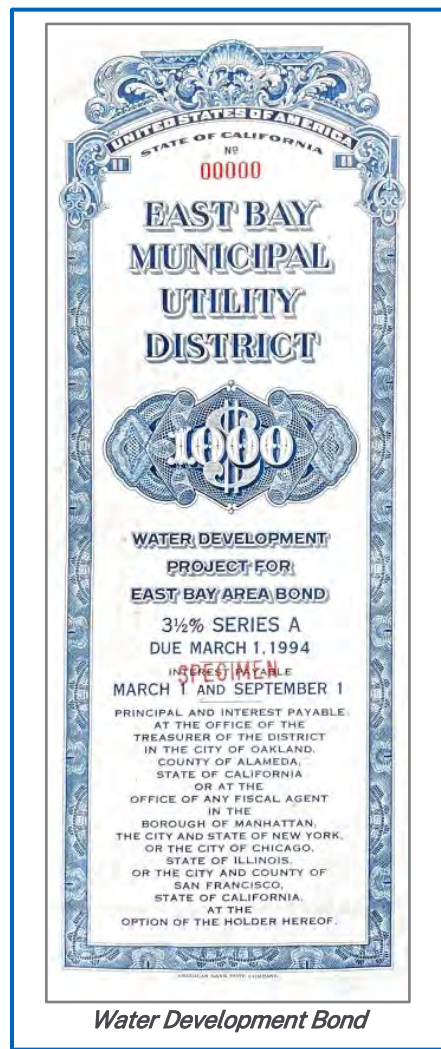
Debt Service and Financing

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 \$2.82 billion as of June 30, 2025. 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, 2025				
Issue	Date of Issue	Last Maturity	Issued (\$ Thousands)	Outstanding (\$ Thousands)
Long-Term Debt				
Revenue Bonds				
Series 2010B (Build America Bonds)	2/23/2010	6/1/2040	400,000	400,000
Series 2014B	6/11/2014	6/1/2030	242,730	47,845
Series 2015A	3/3/2015	6/1/2037	429,360	18,555
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	145,400
Series 2022A	6/21/2022	6/1/2052	133,950	133,435
Series 2022B-1	6/21/2022	6/1/2037	72,105	71,915
Series 2022B-2	6/21/2022	6/1/2034	103,850	87,915
Series 2024A	3/5/2024	6/1/2054	245,285	245,285
Series 2024B	3/5/2024	6/1/2044	180,715	180,715
Series 2025A	5/15/2025	6/1/2055	259,455	259,455
Series 2025B	5/15/2025	6/1/2045	478,995	478,995
Total Revenue Bonds			3,203,285	2,551,030
% of Total Outstanding Debt				90.5%
Loans				
State Loan (parity)	5/22/2008	4/1/2028	20,100	3,606
State Loan (parity)	12/14/2017	7/1/2048	13,998	11,718
State Loan (parity)	4/18/2018	7/1/2049	12,045	10,167
Total Loans			46,143	25,491
% of Total Outstanding Debt				0.9%
Total Long-Term Debt			3,249,428	2,576,521
Short-Term Debt				
Commercial Paper				
Commercial Paper	Various	Various	N/A	241,000
Total Commercial Paper			-	241,000
% of Total Outstanding Debt				8.6%
Total Short-Term Debt				241,000
Total Outstanding Debt				2,817,521

The District plans to issue \$355 million in revenue bonds in FY 2026, and in FY 2027, the District plans to issue \$345 million in revenue bonds.

DEBT SERVICE

The Water System's total outstanding debt of \$2.82 billion as of June 30, 2025 is projected to cost \$1.74 billion in interest as shown in the table below. The principal includes planned annual pay down of Commercial Paper (CP). However, CP has no final maturity and the CP principal pay down schedule could differ. Interest on CP is assumed to be 3.5 percent in FY 2026 and FY 2027 and will decline to 3.0 percent starting in FY 2028.

Water System Projected Debt Service on Current Debt

Debt Service on Current Outstanding Debt (\$ Thousands)			
Projected as of June 30, 2025			
Fiscal Year	Principal	Interest	Debt Service
2026	96,379	141,133	237,512
2027	99,840	134,886	234,726
2028	104,222	129,046	233,268
2029	108,875	124,093	232,968
2030	113,793	118,875	232,669
2031	118,962	113,412	232,375
2032	124,381	107,692	232,073
2033	130,071	101,700	231,771
2034	136,040	95,425	231,465
2035	172,320	88,851	261,172
2036	151,750	81,065	232,815
2037	159,086	73,425	232,511
2038	167,016	65,195	232,211
2039	165,272	56,039	221,311
2040	107,928	46,799	154,728
2041	90,600	41,325	131,925
2042	94,592	37,027	131,619
2043	98,804	32,530	131,334
2044	103,126	27,903	131,029
2045	83,334	23,064	106,398
2046	48,572	19,219	67,790
2047	41,465	17,025	58,490
2048	42,463	15,008	57,471
2049	44,235	12,919	57,154
2050	35,312	10,735	46,046
2051	36,815	8,978	45,793
2052	38,655	7,135	45,790
2053	39,605	5,200	44,805
2054	41,585	3,219	44,804
2055	22,800	1,140	23,940
Total	2,817,899	1,740,062	4,557,961

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

- Payments on new debt issues in FY 2026, and FY 2027; and
- Costs for liquidity fees, remarketing fees, and other 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 June 30, 2025			
Debt by Type	S&P	Moody's	Fitch
Fixed Rate Revenue Bonds	AAA	Aaa	AA+
Commercial Paper	A-1+	P-1	F1+

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

S&P

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

Moody's

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

Fitch

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

DEBT MANAGEMENT POLICY

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

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

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

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

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

The District's debt management policy is to:

- Maintain an annual revenue bond debt service coverage ratio of at least 1.60x;
- Limit debt-funded capital to no more than 65 percent of the total capital program over each five-year planning period; and
- Limit commercial paper and 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 2026 and FY 2027, the projected debt coverage ratios are 1.93x and 1.91x, respectively.

DEBT-FUNDED CAPITAL

The percentage of the capital program that is funded by debt over the five-year planning period FY 2026 to FY 2035 is projected at 35.0 percent, which is below the financial policy maximum target of 65 percent. The debt percentage funding levels for FY 2026 and FY 2027 are shown in the table below.

Water System Debt Funded Capital

Projected Debt Funding of Capital (\$ Thousands)		
	FY 2026	FY 2027
Capital Expenses		
Capital Cash Flow	521,531	540,843
Capital Support	58,000	58,000
Total Capital Expenses	579,531	598,843
Funding Sources		
New Bond Proceeds	355,000	345,000
Other Sources	224,531	253,843
Total Sources	579,531	598,843
Debt Percentage of Capital Funding	61.3%	57.6%

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, 2025, \$241.0 million of Water System CP is projected to be outstanding after an anticipated partial pay down of principal in FY 2025. Water System CP comprises about 8.6 percent of the \$2.82 billion in total outstanding debt.

Capital Improvement Program

OVERVIEW

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 10 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.

The top organizing feature for the CIP are 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
Water
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:

- 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.

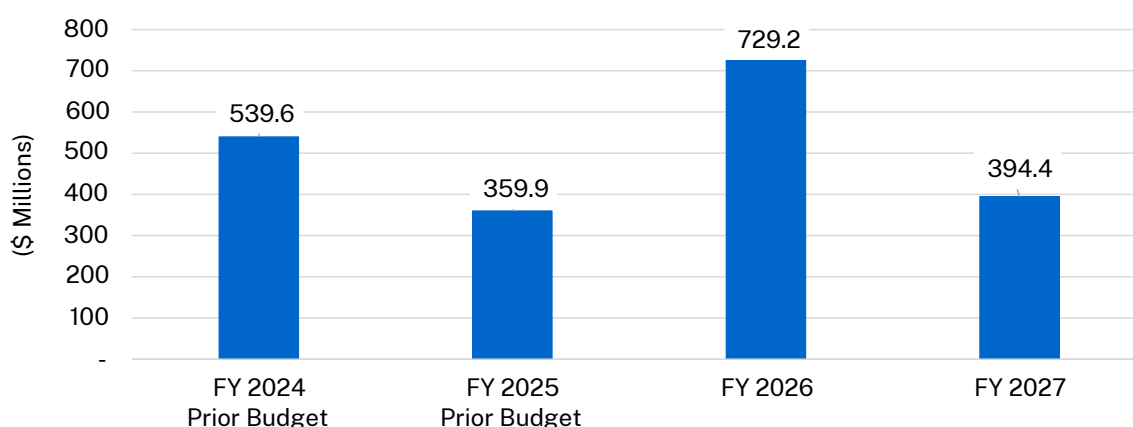
Each of these two concepts will be discussed in further detail throughout this section.

APPROPRIATIONS

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 vary depending upon project scope and timing, and any unspent appropriation a project may already have.

The Water System's FY 2026 capital appropriation will increase by \$369.3 million or 103 percent from FY 2025. In FY 2027, the appropriation decreases by 46 percent from FY 2026. The first year's increase is particularly high due to several notable multi-year contracts that will be advertised for bid in FY 2026, while the work will be completed in FY 2027 or 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 2027 appropriations decrease, important work continues in the second year. Appropriations are summarized in the below chart.

Water System Appropriations Current Budget Compared to Prior Budget by Fiscal Year



CASH FLOW

The FY 2026 - FY 2035 CIP is supported by capital cash flows that incorporate the following changes from previous CIP development processes.

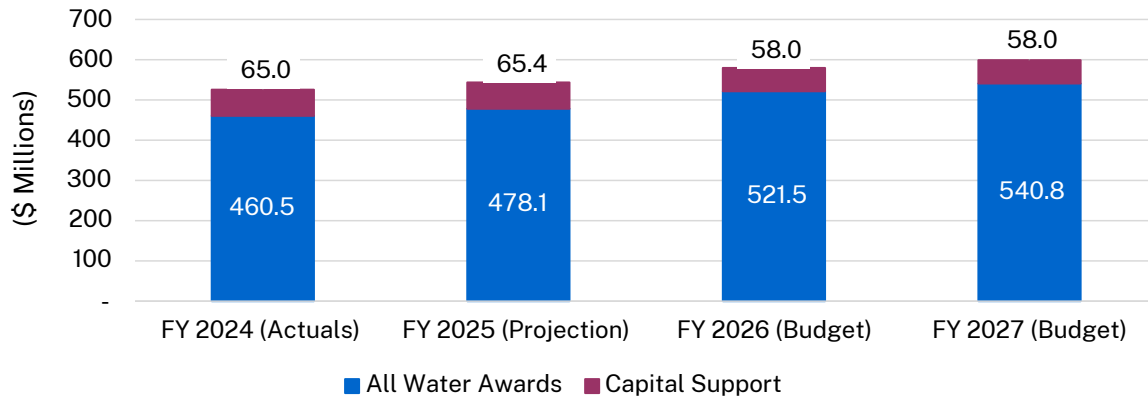
Cash flows were previously reported in the budget for five years, but this year there was an increased focus on the full 10-year projection of expenses. Forecasting out-years allows management and project managers to anticipate the funding needs for critical infrastructure initiatives. This is especially 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.

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.

The FY 2026 - FY 2035 CIP is \$5.6 billion, including Capital Support. The CIP 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, increased to \$58.0 million annually for the current budget cycle, then by 3 percent annually for the remainder of the CIP.

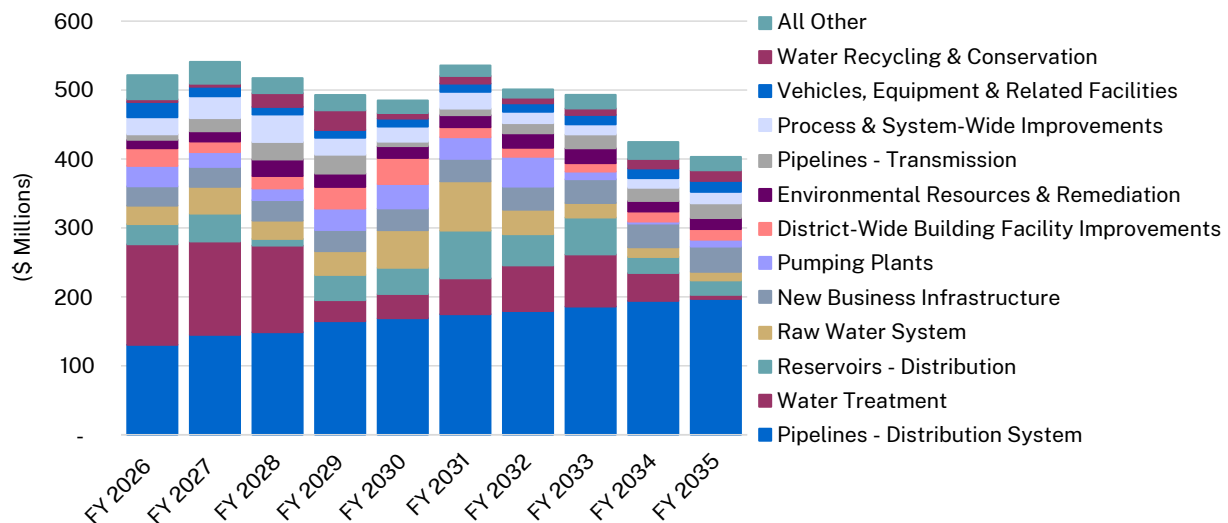
The four-year summary of capital cash flows highlights the changes in capital cash flows from the previous to the current biennial budget cycles.

Water System Cash Flows Four-Year Summary



The next chart showcases the current CIP by award purpose, highlighting the increasing investment contained in this CIP. Distribution System Pipelines, which includes the Pipeline Rebuild effort, Water Treatment, and Distribution Reservoirs account for more than half of the total planned capital expenses over the CIP.

Water System FY 2026 - FY 2035 Cash Flows by Award Purpose (Excludes Capital Support)



CAPITAL LABOR

The capital labor component of the Water System's CIP totals \$116.6 million in FY 2026, an increase of \$2.8 million or 2.5 percent from FY 2025. This slight increase is driven by expectations for salary and benefit cost increases as well as a few additional positions, though it is offset by an expected reduction in labor charged to capital as the District continues to prioritize and control capital costs.

In the second year of the biennial budget, FY 2027, capital labor is projected to increase to \$122.3 million, for an increase of \$5.8 million or 4.9 percent over FY 2026, which is a more typical labor cost increase, driven by salary and benefit cost increases.

The following table shows the capital labor and benefits budget by department. Note that several departments' capital labor budgets are decreasing or going to zero as the District continues to adjust policies around capitalizing labor costs, particularly for software and other intangible-asset projects, such as studies.

Water System Capital Labor Budget by Department

Capital Labor by Department (\$ Thousands)						
	FY 2024 Actuals	FY 2025 Budget	FY 2026 Budget	% Change	FY 2027 Budget	% Change
Administration	-	-	-	-	-	-
Customer & Community Services	391	642	608	-5.3%	639	5.1%
Engineering & Construction	51,657	50,220	51,508	2.6%	53,767	4.4%
Finance	91	355	14	-96.2%	14	0.0%
Human Resources	1	638	-	-100.0%	-	-
Information Systems	246	-	1,138	-	1,192	4.8%
Maintenance & Construction	53,031	53,871	55,321	2.7%	58,267	5.3%
Natural Resources	69	85	-	-100.0%	-	-
Office of the General Counsel	-	-	-	-	-	-
Office of the General Manager	301	-	415	-	459	10.6%
Operations & Maintenance Support	876	604	520	-14.0%	539	3.7%
Water Operations	6,614	5,420	5,914	9.1%	6,276	6.1%
Water Recycling	-	19	26	32.1%	27	3.9%
Water Resources	2,214	1,858	1,096	-41.0%	1,145	4.4%
Total Departments	115,491	113,712	116,558	2.5%	122,323	4.9%

*Drought Department is only budgeted during declared droughts, and only under Board direction.

Relative to operating labor, capital labor represents 25.2 percent of the FY 2026 total labor budget, and 25.3 percent of the FY 2027 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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Building Facilities Improvements	Cash Flow	19,829	9,820	29,649	98,197	130,982
Building Facilities Improvements	Approp.	1,545	1,061			
Facilities Cathodic Protection	Cash Flow	653	157	810	2,404	4,574
Facilities Cathodic Protection	Approp.	-	-			
Facility Paving	Cash Flow	1,729	1,896	3,626	9,671	23,360
Facility Paving	Approp.	450	500			
Minor Facilities Work	Cash Flow	-	-	-	-	192
Minor Facilities Work	Approp.	-	-			
Small Capital Improvements	Cash Flow	3,399	3,501	6,900	17,827	38,747
Small Capital Improvements	Approp.	2,850	2,850			
Total	Cash Flow	25,610	15,374	40,984	128,100	197,854
Total	Approp.	4,845	4,411			



Old 1890-Style Fire Hydrant



Current Model-64 Fire Hydrants

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
East Bay Watershed Management	Cash Flow	1,391	1,008	2,398	6,700	8,359
East Bay Watershed Management	Approp.	1,603	796			
Mine Restorations	Cash Flow	-	-	-	-	42
Mine Restorations	Approp.	-	-			
Mokelumne River Hatchery	Cash Flow	-	-	-	9,789	20,606
Mokelumne River Hatchery	Approp.	-	-			
Mokelumne Watershed Management	Cash Flow	103	106	209	547	1,572
Mokelumne Watershed Management	Approp.	297	-			
River and Watershed	Cash Flow	1,442	2,122	3,564	8,146	9,108
River and Watershed	Approp.	1,972	1,138			
Trench Soils Management	Cash Flow	8,508	9,034	17,541	54,031	123,931
Trench Soils Management	Approp.	8,508	9,034			
Upcountry Wastewater Treatment Improvements	Cash Flow	824	2,551	3,375	8,378	15,217
Upcountry Wastewater Treatment Improvements	Approp.	-	-			
Total	Cash Flow	12,267	14,820	27,088	87,591	178,835
Total	Approp.	12,379	10,967			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Hydrants Installed by District Forces	Cash Flow	1,545	1,591	3,136	8,203	17,712
Hydrants Installed by District Forces	Approp.	1,545	1,591			
New Service Installations	Cash Flow	15,914	16,391	32,304	84,487	182,430
New Service Installations	Approp.	15,914	16,391			
Pipeline System Extensions	Cash Flow	10,609	10,927	21,536	56,325	121,620
Pipeline System Extensions	Approp.	10,609	10,927			
Total	Cash Flow	28,068	28,910	56,977	149,014	321,762
Total	Approp.	28,068	28,910			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Annual Appurtenance Work	Cash Flow	1,648	1,697	3,345	9,145	20,761
Annual Appurtenance Work	Approp.	750	800			
Distribution System Cathodic Protection	Cash Flow	2,177	2,879	5,055	12,869	28,548
Distribution System Cathodic Protection	Approp.	899	1,189			
Pipeline Rebuild	Cash Flow	100,423	113,405	213,828	596,965	1,335,928
Pipeline Rebuild	Approp.	100,423	113,405			
Pipeline Relocations	Cash Flow	11,426	11,769	23,194	60,661	130,984
Pipeline Relocations	Approp.	6,959	7,168			
Pipeline System Improvements	Cash Flow	102	105	207	541	5,267
Pipeline System Improvements	Approp.	75	77			
Service Lateral Replacements	Cash Flow	14,678	15,118	29,795	77,925	168,261
Service Lateral Replacements	Approp.	14,678	15,118			
Total	Cash Flow	130,453	144,972	275,425	758,106	1,689,749
Total	Approp.	123,783	137,757			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Aqueduct Cathodic Protection	Cash Flow	574	82	656	1,999	3,706
Aqueduct Cathodic Protection	Approp.	-	-			
Large Diameter Pipelines	Cash Flow	7,228	18,099	25,327	82,024	161,791
Large Diameter Pipelines	Approp.	4,182	-			
Transmission Main Cathodic Protection	Cash Flow	153	900	1,052	2,340	5,943
Transmission Main Cathodic Protection	Approp.	79	2,243			
Total	Cash Flow	7,955	19,081	27,036	86,363	171,439
Total	Approp.	4,260	2,243			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Distribution System Upgrades	Cash Flow	728	821	1,549	4,308	9,213
Distribution System Upgrades	Approp.	269	303			
Miscellaneous Planning Studies	Cash Flow	48	443	490	2,830	3,844
Miscellaneous Planning Studies	Approp.	15	3,515			
Pressure Zone Improvements	Cash Flow	1,466	1,113	2,579	4,556	5,602
Pressure Zone Improvements	Approp.	-	-			
West of Hills Master Plan	Cash Flow	454	-	454	3,053	3,053
West of Hills Master Plan	Approp.	59	-			
Total	Cash Flow	2,695	2,377	5,072	14,747	21,712
Total	Approp.	342	3,818			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
HRIS Replacement	Cash Flow	2,766	5,305	8,070	13,534	13,534
HRIS Replacement	Approp.	2,766	5,305			
Information Technology	Cash Flow	8,221	7,764	15,986	45,083	62,372
Information Technology	Approp.	7,104	8,152			
Op/Net System Improvements	Cash Flow	999	2,196	3,195	6,526	12,675
Op/Net System Improvements	Approp.	650	1,400			
Planned Meter Replacements	Cash Flow	5,580	5,845	11,425	31,690	69,727
Planned Meter Replacements	Approp.	3,742	4,277			
Security Improvements	Cash Flow	2,978	4,665	7,643	20,610	27,323
Security Improvements	Approp.	-	-			
Water Loss Control	Cash Flow	4,205	5,891	10,096	25,307	42,884
Water Loss Control	Approp.	2,850	3,753			
Total	Cash Flow	24,750	31,666	56,416	142,751	228,516
Total	Approp.	17,111	22,887			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Pumping Plant Rehabilitation	Cash Flow	29,613	21,524	51,137	134,560	232,112
Pumping Plant Rehabilitation	Approp.	6,264	2,962			
Total	Cash Flow	29,613	21,524	51,137	134,560	232,112
Total	Approp.	6,264	2,962			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Mokelumne Aqueduct Number 2 & 3 Relining	Cash Flow	12,024	21,704	33,728	88,295	121,510
Mokelumne Aqueduct Number 2 & 3 Relining	Approp.	52,384	179			
Mokelumne Aqueducts Recoating	Cash Flow	6,288	6,477	12,765	14,989	14,989
Mokelumne Aqueducts Recoating	Approp.	-	-			
Raw Water Facilities	Cash Flow	4,139	8,123	12,262	21,473	38,870
Raw Water Facilities	Approp.	15,798	278			
Raw Water Infrastructure	Cash Flow	3,013	1,194	4,206	49,281	143,581
Raw Water Infrastructure	Approp.	-	-			
Raw Water Aqueduct Improvements	Cash Flow	1,288	1,326	2,614	7,219	16,955
Raw Water Aqueduct Improvements	Approp.	13,487	-			
Total	Cash Flow	26,751	38,824	65,575	181,257	335,904
Total	Approp.	81,669	457			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Camanche Hills Hunting Preserve	Cash Flow	-	-	-	1,126	1,126
Camanche Hills Hunting Preserve	Approp.	-	-			
Camanche Recreation Area Improvements	Cash Flow	258	265	523	1,367	1,666
Camanche Recreation Area Improvements	Approp.	-	-			
Lafayette Recreation Infrastructure	Cash Flow	2,504	207	2,711	2,711	2,711
Lafayette Recreation Infrastructure	Approp.	2,711	-			
Recreation Area Capital Maintenance & Improvements	Cash Flow	3,197	3,072	6,269	11,351	18,549
Recreation Area Capital Maintenance & Improvements	Approp.	2,325	2,325			
San Pablo Recreation Infrastructure	Cash Flow	2,575	-	2,575	2,913	2,913
San Pablo Recreation Infrastructure	Approp.	2,894	-			
Total	Cash Flow	8,534	3,544	12,078	19,468	26,964
Total	Approp.	7,930	2,325			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Rate Control Station Rehabilitation	Cash Flow	587	215	802	3,998	9,043
Rate Control Station Rehabilitation	Approp.	-	-			
Regulator Rehabilitation	Cash Flow	5,346	332	5,678	11,186	12,675
Regulator Rehabilitation	Approp.	-	-			
Total	Cash Flow	5,933	547	6,480	15,183	21,719
Total	Approp.	-	-			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Chloramine Boosting Stations	Cash Flow	814	-	814	814	814
Chloramine Boosting Stations	Approp.	500	-			
Distribution System Water Quality Improvements	Cash Flow	-	-	-	396	634
Distribution System Water Quality Improvements	Approp.	-	-			
Open-Cut Reservoir Program	Cash Flow	10,939	27,138	38,076	93,181	280,346
Open-Cut Reservoir Program	Approp.	209,600	528			
Reservoir Mixing System	Cash Flow	-	-	-	338	972
Reservoir Mixing System	Approp.	-	-			
Reservoir Rehabilitation and Maintenance	Cash Flow	17,488	13,271	30,759	59,152	83,345
Reservoir Rehabilitation and Maintenance	Approp.	-	22,873			
Total	Cash Flow	29,241	40,409	69,649	153,880	366,111
Total	Approp.	210,100	23,401			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Dam Operational Upgrades	Cash Flow	2,140	1,638	3,778	11,616	25,418
Dam Operational Upgrades	Approp.	-	-			
Dam Seismic Upgrades	Cash Flow	273	1,156	1,429	3,321	20,567
Dam Seismic Upgrades	Approp.	-	-			
Dam Surveillance Improvements	Cash Flow	1,092	983	2,075	3,223	5,685
Dam Surveillance Improvements	Approp.	195	176			
Reservoir Tower Modifications	Cash Flow	7,107	11,776	18,883	20,060	25,338
Reservoir Tower Modifications	Approp.	13,407	-			
Water Supply Monitoring System	Cash Flow	-	-	-	1,851	4,540
Water Supply Monitoring System	Approp.	-	-			
Total	Cash Flow	10,612	15,554	26,166	40,071	81,549
Total	Approp.	13,602	176			

Supplemental Supply, Regional Agreements

The District's Strategic Plan includes the goal to attain additional water 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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Groundwater Resource Development	Cash Flow	-	1,122	1,122	4,696	23,540
Groundwater Resource Development	Approp.	-	-			
SGMA Compliance	Cash Flow	880	429	1,308	1,308	2,081
SGMA Compliance	Approp.	1,308	-			
Upper Mokelumne River Watershed Authority - Water Supply Project	Cash Flow	-	-	-	-	1,566
Upper Mokelumne River Watershed Authority - Water Supply Project	Approp.	-	-			
Water Rights, Licenses & Plans	Cash Flow	3,695	6,579	10,273	20,566	22,709
Water Rights, Licenses & Plans	Approp.	8,864	-			
Total	Cash Flow	4,574	8,130	12,704	26,570	49,896
Total	Approp.	10,172	-			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Enhanced Power Revenue	Cash Flow	103	-	103	666	666
Enhanced Power Revenue	Approp.	50	-			
Powerhouse Improvements	Cash Flow	2,333	1,411	3,744	11,590	16,110
Powerhouse Improvements	Approp.	1,000	500			
Total	Cash Flow	2,436	1,411	3,847	12,255	16,776
Total	Approp.	1,050	500			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Diesel Engine Retrofit	Cash Flow	-	-	-	-	4,467
Diesel Engine Retrofit	Approp.	-	-			
Fleet & Equipment Additions	Cash Flow	745	117	862	862	862
Fleet & Equipment Additions	Approp.	745	117			
Fleet & Equipment Replacement & Purchases	Cash Flow	21,362	13,792	35,154	68,929	132,323
Fleet & Equipment Replacement & Purchases	Approp.	21,362	13,792			
Total	Cash Flow	22,107	13,909	36,016	69,791	137,652
Total	Approp.	22,107	13,909			

Water Recycling & Conservation

To reduce potable water demand, the District undertakes 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, 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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
DERWA	Cash Flow	431	778	1,208	1,558	1,558
DERWA	Approp.	-	-			
East Bayshore	Cash Flow	388	449	837	15,474	56,648
East Bayshore	Approp.	-	-			
North Richmond Recycled Water Plant	Cash Flow	-	-	-	10,433	14,158
North Richmond Recycled Water Plant	Approp.	-	-			
RARE - Chevron Funded	Cash Flow	1,409	707	2,116	6,998	15,222
RARE - Chevron Funded	Approp.	1,409	707			
San Ramon Valley Recycled Water	Cash Flow	1,792	2,408	4,200	30,494	35,246
San Ramon Valley Recycled Water	Approp.	-	-			
Total	Cash Flow	4,020	4,341	8,361	64,956	122,831
Total	Approp.	1,409	707			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Pardee Center Capital Maintenance & Improvements	Cash Flow	2,833	1,651	4,484	9,485	13,535
Pardee Center Capital Maintenance & Improvements	Approp.	2,833	1,651			
Treatment Plant Upgrades	Cash Flow	143,079	133,800	276,879	463,157	699,428
Treatment Plant Upgrades	Approp.	74,374	28,679			
Total	Cash Flow	145,912	135,450	281,363	472,642	712,963
Total	Approp.	77,208	30,329			

Water Contingency

Contingency funds cover unexpected needs before the next biennial budget cycle.

Water Contingency - Cash Flows and Appropriations by Award Purpose

FY 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Contingency - Water	Cash Flow					
Contingency - Water	Approp.	48,855	50,687			
Total	Cash Flow					
Total	Approp.	48,855	50,687			

IMPACT OF CAPITAL INVESTMENTS ON OPERATIONS

Nearly all capital funding is derived from the District's primary revenue sources or is reimbursed through debt issuance and there are limited restricted or external funding sources for capital. This creates a direct relationship between the operating budget and capital investments: capital investments increase at the expense of revenues and debt, but in some cases capital investments lead to decreased operating expenses over time. The FY 2026 – FY 2035 CIP includes several significant capital projects that will affect the operating budget and District services. Potential impacts and associated projects are described through the rest of this section.

DECREASED OPERATING COSTS DUE TO TECHNOLOGICAL ADVANCEMENT

Adeline Maintenance Center (AMC) Heating, Ventilation, and Air Conditioning (HVAC) System

This project at the AMC Administration Building will replace aging HVAC equipment and provide improvements that further the District's environmental stewardship goals. The HVAC system will have improved energy efficiency and will reduce energy use.

Distribution System Water Quality Improvement

This project provides ongoing improvements related to water quality in the distribution system. Water age modeling will evaluate the effectiveness of proposed improvements before investments are made in distribution system improvements. The purchase and installation of chloramine analyzers at distribution reservoirs throughout the system will improve water quality monitoring. In addition, this project includes regulator projects such as the Colorado Regulator that provides fire flow to the northern subzone of the Colorado Pressure Zone when Withers Reservoir is removed from service during winter low-demand months. It is projected that the cost of this project will be offset by the future savings in the capital budget from reductions in scope for distribution system projects.

Enhanced Power Revenue

This initiative will develop renewable generation projects or purchase renewable energy to support the Energy Policy goal to become carbon neutral for direct and indirect greenhouse gas emissions by 2030. It also supports efforts to fund projects that directly reduce energy consumption and energy expenses. Construction of the 4.6-MW Orinda Photovoltaic (PV) project was completed in April 2025 and will save the District approximately \$1 million per year in energy purchases. Currently, two other PV projects are in construction at the Oakport and Stockton facilities, which will further reduce the District's future energy purchases.

Fleet Maintenance East

The project is in Walnut Creek and includes operational upgrades to the Fleet Maintenance East facility. The project will provide three new bays for vehicle maintenance, a new energy-efficient administration building with drop-in office space, and four electric vehicle (EV) charging stations. The project provides a fully operational East of Hills fleet facility and will minimize travel distances for vehicle and equipment maintenance, and for staff with occasional needs for drop-in office space.

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 will reduce maintenance needs for the facility and reduce the amount of residual water sent to wastewater, thus reducing wastewater charges by up to \$200,000 per year starting in FY 2027.

Lafayette WTP Control System Upgrades

This project will replace the antiquated WTP controls systems with modern systems at the Lafayette WTP to improve reliability, operability, and supportability. The Lafayette WTP currently utilizes obsolete control system hardware and technology that have a high risk of failure. The new control system hardware and software will match the components installed at Sobrante, Upper San Leandro, and Orinda WTPs. The project is anticipated to reduce unexpected plant outages and reduce maintenance hours associated with repairing and programming the controllers.

Walnut Creek WTP Control Systems Refresh

This project will replace the existing Walnut Creek WTP control systems with modern control system hardware and software to increase the operability, reliability, and supportability of the Walnut Creek WTP control systems. Walnut Creek WTP currently utilizes obsolete control system hardware and technology installed in 2001 that have a high risk of failure, which would have severe impacts on District treatment operations. Replacement parts for aging and obsolete control system components are becoming less available over time. The new control system hardware and software selected will match the components installed at Sobrante, Upper San Leandro, and Orinda WTPs. This project will improve reliability, lower repair costs, and reduce the average time to repair and troubleshoot the systems.

Water Treatment Plant Chemical System Safety Improvements

The Chemical System Safety Improvements Project (CSSIP) will replace the chemical storage, feed, and piping systems at the Lafayette and Walnut Creek WTPs. This project is part of the District's broader effort to upgrade the chemical systems at the WTPs to increase worker safety, environmental protection, and reliability. The CSSIP at Orinda WTP was coupled with the Orinda Disinfection Project and the CSSIP at USL and Sobrante WTPs was coupled with USL WTP Maintenance and Reliability Project. The project will replace chemical tanks, pumps, piping, and electrical equipment nearing the end of its useful life; the new equipment will provide continuity across the WTPs and is expected to reduce maintenance needs at the Lafayette and Walnut Creek WTPs.

Lafayette Recreation Area Sewer System Replacement

This project replaces the sanitary lift station and related piping, including a 1,300-foot force main and communication conduit, installed in 1967. This collection system fails at least once annually, resulting in operations and maintenance support to prevent sewage discharges to land and Lafayette Reservoir, including use of a pump truck to haul off the raw sewage. This also presents health hazards for the operators. The asbestos cement force main also fails, which could result in sewage draining directly to storm drains connected to the reservoir.

San Pablo Recreation Area Sewer Force Main Replacement

This project is to replace 1,500 feet of asbestos cement sewer force main at the San Pablo Recreation Area. The lift station was replaced in approximately 2014, but the associated sewer force main was not, and it experiences failures every year which require spot replacements under the roadway. Every year, finding competent pipes to use for repairs becomes increasingly difficult and more expensive. Replacing the sewer force main removes the ongoing operations and maintenance costs, threat of discharges to San Pablo Reservoir, and park closures while work is completed.

Mokelumne Aqueduct No. 2 Relining Phase 2

This project relines 1.5 miles of Mokelumne Aqueduct No. 2 on Woodward Island with new cement mortar lining (CML). It reduces operational costs by improving the hydraulic capacity and protecting the steel pipe from corrosion. Construction is scheduled to begin in the summer of 2025 and end in the summer of 2026. This project is part of a larger program to restore Mokelumne Aqueduct CML failures that have been observed by manned inspections.

Lafayette Aqueduct No. 1 Relining and Tunnel Repairs

Lafayette Aqueduct No. 1 (LAF1) is a 108-inch diameter cast-in-place concrete pipe constructed in 1929 and is regularly developing leaks due to its age and rigid construction materials. This project installs 3 miles of steel liner within the LAF1 pipeline and repairs the tunnel sections. This project significantly reduces the annual LAF1 leak repair costs and reduces the risk of failure. The construction phase is scheduled to begin in fiscal year 2029.

INCREASED MAINTENANCE COSTS DUE TO NEW OR REHABILITATED FACILITIES AND EQUIPMENT**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 the District's fleet. This has an impact on Fleet's operating budget, especially in areas like parts, labor, and commercial expenditures. In some cases, Fleet must keep vehicles and equipment longer than their useful life to accommodate the request for additional vehicles that can't be fulfilled quickly. 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 with photovoltaic panels and electric vehicle charging stations for service vehicles as the District continues to convert its fleet to zero-emission vehicles. 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 around 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.

Oakport Site Development

This project provides for design, procurement and installation of interior finishes in the new warehouse, office space, and training center that will be constructed by SupplyBank.com for the District through a long-term lease agreement approved by the Board of Directors in 2024. SupplyBank.com will also provide facilities for materials and pipe storage, and EV charging stations to support conversion to a zero-emission fleet. The new facilities will be energy-efficient and support the District's drive for carbon neutrality by 2030.

INCREASED COSTS DUE TO SIGNIFICANT CAPITAL INVESTMENTS**East Bayshore Recycled Water Project (EBRWP)**

EBRWP provides recycled water to offset the District's potable water demand. To meet the 0.9 MGD project offset goal by 2050, new pipelines must be constructed to reach additional customers. Pipeline extensions to distribute recycled water from the treatment plant to new customers will be implemented between FY 2026 – FY 2040. Due to increased recycled water production, the operating costs for power and chemicals will increase.

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 ultraviolet (UV) light sleeves, cleaning costs, and energy cost for the UV reactor, starting in FY 2027.

Raw Water Treatment Facilities Improvement

The Pardee Chemical Plant Improvements Project and the Inline WTP Carbonic Acid Feed and Control Systems 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 (CO₂) 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 CO₂ storage, dissolution and injection system at Lafayette, Orinda, and Walnut Creek WTPs.

The Pardee Chemical Plant Improvements Project is anticipated to increase operations utility costs by \$2.5 million annually starting in FY 2029 and require an additional 1.7-2.8 FTE to operate and maintain the upcountry facility. The improved water chemistry will protect over \$1 billion 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. 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 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 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.

Ten-Year Financial Plan

SUMMARY

For the first time, the Biennial Budget contains a 10-year financial plan, which reflects: the two-year Biennial Budget and three additional years, which is considered the historic five-year financial forecast; and then five additional years, which are labeled as a long-term projection. The distinction is made that those additional five years contain significant uncertainty, driven by a wide range of external and internal factors. The additional projection in the future remains valuable as part of the long-range financial planning efforts the District has pursued over the past two years.

Water System 10-Year Financial Forecast

10-Year Financial Plan (\$ Millions)												
	Actuals	Projection	Budget		Forecast			Long-Term Projection				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Beginning Balance	399.7	425.2	413.7	456.0	474.1	489.6	507.7	512.1	520.6	540.2	576.8	580.3
Water Charges	667.1	747.3	798.9	854.0	913.0	975.9	1,028.6	1,084.1	1,142.5	1,204.2	1,269.1	1,337.6
Property Taxes	52.8	53.9	55.0	56.1	57.2	58.3	59.5	60.7	61.9	63.1	64.4	65.7
Power Sales	14.2	11.5	10.0	10.0	10.3	10.6	10.8	11.1	11.5	11.8	12.1	12.4
Interest Income	16.9	16.7	12.4	11.4	9.5	7.4	7.6	7.7	7.8	8.1	8.7	8.7
Reimbursements	13.2	12.2	12.5	12.9	13.2	13.6	14.0	14.3	14.7	15.1	15.6	16.0
All Other	25.2	24.1	21.8	22.2	22.6	23.0	23.4	23.8	24.3	24.7	25.2	25.7
Operating Revenues	789.5	865.7	910.5	966.5	1,025.7	1,088.7	1,143.9	1,201.7	1,262.7	1,327.0	1,395.0	1,466.0
Operating Expenses	348.3	399.1	456.4	478.5	495.2	512.6	530.5	549.1	568.3	588.2	608.8	630.1
Debt Service	233.5	253.5	269.7	289.4	305.0	318.7	331.3	346.0	357.0	366.4	366.1	395.8
Capital Expenses	525.5	544.2	579.5	598.8	577.0	554.3	548.2	600.9	568.1	562.3	495.9	476.5
Total Expenses	1,107.4	1,196.7	1,305.7	1,366.7	1,377.3	1,385.6	1,410.1	1,495.9	1,493.4	1,516.9	1,470.8	1,502.3
New Bond Proceeds	275.0	275.0	355.0	345.0	275.0	215.0	200.0	230.0	175.0	150.0	-	-
SCC Revenue	25.9	27.5	20.0	20.0	20.6	21.1	21.7	22.3	22.9	23.5	24.2	24.8
Reimbursements	36.6	15.5	60.1	50.7	68.4	77.0	48.2	49.7	52.0	52.4	54.5	58.9
Grants & Other	5.9	1.6	2.4	2.6	3.1	1.8	0.7	0.6	0.5	0.5	0.5	0.5
Ending Balance	425.2	413.7	456.0	474.1	489.6	507.7	512.1	520.6	540.2	576.8	580.3	628.2
Policy Reserves	253.6	266.8	281.6	287.6	292.3	297.1	302.1	307.3	312.7	318.2	323.9	329.8
Capital Reserves	171.6	146.9	174.4	186.5	197.3	210.6	210.0	213.3	227.6	258.6	256.3	298.4

On average over the ten-year period, operating revenues are forecast to increase 5.4 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 3.6 percent per year over the ten-year period, while debt service grows 4.4 percent per year.

For all ten 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.

Capital cash flow spending, including capital support, is projected at \$5.6 billion over the 10-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 35.0 percent over the 10-year period, significantly lower than the financial policy target maximum of 65 percent. In FY 2026 and FY 2027, the debt coverage ratio is projected at 1.93x and 1.91x, respectively, and for all ten years the ratio exceeds the target coverage ratio of 1.60x.

TEN-YEAR PROJECTION OF OPERATING REVENUE

The following tables 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 in most years and reaches 2.74 by the end of the long-term projection period.

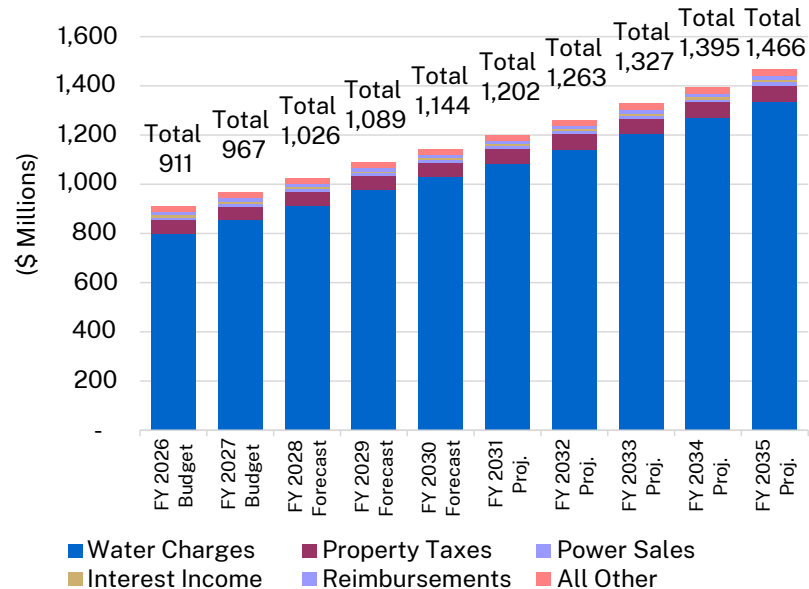
Water System Key Assumptions in 10-Year Forecast

	Key Assumptions											
	Actuals	Current	Budget		Forecast			Long-Term Projection				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Water Sales Volume (MGD)	136.4	143.2	143.9	144.6	145.3	146.1	146.8	147.5	148.3	149.0	149.7	150.5
Average Rate Increase	8.50%	8.50%	6.50%	6.50%	6.50%	6.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Typical Monthly Single-Family Residential Bill*	\$57.65	\$62.53	\$66.30	\$70.60	\$75.19	\$80.08	\$84.08	\$88.28	\$92.70	\$97.33	\$102.20	\$107.31
Debt Service Coverage	2.35x	2.22x	1.93x	1.91x	1.94x	2.01x	2.04x	2.07x	2.13x	2.20x	2.34x	2.49x

*The typical customer is based on median usage, which is 5 Units per month; 1Unit is about 748 gallons.

The key factors driving the need for increased Water System revenues are: increased labor and benefit costs to keep up with inflation; continued investments in aging infrastructure and building a more resilient water system; building a more financially resilient system through reduced reliance on debt for ongoing capital work; and general inflation on non-labor costs.

Water System 10-Year Operating Revenue Projection

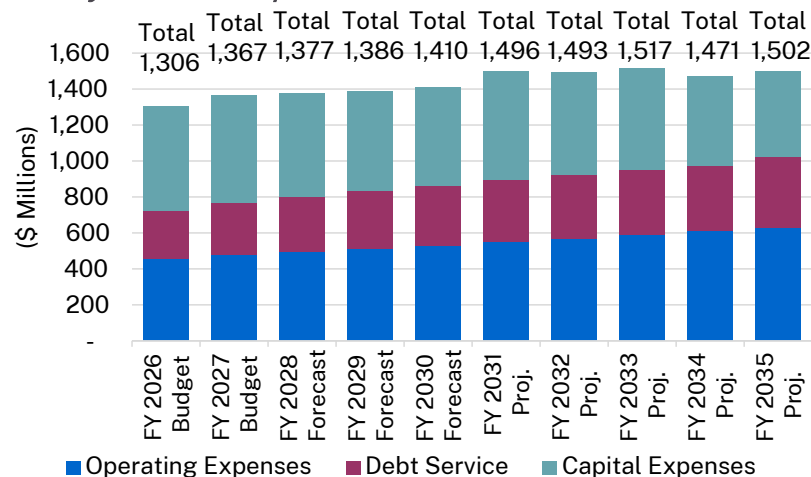


Projected annual operating revenues are expected to increase from \$911 million in FY 2026 to \$1.5 billion by FY 2035, an increase of \$634.6 million over the 10-year period, or 5.4 percent growth per year. The increase in revenue over the ten-year period is to cover increased revenue-funding for capital 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 ten-year period are revenue from Water Charges which is projected to increase from \$799 million in FY 2026 to \$1.4 billion in FY 2035 based on water rate revenue increases shown on the prior page. Property taxes are projected to grow by \$10.7 million and most other sources are expected to only grow slightly, with a slight decrease in expected interest income based on a conservative approach to estimating future interest rates.

TEN-YEAR PROJECTION OF TOTAL EXPENSES

Water System 10-Year Expense Forecast



Water System expenses are projected to increase from \$1.3 billion in FY 2026 to \$1.5 billion in FY 2035, an increase of 1.7 percent per year. This is primarily driven by a 4.8 percent annual growth in debt service, from \$265 million to \$402 million by FY 2035, driven by the need to fund capital using a mix of revenue and debt. Debt funding of capital is discussed later in the 10-year financial plan.

Operating expenses have a slower growth rate of 3.6 percent year, from \$456 million to \$630 million, reflecting typical inflationary trends in major costs, including labor. Capital expenses decline near the end of the forecast, reflecting the end of major water treatment plant work and a focus on a capital plan that is achievable and funds the highest priority projects.

The chart to the left summarizes the projected Water System budget by category for the next 10 years.

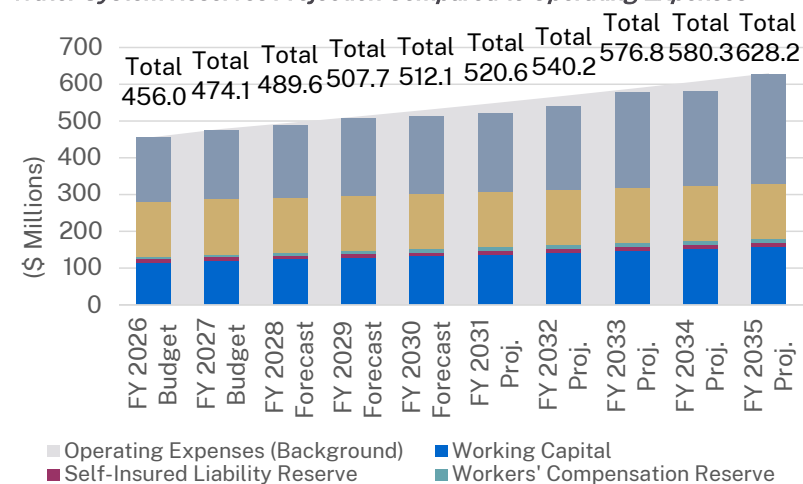
TEN-YEAR PROJECTION OF RESERVES

The table below shows the changes to reserve components over the 10-year period. Reserve balances meet or exceed the policy reserve levels for the entire period.

Water System Reserves in 10-Year Forecast

	Reserve Components (\$ Millions)									
	Budget		Forecast			Long-Term Projection				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Total Reserves	456.0	474.1	489.6	507.7	512.1	520.6	540.2	576.8	580.3	628.2
Policy Reserves										
Working Capital	114.1	119.6	123.8	128.1	132.6	137.3	142.1	147.0	152.2	157.5
Self-Insured Liability Reserve	9.6	9.9	10.2	10.5	10.7	11.0	11.3	11.7	12.0	12.3
Workers' Compensation Reserve	7.8	8.1	8.3	8.5	8.7	9.0	9.2	9.5	9.7	10.0
Rate Stabilization Reserve	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Total Policy Reserves	281.6	287.6	292.3	297.1	302.1	307.3	312.7	318.2	323.9	329.8
Reserves Available for Capital	174.4	186.5	197.3	210.6	210.0	213.3	227.6	258.6	256.3	298.4

Water System Reserves Projection Compared to Operating Expenses



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.

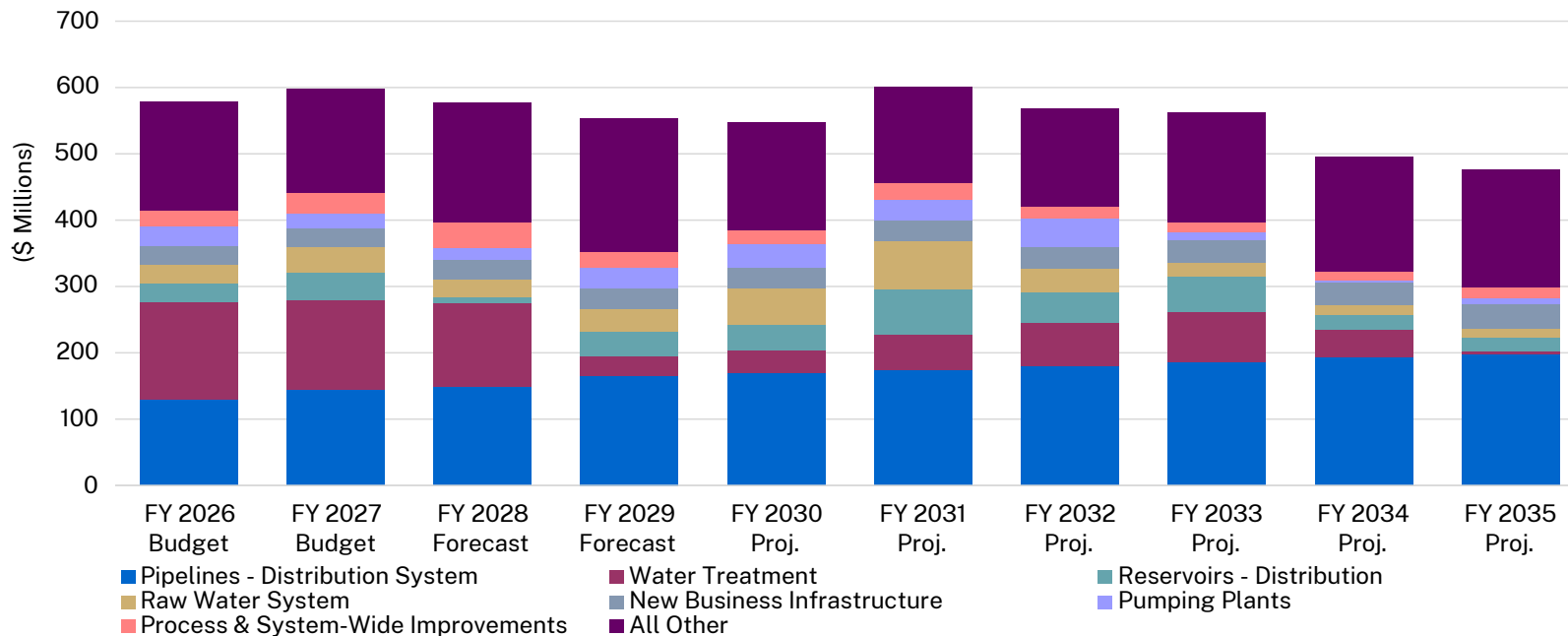
Over the 10-year forecast period, reserves will remain strong in comparison to operating expenses.

CAPITAL INVESTMENTS AND FINANCING

The 10-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 10-year program for the Water System includes \$5.6 billion in projected cash flow spending, inclusive of capital support expenses.

The focus of the CIP is the five-year period from FY 2026 to FY 2030. Capital needs have been projected for a second five-year period from FY 2031 to FY 2035. 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. The following charts and tables show the cash flow spending on capital improvements anticipated for the next 10 years.

Water System 10-Year Capital Cash Flows by Award Purposes



Water System 10-Year Capital Cash Flows by Award Purposes

Award Purpose & Capital Support	Capital Expenses (\$ Millions)									
	Budget		Forecast			Long-Term Projection				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
District-Wide Building Facility Improvements	25.6	15.4	18.0	31.3	37.8	14.6	13.0	12.2	14.6	15.4
Environmental Resources & Remediation	12.3	14.8	24.0	19.4	17.2	17.4	21.0	21.6	15.2	16.0
New Business Infrastructure	28.1	28.9	29.8	30.7	31.6	32.5	33.5	34.5	35.6	36.6
Pipelines - Distribution System	130.5	145.0	148.8	164.8	169.1	174.9	179.5	186.0	194.2	197.0
Pipelines - Transmission	8.0	19.1	25.4	27.4	6.5	9.5	14.8	20.2	19.2	21.4
Pressure Zone Studies	2.7	2.4	3.0	3.9	2.8	1.2	1.2	1.5	1.7	1.3
Process & System-Wide Improvements	24.7	31.7	39.9	24.6	21.9	24.3	16.4	14.5	13.9	16.6
Pumping Plants	29.6	21.5	16.9	31.2	35.4	31.4	43.3	11.1	1.8	10.0
Raw Water System	26.8	38.8	26.6	34.5	54.6	71.5	35.6	21.1	14.1	12.4
Recreation Areas & Facilities	8.5	3.5	3.3	2.5	1.5	1.8	1.0	1.5	1.3	1.9
Regulators & Rate Control Stations	5.9	0.5	1.3	3.0	4.4	1.6	0.3	0.4	1.0	3.2
Reservoirs - Distribution	29.2	40.4	9.6	36.6	38.0	69.3	45.3	53.5	23.2	21.0
Reservoirs - Supply	10.6	15.6	3.3	5.6	5.0	8.1	7.2	8.8	12.4	5.0
Supplemental Supply, Regional Agreements	4.6	8.1	7.4	3.8	2.7	1.6	0.9	6.6	7.1	7.1
Sustainable Energy	2.4	1.4	3.3	3.4	1.7	0.8	1.3	0.8	0.9	0.8
Vehicles, Equipment & Related Facilities	22.1	13.9	10.9	11.3	11.6	11.9	12.3	13.6	14.1	15.9
Water Recycling & Conservation	4.0	4.3	20.0	28.5	8.0	11.1	8.3	9.4	13.7	15.4
Water Treatment	145.9	135.5	125.7	30.5	35.1	52.1	66.2	75.6	40.5	5.9
Capital Support	58.0	58.0	59.7	61.5	63.4	65.3	67.2	69.3	71.3	73.5
Total Capital Expenses	579.5	598.8	577.0	554.3	548.2	600.9	568.1	562.3	495.9	476.5

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 ten-year period, the percentage of capital funded from debt will average 35.0 percent, under the target maximum of 65 percent contained in the District's debt policy. Water System total outstanding debt will increase by \$259.1 million, or 9 percent, during the period. Total debt outstanding at the end of the ten-year period will total \$3.1 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 Ten-Year Debt Projections

Outstanding Debt and Debt Service (\$ Millions)										
	Budget		Forecast			Long-Term Projection				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Beginning of Year Outstanding Debt	2,878.7	3,124.7	3,352.5	3,500.9	3,580.3	3,635.4	3,710.3	3,720.4	3,695.5	3,512.6
Debt Retired	109.0	117.2	126.6	135.6	144.9	155.1	164.9	174.9	182.8	221.1
New Bonds & Loans	355.0	345.0	275.0	215.0	200.0	230.0	175.0	150.0	-	-
Total Outstanding Debt	3,124.7	3,352.5	3,500.9	3,580.3	3,635.4	3,710.3	3,720.4	3,695.5	3,512.6	3,291.5
Debt Service, Existing Debt	225.4	223.2	222.9	222.6	222.3	222.0	221.7	221.4	221.1	250.8
Debt Service, New Debt	41.0	63.4	81.3	95.3	108.3	123.3	134.7	144.4	144.4	144.4
Total Debt Service	266.3	286.6	304.2	317.9	330.6	345.3	356.4	365.8	365.5	395.2
Debt Service Coverage	1.93x	1.91x	1.94x	2.01x	2.04x	2.07x	2.13x	2.20x	2.34x	2.49x

EBMUD Fun Fact:

EBMUD staff in Wastewater perform 32,000 lab tests annually, generating and reporting about 100,000 data points, for both the Water and Wastewater systems and for certain other agencies.

That's roughly the equivalent of one lab test every 16 minutes for every hour of every day in a year.

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
- 10-Year Financial Forecast



Lab Techs Perform Sample Extraction

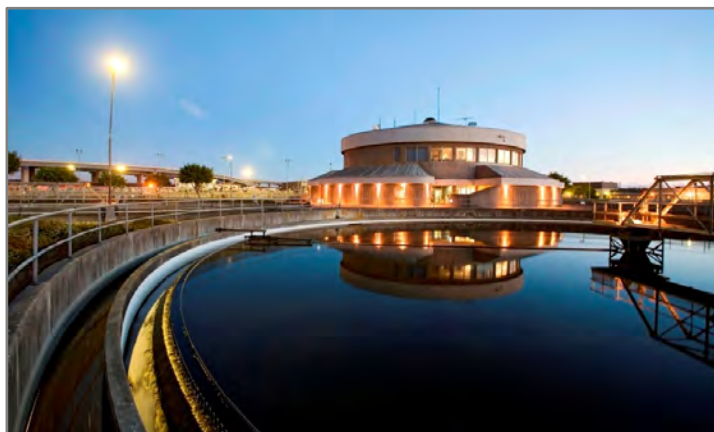
The Wastewater System is an enterprise fund consisting of operating and capital budgets. The system treats wastewater discharged from residences and industries in the communities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District. The Wastewater System receives 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 2026 and FY 2027 budget.

Wastewater System Key Assumptions

Key Assumptions		
	FY 2026	FY 2027
Average Rate Increase	8.50%	8.50%
Typical Monthly Single-Family Residential Bill	\$ 28.05	\$ 30.40



Main Wastewater Treatment Plant – Oakland, CA

FUND SUMMARY

The following fund summary table shows the Wastewater System's beginning and ending fund balance, and projected revenue and expenditure budgets for FY 2026 and FY 2027.

Wastewater System Detailed Fund Summary - Sources & Uses

Detailed Fund Summary - Sources & Uses (\$ Millions)			
	FY 2026	FY 2027	% Change
Beginning Balance (Projected)	124.8	120.6	-3.4%
Sources of Funds			
Sources of Funds (Operating)			
Treatment Charges	108.5	117.7	8.5%
Wet Weather Facilities Charges	39.0	42.3	8.5%
Resource Recovery	11.0	11.0	0.0%
Property Taxes	9.1	9.2	2.0%
Interest Income	3.7	3.0	-19.5%
Laboratory Services	5.7	5.8	2.7%
Reimbursements	2.1	2.1	2.8%
Permit Fees	1.7	1.7	2.8%
All Other Revenue	6.5	6.6	1.7%
Subtotal Sources of Funds (Operating)	187.3	199.6	6.6%
Sources of Funds (Capital)			
New Bond Proceeds	40.0	35.0	-12.5%
Capacity Charges	3.0	3.0	0.0%
Grants	4.2	11.6	172.8%
Other Capital Revenue	-	-	
Subtotal Sources of Funds (Capital)	47.2	49.6	4.9%
Total Sources of Funds	234.5	249.2	6.3%
Uses of Funds			
Use of Funds (Operating)			
Labor	65.4	68.2	4.4%
Contract Services	5.4	5.2	-4.7%
Other	44.7	46.1	3.1%
Contingency (Non-Labor)	6.5	7.3	12.0%
Debt Service	36.9	36.8	-0.4%
Capital Support	(3.1)	(3.1)	0.0%
Subtotal Use of Funds (Operating)	155.9	160.5	3.0%
Use of Funds (Capital)			
Capital Cash Flows	79.8	84.8	6.2%
Capital Support	3.1	3.1	0.0%
Subtotal Use of Funds (Capital)	82.9	87.9	6.0%
Total Uses of Funds	238.8	248.3	4.0%
Total Sources	234.5	249.2	6.3%
Total Uses	238.8	248.3	4.0%
All Sources less Uses	(4.3)	0.9	--
Ending Balance*	120.6	121.4	0.7%

*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 its 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

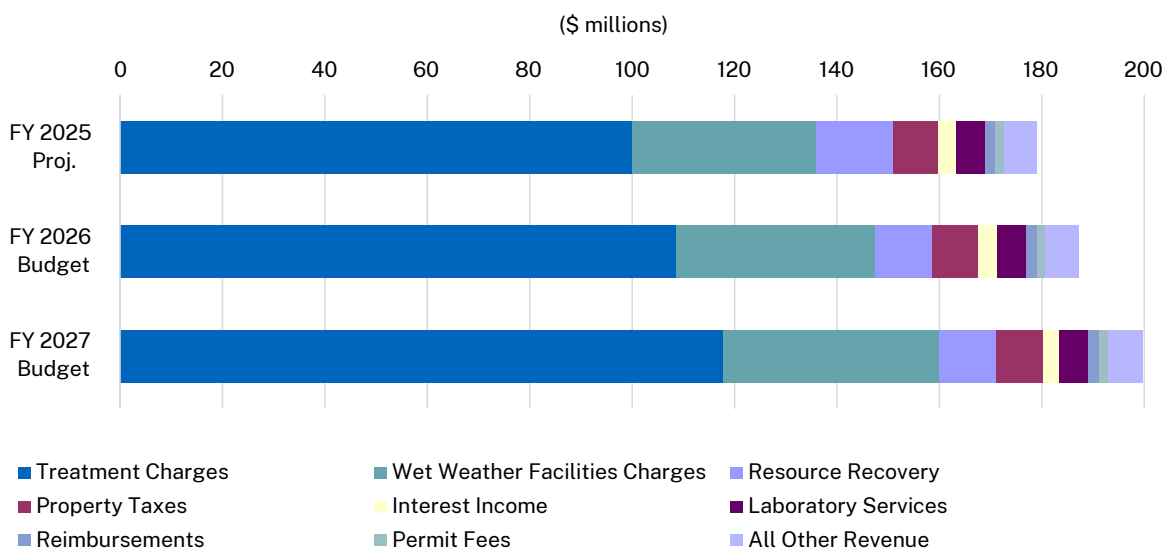
Detailed Revenue Summary (\$ Millions)					
	Actuals		Projection*	Budget	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Operating Revenues					
Treatment Charges	86.0	92.5	100.0	108.5	117.7
Wet Weather Facilities Charges	30.7	33.3	36.0	39.0	42.3
Resource Recovery	16.7	15.1	15.0	11.0	11.0
Property Taxes	8.1	8.7	8.9	9.1	9.2
Interest Income	1.8	3.3	3.5	3.7	3.0
Laboratory Services	4.9	5.2	5.5	5.7	5.8
Reimbursements	1.7	2.1	2.0	2.1	2.1
Permit Fees	1.7	1.6	1.6	1.7	1.7
All Other Revenue	6.7	6.8	6.4	6.5	6.6
Total Operating Revenues	158.3	168.7	178.9	187.3	199.6
Capital Funding Sources					
New Bond Proceeds	-	27.5	30.0	40.0	35.0
Capacity Charges	7.1	3.5	3.9	3.0	3.0
Grants	-	-	0.2	4.2	11.6
Other Capital Revenue	0.9	0.9	1.0	-	-
Total Capital Funding Sources	8.0	31.9	35.1	47.2	49.6
Total Funding Sources	166.3	200.7	214.0	234.5	249.2

OPERATING REVENUE SOURCES

Wastewater System operating revenues for FY 2026 are budgeted to increase \$8.3 million, or 4.6 percent compared to projections for year-end FY 2025, for a total of \$187.3 million. In FY 2027, operating revenue is budgeted at \$199.6 million, an increase of \$12.4 million or 6.6 percent.

The figure below illustrates the various sources of operating revenue.

Wastewater System Operating Revenue Sources



The following are descriptions of the sources of operating revenue, including information about the projected revenues for FY 2026 and FY 2027.

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 a San Francisco Bay protection fee and are collected on the water bill. The revenue generated by the various Treatment Charges is projected to increase by \$8.5 million, or 8.5 percent in FY 2026 to \$108.5 million. For FY 2027, the Treatment Charge will be \$117.7 million, an increase of \$9.2 million or 8.5 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 \$39.0 million in FY 2026, an 8.5 percent increase above the projected FY 2023 year-end revenues. In FY 2027, the projected revenue is \$42.3 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 2026 and \$11.0 million in FY 2027, which represents a decrease of \$4.0 million compared to revenue projections for FY 2025 year-end, reflecting a conservative approach to budgeting for this volatile and demand-driven revenue source.

Property Taxes

The District receives a portion of the one percent county levy on properties within District boundaries. For FY 2026 and FY 2027, revenues are projected to be \$9.1 million and \$9.2 million, respectively, reflecting modest growth that is steadied by Proposition 13 limits on valuation growth.

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 2026 is projected to be \$3.7 million, an increase of \$0.2 million from the FY 2025 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. Interest Income in FY 2027 is projected to be \$3.0 million.

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 \$5.7 million for FY 2026 and \$5.8 million for FY 2027.

Reimbursements

The Wastewater System is also reimbursed from the Water System for work performed by Wastewater staff on the recycled water programs. The estimated revenue from reimbursements is \$2.1 million for FY 2026 and \$2.1 million for FY 2027.

Permit Fees

The District collects fees to fund its pollution prevention programs and the discharge permit programs. In FY 2026 and in FY 2027, the estimated revenue from these permit fees will be \$1.7 million.

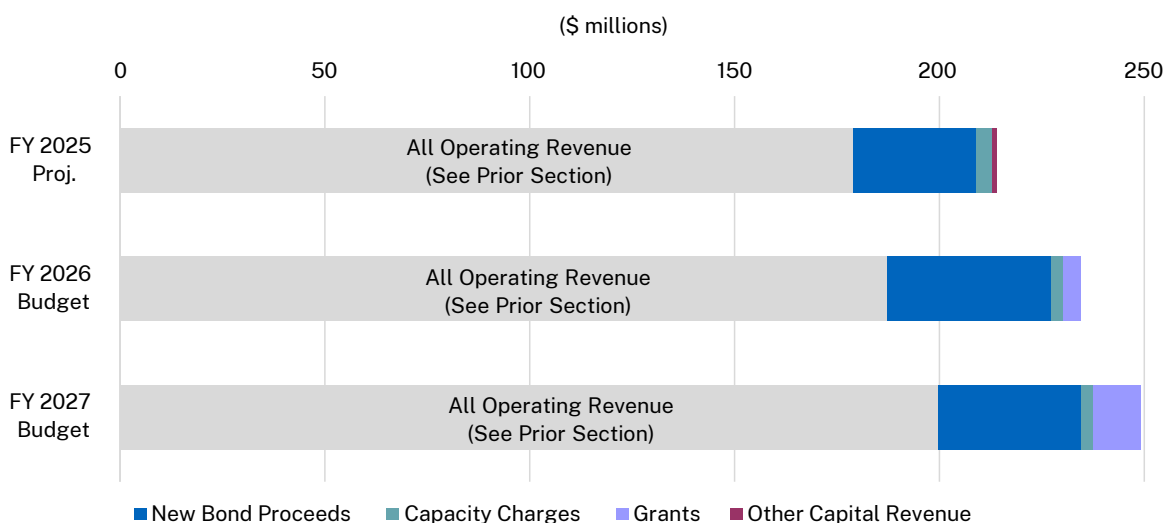
All Other Revenue

Included in this category are Build America Bond subsidy payments, which in recent years have been subject to sequestration, but are typically \$1.5 million. Also included are revenues related to the Private Sewer Lateral (PSL) program, land rents and billboard lease revenue, revenue from energy sales at the Power Generation Station (PGS) All Other Revenue is expected to be approximately even at \$6.5 million for both FY 2026 and \$6.6 million in FY 2027.

CAPITAL FUNDING SOURCES

The following are descriptions of the sources of capital funding. The Capital Improvement Program (CIP) will be funded with bond proceeds, capacity charges, grants, and other capital revenues. These funds are not the exclusive way to fund the capital program, however, as all operating revenues above the amount required to pay for operating and debt service expenses can be used to pay for the CIP.

Wastewater System Capital Funding Sources



The following describes the sources of capital funding.

New Bond Proceeds

It is anticipated that the District will receive \$40 million in new revenue bond proceeds in FY 2026 and \$35 million in FY 2027. Please refer to the section Debt Service and Financing for additional details on debt funding of capital projects.

Capacity Charges

Wastewater Capacity Charges are collected from customers requesting new wastewater service. Capacity Charges, similar to SCCs for the Water System, are subject to market forces as new development activity drives these revenue sources. The District is expecting building activity may continue to be slow and is budgeting for revenue of \$3.0 million for both FY 2026 and FY 2027.

Grants

The District pursues federal and state grants to fund some of its capital projects when they meet the conditions of the grant and loan programs. Wastewater has been awarded a grant to fund up to \$27 million of a \$30 million project to rebuild the Influent Pump Station. The grant funds have been budgeted in the year they are expected to be received, though the timing is unknown and may vary significantly.

Other Capital Revenue

Other capital revenue includes small amounts of reimbursements in some years as well as interest earnings on funds set aside for capital projects. Given the small size of this, it is not typically budgeted.

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 2023 to FY 2027

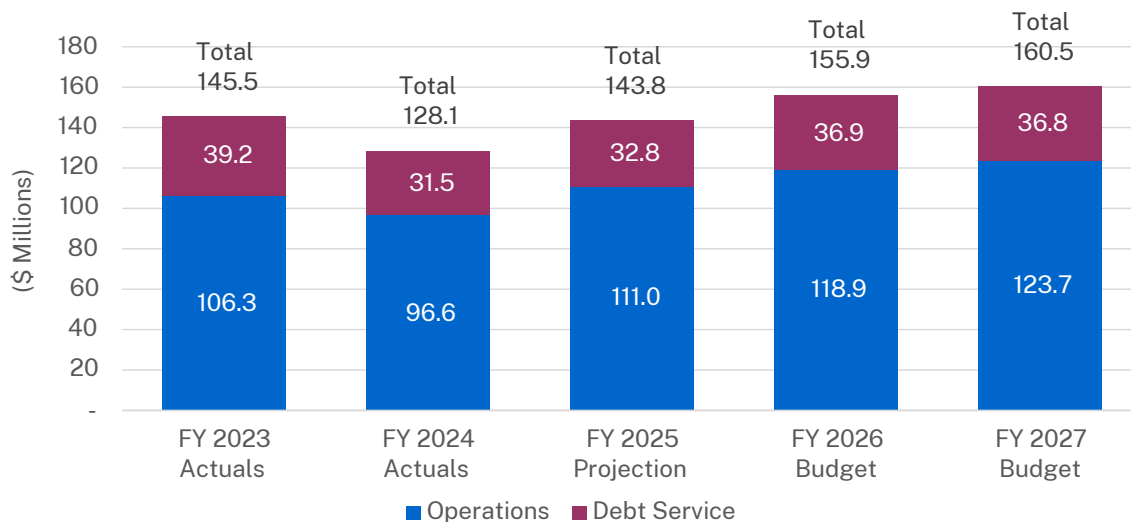
Use of Funds (\$ Millions)					
	Actuals		Projection*	Budget	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Operations	106.3	96.6	111.0	118.9	123.7
Debt Service	39.2	31.5	32.8	36.9	36.8
Capital Cash Flow	55.3	64.4	59.1	82.9	87.9
Total Expenses	200.8	192.5	202.9	238.8	248.3

*Based on the first six months of the fiscal year and updated as of March 1, 2025.

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 2026, the combined operations and debt service budgets are increasing by \$11.4 million, or 7.9 percent compared to FY 2025 projected actual expenses. In FY 2027, the budgets will increase \$5.2 million or 3.6 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 2026 and FY 2027 Wastewater System operating budgets by department.

Wastewater System Staffed and Non-Staffed Department Operating Budgets

Operating Budget by Department (\$ Millions)							
Departments	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Projected*	FY 2026		FY 2027	
				Budget	% Change	Budget	% Change
Wastewater	110.3	100.7	114.2	115.1	0.9%	119.1	3.4%
Staffed Department Subtotal	110.3	100.7	114.2	115.1	0.9%	119.1	3.4%
Contingency	-	-	2.9	6.9	138.3%	7.7	11.4%
Intradistrict	(0.3)	(0.2)	-	-		-	
Capital Support	(3.7)	(3.9)	(3.0)	(3.1)	2.0%	(3.1)	0.0%
Total Operations	106.3	96.6	114.0	118.9	4.3%	123.7	4.0%
Debt Service	39.2	31.5	32.8	36.9	12.5%	36.8	-0.4%
Total Operating	145.5	128.1	146.8	155.9	6.2%	160.5	3.0%

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 budget summary section 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

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

Category	FY 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	61.8	69.8	71.3	78.7	10.4%	82.2	4.5%
<i>Less: Capital Labor and Benefits</i>	11.5	12.8	14.0	13.7	-2.2%	14.4	5.0%
Operating Labor and Benefits	50.4	56.9	57.2	65.0	13.5%	67.8	4.4%
Contract Services	3.5	3.1	5.3	5.4	2.6%	5.2	-4.7%
Other Costs	56.4	40.6	48.5	44.7	-7.9%	46.1	3.1%
Operating Total	110.3	100.7	111.1	115.1	3.6%	119.1	3.4%

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 \$7 million, or 12.2 percent, compared to FY 2025. The significant growth in labor and benefit costs in FY 2026 are driven by several factors, including:

- Staff increases due to investments in several key areas, including electrical maintenance work and for workforce development for the trades;
- Increased wages and benefits, driven by existing Board-approved labor agreements; and
- Increased health insurance costs, driven primarily by increases in premiums for Kaiser Health Insurance.

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 than the 1980 plan.

In FY 2027, total labor and benefit costs increase \$1.4 million, or 3.0 percent compared to FY 2026, primarily for scheduled step increases and assumptions for cost-of-living adjustments.

Non-Labor Operating Costs

The Wastewater staffed department non-labor costs are decreasing by \$3.7 million or 6.8 percent in FY 2026 and will increase \$1.1 million or 2.1 percent in FY 2027 compared to the prior fiscal year. 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 2026				FY 2027			
	Labor	Contracts	Other	Total	Labor	Contracts	Other	Total
Wastewater	65.0	5.4	44.7	115.1	67.8	5.2	46.1	119.1
Total	65.0	5.4	44.7	115.1	67.8	5.2	46.1	119.1

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 2026 and FY 2027 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 costs relative to the previous fiscal year and describes reasons for those changes. This section focuses on the significant budget change.
- **Staffing Summary** is a table that shows the Full-Time Equivalency (FTE) for the department by appointment type (full-time, part-time, etc.).
- **Staffing Changes** is a section included only if the department has position changes that require Board approval. The table details the position changes, and provides a change in cost, which is an estimate based on typical salaries and benefit costs for the classification.

WASTEWATER DEPARTMENT

Overview

The Wastewater Department (WAS) operates and maintains District wastewater collection and 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 and 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 requirements and plans for future regulatory changes, such as those related to nutrients, air emissions, contaminants of emerging concerns, and biosolids management; leads all master planning to identify future capital project needs; develops and manages the department's Capital Improvement Program; plans, designs, and manages the construction of its capital projects; monitors discharges from wastewater customers; issues commercial and industrial discharge permits; manages a Regional Private Sewer Lateral Program and implements projects to reduce infiltration and inflow; manages a Resource Recovery Program and renewable energy generation; and tests environmental samples and reports analytical results to support the District's water, wastewater, and recycled water services.

FY 2026 and FY 2027 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 operation and maintenance of existing wastewater infrastructure for regulatory compliance and protection of public health, safety, and the environment;
- Developing and implementing the Wastewater Department's Capital Improvement Program;
- Performing studies, facility planning, and preliminary engineering analysis to define capital project scopes of work and prepare budgetary cost estimates for future projects to inform the Capital Improvement Program;
- Leading master plans to identify necessary capital projects for the rehabilitation of the sewer interceptors, and nutrient removal processes to comply with future infrastructure needs and regulatory requirements;
- Developing and optimizing the biological nitrogen removal process at the Main Wastewater Treatment Plant;
- Leading climate change adaptation planning for Wastewater facilities;
- Complying with the California Environmental Quality Act (CEQA) by preparing environmental documentation for all capital projects;

- Meeting the requirements of a Wet Weather Consent Decree by implementing a Regional Private Sewer Lateral Program and certifying pipe as leak-free; continuing implementation of work requirements under the Wet Weather Consent Decree, while striving to reduce the impacts of stormwater and groundwater on the regional wastewater collection system;
- Utilizing and optimizing power generation facilities to enhance uptime, maximize renewable energy generation, reduce the District's greenhouse gas emissions, and improve power supply reliability to ensure service even during peak wet weather demand;
- Managing the Department's biosolids program;
- Continuing to maintain a robust Resource Recovery program to provide environmentally sustainable disposal solutions and renewable energy while also providing net revenues to stabilize rates;
- Continuing to provide year-round laboratory and analytical services for the District's drinking water, wastewater, recycled water, biosolids, wet weather, and resource recovery programs;
- Continuing to maintain compliance with all National Pollutant Discharge Elimination System (NPDES) permit requirements for the MWWTP by reducing pollution at its source through implementation of an industrial pretreatment permit program; continuing oversight of commercial and institutional discharges; and continuing education and outreach to residential dischargers;
- Continuing to maintain compliance with Title V of the Clean Air Act for the MWWTP by controlling air emissions from cogeneration engines, generators, digester gas flares, and other sources; and
- Increasing leadership and staff development training and providing tools and resources to support worker health and safety and emergency response.

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 2023	FY 2024	FY 2025	FY 2026		FY 2027	
	Actuals	Actuals	Budget	Budget	% Change	Budget	% Change
Total Labor and Benefits	61,841	69,763	71,274	78,703	10.4%	82,226	4.5%
Less: Capital Labor and Benefits	11,488	12,850	14,026	13,724	-2.2%	14,410	5.0%
Operating Labor and Benefits	50,353	56,913	57,248	64,979	13.5%	67,815	4.4%
Contract Services	3,533	3,128	5,298	5,438	2.6%	5,182	-4.7%
Other Costs	56,445	40,635	48,547	44,709	-7.9%	46,084	3.1%
Operating Total	110,331	100,676	111,094	115,127	3.6%	119,081	3.4%

Budget Highlights

The department's operating budget in FY 2026 is increasing \$4.0 million, or 3.6 percent, compared to FY 2025. In FY 2027, the budget will increase \$4.0 million, or 3.4 percent, compared to the first year of the biennial budget. Significant changes include:

FY 2026

Total Labor and Benefit costs are increasing in FY 2026 compared to the FY 2025 budget due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs, as well as higher costs for fringe benefits, especially health insurance, in addition to two new added positions. Contract Services are increasing primarily due to shifting some work from capital to operating, a new biosolids alternative use study, operational and

maintenance training, and laboratory services. Other Costs are decreasing primarily due to reductions in chemicals, along with insurance premiums and workers' compensation claims which are now budgeted separately under the contingency department. These decreases are partially offset by increases from reallocating routine capital expenses to operating costs.

FY 2027

Total Labor and Benefit costs are increasing in FY 2027 due to expectations for salary increases related to career advancement and general expectations for inflationary pressures on labor costs. Contract Services are decreasing primarily because the biosolids alternative use study is only budgeted in FY 2026. Other Costs are expected to increase due to general price inflation primarily in chemicals, spoils and sludge disposal, energy, and fees and licenses.

Staffing Summary

The table below summarizes the staffing changes and transfers that have occurred among departments. In FY 2026, there are 2.0 new FTEs. There are no changes in FY 2027.

Wastewater Department Staffing Summary

Department Staffing Summary and Comparison (FTE)

Position Type	FY 2023	FY 2024	FY 2025	FY 2026	Change	FY 2027	Change
Full-Time	286.00	295.00	295.00	300.00	5.00	300.00	-
Limited-Term / Temp. Const.	3.00	8.00	8.00	5.00	(3.00)	5.00	-
Intermittent	-	-	-	-	-	-	-
Temporary / Part-Time	0.50	1.00	1.00	1.00	-	1.00	-
Total FTE	289.50	304.00	304.00	306.00	2.00	306.00	-

Staffing Changes

The table below summarizes FTE changes. These changes reflect a growing Wastewater CIP, address critical preventative electrical maintenance — reducing reliance on contracted maintenance work — and expand workforce development in skilled trades.

Wastewater Department Staffing Changes

FY 2026 & FY 2027 Department Staffing Changes

FY	Board Action	From Classification	From Character	To Classification	To Character	Cost Change	FTE Change	Purpose, Project or Program
2026	Add			Electrical Technician	REG	209,845	1.00	Complete critical electrical projects
2026	Add			LT Technical Trades Apprentice	L/T	126,000	1.00	Increase opportunities in the trades
2026	Convert	Associate Civil Engineer	T/C	Associate Civil Engineer	REG	-	-	Support baseline growth in capital plan
2026	Convert	Associate Civil Engineer	T/C	Associate Civil Engineer	REG	-	-	Support baseline growth in capital plan
2026	Convert	Associate Civil Engineer	T/C	Associate Civil Engineer	REG	-	-	Support baseline growth in capital plan
2026	Delete	Wastewater Control Inspector I/II	L/T			(168,034)	(1.00)	Position no longer needed

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 Staffing Summary

FY 2026 & FY 2027 Department Staffing (FTE)					
Department	FY 2025	FY 2026		FY 2027	
	Budget	Budget	FTE Change	Budget	FTE Change
Wastewater	304.00	306.00	2.00	306.00	-
Total FTE	304.00	306.00	2.00	306.00	-

In FY 2026, a net total of 2.0 FTEs are being added to the Wastewater System. In FY 2027, 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 2026 and FY 2027 and correspond to the staffing changes table in each department.

FY 2026 vs FY 2025 Wastewater System Changes in Bargaining Units

FY 2026 vs FY 2025 Department Net Change in Bargaining Unit Status (FTE)

Department	Local 2019	Local 444	Local 21	Local 39	MGR / CONF	NRP	EXMPT
Wastewater	-	2.00	-	-	-	-	-
Total FTE	-	2.00	-	-	-	-	-

FY 2027 vs FY 2026 Wastewater System Changes in Bargaining Units

FY 2027 vs FY 2026 Department Net Change in Bargaining Unit Status (FTE)

Department	Local 2019	Local 444	Local 21	Local 39	MGR / CONF	NRP	EXMPT
Wastewater	-	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-	-



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, subject to a referendum process. Individual revenue bond issues are also authorized by the Board.

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 \$356.1 million as of June 30, 2025.

Wastewater System Debt Outstanding

Debt Outstanding Projected as of June 30, 2025						
Issue		Date of Issue	Last Maturity	Issued (\$ Thousands)		Outstanding (\$ Thousands)
Long-Term Debt						
Revenue Bonds						
Series 2010B (Build America Bonds)		10/20/2010	6/1/2040	\$	150,000	\$ 150,000
Series 2014A		8/28/2014	6/1/2030		82,150	21,360
Series 2015A-2		3/3/2015	6/1/2038		13,565	13,565
Series 2015B		3/3/2015	6/1/2037		2,795	1,060
Series 2017A		6/14/2017	6/1/2045		69,420	37,880
Series 2022A		6/16/2022	6/1/2045		18,140	13,000
Series 2022B		6/16/2022	6/1/2037		17,345	17,345
Series 2024A		3/12/2024	6/1/2054		24,950	24,950
Series 2025A		5/22/2025	6/1/2055		28,580	28,580
Series 2025B		5/22/2025	6/1/2037		48,400	48,400
Total Revenue Bonds					455,345	356,140
% of Total Outstanding Debt						100.0%
Total Long-Term Debt					455,345	356,140
Total Outstanding Debt						356,140

The District plans to issue \$40 million in revenue bonds in FY 2026 and \$35 million in revenue bonds in FY 2027.

DEBT SERVICE

The Wastewater System's total outstanding debt will cost approximately \$206.0 million in interest payments, as detailed in the table below.

Wastewater System Projected Debt Service on Current Debt

Debt Service on Current Outstanding Debt (\$Thousands)			
As of March 31, 2025			
Fiscal Year	Principal	Interest	Debt Service
2026	15,670	17,902	33,572
2027	13,580	17,026	30,606
2028	14,255	16,350	30,605
2029	14,970	15,641	30,611
2030	15,710	14,904	30,614
2031	16,480	14,126	30,606
2032	17,300	13,309	30,609
2033	18,155	12,454	30,609
2034	19,055	11,550	30,605
2035	20,005	10,605	30,610
2036	20,995	9,612	30,607
2037	22,035	8,571	30,606
2038	24,365	7,478	31,843
2039	26,250	6,222	32,472
2040	27,610	4,863	32,473
2041	5,545	3,434	8,979
2042	5,805	3,167	8,972
2043	6,095	2,886	8,981
2044	6,390	2,591	8,981
2045	6,700	2,283	8,983
2046	3,315	1,959	5,274
2047	3,480	1,793	5,273
2048	3,655	1,619	5,274
2049	3,835	1,436	5,271
2050	4,030	1,244	5,274
2051	4,230	1,043	5,273
2052	4,440	831	5,271
2053	4,665	609	5,274
2054	4,900	376	5,276
2055	2,620	131	2,751
Total	356,140	206,013	562,153

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

- Payments on new debt issues in FY 2026 and FY 2027; 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 June 30, 2025			
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 2026 and FY 2027, the projected debt coverage ratios are 2.00x and 2.23x, respectively.

DEBT-FUNDED CAPITAL

The percentage of the capital program that is funded by debt over the five-year planning period is projected at 50.9 percent, which is below the financial policy maximum target of 65 percent. The debt percentage funding levels for FY 2026 and FY 2027 are shown in the table below.

<i>Wastewater System Debt-Funded Capital</i>		
Projected Debt Funding of Capital (\$ Thousands)		
	FY 2026	FY 2027
Expenses		
Capital Cash Flow	79,811	84,758
Capital Support	3,100	3,100
Total Expenses	82,911	87,858
Funding Sources		
New Bond Proceeds	40,000	35,000
Other Sources	42,911	52,858
Total Sources	82,911	87,858
Debt Percentage of Capital Funding	48.2%	39.8%

Capital Improvement Program

OVERVIEW

Like the Water System, the Wastewater System's Capital Improvement Program (CIP) communicates the District's planned infrastructure investments for the next 10 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, organized by award purposes.

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.

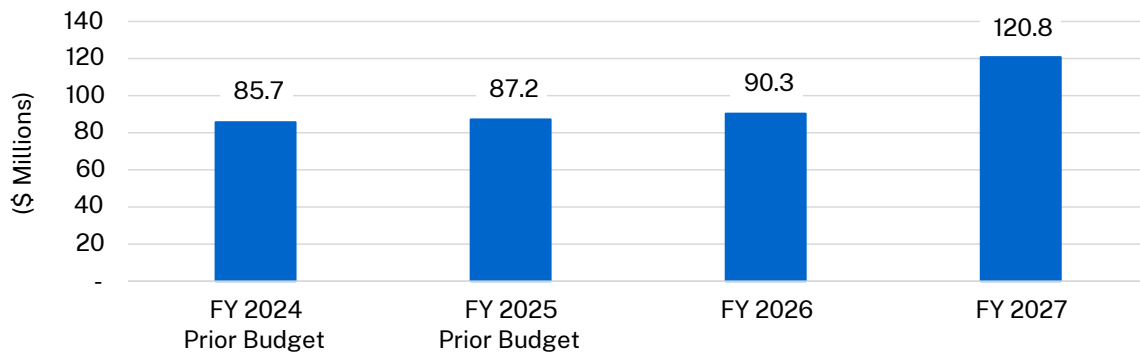
- Capital appropriations are funds approved biennially by the Board to be spent on capital projects. While appropriations are approved biennially, their use may extend over multiple years. Appropriations are controlled at the Award level and vary from year-to-year depending upon the funding needs of 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

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 2026 capital appropriation will increase by \$3.1 million or 4 percent from FY 2025. In FY 2027, appropriations will increase by \$30.5 million, or 34 percent, from FY 2026. The second 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 the first year, while the work will be completed in the second or later. (Appropriations for multi-year contracts are appropriated at once to ensure funds are available when contracts are awarded.) Appropriations are summarized in the two charts below.

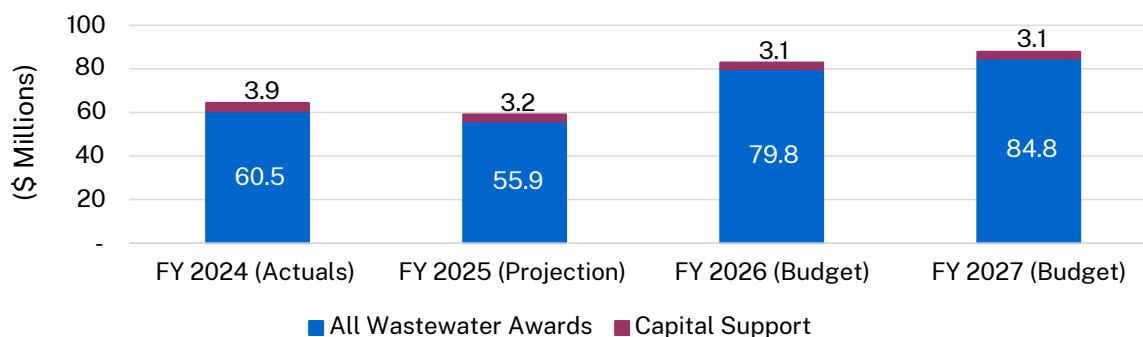
Wastewater System Appropriations Current Budget Compared to Prior Budget by Fiscal Year

CASH FLOW

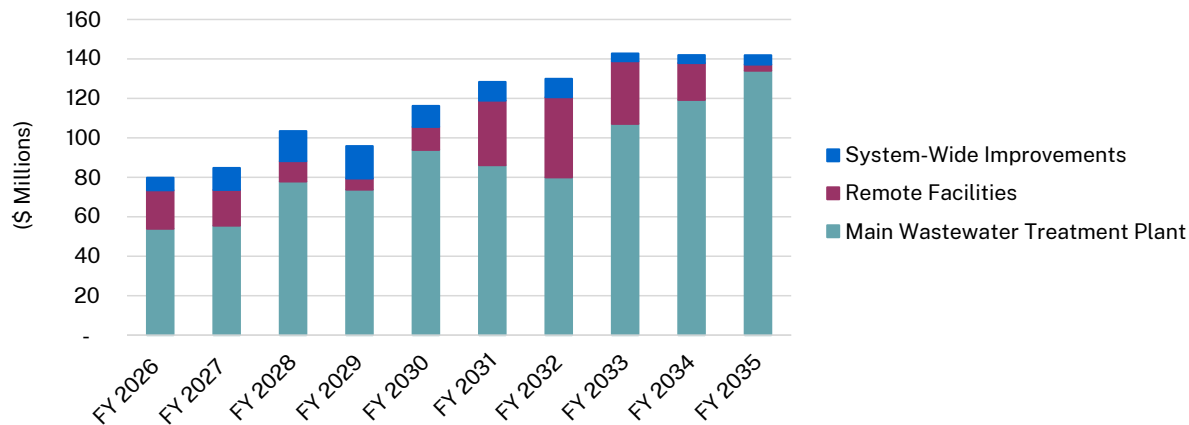
The FY 2026 - FY 2035 CIP is supported by capital cash flows that incorporate changes from previous CIP development processes. Cash flows were previously reported in the budget for five years, but this year there was an increased focus on the full 10-year projection of expenses. Forecasting out-years 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.

The FY 2026 - FY 2035 CIP is \$1.2 billion, including Capital Support. The CIP 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 \$ \$3.1 million annually in the first two years.

The four-year summary of capital cash flows shows a 46 percent increase in cash flows from projected FY 2025 expenses to budgeted FY 2026 cash flow, followed by a 6 percent increase in FY 2027.

Wastewater System Budget Cash Flows Four-Year Summary

The majority of this CIP's planned spending will be for work at the Main Wastewater Treatment Plant, as shown in the next table. More detail on the work under that Award Purpose appears later in this section.

Wastewater System FY 2026 – FY 2035 Cash Flows by Award Purpose (Excludes Capital Support)

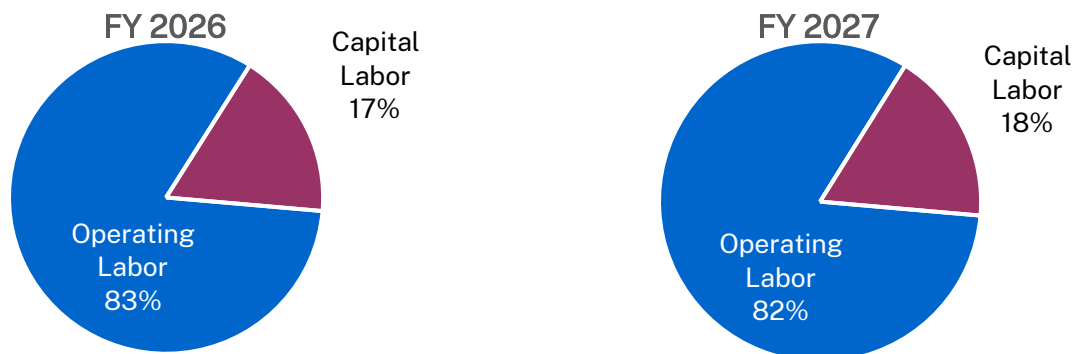
CAPITAL LABOR

The capital labor component of the Wastewater System's CIP totals \$13.7 million in FY 2026, a decrease of \$0.3 million or 2.2 percent from FY 2025. This is due to a reduction in the amount of maintenance work that is expected to be charged to the capital budget. In FY 2027, capital labor is projected to increase to \$14.4 million, for an increase of \$0.7 million or 5.0 percent over FY 2026 due to expectations for salary and benefit cost increases. 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 2024 Actuals	FY 2025 Budget	FY 2026 Budget	% Change	FY 2027 Budget	% Change
Wastewater	12,850	14,026	13,724	-2.2%	14,410	5.0%
Total Department	12,850	14,026	13,724	-2.2%	14,410	5.0%

Relative to operating labor, capital labor represents 17.4 percent of the FY 2026 total labor budget, and 17.5 percent of the FY 2027 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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Dewatering	Cash Flow	2,740	4,944	7,684	88,761	114,934
Dewatering	Approp.	-	-			
Digesters	Cash Flow	10,609	5,835	16,444	27,750	66,648
Digesters	Approp.	13,224	318			
Effluent Discharge	Cash Flow	-	-	-	-	21,636
Effluent Discharge	Approp.	-	-			
Electricals and Controls	Cash Flow	2,086	3,039	5,125	52,935	99,950
Electricals and Controls	Approp.	2,182	2,189			
Nutrients	Cash Flow	1,030	265	1,295	1,295	225,628
Nutrients	Approp.	-	-			
Power Generation and Biogas	Cash Flow	8,041	9,683	17,724	27,273	40,262
Power Generation and Biogas	Approp.	11,750	11,416			
Preliminary Treatment	Cash Flow	12,529	13,966	26,495	53,800	89,457
Preliminary Treatment	Approp.	4,120	19,367			
Primary Treatment	Cash Flow	-	-	-	-	672
Primary Treatment	Approp.	-	-			
Resource Recovery	Cash Flow	-	-	-	5,507	6,402
Resource Recovery	Approp.	-	-			
Secondary Treatment	Cash Flow	13,319	14,564	27,883	51,826	141,560
Secondary Treatment	Approp.	29,133	-			
Seismic Retrofit Maintenance Center	Cash Flow	-	-	-	26,151	32,569
Seismic Retrofit Maintenance Center	Approp.	-	-			
Utilities and Sitework	Cash Flow	3,574	3,202	6,776	19,647	41,669
Utilities and Sitework	Approp.	4,203	693			
Total	Cash Flow	53,927	55,498	109,425	354,944	881,388
Total	Approp.	64,611	33,983			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Interceptors and Pump Stations	Cash Flow	17,643	14,365	32,008	50,365	165,446
Interceptors and Pump Stations	Approp.	4,228	16,174			
Wet Weather Facilities	Cash Flow	1,854	3,735	5,589	14,852	26,661
Wet Weather Facilities	Approp.	1,854	24,807			
Total	Cash Flow	19,497	18,099	37,597	65,217	192,107
Total	Approp.	6,082	40,981			

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 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
General Wastewater	Cash Flow	6,387	11,161	17,548	59,870	91,411
General Wastewater	Approp.	8,542	34,240			
Total	Cash Flow	6,387	11,161	17,548	59,870	91,411
Total	Approp.	8,542	34,240			

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.

Wastewater Contingency - Cash Flows and Appropriations by Award Purpose

FY 2026 - FY 2035 Cash Flows and Appropriation by Award Purpose (\$ Thousands)						
Award Name	Type	FY 2026	FY 2027	2-Year Total	5-Year Total	10-Year Total
Contingency - Wastewater	Cash Flow					
Contingency - Wastewater	Approp.	7,981	8,476			
Total	Cash Flow					
Total	Approp.	7,981	8,476			

Ten-Year Financial Plan

SUMMARY

Wastewater System 10-Year Financial Forecast

	10-Year Financial Plan (\$ Millions)											
	Actuals FY 2024	Projection FY 2025	Budget		Forecast			Long-Term Projection				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Beginning Balance	105.5	113.7	124.8	120.6	121.4	125.2	135.6	139.7	146.6	151.0	156.4	160.2
Treatment Charges	92.5	100.0	108.5	117.7	127.1	137.3	146.9	157.2	166.6	176.6	185.5	194.7
Wet Weather Facilities Charges	33.3	36.0	39.0	42.3	45.7	49.4	52.8	56.5	59.9	63.5	66.7	70.0
Resource Recovery	15.1	15.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Property Taxes	8.7	8.9	9.1	9.2	9.4	9.6	9.8	10.0	10.2	10.4	10.6	10.8
Interest Income	3.3	3.5	3.7	3.0	2.4	1.9	2.0	2.1	2.2	2.3	2.3	2.4
Laboratory Services	5.2	5.5	5.7	5.8	6.0	6.1	6.3	6.5	6.7	6.8	7.0	7.2
Reimbursements	2.1	2.0	2.1	2.1	2.2	2.2	2.3	2.4	2.4	2.5	2.6	2.6
Permit Fees	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0	2.1	2.2
All Other Revenue	6.8	6.4	6.5	6.6	6.8	6.9	7.0	7.1	7.2	7.4	7.5	7.6
Operating Revenues	168.7	178.9	187.3	199.6	212.4	226.3	240.1	254.7	268.3	282.6	295.3	308.6
Operating Expenses	96.6	111.0	118.9	123.7	128.0	132.5	137.1	141.9	146.9	152.0	157.4	162.9
Debt Service	31.5	32.8	36.9	36.8	40.0	43.3	47.5	52.4	56.9	62.2	67.0	71.6
Capital Expenses	64.4	59.1	82.9	87.9	106.6	99.1	119.6	131.8	133.5	146.5	145.8	145.8
Total Expenses	192.5	202.9	238.8	248.3	274.7	274.9	304.2	326.2	337.4	360.7	370.1	380.3
New Bond Proceeds	27.5	30.0	40.0	35.0	50.0	50.0	65.0	75.0	70.0	80.0	75.0	70.0
Capacity Charges	3.5	3.9	3.0	3.0	3.1	3.2	3.3	3.3	3.4	3.5	3.6	3.7
Grants	-	0.2	4.2	11.6	13.0	5.9	-	-	-	-	-	-
Other Capital Revenue	0.9	1.0	-	-	-	-	-	-	-	-	-	-
Ending Balance	113.7	124.8	120.6	121.4	125.2	135.6	139.7	146.6	151.0	156.4	160.2	162.3
Policy Reserves	58.4	62.1	64.1	65.4	66.5	67.7	69.0	70.2	71.6	72.9	74.3	75.8
Capital Reserves	55.2	62.7	56.4	56.0	58.7	67.9	70.8	76.4	79.4	83.5	85.9	86.5

On average over the 10-year period, operating revenues are forecast to increase 5.7 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 3.6 percent per year over the ten-year period, while debt service grows 7.5 percent per year.

For all 10 years, cash reserves exceed 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.

Capital cash flow spending, including capital support, is projected at \$1.2 billion over the ten-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 51.0 percent over the ten-year period, which remains lower than the financial policy target maximum of 65 percent. In FY 2026 and FY 2027, the debt coverage ratio is projected at 2.00 and 2.23, respectively, and for all ten years the ratio exceeds the target coverage ratio of 1.60.

TEN-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.

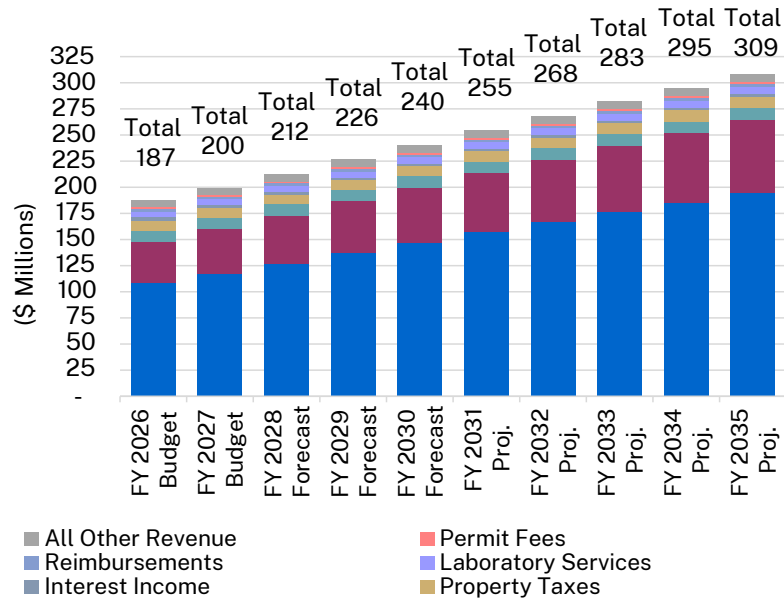
Wastewater System Key Assumptions in 10-Year Forecast

	Key Assumptions											
	Actuals FY 2024	Current FY 2025	Budget		Forecast			Long-Term Projection				
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Average Rate Increase	8.50%	8.50%	8.50%	8.50%	8.00%	8.00%	7.00%	7.00%	6.00%	6.00%	5.00%	5.00%
Typical Monthly Single-Family Residential Bill*	\$23.88	\$25.88	\$ 28.05	\$ 30.40	\$ 32.82	\$35.43	\$ 37.89	\$40.53	\$ 42.95	\$ 45.51	\$ 47.78	\$ 50.16
Debt Service Coverage	2.50x	2.18x	2.00x	2.23x	2.27x	2.32x	2.30x	2.28x	2.25x	2.21x	2.16x	2.13x

*The typical customer is based on median usage, which is 4 Units per month; 1 Unit is about 748 gallons.

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 10-Year Revenue Projection

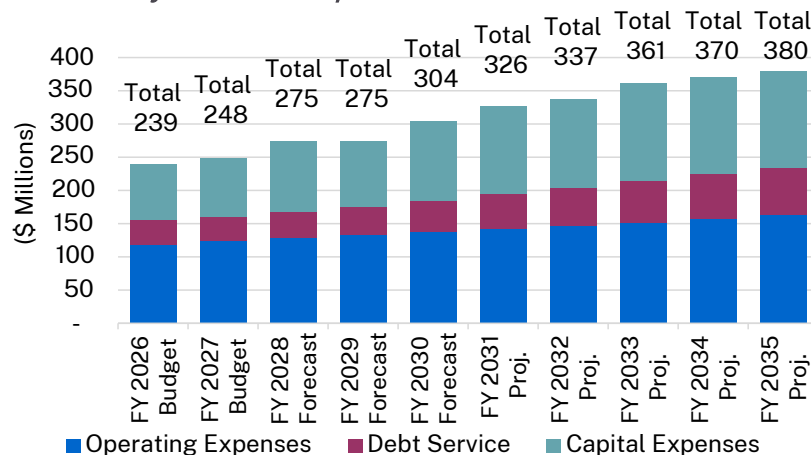


Projected annual operating revenues are expected to increase from \$187.2 million in FY 2026 to \$308.7 million by FY 2035, an increase of \$121.4 million, or 5.7 percent compounded growth per year. The increase in revenue over the ten-year period is to support a significantly larger capital program, 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 ten-year period are revenue from Treatment Charges, which is projected to increase from \$108.5 million in FY 2026 to \$194.7 million in FY 2035 based on the wastewater rate increases shown on the prior page. Wet Weather Facilities Charges are projected to grow by \$31 million, and most other sources will grow by 2.75 percent or less per year.

TEN-YEAR PROJECTION OF TOTAL EXPENSES

Wastewater System 10-Year Expense Forecast



Wastewater System expenses are projected to increase from \$238.1 million in FY 2026 to \$378.0 million in FY 2035, an increase of 5.3 percent per year. This is primarily driven by significant growth in the capital plan, which will increase by \$62 million over the ten-year period, or 6.5 percent per year. The large capital growth is driven by the need to significantly increase reinvestment in the aging Main Wastewater Treatment Plant.

Debt service is expected to grow by a compounded 7.5 percent per year, to \$694 million in FY 2035. Operating expenses are projected to have more modest growth of 3.6 percent per year, from \$118.9 million to \$162.9 million, reflecting typical inflationary trends in major costs, including labor.

This chart summarizes projected Wastewater System budget by category for the next ten years.

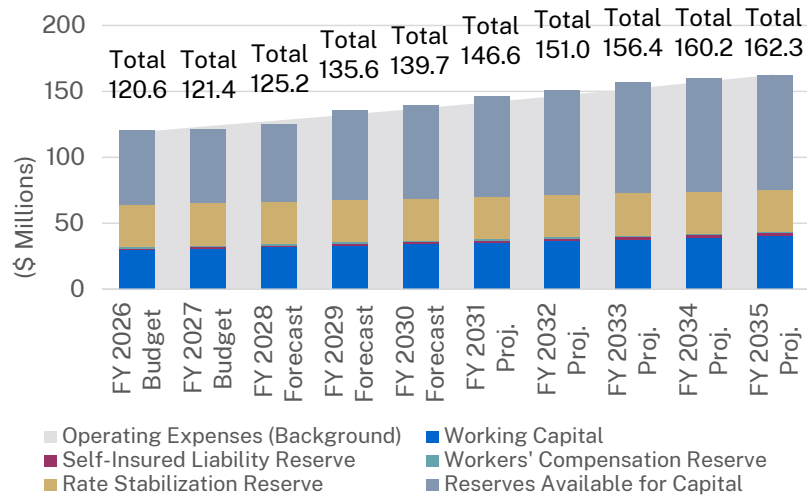
TEN-YEAR PROJECTION OF RESERVES

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 10-Year Projection of Reserves

	Reserve Components (\$ Millions)									
	Budget		Forecast			Long-Term Projection				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Total Reserves	120.6	121.4	125.2	135.6	139.7	146.6	151.0	156.4	160.2	162.3
Policy Reserves										
Working Capital	29.7	30.9	32.0	33.1	34.3	35.5	36.7	38.0	39.3	40.7
Self-Insured Liability Reserve	1.3	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.7
Workers' Compensation Reserve	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4
Rate Stabilization Reserve	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Total Policy Reserves	64.1	65.4	66.5	67.7	69.0	70.2	71.6	72.9	74.3	75.8
Reserves Available for Capital	56.4	56.0	58.7	67.9	70.8	76.4	79.4	83.5	85.9	86.5

Wastewater System Reserves Projection Compared to Operating Expenses



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.

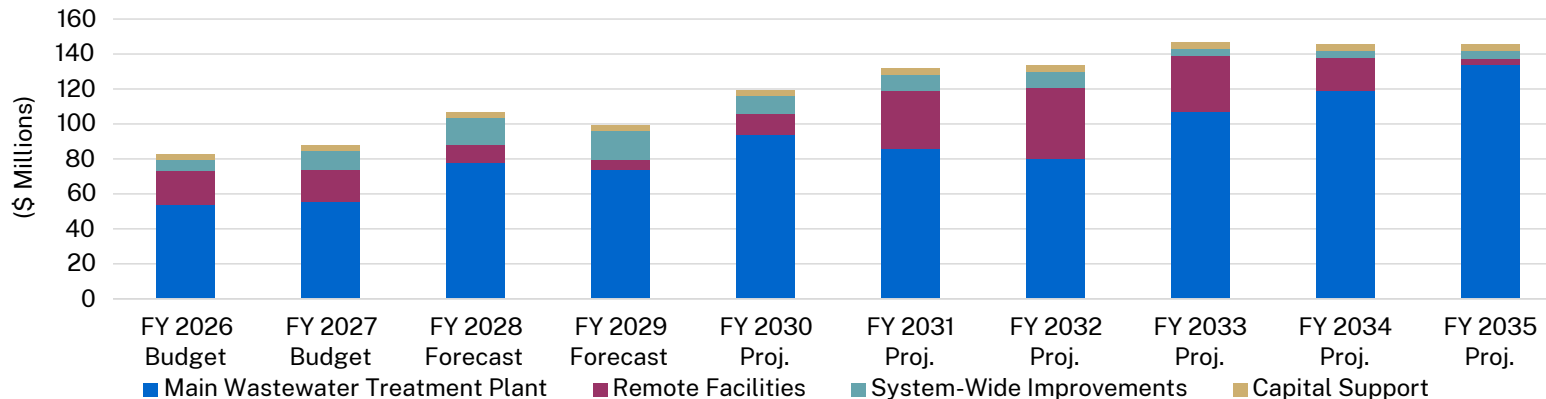
Over the 10-year forecast period, reserves will remain strong in comparison to operating expenses.

CAPITAL INVESTMENTS AND FINANCING

The 10-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 10-year program for the Wastewater System includes \$1.2 billion in projected cash flow spending, inclusive of capital support expenses.

The focus of the CIP is the five-year period from FY 2026 to FY 2030. Capital needs have been estimated for a second five-year period from FY 2031 to FY 2035. 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. The following table shows the cash flow spending on capital improvements anticipated for the next 10 years.

Wastewater System 10-Year Capital Cash Flows by Award Purposes



Wastewater System 10-Year Capital Cash Flows by Award Purposes

Award Purpose & Capital Support	Capital Expenses (\$ Millions)									
	Budget		Forecast			Long-Term Projection				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Main Wastewater Treatment Plant	53.9	55.5	77.9	73.8	93.9	86.1	80.0	107.1	119.2	134.0
Remote Facilities	19.5	18.1	10.3	5.6	11.7	32.7	40.6	31.8	18.7	3.1
System-Wide Improvements	6.4	11.2	15.2	16.4	10.7	9.5	9.3	3.9	4.0	4.7
Capital Support	3.1	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9
Total Capital Expenses	82.9	87.9	106.6	99.1	119.6	131.8	133.5	146.5	145.8	145.8

Funding for the CIP is drawn from the proceeds of revenue bond issues along with current reserves and revenues. Over the five-year period, the percentage of capital funded from debt will average 51.0 percent, under the target maximum of 65 percent contained in the District's debt policy, and debt service will grow by 7.6 percent per year. Wastewater System total outstanding debt will increase by \$369 million during the period. Total debt outstanding at the end of the five-year period will total \$707.6 million.

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 10-Year Debt Projections

	Outstanding Debt and Debt Service (\$ Millions)									
	Budget		Forecast			Long-Term Projection				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Beginning of Year Outstanding Debt	363.5	386.8	406.1	438.9	470.0	514.3	566.4	611.3	663.7	708.7
Debt Retired	16.7	15.7	17.2	18.8	20.7	22.9	25.1	27.5	30.0	32.6
New Bonds & Loans	40.0	35.0	50.0	50.0	65.0	75.0	70.0	80.0	75.0	70.0
Total Outstanding Debt	386.8	406.1	438.9	470.0	514.3	566.4	611.3	663.7	708.7	746.1
Debt Service, Existing Debt	32.4	29.9	29.9	30.0	30.0	30.0	30.0	30.0	29.9	30.0
Debt Service, New Debt	4.6	6.8	10.1	13.3	17.6	22.4	27.0	32.2	37.1	41.6
Total Debt Service	36.9	36.8	40.0	43.3	47.5	52.4	56.9	62.2	67.0	71.6
Debt Service Coverage	2.00x	2.23x	2.27x	2.32x	2.30x	2.28x	2.25x	2.21x	2.16x	2.13x

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.

COMMUNITY OUTREACH AND ENGAGEMENT

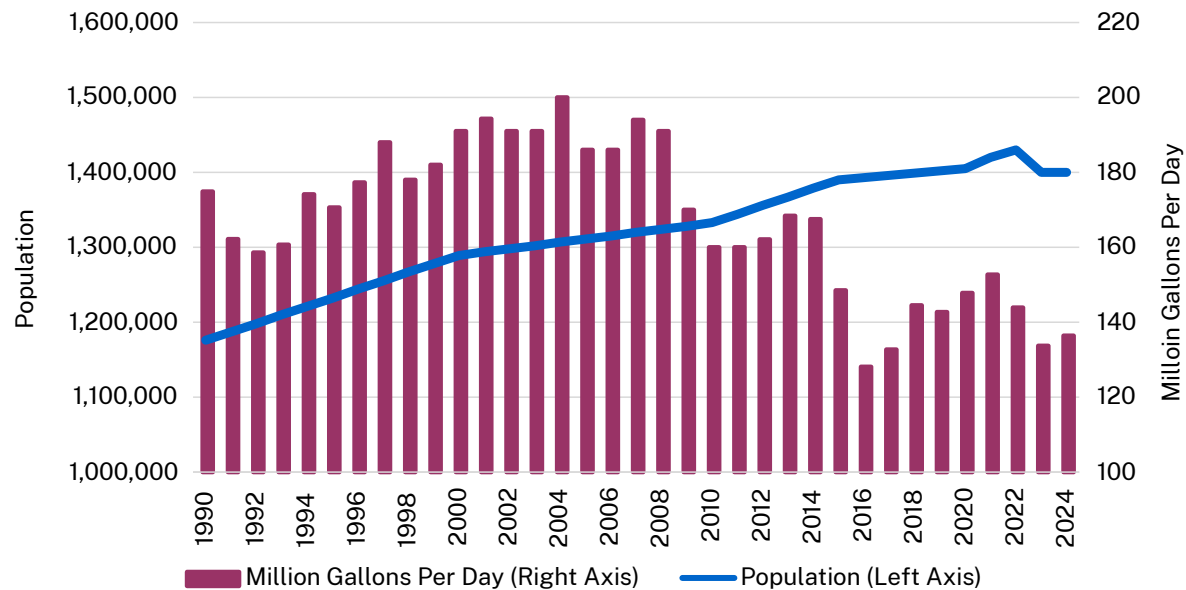
Extensive community outreach activities were held to engage the public and further their understanding of the cost of providing District's services, and rates needed to support the costs. More than 20 outreach meetings occurred across the service area, mostly in the early evenings, with a mix of virtual 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

DEMOGRAPHICS AND ECONOMICS

Population and Water Consumption

Population trend data has historically shown growth for the region, however recently growth has moderated or stopped, based on estimates. Despite prior years of population growth, however, water usage has decreased since 2004, though annual variation driven by droughts and then post-drought recovery has made the change less than linear. 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 had 387,470 active accounts as of the end of fiscal year 2024. Over 90 percent of water system active service connections are residential accounts, which comprise approximately 49 percent of total water usage. The Wastewater System had 178,605 accounts, with about 90 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	351,899	90.8%	66.9	49.0%	160,220	89.7%
Commercial	31,837	8.2%	45.1	33.1%	16,620	9.3%
Industrial	1,294	0.3%	18.4	13.5%	749	0.4%
Public Authority	2,440	0.6%	6.0	4.4%	1,016	0.6%
Total	387,470	100.0%	136.4	100.0%	178,605	100.0%

MAJOR EMPLOYERS

Major employers have remained relatively consistent over the years, though recent changes to reporting methods appear to have boosted the University of California, Berkeley, and Lawrence Berkeley Lab and Lawrence Livermore National Lab to more prominent spots on the list. On the other hand, Contra Costa County appeared to have changed their reporting and the list narrowed to those listed here, which have not changed from prior years.

Major Employers in Alameda County as of June 2024

Alameda County Major Employers	
Employer Name	Industry
University of California, Berkeley	University-College Academics
Western Digital Corp	Computer Storage Devices
Tesla	Automobile Manufacturer
County of Alameda	Local Government
Lawrence Berkeley Lab	Laboratories - Research and Development
Lawrence Livermore National Lab	Laboratories - Research and Development
Alta Bates Summit Medical Center	Health Care
Bay Area Rapid Transit (BART)	Public Transit
California State University, East Bay	University-College Academics
Cooper Vision Inc.	Wholesale Trade

Source: FY 2024 County of Alameda Annual Comprehensive Financial Report

Major Employers in Contra Costa County as of June 2024

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

Note: Excludes government employers, per the County's reporting.

Source: FY 2024 County of Contra Costa Annual Comprehensive Financial Report

UNEMPLOYMENT

Unemployment rates have mostly returned to typical levels as of calendar year 2024, after increasing significantly in 2020 as a result of the COVID-19 pandemic.

Unemployment Rates in Cities, Counties and State

Unemployment Rates					
	2020	2021	2022	2023	2024
Seven Largest Cities in the Service Area					
Alameda	8.8%	5.8%	3.2%	4.0%	4.7%
Berkeley	6.7%	5.0%	3.0%	3.6%	4.2%
Oakland	9.8%	6.7%	3.6%	4.1%	4.7%
Richmond	10.3%	7.3%	3.7%	4.0%	4.6%
San Leandro	10.5%	6.9%	3.6%	3.9%	4.6%
San Ramon	6.3%	4.4%	2.6%	3.6%	4.2%
Walnut Creek	6.9%	4.9%	3.0%	3.8%	4.3%
Two Counties Partially Served by the District					
Alameda County	8.6%	5.9%	3.2%	3.8%	4.5%
Contra Costa County	8.8%	6.2%	3.4%	3.9%	4.5%
Comparison to the State of California					
California	10.2%	7.3%	4.3%	4.7%	5.3%

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

Annual average by year; not seasonally adjusted.

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Memberships

The following are adopted memberships for FY 2026 and FY 2027. 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 review the list of approved memberships. The membership budget is approximately \$1 million in each fiscal year.

District-Wide Memberships		
Membership Name / Organization	FY 2026	FY 2027
Alameda County Bar Association	470	470
Alameda County Green Business Association (Balance Foundation)	5,000	5,000
Alliance for Water Efficiency (AWE)	6,500	6,800
American Concrete Institute	300	300
American Contract Compliance Association	800	800
American Fisheries Society	360	375
American Geophysical Union	65	65
American Institute of Certified Public Accountants	360	370
American Payroll Association	315	330
American Society For Testing And Materials (ASTM) International	280	280
American Society of Civil Engineers	5,006	5,016
American Society of Heating, Refrigerating and AC Engineers (ASHRAE)	290	290
American Society of Safety Professionals	235	240
American Society of Testing And Materials	115	121
American Water Works Association	27,394	27,394
American Welding Society	800	800
Asian Business League of San Francisco	150	150
Association for Materials Protection and Performance (formerly NACE)	396	396
Association for Talent Development	1,495	1,495
Association of California Water Agencies (ACWA)	58,970	58,970
Association of Metropolitan Water Agencies	24,000	25,000
Association of Records Managers and Administrators (AMRA)	260	260
Association of State Dam Safety Officials	820	820
Association of Women in Water Energy and Environment (AWWEE)	405	405
Association of Workplace Investigators	900	900
Bay Area Biosolids Coalition	24,500	24,500
Bay Area Clean Water Agencies (BACWA)	114,150	117,600

Appendix**Memberships**

Bay Area Climate Adaptation Network	3,700	4,000
Bay Area Council	13,750	13,750
BayGeo	124	128
BAYWORK	20,500	20,500
Bioenergy Association of CA	6,700	7,050
CalChamber	1,229	1,300
CalGovHR	400	400
California Association of Public Information Official (CAPIO)	2,775	2,775
California Association of Public Procurement Officials (CAPPO)	290	298
California Association of Public Retirement Systems	1,800	1,800
California Association of Sanitation Agencies (CASA)	22,600	23,300
California Land Surveyors Association - State	1,350	1,350
California Landscape Contractors Association	250	275
California Municipal Treasurer's Association (CMTA)	210	220
California Municipal Utilities Association	24,010	24,010
California Public Employees Labor Relations Association	3,945	3,945
California Regional Common Ground Alliance (CARCGA)	100	100
California Rural Water Association	782	821
California Society of Municipal Finance Officers (CSMFO)	424	441
California Special Districts Association - Alameda County	100	100
California Special Districts Association - Contra Costa Chapter	150	150
California Special Districts Association - Statewide	9,275	9,275
California Urban Water Agencies (CUWA)	65,000	65,000
California Utilities Emergency Association	3,200	3,200
California Water & Environmental Association	233	245
California Water & Environmental Modeling Forum	2,500	2,500
California Water Efficiency Partnership (CALWEP)	24,200	25,400
California Water Environment Association (CWEA)	239	239
California Women in Energy	85	85
California Workers' Compensation Institute	605	666
Capitol Network	300	300
Center for Western Weather and Water Extremes (CW3E)	10,000	10,000
Central Valley Clean Water Association (CVCWA)	2,315	2,431
Central Valley Project Water Association	3,000	3,000
Certified Commercial Investment Member Institute (CCIM)	3,400	3,400

Appendix**Memberships**

Certified Information Systems Auditor (CISA)	960	960
Chamber of Commerce - Alameda	1,500	1,500
Chamber of Commerce - Albany	250	250
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	500	500
Chamber of Commerce - Calaveras County	535	535
Chamber of Commerce - Castro Valley	600	600
Chamber of Commerce - Crockett	300	300
Chamber of Commerce - Danville	360	360
Chamber of Commerce - El Cerrito	636	636
Chamber of Commerce - El Sobrante	200	200
Chamber of Commerce - Greater Stockton	500	500
Chamber of Commerce - Lafayette	430	430
Chamber of Commerce - Lodi	829	829
Chamber of Commerce - Moraga	200	200
Chamber of Commerce - Oakland African-American	2,000	2,000
Chamber of Commerce - Oakland Chinatown	340	340
Chamber of Commerce - Oakland Latino	800	800
Chamber of Commerce - Oakland Metropolitan	6,500	6,500
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
Chamber of Commerce - San Leandro	400	400
Chamber of Commerce - San Ramon	575	575
Chamber of Commerce - Vietnamese	1,500	1,500
Chamber of Commerce - Walnut Creek	925	925
Climate Registry	5,000	5,500
Construction Management Association of America	1,800	1,800
Construction Specifications Institute	375	394
Contra Costa County Green Business	5,000	5,000
Design Build Institute of America	500	500
Earthquake Engineering Research Institute	320	330

Appendix**Memberships**

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	800
Emeryville Commerce Connection	1,050	1,100
Employee Assistance Professional Association	65	65
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
Hills Emergency Forum	5,500	5,500
Illuminating Engineering Society	213	220
Institute of Electrical And Electronics Engineers (IEEE)	1,537	1,557
Institute of Governmental Advocates	200	200
Institute of Internal Auditors	390	390
International Association for HR Information Management (IHRIM)	200	200
International Foundation of Employee Benefit Plans	1,435	1,445
International Information System Security Certification Consortium (ISC2)	675	675
International Institute of Municipal Clerks	300	300
International Partnering Institute	525	550
International Right of Way Association (IRWA)	1,100	1,100
International Society of Automation	152	152
Irrigation Association	830	850
Isle Utilities - Technology Approval Group (TAG)	20,000	20,000
League of California Surveying Organizations	150	150
Municipal Equipment Maintenance Association (MEMA)	300	309
Municipal Information Systems Association of California (MISAC)	260	260
National Association of Clean Water Agencies (NACWA)	36,000	37,100
National Association of Govtl Defined Contribution Administrators	600	600
National Association of Local Government Auditors	200	200
National Association of Minority Contractors	2,000	2,000
National Association of Realtors	220	240
National Environmental Laboratory Accreditation Conference (NELAC)	120	120
National Fire Protection Association	600	610
National Hydropower Association	25,589	26,868
National Pension Education Association	850	850

Appendix	Memberships	
North American Society of Trenchless Technology (NASTT)	670	670
Northern California Backflow Prevention	400	450
Northern California Joint Pole Association	870	870
Northern California Pipe Users Group	500	500
Oracle Applications & Technology Users Group (OUTAG)	1,095	1,150
Park Rangers Association of California (PRAC)	200	200
Pesticide Applicators Professional Association	3,606	3,653
Phylmar Regulatory Roundtable	8,750	9,000
Project Management Institute Certification	1,330	1,372
Public Agency Risk Management Association	330	363
Public Sector HR Association	175	175
Risk & Insurance Management Society	836	920
San Francisco Bay Hispanic Chamber of Commerce (SFBAYHCC)	300	300
San Francisco Paralegal Association	85	85
Society for Human Resource Management	4,228	4,228
Society for Range Management	200	200
State Bar of California	7,580	7,580
Structural Engineers Association of Northern California	990	1,050
The Wildlife Society	100	100
Toastmasters	2,700	2,700
Together Bay Area	5,000	5,000
Underground Service Alert	3,000	3,000
United States Society of Dams	1,620	1,620
US Green Building Council (USGBC)	750	800
Water Customer Care Forum (WCCF)	1,400	1,400
Water Education Foundation	16,000	16,000
Water Environment Federation	2,238	2,278
Water Information Sharing and Analysis Center (Water ISAC)	8,100	8,100
Water Research Foundation (WRF)	200,000	200,000
WaterReuse Association	20,000	20,000
Waterstart	45,000	45,000
Western Regional Minority Supplier Development Council (WRMSDC)	4,000	4,000
Western Urban Water Coalition	40,000	40,000
Women Construction Owners and Executives	1,300	1,300
Women's Business Enterprise Council (WBEC) Pacific	0	3,000

Sponsorships

The following are District-approved sponsorships for FY 2026 and FY 2027. 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 \$268,965 in FY 2026 and \$269,465 in FY 2027. The total for all sponsorships listed below is slightly higher, as there is assumed savings included in the actual budget.

District-Wide Sponsorships		
Organization / Event / Sponsorship	FY 2026	FY 2027
23rd Street Merchants Association - Richmond Cinco de Mayo Festival	1,000	1,000
ACE Mentor San Francisco Bay Area, Inc.	2,500	2,500
Alameda Art and Wine Festival - Downtown Alameda Business Association (Park Street Business Association)	2,500	2,500
Alameda County - Statewide Illegal Dumping Conference	2,500	2,500
Alameda County Science and Engineering Fair	500	500
Alameda Recreation and Parks - 4th of July Festival	2,500	2,500
Alliance for Water Efficiency	5,000	5,000
Amador County Fair	750	750
Amador Flyfishers	500	500
American Contract Compliance Association	1,500	1,500
American Fisheries Society	1,000	1,000
American Indian Chamber of Commerce	1,500	1,500
American Society of Civil Engineers - Annual Infrastructure Symposium	1,500	1,500
Asian Enterprise Magazine - Awards Gala	500	500
Asian Health Services - Annual celebration	2,500	2,500
Asian Health Services - CAP	1,000	1,000
Asian, Inc.	1,000	1,000
Bay Area Girls Club	1,000	1,000
Bay Nature Institute	1,000	1,000
Bayfront Chamber (Pinole, Hercules, Rodeo) - Bayfront Festival	2,500	2,500
Berkeley Juneteenth Cultural Celebration - Juneteenth	2,000	2,000
Black Joy Parade	6,000	6,000
Blake Garden - UC Regents Berkeley	1,000	1,000
CA Black Chamber	1,000	1,000
CA Hispanic Chamber Conference - Annual Convention	3,000	3,000
Calaveras County Fair	750	750
Calaveras County Water District - Scholarship Program	2,000	2,000

Appendix**Sponsorships**

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 Partnership	6,000	6,000
Castro Valley Chamber Fall Festival	1,500	1,500
Chabot Los Positas Community College District - Friends of Chabot College	1,000	1,000
Chinese for Affirmative Action	500	500
City College of SF - SF Community College	1,000	1,000
City of El Cerrito Recreation - 4th of July Festival	2,500	2,500
City of San Leandro - Cherry Festival	310	310
City of San Ramon Parks and Community Services - San Ramon Art and Wind Festival	3,000	3,000
Community Kitchens Inc	5,000	5,000
Community Resources for Science - STEM Education and Outreach	5,000	5,000
Community Water Center - Annual Water Justice Leadership Awards	1,000	1,000
Construction Resource Center	2,000	2,000
Contra Costa County Science & Engineering Fair	500	500
Contract Costa County Community College District - Los Medanos College Foundation	1,000	1,000
Crockett Chamber - Sugartown Festival and Street Faire	350	350
Cypress Mandela	2,500	2,500
David Brower Center - Corporate Contribution	2,500	2,500
Delta Fly Fishers, Inc	500	500
Delta Stewardship Council - Bay Delta Biennial Conference	0	2,500
Dimond Improvement Association - Oaktoberfest	2,500	2,500
Disabled Veteran Business Alliance - Info Tech and Professional Services Expo	500	500
Earth Day/Special Events (Various cities)	1,500	1,500
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
Educational Community for Homeowners	600	600
El Sobrante Chamber - Annual El Sobrante Stroll	305	305
Engineers Without Borders	500	1,000
Euniece Law - The Legacy Continues	1,000	1,000
Foothill Conservancy - Annual Fundraiser	500	500
Friends of San Leandro Creek	2,000	2,000

Appendix**Sponsorships**

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
Greater Richmond Interfaith Program (GRIP)	1,000	1,000
Greater Stockton Chamber	500	500
Greenbelt Alliance Hidden Heroes of the Greenbelt Awards	2,500	2,500
Greywater Action	1,500	1,500
Home2HeadWaters	2,000	2,000
ihub San Joaquin H2O Hackathon	2,500	2,500
Irrigation Association	500	500
John Muir Land Trust	1,000	1,000
Kid Scoop News	3,000	3,000
La Clinica	1,000	1,000
Lafayette Chamber Art & Wine Festival	4,100	4,100
Laney College	500	500
Lao Family Community Development	1,000	1,000
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
Lodi Chamber Crane Festival - Lodi Sandhill Crane Association	500	500
Lodi Stem Fair	1,500	1,500
Minority Business Enterprise Magazine - Enterprise Publishing	1,500	1,500
Museum of Children's Art (MOCHA)	5,000	5,000
National Association of Minority Contractors - National	1,500	1,500
National Association of Women in Construction - SF Chapter	500	500
National Coalition of 100 Black Women - Oakland - Madam CJ Walker Luncheon & Empowerment	1,000	1,000
National Veteran Business Development Council	1,000	1,000
Native American Health Center	1,000	1,000
Oakland African American Chamber - Annual Business Awards	3,000	3,000
Oakland Asian Cultural Center - Annual Gala	2,500	2,500
Oakland Chinatown Chamber - Streetfest	4,000	4,000
Oakland Latino Chamber of Commerce	2,000	2,000
Oakland Metropolitan Chamber - Annual Event	3,500	3,500
Oakland Pride	5,000	5,000
Oakland Public Education Fund	1,000	1,000

Appendix**Sponsorships**

Oakland Vietnamese Chamber of Commerce	1,000	1,000
Oakland Zoo	500	500
Outdoor Afro Glamp Out Gala	3,000	3,000
Peralta Colleges Foundation	2,500	2,500
Planting Justice	2,000	2,000
Pleasant Hill Recreation & Park District	1,000	1,000
Pride and a Paycheck	500	500
RCF Connects	1,000	1,000
Renaissance Entrepreneurship Center	1,000	1,000
ReScape California	2,500	2,500
Richmond Build - City of Richmond	1,250	1,250
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	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	5,000	5,000
RYSE Center	1,000	1,000
Salmonid Restoration Federation Annual Conference	1,000	1,000
San Francisco Bay Area Hispanic Chamber	1,000	1,000
San Francisco Bay Section, CA Water Environment Association (CWEA)	350	350
San Francisco Baykeeper	1,500	1,500
San Francisco Estuary Partnership/ABAG - State of Estuary Conference	2,500	0
San Joaquin Ag Fest	500	500
San Joaquin County Hispanic Chamber	2,000	2,000
San Joaquin Delta College Foundation	1,000	1,000
San Joaquin Farm Bureau	500	500
Save the Bay	3,000	3,000
Sierra Club of SF Bay Chapter Annual Awards Ceremony (David Brower Dinner)	2,500	2,500
Sierra Fund	500	500
Sierra Nevada Alliance	500	500
Social Good Fund's The East Oakland Collective	3,000	3,000
Solano Stroll	450	450
Spiral Gardens Community Food Security Project	2,000	2,000
Stewardship Through Education (Motherlode Land Trust)	3,000	3,000

Appendix**Sponsorships**

Sustainable Contra Costa Sustainability Awards	3,500	3,500
Swords to Plowshare	5,000	5,000
The Gardens at Heather Farms	1,000	1,000
The Unity Council - CAP	1,000	1,000
The Unity Council - Día de Los Muertos Festival (Spanish Speaking Unity Council of Alameda County, Inc)	5,000	5,000
Tradeswomen, Inc	1,500	1,500
Training Institute for Leadership Enrichment (TILE) - Powerful Women of the Bay Awards Luncheon	2,000	2,000
UC Berkeley - UC Regents Master Gardener Program of Alameda County	2,500	2,500
UC Berkeley - UC Regents Master Gardener Program of Contra Costa County	2,500	2,500
UC Botanical Garden	500	500
United Seniors of Oakland & Alameda County - Healthy Living Festival	250	250
Urban Tilth	2,000	2,000
US Green Building Council	2,000	2,000
Valley Springs Area Business Association	500	500
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
Water Research Foundation	2,000	2,000
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)	3,000	3,000
Women Construction Owners & Executives - National	1,000	1,000
Women's Business Enterprise Council Pacific - Astra Society International	2,500	2,500

Glossary

AB	Administration Building.
Accrual Basis	Accounting method that records income items when they are earned and records deductions when expenses are incurred.
ADM	Administration Department.
Adopted Budget	A balanced financial plan for a specific period of time authorized by the Board of Directors.
AFSCME	American Federation of State, County and Municipal Employees.
AMC	Adeline Maintenance Center.
Amended Budget	A budget that reflects budgetary transfers that occurred after adoption of the budget. The total amended budget amount does not exceed Board approved appropriations.
Amortization	The process of incrementally charging the cost of an asset to expenses 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.
Appointment Type	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.
Appropriation	Funds for expenditure in the operating, debt, and capital budgets authorized by the Board of Directors for a specific purpose.
Authorized FTE	A full-time equivalent (FTE) approved by the Board of Directors.
AWWA	American Water Works Association.
Bargaining Unit	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.
Benefit Costs	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.
Biennial Budget	A biennial budget contains two standalone annual budgets. The second year of the budget is reviewed and affirmed by the Board of Directors.
Board of Directors	The seven public officials elected to represent the wards within the District service area. Also referred to as the "Board".

Bonds	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.
Budget	A financial plan that outlines estimated revenues and expenditures for the year to provide customers with safe, reliable water and wastewater services.
Build America Bonds	A type of municipal bond created under the American Recovery and Reinvestment Act of 2009. Also referred to as “BABs”.
Capital Appropriation	Board approved funding for capital projects. Unspent appropriations carry forward to the next fiscal year.
Capital Budget	A financial plan for purchasing, constructing, or rehabilitating fixed assets such as equipment, facilities, and systems.
Capital Cash Flow	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.
Capital Expenditures / Expenses	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.
Capital Improvement Program	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 ten-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”.
Capital Labor	The portion of District labor costs supporting the capital improvement program.
Capital Steering Committees	Capital Steering Committees are responsible for the oversight and development of the biennial CIP recommendation to the General Manager. Also referred to as the “CSC” or “CSCs”.
Capital Support	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.
CCF	One hundred cubic feet of water, which equals 748 gallons or one unit.
CIP	Capital Improvement Program.
Civil Service	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.
Commercial Paper	Another form of financing for capital projects.
Consent Decree	An agreement or settlement to resolve a dispute between two parties.

Contingency	Funds budgeted each fiscal year to cover unanticipated needs which may arise before the next budget cycle. Starting in FY 2026, contingency also includes non-department expenses, such as claims and insurance-related expenses.
CSC or CSCs	See Capital Steering Committees.
CSMFO	California Society of Municipal Finance Officers.
CUS	Customer and Community Services Department.
Customer Information System	The District's system for billing customers, collecting revenue, and recording account information.
Debt Service	Expenditures for interest and principal repayment on bonds or other debt.
Debt Service Coverage	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.
Debt-Funded Capital	Expenditures for capital projects which are funded by bonds, loans, or other debt.
Department	A major organizational unit with overall managerial responsibility for functional programs of the District.
Depreciation	An accounting method of allocating the cost of an asset over the useful life of the asset.
DERWA	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.
Distribution System	Water treatment plants, storage reservoirs, pumping plants, pipelines, and appurtenances that treat and transmit water to customers.
District	East Bay Municipal Utility District.
Division	A major organizational unit of a Department. Most departments have several divisions, each providing different services.
Drought	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.
DSOD	The California Department of Water Resources Division of Safety of Dams.
East Bay	Communities located in Alameda and Contra Costa counties on the east side of the San Francisco Bay.
EBMUD	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".

EBRWP	East Bayshore Recycled Water Project.
EEO	Equal Employment Opportunity.
Encumbrance	The obligated but unspent portion of a contingent liability established through a purchase order. The budget recognizes an encumbrance as an obligation, but if unspent by year-end, it is not recognized as an expense.
ENG	Engineering and Construction Department.
Expenditure	The payment of an obligation.
Expenditure Category	There are three types of operating expenditure categories: labor, contracts, and all other costs or operation/maintenance.
FERC	Federal Energy Regulatory Commission.
Fiduciary Fund	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.
FIN	Finance Department.
Fiscal Year	The 12-month period that begins July 1 and ends June 30 of the following calendar year. Also referred to as “FY”.
FM&O	Fully-Maintained and Operated.
FOG	Fats, oils, and grease.
Freeport Regional Water Authority	A joint project with the Sacramento County Water Agency to secure a supplemental dry-year water supply. (FRWA)
FTE	See Full-Time Equivalent.
Full-Time Equivalent	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”.
Fund	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.
Fund Balance	The net position of governmental funds calculated in accordance with the generally accepted accounting principles and used in financial reporting.
Funded Position	Authorized position that the Board of Directors has appropriated funding for a fiscal year.
FY	See Fiscal Year.
GAAP	Generally Accepted Accounting Principles.

GASB	Governmental Accounting Standards Board.
General Manager	The chief executive officer of the District hired by the Board of Directors. Also referred to as “GM”.
GFOA	Government Finance Officers Association.
GM	See General Manager.
GPD	Gallons Per Day.
HRD	Human Resources Department.
HRIS	Human Resources Information System.
Infrastructure	The tangible physical components that ensure delivery of reliable, high quality water and wastewater service such as reservoirs, pumping plants, pipelines, and anaerobic digesters.
INT	See Intermittent.
Intermittent	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”.
Intradistrict	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.
ISD	Information Systems Department.
JSA	Joint Settlement Agreement.
Key Performance Indicators	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”.
KPI	See Key Performance Indicators.
Limited-Term	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”.
LT	See Limited-Term.
MCD	Maintenance and Construction Department.
MG	Million Gallons.
MGD	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).
Modified Cash Flow Basis	Income and expense accounting method that records revenue when cash is received, and records expenses when cash is paid.

MUD Act	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.
MWWTP	Main Wastewater Treatment Plant.
NOE	Notice of Exemption.
NRD	Natural Resources Department.
NRP	Non-represented.
OGC	Office of the General Counsel.
OGM	Office of the General Manager.
Operating Budget	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.
Operating Labor	The portion of the District's labor costs supporting the day-to-day operations.
Organization	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.
OSD	Operations and Maintenance Support Department.
Part-Time	Part-time employees are restricted to working no more than 832 hours per year, and do not have civil service status.
Pay-As-You-Go	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.
PEPRA	California Public Employees' Pension Reform Act.
PGS	Power Generation Station.
PP	Pumping Plant.
Proposed Budget	The recommended balanced financial plan for a specific period of time submitted for consideration to the Board of Directors.
Proprietary Fund	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.
PT	See Part-Time.
PZ	Pressure Zone.

PZI	Pressure Zone Improvements.
RARE	Richmond Advanced Recycled Expansion project.
Rates	Charges for services to District customers.
RCS	Regulator/Rate Control Station.
REG	See Regular.
Regular	A full-time civil service position.
Reserves	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.
Revenue	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.
SCC	See System Capacity Charges.
SD-1	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).
SEP	Special Employment Program.
SIR	Self-Insured Retention.
SMT	Senior Management Team.
Staffing	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.
Step Increases	Employee salary increases based on progression along a salary market range.
Strategic Plan	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.
SWRCB	State Water Resources Control Board.
TC	See Temporary Construction.
TEMP	See Temporary.
Temporary	Positions limited to six-month duration and do not have civil service status.

Temporary Construction	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”.
USL	Upper San Leandro.
WOD	Water Operations Department.
WRD	Water Resources Department.
WRP	Water Recycling Program.
WSMP	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.
WTP	Water Treatment Plant.
WWF	Wet Weather Facilities.

Board Resolutions

This section includes select pages from Board-approved resolutions that relate to the FY 2026 and FY 2027 Biennial Budget, including:

- Resolution No. 35455-25, full resolution (approving and adopting the FY 2026 and FY 2027 Biennial Budget and other related actions);
- Resolution No. 35456-25, full resolution and exhibits (authorizing the number and character of positions);
- Resolution No. 35452-25, resolution without exhibits (consideration of all objections to rates and charges subject to Proposition 218 for FY 2026 and FY 2027);
- Resolution No. 35453-25, resolution without exhibits (adopting rates and charges subject to Proposition 218 for FY 2026 and FY 2027);
- Resolution No. 35454-25, resolution without exhibits (adopting rates, charges, and other fees not subject to Proposition 218 for FY 2026, and other actions).

To reduce paper used for the printed version of the Biennial Budget book, the exhibits are excluded from resolutions when noted above. Full exhibits are available through the Secretary's Office at EBMUD (<https://www.ebmud.com/about-us/public-records>). Additionally, there are no blank pages nor coversheets to separate the resolutions, though the start of each resolution and its purpose will be clear by the description in the capital letters that begin each resolution.

RESOLUTION NO. 35455-25

APPROVING AND ADOPTING THE BUDGET OF THE EAST BAY MUNICIPAL UTILITY DISTRICT WATER AND WASTEWATER SYSTEMS FOR FISCAL YEAR 2026 AND FISCAL YEAR 2027, 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 Smith

; Seconded by Director Katz

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 (Board) in the Fiscal Year 2026 (FY 2026) and Fiscal Year 2027 (FY 2027) Biennial Budget (Biennial Budget), which is reflected in the Proposed Biennial Budget Fiscal Years 2026 and 2027, Volumes 1 and 2; and

WHEREAS, workshops were held on January 28, 2025 and March 25, 2025, at which time the Board and members of the public were provided an opportunity to review and ask questions about the Biennial Budget; and

WHEREAS, adoption of this Resolution does not constitute a project under the California Environmental Quality Act (CEQA) Guidelines section 15378(b)(4) because approving and adopting the budget of the District's Water and Wastewater Systems for FY 2026 and FY 2027, 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, involve the creation of a government funding mechanism or other government fiscal activities and do not involve any commitment to any specific project which may result in a potentially significant impact on the environment; and

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

WHEREAS, the Board desires to adopt a budget for FY 2026 and FY 2027, 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 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 Biennial Budget is hereby approved and adopted as the FY 2026 and FY 2027 budget for the 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 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 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 2026 and FY 2027 budget is expressed in major groups of accounts as indicated below. The following amounts are hereby appropriated for expenditure:

WATER SYSTEM:	<u>FY 2026</u>	<u>FY 2027</u>
Operating Budget	\$456,433,205	\$478,498,390
Debt Service	269,710,000	289,380,000
<u>Capital Budget</u>	<u>729,154,266</u>	<u>394,444,383</u>
Total Water System	\$1,455,297,471	\$1,162,322,773
WASTEWATER SYSTEM:		
Operating Budget	\$118,937,574	\$123,682,296
Debt Service	36,925,000	36,790,000
<u>Capital Budget</u>	<u>90,315,931</u>	<u>120,779,370</u>
Total Wastewater System	\$246,178,505	\$281,251,666

Section 3. The General Manager is authorized to approve the payment of demands against the District in FY 2026, without further Board 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 2026. Projection of the District's operations with respect to FY 2027 will be resubmitted to the Board in June 2026 for review and approval, consistent with Public Utilities Code section 11891.5.

Section 4. The General Manager is authorized for FY 2026 and FY 2027 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 2025 and FY 2026, 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 2026 and FY 2027 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 2026 and FY 2027, 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 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 planned capital expenses in the Biennial Budget. 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 planned capital expenses is in aggregate \$1,178,375,000 for the Water System (\$579,531,000 for FY 2026 expenditures, and \$598,844,000 million for FY 2027 expenditures), and in aggregate \$170,771,000 for the Wastewater System (\$82,912,000 for FY 2026 expenditures, and \$87,859,000 for FY 2027 expenditures). The District reasonably expects on the date hereof that it will reimburse certain expenditures paid pursuant to the District's planned capital expenses in the Biennial 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 10th day of June, 2025 by the following vote:

AYES: Directors Chan, Katz, Lewis, Oddie, Smith, and President Young.

NOES: None.


ABSENT: None.

ABSTAIN: Director Gómez.




President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

RESOLUTION NO. 35456-25

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

Introduced by Director Lewis

; Seconded by Director Oddie

WHEREAS, the Board of Directors (Board) 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 recommending that 2,242.25 full-time equivalent (FTE) positions be authorized to carry on the functions of the District in Fiscal Year 2026 (FY 2026) and 2,244.25 FTE positions be authorized to carry on the functions of the District in Fiscal Year 2027 (FY 2027);

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

1. That 2,242.24 FTE positions be and hereby are authorized for FY 2026 and 2,244.25 FTE positions be and hereby are authorized for FY 2027, 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 FY 2026 and FY 2027, 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 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 FY 2026 and FY 2027 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 IUOE 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 IUOE 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 FY 2026 and FY 2027 be evaluated and reported on by departments as part of their budget request for FY 2026 and FY 2027. 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.
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 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 classifications shall be added: (1) Outreach and Education Specialist; (2) Data Scientist I; and (3) Data Scientist II.

7. The following classifications shall be deleted: (1) Equipment Superintendent; and (2) Senior Legal Secretary.

BE IT FURTHER RESOLVED that this Resolution shall become effective July 1, 2025. ADOPTED

this 10th day of June, 2025 by the following vote:

AYES: Directors Chan, Gómez, Katz, Lewis, Oddie, Smith, and President Young.


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, 2025)

Group/Department	FY2025 Amended Staff Years ⁽¹⁾	FY2026 Recommended Staff Years ⁽²⁾	FY2026 Net Change	FY2027 Recommended Staff Years ⁽²⁾	FY2027 Net Change
ADMINISTRATION	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CUSTOMER AND COMMUNITY SERVICES	<u>139.5</u>	<u>137.5</u>	<u>-2</u>	<u>137.5</u>	<u>0</u>
DROUGHT	<u>15</u>	<u>15</u>	<u>0</u>	<u>15</u>	<u>0</u>
ENGINEERING AND CONSTRUCTION	<u>292</u>	<u>292</u>	<u>0</u>	<u>292</u>	<u>0</u>
FINANCE	<u>197.5</u>	<u>200</u>	<u>2.5</u>	<u>200</u>	<u>0</u>
Finance	100.5	102	1.5	102	0
Information Systems	97	98	1	98	0
HUMAN RESOURCES	<u>46.5</u>	<u>48</u>	<u>1.5</u>	<u>48</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>80.5</u>	<u>83</u>	<u>2.5</u>	<u>83</u>	<u>0</u>
MAINTENANCE AND CONSTRUCTION	<u>632.5</u>	<u>633.5</u>	<u>1</u>	<u>635.5</u>	<u>2</u>
OPERATIONS & MAINTENANCE SUPPORT	<u>56</u>	<u>59</u>	<u>3</u>	<u>59</u>	<u>0</u>
WATER OPERATIONS	<u>339.25</u>	<u>336.25</u>	<u>-3</u>	<u>336.25</u>	<u>0</u>
WATER AND NATURAL RESOURCES	<u>104.5</u>	<u>106.5</u>	<u>2</u>	<u>106.5</u>	<u>0</u>
Water Resources	36	36	0	36	0
Natural Resources	68.5	70.5	2	70.5	0
WATER RECYCLING PROGRAM	<u>8</u>	<u>9</u>	<u>1</u>	<u>9</u>	<u>0</u>
WATER SYSTEM TOTAL	1927.75	1936.25	8.5	1938.25	2
WASTEWATER	<u>304</u>	<u>306</u>	<u>2</u>	<u>306</u>	<u>0</u>
DISTRICT-WIDE TOTAL IN FTEs ⁽³⁾	2231.75	2242.25	10.5	2244.25	2

Notes ⁽¹⁾, ⁽²⁾, ⁽³⁾ - See page 2

EXHIBIT "A"
SUMMARY OF STAFF CHANGES
(July 1, 2025)

TOTAL POSITIONS AUTHORIZED BY TYPE OF STATUS	FY26 Positions	FY26 Net Change	FY27 Positions	FY27 Net Change
Full-Time	2139	13	2139	0
Temporary	43	-4	43	0
Part-Time	14	-7	14	0
Intermittent	5	0	5	0
Temporary Construction and Limited-Term	71	3	73	2
DISTRICT-WIDE TOTAL IN POSITIONS⁽³⁾	2272	5	2274	2

Notes to Exhibit A:

- (1) Amended staffing applies mid-year Board actions, changes to the FY2025 Position Resolution under the General Manager's authority, position transfers, and administrative corrections effective May 19, 2025.
- (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"
FY2026
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(July 1, 2025)

Customer and Community Services Department

								Representation Change ¹						
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
314	(1.00)	4586	Water Conservation Representative	REG			64	(1.00)						Position no longer needed
325	0.00	0033	New Business Coordinator I	L/T	New Business Coordinator I	L/T	60	0.00						Reauthorize one LT to continue to support peak workload
332	0.50	0303	Customer Services Representative I/II	P/T ²	Customer Services Representative I/II	REG	51	0.50						Full-time position can better provide customer service
332	1.00	0361 3377	Customer Services Representative I/II	P/T ²	Customer Services Representative III	REG	55	1.00						Increase career ladder in call center and enhanced customer service support
332	(0.50)	0402	Worker Trainee	TEMP			5						(0.50)	Classification was abolished
332	(1.00)	4594 5850	Customer Services Representative I/II	P/T			51	(1.00)						Replaced with full-time positions
332	0.00	0322	Senior Customer Service Representative	L/T	Senior Customer Service Representative	L/T	59	0.00						Reauthorize one LT, scheduled to revert to temporary status, to continue to support single family liens as an alternative to shut-offs.
339	1.00	0309 0310	Customer Services Representative I/II	P/T ²	Customer Services Representative I/II	REG	51	1.00						Full-time position can better provide customer service
339	0.00	0323	Senior Customer Services Representative/ Customer Service Rep III	L/T ²	Senior Customer Services Representative/ Customer Service Representative III	REG	59	0.00						Provide permanent support for the Customer Assistance Program

EXHIBIT "B1"
FY2026
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(July 1, 2025)

Customer and Community Services Department (continued)

								Representation Change ¹						
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
335	0.00	0328	Customer Services Representative I/II/III	L/T	Customer Services Representative I/II/III	L/T	55	0.00						Reauthorize one LT, scheduled to revert to temporary status, to continue to support single family liens as an alternative to shut-offs.

Finance

								Representation Change ¹						
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
232	0.50	0581	Storekeeper I/II	TEMP/PT ²	Storekeeper I/II	REG			0.50					Meet growing demand for warehouse products, especially pipe
230	(1.00)	1116	Buyer I/II	REG				(1.00)						Position no longer needed
218	2.00	TBD			Data Scientist I/II	REG						2.00		Improve data analytics

Human Resources

								Representation Change ¹						
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
368	2.00	TBD			Senior Human Resources Analyst	REG	73					2.00		Support improved approach to employee relations

EXHIBIT "B1"
FY2026
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(July 1, 2025)

Maintenance and Construction Department

								Representation Change ¹						
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
753	0.00	0466 0522 0523 0524 0526 0527	Meter Reader/ Mechanic	L/T	Meter Reader/ Mechanic	L/T	54		0.00					Reauthorize six LTs for meter reading and maintenance. Positions scheduled to revert to temporary status are reauthorized as limited term to record water consumption for billing accuracy
755	1.00	TBD			Paving Crew Foreman	L/T	68		1.00					Reduce the concrete paving backlog
755	1.00	TBD			Concrete Finisher II	L/T	58		1.00					Reduce the concrete paving backlog

Natural Resources Department

								Representation Change ¹						
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
491	2.00	TBD			Ranger/ Naturalist I/II	L/T	58	2.00						Reduce risk at upcountry recreation areas

EXHIBIT "B1"
FY2026
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(July 1, 2025)

Office of the General Manager

								Representation Change ¹						
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 TBD			Outreach and Education Specialist	P/T				1.00				Enhance school field trips and community education
144	0.50	3261	Ranger/ Naturalist I	P/T	Ranger/ Naturalist I	L/T	52	0.50						Provide improved workforce development opportunities
144	(1.00)	1202 1203	Information Technology Intern I/II	TEMP/ P/T			46	(1.00)						Positions no longer needed
144	(0.50)	3262	Ranger/ Naturalist I	P/T			52	(0.50)						Replaced with L/T position

Operations and Maintenance Support

								Representation Change ¹						
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	2.00	TBD TBD			Information Systems Support Analyst I/II	T/C	70	2.00						Support work management software replacement project

EXHIBIT "B1"
FY2026
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(July 1, 2025)

Wastewater Department

								Representation Change ¹						Explanation
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/ CONF	NRP/ EXMPT	
904	1.00	TBD			L/T Technical Trades Apprentice	L/T	44A		1.00					Increase opportunities in the trades
911	1.00	TBD			Electrical Technician	REG	74		1.00					Complete critical electrical projects
927	0.00	1230 1231	Associate Civil Engineer	T/C ²	Associate Civil Engineer	REG	76	0.00						Support baseline growth in capital plan
911	0.00	1232	Associate Civil Engineer	T/C ²	Associate Civil Engineer	REG	76	0.00						Support baseline growth in capital plan
942	(1.00)	1227	Wastewater Control In-spector I/II	L/T				(1.00)						Position no longer needed

District-wide Representation Change	2019	444	21	39	MGR/ CONF	NRP/ EXMPT
Total FY2026 Representation (NET FTE)	1.50	4.5	1.00	0.00	4.00	(0.50)

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"
FY2027
POSITION ADDITIONS/DELETIONS/CONVERSIONS/REALLOCATIONS/FLEX STAFFING
(July 1, 2026)

Maintenance and Construction Department

								Representation Change ¹						Explanation
ORG	FTE Change	Position Number(s)	From Classification	From Character	To Classification	To Character	Salary Range	2019	444	21	39	MGR/ CONF	NRP/ EXMPT	
746	2.00	TBD			Utility Laborer	L/T	51		2.00					Reduce FM&O for saw cutting as pipeline mileage goal increases

District-wide Representation Change								2019	444	21	39	MGR/ CONF	NRP/ EXMPT
Total FY2027 Representation (NET FTE)								0.00	2.00	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”
FY2026
CLASSIFICATION PLAN CHANGES
(July 1, 2025)**

CLASSIFICATION ADDITIONS

Class Code	Class Title	Monthly Salary Range	Rep. Unit	Explanation
TBD	Outreach and Education Specialist	R60 \$8,752 - \$10,133	21	Enhance school field trips and community education
TBD	Data Scientist I	R67 \$9,913 - \$12,049	CNF	Improve data analytics
TBD	Data Scientist II	R75 \$12,680 - \$14,679	CNF	Improve data analytics

CLASSIFICATION DELETIONS

Class Code	Class Title	Monthly Salary Range	Rep. Unit	Explanation
2580	Equipment Superintendent	R76 \$13,002 - \$15,052	21	Redundant with Assistant Construction & Maintenance Superintendent
5634	Senior Legal Secretary	R63 \$9,436 - \$10,923	CNF	Redundant with Paralegal and Litigation Assistant

RESOLUTION NO. 35452-25

CONSIDERATION OF ALL OBJECTIONS TO THE WATER SYSTEM SCHEDULE OF RATES AND CHARGES AND WASTEWATER SYSTEM SCHEDULE OF RATES AND CHARGES SUBJECT TO PROPOSITION 218 FOR FISCAL YEAR 2026 AND FISCAL YEAR 2027 AND OTHER CORRESPONDENCE AND OF THE DISTRICT'S RESPONSES THERETO; ADOPTING RELATING FINDINGS AND DETERMINATIONS

Introduced by Director Katz

; Seconded by Director Gómez

WHEREAS, in compliance and consistent with section 6 of article XIII D of the California Constitution (Proposition 218) and the Proposition 218 Omnibus Implementation Act (Government Code § 53750, et seq.), the East Bay Municipal Utility District (District) provided written notice (Notice) of: (1) the proposed rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition (record owners) and to customers of record (e.g., tenant) (customers of record); (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the amount of the rates and charges was 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, a copy of the Notice, which includes the verbatim language provided to record owners and customers of record, is attached as Exhibit A and incorporated by reference herein; and

WHEREAS, in compliance and consistent with Government Code section 53759.1, the Notice included a prominently displayed statement that contained the information that all written objections must be submitted within the written objection period and that a failure to timely object in writing bars any right to challenge the proposed rates or charges through a legal proceeding and that contained all substantive and procedural requirements for submitting an objection to the proposed rates or charges; and

WHEREAS, pursuant to Government Code section 53759.1, the District made available to the public the proposed rates and charges no less than 45 days prior to the deadline to submit an objection; and

WHEREAS, pursuant to Government Code section 53759.1, the District posted on its internet website a written basis for the proposed rates and charges and included a link to the internet website in the Notice; and

WHEREAS, pursuant to Government Code section 53759.1, the District mailed the written basis to a property owner or customer of record upon request or, if no such request were made, would have mailed the written basis to a property owner or customer of record upon request; and

WHEREAS, pursuant to Government Code section 53759.1, the District provided at least 45 days for a property owner or customer of record to review the proposed rates and charges and to timely submit to the District a written objection to the proposed rates or charges that specifies the grounds for alleging noncompliance (Objection); and

WHEREAS, pursuant to Government Code section 53759.1, the District established a written objection period with a deadline of 11:59 P.M. on Monday, June 2, 2025 (Deadline), which is no less than 45 days after Notice was provided, to submit an Objection; and

WHEREAS, pursuant to Government Code section 53759.1, the District considered and responded to each Objection prior to the close of the Hearing in writing, which included the grounds for which a challenge is not resulting in amendments to the proposed rates or charges and which included an explanation of the substantive basis for retaining and for not altering the proposed rates or charges in response to each Objection, or the District would have considered and would have responded to each Objection prior to the close of the Hearing in writing, which would have included the grounds for which a challenge is not resulting in amendments to the proposed rates or charges and which would have included an explanation of the substantive basis for retaining and for not altering the proposed rates or charges in response to each Objection; and

WHEREAS, the District received no Objections; and

WHEREAS, the District received other mailed or personally delivered correspondence that both relates to the proposed rates and charges and that does not constitute an Objection (Submission); and

WHEREAS, the District considered and responded to all Submissions prior to the close of the Hearing in writing (Response), which included the grounds for which a challenge is not resulting in amendments to the proposed rates or charges and which included an explanation of the substantive basis for retaining and for not altering the proposed rates or charges in response to all Submissions; and

WHEREAS, in compliance and consistent with Government Code section 53759.1, all Objections, Submissions, and Responses were presented to the District's Board of Directors for consideration prior to or during the Hearing, or if no Objection were received, would have been presented to the District's Board of Directors for consideration prior to or during the Hearing; and

WHEREAS, pursuant to Government Code section 53759.1, the District completed the procedures described in Government Code section 53759.1(c)(1)-(6) prior to the Hearing; and

WHEREAS, the Submissions received by the Deadline and Responses are attached as Exhibits B and C and incorporated by reference herein; and

WHEREAS, in accordance with section 14401 of the California Public Utilities Code, on May 13, 2025, the General Manager filed with the Board of Directors the Report and Recommendation of the General Manager for Revisions to the Water and Wastewater Schedules of Rates and Charges Subject to Proposition 218 for Fiscal Years 2026 and 2027, which recommend the District's Board of Directors adopt proposed water and wastewater rates and charges; and

WHEREAS, the Board of Directors now desires to make findings and determinations consistent with Government Code section 53759.1 related to the proposed water and wastewater rates and charges;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the East Bay Municipal Utility District 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 Board of Directors has found and has determined that that the Objections, Submissions, and Responses do not warrant clarification to any proposed rate or charge; no reduction in any proposed rate or charge is warranted; no further review is warranted before making a determination on whether clarification or reduction of the proposed rates and charges is needed; and to proceed with the Hearing.

ADOPTED this 10th day of June, 2025 by the following vote:

AYES: Directors Chan, Gómez, Katz, Lewis, Oddie, Smith, and President Young.

NOES: None.


ABSENT: None.

ABSTAIN: None.




President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

RESOLUTION NO. 35453-25

ADOPTING WATER SYSTEM SCHEDULE OF RATES AND CHARGES AND
WASTEWATER SYSTEM SCHEDULE OF RATES AND CHARGES SUBJECT TO
PROPOSITION 218 FOR FISCAL YEAR 2026 AND FISCAL YEAR 2027, CONFIRMING
THE EXEMPTION DETERMINATION UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT, AND DIRECTING STAFF
TO FILE A NOTICE OF EXEMPTION

Introduced by Director Chan

; Seconded by Director Smith

WHEREAS, the Board of Directors of the East Bay Municipal Utility District (District) has reviewed and will consider adoption of the Fiscal Year 2026 (FY 2026) and Fiscal Year 2027 (FY 2027) Biennial Budget (Biennial Budget), which is reflected in the Proposed Biennial Budget Fiscal Years 2026 and 2027, Volumes 1 and 2, for expenditures necessary and advisable for the proper conduct of the activities of the District; and

WHEREAS, in January 2024, the District retained Stantec Consulting Services, Inc. (Stantec), to perform an independent Cost of Service (COS) study for the Water System to ensure that the relevant District's rates and charges comply with the requirements of article XIII D, section 6 of the California Constitution (Proposition 218) and with COS principles; and

WHEREAS, in March 2025, Stantec completed the District's COS rate study for the Water System (Water COS Rate Study) that developed a rate structure to comply with article XIII D, section 6 of the California Constitution (Proposition 218); the Water COS Rate Study is attached as Exhibit C and is incorporated herein by reference; and

WHEREAS, in June 2018, the District retained Raftelis Financial Consultants, Inc. (Raftelis) to perform an independent COS study for the Wastewater System to ensure that the District's rates and charges comply with the requirements of Proposition 218 and with COS principles; and

WHEREAS, in May 2019, Raftelis completed a COS study for the District's Wastewater System (Wastewater COS Rate Study) that developed a rate structure to comply with the requirements of Proposition 218; the Wastewater COS Rate Study is attached as Exhibit D and is incorporated herein by reference; and

WHEREAS, in March 2025, the District's General Manager recommended rates and charges to continue to reflect proportional recovery of COS for each parcel served by Water and Wastewater Systems based on the Biennial Budget, the Water COS Rate Study, the Wastewater COS Rate Study, and on projected water sales for FY 2026 and FY 2027; the General Manager's Memorandum is attached as Exhibit E and is incorporated herein by reference; and

WHEREAS, in accordance with section 14401 of the California Public Utilities Code, on May 13, 2025, the General Manager filed with the Board of Directors the Report and Recommendation of the General Manager for Revisions to the Water and Wastewater Schedules of Rates and Charges Subject to Proposition 218 for Fiscal Years 2026 and 2027 (GM Report

and Recommendation), in which the General Manager recommends the District's Board of Directors adopt the proposed rates and charges to meet the revenue requirements for FY 2026 and FY 2027; the GM Report and Recommendation is incorporated herein by reference; and

WHEREAS, the Water COS Rate Study has been updated to reflect the proposed and projected FY 2026 and FY 2027 expenditures, revenues, and water sales, and has been incorporated and reflected in the GM Report and Recommendation, and in the proposed water rates and charges for FY 2026 and FY 2027; and

WHEREAS, the Wastewater COS Rate Study has been updated to reflect the proposed and projected FY 2026 and FY 2027 expenditures, revenues, and wastewater sales, and has been incorporated and reflected in the GM Report and Recommendation, and in the proposed wastewater rates and charges for FY 2026 and FY 2027; and

WHEREAS, the District maintains a staged system of droughts (Stages 1 – 4) in which an adopted stage of drought helps determine the need for dry year supplemental supplies and customer water demand reductions; and

WHEREAS, the proposed rates and charges include a Drought Surcharge, which may be imposed on each unit of water delivered during a drought to mitigate revenue reductions associated with the drought and to recover additional costs expected to be incurred to provide water service during the drought, including, without limitation, costs related to supplemental water supplies and additional customer service resources and outreach efforts; and

WHEREAS, the General Manager in the GM Report and Recommendation recommends Drought Surcharges for potential future implementation in the event of a Stage 1 or greater drought declaration during FY 2026 or FY 2027; and

WHEREAS, prior to implementing any Drought Surcharge in FY 2026 or FY 2027, the District will prepare a drought budget that indicates the projected fiscal impact of the drought, and the General Manager will recommend to the Board of Directors a Drought Surcharge based on the drought budget; and

WHEREAS, any Drought Surcharge that is imposed will be consistent with the existing staged system, the drought budget, and the Water COS Rate Study, will continue to reflect proportional recovery of COS for each parcel served by the Water System, and will not exceed the maximum percentages described in Schedule L – Drought Surcharge Rate Schedule for Water Service contained in Appendix A of the GM Report and Recommendation and attached hereto as Exhibit A; and

WHEREAS, the proposed rates and charges include a Wet Weather Facilities Charge (WWFC), which is a charge that is based on the size of a given parcel and that is unrelated to water or wastewater usage at the property, the District generally 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, for entities that

are exempt from property taxes, the WWFC is generally 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, as evidenced by the Water COS Rate Study, the Biennial Budget, and the GM Report and Recommendation, the revenues derived from the water rates and charges will not exceed the funds required to provide water services and shall be used exclusively for the Water System; and

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

WHEREAS, as evidenced by the Wastewater COS Rate Study, the Biennial Budget, and the GM Report and Recommendation, the revenues derived from the wastewater rates and charges will not exceed the funds required to provide wastewater services and shall be used exclusively for the Wastewater Systems; and

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

WHEREAS, in compliance and consistent with Proposition 218 and the Proposition 218 Omnibus Implementation Act (Government Code § 53750, et seq.) the District provided written notice (Notice) of: (1) the proposed rates and charges to the record owner of each parcel upon which the rates and charges are proposed for imposition (record owners) and to customers of record (e.g., tenant) (customers of record); (2) the amount of the rates and charges proposed to be imposed on each parcel; (3) the basis upon which the amount of the rates and charges was calculated; (4) the reason for the rates and charges; and (5) the date, time, and location of a public hearing on the proposed rates and charges (Hearing); and

WHEREAS, a copy of the Notice, which includes the verbatim language provided to record owners and customers of record, is attached as Exhibit F and incorporated by reference herein; and

WHEREAS, the District provided Notice to record owners and customers of record not less than forty-five days (45) prior to the Hearing; and

WHEREAS, in compliance and consistent with Government Code section 53759.1, the Notice included a prominently displayed statement that contained the information that all written objections must be submitted within the written objection period and that a failure to timely object in writing bars any right to challenge the proposed rates or charges through a legal proceeding and that contained all substantive and procedural requirements for submitting an objection to the proposed rates or charges; and

WHEREAS, pursuant to Government Code section 53759.1, the District made available to the public the proposed rates and charges no less than forty-five (45) days prior to the deadline to submit an objection; and

WHEREAS, pursuant to Government Code section 53759.1, the District posted on its internet website a written basis for the proposed rates and charges and included a link to the internet website in the Notice; and

WHEREAS, pursuant to Government Code section 53759.1, the District mailed the written basis to a property owner or customer of record upon request or, if no such request were made, would have mailed the written basis to a property owner or customer of record upon request; and

WHEREAS, pursuant to Government Code section 53759.1, the District provided at least forty-five (45) days for a property owner or customer of record to review the proposed rates and charges and to timely submit to the District a written objection to the proposed rates or charges that specifies the grounds for alleging noncompliance (Objection); and

WHEREAS, pursuant to Government Code section 53759.1, the District established a written objection period with a deadline of 11:59 P.M. on Monday, June 2, 2025 (Deadline), which is no less than forty-five (45) days after Notice was provided, to submit an Objection; and

WHEREAS, pursuant to Government Code section 53759.1, the District considered and responded to each Objection prior to the close of the Hearing in writing, which included the grounds for which a challenge is not resulting in amendments to the proposed rates or charges and which included an explanation of the substantive basis for retaining and for not altering the proposed rates or charges in response to each Objection, or the District would have considered and would have responded to each Objection prior to the close of the Hearing in writing, which would have included the grounds for which a challenge is not resulting in amendments to the proposed rates or charges and which would have included an explanation of the substantive basis for retaining and for not altering the proposed rates or charges in response to each Objection; and

WHEREAS, the District received no Objections; and

WHEREAS, the District received other mailed or personally delivered correspondence that both relates to the proposed rates and charges and that does not constitute an Objection (Submission); and

WHEREAS, the District considered and responded to all Submissions prior to the close of the Hearing in writing (Response), which included the grounds for which a challenge is not resulting in amendments to the proposed rates or charges and which included an explanation of the

substantive basis for retaining and for not altering the proposed rates or charges in response to all Submissions; and

WHEREAS, in compliance and consistent with Government Code section 53759.1, all Objections, Submissions, and Responses were presented to the District's Board of Directors for consideration prior to or during the Hearing, or if no Objections were received, would have been presented to the District's Board of Directors for consideration prior to or during the Hearing; and

WHEREAS, pursuant to Government Code section 53759.1, the District completed the procedures described in Government Code section 53759.1(c)(1)-(6) prior to the Hearing; and

WHEREAS, pursuant to Government Code section 53759.1, the Board of Directors has found and has determined that that the Objections, Submissions, and Responses do not warrant clarification to any proposed rate or charge; no reduction in any proposed rate or charge is warranted; no further review is warranted before making a determination on whether clarification or reduction of the proposed rates and charges is needed; and to proceed with the Hearing, as reflected in Resolution No. 35452-25, which is incorporated herein by reference; and

WHEREAS, public workshops on the District's budget and rates were conducted on January 28, 2025 and March 25, 2025 and a public workshop on the District's infrastructure was conducted on November 26, 2024; and

WHEREAS, the District engaged in public outreach and presented on the Biennial Budget and the proposed rates and charges at multiple community events; and

WHEREAS, the required Hearing, noticed in the manner and for the time required by law, was conducted by the Board of Directors on June 10, 2025, at which times all interested persons were afforded an opportunity to be heard on matters pertaining to the proposed water and wastewater rates and charges; and

WHEREAS, at the Hearing, the Board of Directors heard all oral comments, and considered all written materials, written protests, written objections, written submissions, written challenges, and other written correspondence concerning the establishment and imposition of the proposed rates and charges for water and wastewater services; and

WHEREAS, by the close of the Hearing, the District did not receive written protests against the proposed rates and charges for the water and wastewater services from record owners or customers of record with respect to a majority of the parcels upon which the rates and charges are proposed for imposition; and

WHEREAS, all comments, Objections, protests, Submissions, and any other challenges to the proposed rates and charges or to the GM Report and Recommendation have been given full opportunity to be heard by the Board of Directors, and the Board of Directors has fully considered them; and

WHEREAS, the proposed rates and charges as described above and as further set forth in this Resolution are subject to, and are being 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 to impose the proposed water and wastewater rates and charges; and

WHEREAS, the District, as the lead agency under the California Environmental Quality Act (CEQA), 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, GM Report and Recommendation, 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 of the East Bay Municipal Utility District 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. At the close of the Hearing, the District had not received written protests against the proposed rates and charges for the Water or the Wastewater System from record owners or from customers of record with respect to a majority of parcels upon which the rates and charges are proposed for imposition.
3. To the extent not already addressed, all other protests, objections, submissions, and challenges to the GM Report and Recommendation are hereby rejected, overruled, and denied and the GM Report and Recommendation is hereby accepted and approved.

BE IT FURTHER RESOLVED:

4. The Board of Directors finds and determines that the revenues derived from the proposed fees and charges do not and shall not exceed the funds required to provide the water or wastewater service.
5. The Board of Directors finds and determines that the revenues derived from the proposed fees and charges do not and shall not be used for any purpose other than that for which the fee or charge was imposed.
6. The Board of Directors finds and determines that the amount of the proposed fees and charges do not and shall not exceed the proportional cost of the service attributable to the parcel.

7. The Board of Directors finds and determines that the proposed fees and charges are not for a service unless that service is actually used by, or immediately available to, the owner of the property in question.
8. The Board of Directors finds and determines that no fee or charge is or shall be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

BE IT FURTHER RESOLVED:

9. Schedule A – Rate Schedule for Water Service beginning FY 2026 contained in Appendix A of the GM Report and Recommendation 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, 2025; provided, however, that the Water System rates and charges set forth in said Schedule A shall take effect with billing cycles commencing on or after July 1, 2025 for services rendered on or after July 1, 2025, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2025.
10. Schedule A – Rate Schedule for Water Service beginning FY 2027 contained in Appendix A of the GM Report and Recommendation 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, 2026 and shall continue in effect unless and until modified by subsequent action of the Board of Directors; provided, however, that the Water System service rates and charges set forth in said Schedule A shall take effect with billing cycles commencing on or after July 1, 2026 for services rendered on or after July 1, 2026, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2026.
11. Schedule L – Drought Surcharge Rate Schedule for Water Service beginning FY 2026 contained in Appendix A of the GM Report and Recommendation is attached hereto as Exhibit A, and is hereby adopted, and the Drought Surcharges described therein shall remain available to be implemented in the event of a Stage 1 or greater drought, provided that, prior to implementing any Drought Surcharge, the District will prepare a drought budget that indicates the projected fiscal impact of the drought, will update the Water COS Rate Study to incorporate available information regarding drought fiscal impacts, and the General Manager will recommend to the Board a Drought Surcharge based on the drought budget; and any such Drought Surcharge that is imposed will be consistent with the staged system, the drought budget, the updated Water COS Rate Study, and Schedule L and will not exceed the maximum percentages described therein.
12. Schedule A – Rates for Treatment Service beginning FY 2026 and Schedule B – Wet Weather Facilities Charge beginning FY 2026 contained in Appendix A of the GM Report and Recommendation 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, 2025 for services rendered on or after July 1, 2025; provided, however, that the Wastewater System rates and charges set forth in said

Schedule A shall take effect with billing cycles commencing on or after July 1, 2025, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2025.

13. Schedule A – Rates for Treatment Service beginning FY 2027 and Schedule B – Wet Weather Facilities Charge beginning FY 2027 contained in Appendix A of the GM Report and Recommendation 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, 2026 for services rendered on or after July 1, 2026 and shall continue in effect unless and until modified by subsequent action of the Board of Directors; provided, however, that the Wastewater System rates and charges set forth in said Schedules A and B shall take effect with billing cycles commencing on or after July 1, 2026, and will be prorated if a portion of the bill is for services rendered prior to July 1, 2026.

BE IT FURTHER RESOLVED:

14. As set forth more fully above and as evidenced by the Water COS Rate Study, and Wastewater COS Rate Study, the GM Report and Recommendation, the aforesaid actions constitute modification and approval of rates and 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:

15. 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.
16. 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.

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

ADOPTED this 10th day of June, 2025 by the following vote:

AYES: Directors Chan, Katz, Oddie, Smith, and President Young.

NOES: Directors Gómez and Lewis.


ABSENT: None.

ABSTAIN: None.




President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

{00103166}

RESOLUTION NO. 35454-25

ADOPTING REVISED WATER AND WASTEWATER SYSTEMS SCHEDULES OF RATES, CHARGES, AND OTHER FEES NOT SUBJECT TO PROPOSITION 218 FOR FISCAL YEAR 2026; ADOPTING REVISED REGULATIONS GOVERNING WATER SERVICE; CONFIRMING THE EXEMPTION DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND DIRECTING STAFF TO FILE A NOTICE OF EXEMPTION

Introduced by Director Oddie

; Seconded by Director Smith

WHEREAS, the Board of Directors of the East Bay Municipal Utility District (District) has reviewed and will consider adoption of the Fiscal Year 2026 (FY 2026) and Fiscal Year 2027 (FY 2027) Biennial Budget (Biennial Budget), which is reflected in the Proposed Biennial Budget Fiscal Years 2026 and 2027, Volumes 1 and 2, for expenditures necessary and advisable for the proper conduct of the activities of the District; and

WHEREAS, in June 2021, Stantec Consulting Services, Inc., completed a capacity fee study for the Water System (Water System Capacity Charge [SCC] Study); the Water SCC Study is attached as Exhibit D and is incorporated herein by reference; and

WHEREAS, in May 2019, Raftelis Financial Consultants, Inc., completed a cost-of-service (COS) and capacity fee study for the District's Wastewater System (WCF Study); the WCF Study is attached as Exhibit E and is incorporated herein by reference; and

WHEREAS, in accordance with Section 14401 of the California Public Utilities Code, on May 13, 2025 the General Manager filed with the Board of Directors the Report and Recommendation of the General Manager for Revisions to the Water and Wastewater Schedules of Rates and Charges, Capacity Charges, and Other Fees Not Subject to Proposition 218 for Fiscal Year 2026 and to Select Regulations (GM Report and Recommendation), in which the General Manager recommends the District's Board of Directors adopt the proposed rates, charges, and other fees; the GM Report and Recommendation is incorporated herein by reference; and

WHEREAS, the rates, charges, and other fees, including the proposed revisions thereto, as described in this Resolution are not subject to article XIII D, section 6 of the California Constitution (Proposition 218); and

WHEREAS, public workshops on the District's budget and rates were conducted on January 28, 2025 and March 25, 2025 and a public workshop on the District's infrastructure was conducted on November 26, 2024; and

WHEREAS, a public hearing, noticed in the manner and for the time required by law, was conducted by the Board of Directors on June 10, 2025, at which times all interested persons were afforded an opportunity to be heard on matters pertaining to the proposed water and wastewater rates, charges, and other fees; and

WHEREAS, all comments, objections, protests, and challenges pertaining to the GM Report and Recommendation and the recommendations therein have been given full opportunity to be heard by the Board of Directors; and

WHEREAS, the Board of Directors has fully considered the GM Report and Recommendation, and any and all of such aforesaid comments, objections, protests, and challenges; and

WHEREAS, the proposed rates, charges, and other fees 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 District has issued and has maintained Regulations Governing Water Service (Regulations), which from time to time, are revised; and

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

WHEREAS, the Board of Directors now desires to make revisions to select Regulations; 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) 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 GM Report and Recommendation 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 of the East Bay Municipal Utility District 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 rates, charges and other fees not subject to Proposition 218 adopted herein are imposed, where applicable, to recover the reasonable costs of providing the relevant services. 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 Standard Participation Charge (SPC) is to finance facilities necessary to provide service to new or expanded development that will be served by the District. Each is levied only as a condition of extending or initiating service upon the request of a customer. The SCC and SPC are charges for public facilities in

existence at the time the charge is imposed or 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 reflects the findings and recommendations of the SCC Study.

4. The revisions to the SCC, as set forth in Schedule J – System Capacity Charge (SCC), 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, as set forth in Schedule H – Standard Participation Charge (SPC), which is attached 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 – Water Demand Mitigation Fees, which is attached 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 SPC, SCC, and Water Demand Mitigation Fees 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 aforesaid fees the costs related to augmenting the District's water supply facilities to satisfy increased demand associated with development within the District's existing service area. None exceeds the estimated reasonable cost of providing the service for which it is imposed.
8. The purpose of the WCF is to recover the costs of providing wastewater treatment capacity for new or expanded system use. It is levied only as a condition of extending or initiating service upon the request of a customer. 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 revisions to the WCF, as set forth in Schedule G – Wastewater Capacity Fees, which is attached as part of Exhibit B hereto, are necessary and appropriate to reflect updates for construction cost escalation, depreciation, additional facilities, and outstanding debt balance. The proposed WCF reflects the findings and recommendations of the WCF Study.

9. The revisions to the WCF, set forth in Schedule G – Wastewater Capacity 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 revisions to Schedule B – Account Establishment Charge, Schedule C – Charges for Special Services, Schedule D – Water Service Installation Charges, Schedule E – Private Fire Service Installation Charges, Schedule F – Public Fire Hydrant Installation Charges, and Schedule G – Water Main Extension Charges, which are attached as part of Exhibit A, and to Schedule C – Industrial Permit Fees, Schedule D – Other Fees, Schedule E – Testing Fees, Schedule F – Resource Recovery Fees and Prices, and Schedule H – Wastewater Interceptor Connection Review, Coordination and Inspection Fees, which are attached as part of Exhibit B, are implemented to revise the charges in these schedules to reflect reasonable costs.
12. The revisions to the Regulations and are as follows: Section 1– Explanation of Terms Used in These Regulations, to update regulatory references for Accessory Dwelling Unit and Junior Accessory Dwelling Unit; Section 4 – Main Extensions, to add a consideration for traffic conditions and heavily traveled roads for separate parallel water mains; Section 17 – Change in Use and/or Size of Service, to update the California Government Code reference; Section 26 – Protection of Public Water Supply, to update regulatory references, expand on backflow prevention requirements, clarify customer’s maintenance responsibilities, incorporate an annual reporting requirement, clarify responsibility for device upgrades, and clarify conditions for service disconnection; Section 30 – Recycled Water Service, to rename the regulation to Recycled Water Services and to include stricter compliance requirements, detail cost responsibilities, outline a permit process, add interim potable water provisions, and enhance enforcement measures; and Section 31 – Water Efficiency Requirements, to update the measurement for indoor water use for toilets.
13. The Public Records Act Fee Schedule, Real Property Use Application Fees, and Recreation Use Fees are imposed for specific products, services, benefits, and privileges provided, or for entrance to, use of, rental of, 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, use of, rental of, 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, and the revisions thereto set forth herein are necessary to reflect reasonable costs, as determined by the District based upon evidence regarding such costs.

BE IT FURTHER RESOLVED:

14. All objections and protests to the GM Report and Recommendation are hereby overruled and denied and said GM Report and Recommendation is hereby accepted and approved.
15. Schedule B – Account Establishment Charge, Schedule C – Charges for Special Services, Schedule D – Water Service Installation Charges, Schedule E – Private Fire Service Installation Charges, Schedule F – Public Fire Hydrant Installation Charges, Schedule G – Water Main Extension Charges, Schedule H – Standard Participation Charge (SPC), Schedule J – System Capacity Charge (SCC), and Schedule N – Water Demand Mitigation Fees beginning FY 2026, and the revised Section 1 – Explanation of Terms Used in These Regulations, Section 4 – Main Extensions, Section 17 – Change in Use and/or Size of Service, Section 26 – Protection of Public Water Supply, Section 30 – Recycled Water Service, and Section 31 – Water Efficiency Requirements of the Regulations, all contained in Appendix A of the GM Report and Recommendation, 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, 2025 for services rendered on or after July 1, 2025.
16. Schedule C – Industrial Permit Fees, Schedule D – Other Fees, Schedule E – Testing Fees, Schedule F – Resource Recovery Fees and Prices, Schedule G – Wastewater Capacity Fees, and Schedule H – Wastewater Interceptor Connection Review, Coordination and Inspection Fees beginning FY 2026, all contained in Appendix A of the GM Report and Recommendation, 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, 2025 for services rendered on or after July 1, 2025.
17. The Public Records Act Fee Schedule and the Real Property Use Application Fees contained in Appendix A of the GM Report and Recommendation, and attached hereto as Exhibit C, are hereby fixed and established to be effective July 1, 2025 for services rendered on or after that date.
18. The Recreation Use Fees for Calendar Year 2026, contained in Appendix A of the GM Report and Recommendation, and attached hereto as part of Exhibit C, are hereby fixed and established to be effective January 1, 2026 unless otherwise specified for services rendered on or after that date.
19. As set forth more fully above and as evidenced by the GM Report and Recommendation, 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, charges, and other fees 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:

20. 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:

21. The appropriate officers of the District are hereby authorized and directed to take such actions as shall be necessary to impose, enforce and collect said rates, charges, other fees, and regulations.
22. This Resolution shall take effect immediately upon its adoption, provided that the revised rates, charges, and other fees shall take effect at the times stated herein.

ADOPTED this 10th day of June, 2025 by the following vote:

AYES: Directors Chan, Gómez, Katz, Lewis, Oddie, Smith, and President Young.

NOES: None.


ABSENT: None.

ABSTAIN: None.




President

ATTEST:



Secretary

APPROVED AS TO FORM AND PROCEDURE:



General Counsel

Board-Approved Financial Policies

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 24, 2024
Policy 4.07	Investments	Adopted May 28, 2024
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

CASH RESERVES

SUPERSEDES 25 OCT 16

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.

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.

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



Policy 4.04

EFFECTIVE 24 SEP 24

SUPERSEDES 27 SEP 22

FINANCIAL PLANNING AND BUDGETARY CONTROL

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

Establish a financial plan and biennial budget for the Water System and Wastewater System.

Financial Planning	<ul style="list-style-type: none">• Prepare financial forecasts for a minimum of five years using reasonable assumptions and historical data to anticipate changes in revenues and expenses 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	<ul style="list-style-type: none">• Monitor the budget and establish controls on spending to ensure the total amount expended and committed does not exceed the total budget authorized for the fiscal year. Take corrective action before budget overages occur.• Provide periodic status reports on revenues and on operating, capital, and debt expenses.
Transfers	<p>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.</p>
Authority	<p>Resolution No. 27058, August 27, 1974 As amended by Resolution No. 32874-94, August 9, 1994 As amended by Resolution No. 33177-99, November 23, 1999 As amended by Resolution No. 33577-07, January 9, 2007 As amended by Resolution No. 33710-09, April 28, 2009 As amended by Resolution No. 35099-18, June 26, 2018 As amended by Resolution No. 35203-20, September 22, 2020 As amended by Resolution No. 35315-22, September 27, 2022 As amended by Resolution No. 35418-24, September 24, 2024</p>
References	<p>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</p>



Policy 4.07

EFFECTIVE 28 MAY 24

INVESTMENTS

SUPERSEDES 23 MAY 23

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.

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.
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.
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.
Ethics and Conflicts of Interest	<p>Officers and employees involved in the investment process shall:</p> <ul style="list-style-type: none">- 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
Investment Criteria and Objectives	<p>Criteria for selecting investments shall:</p> <ul style="list-style-type: none">- 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.
-

**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.

Maturity

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

**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 or 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:

- California Asset Management Program (CAMP)
- 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

The District will review each Pool's disclosure documents annually to assess the suitability of the fund's holdings. These documents, along with the other criteria above, including the rating restriction, will be used to determine the suitability to receive Portfolio funds.

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:
 - 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:

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

**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.

**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.

**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.

**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
Approved by Resolution 35398-24, May 28, 2024
Reauthorized by Resolution 35451-25, May 27, 2025

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

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

LONG-TERM DEBT			
S&P	MOODY'S	FITCH	
AAA	Aaa	AAA	
AA+	Aa1	AA+	
AA	Aa2	AA	
AA-	Aa3	AA-	← Minimum rating required for District investments
A+	A1	A+	
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	

SHORT-TERM DEBT			
S&P	MOODY'S	FITCH	
A-1+	P-1	F1+	← Minimum rating required for District investments
A-1	-	F1	
A-2	P-2	F2	
A-3	P-3	F3	

MONEY MARKET FUNDS			
S&P	MOODY'S	FITCH	
AAAm	Aaa-mf	AAAf	← Minimum rating required for District investments
AAm	Aa-mf	AAf	
Am	A-mf	Af	
BBBm	Baa-mf	BBBf	

STABLE NAV LGIPs			
S&P	MOODY'S	FITCH	
AAAm	Aaa-mf	AAAf	←Minimum rating required for District investments
AAm	Aa-mf	AAf	
Am	A-mf	Af	
BBBm	Baa-mf	BBBf	

FLOATING NAV LGIPs			
S&P	MOODY'S	FITCH	
AAAf	Aaa-mf	AAAf	←Minimum rating required for District investments
AAf	Aa-mf	AAf	
Af	A-mf	Af	
BBBf	Baa-mf	BBBf	

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 11th 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.

Investment Option	Maximum Share of Portfolio	Minimum Rating at purchase	Maximum Maturity at settlement	Additional Limitations
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

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.

Rate Methodology	<p>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.</p> <p>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.</p>
Water Rate Design	<p>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.</p>
Wastewater Rate Design	<p>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.</p>
Public Involvement in Rate Setting	<p>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.</p>
Authority	<p>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</p>
References	<p>MUD Act (Public Utilities Code, § 14401, <i>et seq.</i>) Proposition 218 (Cal. Const., art. XIII D, § 6.)</p>



Policy 4.27

EFFECTIVE 28 JUL 20

DEBT MANAGEMENT

SUPERSEDES NEW

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.

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.
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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.
------------------------	---

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.

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.

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.

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.

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.

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.

Authority

Resolution 35192-20, July 28, 2020

References

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

Strategic Plan and Key Performance Indicators

STRATEGIC PLAN

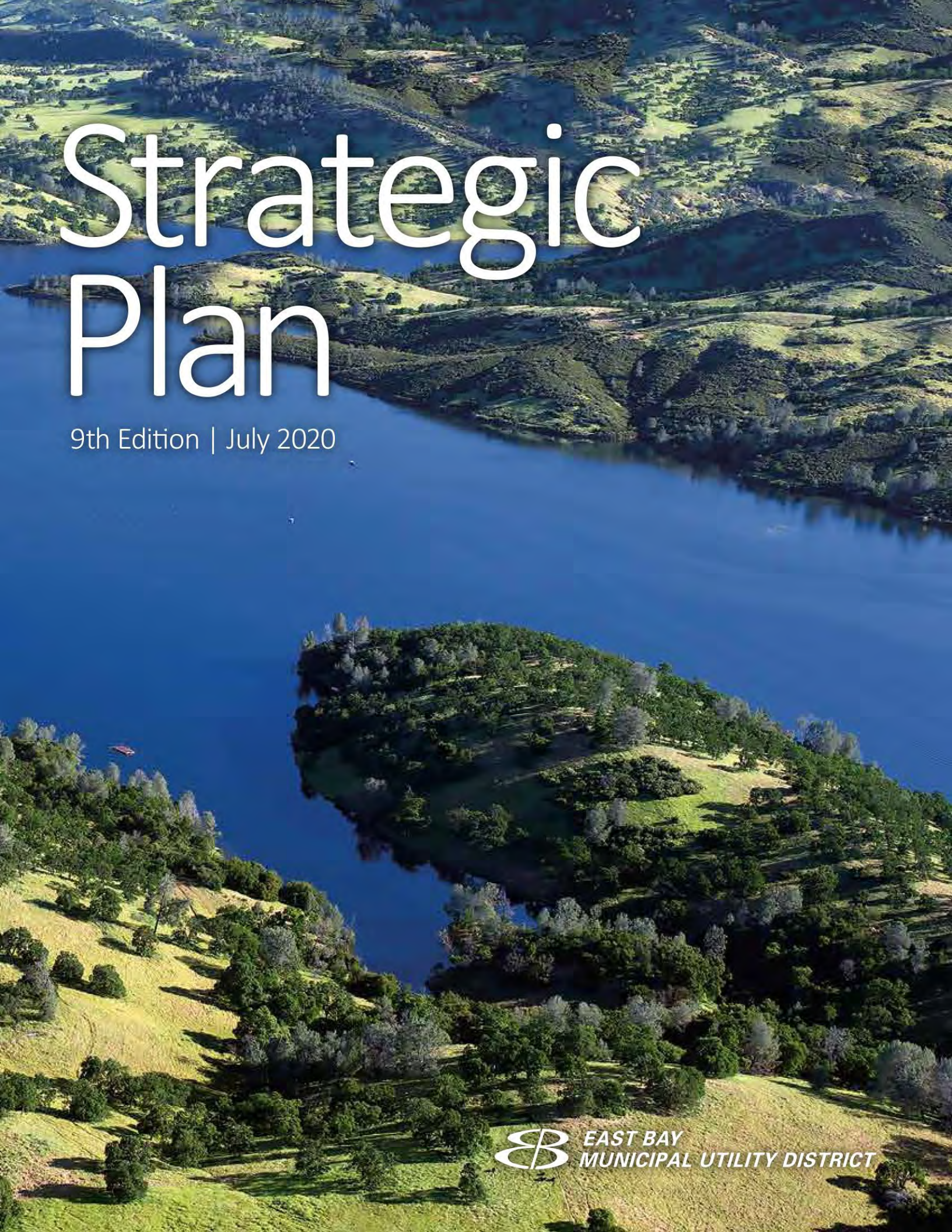
The Strategic Plan (Plan) was adopted by the Board of Directors in June 2020 and guides the development of the FY 2024 and FY 2025 biennial budget. The Plan outlines the goals, strategies, and objectives the District will pursue to achieve its mission to provide reliable and high-quality services, manage 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 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.



Strategic Plan

9th Edition | July 2020

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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.

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.



Pardee Reservoir

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

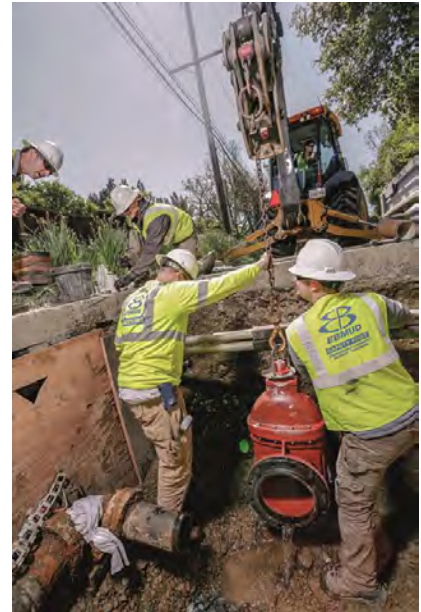
The Strategic Plan incorporates the District’s mission and principles, and identifies its goals, strategies, objectives and key performance indicators. The Plan guides staff in setting priorities and allocating resources.

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.

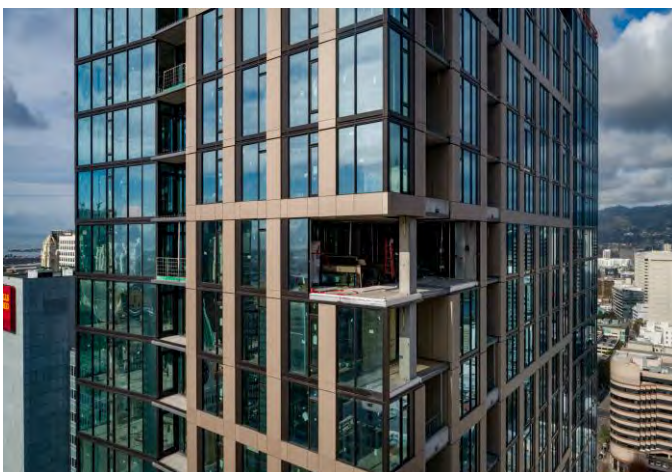


Heavy Equipment Operator

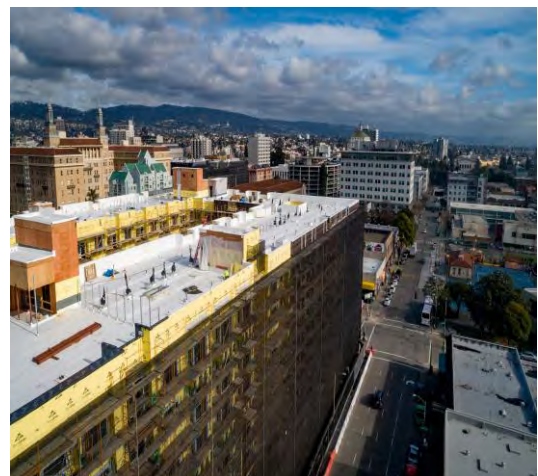
The Strategic Plan is comprised of two documents. This document contains our goals, strategies and objectives to define the actions to take to ensure both long-term achievements and near-term accomplishments. Guidance from the Board of Directors is incorporated into the plan through committee meetings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

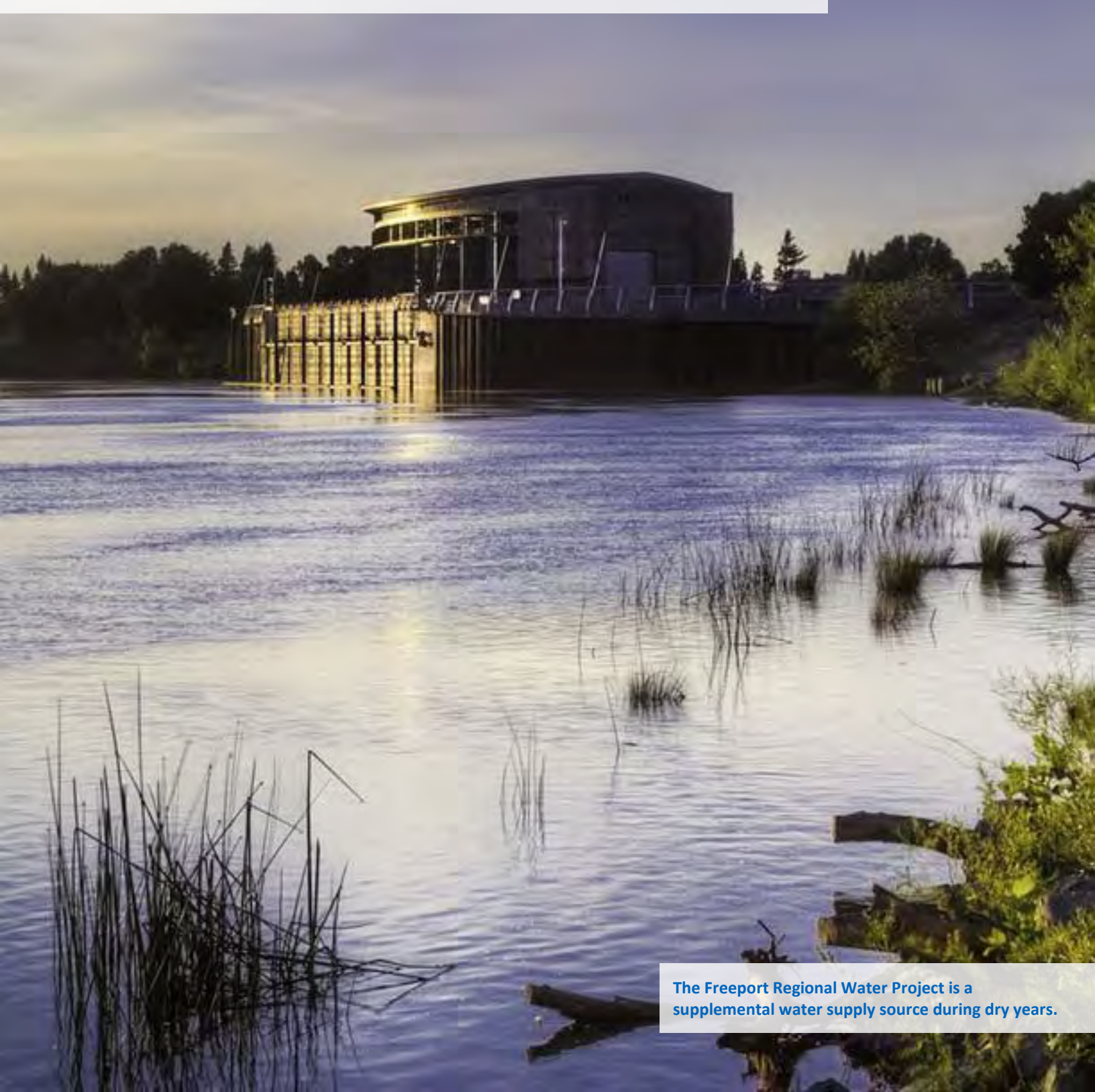


Lake Merritt in Oakland shown in the distance

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.

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.

Long-Term Financial Stability

"We are financial stewards of the resources entrusted to the District and manage these through careful financial planning, sound rates, and new technologies with the goal of ensuring our long-term sustainability."

Sophia Skoda, Director of Finance

of Finance

EAST BAY MUNICIPAL UTILITY DISTRICT
(ALAMEDA AND CONTRA COSTA COUNTIES, CALIFORNIA)
WATER SYSTEM REVENUE BOND, SERIES 2019A (GREEN BONDS)

EAST BAY MUNICIPAL UTILITY DISTRICT, a municipal utility dis-

...and pursuant to the laws of the
State of California (the "District")

[illegible]

the Subordinated Water Revenues constitute a trust fund for the security and payment of the interest on and principal of the bonds, but nevertheless out of Subordinated Water Revenues certain amounts may be applied for other purposes as provided in the Indenture.

registered owner to
attorney duly autho-
rized to execute this
corporate trust in
San Francisco, California,
subject to the limit
of the charges pro-
vided hereunder and
Upon with transfer
registered bond,
or authorized agent
thereof, of the same
amount with the
amount and the
exchange rate

projects
sustainability.

Green bonds finance infrastructure projects that promote environmental sustainability.

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.

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.

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.



**EAST BAY
MUNICIPAL UTILITY DISTRICT**

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ebmud.com

An aerial photograph of a large, calm lake surrounded by rolling hills covered in dense green trees and vegetation. The sky is a clear, vibrant blue. The text is overlaid on the upper portion of the image.

Strategic Plan

Key Performance Indicators

Fiscal Years 2025 & 2026

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KPI #50 – Miles of Pipeline Replaced

Overview

Strategic 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 well into the future. The Strategic Plan incorporates the District's mission and principles, and identifies its goals, strategies, and objectives. The key performance indicators (KPIs) measure achievement to those overall goals and strategies. All together, the Strategic 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.

This KPI publication focuses solely on the KPIs for Fiscal Years (FY) 2025 and FY 2026. Please see the Strategic Plan document for further details on the Plan, including the Principles, Goals, Strategies, and Objectives.

Key Performance Indicators

The FY 2025 and FY 2026 KPIs represent an organization-wide effort to link the Strategic Plan to distinct work activities. Assembled by the Office of Budget and Performance, each KPI has undergone substantial front-line, managerial, and executive staff review, ensuring that relevance, achievability, and measurability were considered. This update to the KPIs includes the following changes:

- A new format details each KPI's overall goal and four tiers of targets (exceeds, full success, partial success, and needs attention), each with quantitative targets.
- There are now 65 total KPIs, a decrease from 91 in the FY 2023 and FY 2024 update. The new amount is the result of creating new KPIs, combining connected KPIs into single efforts, and removing KPIs that did not provide a long-term and quantifiable objective.
- KPIs are now more quantitative and less subjective in nature, in an effort to more effectively monitor and evaluate success.
- Each KPI is now designated as either a leading or a lagging indicator:
 - Leading indicators predict future performance on key goals, and measure activities or behaviors that lead to desired outcomes.
 - Lagging indicators reflect past performance and outcomes related to goals, and are used for evaluating effectiveness of strategies already implemented.

After the Board approves the FY 2025 update, staff will begin measuring the new KPIs on July 1 and report on progress for the first time in October 2025.

Strategic Plan | Goals and Strategies

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.

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.

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 the 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 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.

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.

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.

Customer and Community Services				
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.				
KPI #1	District-Wide Communications Campaigns			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of campaigns implemented and communications channels utilized		Exceeded	>1 campaign 7 channels	>1 campaign 7 channels
		Full Success	1 campaign 7 channels	1 campaign 7 channels
		Partial Success	1 campaign <7 channels	1 campaign <7 channels
		Needs Attention	0 campaigns	0 campaigns
Strategy 2: Continue to build trust by providing quality service, timely information, and resolution of customer and community inquiries.				
KPI #2	Contact Center Service Level: Average Answer Speed			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Average speed of answering calls coming into the Contact Center		Exceeded	<30 seconds	<30 seconds
		Full Success	30-45 seconds	30-45 seconds
		Partial Success	46-60 seconds	46-60 seconds
		Needs Attention	>60 seconds	>60 seconds
KPI #3	Contact Center Service Level: Abandonment			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of calls abandoned before answering		Exceeded	<1.0%	<1.0%
		Full Success	1.0%-3.5%	1.0%-3.5%
		Partial Success	3.6%-5.5%	3.6%-5.5%
		Needs Attention	>5.5%	>5.5%
KPI #4	Customer Rating: Overall			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of "good" or "excellent" ratings in biennial survey		Exceeded	>90%	-
		Full Success	80%-90%	-
		Partial Success	70%-79%	-
		Needs Attention	<70%	-
KPI #5	Customer Rating: Contact Center			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of "good" or "excellent" ratings		Exceeded	>90%	>90%
		Full Success	86%-90%	86%-90%
		Partial Success	80%-85%	80%-85%
		Needs Attention	<80%	<80%
KPI #6	Customer Rating: Trust in Decision-Making			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percentage of respondents who said they trust that EBMUD is making smart decisions about water and sewer services		Exceeded	>90%	-
		Full Success	60%-90%	-
		Partial Success	50%-59%	-
		Needs Attention	<50%	-

Customer and Community Services <i>(continued)</i>				
KPI #7	Customer Rating: Field Services			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of "good" or "excellent" ratings		Exceeded	>90%	>90%
		Full Success	86%-90%	86%-90%
		Partial Success	80%-85%	80%-85%
		Needs Attention	<80%	<80%
KPI #8	Customer Rating: New Business			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of "good" or "excellent" ratings		Exceeded	>90%	>90%
		Full Success	86%-90%	86%-90%
		Partial Success	80%-85%	80%-85%
		Needs Attention	<80%	<80%
KPI #9	Customer Rating: Recreation			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of "good" or "excellent" ratings		Exceeded	>90%	>90%
		Full Success	86%-90%	86%-90%
		Partial Success	80%-85%	80%-85%
		Needs Attention	<80%	<80%
KPI #10	Customer Rating: Water Quality			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of "good" or "excellent" ratings		Exceeded	>90%	>90%
		Full Success	86%-90%	86%-90%
		Partial Success	80%-85%	80%-85%
		Needs Attention	<80%	<80%
KPI #11	Customer-Facing IT Systems Availability			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Percent of time customer-facing IT systems are available		Exceeded	100.0%	100.0%
		Full Success	99.0%-99.9%	99.0%-99.9%
		Partial Success	98.0%-98.9%	98.0%-98.9%
		Needs Attention	<98.0%	<98.0%
KPI #12	Unplanned Water Service Interruptions: Less than 4 hours			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Interruptions per 1,000 active accounts (less than 4 hours)		Exceeded	<6	<6
		Full Success	6-10	6-10
		Partial Success	11-15	11-15
		Needs Attention	>15	>15
KPI #13	Unplanned Water Service Interruptions: 4-12 hours			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Interruptions per 1,000 active accounts (4-12 hours)		Exceeded	<6	<6
		Full Success	6-10	6-10
		Partial Success	11-15	11-15
		Needs Attention	>15	>15
KPI #14	Unplanned Water Service Interruptions: More than 12 hours			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Interruptions per 1,000 active accounts (more than 12 hours)		Exceeded	<3	<3
		Full Success	3-4	3-4
		Partial Success	5-8	5-8
		Needs Attention	>8	>8

Customer and Community Services <i>(continued)</i>				
KPI #15	Wastewater Odor Complaints			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Number of odor complaints at all Wastewater facilities, verified as attributable to District operations		Exceeded	<10	<10
		Full Success	10-14	10-14
		Partial Success	15-20	15-20
		Needs Attention	>20	>20
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.				
KPI #16	Percent of Customers in Arrears			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of customers in arrears 100 days or more		Exceeded	<2.0%	<2.0%
		Full Success	2.0%-3.5%	2.0%-3.5%
		Partial Success	3.6%-5.0%	3.6%-5.0%
		Needs Attention	>5.0%	>5.0%
KPI #17	CAP Application Processing Time			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Average number of business days to process complete CAP applications		Exceeded	<3	<3
		Full Success	3-5	3-5
		Partial Success	6-9	6-9
		Needs Attention	>9	>9
KPI #18	CAP Outreach: Enrollment Communications			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of communication campaigns, in collaboration with community stakeholders, to increase CAP enrollment		Exceeded	>8	>8
		Full Success	7-8	7-8
		Partial Success	5-6	5-6
		Needs Attention	<5	<5
KPI #19	CAP Outreach: Enrollment Events			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of events, in partnership with community-based organizations, to increase CAP enrollment		Exceeded	>8	>8
		Full Success	7-8	7-8
		Partial Success	5-6	5-6
		Needs Attention	<5	<5
KPI #20	Community Water Academy			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of Community Water Academy participants		Exceeded	>40	>40
		Full Success	20-40	20-40
		Partial Success	10-19	10-19
		Needs Attention	<10	<10
KPI #21	Education Program Engagement			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of students engaged in the Education Program		Exceeded	>20,000	>20,000
		Full Success	18,000-20,000	18,000-20,000
		Partial Success	16,000-17,999	16,000-17,999
		Needs Attention	<16,000	<16,000
KPI #22	Inter-Agency Engagement			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of meetings with cities, counties, and municipal advisory committees (beyond standard coordination) about priority programs and projects		Exceeded	>30	>30
		Full Success	25-30	25-30
		Partial Success	20-24	20-24
		Needs Attention	<20	<20

Customer and Community Services *(continued)*

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.

KPI #23	Emergency Preparedness Exercises			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Completion of planned business continuity and plan updates		Exceeded	>100%	>100%
		Full Success	95%-100%	95%-100%
		Partial Success	90%-94%	90%-94%
		Needs Attention	<90%	<90%
KPI #24	Mutual Assistance Partner and Stakeholder Relationships			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of annual exercises or meetings conducted with mutual assistance partners and stakeholders, including emergency operations team exercises		Exceeded	>3	>3
		Full Success	3	3
		Partial Success	2	2
		Needs Attention	<2	<2

Long-Term Financial Stability

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.

KPI #25	Capital Plan Debt Funding (Water)			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Percent of the capital program funded with debt over last five years		Exceeded	<50%	<50%
		Full Success	50%-65%	50%-65%
		Partial Success	66%-75%	66%-75%
		Needs Attention	>75%	>75%
KPI #26	Capital Plan Debt Funding (Wastewater)			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Percent of the capital program funded with debt over last five years		Exceeded	<50%	<50%
		Full Success	50%-65%	50%-65%
		Partial Success	66%-75%	66%-75%
		Needs Attention	>75%	>75%
KPI #27	Long-Term Debt Reduction (Water)			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Three-year average of new debt issued compared to principal retired		Exceeded	<(5.0%)	<(5.0%)
		Full Success	(5.0%)-(1.0%)	(5.0%)-(1.0%)
		Partial Success	(0.9%)-1.0%	(0.9%)-1.0%
		Needs Attention	>1.0%	>1.0%
KPI #28	Long-Term Debt Reduction (Wastewater)			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Three-year average of new debt issued compared to principal retired		Exceeded	<(5.0%)	<(5.0%)
		Full Success	(5.0%)-(1.0%)	(5.0%)-(1.0%)
		Partial Success	(0.9%)-1.0%	(0.9%)-1.0%
		Needs Attention	>1.0%	>1.0%

Long-Term Financial Stability <i>(continued)</i>				
KPI #29	Actual Reserves as Percent of Target (Water)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Reserves as a percent of the targeted reserves for the Water System		Exceeded	>150%	>150%
		Full Success	100%-150%	100%-150%
		Partial Success	95%-99%	95%-99%
		Needs Attention	<95%	<95%
KPI #30	Actual Reserves as Percent of Target (Wastewater)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Reserves as a percent of the targeted reserves for the Wastewater System		Exceeded	>150%	>150%
		Full Success	100%-150%	100%-150%
		Partial Success	95%-99%	95%-99%
		Needs Attention	<95%	<95%
KPI #31	Debt as Percent of Revenue (Water)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Debt as a percent of operating revenues		Exceeded	<200%	<200%
		Full Success	200%-399%	200%-399%
		Partial Success	400%-700%	400%-700%
		Needs Attention	>700%	>700%
KPI #32	Debt as Percent of Revenue (Wastewater)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Debt as a percent of operating revenues		Exceeded	<200%	<200%
		Full Success	200%-399%	200%-399%
		Partial Success	400%-700%	400%-700%
		Needs Attention	>700%	>700%
KPI #33	Debt Service Coverage (Water)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Debt service coverage, as calculated under the Water System's bond indenture		Exceeded	>2.00x	>2.00x
		Full Success	1.60x-1.99x	1.60x-1.99x
		Partial Success	1.40x-1.59X	1.40x-1.59X
		Needs Attention	<1.40x	<1.40x
KPI #34	Debt Service Coverage (Wastewater)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Debt service coverage, as calculated under the Wastewater System's bond indenture		Exceeded	>2.00x	>2.00x
		Full Success	1.60x-1.99x	1.60x-1.99x
		Partial Success	1.40x-1.59X	1.40x-1.59X
		Needs Attention	<1.40x	<1.40x
Strategy 2:	Implement water and wastewater rates and charges that are legal, fair, reasonable, and equitable.			
KPI #35	Affordability (Water)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Low-use water bill (100 gallons per day) compared to 20th percentile Median Household Income (average of Alameda and Contra Costa Counties)		Exceeded	<1.0%	<1.0%
		Full Success	1.0%-2.5%	1.0%-2.5%
		Partial Success	2.6%-3.5%	2.6%-3.5%
		Needs Attention	>3.5%	>3.5%
KPI #36	Affordability (Wastewater)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
District's portion of the low-use wastewater bill compared to 20th percentile Median Household Income (average of Alameda and Contra Costa Counties)		Exceeded	<0.5%	<0.5%
		Full Success	0.5%-1.3%	0.5%-1.3%
		Partial Success	1.4%-1.8%	1.4%-1.8%
		Needs Attention	>1.8%	>1.8%

Long-Term Financial Stability *(continued)*

Strategy 3: Ensure integrity, accountability, and transparency in financial management.

KPI #37	Operating Overtime Budget Performance (Water)		FY 2025	FY 2026
	<i>Leading Indicator</i>	Target		
		Exceeded	>(5.0%)	>(5.0%)
Annual change in actual overtime hours for planned work		Full Success	(5.0%)-5.0%	(5.0%)-5.0%
		Partial Success	5.1%-10.0%	5.1%-10.0%
		Needs Attention	>10.0%	>10.0%
KPI #38	Operating Overtime Budget Performance (Wastewater)		FY 2025	FY 2026
	<i>Leading Indicator</i>	Target		
		Exceeded	>(5.0%)	>(5.0%)
Annual change in actual overtime hours for planned work		Full Success	(5.0%)-5.0%	(5.0%)-5.0%
		Partial Success	5.1%-10.0%	5.1%-10.0%
		Needs Attention	>10.0%	>10.0%
KPI #39	Audit Completion		FY 2025	FY 2026
	<i>Leading Indicator</i>	Target		
		Exceeded	>100%	>100%
Percent of audits completed as compared to number of planned audits		Full Success	96%-100%	96%-100%
		Partial Success	75%-95%	75%-95%
		Needs Attention	<75%	<75%
KPI #40	Audit Finding Resolution		FY 2025	FY 2026
	<i>Leading Indicator</i>	Target		
		Exceeded	-	-
Percent of audit findings resolved within 90 days		Full Success	96%-100%	96%-100%
		Partial Success	75%-95%	75%-95%
		Needs Attention	<75%	<75%

Strategy 4: Implement technologies that improve the efficiency and effectiveness of business processes.

KPI #41	IT Security Activities Completion		FY 2025	FY 2026
	<i>Leading Indicator</i>	Target		
		Exceeded	>100%	>100%
Percent of IT security activities completed		Full Success	95%-100%	95%-100%
		Partial Success	90%-94%	90%-94%
		Needs Attention	<90%	<90%

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.

Strategy 2: Meet operational needs and reliability goals by effectively maintaining the infrastructure.

KPI #42	Sewer Interceptor Inspections		FY 2025	FY 2026
	<i>Leading Indicator</i>	Target		
		Exceeded	>5,000	>5,000
Feet of interceptor sewer pipe inspected		Full Success	3,001-5,000	3,001-5,000
		Partial Success	2,000-3,000	2,000-3,000
		Needs Attention	<2,000	<2,000

Long-Term Infrastructure Investment <i>(continued)</i>				
KPI #43	Water Pipe Surveys			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Miles of pipe surveyed for leaks		Exceeded	>800	>800
		Full Success	500-800	500-800
		Partial Success	100-499	100-499
		Needs Attention	<100	<100
KPI #44	Water System Valves Exercised			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Percent of water system valves exercised		Exceeded	>10%	>10%
		Full Success	6%-10%	6%-10%
		Partial Success	4%-5%	4%-5%
		Needs Attention	<4%	<4%
KPI #45	Corrective Work Orders (Water)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of corrective work order hours classified high priority		Exceeded	<15%	<15%
		Full Success	15%-20%	15%-20%
		Partial Success	21%-25%	21%-25%
		Needs Attention	>25%	>25%
KPI #46	Corrective Work Orders (Wastewater)			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of corrective work order hours classified high priority		Exceeded	<20%	<20%
		Full Success	20%-24%	20%-24%
		Partial Success	25%-30%	25%-30%
		Needs Attention	>30%	>30%
KPI #47	Pipeline Breaks			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Number of water system pipeline breaks per 100 miles of pipe		Exceeded	<15	<15
		Full Success	15-20	15-20
		Partial Success	21-25	21-25
		Needs Attention	>25	>25
KPI #48	Wastewater Maintenance Labor Hours			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of total maintenance labor hours spent on planned work		Exceeded	>60%	>60%
		Full Success	50%-60%	50%-60%
		Partial Success	40%-49%	40%-49%
		Needs Attention	<40%	<40%
Strategy 3:	Implement the master plans and set priorities in the operating and capital budget process to reflect the needs identified in those plans.			
KPI #49	Change Orders			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Percent of District-directed, non-discretionary change orders on construction contracts		Exceeded	<3.0%	<3.0%
		Full Success	3.0%-3.9%	3.0%-3.9%
		Partial Success	4.0%-5.0%	4.0%-5.0%
		Needs Attention	>5.0%	>5.0%
KPI #50	Pipeline Replacement			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Miles of distribution pipe replaced		Exceeded	>27.5	>27.5
		Full Success	25.0-27.5	25.0-27.5
		Partial Success	22.5-24.9	22.5-24.9
		Needs Attention	<22.5	<22.5

Long-Term Infrastructure Investment *(continued)*

KPI #51	Pumping Plants			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Annual average number of pumping plants rehabilitated since FY 2015		Exceeded	>2.1	>2.1
		Full Success	1.9-2.1	1.9-2.1
		Partial Success	1.5-1.8	1.5-1.8
		Needs Attention	<1.5	<1.5
KPI #52	Steel Water Tanks			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Annual average number of steel water tanks rehabilitated since FY 2015		Exceeded	>2.1	>2.1
		Full Success	1.9-2.1	1.9-2.1
		Partial Success	1.5-1.8	1.5-1.8
		Needs Attention	<1.5	<1.5

Long-Term Water Supply

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

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.			
KPI #53	Long-Term Framework Conservation Targets			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Performance relative to the four conservation targets		Exceeded	>100%	>100%
		Full Success	90%-100%	90%-100%
		Partial Success	80%-89%	80%-89%
		Needs Attention	<80%	<80%
KPI #54	Savings from Conservation Programs			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Implement Water Conservation Strategic Plan measures that are expected to result in 50.8 MGD of savings by 2025		Exceeded	>51.0 MGD	>51.8 MGD
		Full Success	50.8 MGD - 51.0 MGD	51.5 MGD - 51.8 MGD
		Partial Success	50.4 MGD - 50.7 MGD	51.2 MGD - 51.4 MGD
		Needs Attention	<50.4 MGD	<51.2 MGD

Water Quality and Environmental Protection

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.			
KPI #55	Mokelumne River Fall-Run Chinook Salmon Returns			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Salmon returns, relative to rolling six-year average (two cohorts)		Exceeded	>7,272	>7,272
		Full Success	5,455-7,272	5,455-7,272
		Partial Success	3,637-5,454	3,637-5,454
		Needs Attention	<3,636	<3,636

Water Quality and Environmental Protection <i>(continued)</i>				
Strategy 2: Operate and maintain District facilities to surpass federal and state drinking water regulations.				
KPI #56	Water Quality: Regulations			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of water quality regulations met (health-based regulations)		Exceeded	-	-
		Full Success	100%	100%
		Partial Success	-	-
		Needs Attention	<100%	<100%
KPI #57	Water Quality: Goals			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent of water quality goals met		Exceeded	-	-
		Full Success	100%	100%
		Partial Success	90%-99%	90%-99%
		Needs Attention	<90%	<90%
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.				
KPI #58	Significant Industrial User Inspections			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Percent of inspections completed to meet federal pretreatment requirements		Exceeded	>105%	>105%
		Full Success	100%-105%	100%-105%
		Partial Success	95%-99%	95%-99%
		Needs Attention	<95%	<95%
Strategy 4: Minimize impacts to the environment by reducing, recycling, reusing and reclaiming waste, and by conserving natural resources.				
KPI #59	Carbon Neutrality by 2030			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Achieve carbon neutrality for indirect and direct greenhouse (GHG) emissions by 2030 for the Water and Wastewater systems, measured by the annual (calendar year) GHG inventory.		Exceeded	<15,382 MT CO ₂ e	<12,306 MT CO ₂ e
		Full Success	15,382 MT CO ₂ e - 18,458 MT CO ₂ e	12,306 MT CO ₂ e - 15,382 MT CO ₂ e
		Partial Success	18,458 MT CO ₂ e - 21,535 MT CO ₂ e	15,382 MT CO ₂ e - 18,458 MT CO ₂ e
		Needs Attention	>21,535 MT CO ₂ e	>18,458 MT CO ₂ e
Strategy 5: Ensure protection and stewardship of San Francisco Bay.				
KPI #60	Pollution Prevention Outreach			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of attendees at tours and other events		Exceeded	>1,000	>1,000
		Full Success	900-1,000	900-1,000
		Partial Success	800-899	800-899
		Needs Attention	<800	<800
KPI #61	Private Sewer Lateral Program Implementation			
	<i>Lagging Indicator</i>	Target	FY 2025	FY 2026
Percent compliance following enforcement of title transfer triggers and water meter triggers		Exceeded	>95%	>95%
		Full Success	90%-95%	90%-95%
		Partial Success	80%-89%	80%-89%
		Needs Attention	<80%	<80%

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.

Strategy 1:		Coordinate workforce planning activities to determine future needs, identify gaps, and implement actions to close the gaps.		
KPI #62	Injury and Illness Investigations			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Injury and Illness Investigations (PE-020 forms) completed within 10 working days		Exceeded	>95%	>95%
		Full Success	90%-95%	90%-95%
		Partial Success	75%-89%	75%-89%
		Needs Attention	<75%	<75%
Strategy 2:		Continue to develop employees to meet evolving workforce demands and implement actions to close gaps.		
KPI #63	Training Hours			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Training hours per employee		Exceeded	>40	>40
		Full Success	30-40	30-40
		Partial Success	25-29	25-29
		Needs Attention	<25	<25
Strategy 3:		Support District values, recognize employee contributions, and establish clear performance measures to achieve a high performance culture.		
KPI #64	Employee Recognition Activities			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Percentage of employees participating in recognition activities		Exceeded	>90%	>90%
		Full Success	80%-90%	80%-90%
		Partial Success	70%-79%	70%-79%
		Needs Attention	<70%	<70%
KPI #65	Wellness			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Number of wellness outreach campaigns implemented		Exceeded	>3	>3
		Full Success	3	3
		Partial Success	2	2
		Needs Attention	<2	<2
Strategy 4:		Enhance the District's ability to recruit a highly qualified, diverse staff that exhibits the District's values.		
KPI #66	Hiring Timelines			
	<i>Leading Indicator</i>	Target	FY 2025	FY 2026
Average number of calendar days from position fill request approval to hiring request approval		Exceeded	<84	<84
		Full Success	84-105	84-105
		Partial Success	106-126	106-126
		Needs Attention	>126	>126



**EAST BAY
MUNICIPAL UTILITY DISTRICT**

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Strategic Plan

9th Edition | July 2020

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Downtown Oakland

Introduction

Key Performance Indicators (KPIs) measure the progress made 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 KPIs. The Plan guides staff in setting priorities and allocating resources.

- The District's **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.
- **Principles** provide the foundation of the Strategic Plan and form the basis of the District's business practices.
- **Goals** define in broad terms the high-level achievements the District will pursue; they explain 'what' not 'how' and tell where the District is going rather than how to get there.
- **Strategies** define the actions that are necessary to achieve each goal and may take several years to implement.
- **Objectives** reflect what is needed to accomplish in the near term.
- **KPIs** measure progress toward achieving the District's goals.



Pardee Reservoir



Recycled Water

KEY PERFORMANCE INDICATOR SUMMARY

The fiscal year (FY) 2024 KPI results are summarized in the table below. The District met or was on target to meet 91 percent of its KPIs where targets were set, and data was available despite impacts from the pandemic.

Key	FY 2024 Results	# KPIs
++	Target met	67
+	Target not met, but on track	7
--	Target not met	7
■	Performance measure only or N/A	11
	Total KPIs	92



Upper San Leandro Water Treatment Plant

A summary of the performance of each current KPI from FY 2019 through FY 2024, along with its FY 2024 target is shown in the following table.

KEY PERFORMANCE INDICATOR – SUMMARY	FY 2024 TARGET	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Long-Term Water Supply							
Additional supply by 2040 to provide 85 percent reliability under design drought conditions and diversify through regional partnerships	Various	+	+	+	+	+	+
70 million gallons per day (MGD) savings from conservation programs / natural replacement by 2050 (baseline yr. 1995)	50.8 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	Various	n/a	n/a	++	++	+	++
Continue District leadership in climate change by participating in climate change studies, workshops, or education events	3	n/a	n/a	++	++	++	++
Water Quality and Environmental Protection							
Mokelumne River fall-run Chinook salmon returns (long-term average)	4,734	++	++	++	++	++	++
Percent of water quality regulations met	100 percent	++	++	++	++	++	++

KEY PERFORMANCE INDICATOR – SUMMARY	FY 2024 TARGET	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of water quality goals met	100 percent	+	+	+	+	+	+
Number of NPDES and Waste Discharge Permit Notices of violation received	0	+	+	+	++	+	++
Achieve carbon neutrality for indirect and direct greenhouse gas (GHG) emissions by 2030 for the Water and Wastewater systems.	≤28,348 MT CO ₂	++	++	++	++	++	++
Capture biogas sufficient to produce on-site energy to meet electric power demands of the Main Wastewater Treatment Plant (MWWTP) and evaluate the best uses of excess biogas	100 percent of demand	--	+	++	++	++	--
Pursue large-scale photovoltaic project at the Duffel property located in Orinda	Begin construction	n/a	n/a	+	+	++	++
Implement Private Sewer Lateral (PSL) Program to reduce wet weather flows and achieve a high compliance rate at point of sales	90 percent	++	++	++	++	++	++
Meet Joint Settlement Agreement (JSA) Mokelumne River minimum flow releases 100 percent of the time	100 percent	++	++	++	++	++	+
Review operations with lower Mokelumne stakeholders every two years	n/a	n/a	n/a	++	++	++	n/a
Long-Term Infrastructure Investment							
Complete the Wastewater Interceptor Master Plan	Complete inspections and prepare draft	n/a	n/a	n/a	n/a	++	+
Number of water system pipeline breaks per 100 miles of pipe	≤ 20	--	+	--	--	--	++
Percent of water system corrective work order hours classified high priority	≤ 10 percent	++	++	++	--	++	++
Miles of pipe surveyed for leaks	≥ 800	++	++	++	++	++	++
Percent of water system valves exercised	≥ 10 percent	++	++	++	+	+	+
Real water losses in gallons per capita per day (gpcd)	44.0	n/a	n/a	n/a	n/a	++	++
Percent of high priority meter repair orders completed in 60 days	≥ 90 percent	++	++	++	++	++	++
Miles of distribution pipe replaced	≥ 22.5	++	++	++	++	++	++
District directed non-discretionary change orders on construction contracts	≤ 4 percent	++	+	++	++	++	++
Number of concrete digesters and concrete aerated grit tanks rehabilitated	2	n/a	n/a	++	--	--	--
MWWTP Administrative Facilities Seismic Retrofits	Complete construction	n/a	n/a	n/a	n/a	--	--
Implement the Orinda Water Treatment Plant Disinfection Improvements (UV/CCB)	Continue construction	n/a	n/a	++	++	++	++

KEY PERFORMANCE INDICATOR – SUMMARY	FY 2024 TARGET	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Cumulative annual average number of steel water tanks rehabilitated	2	++	++	++	++	++	++
Cumulative annual average number of pumping plants rehabilitated	2	++	--	++	++	++	++
Long-Term Financial Stability							
Percent of capital program funded from debt over five-year period	≤ 65 percent						
Water		++	++	++	++	++	++
Wastewater		++	++	++	++	++	++
Debt service coverage	≥ 1.6 times						
Water		++	++	++	++	++	++
Wastewater		++	++	++	++	++	++
Actual reserves as percent of target	≥ 100 percent						
Water		++	++	++	++	++	++
Wastewater		++	++	++	++	++	++
Water rates as compared to other Bay Area agencies	≤ median	++	++	+	+	++	++
Wastewater treatment charge as a share of the total bill compared to other Bay Area agencies	≤ median	--	--	++	++	++	++
Percent of planned audits completed	100 percent	+	+	+	+	+	+
Percent of audit findings resolved within 90 days	100 percent	++	++	++	++	++	++
Operating expenditures as a percentage of operating budget	≤ 100 percent						
Water		++	++	++	++	++	++
Wastewater		++	++	++	++	++	++
Capital expenditures as a percentage of capital budgeted cash flow	90-110 percent of a two-year average						
Water		++	+	+	++	++	++
Wastewater		--	+	+	++	++	--
Cyber Security Operational Readiness							
• Planned patch cycles met	> 90 percent	++	++	++	++	++	++
• Business recovery exercises	2 per year	++	++	++	++	++	++
• Security awareness events	4 per year	++	++	++	++	++	++
• Biennial IT security controls assessment	Complete	++	++	++	++	++	++
Customer and Community Services							
Consolidate District education resources	Review	n/a	n/a	+	+	+	++
Conduct media/advertising campaigns	3	n/a	n/a	++	++	++	++
Publish external digital/print publications	8	n/a	n/a	++	++	++	++
Participate in community engagement events	100	n/a	n/a	++	++	++	++

KEY PERFORMANCE INDICATOR – SUMMARY	FY 2024 TARGET	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Percent of customers rating the District's services as "Good" or "Excellent": <ul style="list-style-type: none"> Field Services New Business Water Quality Recreation 	≥ 90 percent	++ ++ ++ +	++ ++ ++ ++	++ ++ ++ n/a	++ + ++ n/a	++ + ++ --	++ ++ ++ --
Percent of customers rating "Overall Job" as "Good" or "Excellent" from the customer opinion survey	n/a	--	n/a	n/a	n/a	++	n/a
Contact Center service level <ul style="list-style-type: none"> Average speed of answer to calls coming into the Contact Center Percent of calls answered within the target of ≤ 60 seconds Percent of customers rating as "Good" or "Excellent" based on first call resolution, staff knowledge, promptness, courtesy, and overall quality Abandonment rate 	≤ 60 seconds ≥ 80 percent ≥ 80 percent ≤ 3 percent	++ ++ -- ++	++ ++ -- ++	++ ++ ++ ++	++ ++ ++ ++	++ ++ ++ ++	++ -- ++ ++
Timely billing of customer statements as scheduled	≥ 99 percent	++	++	++	++	++	++
Percent of time customer dependent systems are available	≥ 99.9 percent	++	++	++	++	++	++
Unplanned water service interruptions per 1,000 active accounts: <ul style="list-style-type: none"> <4 hours 4-12 hours >12 hours 	≤ 10 ≤ 5 ≤ 2	++ ++ ++	++ ++ ++	++ ++ ++	++ ++ ++	++ ++ ++	++ ++ ++
Odor complaints near the MWWTP	≤ 30 complaints	++	++	++	++	++	++
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 and 15A	100 percent	++	++	n/a	n/a	++	++
Proactively review and update alternative to shut-off program and Customer Assistance Program (CAP)	Review and adjustments	++	++	++	++	+	++
Increase CAP enrollments	Performance Measure Only	■	■	■	■	■	■
Reduce service interruptions for CAP participants	Performance Measure Only	■	■	■	■	■	■
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	n/a	++	++	++	++	++	n/a
Conduct the District's Emergency Operations Team (EOT) exercise annually	Complete	++	++	++	++	++	++
Update all Business Continuity plans every two years	n/a	++	n/a	++	++	++	n/a
Conduct Business Continuity exercises annually	100 percent	++	+	++	++	++	++

KEY PERFORMANCE INDICATOR – SUMMARY	FY 2024 TARGET	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Update the District's Risk and Resilience assessment every five years	n/a	n/a	n/a	++	++	++	n/a
Conduct annual exercises or meetings with mutual assistance partners and stakeholders	3	n/a	n/a	++	++	++	++
Workforce Planning and Development							
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 percent	n/a	n/a	--	+	--	--
Complete departmental workforce plans	Review	n/a	n/a	n/a	n/a	++	++
Diversity, Equity & Inclusion Strategic Plan	Complete second-year actions	n/a	n/a	+	++	++	++
Annually implement outreach campaigns on wellness themes	4	++	++	++	++	+	++
Annual average training hours per employee	30	++	++	--	++	++	++
Ensure employees complete all required training	Begin pilot	n/a	n/a	n/a	n/a	++	++
Number of employees in development programs (academies, rotations, internships, mentorships)	Performance Measure Only	■	■	■	■	■	■
Percent of performance plans completed on time	> 99 percent	++	+	++	+	++	++
Percent of performance appraisals completed on time	> 99 percent	++	++	++	+	++	++
Percent of exams resulting in hiring lists within 60 days or less	80 percent	++	++	++	++	++	++
Percent of candidates on hiring eligibility lists (including employees and external applicants) who identify as minority and/or female	Performance Measure Only	■	■	■	■	■	■
Number of interns	Performance Measure Only	■	■	■	■	■	■
Percent of interns who identify as minority and/or female	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	FY 2024 Target	FY 2024 Performance	Target Met?
Strategy 1: Supplemental Supply			
Additional supply by 2040 to provide 85 percent reliability under design drought conditions and diversify through regional partnerships	Work with Placer County Water Agency to complete environmental document for a long-term water transfer	<p>The Basis-of-Negotiations (BON) with the United States Bureau of Reclamation (USBR) was approved by the Washington D.C. Commissioner's office. Formal negotiations began in October 2023 and are in progress.</p> <p>The Environmental Assessment with Placer County Water Agency was published and approved by USBR in November 2022 and republished and approved in November 2023.</p>	+
	If needed, complete short-term water transfers to supplement water supplies	Not needed.	++
	Operate the Demonstration Recharge Extraction and Aquifer Management (DREAM) Pilot Project in San Joaquin County and compile lessons learned	DREAM pilot project operation was completed, including extraction of banked groundwater that was delivered into EBMUD's aqueduct. Compilation of lessons learned is in progress.	+
	Complete the Bay Area Regional Reliability (BARR) Shared Water Access Program (SWAP) study and pilot test	Completed and submitted the SWAP Report to USBR.	++
	Determine level of participation in Los Vaqueros (LV), assist JPA with securing grant funding, initiate water rights permits, and complete negotiation of all required agreements	The LV key agreements development schedule was extended and an updated participation level was approved in early FY 2025.	+
	Continue implementation of the Groundwater Sustainability Plan (GSP) for East Bay Plain	Continued implementation of the GSP including monitoring groundwater levels and water quality, and submitted the Annual Report to Department of Water Resources.	++

Key Performance Indicator	FY 2024 Target	FY 2024 Performance	Target Met?
Strategy 2: Water Conservation			
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 50.8 MGD of savings	Continued progress towards the 2050 goal; current estimated savings to be approximately 52 MGD. Next progress status will be determined during the Demand Study econometric model update in 2028.	++
Meet state long-term framework (conservation) target by achieving established residential indoor per capita water use	55 gpcd	Current residential indoor water use is less than 49 gpcd.	++
	Implement Water Conservation Strategic Plan	Continued implementing Water Conservation Strategic Plan elements such as Landscape Design Assistance Program (LDAP), self-help videos, and virtual office hours to support customers in reducing indoor and outdoor water use and maintain good conservation habits post drought.	++
Strategy 3: Water Recycling			
20 MGD of recycled water capability by 2040	Continue to implement strategies in the DERWA Side Agreement	Flowmeters at 14 customer sites were used to monitor hourly customer recycled water use to support demand management. Provided assistance to support completion of the DERWA Supply and Operations Plan Update.	++
	Complete environmental documentation of the future Emeryville to Albany pipeline and begin final design	Completed hydraulic analysis of the Emeryville to Albany pipeline and analysis of additional alternatives identified. Defer environmental documentation to after completion of the Recycled Water Strategic Plan Update in FY 2025.	+

Key Performance Indicator	FY 2024 Target	FY 2024 Performance	Target Met?
	Begin implementing recommendations from the East Bayshore water quality improvement pilot project	Completed water quality improvement pilot and conducting additional studies identified including pipeline corrosion mitigation and chlorine contact tracer study required by the state. Recommendations will be confirmed and implemented after additional studies are completed.	+
Strategy 4: Climate Change			
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	Develop planning and design standards that incorporate climate change adaptation and mitigation principles	The Climate Action Plan was updated in 2024 and is posted on EBMUD.com.	++
	Complete annual GHG emission inventory	Completed	++
Continue District leadership in climate change by participating in climate change studies, workshops, or education events	3	6	++

Strategy 1: Supplemental Supply: The Water Supply Management Program (WSMP) identified a portfolio of supplemental supplies, and the Urban Water Management Plan reflects the updates. In FY 2024, progress continued on obtaining approvals to implement a long-term water transfer arrangement with the Placer County Water Agency (PCWA). The Basis of Negotiations was approved by the U.S. Bureau of Reclamation in FY 2024. Negotiations for the long-term Warren Act Contract began in October 2023 and are continuing. In November 2023, the USBR republished and approved the Environmental Assessment supporting the Long-Term Warren Act Contract.

EBMUD, North San Joaquin Water Conservation District (NSJWCD), and San Joaquin County completed in-lieu recharge and groundwater extraction in FY 2024 for the Demonstration Recharge, Extraction and Aquifer Management (DREAM) Project. EBMUD released 658 acre feet (AF) of Mokelumne River from Camanche Reservoir in 2023 and NSJWCD diverted 592 AF, effectively banking 296 AF (or 50 percent of 592 AF) for EBMUD future extraction. In early 2024, 223 AF of groundwater was delivered into EBMUD Mokelumne Aqueduct No. 1 and No. 2 as a part of the demonstration project. The water EBMUD released to NSJWCD in 2023 was made available under the third change petition approved in FY 2024 by the State Water Resources Control Board. The change petition extended the time period from July 31, 2023 through October 31, 2023 for EBMUD to transfer up to 658 AF of surplus water from using recycled water in EBMUD's service areas instead of water from Pardee Reservoir. Work preparing the draft DREAM lessons learned report began in FY 2024 and will be completed in early FY 2025.

In August 2024, the Board approved staff's recommendation to remain in the LV JPA with a reduced District storage allocation from 30 total acre feet (TAF) to 0 TAF. The District continues to be supportive of this regional project and would still be able to wheel for partners and provide backup conveyance under certain conditions with full reimbursement, and staff will continue negotiations to support approved participation levels with reasonable terms and appropriate administrative costs.

In July 2023, the Department of Water Resources (DWR) approved the East Bay Plain Subbasin Groundwater Sustainability Plan (GSP) that was developed by EBMUD and the City of Hayward and submitted to DWR in January 2022. DWR had nine recommended corrective actions on the GSP related to revising to the sustainable management criteria for land subsidence, seawater intrusion, and interconnected surface water, and revising the definition of undesirable results for degraded groundwater quality. In February 2024, EBMUD and Hayward met with DWR to discuss the corrective actions. EBMUD and Hayward also completed and submitted the Water Year 2023 Annual Report for the East Bay Plain Subbasin to the Department of Water Resources in March 2024, and DWR determined in May 2024 that no further information or action was required on the Annual Report. Additionally, EBMUD and Hayward conducted biannual groundwater-level and water-quality monitoring of the required monitoring wells.

Strategy 2: Water Conservation: In FY 2024, the Water Conservation Program continued progress in meeting the District's long-term conservation goals of 70 MGD of savings by the year 2050. To build on the water savings achieved during the most recent drought, staff began implementing new initiatives as outlined in the Water Conservation Strategic Plan that focused on informational services to assist customers to make informed decisions about their water use. Following the drought, the District adjusted its messaging from mandatory water savings to focusing on services to help customers continue their efficient use of water.

During FY 2024, Water Conservation began work on a new campaign that will focus on cultivating a water conservation culture throughout the District's service area. Conservation culture is about developing positive attitudes, beliefs, norms, and behaviors with a focus on everyday actions that result in long-term water conservation as opposed to short-term drought response. The campaign will emphasize social, economic, and environmental resiliency by recognizing the multiple benefits of water conservation and invites customers to participate in creating and sharing a culture together.

Water Conservation created a robust "Fix a Leak Week" campaign, which included the District's first ever viral Instagram Reel, which had more than 340,000 views and led to nearly a 200 percent increase in followers to the District's Instagram account, 14 new videos on the District's YouTube channel and improved organization of the channel for easier navigation. New videos included: how to conduct a Home Survey Kit audit, updated landscape rebate app tutorial, laundry-to-landscape overview, how to create an ebud.com account, Commercial Industrial Institutional toilet diaphragm replacement, Landscape Advisory Committee meeting on Decorative Lawn Watering Ban, webinar on turning yards into biodiversity hotspots, English, Spanish and Chinese versions of multifamily audit how-to videos, how to upgrade sprinkler nozzles, and YouTube shorts of reading meter and irrigation leaks. The District's most popular YouTube video, showing how to find toilet leaks in Spanish, now has more 144,000 views.

Progress towards achieving the water conservation savings target is on course. Based on the demand study, the District reached 46 MGD of savings through 2018 and is averaging more than 0.8 MGD of annual increased savings. Given this, staff estimates that more than 52 MGD of savings have been achieved by FY 2024. The District recognizes the recent drought and the ongoing pandemic could have altered customers' water usage during this reporting period, and these accomplishments will be assessed in the next full run of the demand study model in 2028.

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 9 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.

The District completed a feasibility study of recycled water partnership opportunities using Central San's available wastewater effluent. Results of this study are being used to inform recommendations in the Recycled Water Strategic Plan Update 2024.

The District continued work on the Recycled Water Strategic Plan Update 2024, which will be completed in FY 2025. A Board workshop was held in March 2024. The District's 2019 Recycled Water Master Plan Update depended entirely on non-potable reuse to attain the District's current recycled water goal and evaluated potential potable reuse projects that could be considered in the future. The Recycled Water Strategic Plan 2024 would develop a comprehensive update to the District's 2019 plan. The 2024 update would evaluate the District's current recycled water projects and develop a revised recycled water priority list based on revised recommended reuse goals. The update would assess potable reuse and whether to potentially recommend updated recycling goals to include potable reuse.

Staff completed the water quality improvements pilot study for the East Bayshore project to support expanded recycled water use. Additional studies were identified that need to be completed including an assessment of pipeline corrosion and mitigation and a chlorine contact tracer study required by the state. Once the additional studies are completed, the recommended improvements will be confirmed. Staff updated the East Bayshore Recycled Water Project hydraulic model and assessment alternative alignments, which are being considered in the Recycled Water Strategic Plan Update.

EBMUD continued to monitor the development of a potential future satellite recycled water project at Diablo Country Club in Diablo. Additionally, discussions continue with Blackhawk Country Club to evaluate the feasibility of supplying the golf course with recycled water during non-peak irrigation months. The North Richmond Water Recycling Plant and Richmond Advanced Recycled Expansion facilities continued to operate in FY 2024 to maximize use of recycled water at the Chevron refinery.

In March 2024, Congress passed the FY 2024 Energy and Water Development spending bill which included \$2.525 million for the East Bayshore Oakland-Alameda Estuary Crossing project. The funding is part of the Water Resources Development Act (WRDA). EBMUD submitted a project fact sheet for the East Bayshore Oakland-Alameda Estuary Crossing project to members of the District's federal delegation to request the funding and to increase the overall authorization, and \$2.5 million was earmarked in the FY 2024 Energy & Water Development Bill. This work is expected to be completed by the United States Army Corps of Engineers (USACE) and is not a grant to the District but will reduce the District's share of the total project cost. Staff continues to work with USACE to develop the project agreement. In June 2024, United States Representative John Garamendi requested an additional \$20 million for the WRDA Authorization, which would increase the total available funding from the current \$25 million to \$45 million under the District's Integrated Recycled Water Program.

Strategy 4: Climate Change: A 2024 Climate Action Plan was completed that combined the 2014 Climate Change Monitoring and Response Plan and the 2021 Climate Action Plan. The new Plan was presented to the Board in January 2024. The District continued to support The Climate Registry's Water Energy Nexus Protocol and remains an active participant with this effort to capture GHG emissions accurately and consistently in the water industry.

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

- January 23-24, 2024 – United States Department of Energy Industrial Efficiency and Decarbonization Workshop for Water Resource Recovery Facilities GHG Emissions Workshop (participant), Washington, DC
- February 9, 2024 – Water Research Foundation Research Planning Virtual Summit for “Climate Change Mitigation: Addressing GHGs” – Session #1
- February 28, 2024 – Water Research Foundation Research Planning Virtual Summit for “Climate Change Mitigation: Addressing GHGs” – Session #2
- March 7, 2024 – Water Research Foundation Research Planning Virtual Summit for “Climate Change Mitigation: Addressing GHGs” – Session #3

- June 12, 2024 – Presenter at Data for Lunch on GHG Reporting for California Water Data Consortium and The Climate Registry
- January – June 2024 – United States Environmental Protection Agency (EPA) Climate Risk and Resilience Workgroup
- Staff participation in quarterly Bay Area Climate Adaptation Network meetings throughout the year

Several District personnel participated in teaching Civil Engineering 112, “Water Systems of the Future,” at University of California at Berkeley, which included a lecture and class projects on the topic of climate change.

The District kicked off a study which evaluates how the District can respond and adapt to water quality issues caused by climate change at both Briones and Pardee Reservoirs. Briones reservoir has seen increasing levels of algal blooms, which can result in difficulty in treating this water as well as formation of odorous and potentially toxic compounds. Pardee Reservoir’s watershed is under increasing threat from wildfire, which could result in changes in water quality that impact production at the water treatment plants. This study will evaluate mitigation measures to reduce algal blooms in Briones Reservoir, and wildfire management and post wildfire mitigations measures which could reduce post wildfire impacts.

The District completed a Hypolimnetic Oxygenation System at San Pablo Reservoir to help control harmful algal blooms in the reservoir that have been exacerbated by climate change. This system was brought online in July 2024 and highlighted in the Climate Action Plan. This facility will improve water quality that is sent to Sobrante and San Pablo Water Treatment Plants (WTP) and reduce aesthetic issues caused by these algal blooms.

The District also completed an Environmental Impact Analysis and kicked off a preliminary design study for the Walnut Creek Water Treatment Plant Pretreatment Project which would equip the WTP with process improvements needed to be resilient against expected water quality challenges from climate change.

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 has developed a Green Fleet Master Plan with the intention of adding more electric and hybrid vehicles to the fleet. A companion study to the Green Fleet Master Plan is underway to evaluate the conversion to Zero Emission Vehicles (ZEVs) and the necessary electrical and/or other energy upgrades required to operate a fleet of ZEVs as the requirements of the Advanced Clean Fleet rule are being addressed.

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	FY 2024 Target	FY 2024 Performance	Target Met?
Strategy 1: Watershed Protection and Management			
Mokelumne River fall-run Chinook salmon returns (long-term average)	5,743	12,511	++
Strategy 2: Drinking Water Regulations Compliance			
Percent of water quality regulations met	100 percent	100 percent	++
Percent of water quality goals met	100 percent	95 percent	+
Strategy 3: Environmental Regulations Compliance			
Number of NPDES and Waste Discharge Permit Notices of violation received	0	0	++
Strategy 4: Reduce, Recycle, Reuse, Reclaim			
Achieve carbon neutrality for indirect and direct GHG emissions by 2030 for the Water and Wastewater systems.	≤ 28,348 MT CO ₂ e	23,968 MT CO ₂ e	++
Capture biogas sufficient to produce on-site energy to meet electric power demands of the MWWTP and evaluate the best uses of excess biogas	100 percent of plant power demand	91 percent of plant power demand	--
Pursue large-scale photovoltaic project at the Duffel property located in Orinda	Begin construction	Construction completed; awaiting utility to connect project for full operation	++
Strategy 5: San Francisco Bay Protection			
Implement PSL 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	97 percent	++
Strategy 6: Operate Pardee and Camanche Reservoirs and Facilities			
Meet JSA Mokelumne River minimum flow releases 100 percent of the time	100 percent	99.7 percent	+
Review operations with lower Mokelumne stakeholders every two years	N/A	Review conducted biennially	N/A

* 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 (5,743 for 1940-2023), while performance is the average escapement over the past six years (two cohorts or life cycles). The FY 2024 escapement of 28,698 was the highest salmon count on the Mokelumne River ever recorded. The six-year average, representing two full Chinook salmon life cycles (2018-2023), remains high at 12,511 fish. Most of the escapement on the Mokelumne is comprised of hatchery-origin fish. The Mokelumne River Fish Hatchery produced 9 million juvenile Chinook salmon; 3.8 million of those were to meet District's mitigation goals, 3.1 million were designated for enhancement of the ocean harvest, and 2.1 million were produced as drought enhancement fish to continue species recovery after multiple years of drought. All production goals in the hatchery were met with Mokelumne-origin broodstock.

Strategy 2: Drinking Water Regulations Compliance: The District met 100 percent of state and federal drinking water regulations and 95 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. The goal to maintain high disinfectant residuals throughout the entire distribution system was not met during three months of the FY. Balancing the competing objectives of disinfecting water while minimizing disinfection byproducts continues to be a challenge. Upcoming capital improvements to the water treatment plants and distribution facilities will provide more tools to meet the water quality goals.

Efforts also continued to minimize potential exposure to lead in water. The customer lead sampling voucher program is operating successfully, with thousands of customers participating. Water Quality staff continued to participate in several industry workgroups providing regulatory agencies input in the development of new regulations. A significant overhaul of the regulations covering lead in drinking water is expected to be finalized in the fall of 2024. The District has instituted several changes to its record keeping, maintenance, and sampling practices in preparation for these new regulations.

These issues are detailed in the March 2024 Water Quality Program Annual Update presented to the Planning Committee.

Strategy 3: Environmental Regulations Compliance: There were no permit violations at the MWWTP, demonstrating 298 consecutive months of continued compliance with effluent limits through the end of FY 2024. No permit violations occurred in FY 2024 at the District's Wastewater facilities.

Strategy 4: Reduce, Recycle, Reuse, Reclaim: The District directly produces renewable energy through hydropower, biogas, and solar. KPIs under this strategy reflect overall greenhouse gas emissions, energy sufficiency at the MWWTP, and progress on solar photovoltaic (PV) projects. The District's Energy Policy 7.07, updated in September 2023, established District-wide goal to achieve carbon neutrality by 2030. The District also established annual District-wide GHG emission goals. Calendar Year (CY) 2022 GHG emissions were below the District goal, thereby meeting the target.

Producing renewable energy onsite at the MWWTP reduces costs, increases revenues, and minimizes GHG emissions. During FY 2024, onsite renewable energy production was reduced due to planned and

unplanned repairs of the biogas conditioning system, engines, and turbine. Additionally, MWWTP energy demands have increased during dry weather months to enhance nitrogen removal in the secondary process. The combination of the reduced production and increased demand resulted in the MWWTP producing 91 percent of total plant demand, and not meeting the KPI 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 construction and project was admitted into Pacific Gas and Electric Company (PG&E)'s special government tariff (RES-BCT). Project operation is pending PG&E's completion of project's connection to the electric grid. 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: In FY 2024, the PSL Program achieved a 97 percent compliance rate, exceeding the KPI target of 90 percent. Cracks in 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 time 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.

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, with the exception of one-half day period of 15-minute "excursions," or deviations below the flow schedule specified in the JSA in recorded 15-minute stream flow data. These excursions occurred on March 31, 2024, during the transition from March to April Flows (from a Normal and Above water year type to a Below Normal water year type). Preliminary data for Camanche shows an average daily release of 314 cubic feet per second (CFS), while the minimum JSA requirement was 325 CFS for March under a Normal and Above JSA water year type. The decrease resulted in 15-minute excursions for the remainder of the day.

The October 2023 to March 2024 water year type was classified JSA Normal and Above Year, and the April through September was a Below Normal JSA year type. No adaptive management request was made to the State Water Resources Control Board due to an extremely wet preceding water year, and ample snow pack this water year. Transitioning from drought conditions to normal, above normal, and below normal water year types was 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 Mokelumne River fishery updates. Biannual Mokelumne River Technical Advisory Committee and Partnership Coordinating Committee meetings were held to coordinate operations. The Partnership Steering Committee last met in December 2023.

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.



Work crew installing pipeline in the community.

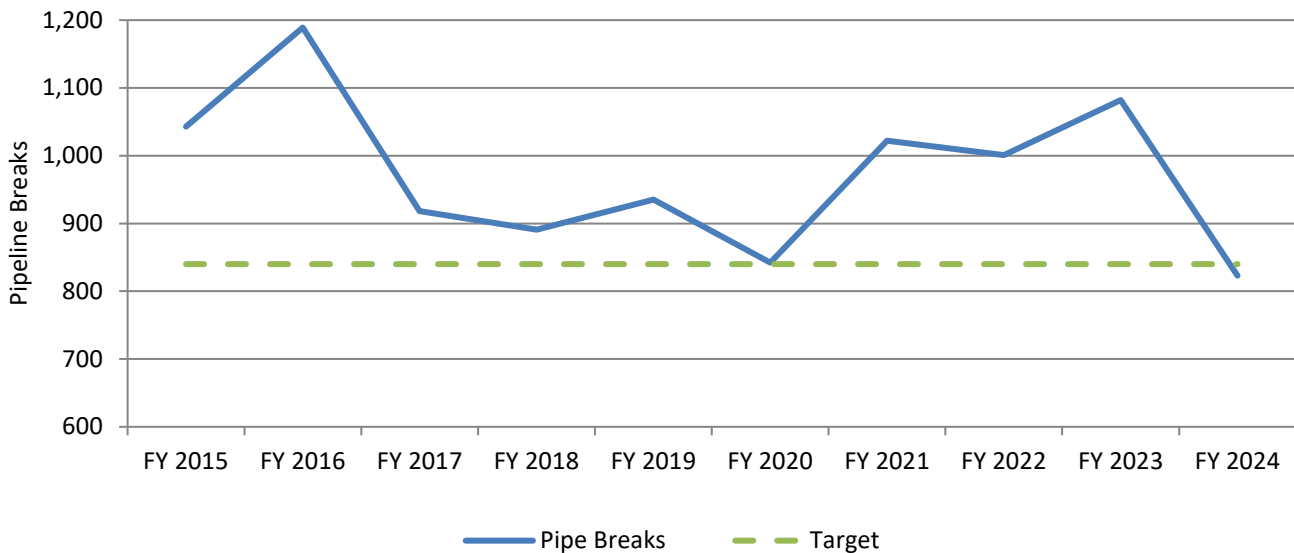
Long-Term Infrastructure Investment

Key Performance Indicator	FY 2024 Target	FY 2024 Performance	Target Met?
Strategy 1: Master Plans			
Complete the Wastewater Interceptor Master Plan	Complete inspections and prepare Draft Wastewater Interceptor Master Plan	The interceptor inspections and Draft Wastewater Interceptor Master Plan will be completed in Fall 2024.	+
Strategy 2: Effective Infrastructure Maintenance			
Number of water system pipeline breaks per 100 miles of pipe	≤ 20	19	++
Percent of water system corrective work order hours classified high priority	≤ 10 percent	6.6 percent	++
Miles of pipe surveyed for leaks	≥ 800	1,597.4 miles	++
Percent of water system valves exercised	≥ 10 percent	8.6	+
Real water losses in gpcd	44.0 gpcd	The District performs water audits on a CY basis. The District's real water losses for CY 2022 were 28.6 gpcd.	++
Percent of high priority meter repair orders completed in 60 days	≥ 90 percent	92 percent	++
Strategy 3: Capital Budget Priorities			
Miles of distribution pipe replaced	≥ 22.5	25.3	++
District directed non-discretionary change orders on construction contracts	≤ 4 percent	1.7 percent	++
Number of concrete digesters and concrete aerated grit tanks rehabilitated	2	1	--
MWWTP Administrative Facilities Seismic Retrofits	Complete construction	Design deferred	
Implement the Orinda Water Treatment Plant Disinfection Improvements (UV/CCB)	Continue construction and report annually in fall	Triannual Board Information Memos completed	++
Cumulative annual average number of steel water tanks rehabilitated	2	FY 2024 = 2 FY 2011 – FY 2024 = 3.2 (average)	++
Cumulative annual average number of pumping plants rehabilitated	2	FY 2024 = 4 FY 2015 – FY 2024 = 2.9 (average)	++

Strategy 1: Master Plans: The Wastewater Interceptor Master Plan is in progress. A consultant was hired in FY 2024 for the interceptor inspections, and 2,000 linear feet of Interceptor System was inspected as of the end of FY 2024. The inspections will be completed, and a draft Wastewater Interceptor Master Plan will be completed by fall 2024 and finalized in early 2025. Wastewater staff will continue to identify highest risk pipeline segments needing regular inspections in future years to track condition and inspect on an as-needed basis.

Strategy 2: Effective Infrastructure Maintenance: For the nearly 4,200 miles of distribution pipeline there were 823 breaks in FY 2024, less than the 1,082 breaks in FY 2023, 1,001 breaks in FY 2022, 1,022 breaks in FY 2021, and the lowest amount since FY 2013. The end of the drought likely contributed to fewer pipeline breaks as dry soil conditions typically lead to more breaks. Additionally, ongoing pipeline replacement is reducing the average age of pipes and improving the overall average of pipe conditions.

Pipeline Breaks



Of the corrective work orders completed, 6.6 percent were high priority. This is 34 percent below the KPI target and represents a decrease from FY 2023.

More than 1,500 miles of pipe were surveyed, again exceeding the target as the District continues to explore satellite leak detection, and approximately 2,000 leak detection loggers have been installed on hydrants to monitor high-consequence-of-failure water distribution pipes. 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 FY 2024, 8.6 percent of system valves were exercised, below the 10 percent target, but more than the 7.4 percent exercised in FY 2023. This KPI includes the valves used to isolate leaks and other maintenance activities. The increase is the result of fewer water main breaks and the FY 2023 shortage

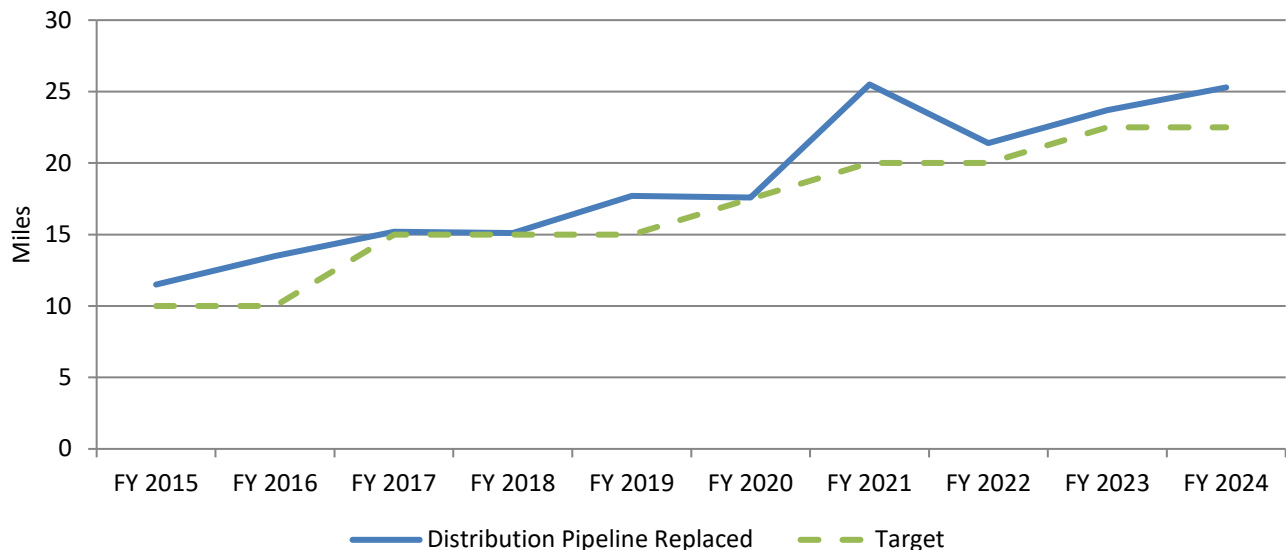
of the Plumber III classification to perform the tasks due to recent promotions and retirements being slightly alleviated.

On October 19, 2022, the State Water Resources Control Board adopted water loss performance standards for each urban retail water supplier in California under Senate Bill 555 (SB 555). The District's performance standard is 44 gpcd. Although compliance with SB 555's performance standards is not required until January 1, 2028, the District is on track to meet the performance standards based on its CY 2022 water audit results of 28.6 gpcd, which is far below the 44 gpcd limit. The data from the District's CY 2023 water audit will be available December 2024.

In FY 2024, the target for meter repair orders completed within 60 days was met at 92 percent.

Strategy 3: Capital Budget Priorities: Pipeline replacements again exceeded the target, totaling 25.3 miles in FY 2024, greater than the 22.5-mile target. District staff continued to prioritize replacement projects using a data-driven approach and risk-based calculations incorporating pipe leak information, pipe age, and material type. The District continues to improve pipeline business practices, including focusing on construction efficiencies and enhancing research and innovation efforts through the Center for Smart Infrastructure at the University of California at Berkeley.

Distribution Pipeline Replaced



Design errors and omissions and value-added change orders on combined Water and Wastewater Systems contracts were 1.7 percent, a decrease from 2.7 percent in FY 2023 and 2.0 percent in FY 2022. The Water System achieved 1.63 percent on contracts worth \$729 million; and Wastewater's rate was 4.54 percent on contracts worth \$9 million.

One digester was rehabilitated in FY 2024. Rehabilitation of the remaining digesters was deferred due to ongoing negotiations and resolution for a construction claim.

On September 30, 2021, the District executed an agreement for design services for the MWWTP Administrative Facilities Seismic Retrofits project. The consultant's work was unsatisfactory, and the agreement was terminated on November 17, 2022. Another consultant was selected, and a new agreement was awarded for design work in FY 2024. The design work has restarted, and construction is now expected to start in FY 2026.

Progress reports on the Orinda Water Treatment Plant Disinfection Improvements Project were provided to the Board on August 3, 2023, December 17, 2023, and April 4, 2024. Recent construction progress includes completion of mass excavation and bridge over the excavation, completion of two large water tunnels, installation of a 210-foot tower crane, installation of tie-down anchors for the Chlorine Contact Basin, and installation of temporary systems to facilitate chemical safety and reliability improvements.

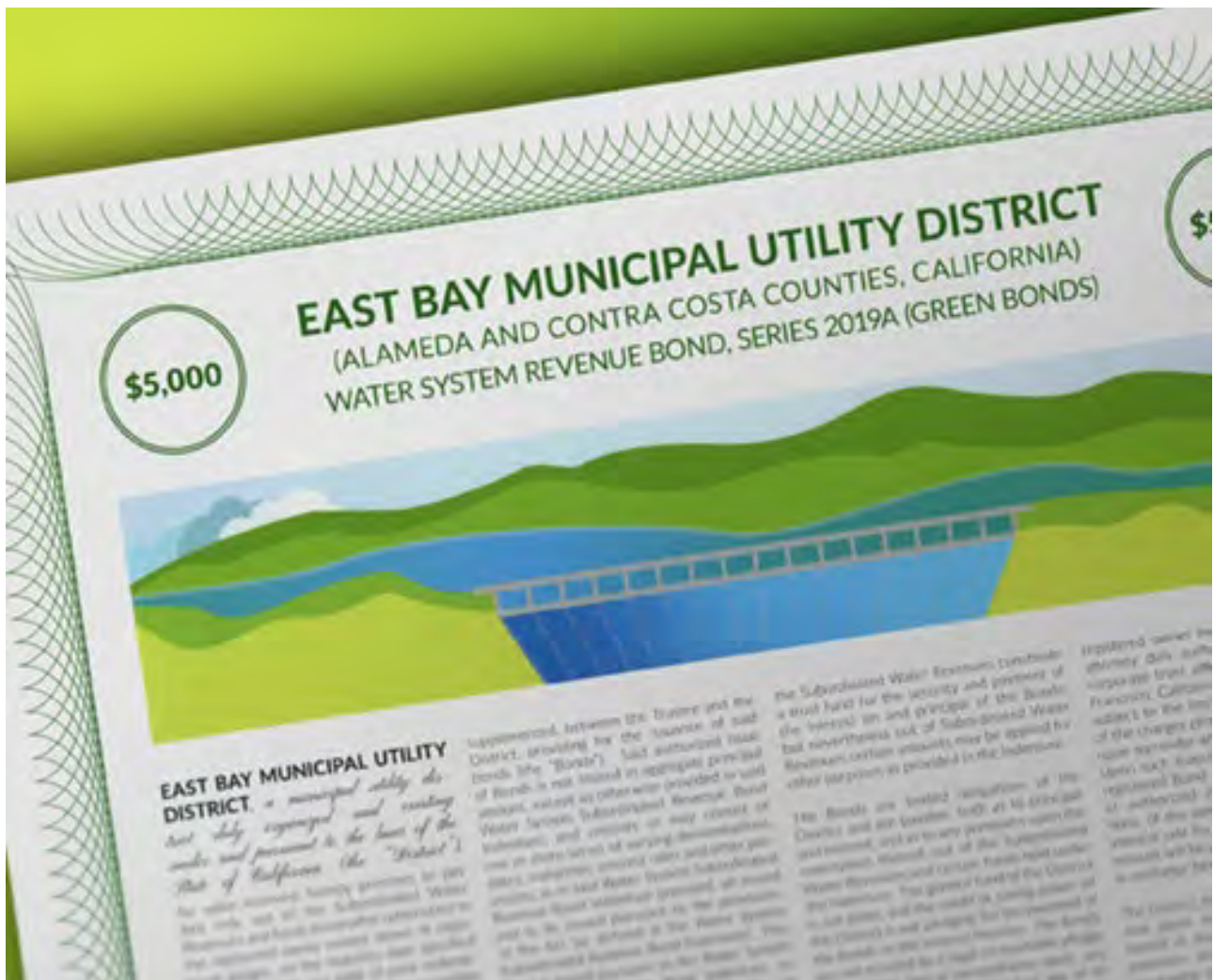
In FY 2024, the District awarded the Grizzly No.1 & No.2, Castle Hill, Wiedeman No.1, and Knife No.1 Reservoirs Demolition and Improvement Project. Grizzly Reservoir is being demolished and Grizzly No.1 & No.2 reservoirs are being constructed. Castle Hill Reservoir is being demolished and Castle Hill Regulator is being constructed. Wiedeman No.1 and Knife No.1 Reservoirs are being improved. Since the KPI was established in FY 2011, the District has awarded contracts to replace, rehabilitate or demolish 45 steel distribution reservoirs, corresponding to a cumulative annual average of approximately 3.2 reservoirs.

In FY 2024, the District awarded the Westside Pumping Plant Relocation and Encinal Pumping Plant Demolition Project, and the Crest and Hill Pumping Plants Demolition Project. The Westside Pumping Plant is being replaced and relocated. The Encinal Pumping Plant is being demolished and replaced with a regulator. Crest and Hill Mutual Pumping Plants are being demolished as services have been reconnected to a different pressure zone and the pumping plants are no longer needed. Since the KPI was established in FY 2015, the District has awarded contracts to replace, rehabilitate, or demolish 29 pumping plant facilities, corresponding to an annual average of 2.9 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.



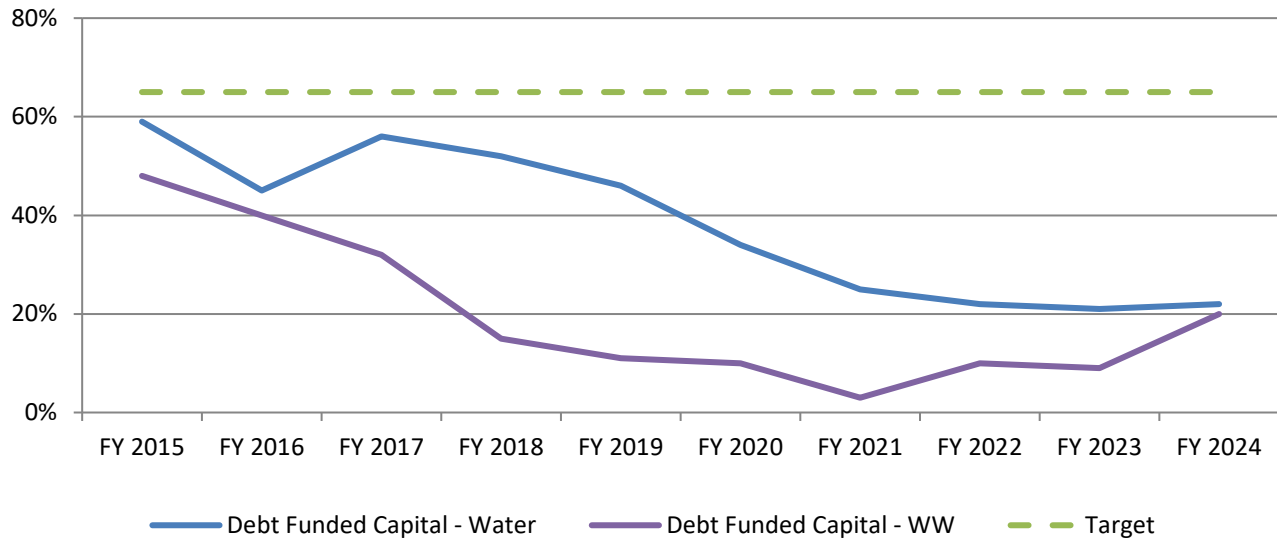
Green bonds finance infrastructure projects that promote environmental sustainability.

Long-Term Financial Stability

Key Performance Indicator	FY 2024 Target	FY 2024 Performance	Target Met?
Strategy 1: Long-Range Financing Plan			
Percent of capital program funded from debt over five-year period	≤ 65 percent	Water – 22 percent Wastewater – 20 percent	++ ++
Debt service coverage	≥ 1.6 times coverage	Water – 2.35 Wastewater – 2.50	++ ++
Actual reserves as percent of target	≥ 100 percent	Water – 211 percent Wastewater – 341 percent	++ ++
Strategy 2: Rates and Charges			
Water rates compared to other Bay Area Agencies	≤ median	Below median (6 th lowest of 13)	++
Wastewater treatment charge as a share of the total bill compared to other Bay Area agencies	≤ median percent	Below median (2 nd lowest of 16)	++
Strategy 3: Integrity, Accountability and Transparency			
Percent of planned audits completed	100 percent	86 percent	+
Percent of audit findings resolved within 90 days	100 percent	100 percent	++
Operating expenditures as a percentage of operating budget	≤ 100 percent	Water – 92 percent Wastewater – 96 percent	++ ++
Capital expenditures as a percentage of capital budgeted cash flow	90-110 percent of a two-year rolling average	Water – 109.8 percent Wastewater – 119.8 percent	++ --
Strategy 4: Technology			
Planned patch cycles met	> 90 percent	94 percent	++
Business recovery exercises	2 per year	2 exercises	++
Cyber security awareness events	4 per year	6 awareness events	++
Biennial IT security controls assessment	Complete Critical Security Controls 20 IG3 Improvement Plan	Complete	++

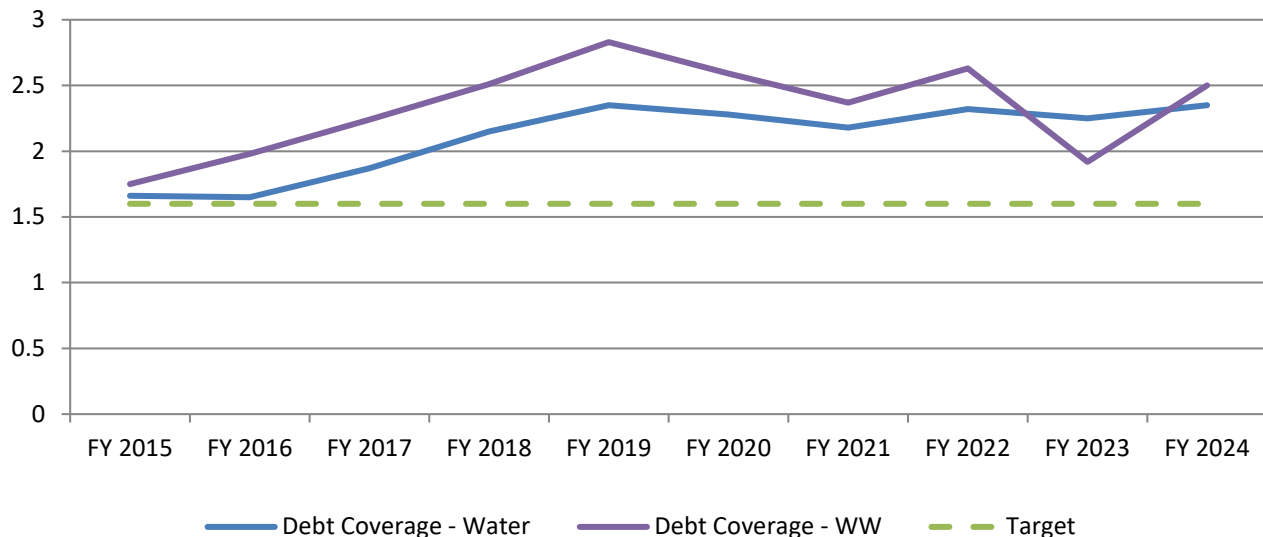
Strategy 1: Long-Range Financing Plan: District policy is to limit debt-funded capital to no greater than 65 percent of the total capital program over each five-year planning period. While the five-year average debt-funded capital has been well below the 65 percent maximum, in the most recent year (FY 2024), debt issues represented 53% and 46% of the annual capital spending for the Water and Wastewater Systems, respectively. The five-year averages for both systems are expected to increase over the next few years as the capital program expands and the need for debt issuance increases.

Percent of Capital Program Funded by Debt



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 2.35 in FY 2024, which was similar to the 2.25, 2.32, and 2.18 coverage ratios in FY 2023, FY 2022, and FY 2021 respectively. The Wastewater System debt coverage ratio was 2.50 in FY 2024, which is an increase from the 1.92 coverage in FY 2023 and similar to the 2.63 and 2.37 coverage in FY 2022 and FY 2021 respectively. Coverage was lower in FY 2023 primarily due to the one-time expense of a legal settlement.

Debt Coverage



The District's goal is to meet or exceed the target for operating reserves. The target reserve levels of \$202.6 million for the Water System and \$33.4 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 additional 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 below the median of surveyed agencies as 7 of the 13 agencies surveyed had higher 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 16 Bay Area agencies surveyed.

Strategy 3: Integrity, Accountability, and Transparency: The Internal Audit (IA) section conducts reviews of: operating activities to determine and assess compliance with District policies and procedures; adherence with applicable laws and regulations; and, adequacy of controls over District assets and resources. IA also conducts investigations to determine the validity and impact of allegations of impropriety or malfeasance.

Six of the seven audits have been initiated and/or completed during the period. Additionally, several unplanned efforts, including an investigation relating to District overpayments, and follow-up allegations related to employee conduct raised by a vendor, were completed. Additionally, IA continued to assist the Information Systems Department in developing a plan to implement IT Safeguards prescribed by the Center for Internet Security, which address security risks outlined in the IT Vulnerability Assessment.

When internal audits identify weaknesses or deficiencies, implementation of changes are expected within 90 days. In FY 2024 sufficient efforts have been made to address 100 percent of internal audit findings.

With respect to budget performance, FY 2024 operating expenses were 92 and 96 percent of the Water and Wastewater System operating budgets, respectively, which meets the KPI by being lower than the goal of 100 percent.

Capital spending over the FY 2023 and FY 2024 two-year rolling average was 109.8 percent of budget for the Water System, which falls within the KPI of being between 90 percent and 110 percent. The greatest sources of overspending were in Water Treatment and Distribution Pipelines, and this was nearly offset by significant underspending in other Awards. Capital spending over the FY 2023 and FY 2024 two-year rolling average was 119.8 percent of budget for the Wastewater System. There were significant variances in cash flow projections compared to actuals, with the largest variances in Power Generation and Biogas and Interceptors and Pump Stations, with the latter due in part to emergency work across FY 2023 and FY 2024 for major interceptor breaks.

Strategy 4: Technology: All FY 2024 Cyber Security Operational Readiness KPIs were met. Patching systems addresses vulnerabilities and minimizes the risk of systems being compromised. All 19 planned patch cycles (100 percent) were met in FY 2024. Security awareness reminds employees to remain vigilant while using District systems and there were six cybersecurity awareness events in FY 2024 including email phishing exercises and presentations. Business recovery exercises consist of testing recovery of key systems and conducting tabletop exercises to test the ability to respond to a cyber incident and two exercises were conducted in FY 2024. Efforts to assess and implement controls is ongoing, with an important milestone reached in FY 2024 with the support of the General Manager and Senior Management Team to incorporate business process requirements into controls.

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	FY 2024 Target	FY 2024 Performance	Target Met?
Strategy 1: Communications			
Consolidate District education resources	Review	PAO's Education Program developed and District education strategy under final review	++
Conduct media/advertising campaigns	3	5	++
Publish external digital/print publications	8	11	++
Participate in community engagement events	100	294	++
Strategy 2: Customer Satisfaction			
Percent of customers rating the District's services as "Good" or "Excellent":			
Field Services	≥ 90 percent	99 percent	++
New Business		91 percent	++
Water Quality		100 percent	++
Recreation		83 percent	--
Percent of customers rating "Overall Job" as "Good" or "Excellent" from the customer opinion survey	N/A	Survey conducted biennially	N/A
Contact Center service level:			
Average speed of answer to calls coming into the Contact Center	≤ 60 seconds	57 seconds	++
Percent of calls answered within the target of ≤60 seconds	≥ 80 percent	74 percent	--
Percent of customers rating Call Center as "Good" or "Excellent" based on first call resolution, staff knowledge, promptness, courtesy, and overall quality	≥ 80 percent	92 percent	++
Abandonment rate	≤ 3 percent	2.53 percent	++
Timely billing of customer statements as scheduled	≥ 99 percent	99.2 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	1.80	++
4-12 hrs.	≤ 5	1.97	++
> 12 hrs.	≤ 2	0.41	++
Odor complaints near the MWWTP	≤ 30 complaints	9	++

Key Performance Indicator	FY 2024 Target	FY 2024 Performance	Target Met?
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	++
Strategy 3: Partnerships and Programs			
Proactively review and update alternative to shut-off program and CAP	Annual review and adjustments based on experience	Initiated plans to conduct a Customer Engagement Study to test different styles of communication to customers who are delinquent. The results will help identify the most effective engagement methods.	++
Increase CAP enrollments	Performance Measure Only	The Customer Support Program Office, formed in FY 2024, engaged in more than 20 community outreach activities to help increase CAP enrollment.	■
Reduce service interruptions for CAP participants	Performance Measure Only	Zero service interruption completed for CAP participated in FY 2024.	■
Participate in targeted outreach events in disadvantaged communities to increase CAP enrollment	3	20	++
Strategy 4: Emergency Preparedness			
Update the District's Emergency Operation Plan every five years	N/A	Complete; the next update is scheduled for 2025.	N/A
Conduct the District's EOT exercise annually	Complete annual exercise	EOT exercise conducted May 16, 2024	++
Update all Business Continuity plans every two years	N/A	FY 2024 updates complete	N/A
Conduct Business Continuity exercises annually	100 percent	100 percent	++
Update the District's Risk and Resilience assessment every five years	N/A	The next update is scheduled for 2025.	N/A
Conduct annual exercises or meetings with mutual assistance partners and stakeholders	3	16	++

Strategy 1: Communications: The District increased its proactive outreach, community and local government engagement, educational offerings, and media and social media campaigns, helping to raise awareness of EBMUD's role in the community, expand the reach of its communications offerings, and improve the delivery of key messages. These efforts delivered on goals contained in the District's Strategic Communications Plan with focused messaging in three key areas: sustainability, environment, and innovation.

Media/Advertising Campaigns and Social Media

Five large-scale media and public outreach campaigns were completed in FY 2024.

1. Orinda photovoltaic solar energy project: Media event with elected officials and project partners resulted in coverage by all local television, radio, and print reporters and solar/energy journals nationwide.
2. Recycled water infrastructure investments in partnership with the United States Army Corps of Engineers (USACE): Highlighted innovative infrastructure, sustainability efforts, and federal investments and partnerships through this project.
3. In-conduit microturbine energy generation: Highlighted EBMUD's collaboration with InPipe Energy on an in-conduit microturbine system that generates clean, renewable energy from the pressure of water moving through EBMUD's distribution pipelines. Media coverage had a reach of 8.1 million people and more than 146 million unique views.
4. Illegal dumping: Media invited to witness crews removing large trash from the watershed; press release informed the public about the problem and seek behavior change.
5. Healthy habitats leading to record Chinook salmon returns on the Mokelumne River: Informed the public about record fish returns and highlighted successful partnerships and EBMUD strategies to protect and enhance habitats.

In FY 2024, EBMUD provided more than 130 interviews, issued 14 press releases and advisories, and informed the public through media advisories of webinars and water walks on subjects including main breaks, EBMUD history, and water recycling. Media coverage resulted in more than 2,000 mentions, a reach of 74.4 million, and coverage in local, regional, and national news with a publicity value of more than \$1.3 million.

In FY 2024, EBMUD saw a total increase in followers of 4,444 across four social media channels (X/Twitter, Facebook, Instagram, Nextdoor, and LinkedIn) from 13,946 to 18,390 total followers. Staff used those follower-based channels to disseminate project updates, share presentations, communicate through crises, call customers to action, build community, and support District recruitments, capital projects, budget and rates, and environmental stewardship.

EBMUD hit two major social media milestones in FY 2024: (1) EBMUD's first viral Instagram reel featuring a how-to for checking water meters for leaks had more than 400,000 organic views; and (2) EBMUD reached more than 10,000 followers on LinkedIn.

External Digital and Print Publications

The District published 11 print/digital communications to engage external customers:

1. Six issues of Customer Pipeline were produced, focusing on the following subject areas: water conservation, healthy watersheds, EBMUD's diverse workforce, infrastructure innovation, youth education, residential water use, record salmon returns, San Francisco Bay protection and nutrient reductions in wastewater, sustainability, water supply forecasts, and proactive protections for bald eagles and other watershed wildlife.
2. One set of six new interpretive signs for Lafayette Reservoir were installed in July 2023 to educate visitors about EBMUD's water system and infrastructure, recreational opportunities across watershed lands, Lafayette Reservoir's history, and the birds and fish that live there.
3. The Annual Water Quality was produced on schedule and distributed to all customers and the public within the service area.
4. The District's first StoryMap biennial report leveraged interactive media to highlight accomplishments from the previous two years, including the EBMUD Centennial celebration, major capital projects, unique construction repairs and innovations, progress on environmental stewardship, and new goals for sustainability. The StoryMap format enabled readers to actively engage with photos, graphics, and videos to experience the full breadth of work completed. The report was distributed to all customers via CRM, publicized on all EBMUD social media channels, posted to ebmud.com, and emailed to all elected officials within the EBMUD service area and upcountry.
5. A 6-minute capital project outreach video was professionally produced to explain the District's infrastructure investments, capital projects process, and construction impacts to neighborhoods and reiterate commitment to providing timely project updates throughout the process.
6. The 2023 Annual Water Quality Report was produced, and postcards mailed to all water users in the service area and subsequently translated into Chinese and Spanish.

Community Outreach

To engage with the public and raise awareness of the District's priorities, policies, and actions are reflected in the community outreach KPI. The District participated in more than 200 community engagement events in FY 2024, including public meetings, community events with booths, virtual and in-person tours, sponsored events, water conservation webinars and presentations, Water Wednesday webinars, career fairs, ward events, and community walks.

Education Program

An educational audit was completed, and educator focus groups were conducted to better understand the gaps in current educational offerings. In coordination with an inter-departmental Education

Committee, a draft strategy document was developed which includes increasing K-12 educational programming and resources, increasing opportunities for underserved communities and removing barriers including providing bus transportation to field trips, expanding facility tours to customers, and improving digital and asynchronous offerings.

A revamped K-12 water education program was developed and will include field trips with experiential lessons and curriculum that meet Next Generation Science Standards and explore the role that EBMUD plays in promoting stewardship and protecting public health in the community. The program will include field trips of the watershed with hands-on science activities, water quality testing, and science journaling, and a tour of one of the District's water treatment plants.

Strategy 2: Customer Satisfaction: In FY 2024, the District received 97 Field Services Customer Satisfaction survey responses from customers who requested in-person inspection service orders. Approximately 99 percent of respondents rated the service as "Good or Excellent," one percent higher than the 98 percent rating achieved in FY 2023, and consistent with the 99 percent rating achieved in FY 2021 and FY 2022. In FY 2024, Field Services continued to focus on revenue recovery from non-residential accounts. During this period, Field Services completed more than 3,000 field service orders, which included issuing Collection Notices at the premises of these non-residential accounts. These notices informed non-residential customers of potential water service termination within 48 hours due to non-payment. As a result, nearly 2,000 of these delinquent accounts responded by making payment and other arrangements. The remaining non-residential customers did not respond to the notifications and their water service was disconnected. After these non-residential accounts were disconnected, 627 of these accounts were restored after customers made payments or financial arrangements with the District.

In FY 2024, the New Business Office (NBO) demonstrated significant improvements in customer satisfaction and service efficiency. The NBO sent over 390 customer satisfaction surveys to applicants who completed new water service applications. Based on 17 respondents, the NBO achieved a 91 percent "good or excellent" rating, up from 89 percent in FY 2023. This slight increase in customer satisfaction could be a result of the following process improvements implemented during FY 2024 to decreased overall processing time:

- Eliminated hydraulic modeling for private fire services related to private hydrant applications.
- Removed Water Conservation review of standard water-using fixtures.
- Revised multiple sections of the District's Regulations Governing Water Service to allow for more conditional services and clarify master metering requirements.
- Enhanced online resources by updating its webpages, including the addition of an Accessory Dwelling Unit decision tree, and improving the online water service application interface to reduce application completion time.

Only one survey was returned related to System Water Quality, though that respondent provided a 100 percent customer rating. Staff are exploring alternative methods of receiving survey responses,

including an online survey accessible through a QR code. Currently, water system inspectors distribute survey postcards to customers when they complete field visits, although many customers are contacted via telephone and do not receive a survey. In the past, survey postcards were mailed to all customers contacted each month and slightly more responses were received.

In January 2023 a new online recreation user survey went live that allows recreation users to access the survey from mobile devices via a QR code posted at trailhead and recreation area information boards. In FY 2024 there were 88 respondents with 83 percent rating their experience as “good” or “excellent.” Managing expectations of recreational trail users in the East Bay continues to be challenging. Staff are developing strategies to increase the number of responses.

In FY 2024, the Contact Center achieved a customer satisfaction rating of 92 percent, similar to 91 percent in FY 2023 and 88 percent in FY 2022, but higher than 85 percent in FY 2021. This rating is based on feedback collected from all callers through a Customer Satisfaction Survey following each call. The Customer Satisfaction Survey allows District customers to provide feedback on the promptness, agent knowledge, agent courtesy, issue resolved, and the overall service quality. The District received 4,232 survey responses in FY 2024.

The Contact Center handled a total of 179,403 calls and 21,462 emails in FY 2024, while maintaining a 74 percent service level of answering calls within 60 seconds. This is a decline from previous years (84 percent in FY 2023, 83 percent in FY 2022, and 84 percent in FY 2021). The decline is attributed to staffing shortages and unplanned system outages during the last six months of the fiscal year. Consequently, the average call wait time increased by 19 seconds to 57 seconds, compared to 38 seconds in FY 2023 and 43 seconds in FY 2022. The call abandonment rate also rose to 2.53 percent in FY 2024, up from 1.6 percent in FY 2023 and 2.06 percent in FY 2022. To improve the service level, the Contact Center has taken actions to streamline training for new employees in preparation for live calls.

The timely billing of 99.2 percent of customer statements met the target as well. In FY 2024, the average weekly number of delayed bills was 369, well below the target of 800 delayed bills, though slightly up from 364 in FY 2023.

The KPI that customer dependent systems—including Internet, Call Center and Dispatch Center telephones, Customer Information System, and Integrated Voice Response self-service applications—are available greater than or equal to 99.9 percent of the time was met at 99.95 percent, a decrease of 0.01 percent compared to FY 2023.

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 60 percent lower than the targets.

A measure of customer satisfaction is to have less than 30 odor complaints attributable to the Wastewater Treatment Plant. In FY 2024 the target was met with nine odor complaints received, more than the two complaints in FY 2023, but still well under the KPI objective. The relatively low number of odor complaints in recent years is driven by staff planning work to minimize the potential for

generating odors, significant spending on chemicals that reduce odors, and optimizing operational and maintenance practices, and increased efforts to investigate and verify complaints received.

Strategy 3: Partnerships and Programs: As of April 2024, the responsibilities of the CAP, including outreach and application processing was transitioned from the Contact Center to the new Customer Support Programs (CSP) Team. The new CSP division is fully staffed to administer programs to assist customers experiencing hardship with their water bills. Through the new division, the District strengthened partnerships in the community to take a more comprehensive approach to address customers' affordability and accessibility to water. Below is a list of efforts and initiative taken towards affordability:

- Launched the pilot home repair and replacement program for CAP customers to replace inefficient fixtures to reduce their water usage, and subsequently reduce their overall water bill.
- Developed a Memorandum of Understanding with Lao Family Community Development (LFCD) to establish an ongoing partnership for cross-service referrals and collaboration on joint outreach events, including on-site CAP enrollment opportunities.
- Developed a partnership with Good Hope Resource Center to engage with customers experiencing financial hardships to promote the District's customer support programs.
- Initiated a revamp of the CSP webpage on ebmud.com to streamline all the affordability efforts and ensure ease of access for all customers, specifically non-native English speakers/readers.
- Met with several non-profit housing development organizations to discuss the viability to create a CAP renter's program to reach non-billed customers residing in multi-unit complexes with a master meter. These discussions are ongoing.
- Collaborated with the Unity Council to host an on-site CAP enrollment event at their facility to assist their direct housing clients to enroll in CAP.

The District continued to engage in outreach efforts to promote CAP and increase enrollment. In FY 2024, the District engaged in more than 20 community outreach activities to directly promote CAP, including the following:

- Asian Health Services Food Distribution Pantry
- Berkeley Juneteenth Festival
- Black Joy Parade
- East Oakland Senior Center Resource Fair
- Eunice Law Community Event
- Good Hope Resource Center Bill Assistance Day

- Lao Family Community Development Food Distribution Pantry
- Lao Family Community Development Free Tax Prep Services
- Lincoln Square Park Summer Nights
- Native American Health Center Indigenous Red Market
- Oakland Drinks Water
- Oaktobefest in the Dimond
- Unity Council On-site Enrollment Day

Prior to the transition of the CAP program to the CSP in April 2024, outreach efforts to promote the CAP resulted in 5,436 applications received and processed by Contact Center staff, including renewals and new applicants. In total, the District received and processed 8,421 applications (new and renewals) in FY 2024. This year, enrollment in CAP increased by 10 percent, with 9,674 active participants in June 2024, compared to 8,794 in June 2023. Overall, in FY 2024, 11,572 households received CAP benefits, which is an increase of 6 percent from FY 2023. In May 2024, staff began tracking the number of business days to turn around CAP application, from receipt to processing. For the months of May and June, staff turned around CAP applications within two business days.

In FY 2024, the Water Lifeline Program received more than \$25,000 in donations to assist CAP customers facing immediate financial difficulties. To provide more streamlined administration to better serve customers, the District shifted to partnering with only one organization to administer the program. In FY 2024, the District entered into a new partnership with Richmond Community Foundation (RCF Connects) to administer the Water Lifeline Program to assist all CAP customers across Alameda and Contra Costa Counties. The District will also leverage RCF Connects philanthropic networks to grow funding for the program through private and corporate donations.

At the end of March 2024, the federal government concluded the Low-Income Household Water Assistance Program (LIHWAP) that assisted customers to pay their water and wastewater bills. In total, 2,261 EBMUD customers received LIHWAP assistance for a total of \$3.3 million. In May, a one-time supplemental benefit was issued to all LIHWAP participants. The District applied \$391,356 in supplemental benefits for EBMUD LIHWAP participants. There are 804 EBMUD customers that received LIHWAP assistance but are not currently enrolled in CAP. Staff will conduct direct outreach to these customers to encourage them to enroll into CAP to receive ongoing benefits.

In April 2024, the District received a second round of funding for the California Extended Water and Wastewater Arrearage Payment Program (CWWAPP) in the amount of \$11.3 million in arrearage credits to assist customers who experienced arrears during the COVID-19 pandemic through December 31, 2022. Credits were applied to 7,145 residential accounts, \$100,000 in arrearage credits were issued to 40 commercial accounts, and \$5.7 million was reimbursed to the District for its Customer Assistance Program for 11,319 accounts at the end of May. After applying the CWWAPP 2.0 relief funds, the

District's 90-day water system arrearage total is \$20.5 million, down from May 30, 2024's \$29.1 million total.

With the conclusion of LIHWAP and CWWAPP, staff has prepared to launch the Alternative to Shutoff policy that the Board approved on December 8, 2020, which was delayed allowing for the state and federal assistance programs to be applied to customers account. In preparation for the roll out of the policy, staff has prepared several communications to inform customers of the potential impact to their water service, this includes postcards, modified notices, a webpage with FAQs, and coordinated outreach efforts with Public and Community Affairs.

In parallel to launching the Alternative to Shutoff policy, staff developed a Customer Engagement Study aimed to identify the most effective ways to communicate to customers who are in arrears. The study will look at different methods and styles of communication with customers. One method of communication will include partnering with a local community-based organization to provide customers with additional resources and support. Staff will test these different methods and styles of communication to identify the most effective ways to engage with customers, in hopes of addressing customer arrears before impacting water services.

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 FY 2024, progress continued towards mitigating risk, preparing for disasters, and improving readiness.

For compliance with the America's Water Infrastructure Act (AWIA), which requires water agencies to complete a risk and resiliency assessment and update the Emergency Operations Plan (EOP) every five years, a Risk and Resilience Assessment Team was created and is in the process of conducting an assessment of District infrastructure. The next AWIA certification for both the Risk and Resilience Assessment and updated Emergency Operation Plan is due in 2025.

On May 16, 2024, the District Emergency Operations Team held its annual exercise. This year's exercise was a workshop to prepare for the upcoming update to the EOP. Subject matter experts and stakeholders from across the District held breakout sessions focusing on specific sections of the current EOP, in order to provide valuable input on needed updates.

During FY 2024, 13 Business Continuity Plans were updated, and 22 Business Continuity Plans were exercised. Throughout FY 2024, the Mutual Assistance Unit Leaders continued monthly meetings with the District's mutual aid partners which include Los Angeles Department of Water and Power and the Las Vegas Valley Water District. A District representative also participated in the California Water/Wastewater Resource Network Board meetings.

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	FY 2024 Target	FY 2024 Performance	Target Met?
Strategy 1: Workforce Plans			
Number of injury & illness incidents resulting in time away from work per 100 employees	≤ 3.0	2.07	++
Injury and Illness Investigations (PE-020 forms) completed within 10 working days	> 99 percent	77 percent	--
Complete departmental workforce plans	Review	Complete	++
Diversity, Equity, and Inclusion Strategic Plan	Complete and report on all second-year actions in the Two-Year Action Plan	Complete	++
Annually implement outreach campaigns on wellbeing themes	4	5	++
Strategy 2: Employee Development			
Annual average training per employee	30 hours	50 hours	++
Ensure employees complete all required training	Implement tracking system and begin pilot	100 percent	++
Number of employees in development programs (academies, rotations, internships, mentorships)	Performance Measure Only	295	■
Strategy 3: District Values			
Percent of performance plans completed on time	> 99 percent	99.4 percent	++
Percent of performance appraisals completed on time	> 99 percent	99.2 percent	++
Strategy 4: Recruitment			
Percent of exams resulting in hiring lists within 60 days or less	80 percent	88 percent	++
Percent of candidates on hiring eligibility lists (including employees and external applicants) who identify as minority and/or female	Performance Measure Only	63.8 percent minority 35.1 percent female	■
Number of interns	Performance Measure Only	71 interns	■
Percent of interns who identify as minority and/or female	Performance Measure Only	81.7 percent minority 33.8 percent 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 FY 2024, the Lost Time Incidence Rate was 2.07 and there were 36 lost-time injuries, excluding COVID-19 cases.

A PE-020, *Supervisor's Investigation of Employee Occupational Injury or Illness*, is required for every workplace injury or illness. In FY 2024, 116 of 151, or 77 percent, were completed in 10 working days. Supervisors throughout the District are responsible for investigating and submitting PE-20s. The KPI for this metric was updated starting in FY 2025 to capture percent completion (and no longer include a 10-working day requirement) to ensure supervisors have adequate time to complete quality investigations and determine corrective actions with the assistance of Workplace Health & Safety. The sense of urgency will not be reduced, however, as resolving investigations in a timeline manner remains important.

The District conducts an annual workforce analysis to review organizational demographics, employee turnover, hiring statistics, and internal employee mobility. In addition, staff provide retirement projections to the Senior Management Team for ongoing development of pools of employees for potential succession planning. For FY 2024, all departmental workforce plans were completed and reviewed to identify workforce trends and guide retention and recruitment outreach activities.

During FY 2022, the District adopted a five-year Diversity, Equity, and Inclusion Strategic Plan (DEISP). The DEISP contains five pillars with eleven corresponding goals to guide the District's DEI work. At the close of FY 2024, staff completed all first- and second-year activities and prioritized action items for year three implementation. Staff also provided regular progress reports to the Board of Directors.

In FY 2024, the following employee wellbeing activities were held:

- Fall 2023 – On-site Flu Shots – Various Locations
- February 15, 2024 – Cultivating an Inclusive Leader Identity
- May 23, 2024 – Psychological Safety Panel Discussion
- June 2024 – Financial Wellbeing via Fidelity Honoring Pride Month
- June 2024 – Financial Wellbeing via Fidelity Honoring Juneteenth

Looking forward, Workplace Health and Safety will offer on-site flu shots again in fall 2024, an Inclusive Leadership Forum on Wellbeing is planned, and Human Resources is planning the first in-person Health Fair as part of 2025 Open Enrollment.

Strategy 2: Employee Development: The annual average number of training hours per employee is a best practice benchmark by employers. During FY 2024, the District exceeded the goal of 30 hours of training per employee with employees completing 50 hours of training. In FY 2023, the District also

exceeded the goal by providing 44 hours of training per employee. The EBMUD Learn software monitors workplace training and ensures all employees complete required training.

The number of employees in development programs measures the engagement and the development of employees. In FY 2024, 295 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 Program #3 included 17 participants. Results for this FY were improved over FY 2023, when 255 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 FY 2024, 99.4 percent of performance plans and 99.2 percent of performance appraisals were completed on time. The results were 99.3 and 99.8 percent, respectively, in FY 2023, and 98 and 98.6 percent, respectively, in FY 2022.

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 FY 2024, 121 exams were completed and 106 resulted in hiring lists within 60 days (88 percent). In FY 2023, 140 exams were completed and 117 resulted in hiring lists within 60 days (84 percent).

The District tracks the diversity of candidates considered for employment to determine if recruitment efforts are attracting sufficiently diverse, qualified applicants. In FY 2024, the percentage of minorities on District eligibility lists was 63.8 percent with 7.2 percent declining to state their race/ethnicity, compared to 63.1 percent and 8.0 percent, respectively, in FY 2023. The percentage of women on District eligibility lists was 35.1 percent, compared to 34.6 percent in FY 2023.

In FY 2024, the District facilitated internships for high school and post-secondary participants. The annual East Bay High School Summer Internship (HSSI) Program hosted diverse, qualified high school interns from across the Bay Area, including students and recent graduates from Alameda and Contra Costa counties and each ward of the District's service area. Based on self-identification information, the East Bay HSSI Program cohort was 88.5 percent ethnic minorities and 30.8 percent female.

East Bay HSSI interns had the opportunity to obtain hands-on experience in a variety of fields, including administration, communications, engineering, and various trades. Interns participated in weekly in-house enrichment workshops, informational interviews with District staff, and in-person facility tours to expand their skills, knowledge, and understanding of EBMUD and careers in the water and wastewater industry. The 2024 East Bay HSSI interns participated in an inaugural field trip to upcountry District facilities where they learned about fisheries and wildlife, range, and the District's hydroelectric power plant. The field trip also provided East Bay HSSI interns with exposure to District career pathways and real-life examples of how the District operationalizes its values of Stewardship, Integrity, Respect, and Teamwork.

In the final week, interns presented their final projects to a live audience of mentors, peers, and program managers. Each intern also wrote a formal letter to be delivered to their respective EBMUD Board Director.

The District also implemented a pilot, week-long HSSI Program in the Mokelumne Watershed for three students that represented Amador, Bret Harte Union, and Calaveras high schools. Mokelumne Watershed HSSI Interns had the opportunity to shadow and learn from staff in a variety of classifications, such as Ranger/Naturalist, Wildlife/Fisheries Biologist, Administrative Clerk, Water System Inspector, and Hydrographer. District staff provided an orientation session on the first day of the internship and an enrichment session later in the week.

Additionally, 42 post-secondary interns gained hands-on experience with Machining, Electrical, Engineering, IT Service Desk, Grounds Maintenance, Human Resources, and Ranger/Naturalists. Combined, the 71 high school and post-secondary interns were 81.7 percent minorities and 33.8 percent female.