



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

375 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

Notice of Special Meeting

Budget Workshop No. 2

Tuesday, March 25, 2025

9:00 a.m.

Boardroom

375 11th Street

Oakland, CA 94607

At the call of President Marguerite Young, the Board of Directors has scheduled Budget Workshop No. 2 for 9:00 a.m. on Tuesday, March 25, 2025, in the Administration Building Boardroom at 375 11th Street, Oakland, California.

Staff will review the Fiscal Year (FY) 2026 and FY 2027 proposed biennial budget, including revenues, operating, debt service, and capital expenses; recommended revisions to the water and wastewater schedule of rates and charges subject to Proposition 218; and information on changes to the proposed budget from the plan presented at Budget Workshop No. 1 on January 28, 2025.

Dated: March 20, 2025

A handwritten signature in blue ink, reading 'Rischa S. Cole', is positioned above a horizontal line.

Rischa S. Cole

Secretary of the District

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

375 – 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

AGENDA
Special Meeting

Budget Workshop No. 2
Tuesday, March 25, 2025
9:00 a.m.
Boardroom
375 11th Street
Oakland, CA 94607

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

ROLL CALL:

PUBLIC COMMENT: Members of the public shall have the opportunity to provide public comment on Agenda Item 1.

DISCUSSION:

1. Staff will review the Fiscal Year (FY) 2026 and FY 2027 proposed biennial budget, including revenues, operating, debt service, and capital expenses; recommended revisions to the water and wastewater schedule of rates and charges subject to Proposition 218; and information on changes to the proposed budget from the plan presented at Budget Workshop No. 1 on January 28, 2025.
(Skoda)

ADJOURNMENT:

Disability Notice

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

Document Availability

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

W:\Board of Directors - Meeting Related Docs\Agendas 2025\Special Mtgs/Workshops\03252025 Budget Workshop No. 2.docx



APPENDIX

Budget Workshop No. 2 Tuesday, March 25 - 9:00 a.m.

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

Online*

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

Webinar ID: 948 0478 8254

Passcode: 467920

By Phone

Telephone: 1 669 900 6833

Webinar ID: 948 0478 8254

Passcode: 467920

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

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

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

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

In person

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

Via Zoom

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

Submitting written comments or materials

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


To view the livestream of meetings of the Board, please visit:


<https://www.ebmud.com/about-us/board-directors/board-meetings/>

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager 

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Budget Workshop No. 2 – March 25, 2025 – Proposed Budget

SUMMARY

Budget Workshop No. 2, scheduled on March 25, 2025, will review the Fiscal Year (FY) 2026 and FY 2027 Proposed Biennial Budget, including revenues, operating, debt service, and capital expenses. The recommended revisions to the water and wastewater schedule of rates and charges subject to Proposition 218 will also be discussed. Additionally, information will be provided on changes to the proposed budget from the plan presented at Budget Workshop No. 1 on January 28, 2025.

DISCUSSION

Proposed Biennial Budget for FY 2026 & FY 2027

During Budget Workshop No. 1, staff reviewed the budget process, discussed the FY 2024 and FY 2025 adopted budget, and major drivers and themes in development of the FY 2026 and FY 2027 biennial budget. Staff also discussed the District's long-range financial planning efforts. Additionally, staff reviewed the Water and Wastewater systems' budgets and presented 10-year average rate increase forecasts for each system based on the 10-year Capital Improvement Program (CIP). The Board indicated support for average rate increases of 6.5 percent for both years of the Biennial Budget for the Water System, and 8.5 percent for both years for the Wastewater System.

The need for these rate increases is driven by investments in resilient and reliable water and wastewater systems to serve EBMUD communities into the next second century. The 10-year CIP makes significant investments in both renewal and replacement of aging infrastructure as well as investing in new facilities and processes. Additionally, labor costs continue to grow, driven in part by large increases in health insurance premiums.

Cost of Service Study and Rates and Charges Subject to Proposition 218

Attachment 4 is a memo that provides more detail on the 2025 Water System Cost of Service Rate Study and proposed rates and charges subject to Proposition 218. This workshop is the last expected meeting before issuance of the Proposition 218 notice. After review of the Proposition 218 notice by the Board at the March 25, 2025 workshop, notices will begin mailing in early April and be completed by the end of April.

NEXT STEPS

During Budget Workshop No. 2 on March 25, 2025, staff will present the proposed FY 2026 and FY 2027 biennial budget, the 2025 Water System Cost of Service Rate Study, and the proposed rates and charges subject to Proposition 218.

CCC:SDS:SAF

- Attachments:
1. Budget Workshop No. 2 Presentation
 2. Proposed Budget for Fiscal Years 2026 & 2027 – Volume 1
 3. Proposed Budget for Fiscal Years 2026 & 2027 – Volume 2
 4. Memo on the Fiscal Years 2026 & 2027 Recommended Revisions to the Water and Wastewater Systems' Schedule of Rates and Charges Subject to Proposition 218



Fiscal Years 2026 & 2027 Biennial Budget Workshop No. 2

Board of Directors

March 25, 2025

Presenters



Sam Feldman
Manager of Budget



Sophia Skoda
Director of Finance

Agenda

- Follow-Up from Budget Workshop No. 1
- Proposed Budget Overview
 - Water System
 - Wastewater System
- Customer Assistance Program Update
- Water System Cost of Service Study
- Workshop Break
- Proposition 218 Rates and Charges
- Community Outreach & Schedule
- Discussion and Questions

Goals for Budget Workshop No. 2

Seeking Board approval to move forward with the Proposition 218 notice that reflects average rate increases of:

- Water: 6.5% in FY 2026 and 6.5% in FY 2027
- Wastewater: 8.5% in FY 2026 and 8.5% in FY 2027

Proposition 218 notices will also reflect revised rate structures for the Water System based on the 2025 Cost of Service Study.

Follow-Up from Budget Workshop No. 1

Results of Budget Workshop No. 1

- Questions regarding:
 - Education and field-trip programs
 - Workforce development for trades – and a permanent path to employment
 - Capital prioritization and accountability
- Board expressed support for the 10-year financial plan, including:
 - Investing in critical infrastructure
 - Strengthening our financial stability by balancing rates and debt
 - Proceeding with average rate increases of:

	FY 2026	FY 2027
Water	6.5%	6.5%
Wastewater	8.5%	8.5%

Education Program and Part-Time Educators

- Completed 29 field trips in the first year and there is a small waitlist
- Proposed Budget includes two part-time Education and Outreach Specialists
- Hiring these specialists will expand capacity for field trips and educational initiatives
- Title 1 schools get full transportation reimbursement; others get 50%. Funding available in FY 2026 & FY 2027 for increased trips.
- Staff is working on managing practical constraints without increasing demand on department staff



5th Grade Field Trip at San Pablo Reservoir

Workforce Development & Trades



About half of the District's staff are involved in the skilled trades or are superintendents or manager positions that typically promote from trades roles



Existing efforts to train and develop staff for the trades include the Pipeline Training Academy, Heavy Equipment Operator training (starting this summer), and Water and Wastewater operator trainee roles



Employees in trades and non-degree-required roles are eligible for the Peralta Cohort Program, which offers tuition advancement, mentoring and support, work experience credit, leading to up to 24 college credits



Additionally, partnerships with Peralta Colleges Foundation provide pathways to Civil Service status

Pathways to District Civil Service Positions

Peralta Colleges Foundation Internships

Junior Ranger Intern

Web Design/Help Desk Intern

Junior Engineer Intern

Industrial Machining
Maintenance & Mechanic Intern

Electrical and Instrumentation
Technology Intern

Limited Term (LT)/ Part-Time (PT) Positions

LT Ranger/Naturalist

IT Intern

Engineering
Aide

LT Junior
Engineer

LT Technical Trades Apprentice

Community Employment
Trainee

District Civil Service Positions

Ranger/Naturalist

IT Engineer, Software Engineer,
Network Analyst

Junior Engineer

Machining & Maintenance Worker, Plant
Maintenance Mechanic, Meter Mechanic

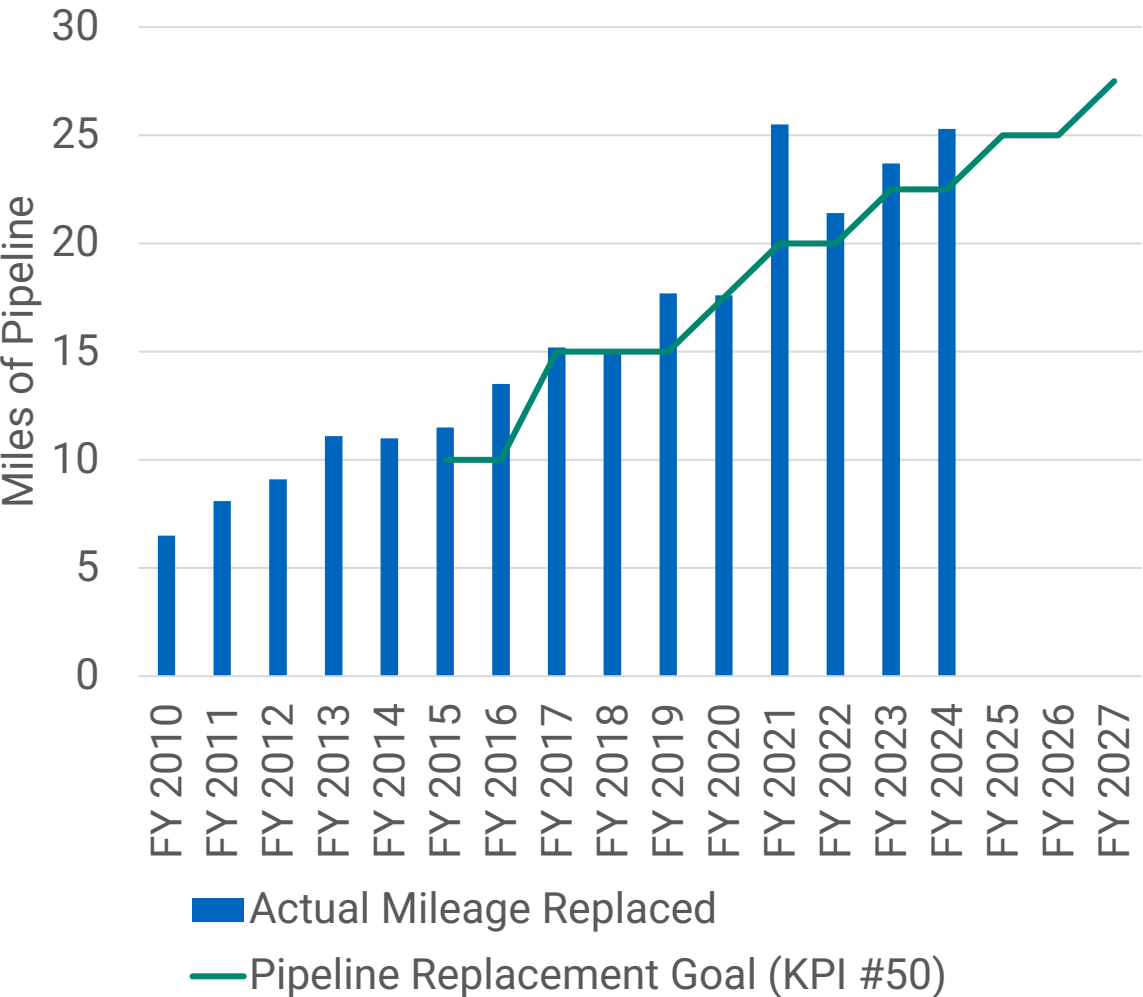
Instrumentation Worker

Construction Trades and
Facilities Positions

Skilled Trades Employee Progression & Support (STEPS) Program

- \$175,000 per year for two years to hire an expert to advise on creating the STEPS program
- Program will focus on skill enhancement to bridge the gap between entry-level and advanced trades positions
- Will incorporate hands-on training, mentorship, and educational opportunities tailored to specific trades
- Aims to contribute to the organization's and employees' growth and successes
- Will address immediate development needs and build a foundation for employee satisfaction and staffing sustainability

Added Positions for Pipeline Replacement

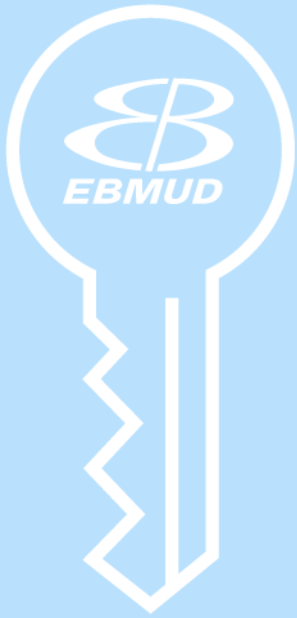


As the Pipeline Replacement Goal increases, some additional staffing is necessary:

- 2 Limited-Term positions to address the backlog of concrete paving orders (FY 2026)
- 2 Limited-Term Utility Laborers to replace contracted support for saw cutting (FY 2027)
- Storekeeper for Oakport to support materials handling for pipeline (FY 2026)*

*This was already included as of the January workshop.





Summary of Additions to the Proposed Budget after Budget Workshop No. 1

FY 2026:

- Added 2 Part-Time Communication Education and Outreach Specialists
- Added \$175,000 for Skilled Trades Employee Progression & Support (STEPS) Program
- Added 2 Limited-Term positions to address the backlog of concrete paving orders

FY 2027:

- Added 2 Limited-Term Utility Laborers to replace contracted support for saw cutting
- Added \$175,000 for Skilled Trades Employee Progression & Support (STEPS) Program

Capital Prioritization & Accountability



Development of CIP Prioritization Framework

- Starting in 2023, staff led an effort to change the way the District approaches the Capital Improvement Program (CIP)
- As part of continuous improvement efforts, we set the goals to:
 - Continue to refine the process of prioritizing the CIP
 - Change the way we manage accountability for project budgets
- All projects are important – and we wanted improved methods to weigh the importance and urgency
- New Prioritization Framework developed by the two Capital Steering Committees (CSCs), and all 400+ projects were scored based on this new framework
- Prioritization scores used to guide the development of the CIP
- Will continue to refine and build on these efforts

Importance Criteria (1-5)

Strategic Plan Goal	Importance Criteria
Long-Term Water Supply	Water Supply Source Reliability
Water Quality and Environmental Protection	Regulatory Compliance Environmental Stewardship Water Quality & Public Health and Safety
Long-Term Infrastructure Investment	Climate Change Adaptability Operational Reliability Maintain Dry Weather Capacity
Long-Term Financial Stability	Life-Cycle Costs & Efficiency
Customer and Community Services	Community Equity District Reputation and Public Perception
Workforce Planning and Development	Employee Health and Safety

Urgency Criteria (0-4) – Both Systems

Score	Existing / Replacement Assets	New Assets
4 Critical	The asset has already failed or is in the process of failing and the function it provides is critical to service provision.	The asset is needed immediately, and any delay will result in consequences.
3 High	The asset has a <i>high</i> probability of failure (greater than 90%) in less than 5 years.	The asset is needed within 5 years. Work to develop the new asset must begin now to avoid related consequences.
2 Moderate	The asset has a <i>moderate</i> probability of failure (greater than 50%) in the next 5 years.	The asset is needed within 10 years. Work to develop the new asset must begin now to avoid related consequences.
1 Low	The asset has a <i>moderate</i> probability of failure in the next 10 years.	The asset is needed in more than 10 years. It is unclear when work to develop the new asset must begin to avoid related consequences.
0 None	The asset has a <i>low</i> probability of failure (less than 50%) in the next 10 years or maintenance is able to keep the asset in working order.	The asset would provide benefits to the District's operations and/or business model, but there is no required need or time constraint related to the asset.

Capital Budget Controls

Project costs can be hard to estimate in advance, but increasing accountability will help keep costs reasonable. Staff is improving accountability through:

- **Consistent Prioritization:** All projects are evaluated by the same group of decision-makers and scored to the same criteria to ensure they are prioritized in a consistent way, even between budget cycles.
- **Enhanced Monitoring:** The Water and Wastewater CSCs will monitor any budget changes in projects and reprioritize or develop cost-control methods.
- **Proactive Budget Management:** Staff will increase early-stage monitoring of project budgets and support project managers in managing their budgets.
- **Emergency Funds:** Transfers to cover unexpected cost increases or emergency project needs will be supported by funds set aside for such situations. When projects come in under budget, the remaining funds will be returned to the Finance Department.

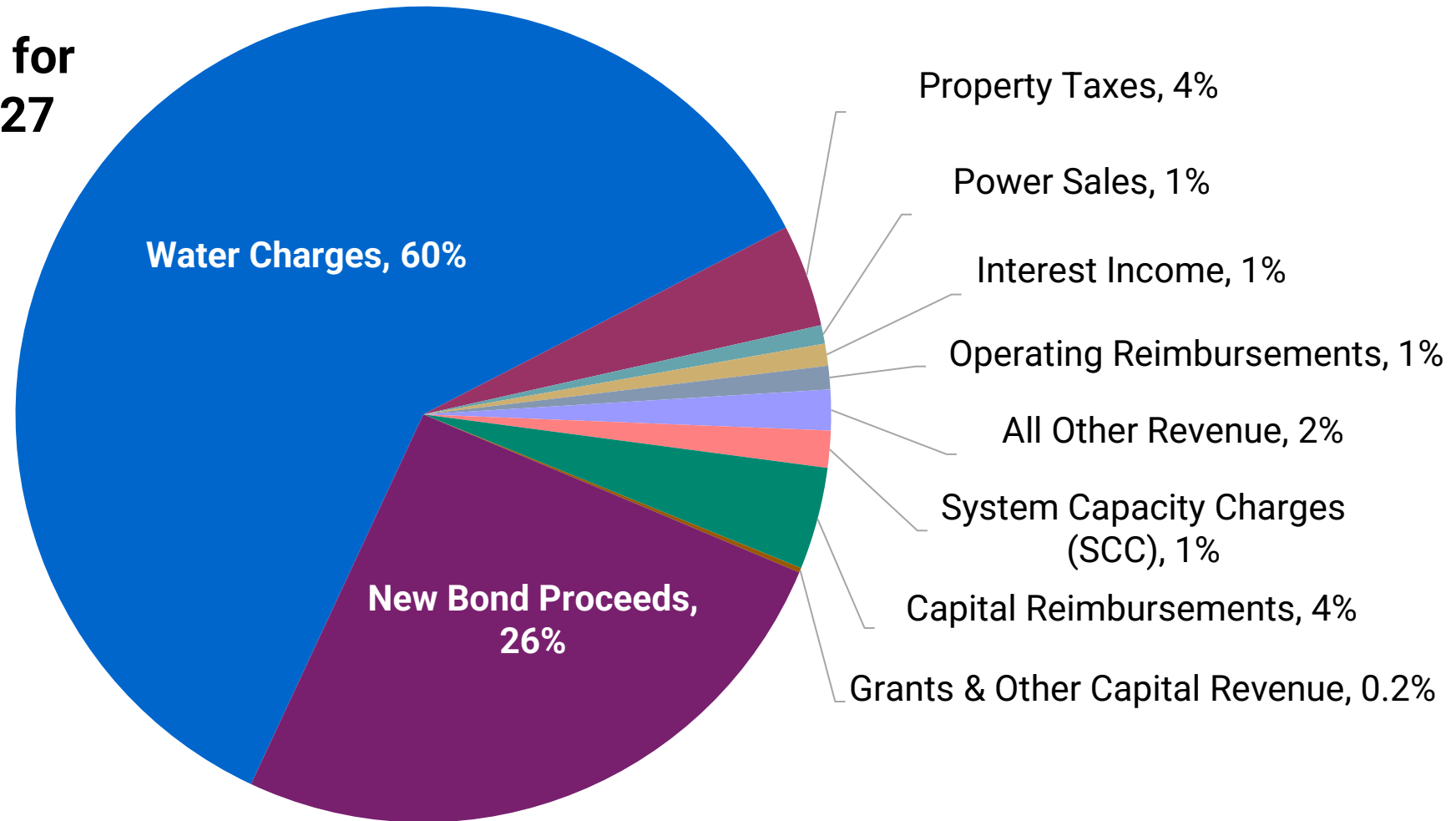
Proposed Budget Overview

Water System – Biennial Budget FY 2026 & FY 2027

- Total Sources of Funds: \$2.7 billion over two years
- Total Operating Costs: \$934.9 million over two years
- Debt Service: \$559.1 million over two years
- Staffing: +10.50 Full-Time Equivalent (FTE)
- Capital: \$1.2 billion over the next 2 years; 10-Year CIP of \$5.6 billion
- Debt: \$700 million in new bonds over the next 2 years
- Proposing average rate increases:
 - FY 2026: 6.5%
 - FY 2027: 6.5%
- Customer bills will additionally reflect 2025 Cost of Service Study results

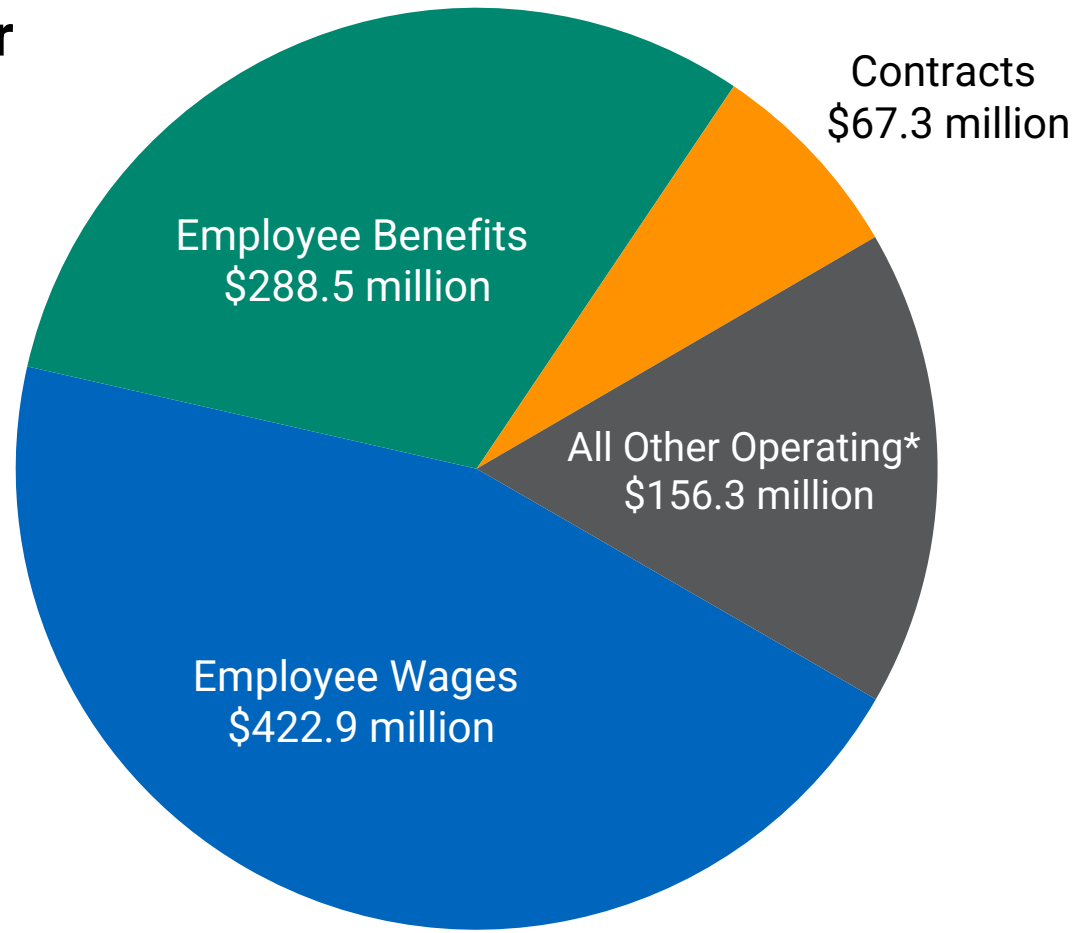
Sources of Funds: \$2.7 billion over two years

Sources of Funds for FY 2026 & FY 2027



Operating Budget: \$934.9 million over two years

Total Operating Costs for FY 2026 & FY 2027



*Includes offsets

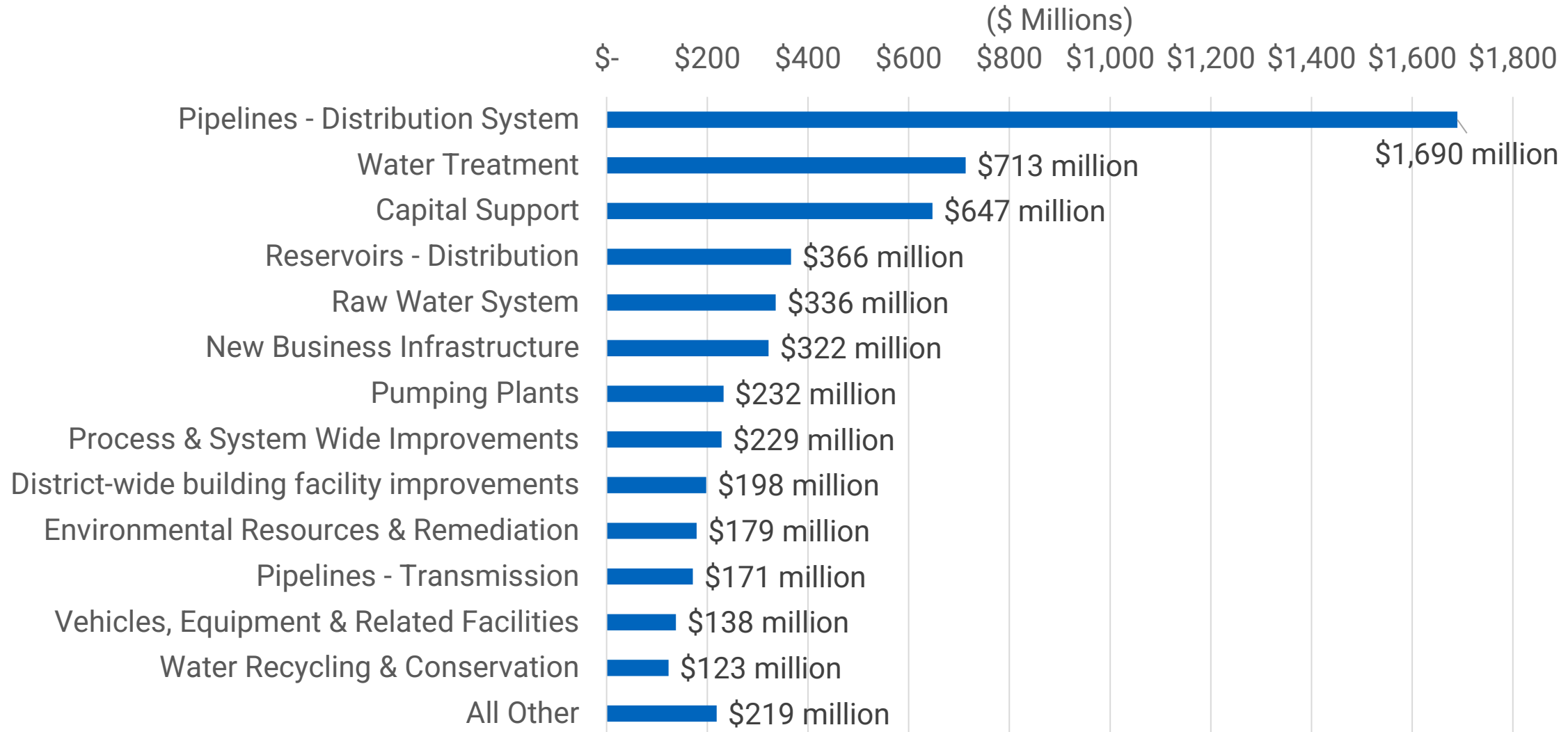
Positions for FY 2026 & FY 2027

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)	1,783.00	1,830.00	1,831.00	1,839.00	1,839.00
Limited-Term / Temp. Construction	53.00	59.00	60.00	66.00	68.00
Intermittent	3.75	3.75	3.75	3.75	3.75
Temporary / Part-Time	30.00	33.00	33.00	27.50	27.50
Total FTE	1,869.75	1,925.75	1,927.75	1,936.25	1,938.25
FTE Change from Previous Fiscal Year		56.00	2.00	8.50	2.00

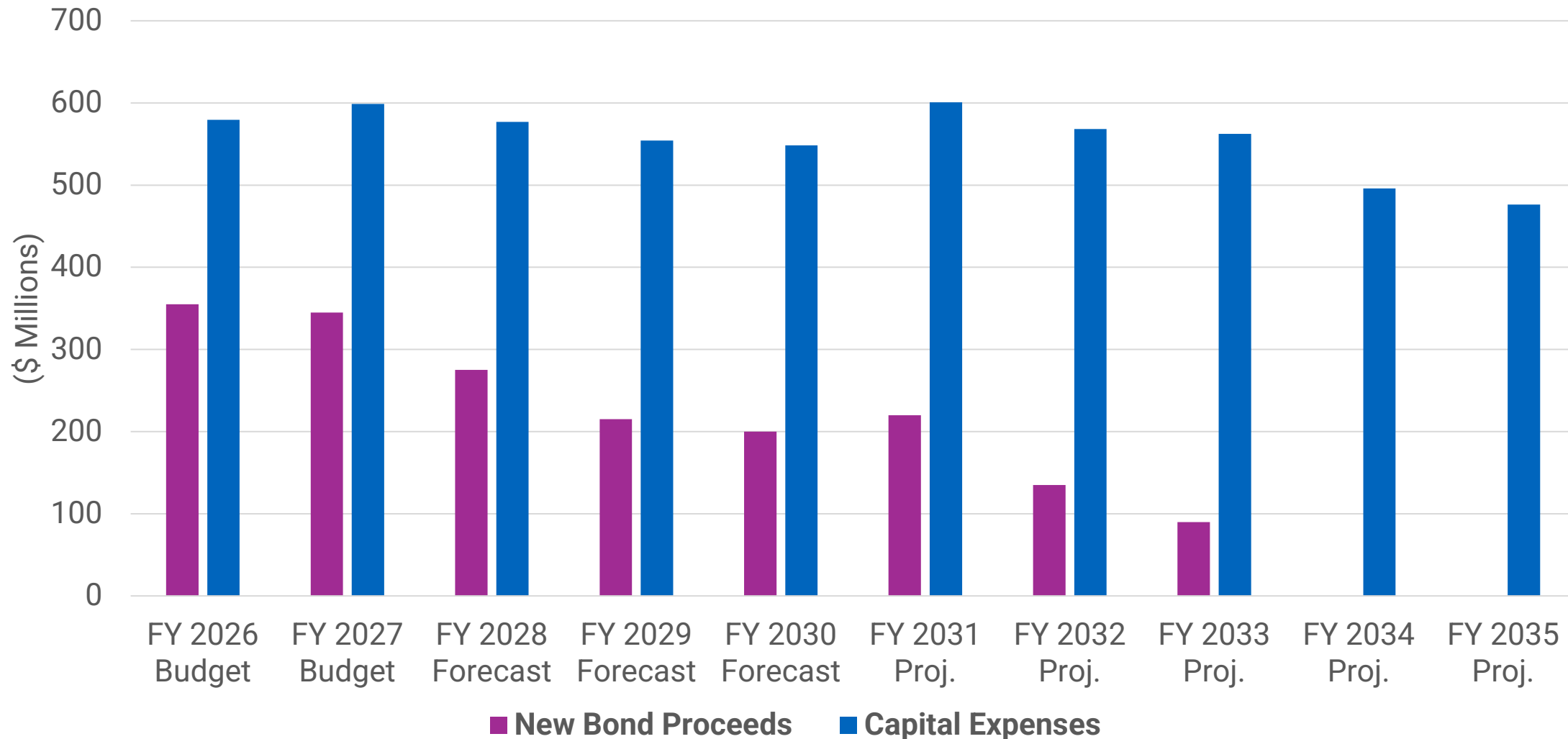
Position Changes for FY 2026 & FY 2027

Type	FTE Change	Summary
Add	+13.00	+2 L/T for Concrete Paving (Paving Crew Foreman, Concrete Finisher I/II) +2 L/T Utility Laborers (in FY 2027) +2 Data Scientists +2 Senior Human Resources Analysts +2 Limited Term (L/T) Ranger/Naturalist I/II +2 Temporary Construction (TC) Information Systems Support Analyst II +2 Part-Time Education and Outreach Specialists (1.00 FTE)
Delete	-5.00	Positions no longer needed
Convert Character	+3.5	Converting several Part-Time (P/T) and L/T Customer Service roles to REG Converting TEMP Storekeeper to REG Converting P/T Ranger/Naturalist I/II to L/T
Extend L/T	--	Extending 12 positions for an additional 2 years
Transfer to Wastewater	-1.00	Transferring a position for Environmental Health and Safety
Total	+10.50	

Capital Budget: \$5.6 billion over 10 years



Debt Issuance for Capital in the 10-Year Plan



Forecast for Annual Average Rate Increases

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Annual Average Rate Increases	6.5%	6.5%	6.5%	6.5%	5%	5%	5%	5%	5%	5%
Proposed Action in June 2025	Adopt*	Adopt*								

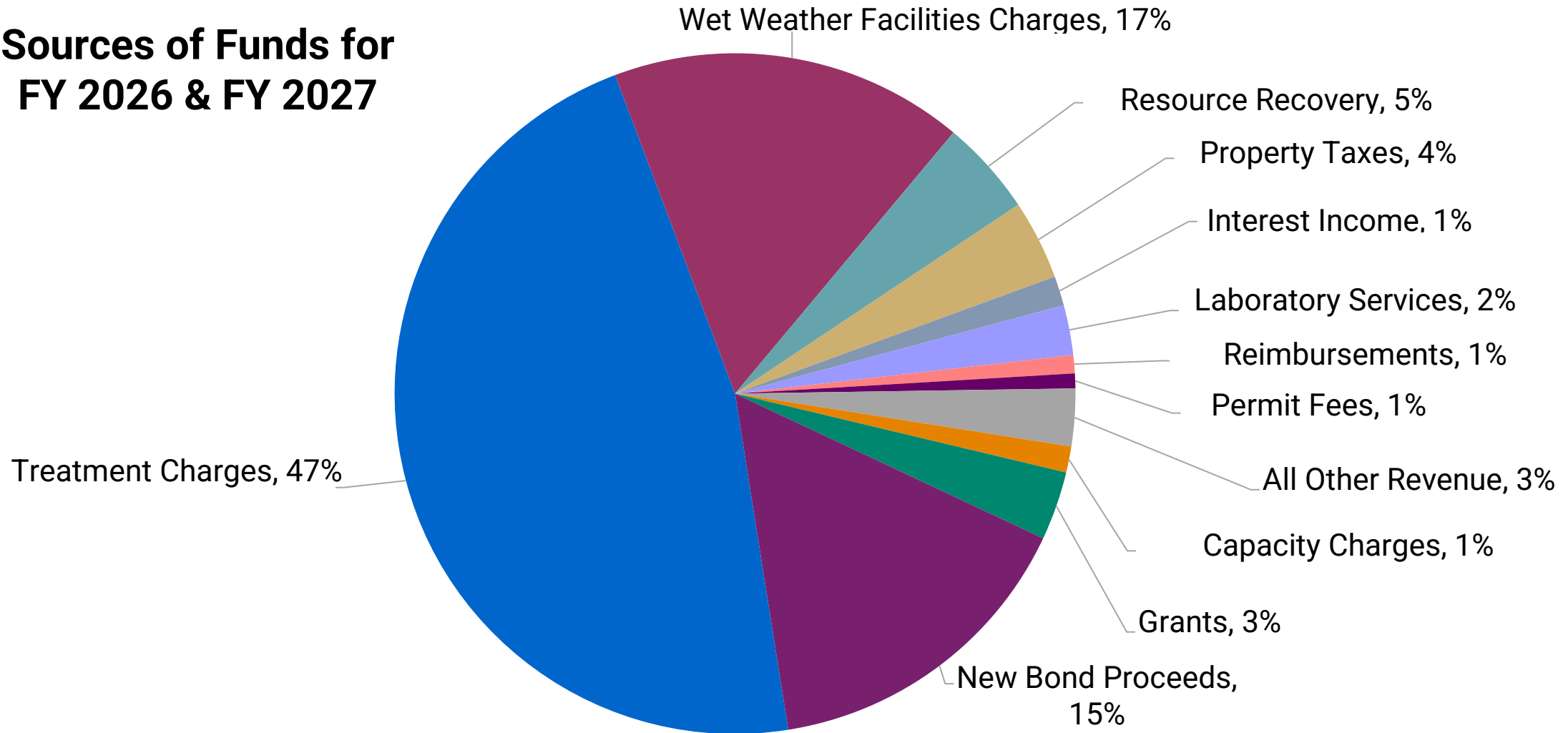
*Subject to Board approval

Wastewater System – Biennial Budget FY 2026 & FY 2027

- Total Sources of Funds: \$483.7 million over two years
- Total Operating Costs: \$242.6 million over two years
- Debt Service: \$73.7 million over two years
- Staffing: +2.00 FTE
- Capital: \$170.8 million over the next 2 years; 10-Year CIP of \$1.2 billion
- Debt: \$75 million in new bonds over the next 2 years
- Proposing average rate increases:
 - FY 2026: 8.5%
 - FY 2027: 8.5%

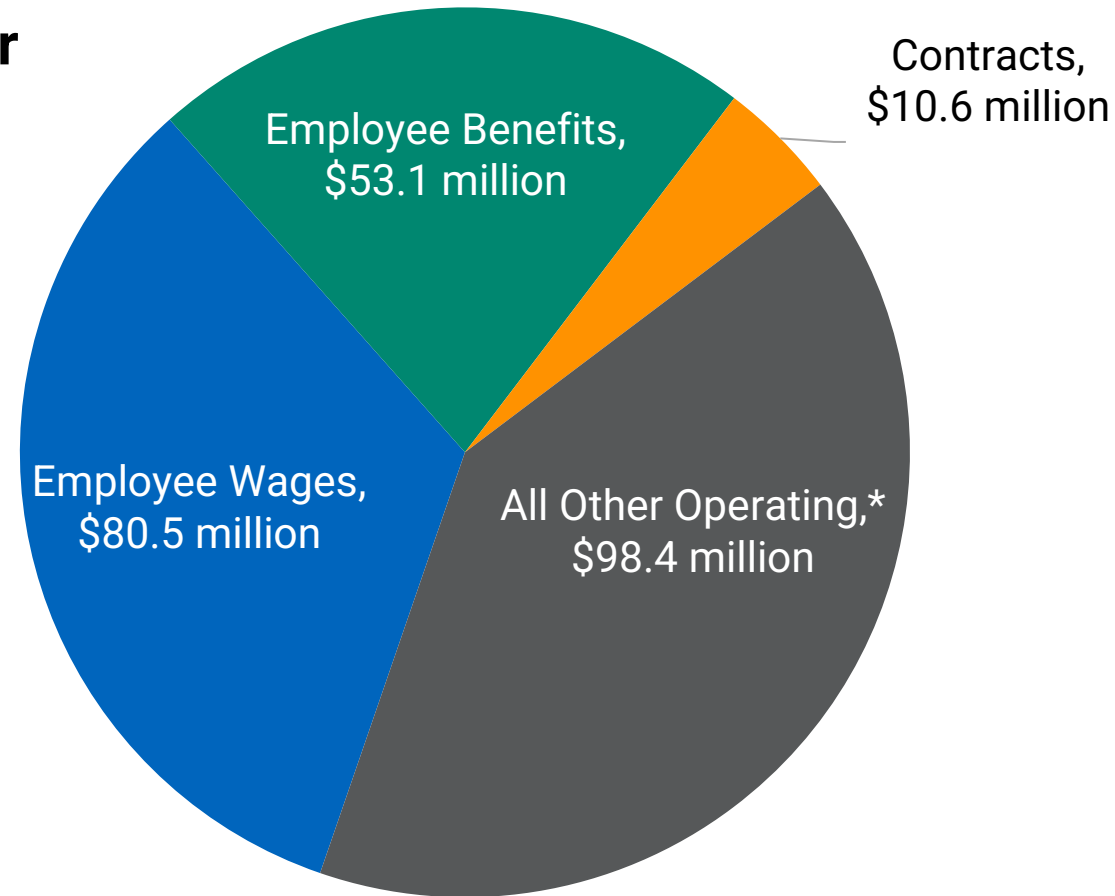
Sources of Funds: \$483.7 million over two years

Sources of Funds for FY 2026 & FY 2027



Operating Budget: \$242.6 million over two years

Total Operating Costs for FY 2026 & FY 2027



*Includes offsets

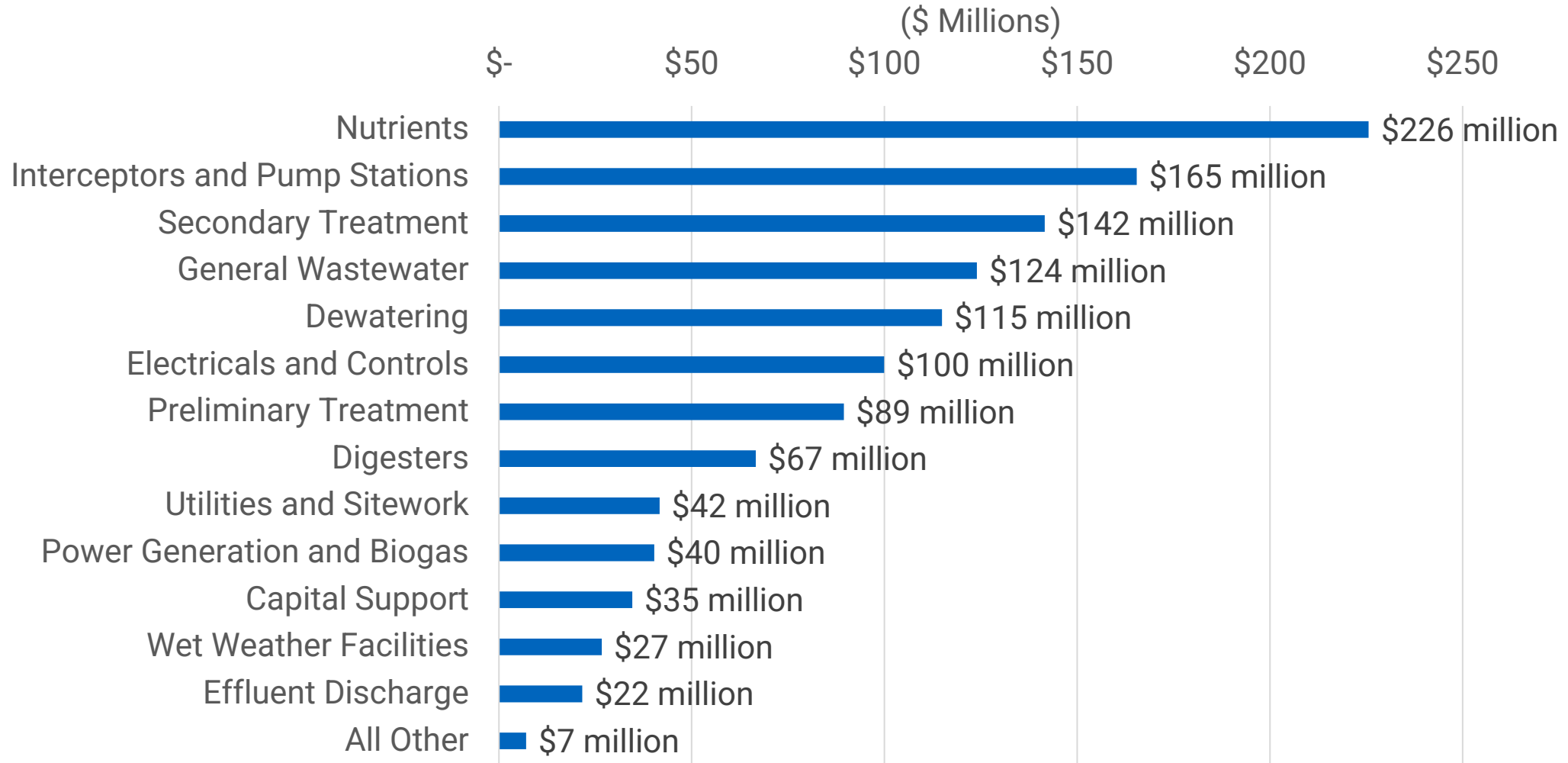
Positions for FY 2026 & FY 2027

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)	286.00	295.00	295.00	300.00	300.00
Limited-Term / Temp. Construction	3.00	8.00	8.00	5.00	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	306.00
FTE Change from Previous Fiscal Year		14.50	-	2.00	-

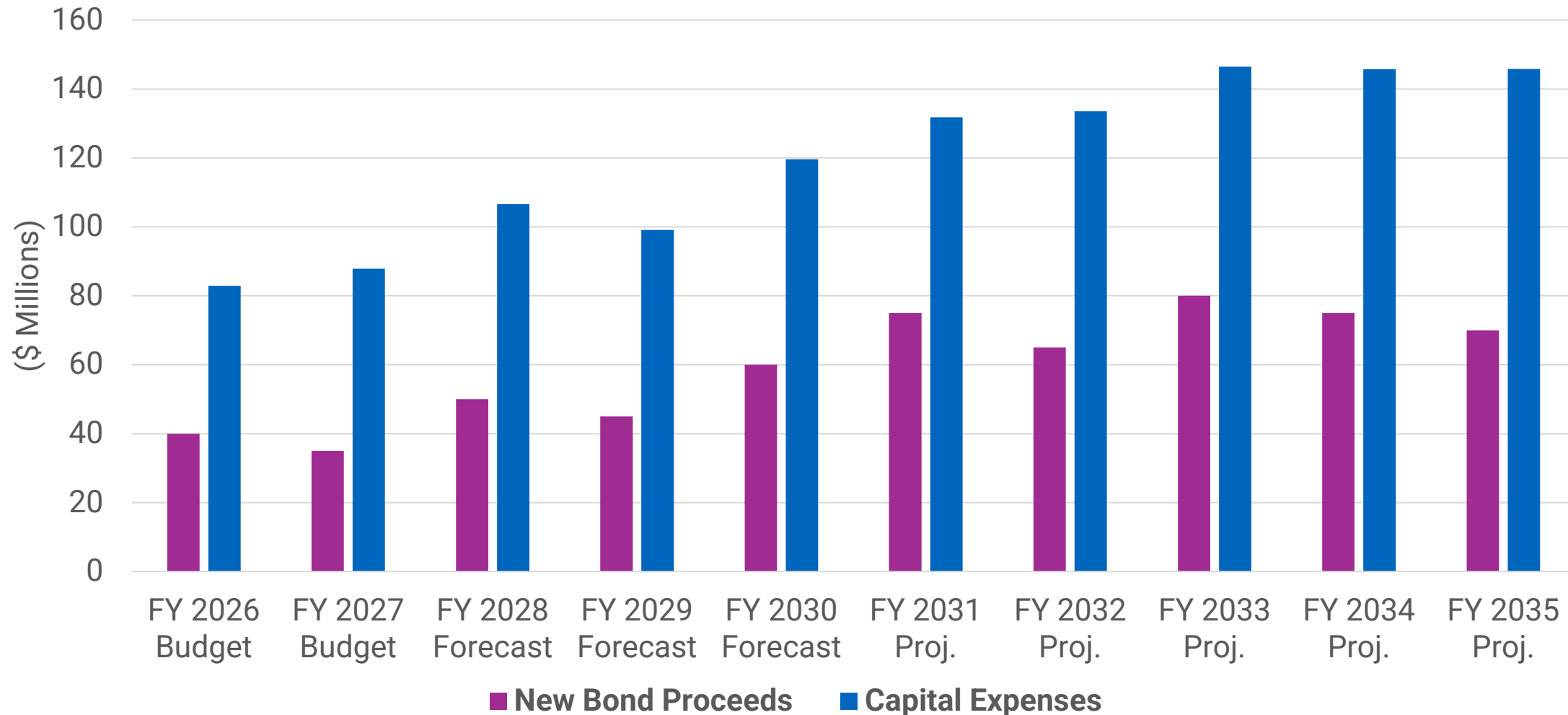
Position Changes for FY 2026 & FY 2027

Type	FTE Change	Summary
Add*	+2.00	+1 REG Electrical Technician +1 L/T Technical Trades Apprentice
Delete	-1.00	Position no longer needed
Convert Character	--	Converting 3 T/C Associate Civil Engineers to REG
Transfer from Water	+1.00	Transferring a position for Environmental Health and Safety
Total	+2.00	

Capital Budget: \$1.2 billion over 10 Years



Debt Issuance for Capital in the 10-Year Plan



Forecast for Annual Average Rate Increases

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Annual Average Rate Increases	8.5%	8.5%	8.0%	8.0%	7.0%	7.0%	6.0%	6.0%	5.0%	5.0%
Proposed Action in June 2025	Adopt*	Adopt*								

*Subject to Board approval

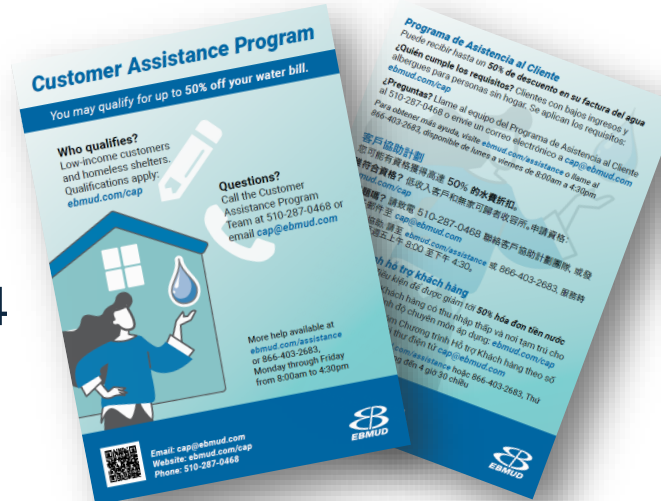
Customer Assistance Program

Customer Assistance Program (CAP)

- Established in 1987 – one of the first programs in the state
- Current enrollment: **10,800** (as of 02/2025)
- Applicants must be a customer and have a water meter
- Provides benefits to residential dwellings and homeless shelters:
 - 50% off water service and flow charges (max of 1,050 gallons/month per person – or about 4.2 Units for a family of three)
 - 35% off wastewater service and flow charges
 - Additional 35% off for cities' sewer collection charges (Oakland, Emeryville and Berkeley)
- Program funded through non-rate revenue
- Credits for Customers: \$3.7 million in FY 2024

Household Size	2024 EBMUD CAP Income Eligibility*	2024 Federal Poverty Guidelines (200%)
1	\$62,300	\$30,120
2	\$62,300	\$40,880
3	\$70,100	\$51,640
4**	\$77,850	\$62,400

*EBMUD uses CA Dept of Housing and Community Development's State Income Limits (Very Low Income) to measure eligibility to be more aligned with local needs.
 **add \$6,250 for each additional household member



ebmud.com/CAP

Water System Cost of Service Study

Water System Cost of Service (COS) Rate Study

- The COS Rate Study is for “Proposition 218 Rates”
 - Schedule A – Rate Schedule for Water Service
 - Service Charge (\$/month, scales by meter size)
 - Volumetric Rates (\$/unit)
 - Elevation Surcharge (\$/unit)
 - Recycled Water Rate (\$/unit)
 - Private Fire Service Charge (\$/month, scales by meter size)
 - Schedule L – Drought Surcharge
 - Maximum surcharge on volumetric rates at different stages of drought
- District engaged an independent rate consultant in January 2024 to conduct the COS Rate Study

Proposition 218 – Requirements

- Substantive Requirements include but not limited to:
 - Revenues cannot exceed cost of service
 - Revenues can only be used for providing service
 - Rates must be proportional to cost of service
- Procedural Requirements include but not limited to:
 - Public notice and hearing
 - Protest process

Water System Cost of Service Rate Study

- Through the COS Rate Study, the independent rate consultant and District staff conducted an analysis of costs, non-rate revenues, and customer consumption patterns.
- Results of the COS Rate Study include:
 - Decreased Service Charge
 - Increased Volumetric Rates
- Water rates presented in the draft Proposition 218 notice represent COS Rate Study results and average 6.5% increases in FY 2026 and FY 2027

Proposed Drought Surcharges

- The District has had drought surcharges in place since 2015
- 2025 COS Rate Study supports drought surcharges for the four stages of drought based on estimates for water purchases, increased operational costs, and revenue loss due to decreased water sales
- After 2020 – 2022 drought, District staff recommended evaluating a Stage 1 drought surcharge as part of COS Rate Study

Drought Surcharges		
Drought Stage	Current	Proposed
Stage 1	0%	5%
Stage 2	8%	10%
Stage 3	20%	20%
Stage 4	30%	30%

Assembly Bill (AB) 2257 Process

- Allows for “exhaustion of administrative remedies process”
- Directions for process appear in Proposition 218 notice
- Individuals may file both a Prop. 218 protest and an AB 2257 objection

Public Hearing, Protest and Objection Procedures

On Tuesday, June 10, 2025, at the regular Board meeting that begins at 1:15 p.m., the Board of Directors will hold a public hearing on the proposed changes to the water and wastewater rates in the EBMUD Boardroom, 375 11th Street, Oakland, California, 94607-4240. EBMUD board meetings are livestreamed on EBMUD’s website at ebmud.com/boardmeetings. A link for virtual participation in board meetings is made available 72 hours prior to regular board meetings on the same webpage.

Public Comment and Participation:

The EBMUD Board of Directors will hear oral comments and consider all Protests, Objections and staff responses to Objections at the public hearing. Oral comments at the public hearing will be recorded in the public record of the hearing but will not be counted as a Protest or Objection. Only written protests and written objections will be counted as formal Protests under Proposition 218. At the conclusion of the public hearing, the Board will consider adopting the proposed water and wastewater rates described in this notice. The Board may impose the proposed rates if timely written Protests are not submitted by property owners or customers of record on behalf of a majority of the parcels affected by the proposed changes.

Protest Procedure (Cal. Const., art. XIII D, § 6(a)):

The owner of record of any parcel upon which the water and wastewater rates are proposed for imposition, or a customer of record who is not the property owner (e.g., a tenant), may submit a written Protest to one or more proposed rate changes (“Protest”); however, only one Protest will be counted per identified parcel. Any Protest must:

- (1) state the specific rate change for which the Protest is being submitted;
- (2) provide the location of the identified parcel (by customer account number, street address, or assessor’s parcel number); and (3) include the name and signature of the party submitting the Protest.

If a party is protesting one or more proposed rate changes, the party should identify the rate or rates that is being protested. **All Protests must be received by EBMUD prior to the conclusion of the public comment portion of the public hearing.**

Protests must be mailed to EBMUD, ATTN: Director of Finance, MS 218, PO Box 24055, Oakland, CA 94623-1055 or delivered in person at 375 11th Street, Oakland, CA, 94607-4240. Protests submitted by email, fax, or other means will not be accepted as a Protest.

Separate Exhaustion of Administrative Remedies Procedure (Gov. Code § 53759.1):

The owner of record of any parcel upon which the water and wastewater rates are proposed for imposition, or a customer of record who is not the property owner (e.g., a tenant), may submit a written objection (“Objection”) to the District. Any Objection must:

- (1) state the specific rate change for which the Objection is being submitted;
- (2) provide the location of the identified parcel (by customer account number, street address, or assessor’s parcel number); (3) include the name and signature of the party submitting the Objection; (4) indicate the submission is an Objection; and (5) specify the grounds for alleging the District’s noncompliance with Proposition 218. Please note the specified grounds must be sufficiently detailed to allow the District to determine whether alterations to the proposed rate changes are needed. By way of example, an Objection stating a proposed rate change violates Proposition 218, without providing detail explaining the basis for this claim, is insufficient.

Objections must be received by 11:59 p.m. on Monday, June 2, 2025. Failure to timely submit an Objection will bar any right to challenge the fee or charge through a legal proceeding. All timely Objections received will also be counted as a Protest. Any Objection received after 11:59 p.m. on Monday, June 2, 2025 and before the close of the public comment portion of the public hearing will only be considered and counted as a Protest.

Objections must be mailed to EBMUD, ATTN: Director of Finance, MS 218, PO Box 24055, Oakland, CA 94623-1055 or delivered in person at 375 11th Street, Oakland, CA, 94607-4240. Objections submitted by email, fax, or other means will not be accepted as an Objection.

AB 2257 Objection Requirements

- Written Objections must:
 - State the specific rate change for which the Objection is being submitted.
 - Provide the location of the identified parcel, by customer account number, street address, or assessor's parcel number.
 - Include the name and signature of the party submitting the Objection.
 - Indicate that the submission is an Objection.
 - Specify the grounds for alleging the District's non-compliance with Proposition 218. Please note the specified grounds must be sufficiently detailed to allow the District to determine whether alterations to the proposed rate changes are needed.
- Objections must be received by 11:59 p.m. on Monday, June 2, 2025.

Recommended Rates & Charges

Rates Fund Investments in Critical Services

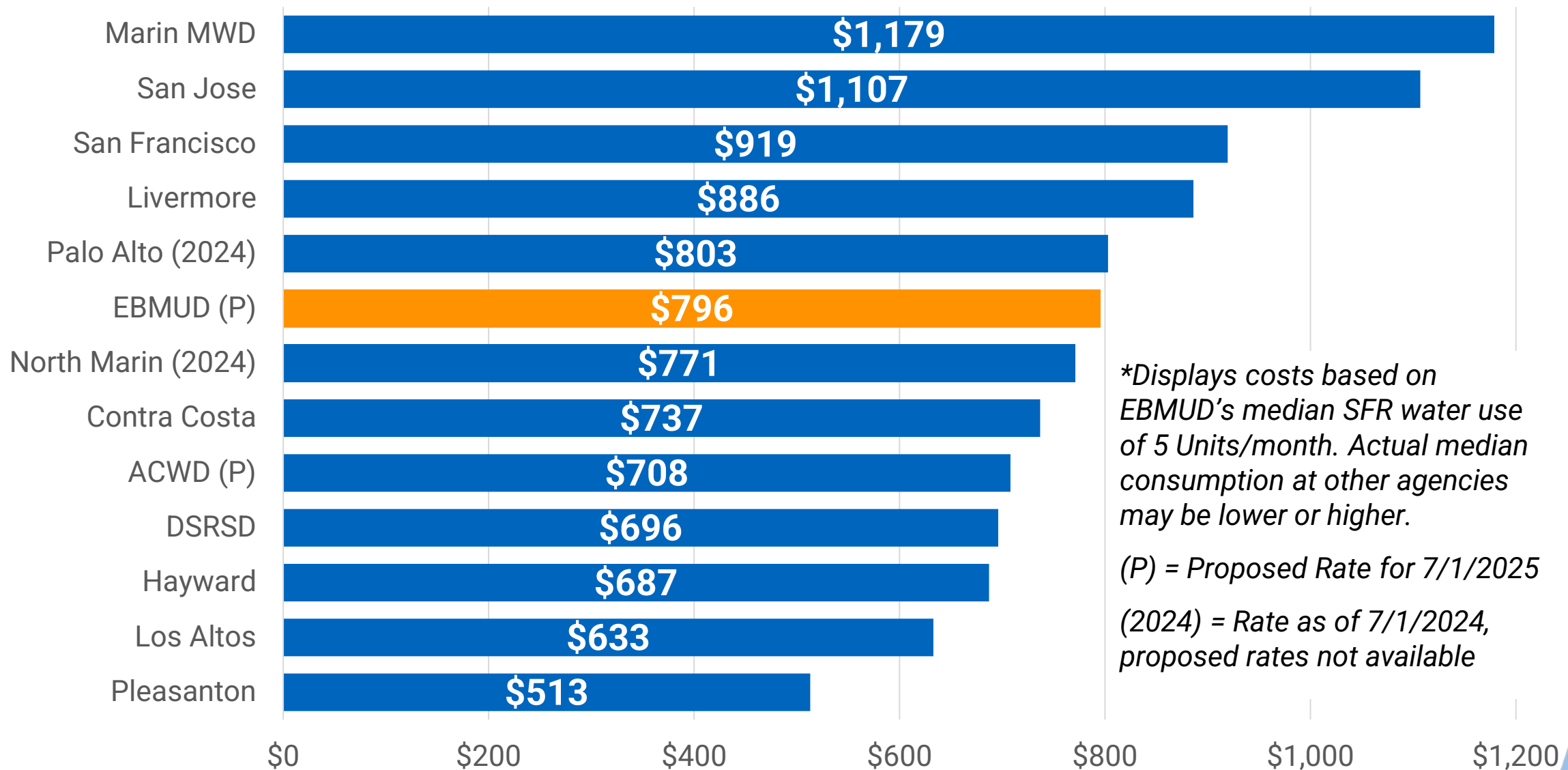
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
	Actuals		Proposed Budget		Forecast		
Water System							
Water Sales (MGD)	136.4	143.2	143.9	144.6	145.3	146.1	146.8
Average Rate Increase*	8.5%	8.5%	6.5%	6.5%	6.5%	6.5%	6.0%
Typical Monthly Single-Family Residential Bill** (based on 5 Units)	\$57.65	\$62.53	\$66.30	\$70.60	\$75.19	\$80.08	\$84.88
Wastewater System							
Average Rate Increase*	8.5%	8.5%	8.5%	8.5%	8.0%	8.0%	7.0%
Typical Monthly Single-Family Residential Bill** (based on 4 Units)	\$23.88	\$25.88	\$28.05	\$30.40	\$32.82	\$35.43	\$37.89

*Based on the average increase for all customers.

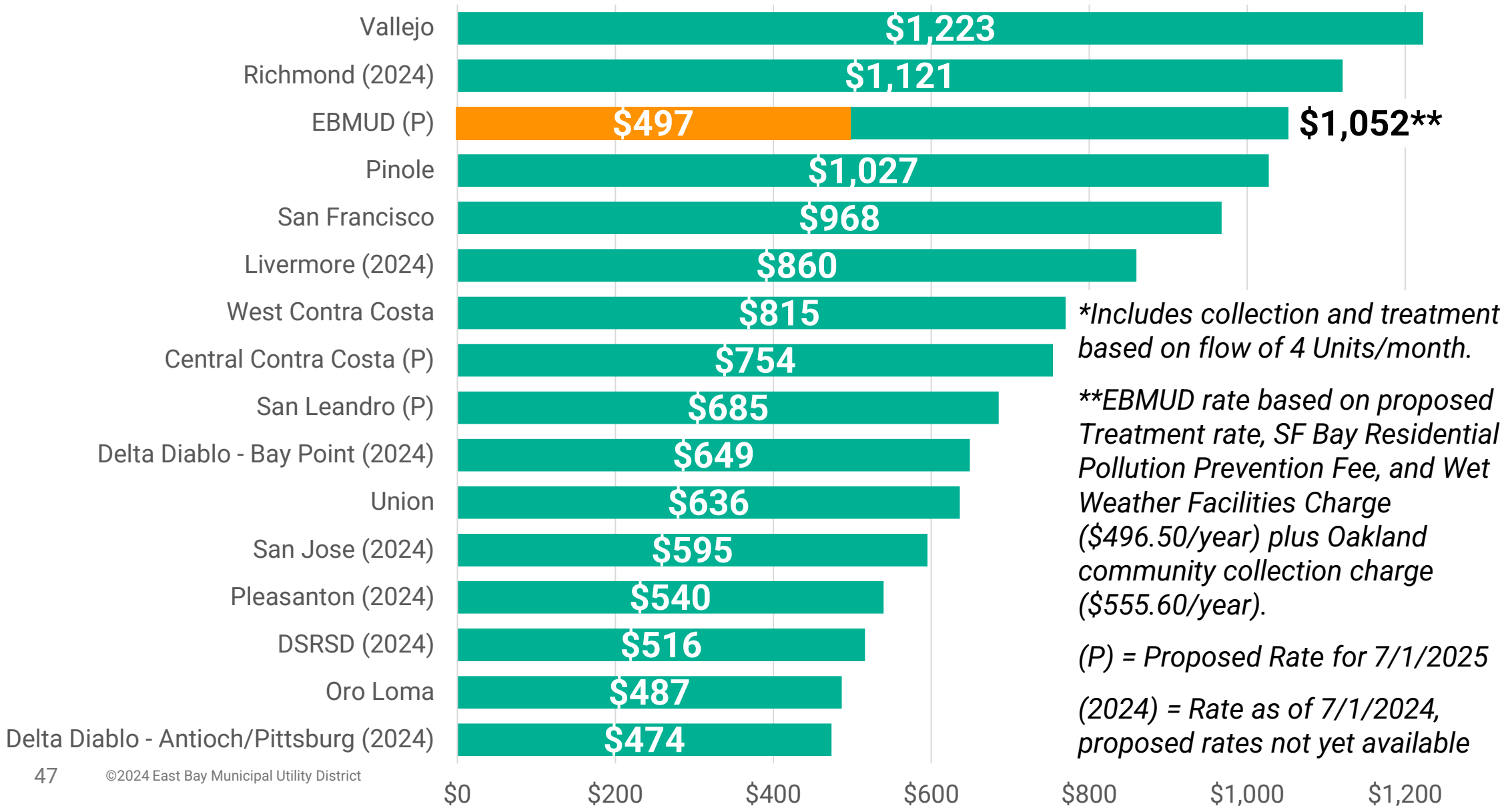
**Typical customer is the median – half of Single-Family Residential customers pay less, and half pay more.

MGD = Million Gallons per Day. 1 Unit = 1 centum cubic feet (CCF), or about 748 gallons.

Annual Water Charges* for Single-Family Residential



Annual Wastewater Bill* for Single-Family Residential



Example Single-Family Residential Monthly Bill Impacts

	Use*	FY 2025	FY 2026			FY 2027		
		Bill	Bill	\$ Change	% Change	Bill	\$ Change	% Change
25 th Percentile	3 (74 GPD)	\$ 51.71	\$ 50.52	\$ -1.19	-2.3%	\$ 53.80	\$ 3.28	6.49%
Typical Customer** (50th Percentile)	5 (123 GPD)	\$ 62.53	\$ 66.30	\$ 3.77	6.0%	\$ 70.60	\$ 4.30	6.50%
75 th Percentile	9 (221 GPD)	\$ 88.23	\$ 100.38	\$ 12.15	13.8%	\$ 106.88	\$ 6.50	6.50%
95 th Percentile	19 (467 GPD)	\$ 169.80	\$ 196.80	\$ 27.00	15.9%	\$ 209.53	\$ 12.73	6.50%
Mean Single Family Residential Use***	7 (172 GPD)	\$ 73.35	\$ 82.08	\$ 8.73	11.9%	\$ 87.40	\$ 5.32	6.50%

*Use presented in Gallons Per Day (GPD) and Units or CCF per month; one CCF 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.

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

	Meter Size	Use*	FY 2025	FY 2026			FY 2027		
			Bill	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%	\$ 4661.06	\$ 282.69	6.5%

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

Proposed Elevation Surcharge (\$/Unit)

Elevation Zone 1	Elevation Zone 2 (>200 feet)			Elevation Zone 3 (>600 feet)		
No Change	Current	FY 2026	FY 2027	Current	FY 2026	FY 2027
\$0	\$1.10	\$1.25	\$1.33	\$2.27	\$2.67	\$2.84

Proposed Recycled Water Rate (\$/Unit)

Current	FY 2026	FY 2027
\$5.93	\$6.37	\$6.78



Recycled Water is important for water supply

Example Monthly Wastewater Treatment Charges

	Use*	FY 2025	FY 2026			FY 2027		
		Bill	Bill	\$ Change	% Change	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 or CCF per month. One CCF is about 748 gallons.

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

***Calculated using the combined strength and flow charge for “All Other Business Classifications”

****Calculated using the combined strength and flow charge for BCC 2080 “Beverage Manufacturing & Bottling”

Proposed Annual Wet Weather Facilities Charge on Property Tax Bill

	FY 2025	FY 2026			FY 2027		
	Charge	Charge	\$ Change	% Change	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%

The Wet Weather Facilities Charge (WWFC) is billed on property tax bills. For properties that do not receive a property tax bill, the WWFC charge is billed directly to the property owner. The WWFC funds capital expenses for the facilities required to handle the wet weather flows that enter the District's wastewater system through the local collection systems and sewer connections.

Community Outreach & Schedule

Community Engagement

Budget and Rates Roadshow (March – June 2025)

- Alameda and Contra Costa Mayors Conferences
- Community and Civic Group presentations
- Internal: Unions and staff communications

Community & City Newsletters (March – June 2025)



Proposition 218 Notice Mailing (March – April 2025)

Media Engagement (May – June 2025)

- Press releases & interviews

Additional Outreach

- Update ebmud.com/rates
- Water Wednesday Webinar
- Videos and social media

Next Steps & Schedule

	Milestone	Date(s)
<input checked="" type="checkbox"/>	Board Workshops on Climate Action Plan, Recycled Water, COS, Strategic Plan & KPIs	January – September 2024
<input checked="" type="checkbox"/>	Infrastructure Workshop	November 26, 2024
<input checked="" type="checkbox"/>	Board Workshop #1	January 28, 2025
<input type="checkbox"/>	Board Workshop #2 & Proposition 218 Rates	March 25, 2025
<input type="checkbox"/>	Board Workshop #3 (if needed)	April 8, 2025
<input type="checkbox"/>	GM Report on Rates & Charges	May 13, 2025
<input type="checkbox"/>	Public Hearing on Proposition 218 Rates Board Considers Adopting Budget & Rates	June 10, 2025

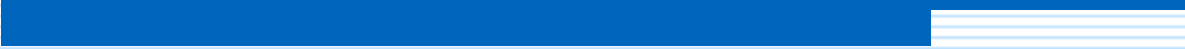
Board and Public Comments



Flowing
into the
Future

Proposed Biennial Budget

Fiscal Years 2026 & 2027



Volume 1:
*Overview
Water System
Wastewater System*

*East Bay Municipal Utility District
Oakland, California*

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

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

Volume 2: Capital Award Summaries

**Presented to the Board of Directors
March 25, 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

Table of Contents

General Manager's Message	5
Chapter 1: Introduction	15
District Overview.....	15
Community.....	17
Water and Wastewater Systems	19
District Organization	22
Strategic Plan.....	27
Chapter 2: Finance & Budget Overview.....	31
Financial Organization	31
Budget Process.....	36
Chapter 3: Budget Summary.....	43
Budget Appropriations.....	43
Operations.....	45
Debt Service.....	46
Capital Improvement Program	47
Staffing.....	49
Sources of Funds.....	52
Fund Summaries.....	54
Chapter 4: Water System.....	57
Overview	57
Sources of Funds	59
Use of Funds	64
Water System Departments.....	69
Staffing.....	104
Debt Service and Financing	106
Capital Improvement Program	112
Ten-Year Financial Plan	125

East Bay Municipal Utility District
Table of Contents

Chapter 5: Wastewater System.....	133
Overview.....	133
Sources of Funds.....	135
Use of Funds	139
Staffed Department Operations.....	142
Staffing.....	146
Debt Service and Financing	148
Capital Improvement Program	152
Ten-Year Financial Plan	157
Appendix.....	163
Index of Tables and Charts	163
Index of Photos.....	167
Memberships	169
Sponsorships	175
Glossary.....	181

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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.

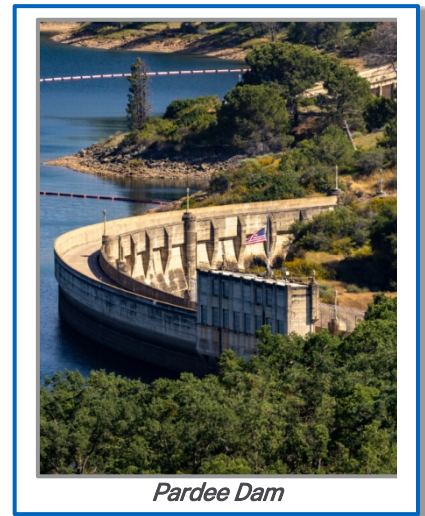
EBMUD is dedicated to fulfilling its mission while maintaining reasonable rates. We prioritize efficiency and innovation, and adopt a strategic, long-term perspective on our systems and finances to effectively serve current customers and future generations.

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 proposed average rate increases, pending Board approval, in FY 2026, the typical customer will see monthly increases of \$3.79 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 \$4.31 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,



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 Proposed 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*/**	\$3.79	\$4.31	\$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.

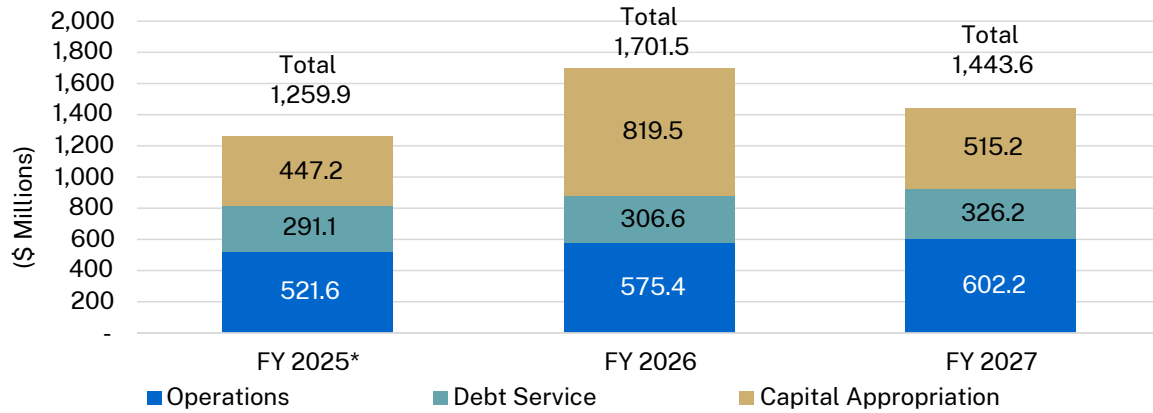
The development of this biennial budget and the 10-year CIP was guided by our Strategic Plan. Our main budget priorities are to continue investments in and maintenance of aging infrastructure and provide for long-term financial stability. The budget was developed after determining the highest-priority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

Samuel Feldman, Manager of Budget
Bernadette de Leon, Principal Management Analyst (Staffing and Operating)
Nathan Hood, Principal Management Analyst (Capital)
Stacey Johnson, Management Analyst II
Jenny Tam, Management Analyst II
Theresa Won, Management Analyst II

Finance Department

Sophia Skoda, Director of Finance
Robert Hannay, Treasury Manager
Phoebe Grow, Principal Management Analyst (Rates and Charges)

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 proposed 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.

Proposed 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 proposed 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.

Proposed 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”).

Proposed 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.

Proposed 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.

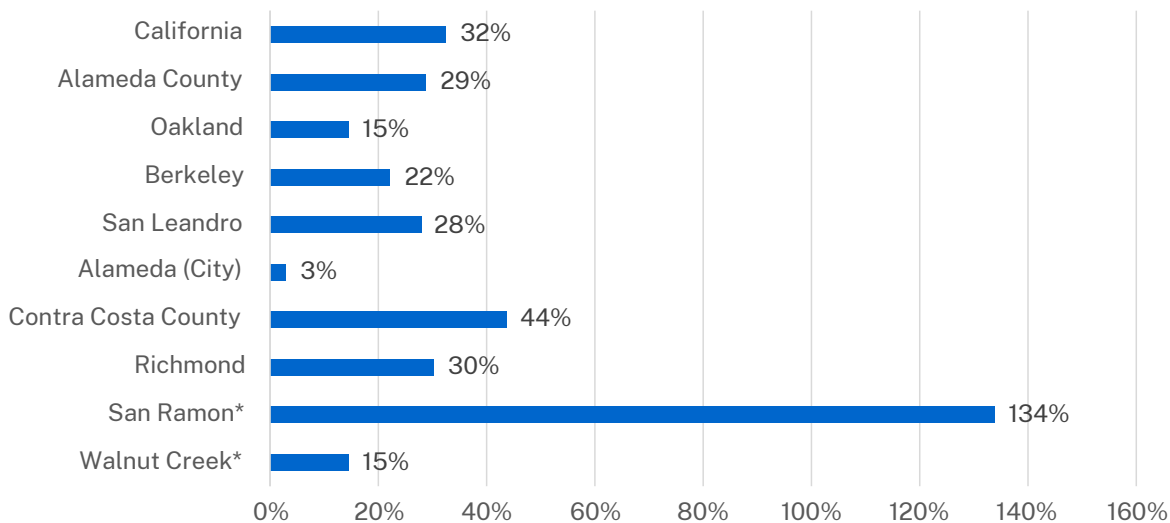
Population Statistics for Counties and Major Cities in the District's Service Area

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

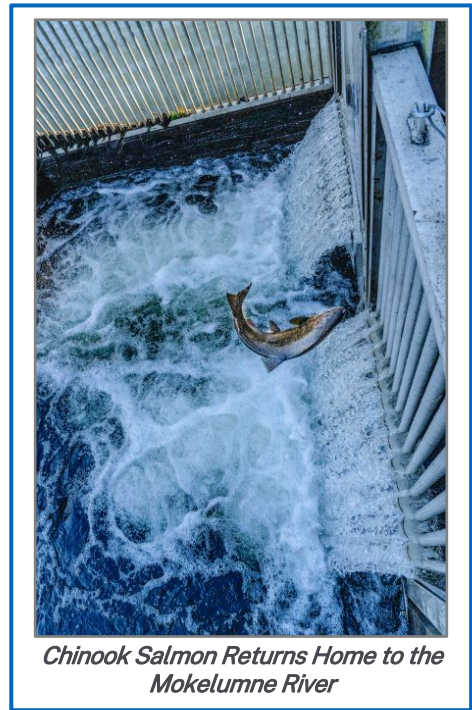
WATER SUPPLY

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.

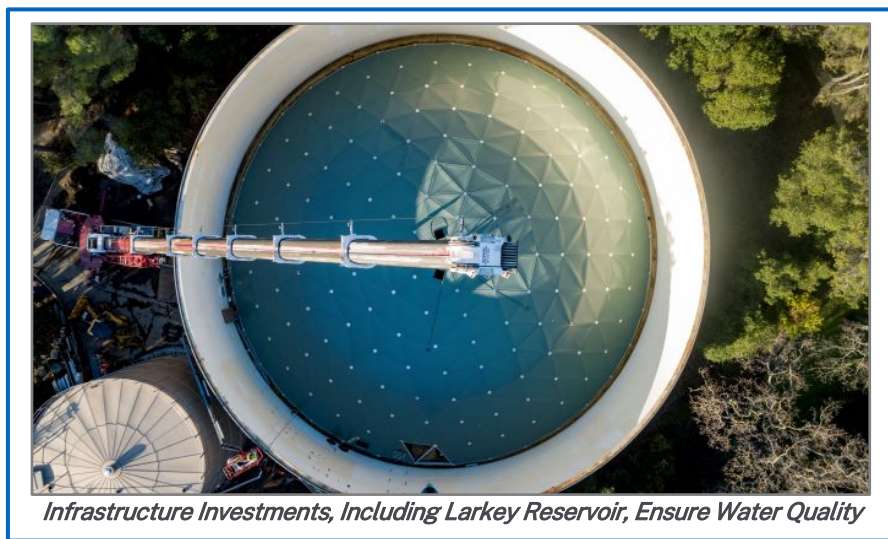
One of the most important factors in water quality is the source. Ninety percent of the District's water comes from the 578-square mile watershed of the Mokelumne River located on the western slope of the Sierra Nevada. This area is mostly national forest, District-owned lands, and other undeveloped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

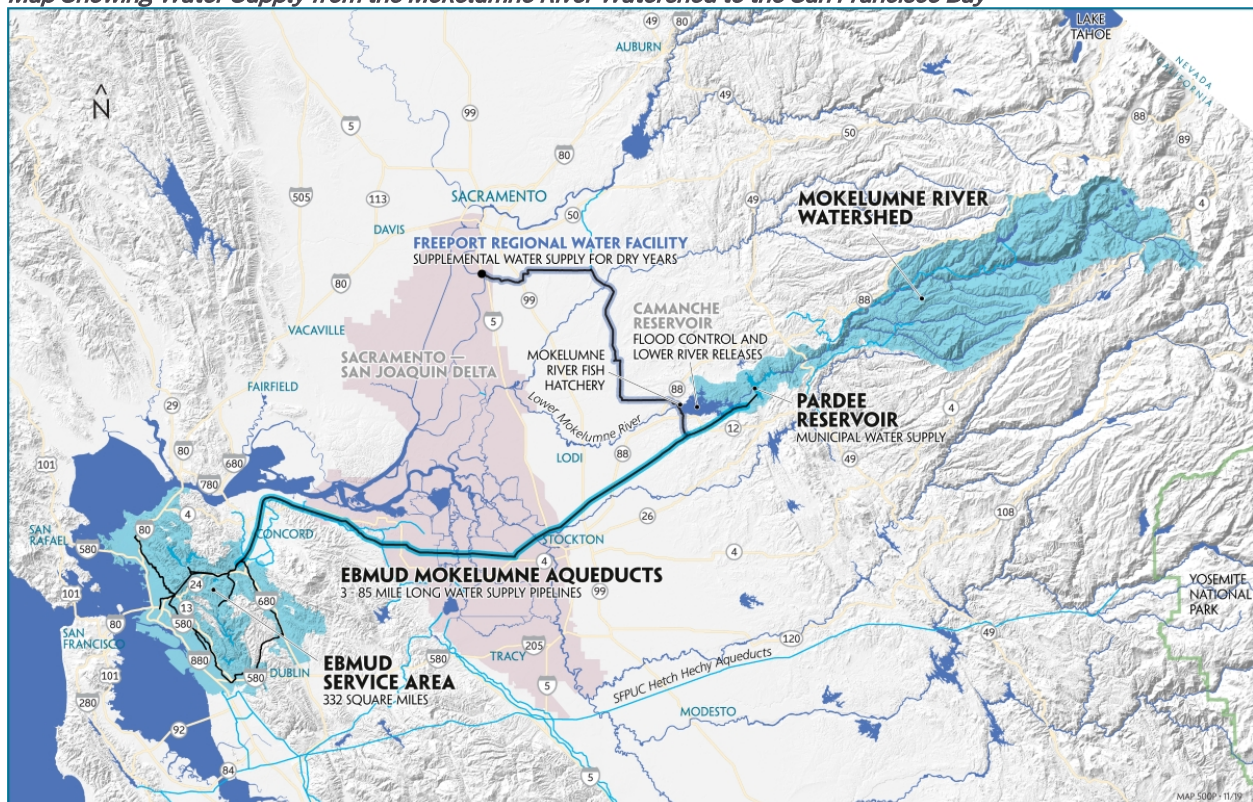
Every five years, the District updates its Urban Water Management Plan to ensure a reliable water supply for the next generation. Plan elements include making the best use of limited supplies through water conservation and recycling and developing long-term projects to augment the water supply, including 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

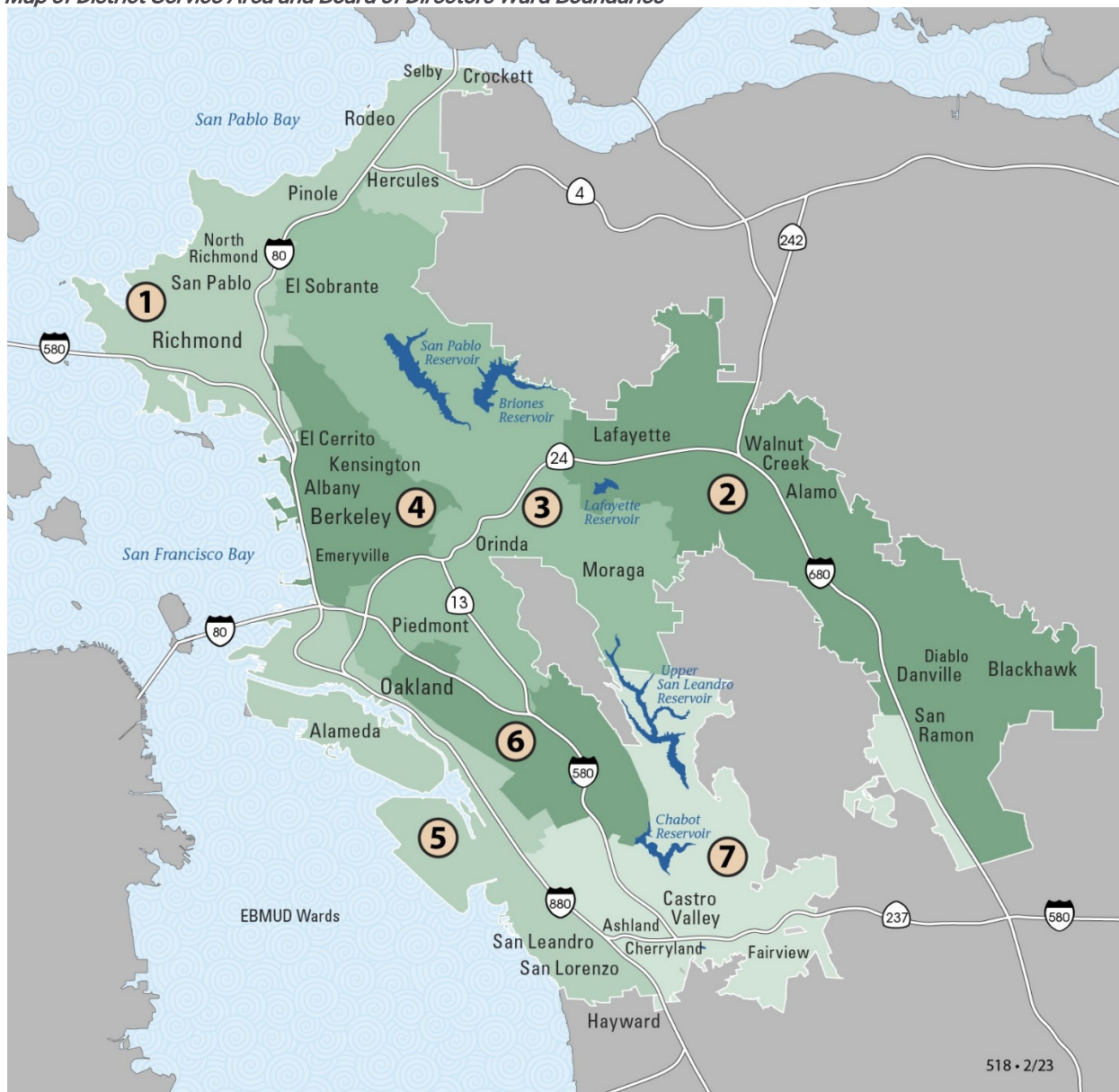
District Organization

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	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: Cities of Alameda and San Lorenzo; the West Oakland and Oakland Airport areas; and a portion of San Leandro.		
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, Vice President	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: Portion of San Ramon.		

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

SENIOR MANAGEMENT

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

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

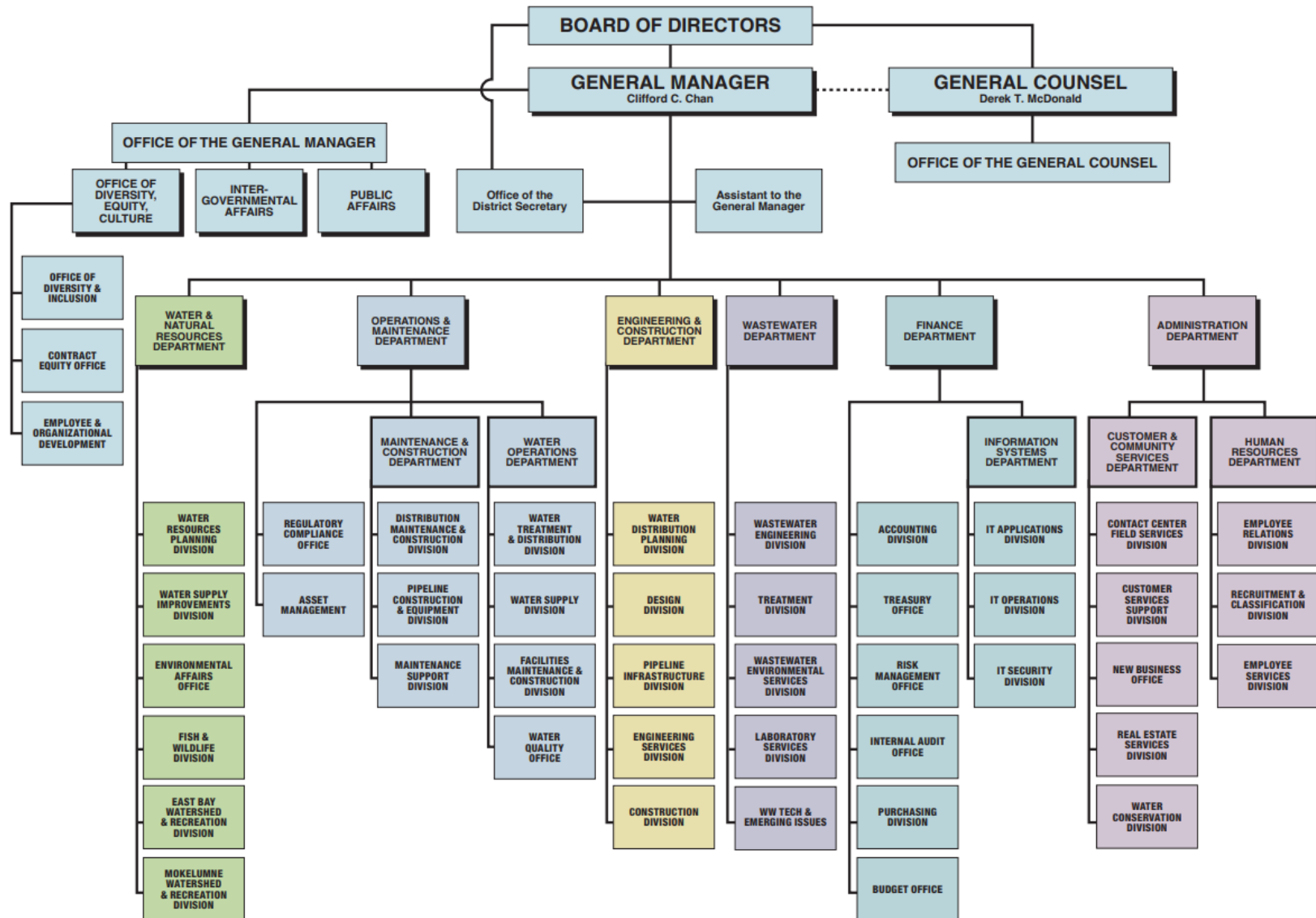
The Senior Management Team members are listed below.

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	Special Assistant to the GM – Diversity, Equity, and Culture
Amit Mutsuddy	Director of Wastewater
Sophia Skoda	Director of Finance
Serge Terentieff	Director of Engineering and Construction
Michael Tognolini	Director of Water and Natural Resources
Kathy Viatella	Special Assistant to the GM – Legislative Affairs
Crystal Yezman	Manager of Maintenance and Construction
Kelly Zito	Special Assistant to the GM – Communications

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

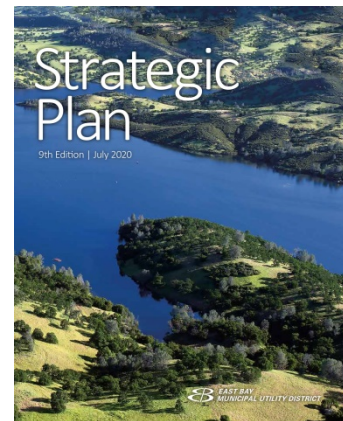
SUMMARY

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

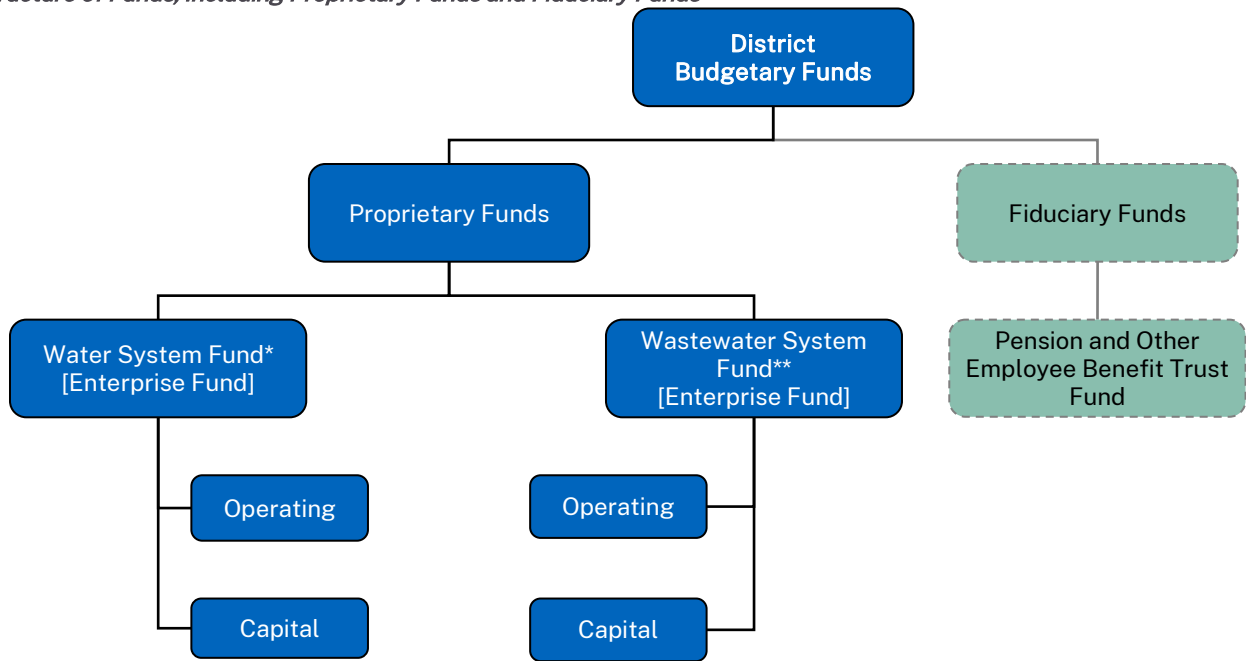
The District's financial structure is composed of proprietary funds (ongoing business operations) and fiduciary funds (see glossary for definitions of terms). The proprietary funds include two legally distinct and financially independent enterprise funds: Water System and Wastewater System. The two separate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

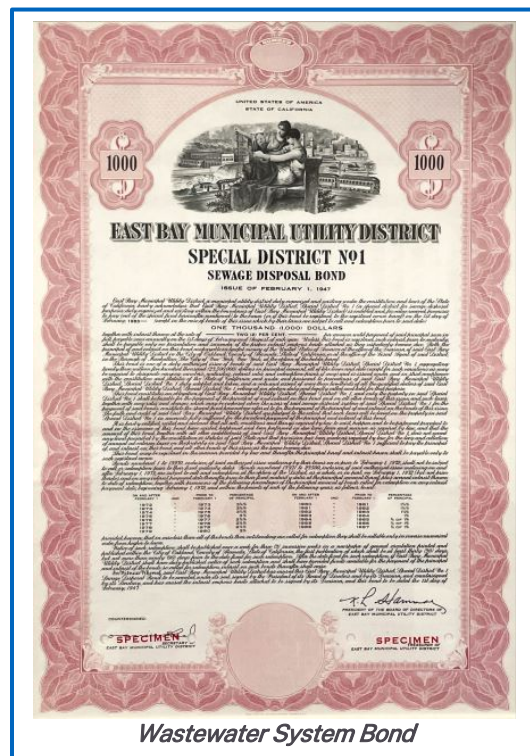
Policy 4.13: Establishing Water and Wastewater Rates

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.



Wastewater System Bond

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

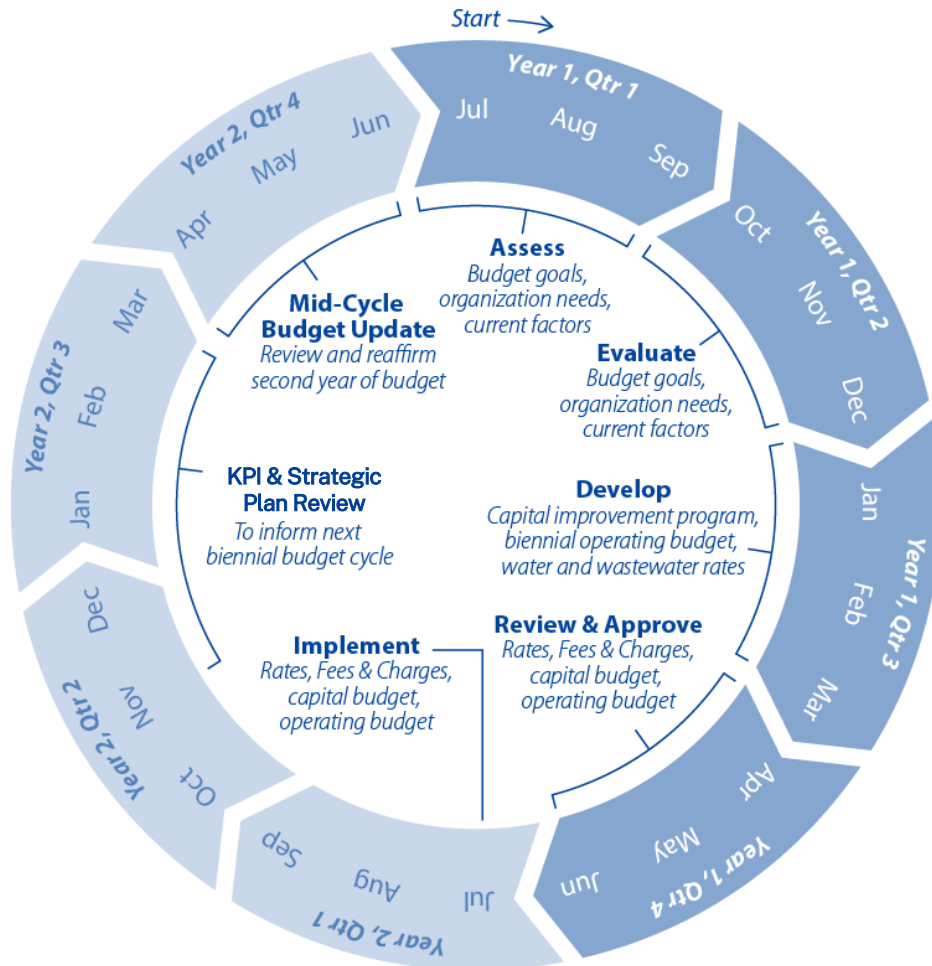
The District budget is balanced when revenues are equal to or greater than expenditures, including debt service, and ending fund balances meet minimum policy levels. The District's rates and charges are set to ensure that rate revenues are sufficient to recover the total revenue requirement in a given 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

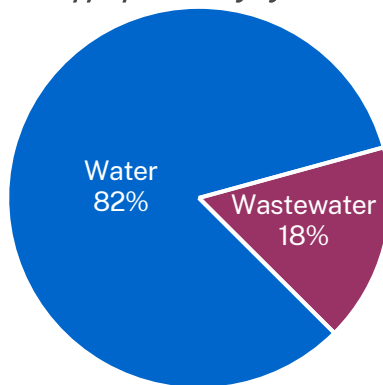
The budgeted appropriations are divided into three categories:

- **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.

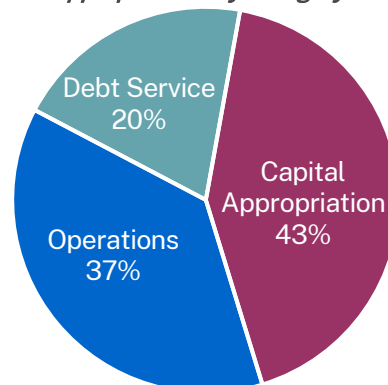
Appropriations Summary for Water and Wastewater Systems

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 33.0 percent of the Water System’s capital program and 49.6 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 \$2.71 billion as of March 31, 2025, and \$348.9 million on the Wastewater System as of March 31, 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	35.7	286.6	35.5
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.

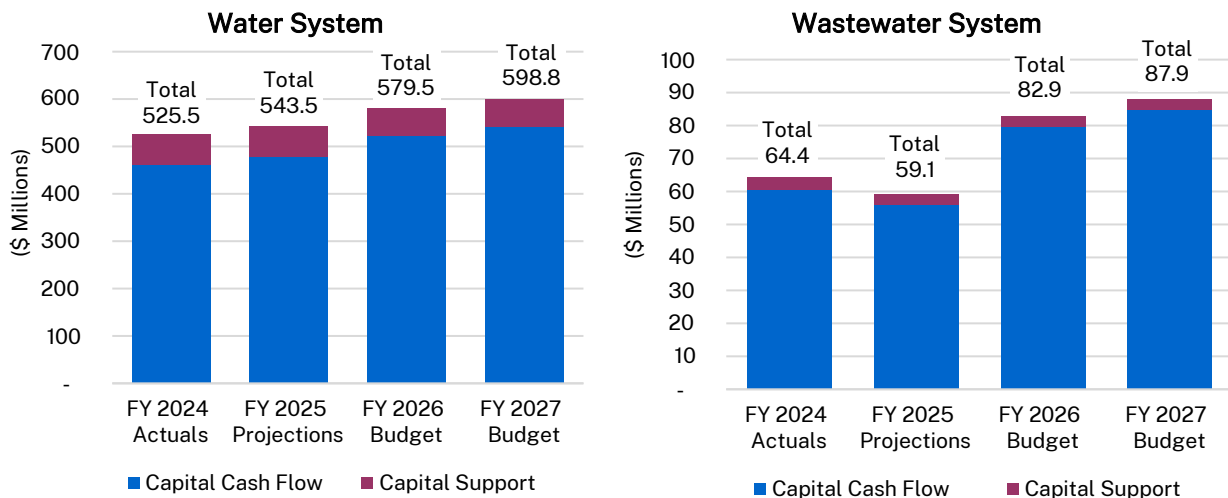
The CIP is described in more detail for each system in Chapters 4 and 5, as well as in Volume 2 – Capital Award Summaries. The following table lists the 22 award purposes.

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.

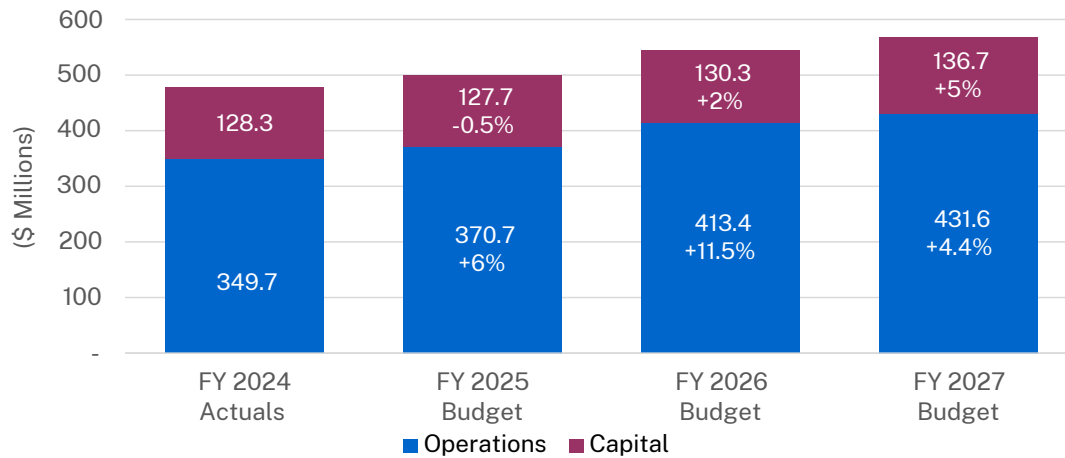
- Total labor and benefits budget attributable to operations is 76.0 percent.
- Benefits represent 40.3 percent of the total labor budget.

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.

*Staff Repair and Replace Water Mains*

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.

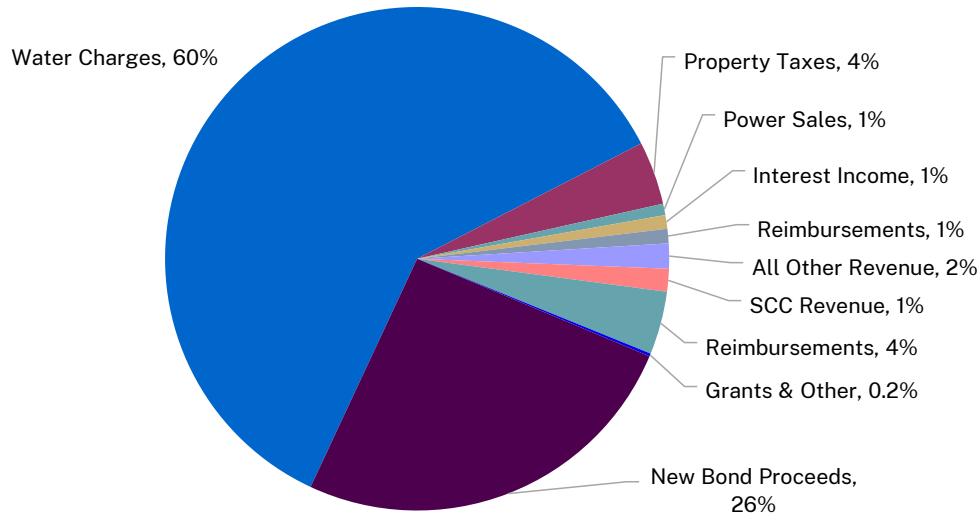
Employer Contribution Rates to District's Retirement System Based on Plan

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

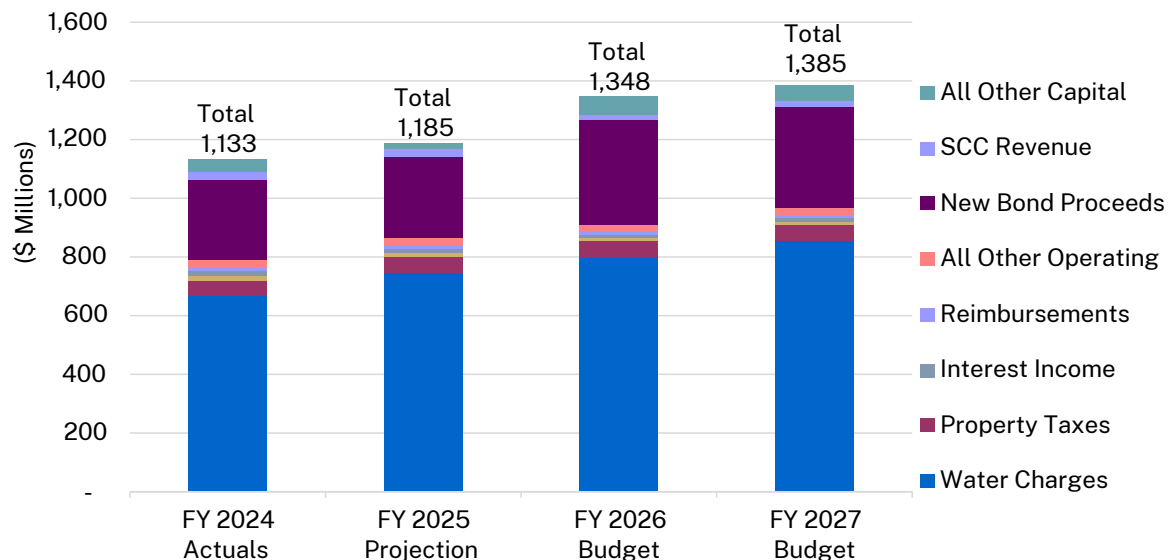
WATER SYSTEM SOURCES OF FUNDS

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



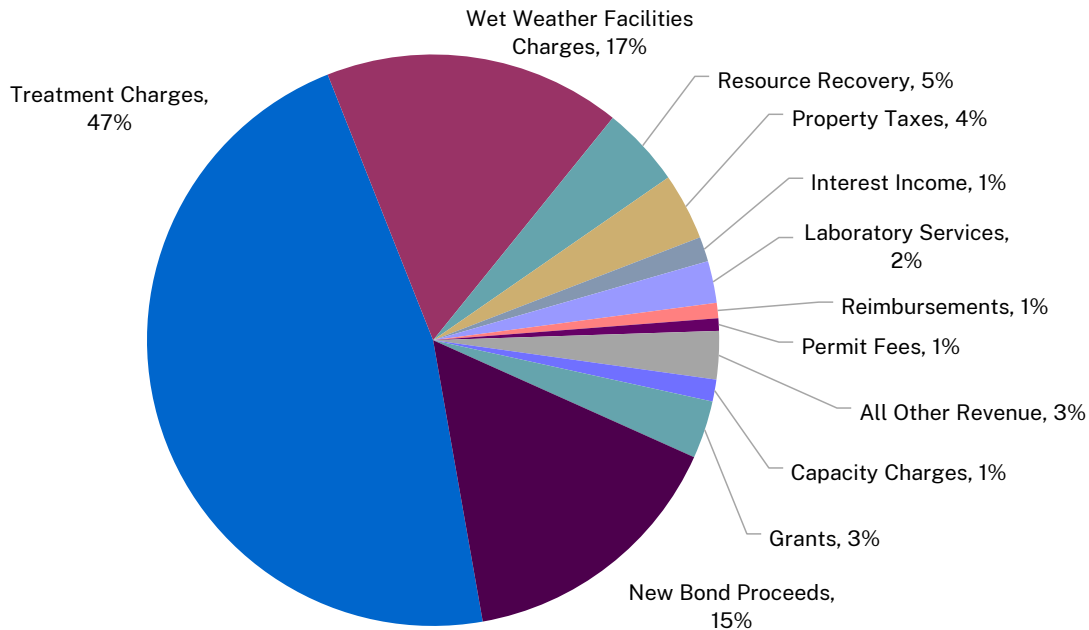
The principal source of Water System revenue is Water Charges which account for 60 percent of total sources of funds. The following graph shows the revenue trend from actual revenues in FY 2024 to budgeted revenues in FY 2027. For more detail on Water System revenues, see Chapter 4.

Total Water System Revenues from FY 2024 to FY 2027



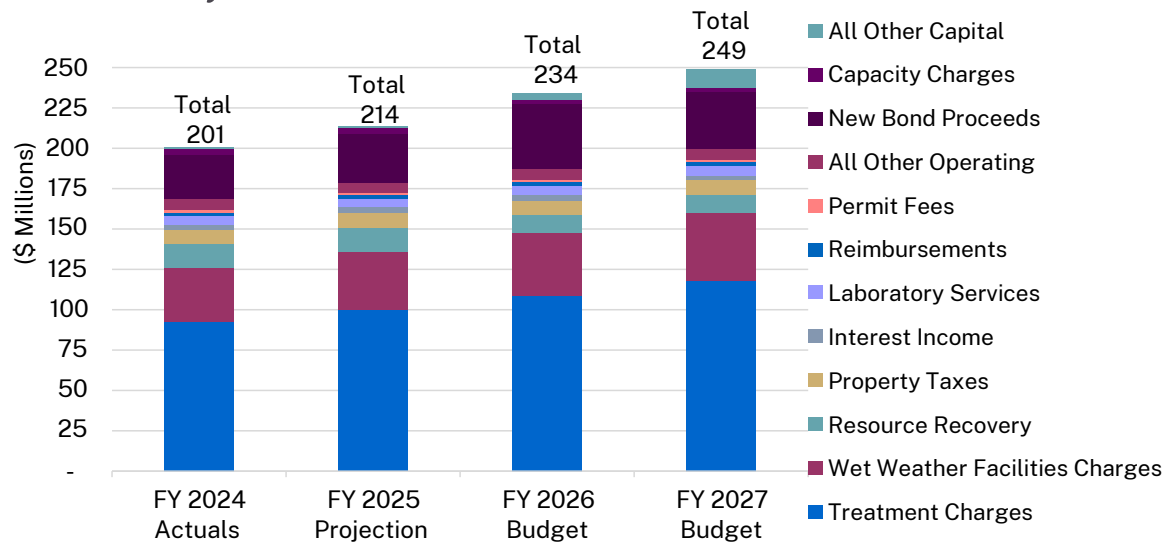
WASTEWATER SYSTEM SOURCES OF FUNDS

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

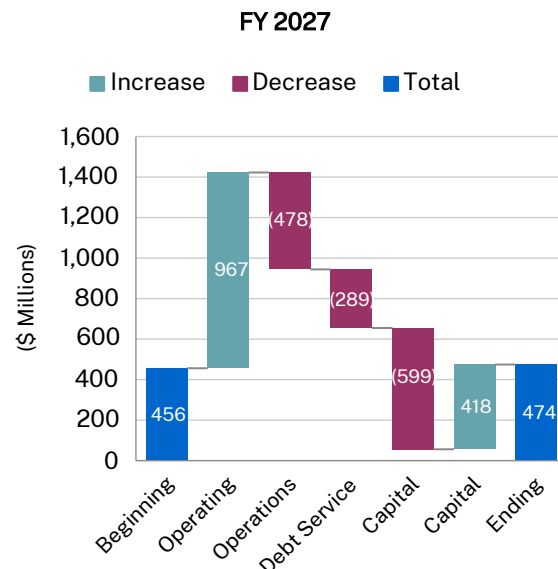
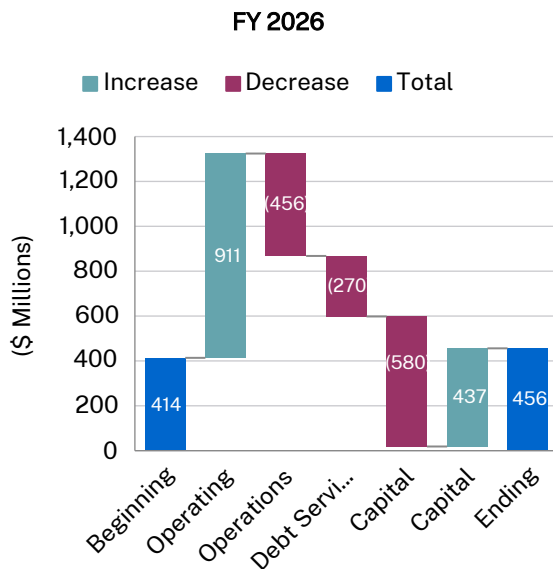
Fund Summary (\$ Millions)		
	FY 2026	FY 2027
Beginning Balance (Projected)	413.7	456.1
Source of Funds		
Operating	910.6	966.6
Capital**	437.5	418.3
Total Sources of Funds	1,348.0	1,384.9
Use of Funds		
Operations	456.4	478.5
Debt Service	269.7	289.4
Capital	579.5	598.8
Total Uses of Funds	1,305.7	1,366.7
Sources less Uses	42.4	18.2
Ending Balance*	456.1	474.2

*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

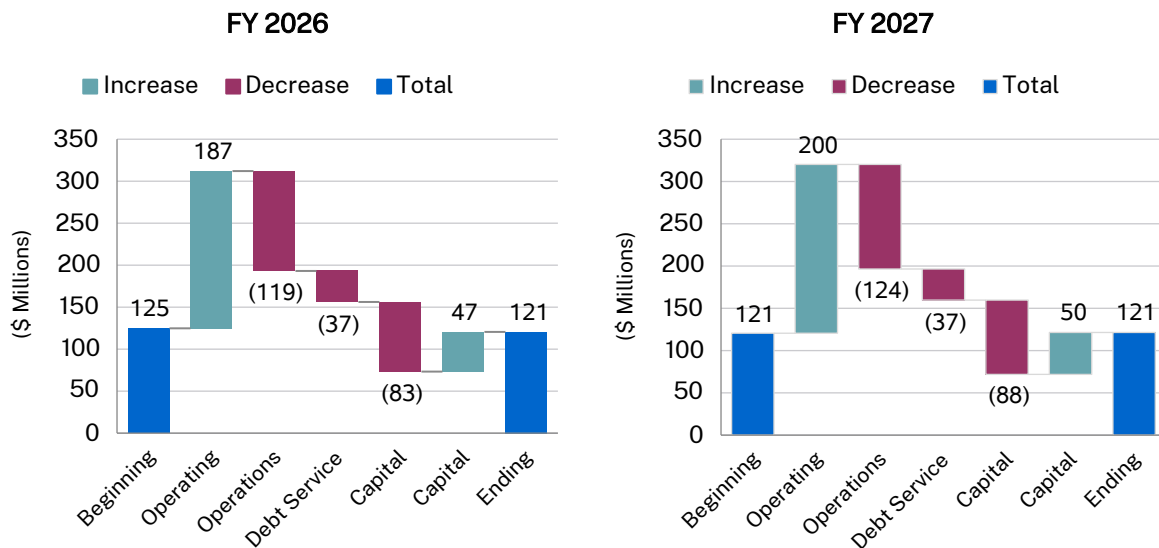
Fund Summary (\$ Millions)		
	FY 2026	FY 2027
Beginning Balance (Projected)	124.8	120.5
Source of Funds		
Operating	187.2	199.6
Capital**	47.2	49.6
Total Sources of Funds	234.5	249.2
Use of Funds		
Operations	118.9	123.7
Debt Service	36.9	36.8
Capital	82.9	87.9
Total Uses of Funds	238.8	248.3
Sources less Uses	(4.3)	0.9
Ending Balance*	120.5	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:

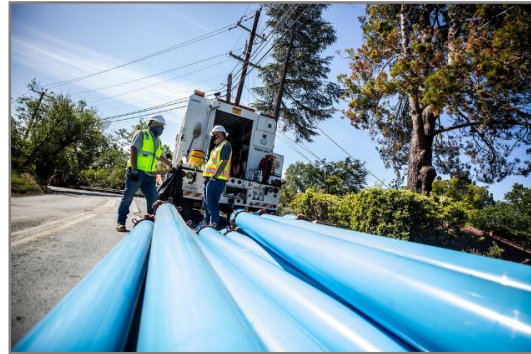
There are 4,300 miles of total pipelines (water and wastewater) in EBMUD's system. That's enough to stretch from Oakland to Atlanta, Georgia and back.

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	\$ 66.32	\$ 70.63

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	456.1	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	11.5	-7.6%
Reimbursements	12.5	12.9	2.8%
All Other Revenue	21.8	22.2	1.8%
Subtotal Sources of Funds (Operating)	910.6	966.6	6.2%
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	1,384.9	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	1,384.9	2.7%
Total Uses	1,305.7	1,366.7	4.7%
All Sources less Uses	42.4	18.2	--
Ending Balance*	456.1	474.2	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	11.5
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	910.6	966.6
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	1,384.9

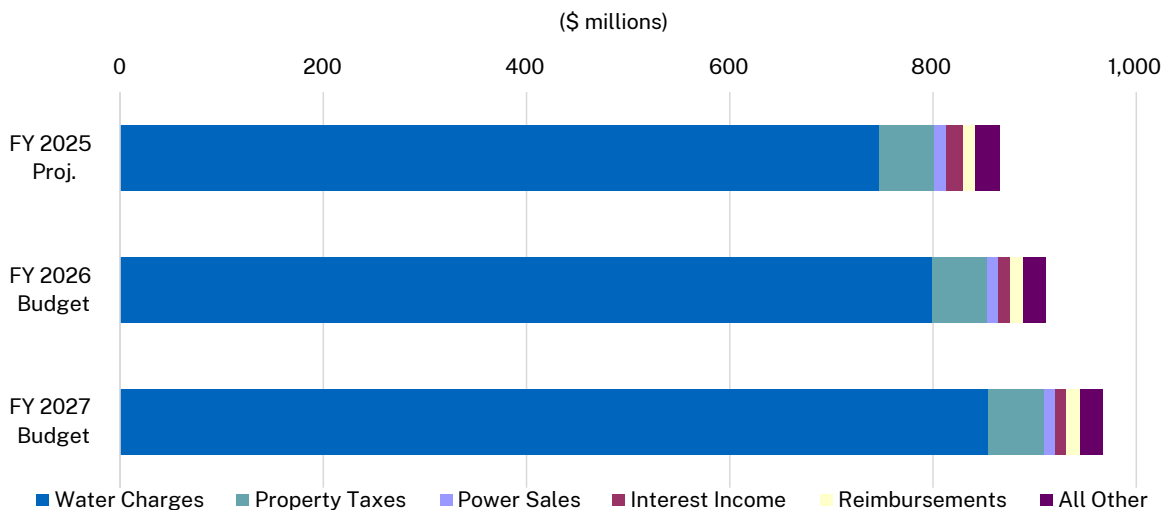
*Based on first six months of the fiscal year and updated as of March 1, 2025.

**Only during declared droughts.

OPERATING REVENUE SOURCES

Water System operating revenues for FY 2026 are budgeted to increase \$44.9 million, or 5.2 percent compared to year-end projections for FY 2025, for total revenue of \$910.6 million. In FY 2027, operating revenue is budgeted at \$966.6 million, an increase of \$56.0 million or 6.2 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 \$11.5 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.

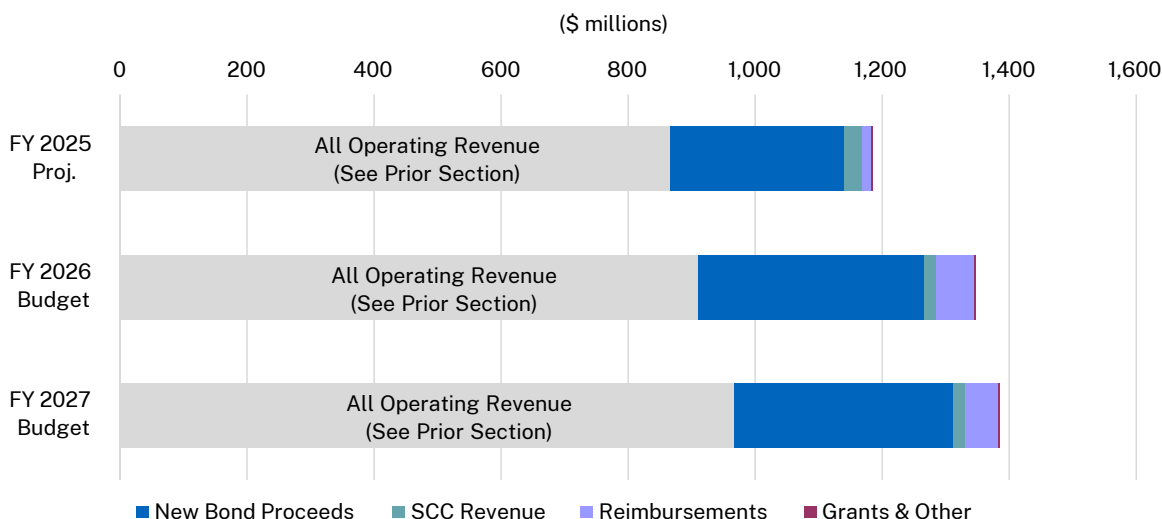
All Other Revenue

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

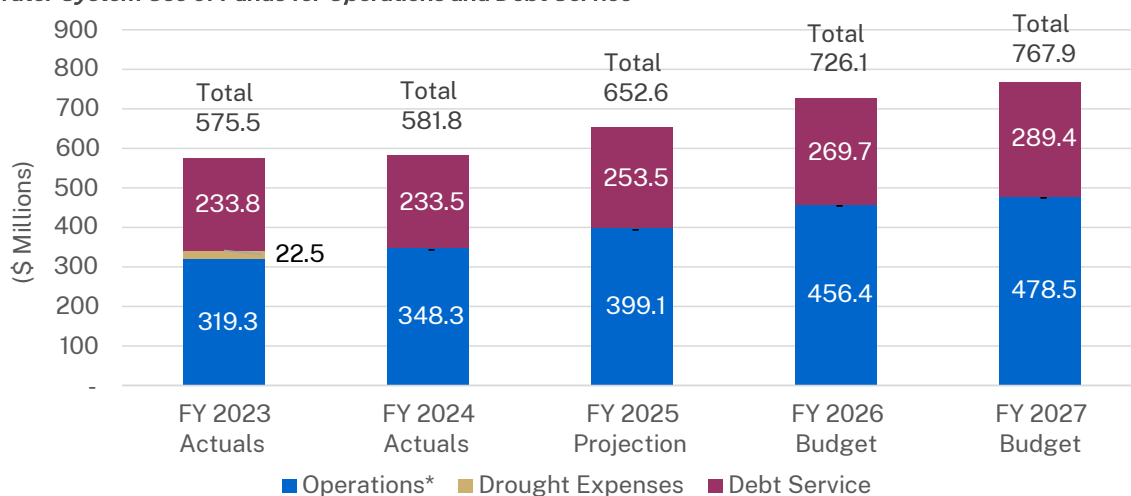
*Projection is based on the first six months of the year, adjusted as of March 1, 2025.

**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

TABLE OF CONTENTS – DEPARTMENTS

Administration Department	70
Customer and Community Services Department.....	71
Engineering and Construction Department.....	74
Finance Department	76
Human Resources Department	79
Information Systems Department.....	82
Maintenance and Construction Department	84
Natural Resources Department.....	87
Office of the General Counsel	90
Office of the General Manager	92
Operations and Maintenance Support Department.....	95
Water Operations Department.....	98
Water Recycling Program.....	100
Water Resources Department	102



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

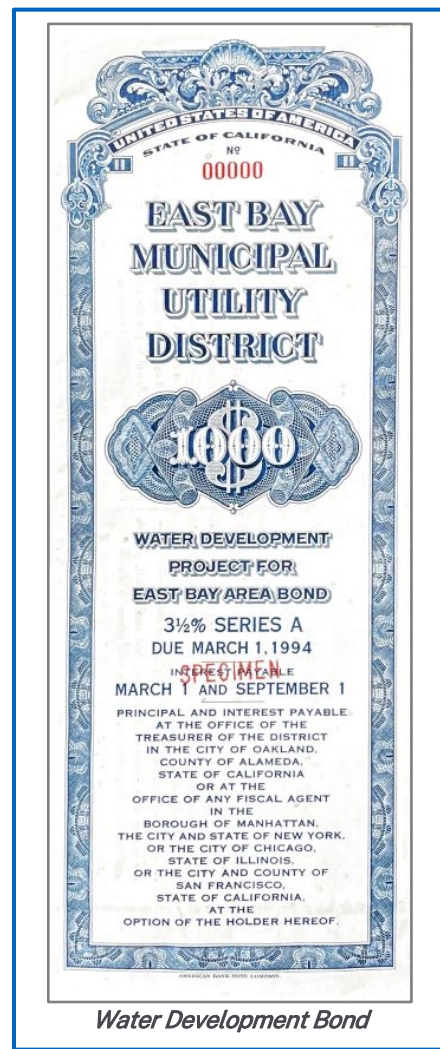
Debt Service and Financing

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 \$2.71 billion as of March 31, 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 March 31, 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	98,030
Series 2015A	3/3/2015	6/1/2037	429,360	391,455
Series 2015B	6/17/2015	6/1/2045	74,335	70,065
Series 2015C	6/17/2015	6/1/2045	110,715	108,215
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	148,510
Series 2022A	6/21/2022	6/1/2052	133,950	133,645
Series 2022B-1	6/21/2022	6/1/2037	72,105	71,915
Series 2022B-2	6/21/2022	6/1/2034	103,850	94,915
Series 2024A	3/5/2024	6/1/2054	245,285	245,285
Series 2024B	3/5/2024	6/1/2044	180,715	180,715
Total Revenue Bonds			2,649,885	2,424,265
% of Total Outstanding Debt				89.4%
Loans				
State Loan (parity)	5/22/2008	4/1/2028	20,100	4,752
State Loan (parity)	12/14/2017	7/1/2048	13,998	11,926
State Loan (parity)	4/18/2018	7/1/2049	12,045	10,338
Total Loans			46,143	27,016
% of Total Outstanding Debt				1.0%
Total Long-Term Debt			2,696,028	2,451,281
Short-Term Debt				
Commercial Paper				
Commercial Paper	Various	Various	N/A	261,000
Total Commercial Paper			-	261,000
% of Total Outstanding Debt				9.6%
Total Short-Term Debt				261,000
Total Outstanding Debt				2,712,281

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 \$2.71 billion as of March 31, 2025 is projected to cost \$1.42 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 March 31, 2025			
Fiscal Year	Principal	Interest	Debt Service
2026	99,314	127,245	226,559
2027	101,850	122,493	224,343
2028	106,337	116,552	222,889
2029	111,095	111,493	222,588
2030	116,123	106,165	222,288
2031	121,407	100,586	221,993
2032	126,951	94,742	221,694
2033	142,766	88,623	231,388
2034	163,595	82,191	245,786
2035	189,680	75,060	264,741
2036	154,145	66,787	220,933
2037	161,516	59,114	220,630
2038	169,481	50,851	220,333
2039	167,767	41,665	209,433
2040	99,478	32,398	131,876
2041	81,630	27,447	109,077
2042	76,067	23,708	99,775
2043	78,684	20,072	98,756
2044	82,381	16,370	98,751
2045	61,929	12,492	74,421
2046	23,877	9,646	33,522
2047	25,035	8,487	33,522
2048	26,258	7,271	33,529
2049	27,220	5,993	33,213
2050	17,447	4,659	22,106
2051	18,055	3,795	21,850
2052	18,960	2,890	21,850
2053	18,925	1,940	20,865
2054	19,870	994	20,864
Total	2,607,844	1,421,729	4,029,573

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

- Payments on new debt issues in FY 2025, FY 2026, and FY 2027; and
- Costs for trustee fees, 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 March 1, 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 1.90x and 1.88x, 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 33.0 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, \$261.0 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 9.6 percent of the \$2.71 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.

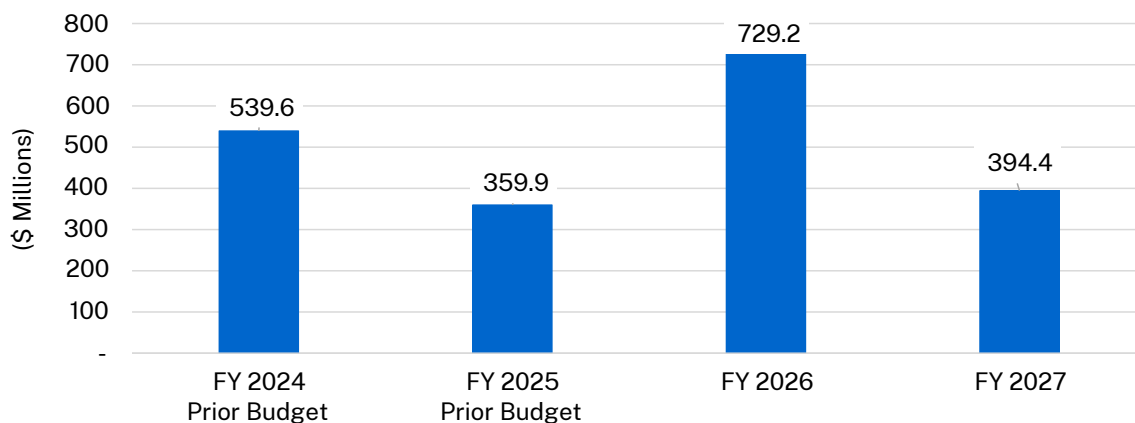
Each of these two concepts will be discussed in further detail throughout this section.

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.

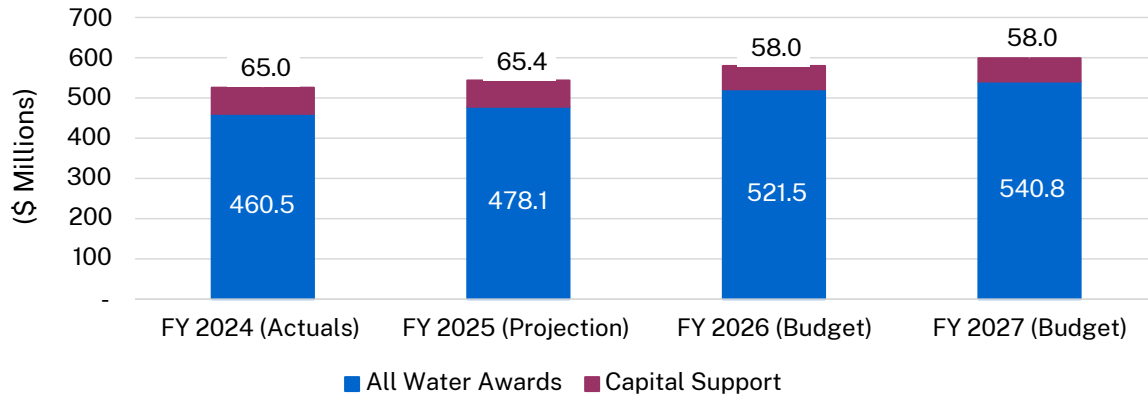
Cash flows were previously reported in the budget for five years, but this year there was an increased focus on the full 10-year projection of expenses. Forecasting out-years allows management and project managers to anticipate the funding needs for critical infrastructure initiatives. This is especially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

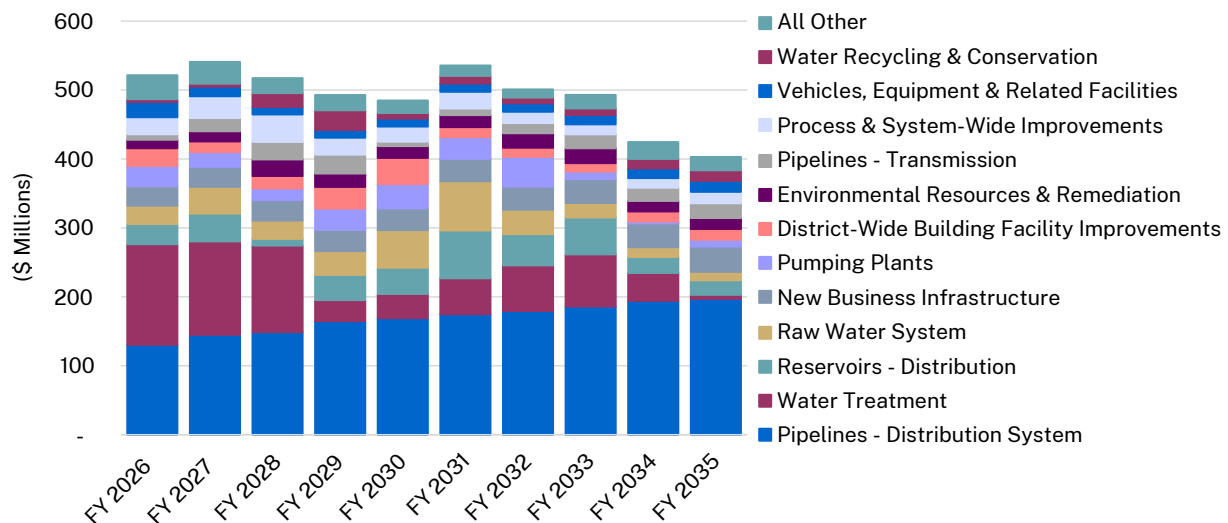
The four-year summary of capital cash flows highlights the changes in capital cash flows from the previous to the current biennial budget cycles.

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.

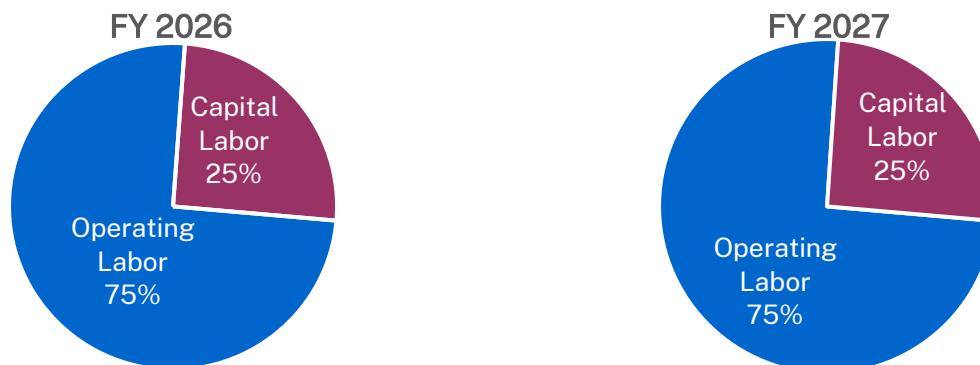
The following table shows the capital labor and benefits budget by department. Note that several departments' capital labor budgets are decreasing or going to zero as the District continues to adjust policies around capitalizing labor costs, particularly for software and other intangible-asset projects,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

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 FY 2024	Projection 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
Beginning Balance	399.7	425.2	413.7	456.1	474.2	490.6	509.6	524.6	524.6	524.6	524.6	524.6
Water Charges	667.1	747.3	798.9	854.0	913.0	975.9	1,038.4	1,104.8	1,175.5	1,250.7	1,330.7	1,415.8
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	11.5	9.6	7.4	7.7	8.0	8.3	8.5	8.8	9.6
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	910.6	966.6	1,025.8	1,088.8	1,153.8	1,222.7	1,296.1	1,374.0	1,456.8	1,545.1
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	304.2	317.9	330.6	344.6	353.1	368.6	383.0	402.0
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	1,376.5	1,384.8	1,409.3	1,494.6	1,489.5	1,519.1	1,487.7	1,508.5
New Bond Proceeds	275.0	275.0	355.0	345.0	275.0	215.0	200.0	220.0	135.0	90.0	-	-
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	456.1	474.2	490.6	509.6	524.6	545.4	541.6	545.9	572.8	645.5
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	174.5	186.6	198.3	212.4	222.5	238.1	228.9	227.7	248.9	315.6

On average over the ten-year period, operating revenues are forecast to increase 6.1 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 4.5 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 33.0 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 1.90x and 1.88x, 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.

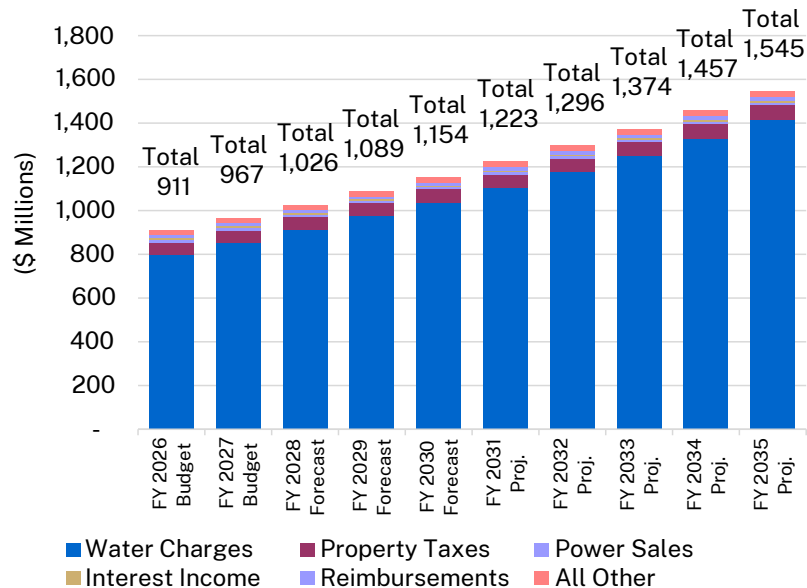
Water System Key Assumptions in 10-Year Forecast

	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%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Typical Monthly Single-Family Residential Bill*	\$57.65	\$62.53	\$66.32	\$70.63	\$75.22	\$80.11	\$84.92	\$90.02	\$95.42	\$101.15	\$107.22	\$113.65
Debt Service Coverage	2.35x	2.19x	1.90x	1.88x	1.92x	1.98x	2.05x	2.12x	2.22x	2.36x	2.54x	2.74x

*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

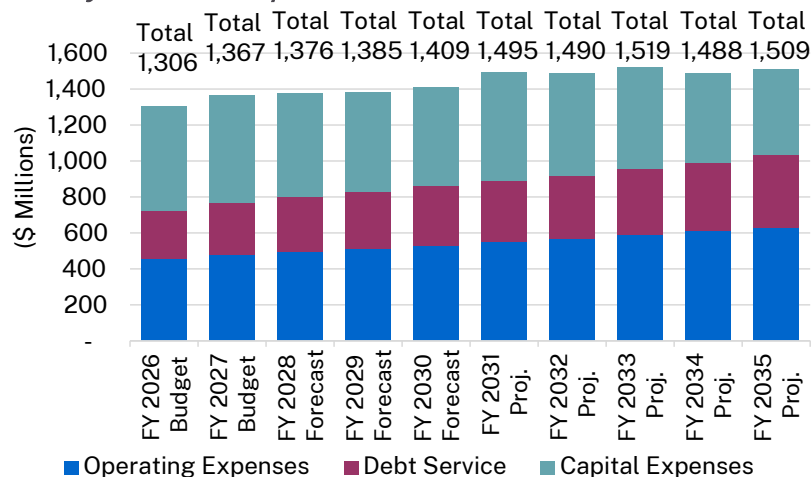


Projected annual operating revenues are expected to increase from \$911 million in FY 2026 to \$1.5 billion by FY 2035, an increase of \$634.6 million over the 10-year period, or 6.1 percent growth per year. The increase in revenue over the ten-year period is to cover increased revenue-funding for capital 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.

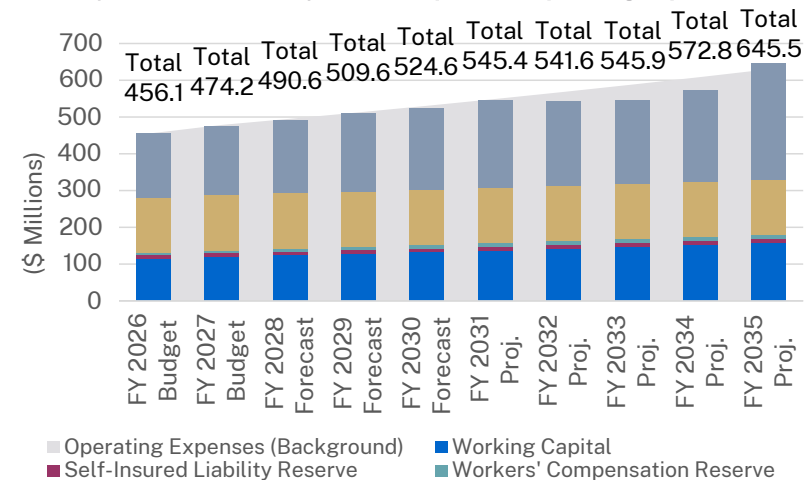
TEN-YEAR PROJECTION OF RESERVES

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	456.1	474.2	490.6	509.6	524.6	545.4	541.6	545.9	572.8	645.5
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	174.5	186.6	198.3	212.4	222.5	238.1	228.9	227.7	248.9	315.6

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.

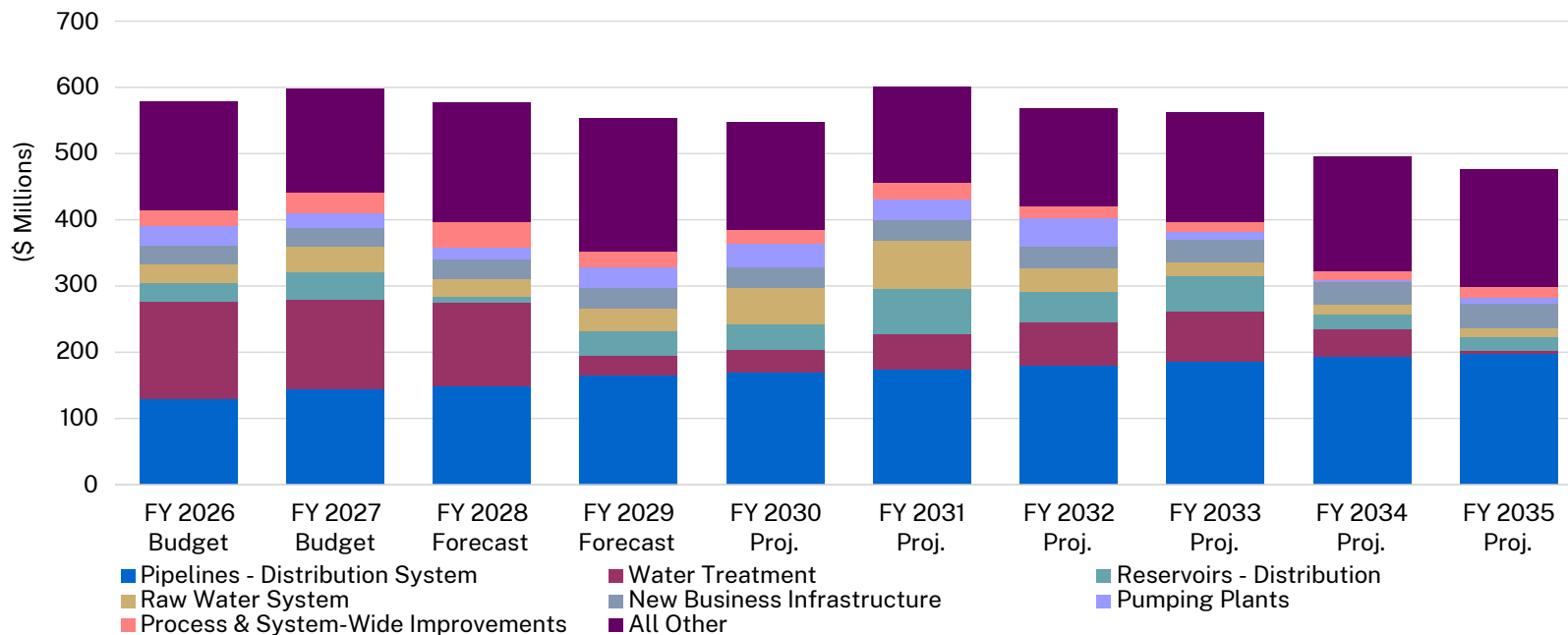
Over the 10-year forecast period, reserves will remain strong in comparison to operating expenses.

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 33.0 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	3,700.5	3,671.3	3,578.1	3,372.0
Debt Retired	109.0	117.2	126.6	135.6	144.9	154.9	164.2	183.2	206.0	234.3
New Bonds & Loans	355.0	345.0	275.0	215.0	200.0	220.0	135.0	90.0	-	-
Total Outstanding Debt	3,124.7	3,352.5	3,500.9	3,580.3	3,635.4	3,700.5	3,671.3	3,578.1	3,372.0	3,137.8
Debt Service, Existing Debt	243.2	264.2	286.3	303.9	317.6	330.3	344.3	362.8	383.0	402.0
Debt Service, New Debt	23.1	22.4	17.9	14.0	13.0	14.3	8.8	5.9	-	-
Total Debt Service	266.3	286.6	304.2	317.9	330.6	344.6	353.1	368.6	383.0	402.0
Debt Service Coverage	1.90x	1.88x	1.92x	1.98x	2.05x	2.12x	2.22x	2.36x	2.54x	2.74x

EBMUD Fun Fact:

EBMUD offers 126 miles of watershed trails in the East Bay and the Sierra Nevada foothills. That's almost exactly the same distance as if you walked from EBMUD's Administration Building in downtown Oakland to EBMUD's Pardee Reservoir Recreation Area in Ione.

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

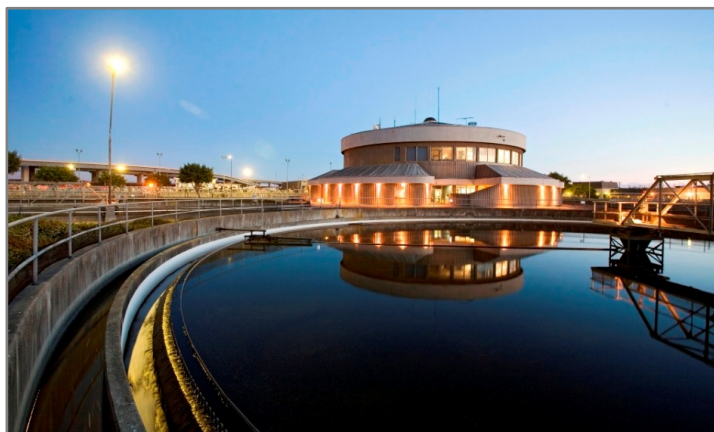
The Wastewater System is an enterprise fund consisting of operating and capital budgets. The system treats wastewater discharged from residences and industries in the communities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District. The Wastewater System receives 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	120.5	-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	-18.7%
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)	187.2	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*	120.5	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

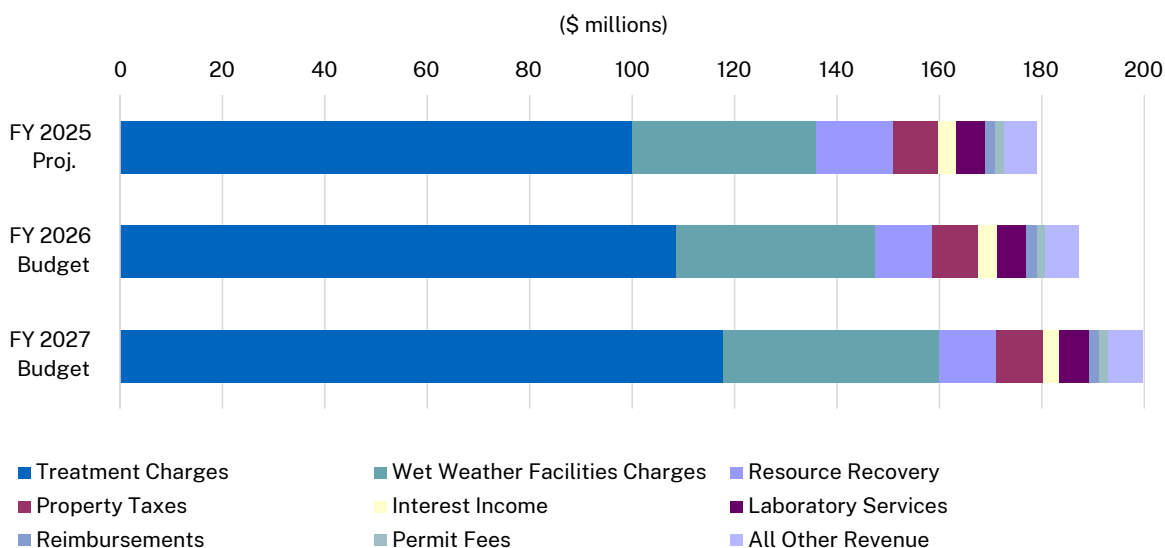
Detailed Revenue Summary (\$ Millions)					
	Actuals		Projection*	Budget	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Operating Revenues					
Treatment Charges	86.0	92.5	100.0	108.5	117.7
Wet Weather Facilities Charges	30.7	33.3	36.0	39.0	42.3
Resource Recovery	16.7	15.1	15.0	11.0	11.0
Property Taxes	8.1	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	187.2	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 \$187.2 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.

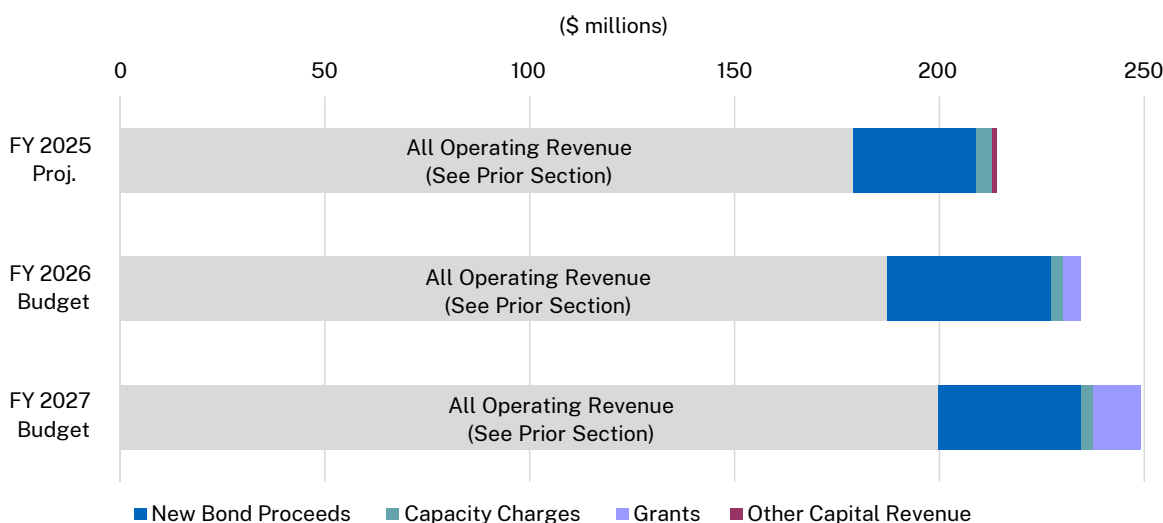
All Other Revenue

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

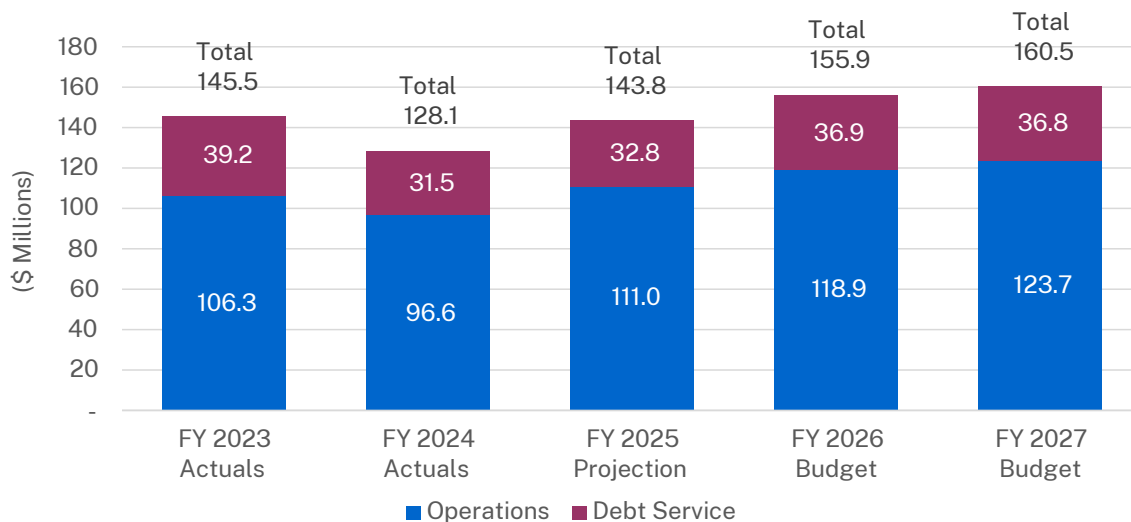
Use of Funds (\$ Millions)					
	Actuals		Projection*	Budget	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Operations	106.3	96.6	111.0	118.9	123.7
Debt Service	39.2	31.5	32.8	36.9	36.8
Capital Cash Flow	55.3	64.4	59.1	82.9	87.9
Total Expenses	200.8	192.5	202.9	238.8	248.3

*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 \$348.9 million as of March 31, 2025.

Wastewater System Debt Outstanding

Debt Outstanding Projected as of March 31, 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		29,100
Series 2015A-1	3/3/2015	6/1/2037	54,805		54,805
Series 2015A-2	3/3/2015	6/1/2038	13,565		13,565
Series 2015B	3/3/2015	6/1/2037	2,795		1,255
Series 2017A	6/14/2017	6/1/2045	69,420		43,100
Series 2022A	6/16/2022	6/1/2045	18,140		14,820
Series 2022B	6/16/2022	6/1/2037	17,345		17,345
Series 2024A	3/12/2024	6/1/2054	24,950		24,950
Total Revenue Bonds			433,170		348,940
% of Total Outstanding Debt					100.0%
Total Long-Term Debt			433,170		348,940
Total Outstanding Debt					348,940

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 \$174.2 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	16,697	32,367
2027	14,030	15,917	29,947
2028	14,730	15,219	29,949
2029	15,465	14,486	29,951
2030	16,230	13,724	29,954
2031	17,030	12,920	29,950
2032	17,875	12,075	29,950
2033	18,760	11,192	29,952
2034	19,690	10,258	29,948
2035	20,670	9,281	29,951
2036	21,695	8,255	29,950
2037	22,770	7,178	29,948
2038	24,365	6,049	30,414
2039	26,250	4,793	31,043
2040	27,610	3,434	31,044
2041	4,220	2,005	6,225
2042	4,415	1,804	6,219
2043	4,635	1,593	6,228
2044	4,855	1,371	6,226
2045	5,090	1,139	6,229
2046	1,625	896	2,521
2047	1,705	814	2,519
2048	1,790	729	2,519
2049	1,880	640	2,520
2050	1,975	546	2,521
2051	2,075	447	2,522
2052	2,175	343	2,518
2053	2,285	234	2,519
2054	2,400	120	2,520
Total	333,965	174,158	508,123

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 March 1, 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 2.22x, respectively.

DEBT-FUNDED CAPITAL

The percentage of the capital program that is funded by debt over the five-year planning period is projected at 49.6 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.

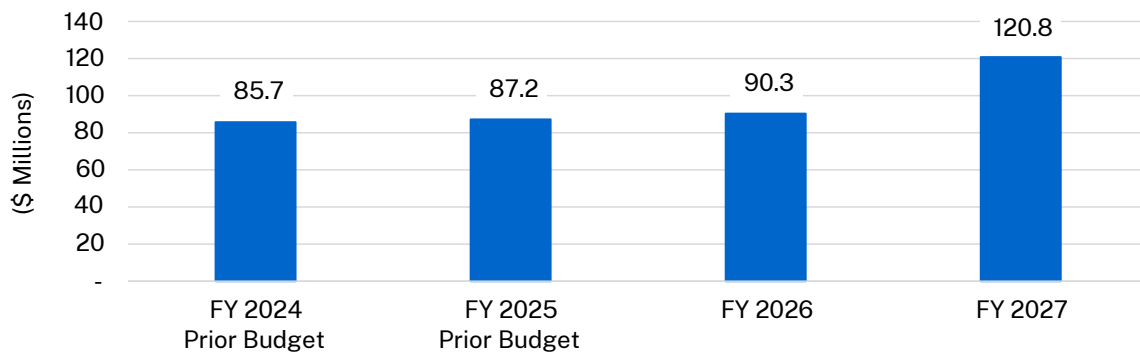
- Capital appropriations are funds approved biennially by the Board to be spent on capital projects. While appropriations are approved biennially, their use may extend over multiple years. Appropriations are controlled at the Award level and vary from year-to-year depending upon the funding needs of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

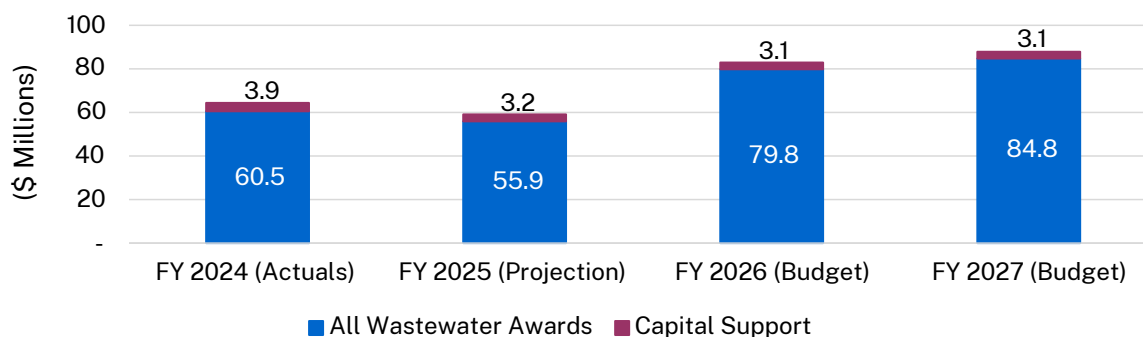
Wastewater System Appropriations Current Budget Compared to Prior Budget by Fiscal Year

CASH FLOW

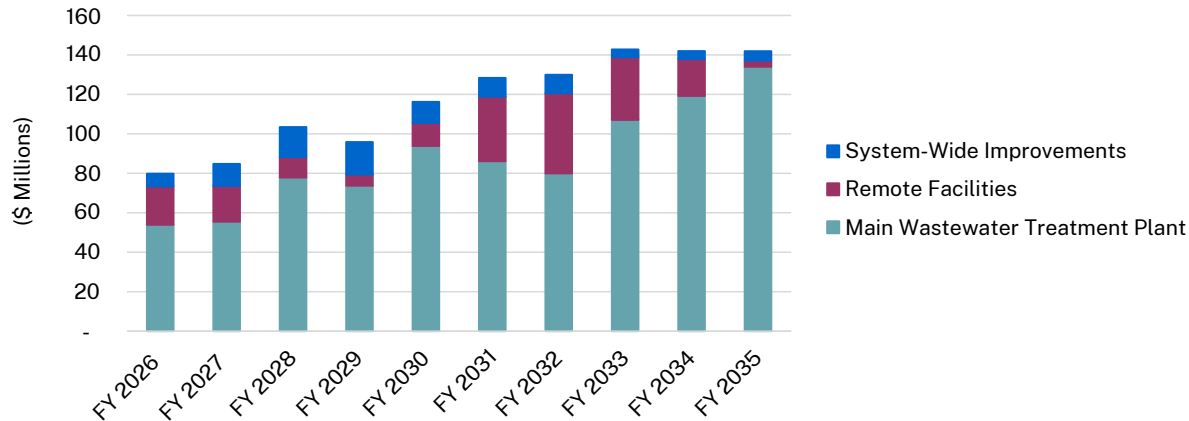
The FY 2026 - FY 2035 CIP is supported by capital cash flows that incorporate changes from previous CIP development processes. Cash flows were previously reported in the budget for five years, but this year there was an increased focus on the full 10-year projection of expenses. Forecasting out-years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

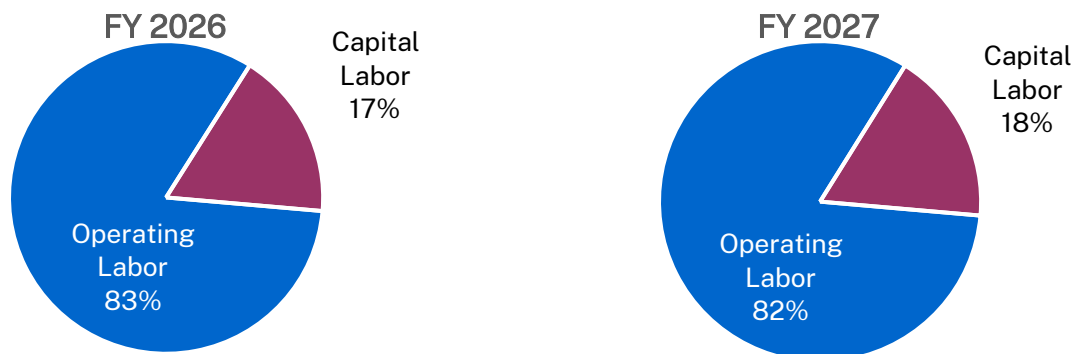
CAPITAL LABOR

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 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	120.5	121.4	126.5	133.6	134.6	143.3	144.9	152.5	158.5
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	2.5	1.9	2.0	2.1	2.2	2.2	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	187.2	199.6	212.4	226.3	240.1	254.7	268.3	282.5	295.3	308.7
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	38.8	41.7	45.6	50.5	54.7	59.9	64.8	69.4
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	273.4	273.3	302.3	324.3	335.1	358.4	367.9	378.0
New Bond Proceeds	27.5	30.0	40.0	35.0	50.0	45.0	60.0	75.0	65.0	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	120.5	121.4	126.5	133.6	134.6	143.3	144.9	152.5	158.5	162.8
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	60.0	65.8	65.6	73.1	73.3	79.5	84.1	87.0

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 49.7 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 2.22, 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.

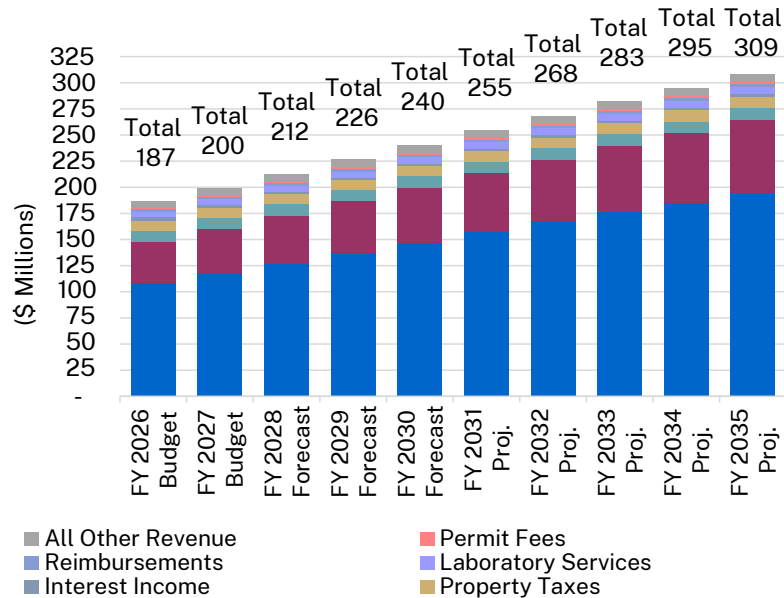
Wastewater System Key Assumptions in 10-Year Forecast

	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*	\$ 25.43	\$ 27.56	\$ 28.05	\$ 30.40	\$ 32.83	\$ 35.46	\$ 37.94	\$ 40.60	\$ 43.03	\$ 45.61	\$ 47.89	\$ 50.29
Debt Service Coverage	2.50x	2.17x	2.00x	2.22x	2.26x	2.32x	2.33x	2.30x	2.28x	2.24x	2.18x	2.16x

*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

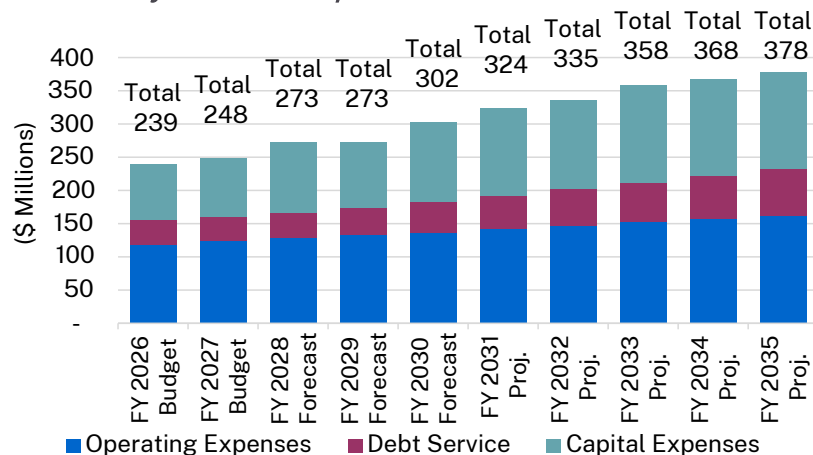


Projected annual operating revenues are expected to increase from \$187.2 million in FY 2026 to \$308.7 million by FY 2035, an increase of \$121.4 million, or 5.7 percent compounded growth per year. The increase in revenue over the ten-year period is to support a significantly larger capital program, 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.

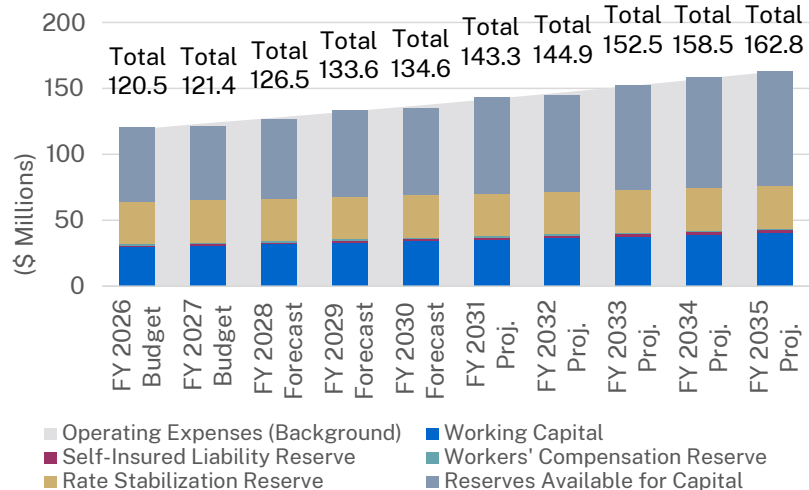
TEN-YEAR PROJECTION OF RESERVES

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	120.5	121.4	126.5	133.6	134.6	143.3	144.9	152.5	158.5	162.8
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	60.0	65.8	65.6	73.1	73.3	79.5	84.1	87.0

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.

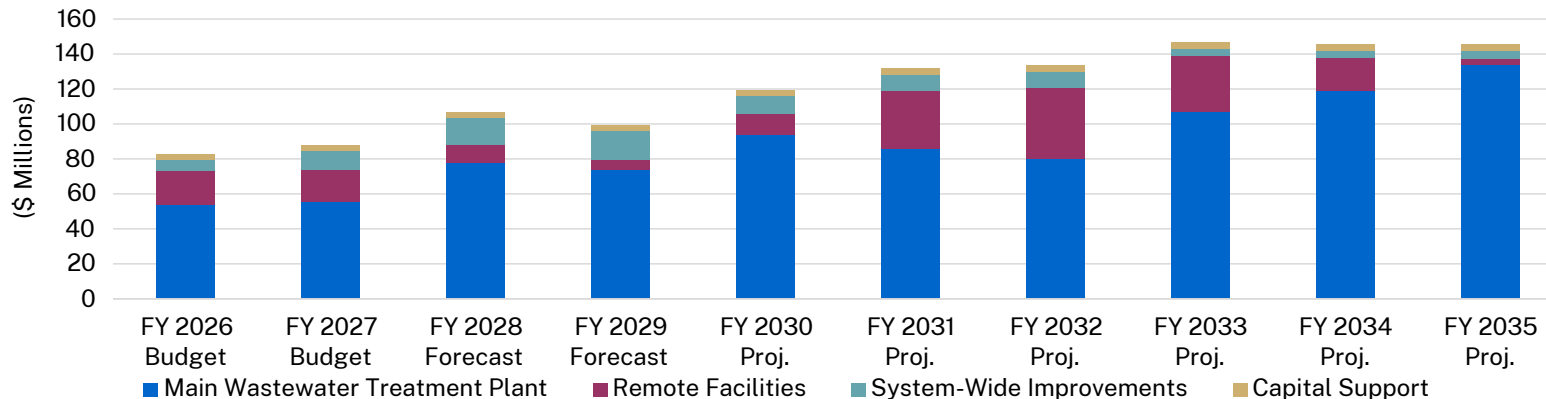
Over the 10-year forecast period, reserves will remain strong in comparison to operating expenses.

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 49.7 percent, under the target maximum of 65 percent contained in the District's debt policy, and debt service will grow by 7.3 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	338.6	361.8	381.1	413.9	440.1	479.6	531.8	572.0	624.7	669.9
Debt Retired	16.7	15.7	17.2	18.8	20.6	22.7	24.8	27.3	29.8	32.3
New Bonds & Loans	40.0	35.0	50.0	45.0	60.0	75.0	65.0	80.0	75.0	70.0
Total Outstanding Debt	361.8	381.1	413.9	440.1	479.6	531.8	572.0	624.7	669.9	707.6
Debt Service, Existing Debt	33.1	33.3	35.5	38.8	41.7	45.6	50.5	54.7	59.9	64.8
Debt Service, New Debt	2.6	2.3	3.3	2.9	3.9	4.9	4.2	5.2	4.9	4.6
Total Debt Service	35.7	35.5	38.8	41.7	45.6	50.5	54.7	59.9	64.8	69.4
Debt Service Coverage	2.00x	2.22x	2.26x	2.32x	2.33x	2.30x	2.28x	2.24x	2.18x	2.16x

Appendix

Index of Tables and Charts

Summary of Proposed Average Rate Increases and Average Bill Impacts for SFR Customers	6
FY 2026 & FY 2027 Appropriations Summary and Comparison to FY 2025.....	8
FY 2026 & FY 2027 Appropriations Summary and Comparison to FY 2025.....	8
Water System Major Capital Focus Areas	10
Wastewater System Major Capital Focus Areas	11
Proposed Example Single-Family Residential Monthly Bill Impacts.....	13
Proposed Example Multi-Family Residential (MFR) and Non-Residential Monthly Bill Impacts.....	13
Proposed Example Wastewater Treatment Charges per Month.....	14
Proposed Annual Wet Weather Facilities Charge on Property Tax Bill.....	14
District Service Area Map	17
Population Statistics for Counties and Major Cities in the District's Service Area.....	18
Population Growth Trends from 1990 to 2022	18
Map Showing Water Supply from the Mokelumne River Watershed to the San Francisco Bay	20
Map of District Service Area and Board of Directors Ward Boundaries	22
Structure of Funds, Including Proprietary Funds and Fiduciary Funds.....	32
Revenue and Expenses on a Budgetary Basis Compared to Accounting Basis.....	33
Biennial Budget Development Cycle	37
Appropriations Summary for Water and Wastewater Systems	43
Appropriations by Category	43
Appropriations By System.....	43
Appropriations by Service Provided	44
District-Wide Operating Appropriations by Department.....	45
District-Wide Debt Service and Planned Bond Issuance.....	46
Planned Capital Appropriations by Fund	47
District-Wide CIP Award Purposes	48
Water and Wastewater Systems Capital Cash Flows	48
Staffing Summary and Comparison FY 2023 to FY 2027 by FTE Count.....	49
District-Wide Labor and Benefit Costs for Operations and Capital	50
District-Wide Labor and Benefit Costs by Operations and Capital	51
Employer Contribution Rates to District's Retirement System Based on Plan.....	51
Percent of FY 2026 & FY 2027 Combined Water System Revenue from Major Sources	52
Total Water System Revenues from FY 2024 to FY 2027	52
Percent of FY 2026 & FY 2027 Combined Wastewater System Revenue from Major Sources	53
Total Wastewater System Revenues from FY 2024 to FY 2027	53
Water System Fund Summary	54
Water System Sources and Uses of Funds (Waterfall Charts)	54
Wastewater System Fund Summary	55
Wastewater System Sources and Uses of Funds (Waterfall Charts)	55
Water System Key Assumptions.....	57
Water System Detailed Fund Summary – Sources & Uses.....	58
Water System Detailed Revenue Summary.....	59
Water System Operating Revenue Sources	60
Water System Capital Funding Sources	62
Water System Use of Funds FY 2023 to FY 2027	64
Water System Use of Funds for Operations and Debt Service	64
Water System Staffed and Non-Staffed Department Operating Budgets.....	65
All Water System Staffed Departments Operating Budget Details	66
Water System Staffed Department Operating Expenses by Budget Category	68
Administration Department Operating Budget Detail	70
Administration Department Staffing Summary	70

Customer and Community Services Department Operating Budget Detail	72
Customer and Community Services Department Staffing Summary	72
Customer and Community Services Department Staffing Changes	73
Engineering and Construction Department Operating Budget Detail	75
Engineering and Construction Department Staffing Summary	75
Finance Department Operating Budget Detail	77
Finance Department Staffing Summary	78
Finance Department Staffing Changes	78
Human Resources Department Operating Budget Detail	80
Human Resources Department Staffing Summary	80
Human Resources Department Staffing Changes	81
Information Systems Department Operating Budget Detail	83
Information Systems Department Staffing Summary	83
Maintenance and Construction Department Budget Table	85
Maintenance and Construction Department Staffing Summary	85
Maintenance and Construction Department Staffing Changes	86
Natural Resources Department Operating Budget Detail	88
Natural Resources Department Staffing Summary	88
Natural Resources Department Staffing Changes	89
Office of the General Counsel Operating Budget Detail	91
Office of the General Counsel Staffing Summary	91
Office of the General Manager Operating Budget Detail	93
Office of the General Manager Staffing Summary	93
Office of the General Manager Staffing Changes	94
Operations and Maintenance Support Department Operating Budget Detail	96
Operations and Maintenance Support Department Staffing Summary	96
Operations and Maintenance Support Department Staffing Changes	97
Water Operations Department Operating Budget Detail	99
Water Operations Department Operating Staffing Summary	99
Water Recycling Program Operating Budget Detail	101
Water Recycling Program Staffing Summary	101
Water Resources Department Operating Budget Detail	103
Water Resources Department Staffing Summary	103
Water System Department Staffing Summary	104
FY 2026 vs FY 2025 Water System Department Changes in Bargaining Units	105
FY 2027 vs FY 2026 Water System Department Changes in Bargaining Units	105
Water System Debt Outstanding	107
Water System Projected Debt Service on Current Debt	108
Water System Debt Ratings	109
Water System Debt Funded Capital	111
Water System CIP Award Purposes	112
Water System Appropriations Current Budget Compared to Prior Budget by Fiscal Year	113
Water System Cash Flows Four-Year Summary	114
Water System FY 2026 - FY 2035 Cash Flows by Award Purpose (Excludes Capital Support)	114
Water System Capital Labor Budget by Department	115
Water System Operating and Capital Labor Split	115
District-Wide Building Facility Improvements - Cash Flows and Appropriations by Award Purpose	116
Environmental Resources & Remediation - Cash Flows and Appropriations by Award Purpose	117
New Business Infrastructure - Cash Flows and Appropriations by Award Purpose	117
Pipelines – Distribution - Cash Flows and Appropriations by Award Purpose	118
Pipelines – Transmission - Cash Flows and Appropriations by Award Purpose	118
Pressure Zone Studies - Cash Flows and Appropriations by Award Purpose	119
Process & System-Wide Improvements - Cash Flows and Appropriations by Award Purpose	119
Pumping Plants - Cash Flows and Appropriations by Award Purpose	120
Raw Water System - Cash Flows and Appropriations by Award Purpose	120

Recreation Areas & Facilities - Cash Flows and Appropriations by Award Purpose.....	121
Regulators & Rate Control Stations - Cash Flows and Appropriations by Award Purpose.....	121
Reservoirs – Distribution - Cash Flows and Appropriations by Award Purpose	122
Reservoirs – Supply - Cash Flows and Appropriations by Award Purpose	122
Supplemental Supply, Regional Agreements - Cash Flows and Appropriations by Award Purpose	123
Sustainable Energy - Cash Flows and Appropriations by Award Purpose.....	123
Vehicles, Equipment & Related Facilities - Cash Flows and Appropriations by Award Purpose.....	123
Water Recycling & Conservation - Cash Flows and Appropriations by Award Purpose.....	124
Water Treatment - Cash Flows and Appropriations by Award Purpose.....	124
Water Contingency - Cash Flows and Appropriations by Award Purpose	124
Water System 10-Year Financial Forecast	125
Water System Key Assumptions in 10-Year Forecast.....	126
Water System 10-Year Operating Revenue Projection.....	127
Water System 10-Year Expense Forecast.....	127
Water System Reserves in 10-Year Forecast.....	128
Water System Reserves Projection Compared to Operating Expenses.....	128
Water System 10-Year Capital Cash Flows by Award Purposes	129
Water System 10-Year Capital Cash Flows by Award Purposes	130
Water System Ten-Year Debt Projections	131
Wastewater System Key Assumptions	133
Wastewater System Detailed Fund Summary – Sources & Uses.....	134
Wastewater System Detailed Revenue Summary.....	135
Wastewater System Operating Revenue Sources	136
Wastewater System Capital Funding Sources.....	138
Wastewater System Use of Funds FY 2023 to FY 2027	139
Wastewater System Use of Funds for Operations and Debt Service.....	139
Wastewater System Staffed and Non-Staffed Department Operating Budgets	140
Wastewater System Staffed Department Budget Detail	141
Wastewater System Staffed Department Operations by Category.....	142
Wastewater Department Operating Budget Detail.....	144
Wastewater Department Staffing Summary	145
Wastewater Department Staffing Changes	145
Wastewater System Staffing Summary	146
FY 2026 vs FY 2025 Wastewater System Changes in Bargaining Units.....	147
FY 2027 vs FY 2026 Wastewater System Changes in Bargaining Units.....	147
Wastewater System Debt Outstanding.....	148
Wastewater System Projected Debt Service on Current Debt	149
Wastewater System Debt Ratings.....	150
Wastewater System Debt-Funded Capital.....	151
Wastewater System CIP Award Purposes.....	152
Wastewater System Appropriations Current Budget Compared to Prior Budget by Fiscal Year	153
Wastewater System Budget Cash Flows Four-Year Summary	153
Wastewater System FY 2026 – FY 2035 Cash Flows by Award Purpose (Excludes Capital Support)	154
Wastewater System Capital Labor Budget by Department	154
Wastewater System Operating and Capital Labor Split	154
Main Wastewater Treatment Plant - Cash Flows and Appropriations by Award Purpose	155
Remote Facilities - Cash Flows and Appropriations by Award Purpose	156
System-Wide Improvements - Cash Flows and Appropriations by Award Purpose	156
Wastewater Contingency - Cash Flows and Appropriations by Award Purpose.....	156
Wastewater System 10-Year Financial Forecast.....	157
Wastewater System Key Assumptions in 10-Year Forecast	158
Wastewater System 10-Year Revenue Projection	159
Wastewater System 10-Year Expense Forecast.....	159
Wastewater System 10-Year Projection of Reserves.....	160
Wastewater System Reserves Projection Compared to Operating Expenses	160

Wastewater System 10-Year Capital Cash Flows by Award Purposes.....	161
Wastewater System 10-Year Capital Cash Flows by Award Purposes.....	161
Wastewater System 10-Year Debt Projections.....	162

Index of Photos

Pardee Dam.....	5
Budget Awards from GFOA and CSMFO.....	11
EBMUD Seal on the Administration Building.....	15
Chinook Salmon Returns Home to the Mokelumne River.....	19
Infrastructure Investments, Including Larkey Reservoir, Ensure Water Quality	19
Freeport Water Project – Sacramento, CA	20
Wastewater Treatment Plant – Oakland, CA.....	21
Water Quality Inspectors Protect Public Health	24
Administration Building – Oakland, CA.....	26
Wastewater System Bond.....	35
Leak Detection Reduces Water Loss	42
Pumping Plant Construction	47
Staff Repair and Replace Water Mains	51
Water System Staff Work to Deliver High-Quality Water to East Bay Homes and Businesses	57
Mokelumne Watershed Snow	57
Recycled Water in Purple Pipes Provides an Important Source of Non-Potable Water	59
Water Conservation Messages Are Shared in English, Spanish and Chinese During the Drought.....	69
Water Development Bond.....	106
Old 1890-Style Fire Hydrant.....	116
Current Model-64 Fire Hydrants.....	116
Lab Techs Perform Sample Extraction.....	133
Main Wastewater Treatment Plant – Oakland, CA.....	133
Setting Up Samples for Analysis in the Wastewater Lab	147

EBMUD Fun Fact:

EBMUD produced 151 million gallons of water per day in FY 2024 – enough to fill more than 2.4 billion drinking glasses, or enough for each of EBMUD’s 1.4 million customers to have about 1,700 glasses of water every day. Stay hydrated!

Memberships

The following are proposed 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

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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

Appendix: Sponsorships

Calaveras County Water District - Scholarship Program	2,000	2,000
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 - Oktoberfest	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

Appendix: Sponsorships

Friends of San Leandro Creek	2,000	2,000
Friends of Sausal Creek - Native Plant Sale	2,000	2,000
Friends of the Gardens at Lake Merritt	500	500
Friends of the River	1,000	1,000
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

Appendix: Sponsorships

Oakland Public Education Fund	1,000	1,000
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

Appendix: Sponsorships

Stewardship Through Education (Motherlode Land Trust)	3,000	3,000
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

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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 the Board approved appropriation.
Amortization	The process of incrementally charging the cost of an asset to expense over its expected period of use, which shifts the asset from the balance sheet to the income statement. Amortization is commonly used for the gradual write-down of the cost of intangible assets that have a specific useful life. Examples of intangible assets are patents, copyrights, and trademarks.
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 and capital budget 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 reaffirmed 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".

Appendix: Glossary

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 for which relatively accurate time estimates can be made. 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 five-year period. Project costs include all expenditures to purchase, study, plan, design, construct, or repair/upgrade new or existing physical facilities. Also referred to as “CIP”.
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.

Appendix: Glossary

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.
Cost of Service Study	A study of providing water and wastewater services conducted by a third-party to allocate costs among customer classes based on usage characteristics in compliance with Proposition 218 requirements and industry standards.
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.

Appendix: Glossary

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.
ENG	Engineering and Construction Department.
Enterprise Fund	A type of proprietary fund in which a user charge, rather than taxes, is charged to external users for goods or services, and costs are recovered.
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.

Appendix: Glossary

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.

Appendix: Glossary

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 prior to the start of the Proposition 218 notification process.

Appendix: Glossary

Proposition 218	Passed by California voters in 1996 gave taxpayers the right to vote on all local taxes and requires taxpayer approval of property related assessments and fees.
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. There are two types of EBMUD proprietary funds: Enterprise and Internal Service.
PT	See Part-Time.
PZ	Pressure Zone.
PZI	Pressure Zone Improvements.
RARE	Richmond Advanced Recycled Expansion project.
Rates	Charges for services to District customers that cover the costs of such services while allowing the District to remain revenue neutral.
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.

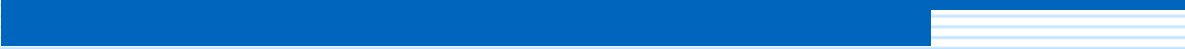
Appendix: Glossary

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.
System Capacity Charges	Charges paid at the time of new connections to the water system to compensate the District for construction of capital facilities that provide water service, such as reservoirs, transmission facilities, treatment facilities, and treated water storage facilities. Also referred to as “SCC”.
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”.
Uniform System of Accounts for Water Utilities	Guidelines established for the financial reporting of accounts, account structure and definitions, used to track revenue, expenses and asset and liability balances. The District uses the Uniform System of Accounts for Water Utilities established by the California Public Utilities Commission.
USL	Upper San Leandro.
Wastewater Capacity Charges	Charges paid at the time of new connections to the wastewater system to compensate the District for capital facilities that provide wastewater treatment, such as interceptors, primary and secondary treatment facilities, and wet weather treatment plants.
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.

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Proposed Biennial Budget

Fiscal Years 2026 & 2027



Volume 2: *Capital Award Summaries*

*East Bay Municipal Utility District
Oakland, California*

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

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

Volume 2: Capital Award Summaries

**Presented to the Board of Directors
March 25, 2025**

EBMUD Fact:

The Claremont Tunnel, which carries drinking water to more than 800,000 EBMUD customers, underwent a major upgrade in the mid-2000s to protect it from earthquakes.

Table of Contents

Table of Contents.....	1
Overview of Volume 2.....	5
Water System.....	7
Water System Overview.....	7
District-Wide Building Facility Improvements	8
Building Facilities Improvements	8
Facilities Cathodic Protection.....	12
Facility Paving.....	14
Minor Facilities Work	16
Small Capital Improvements	18
Environmental Resources & Remediation.....	20
East Bay Watershed Management.....	20
Mine Restorations.....	22
Mokelumne River Fish Hatchery	24
Mokelumne Watershed Management.....	26
River and Watershed.....	28
Trench Soils Management.....	30
Upcountry Wastewater Treatment Improvements.....	32
New Business Infrastructure.....	34
Hydrants Installed by District Forces	34
New Service Installations	36
Pipeline System Extensions.....	38
Pipelines - Distribution System	40
Annual Appurtenance Work.....	40
Distribution System Cathodic Protection.....	42
Pipeline Rebuild	44
Pipeline Relocations.....	46
Pipeline System Improvements.....	48
Service Lateral Replacements.....	50
Pipelines - Transmission.....	52
Aqueduct Cathodic Protection	52
Large Diameter Pipelines.....	54

Transmission Main Cathodic Protection	56
Pressure Zone Studies.....	58
Distribution System Upgrades.....	58
Miscellaneous Planning Studies	60
Pressure Zone Improvements	62
West of Hills Master Plan	64
Process & System-Wide Improvements.....	66
HRIS Replacement.....	66
Information Technology.....	68
Op/Net System Improvements.....	70
Planned Meter Replacements.....	72
Security Improvements.....	74
Water Loss Control	76
Pumping Plants.....	78
Pumping Plant Rehabilitation.....	78
Raw Water System.....	82
Mokelumne Aqueducts Number 2 & 3 Relining	82
Mokelumne Aqueducts Recoating.....	84
Raw Water Aqueduct Improvements	86
Raw Water Facilities	88
Raw Water Infrastructure	90
Recreation Areas & Facilities.....	93
Camanche Hills Hunting Preserve	93
Camanche Recreation Area Improvements.....	95
Lafayette Recreation Infrastructure	97
Recreation Area Capital Maintenance & Improvements.....	99
San Pablo Recreation Infrastructure.....	101
Regulators & Rate Control Stations	103
Rate Control Station Rehabilitation.....	103
Regulator Rehabilitation.....	105
Reservoirs - Distribution	107
Chloramine Boosting Stations.....	107
Distribution System Water Quality Improvements.....	109
Open-Cut Reservoir Program	111
Reservoir Mixing System.....	113

Reservoir Rehabilitation and Maintenance	115
Reservoirs - Supply	118
Dam Operational Upgrades	118
Dam Seismic Upgrades	120
Dam Surveillance Improvements	122
Reservoir Tower Modifications.....	124
Water Supply Monitoring System.....	126
Supplemental Supply, Regional Agreements.....	128
Groundwater Resource Development.....	128
SGMA Compliance	130
Upper Mokelumne River Watershed Authority - Water Supply Project	132
Water Rights, Licenses & Plans.....	134
Sustainable Energy	136
Enhanced Power Revenue	136
Powerhouse Improvements.....	138
Vehicles, Equipment & Related Facilities	140
Diesel Engine Retrofit.....	140
Fleet & Equipment Additions.....	142
Fleet & Equipment Replacement & Purchases	144
Water Recycling & Conservation.....	146
DSRSD-EBMUD Recycled Water Authority (DERWA).....	146
East Bayshore	148
North Richmond Recycled Water Plant	150
Richmond Advanced Recycling Expansion (RARE) - Chevron Funded	152
San Ramon Valley Recycled Water	154
Water Treatment	156
Pardee Center Capital Maintenance & Improvements	156
Treatment Plant Upgrades	158
Contingency - Water	161
Contingency - Water	161
Wastewater System	163
Wastewater System Overview	163
Main Wastewater Treatment Plant.....	164
Dewatering	164
Digesters	166

Effluent Discharge	168
Electricals and Controls.....	170
Nutrients.....	173
Power Generation and Biogas	175
Preliminary Treatment.....	177
Primary Treatment	179
Resource Recovery	181
Secondary Treatment.....	183
Seismic Retrofit Maintenance Center	185
Utilities and Sitework.....	187
Remote Facilities	189
Interceptors and Pump Stations	189
Wet Weather Facilities	192
System-Wide Improvements	194
General Wastewater.....	194
Contingency - Wastewater.....	196
Contingency - Wastewater	196

Overview of Volume 2

About Capital Award Summaries

This volume contains a summary for each Award that has work planned in Fiscal Year 2026 (FY 2026) through Fiscal Year 2035 (FY 2035), which is the 10-year horizon for the District's published Capital Improvement Program (CIP). Throughout this book, Award and Project may be used interchangeably, though internally, Projects are components or subdivisions of Awards.

Award Summaries

The award summaries are presented in alphabetical order, first by Award Purpose and then by Award Name. The primary information provided is:

- **Award Purpose:** Groups Awards together, primarily as an organizational tool, often around major asset classes or key strategies. Examples include Pipelines - Distribution System, Raw Water System, and Sustainable Energy.
- **Award Number:** Supports public and internal reference, as the Award Number is part of Board documents, including when capital contracts are approved.
- **Award Name:** Provides the name of the Award, typically without abbreviations or initialisms.
- **Lead Department:** Indicates which Department is primarily responsible for the project.
- **Appropriations:** Amount of expenditure requested for Board approval in both FY 2026 and FY 2027.
- **Funding Sources:** Funding is drawn from multiple sources, though Revenue Funded is the single largest source. More information is provided on the next page.
- **Cash Flow by Project:** Planned direct expenses each year, including both District labor and benefit costs that directly support the Award, as well as payments to external vendors for materials, supplies or services.

ABOUT THE TABLE OF CONTENTS

Below is a visual guide to reading the Table of Contents. Also note that at the end of each system's section of this volume, there are two indexes – one for Awards sorted by award number, and another for Awards sorted by award name.

Award Purposes									
	<table> <tr> <td>→ District-Wide Building Facility Improvements.....</td> <td>11</td> </tr> <tr> <td>→ Arc Flash, Mitigation, Project Management.....</td> <td>11</td> </tr> <tr> <td>→ Building Facilities Improvements</td> <td>12</td> </tr> <tr> <td>→ Facilities Cathodic Protection.....</td> <td>13</td> </tr> </table>	→ District-Wide Building Facility Improvements.....	11	→ Arc Flash, Mitigation, Project Management.....	11	→ Building Facilities Improvements	12	→ Facilities Cathodic Protection.....	13
→ District-Wide Building Facility Improvements.....	11								
→ Arc Flash, Mitigation, Project Management.....	11								
→ Building Facilities Improvements	12								
→ Facilities Cathodic Protection.....	13								
Awards									

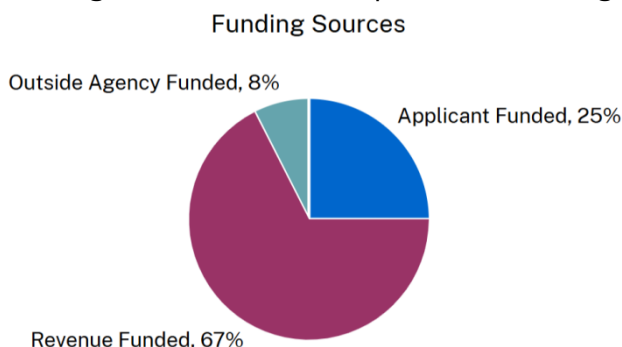
Appropriations and Cash Flow

There are two ways that the District considers the finances 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. Transfers of appropriations are reported to the Board monthly.
- 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 10-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.

Funding Sources

The CIP is funded primarily through revenue (after paying for operating expenses and debt service) and the issuance of revenue bonds. However, there are certain other sources that provide funding to capital projects. The pages throughout this book show a pie chart of funding sources, like the below.



Funding Sources include:

- **Revenue Funded*:** Funded either through cash or eventually through the issuance of bonds, this provides the majority of funding for the CIPs for both the Water and Wastewater System.
- **Applicant or Outside Agency Funded:** These two categories include work funded by applicants, i.e. businesses, individuals, and public authorities seeking to connect to or upgrade their connection to the Water or Wastewater System, and outside agencies,
- **VRF Funded:** Some projects are funded using the Vehicle Replacement Fund (VRF), which is funded internally using charges for vehicles for each hour they are operated. This mechanism ensures both capital and operating projects are charged for the cost of maintenance and replacement of vehicles, as well as related necessary infrastructure, such as electric vehicle charging stations.
- **Grant Funded:** Grant-funded projects in this document either have already secured a grant or they are expected to secure a grant before proceeding.

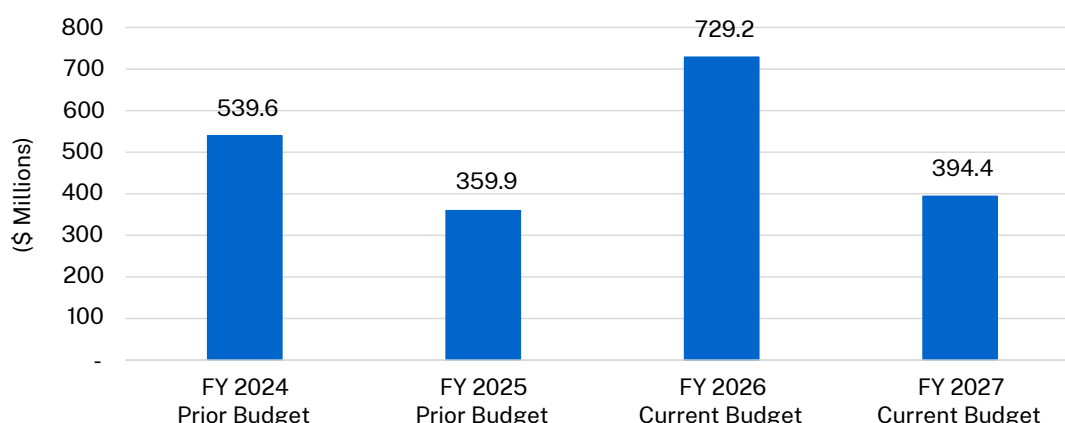
*Note that while most projects are initially revenue-funded, the District issues bonds for a portion of certain projects' costs on a reimbursement basis. Over the 10-year CIP, approximately 33 percent of the Water CIP is expected to be debt-funded, and 50 percent of the Wastewater CIP will be debt-funded.

Water System

Overview

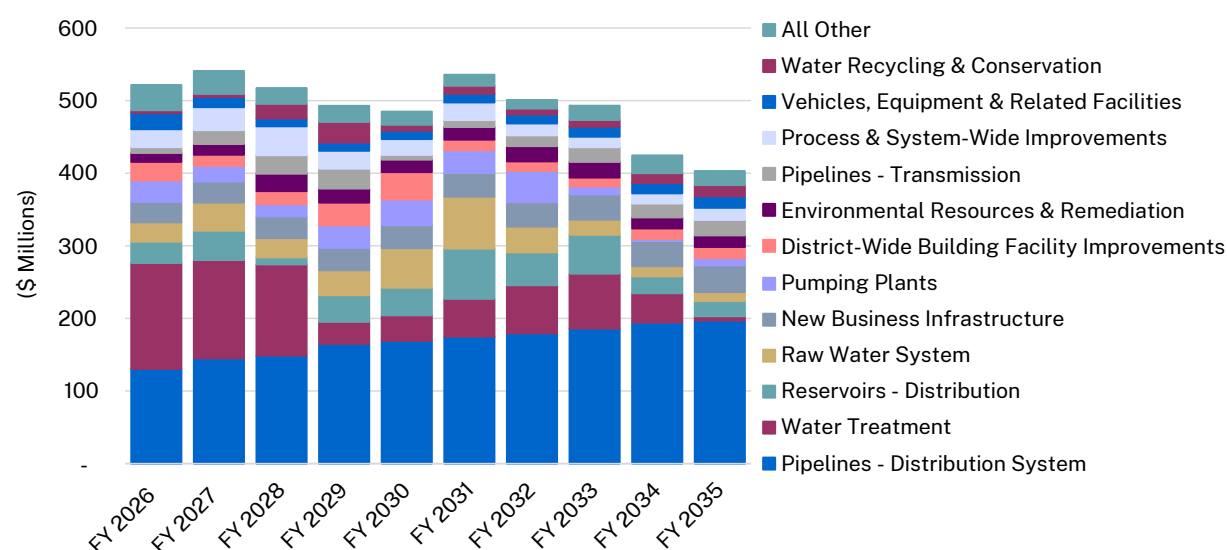
The Water System's FY 2026 capital appropriation will increase by \$369.3 million or 103 percent from FY 2025. In FY 2027, the appropriation decreases by 46 percent from FY 2026. The first year's increase is particularly high due to several multi-year contracts that will be advertised for bid in FY 2026.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

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



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.

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



Award Purpose:

District-Wide Building Facility Improvements

Award:

7000126-Building Facilities Improvements

Lead Department:

Engineering & Construction

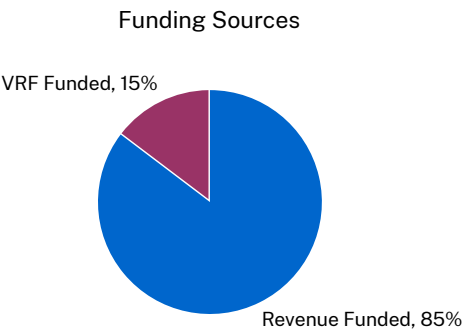
Start Year:

FY 2026

Award Description

Improvements to building systems enhance safety, reduce costs, minimize energy use, and optimize facility use for evolving District needs. Major projects include the AB Roof and Facade Access Rehabilitation, New Central Service Area, Fleet Maintenance East, HVAC upgrades at AMC, AB Envelope Resealing, AMC Roofing, and tenant improvements at Oakport. FY 2024 - FY 2025: Completed projects include a master plan for fleet electrification, an AB lobby education display, and planning/design for AB Firewall Repairs. Design for AB Roof and Facade Rehabilitation and Fiber Optic Replacement finished, with construction underway. Planning for the New Central Area Service Center and Fleet Maintenance East progressed. FY 2026 - FY 2027: Goals include completing AB Roof and Facade Rehabilitation, Fiber Optic Replacement, HVAC improvements at AMC, and security upgrades at AB. Design work will advance for the New Central Service Area, Fleet Maintenance East, AMC roofing, and electrical upgrades. Tenant improvements will continue across all facilities. FY 2028 - FY 2035: Expected completions include the New Central Area Service Center, Fleet Maintenance East, AB Firewall Repairs, AB Security Improvements, AMC Roofing, and Oakport tenant upgrades. AB Electrical Systems design will be finalized, with ongoing tenant improvements to meet workforce needs.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	2,606	1,545	1,061
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	2,606	1,545	1,061



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11033	ADA Compliance	Planning	64	6	6	6	6	6	6	7	7	7	7
11034	Fleet Maintenance East Upgrades	Design	459	459									
11034	Fleet Maintenance East Upgrades	Construction	17,484				5,628	5,796	2,985	3,075			
11035	Oakland Administration Building Roofing Systems Rehabilitation	Construction	11,327	9,379	1,947								
11036	Small Miscellaneous Building Improvements	Design	1,181	103	106	109	113	116	119	123	127	130	134
11036	Small Miscellaneous Building Improvements	Construction	1,175								380	391	403
11038	Condition Assessment and Reinvestment Plan Implementation	Planning	227	227									
11037	Administration Building Space Reconfiguration	Design	1,299	113	117	120	124	128	131	135	139	144	148
11037	Administration Building Space Reconfiguration	Construction	1,038								336	346	356
11039	East Area Service Center HVAC and Emergency Generator Upgrade	Design	105	105									
11040	New Central Area Service Center	Design	577	577									
11040	New Central Area Service Center	Construction	37,319				10,130	25,040	2,149				
11041	Adeline Maintenance Center Administration Building HVAC System Improvements	Construction	5,162	3,323	1,839								
11044	Administration Building Fiber Optic Backbone Cabling Replacement	Construction	155	155									
11050	Administration Building Fire Wall Repairs	Design	361	361									
11050	Administration Building Fire Wall Repairs	Construction	3,712						239	2,460	1,013		
11046	Administration Building and Adeline Maintenance Center Restacking Project	Planning	598	598									
11047	Fire Protection at Occupied Facilities	Planning	183		85					98			
11047	Fire Protection at Occupied Facilities	Design	165			76					89		
11047	Fire Protection at Occupied Facilities	Construction	887								437	450	

Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11048	Oakport Site Development	Design	567	567									
11048	Oakport Site Development	Construction	4,713	484	2,896	1,333							
11049	ZEV Charging Stations	Design	2,606	1,545	1,061								
11049	ZEV Charging Stations	Construction	16,637			8,195	8,441						
11360	Administration Building Envelope Sealing	Planning	161		106	55							
11360	Administration Building Envelope Sealing	Design	499			246	253						
11361	Administration Building Safety and Security Improvements	Design	309	309									
11361	Administration Building Safety and Security Improvements	Construction	1,433						1,433				
11362	Adeline Maintenance Center Buildings Roof Repairs	Design	618	618									
11362	Adeline Maintenance Center Buildings Roof Repairs	Construction	4,629								2,280	2,349	
11363	Administration Building Roofing Systems Improvement and Phase 2	Design	278		212	66							
11364	Adeline Maintenance Center Campus Reconfiguration	Planning	836	412	424								
11367	Administration Building Major Capital Renewals Design		1,099	36	32	852	34	35	36	37	38		
11367	Administration Building Major Capital Renewals Construction		2,031								152	1,718	161
11368	Administration Building Electrical Systems Upgrade	Planning	530		530								
11368	Administration Building Electrical Systems Upgrade	Design	1,112			437	675						
11368	Administration Building Electrical Systems Upgrade	Construction	5,376										5,376
11369	Pardee Center Improvements	Planning	230	103	127								
11369	Pardee Center Improvements	Design	357		106	251							
11371	Administration Building HVAC System Upgrade	Design	349		143	148	59						
11371	Administration Building HVAC System Upgrade	Construction	968								393	411	164

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11372	Administration Building Public Education Exhibit Expansion	Planning	60		60								
11372	Administration Building Public Education Exhibit Expansion	Design	92		21	71							
11374	Aqueduct Section ADA Upgrade	Design	403										403
11375	Lafayette Reservoir Maintenance Shop ADA Upgrade	Design	67										67
11376	Sobrante and Lafayette Water Treatment Plant ADA Upgrade	Design	350	350									
11376	Sobrante and Lafayette Water Treatment Plant ADA Upgrade	Construction	1,194						1,194				
All Projects			130,982	19,829	9,820	11,966	25,462	31,121	8,293	5,935	5,391	5,946	7,220

Award Purpose:
District-Wide Building Facility Improvements

Award:
7100002-Facilities Cathodic Protection

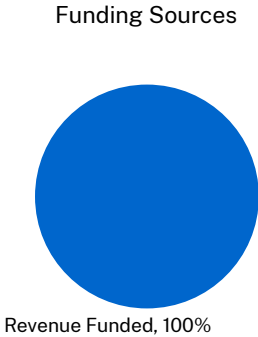
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

The distribution system valve improvements include the design and installation of distribution system isolation valves based on the recommendations of the Distribution Sys Valve Study to reduce the magnitude and duration of customer outages during pipeline shutdowns and improve distribution system resilience.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11067	Tanks, Towers, and Treatment	Design	1,749	153	157	162	167	172	177	182	188	193	199
11067	Tanks, Towers, and Treatment	Construction	2,825	500		531		563		597		634	
All Projects		All Phases	4,574	653	157	693	167	735	177	779	188	827	199

Award Purpose:

District-Wide Building Facility Improvements

Award:

7000326-Facility Paving

Lead Department:

Water Operations

Start Year:

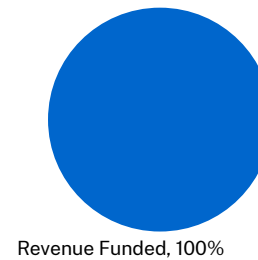
FY 2026

Award Description

This project maintains and replaces distribution reservoir access roads, other facility roads, and parking areas. Planned work in FY 2026 - FY 2030 includes paving repairs and replacements for reservoir access roads, pumping plant parking areas, Adeline Maintenance Center facilities, and Service Yards. Aging paving at local facilities are in need of restoration and this project provides a systematic and long-term approach to optimizing pavement maintenance.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	200	100	100
Construction	-	-	-
Recurring	750	350	400
Other	-	-	-
Total	950	450	500

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11147	Pavement Mgmt Plan Implementation	Design	2,657	232	239	246	253	261	269	277	285	294	302
11147	Pavement Mgmt Plan Implementation	Construction	20,703	1,498	1,657	1,712	1,719	1,855	1,910	1,968	2,027	3,131	3,225
All Projects		All Phases	23,360	1,729	1,896	1,958	1,972	2,116	2,179	2,245	2,312	3,425	3,528

Award Purpose:
District-Wide Building Facility Improvements

Award:
7000161-Minor Facilities Work

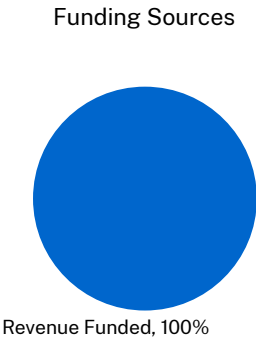
Lead Department:
Water Operations

Start Year:
FY 2033

Award Description

This project consists of smaller capital improvements to facilities that do not require extensive planning or design, or justify a standalone project. The project also includes c sharing with the Wastewater System for laboratory upgrades and equipment. Each year various improvements and modifications to facilities are required. Most involve equip or structural issues impacting facility integrity, or health and safety issues.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11146	Sewer Laterals Compliance	Construction	192								127	65	
	All Projects	All Phases	192								127	65	

Award Purpose:

District-Wide Building Facility Improvements

Award:

7000305-Small Capital Improvements

Lead Department:

Water Operations

Start Year:

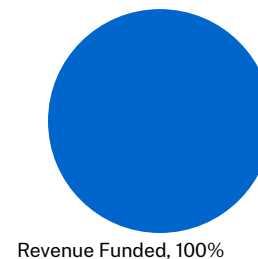
FY 2026

Award Description

This project provides urgent capital improvements to maintain the reliability and safety of pumping plants, reservoirs, regulators, treatment plants, rate control stations, and administration buildings. There are 425 of these facilities, many of which have improvements scheduled in the Infrastructure Rehabilitation Plan (IRP) in the next 10 years. The project provides improvements and the accelerated replacement of failed or unreliable components in some of the facilities slated for eventual rehabilitation. Such improvements are smaller in scale than the typical project under the IRP. Planned projects for FY 2026 - FY 2030 include replacement of electrical and control components at multiple pumping plants as well as the replacement of turbidimeters at water treatment plants. Other work includes repair and replacement of motors, valves, piping, instrumentation, retaining walls, and roofs at various pumping plants, water treatment plants, regulators, and rate control stations. This project replaces critical electrical, mechanical, instrument, and structural components at distribution and treatment facilities that have reached the end of their useful lives. Failure of the components can affect water service to customers, fire suppression capability, and water quality.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	5,700	2,850	2,850
Other	-	-	-
Total	5,700	2,850	2,850

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11142	Motor Control Center Replacement and Other Facilities Maintenance & Construction Capital	Construction	38,747	3,399	3,501	3,387	3,714	3,826	3,940	4,059	4,180	4,306	4,435
	All Projects	All Phases	38,747	3,399	3,501	3,387	3,714	3,826	3,940	4,059	4,180	4,306	4,435

Award Purpose:
Environmental Resources & Remediation

Award:
7000012-East Bay Watershed Management

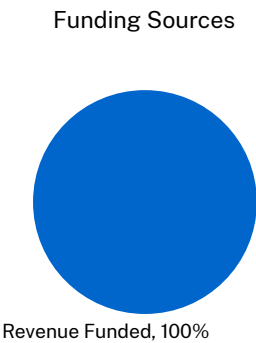
Lead Department:
Natural Resources

Start Year:
FY 2026

Award Description

Watershed are lands managed to ensure public health and safety, environmental protection, and availability of a clean water supply for customers. Work is prioritized in accordance with the East Bay Watershed Master Plan, Range Resource Management Plan, Fire Management Plan, and regulatory requirements. Projects include upgrades that address regulatory, safety, and water quality concerns, as well as improvements to grazing allotments, fencing, fire-access roads, watershed trails, and other structures found in the watershed. FY 2024 - FY 2025 work included the Grizzly Peak Strategic Shaded Fuel Break Collaboration, in partnership with the East Bay Regional Park District (EBRPD) which received a CalFire Wildfire Prevention Grant to support the project. Work also continued on the San Pablo Pines Removal project to address dead and dying Monterey pines in the San Pablo Reservoir watershed. FY 2026 - FY 2035 work includes continuation of the San Pablo Pines Removal project, additional work on shaded fuel breaks, replacement of watershed boundary fencing, and demolition of structures on the watershed, as well as additional major vegetation management projects. Also included is a potential demolition of the California Shakespeare Theatre that leases land in the watershed.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	2,398	1,603	796
Other	-	-	-
Total	2,398	1,603	796



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11003	East Bay Safety - Regulation Upgrades	Construction	1,093			1,093							
11003	East Bay Safety - Regulation Upgrades	Other	3,165	618	212	219	225	232	239	246	380	391	403
11004	East Bay WSTHD San Pablo Pines	Construction	4,101	773	796	820	844	869					
All Projects		All Phases	8,359	1,391	1,008	2,131	1,069	1,101	239	246	380	391	403

Award Purpose:
Environmental Resources & Remediation

Award:
7000048-Mine Restorations

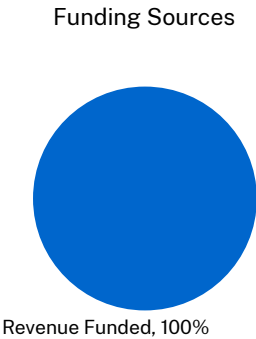
Lead Department:
Operations & Maintenance

Start Year:
FY 2031

Award Description

This project evaluates and implements long-term remedial solutions for two sites: former Penn Mine and Poison Lake, with the goal of restoring the Penn Mine site to pre-mir conditions.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11119	Tailing Pond Investigation	Construction	23								10	7	7
11120	Bureau of Land Management (BLM) Cost Sharing, Poison	Construction	19						4	4	4	4	4
All Projects		All Phases	42						4	4	13	10	11

Award Purpose:
Environmental Resources & Remediation

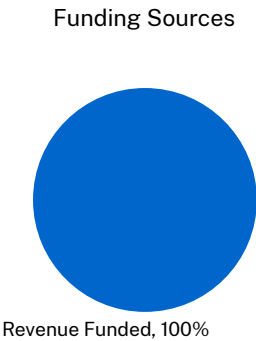
Award:
7000240-Mokelumne River Hatchery

Lead Department:	Start Year:
Natural Resources	FY 2028

Award Description

Operation of the Mokelumne River Fish Hatchery requires compliance with agreements with regulatory agencies to maximize hatchery fish production, and to protect and enhance the natural in-river production of anadromous fish. This award includes capital upgrades and replacements of the main and ancillary hatchery facilities, in compliance with the Mokelumne River Fish Hatchery operation agreement with the California Department of Fish and Wildlife (CDFW). FY 2024 - FY 2025 work included completion of a new water supply system for the residences at the Hatchery for CDFW staff, planning and development for electrical system upgrades and a replacement of the raceway lift station to comply with the National Pollutant Discharge Elimination System (NPDES) permit, and a feasibility study for temperature control infrastructure at Camanche Dam to better manage the water pool. FY 2028 - FY 2035, work includes upgrades to the Hatchery electrical system including new generators and transfer switches, a new steelhead rearing building, replacement of the lift station to maintain compliance with regulatory permits. Another project includes planning and design of a temperature control device at Camanche Dam.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11006	Mokelumne River Hatchery Upgrades	Construction	3,767				2,397	383	693	98	63	65	67
11007	Hatchery Residences	Construction	162								63	65	34
11220	Temperature Control Device	Planning	10,258			2,448	2,521	927	573	2,066	1,723		
11220	Temperature Control Device	Design	6,419					1,113	1,815	1,869	1,621		
All Projects		All Phases	20,606			2,448	4,918	2,423	3,081	4,034	3,471	130	101

Award Purpose:
Environmental Resources & Remediation

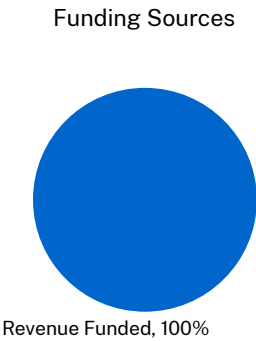
Award:
7000010-Mokelumne Watershed Management

Lead Department:	Start Year:
Natural Resources	FY 2026

Award Description

Watershed lands are managed to ensure public health and safety, environmental protection, and availability of a clean water supply for customers. Work is prioritized in accordance with the Mokelumne Watershed Master Plan, Rangeland Management Plan, Fire Management Plan, and regulatory requirements. Projects include upgrades that address regulatory, safety, and water quality concerns, as well as improvements to grazing allotments, fencing, fire roads, watershed trails, and other watershed infrastructure. FY 2025 work included the purchase of replacement regulatory-required buoys for Pardee Reservoir and watershed patrol radios. FY 2026 - FY 2035 work includes watershed boundary fencing, improvements to grazing allotments, and roads within the watershed.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	297	297	-
Recurring	-	-	-
Other	-	-	-
Total	297	297	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11010	Mokelumne Safety/Regulations	Construction	1,572	103	106	109	113	116	119	123	253	261	269
	All Projects	All Phases	1,572	103	106	109	113	116	119	123	253	261	269

Award Purpose:
Environmental Resources & Remediation

Award:
7000070-River and Watershed

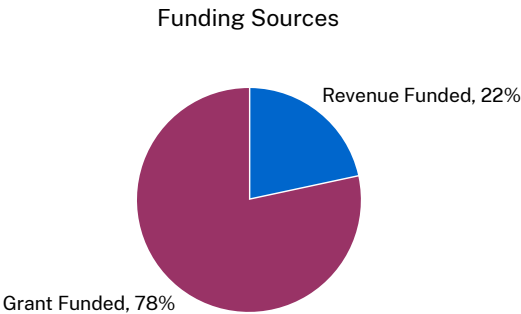
Lead Department:
Natural Resources

Start Year:
FY 2026

Award Description

Natural resources management actions include implementation of habitat and species protections and enhancement measures, including those required from the East Bay L Conservation Plan, Safe Harbor Agreements, and compliance with the Voluntary Agreements Memorandum of Understanding (MOU), and associated grants with DWR and U. FY 2024 - FY 2025 work included the purchase of replacement river monitoring equipment, and implementation of habitat projects as part of the Healthy Rivers and Landscapes Program, including design of additional spawning habitats and floodplains, and installation of riparian diversion screens to protect migrating fish. Portions of this work were supprrting by a California Department of Water Resources grant and a United States Bureau of Reclamation grant. FY 2026 - FY 2031 work includes continuing to implemer Healthy Rivers and Landscapes program, including new floodplain habitat for spawning anadramous fish, and new fish diversion screens. It also includes a fish passage improvement on an East Bay creek.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	2,528	1,391	1,138
Recurring	582	582	-
Other	-	-	-
Total	3,110	1,972	1,138



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11011	Habitat Conservation Plan Implementation	Construction	647								279	33	336
11012	River Monitoring Equipment	Construction	195								76	59	60
11013	Voluntary Agreement Restoration	Construction	1,128	52	530	546							
11014	Voluntary Agreements - Reimbursable California Department of Water Resources (DWR) Grant	Construction	6,566	979	1,432	2,568	1,294	174	119				
11015	Voluntary Agreements - Reimbursable United States Bureau of Reclamation (USBR) Grant	Design	571	412	159								
All Projects			9,108	1,442	2,122	3,114	1,294	174	119		355	91	396

Award Purpose:

Environmental Resources & Remediation

Award:

7000042-Trench Soils Management

Lead Department:

Maintenance & Construction

Start Year:

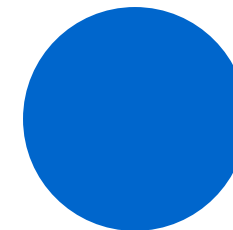
FY 2026

Award Description

This project is necessary to ensure adequate capacity for ongoing and future operations at District Owned Storage Sites (DOSS), continued regulatory compliance, and cost-effective and sustainable practices to manage trench soils. Trench soils are generally stockpiled for future reuse or disposal at three DOSS: Briones in Orinda, Miller Road in Valley, and Amador in San Ramon. Trench soils production has been increasing under the Pipeline Rebuild Program. This project includes coordination between multiple stakeholders on the generation, management, and final end use of all trench soils, operation and regulatory compliance at the DOSS, and implementation of recommendations from the Trench Soils Management Plan (TSMP) to more efficiently and sustainably manage trench soils. Priorities during the five-year CIP include continuing ongoing efforts to implement TSMP recommendations, including evaluating long-term solutions for trench soils, management of the DOSS, implementing Board direction on trench soils, and continued compliance with regulations.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	955	584	371
Design	-	-	-
Construction	-	-	-
Recurring	16,586	7,924	8,662
Other	-	-	-
Total	17,541	8,508	9,034

Funding Sources



Revenue Funded, 100%

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11168	Trench Soils Removal	Planning	3,663	430	318	328	338	348	358	369	380	391	403
11168	Trench Soils Removal	Construction	103,550	6,536	7,233	9,961	10,004	10,793	11,117	11,451	11,794	12,148	12,512
11169	District-Owned Storage Site Management	Planning	813	155	53	55	56	58	179	61	63	65	67
11169	District-Owned Storage Site Management	Construction	15,905	1,387	1,429	1,472	1,516	1,562	1,608	1,657	1,706	1,758	1,810
All Projects			123,931	8,508	9,034	11,816	11,914	12,761	13,263	13,538	13,944	14,362	14,793

Award Purpose:
Environmental Resources & Remediation

Award:
7000074-Upcountry Wastewater Treatment Improvements

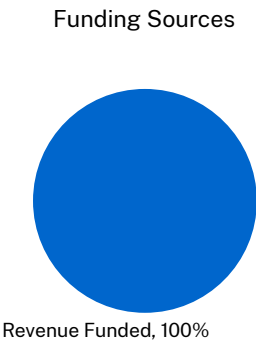
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

Upcountry Wastewater Treatment Improvements includes improvements to upcountry collection systems and wastewater treatment facilities. Major projects include the Car South Shore Recreational Area Wastewater Collection System Improvements project and the Camanche North Shore Recreational Area, Pardee Recreational Area, and Pard Center Wastewater Collection System Improvements project. FY 2024 - FY 2025 work included design of the Camanche South Shore Recreational Area Wastewater Collecti System Improvements project. FY 2026 - FY 2027 work includes design and construction of the Camanche South Shore Recreational Area Wastewater Collection System Improvements project. FY 2028 - FY 2035 work includes construction of the Camanche South Shore Recreational Area Wastewater Collection System Improvements project the Camanche North Shore Recreational Area, Pardee Recreational Area, and Pardee Center Wastewater Collection System Improvements project.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11225	Camanche South Shore Standard Service Collection System Improvement Project	Design	824	824									
11225	Camanche South Shore Standard Service Collection System Improvement Project	Construction	6,825		2,551	4,274							
11226	CANS, PACT, and PARA Coll System Improv	Planning	150			74	76						
11226	CANS, PACT, and PARA Coll System Improv	Design	1,177					580	597				
11226	CANS, PACT, and PARA Coll System Improv	Construction	6,242							3,075	3,167		
All Projects		All Phases	15,217	824	2,551	4,347	76	580	597	3,075	3,167		

Award Purpose:
New Business Infrastructure

Award:
7000015-Hydrants Installed by District Forces

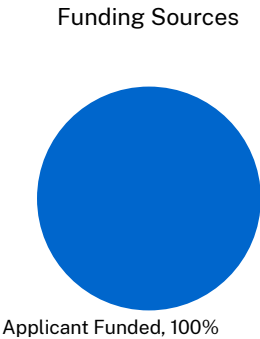
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This is a recurring project to install new hydrants in the service area. Most requests for new hydrants come from fire districts or developers. Development activity has been s recent years, with a corresponding increase in the number of hydrants installed. In FY 2025 - FY 2029 plans expect approximately 50 hydrants per year to be installed.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	3,136	1,545	1,591
Recurring	-	-	-
Other	-	-	-
Total	3,136	1,545	1,591



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11384	Hydrants Installed by District Forces	Construction	17,712	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016
	All Projects	All Phases	17,712	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016

Award Purpose:
New Business Infrastructure

Award:
7000014-New Service Installations

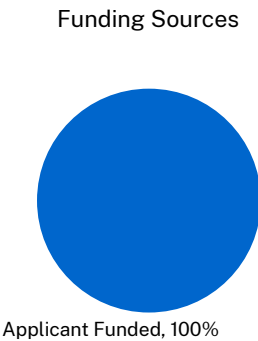
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This is an ongoing project to install new water services. Services include taps on the main, laterals, and meter sets. Work consists of adding services due to system expansion, urban in-fill projects, and excludes the replacement of existing services or service laterals. The need for installing new services continues to increase as housing development trends have elevated demand. In FY 2025 - FY 2029, approximately 700 new services expected to be installed annually.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	32,304	15,914	16,391
Recurring	-	-	-
Other	-	-	-
Total	32,304	15,914	16,391



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11383	New Service Installations	Construction	182,430	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764
	All Projects	All Phases	182,430	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764

Award Purpose:
New Business Infrastructure

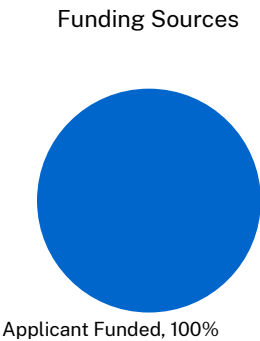
Award:
7000005-Pipeline System Extensions

Lead Department:	Start Year:
Engineering & Construction	FY 2026

Award Description

This ongoing project establishes additional pipeline to serve new customers via Applicant Extension Agreements. Annual workload is estimated from projections of land development activity and recent trends outlined in Water Service Estimates from the New Business Office. FY 2025 - FY 2029 work will include approximately 5-6 miles per system extensions.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	2,154	1,061	1,093
Construction	-	-	-
Recurring	19,383	9,548	9,835
Other	-	-	-
Total	21,536	10,609	10,927



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11379	System Extensions	Design	12,162	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384
11379	System Extensions	Construction	109,458	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743	12,095	12,458
	All Projects	All Phases	121,620	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842

Award Purpose:
Pipelines - Distribution System

Award:
7000164-Annual Appurtenance Work

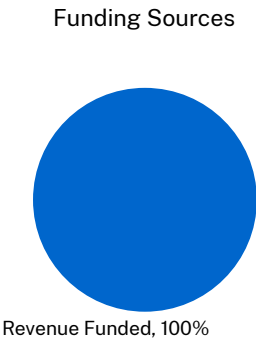
Lead Department:
Maintenance & Construction

Start Year:
FY 2026

Award Description

This ongoing project will replace distribution system isolation valves, blow-off assemblies, air valves and other appurtenances that have reached the end of their useful lives longer meet current installation practices. The goal is to inspect and operate 10 percent of distribution valves annually. The Large Valve Master Plan has identified a number of appurtenances that need to be upgraded to ensure system reliability. Due to increased funding within cities and counties for paving restoration and street reconstruction, gas pots upgraded in FY 2024 - FY 2025, and will continue into FY 2026 - FY 2027. These upgrades improve access during emergency and routine valve operation, and while performing maintenance activities.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	1,550	750	800
Other	-	-	-
Total	1,550	750	800



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11117	Appurtenance Work	Construction	20,761	1,648	1,697	1,858	1,913	2,029	2,090	2,214	2,280	2,479	2,553
	All Projects	All Phases	20,761	1,648	1,697	1,858	1,913	2,029	2,090	2,214	2,280	2,479	2,553

Award Purpose:
Pipelines - Distribution System

Award:
7000030-Distribution System Cathodic Protection

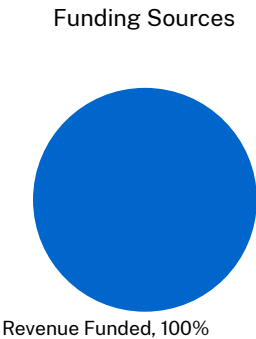
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This recurring project repairs and replaces cathodic protection units for Mortar Lined & Coated Steel (ML&CS) or Mortar Lined & Plastic-Coated Steel (ML&PCS) distribution mains. The ML&PCS pipelines are protected by approximately 1,300 galvanic anode systems, which total 3,000 individual anodes. The ML&CS pipelines are protected by approximately 60 impressed current Cathodic Protection System (CPS). FY 2025 work included the formation of a 4-person crew for the Copper Lateral Cathodic Protection Program, and work began in Richmond and Hercules. FY 2026 - FY 2035 work includes improving approximately 40 galvanic anode test stations annually, 20 CPS biannually eventually installing approximately 4,400 zinc anodes annually for the Copper Lateral Cathodic Protection Program.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	350	172	178
Construction	-	-	-
Recurring	1,739	727	1,012
Other	-	-	-
Total	2,089	899	1,189



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11063	Distribution System Cathodic Protection	Design	4,782	417	430	443	456	470	484	498	513	529	543
11063	Distribution System Cathodic Protection	Construction	23,766	1,760	2,449	1,867	2,598	1,980	2,756	2,101	2,924	2,229	3,102
All Projects		All Phases	28,548	2,177	2,879	2,309	3,054	2,450	3,240	2,599	3,437	2,758	3,645

Award Purpose:
Pipelines - Distribution System

Award:
7000003-Pipeline Rebuild

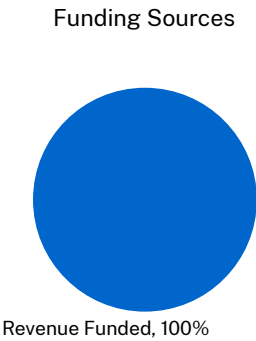
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

Pipeline Rebuild focuses on the continued replacement and renewal of distribution system pipelines that have reached the end of their useful life. This project is continuing to increase pipeline replacement rates and evaluate likelihood and consequence of failure factors to refine the prioritization of these replacements. Pipeline Rebuild plans to utilize condition assessment technologies and artificial intelligence risk models to verify if certain pipelines are ready for replacement. In FY 2026, Pipeline Rebuild has a replacement of 25 miles. The annual replacement mileage goal will increase to 27.5 miles in FY 2027 and 30 miles by FY 2029.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	11,997	5,685	6,312
Construction	-	-	-
Recurring	201,831	94,738	107,093
Other	-	-	-
Total	213,828	100,423	113,405



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11377	Infrastructure Renewal	Design	73,517	5,685	6,312	6,501	7,180	7,396	7,618	7,846	8,081	8,324	8,574
11377	Infrastructure Renewal	Construction	1,260,761	94,614	106,953	110,162	123,855	127,570	131,398	135,339	139,400	143,582	147,889
11378	Plant Inspection	Construction	1,650	124	140	144	162	167	172	177	182	188	194
All Projects		All Phases	1,335,928	100,423	113,405	116,807	131,197	135,133	139,187	143,363	147,664	152,093	156,656

Award Purpose:

Pipelines - Distribution System

Award:

7000006-Pipeline Relocations

Lead Department:

Engineering & Construction

Start Year:

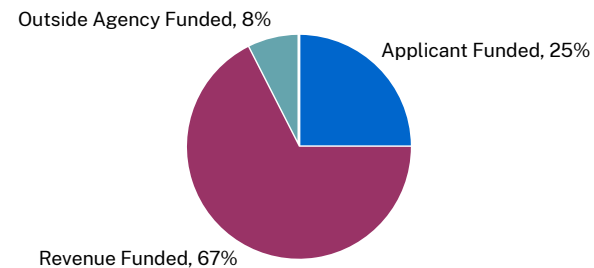
FY 2026

Award Description

This project relocates pipelines on an ongoing basis to accommodate projects from other agencies, such as roadway improvements, bridge replacements, or rail system expansions. The work is non-discretionary and complex forecasting is required due to the dependence on other agencies' schedules. The District obligated to commit financial resources to pipeline relocations originating from street improvement projects of most cities and counties. Costs for pipeline relocations driven by private applicants and agencies such as California Department of Transportation (Caltrans) and Bay Area Rapid Transit District (BART), are typically reimbursable. FY 2026 - FY 2030 anticipated work includes design and construction of approximately 1.5 miles of pipeline relocations per year, which includes 0.5 miles of reimbursable and 1.0 miles of non-reimbursable work.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	285	140	144
Design	1,415	697	718
Construction	-	-	-
Recurring	12,427	6,121	6,305
Other	-	-	-
Total	14,127	6,959	7,168

Funding Sources



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11381	Non-Reimbursable Relocations	Planning	1,311	114	118	121	125	129	133	137	141	145	149
11381	Non-Reimbursable Relocations	Design	6,553	572	589	606	625	643	663	683	703	724	746
11381	Non-Reimbursable Relocations	Construction	57,610	5,025	5,176	5,331	5,491	5,656	5,826	6,001	6,181	6,366	6,557
11382	Reimbursable Relocations Non-New Business Office	Planning	661	58	59	61	63	65	67	69	71	73	75
11382	Reimbursable Relocations Non-New Business Office	Design	3,283	286	295	304	313	322	332	342	352	363	374
11382	Reimbursable Relocations Non-New Business Office	Construction	28,811	2,513	2,589	2,666	2,746	2,829	2,913	3,001	3,091	3,184	3,279
11380	New Business Office Reimbursable	Planning	661	58	59	61	63	65	67	69	71	73	75
11380	New Business Office Reimbursable	Design	3,283	286	295	304	313	322	332	342	352	363	374
11380	New Business Office Reimbursable	Construction	28,811	2,513	2,589	2,666	2,746	2,829	2,913	3,001	3,091	3,184	3,279
All Projects			130,984	11,426	11,769	12,122	12,485	12,860	13,246	13,643	14,052	14,474	14,908

Award Purpose:
Pipelines - Distribution System

Award:
7000024-Pipeline System Improvements

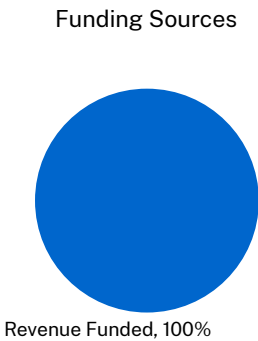
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This is an ongoing effort focused on projects to improve water quality, system performance, capacity, reliability, and maintainability of the distribution system. FY 2024 - FY 2025 work included design for the replacement of the Central Reservoir in Oakland and Almond Reservoir in Castro Valley, as well as construction work at Danville Reservoir in Da. FY 2026 - FY 2030 work will continue to contribute to the remaining 1.5 miles of pipeline system improvements replacements previously identified.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	151	75	77
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	151	75	77



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11087	System Improvements	Design	1,169	102	105	108	111	115	118	122	125	129	133
11301	Piedmont Pressure Zone Transmission Improvements	Design	399								399		
11301	Piedmont Pressure Zone Transmission Improvements	Construction	3,699									3,699	
All Projects		All Phases	5,267	102	105	108	111	115	118	122	524	3,828	133

Award Purpose:
Pipelines - Distribution System

Award:
7000041-Service Lateral Replacements

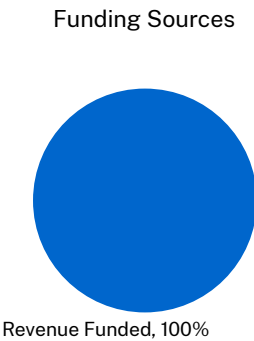
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This award manages all service lateral replacements for planned and unplanned replacements for all service lateral material types. FY 2026 - FY 2030 work includes replacement of approximately 1,200 planned and unplanned service lateral replacements per year.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	29,795	14,678	15,118
Other	-	-	-
Total	29,795	14,678	15,118



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11386	Unplanned Service Replacements	Construction	168,261	14,678	15,118	15,571	16,039	16,520	17,015	17,526	18,051	18,593	19,151
	All Projects	All Phases	168,261	14,678	15,118	15,571	16,039	16,520	17,015	17,526	18,051	18,593	19,151

Award Purpose:
Pipelines - Transmission

Award:
7000043-Aqueduct Cathodic Protection

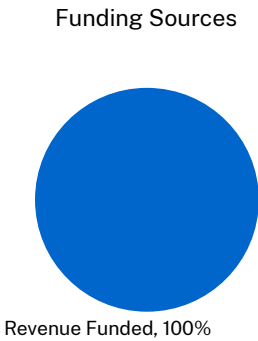
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This recurring project includes annual investigations and periodic renewal of the Mokelumne Aqueducts' 44 cathodic protection systems (CPS). These systems prevent the corrosion of steel pipelines that come into contact with soil and require periodic replacement of expendable components, such as anode beds and power supplies. FY 2024 - 2025 work includes site evaluations to determine the status of each CPS, prioritization of improvement projects, replacing obsolete and inefficient rectifier power supplies, and improving obsolete deep well anode beds. FY 2026 - FY 2035 work will continue to evaluate, repair, replace, and improve CPS as necessary to maintain aqueduct cathodic protection.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11032	Aqueduct Cathodic Protection Station Improvements	Design	913	80	82	84	87	90	92	95	98	101	104
11032	Aqueduct Cathodic Protection Station Improvements	Construction	2,793	495		525		557		591		627	
All Projects		All Phases	3,706	574	82	609	87	646	92	686	98	727	104

Award Purpose:

Pipelines - Transmission

Award:

7000254-Large Diameter Pipelines

Lead Department:

Engineering & Construction

Start Year:

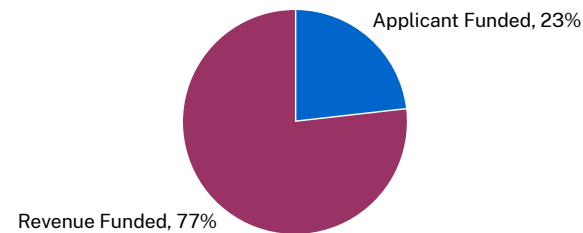
FY 2036

Award Description

Large diameter transmission pipelines form the backbone of the distribution system. This project replaces existing transmission pipelines that are at risk of failure and install transmission pipelines to improve the water system. FY 2024 - FY 2025 work included the completion of Oakland Inner Harbor Crossing and Wildcat El Cerrito pipeline construction. Completion of Summit PZ Phase 2A design anticipated for FY 2025. FY 2026 - FY 2030 work includes construction of Summit PZ Phase 2A; completion of design; construction of San Leandro Channel Crossing, Summit PZ Phase 2B, and Crockett Aqueduct Relocation; completion of design of South 54 Pipeline, Montana Pipeline, Summit Phase 3, and Summit PZ Phase 4; and start of design of Tidal Canal Crossing. Projects beyond FY 2030 include Tidal Canal Crossing, South 30 Pipeline Improvements, Sequoia Pipeline, Genoa Pipeline, Central PZ Pipelines, Crockett Pumping Plant Discharge Pipeline, Acalanes Aqueduct, and other replacement projects to be identified in the FY 2030 Large Diameter Pipeline Master Plan update.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	4,182	4,182	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	4,182	4,182	-

Funding Sources



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11330	Crockett Aqueduct Relocation	Design	4,182	2,060	2,122								
11330	Crockett Aqueduct Relocation	Construction	33,372			13,113	20,259						
11072	East 10th St, Hegenberger Rd and Summit Pressure Zone Transmission Phase 2A	Construction	3,526	936	2,590								
11070	Summit Pressure Zone Transmission Phase 2B	Design	836	412	424								
11070	Summit Pressure Zone Transmission Phase 2B	Construction	10,010				5,372	4,637					
11069	San Leandro Channel (Alameda Crossing 2)	Design	1,030	1,030									
11069	San Leandro Channel (Alameda Crossing 2)	Construction	20,924	936	10,359	9,629							
11331	Sequoia Aqueduct Pipeline	Design	7,603							2,460	2,534	2,610	
11331	Sequoia Aqueduct Pipeline	Construction	20,159										20,159
11333	Montana Pipeline	Design	1,771		430	885	456						
11333	Montana Pipeline	Construction	15,036						7,164	7,871			
11334	Summit Pressure Zone Transmission Phase 3	Design	929		265	382	281						
11335	Summit Pressure Zone Transmission Phase 4	Design	719	309	318	92							
11339	Tidal Canal (Alameda Crossing 3)	Design	3,225					1,043	1,075	1,107			
11341	Large Diameter Pipeline Master Plan	Planning	203						203				
11342	South 54 Pipeline	Design	3,683	1,545	1,591	546							
11342	South 54 Pipeline	Construction	34,585							2,460	16,468	15,657	
All Projects		All Phases	189,552	7,228	18,099	24,648	26,369	5,680	8,442	16,357	21,535	20,876	40,317

Award Purpose:
Pipelines - Transmission

Award:
7000055-Transmission Main Cathodic Protection

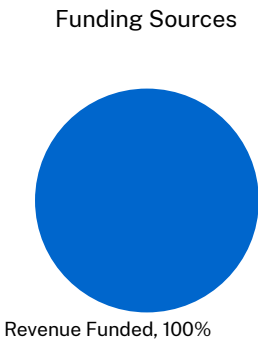
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This project will investigate and prioritize cathodic protection (CP) upgrades for transmission mains and large diameter pipelines and reconfigure obsolete CP systems. FY 2026 work will include CP improvements to 6 transmission pipeline CP systems - O'Hatch, Juana, Holmes, Russ Avenue, 4th Street and the 84-inch WCTP effluent pipeline. FY 2027 work will include CP improvements to 6 transmission pipeline CP systems - O'Hatch, Juana, Holmes, Russ Avenue, 4th Street and the 84-inch WCTP effluent pipeline.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	160	79	81
Construction	2,162	-	2,162
Recurring	-	-	-
Other	-	-	-
Total	2,321	79	2,243



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11104	Transmission Main Cathodic Protection Station	Design	1,749	153	157	162	167	172	177	182	188	193	199
11104	Transmission Main Cathodic Protection Station	Construction	4,194		743		788		836		887		941
All Projects		All Phases	5,943	153	900	162	955	172	1,013	182	1,074	193	1,140

Award Purpose:

Pressure Zone Studies

Award:

7000215-Distribution System Upgrades

Lead Department:

Engineering & Construction

Start Year:

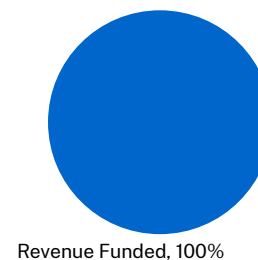
FY 2026

Award Description

This is an ongoing project to improve distribution system resilience, customer level of service, address maintenance issues, and meet regulatory requirements for pipeline construction. This project includes rezonings, service relocations, cultural resources support, and distribution system valve improvements. Rezonings are projects that rezone pipelines and customers to a higher pressure zone to improve level of service and water system operations. Projects come from a prioritized list of potential rezonings resulting from distribution system operational issues and/or verified customer complaints. Service relocations facilitate the abandonment of pipelines located in difficult to maintain rights-of-way. Cultural resources consultants provide on-call cultural and paleontological resource management support for planned and unplanned work, including site studies and unanticipated discoveries. The distribution system valve improvements include the design and installation of distribution system isolation valves based on the recommendations of the District System Valve Study to reduce the magnitude and duration of customer outages during pipeline shutdowns and improve distribution system resilience. FY 2024 - FY 2025 accomplishments include established standardized valve installation methods, developing a method to prioritize installations, piloting installation of approximately eight new valves, approximately 20 cultural and paleontological resource detailed investigations, five rezonings and five service relocations. Planned work for FY 2026 - FY 2030 includes plan design and installation of additional distribution valves, and completion of the Withers Reservoir Service Relocations and one or more rezoning.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	240	105	135
Design	332	163	168
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	572	269	303

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11065	Cultural Resources	Planning	1,181	103	106	109	113	116	119	123	127	130	134
11064	Valve Improvements Project	Planning	2,174	127	202	208	214	220	227	234	241	248	255
11064	Valve Improvements Project	Design	5,077	443	456	470	484	498	513	529	545	561	578
11066	Withers Reservoir Service Relocations	Construction	146				146						
11343	Pressure Zone Rezonings	Planning	634	56	57	58	60	63	64	66	68	70	71
	All Projects	All Phases	9,213	728	821	845	1,016	897	924	952	980	1,010	1,039

Award Purpose:
Pressure Zone Studies

Award:
7000271-Miscellaneous Planning Studies

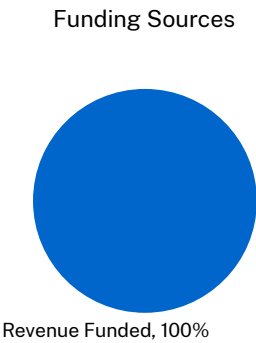
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This is an ongoing project to improve workflows and support decision-making for infrastructure planning and prioritization, and to optimize operations for energy, water quality, and emergency preparedness. This project includes Enterprise Hydraulic Modeling to develop and maintain hydraulic models and the Demand Study to maintain and update demand projections. In FY 2024 - FY 2025 accomplishments included ongoing administration of the hydraulic models and demand projections and completion of the Mid-Cycle Update of the 2050 Demand Study to support the 2025 Urban Water Management Plan. Planned work for FY 2026 - FY 2030 includes ongoing administration of the hydraulic models and demand projections, as-needed updates to the hydraulic models to account for system changes, and a major update to the demand projections as part of the 2060 Demand Study to account for recent and future development and water consumption trends and extend the projection by 10 years.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	3,530	15	3,515
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	3,530	15	3,515



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11074	Enterprise Hydraulic Modeling	Planning	415	26	27	55	56	29	30	31	63	65	34
11075	Demand Study	Planning	3,429	22	416	1,193	552	455	25	26	282	429	28
All Projects		All Phases	3,844	48	443	1,248	609	484	55	57	345	494	62

Award Purpose:

Pressure Zone Studies

Award:

7000065-Pressure Zone Improvements

Lead Department:

Engineering & Construction

Start Year:

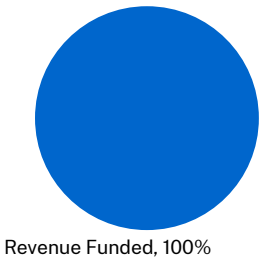
FY 2026

Award Description

This is an ongoing project to develop and prioritize infrastructure improvement recommendations to address pressure zone (PZ) operations. The project includes the Resilient Network Study and blueprints to improve the recovery of water service after a major seismic event by identifying locations for high reliability pipelines, the Collaborative Hol Pipeline Plan (CHPP) to develop a blueprint for each pressure zone to inform the selection and sizing of water distribution system pipelines and facilities, the Pumping Plant Criticality Study to determine the criticality of distribution pumping plants, and PZ Studies to recommend improvements to address pressure zone and regional operations. FY 2025 accomplishments included the East of Hills System Study (EOHSS) Lafayette WTP Facility Plan, completion of approximately 70 percent of the CHPP PZ blueprint, completion of the Resilient Network Study, completion of approximately 15 percent of Resilient Network blueprints, completion of the Swainland Reservoir planning study, an update to the Distribution System Master Plan. Planned work for FY 2026 - FY 2030 include completion of the EOHSS Alternative Supply Facility Plan, Maloney PZ Planning Lake Chabot Golf Course service relocation, Joaquin Miller Pumping Plant planning study, Lawrence Reservoir planning study, update to the Pumping Plant Criticality Study, the completion of the remaining 30 percent of the CHPP PZ blueprints and remaining 85 percent of the Resilient Network blueprints.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11090	CHPP	Planning	2,945	940	1,007	251	259	75	78	80	82	85	87
11093	Chabot Golf Course Service Relocation	Construction	563				563						
11092	Maloney Pressure Zone Improvements Planning Study	Planning	422	422									
11298	Summit Pressure Zone Study	Planning	242			119	123						
11299	Pumping Plant Criticality	Planning	249				123	127					
11300	New Pressure Zone Studies	Planning	1,181	103	106	109	113	116	119	123	127	130	134
All Projects		All Phases	5,602	1,466	1,113	480	1,180	318	197	203	209	215	222

Award Purpose:
Pressure Zone Studies

Award:
7000224-West of Hills Master Plan

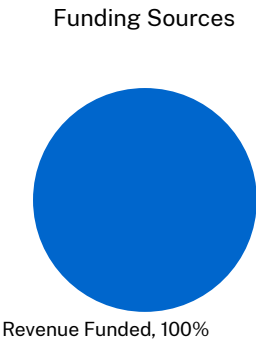
Lead Department:
Engineering & Construction

Start Year:
FY 2028

Award Description

The West of Hills (WOH) Master Plan is a comprehensive regional plan that addresses water treatment plant storage and transmission capacity for the WOH area, focusing on Central, Aqueduct, and Upper San Leandro Pressure Zones. The WOH Master Plan recommended improvements at three water treatment plants, two pumping plants, five water storage reservoirs, and approximately 120,000 feet of transmission pipelines. In FY 2019, an additional project recommended to decommission the San Pablo Water Treatment Plant (WTP). The WOH Master Plan project includes completing the environmental documentation for the recommended improvements. Individual projects will be consolidated into several Environmental Impact Reports (EIR), Mitigated Negative Declarations (MND), and Notice of Exemptions (NOE). In FY 2024 – FY 2025, the Wildcat Pumping Plant (PP) MND and Sobrante Water Treatment Plant (WTP) EIR completed, and WOH Central Pipelines MND began. Planned work for FY 2026 - FY 2030 includes completing the WOH Central Pipelines MND and WOH Southern Pipelines EIR.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	59	59	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	59	59	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11112	Sobrante Water Treatment Plant Improvements Environmental Impact Report	Planning	77	77									
11337	West of Hills Central Pipelines Environmental Impact Report	Planning	377	377									
11340	South 30 Pipeline Improvement	Planning	2,599			477	1,045	1,076					
All Projects		All Phases	3,053	454		477	1,045	1,076					

Award Purpose:
Process & System-Wide Improvements

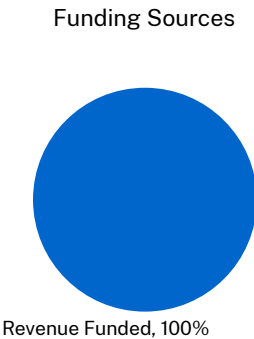
Award:
7000200-HRIS Replacement

Lead Department:	Start Year:
Information Services	FY 2026

Award Description

The PeopleSoft Human Resources Information System (HRIS) is reaching the end of its useful life and support for the product is limited. Loss of support would increase the risk of failure of the District's human resources (HR) functions and make it difficult to implement required tax and regulatory updates. This project is a joint effort of the Information Systems, Human Resources and user departments to replace the HRIS system. The project will be delivered in two phases: Phase 1 will replace the Retirement System; Phase 2 will replace the Core HR functionality and retire the PeopleSoft system.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Other	8,070	2,766	5,305
Total	8,070	2,766	5,305



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11409	Human Resources Information System Core Software	Construction	13,534	2,766	5,305	5,464							
	All Projects	All Phases	13,534	2,766	5,305	5,464							

Award Purpose:

Process & System-Wide Improvements

Award:

New-Information Technology

Lead Department:

Information Services

Start Year:

FY 2026

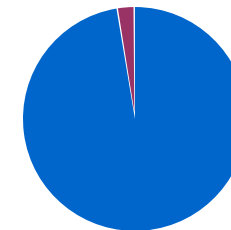
Award Description

In this budget cycle, the District has consolidated its information technology projects into a single capital allocation. A major focus of this initiative is enhancing the District's capabilities by migrating on-premise data center systems – including servers, storage, and applications – to the cloud. This transition builds upon existing cloud services and essential for infrastructure modernization, business continuity, and strengthening organizational security and resiliency. As the District expands its adoption of cloud service additional security layers will be implemented to protect systems, applications, and data. However, existing server and data storage equipment needs refreshed on an ongoing basis to keep up to date. Near-term software projects include continuing implementation of a modernized pension management system, upgrading payroll software, and a new maintenance management system. Additional technology improvements over the next 10 years include the implementation of a new core human resources system as well as customer information system.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	3,417	1,560	1,856
Recurring	-	-	-
Other	11,839	5,543	6,296
Total	15,256	7,104	8,152

Funding Sources

Outside Agency Funded, 3%



Revenue Funded, 97%

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11173	Computerized Maintenance Management System Software	Construction	17,784	1,030	5,305	11,450							
11174	Human Resources Pension Software	Construction	1,648	1,648									
11175	Voiceover Internet Protocol (VoIP) Software	Construction	1,476	129	133	137	141	145	149	154	158	163	168
11397	Data Backup and Retention	Construction	779			119	152		143		160	204	
11398	Data Capture/Analysis and Traffic Management	Construction	769		79	239	89		100		263		
11399	Data Center Network Equipment Replacement	Construction	353		353								
11401	Cloud Infrastructure Services	Construction	1,560	1,030	530								
11402	Firewall Refresh	Construction	773	773									
11403	Network Switch, Router, and Wireless Replacement	Construction	1,670	244	169	179	101		214	348			415
11404	Server Equipment Replacement	Construction	3,027	258		492		209	418	369	1,013		269
11405	Storage Equipment Replacement	Construction	5,449	618	690	246	253	261	1,702	799	285	294	302
11406	Upcountry Microwave System Replacement	Construction	2,338	1,015									1,324
11407	Voice Services Migration to Cloud	Construction	735		506				228				
11408	Computer Information System Replacement	Construction	22,533			2,213	6,149	6,524	6,921	726			
11410	Payroll Software	Construction	1,478	1,478									
All Projects		All Phases	62,372	8,221	7,764	15,074	6,885	7,138	9,874	2,396	1,880	661	2,478

Award Purpose:
Process & System-Wide Improvements

Award:
7000029-Op/Net System Improvements

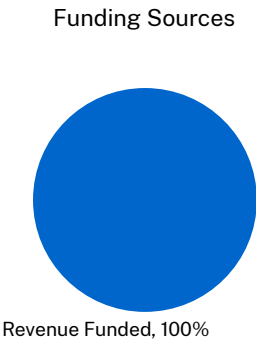
Lead Department:
Water Operations

Start Year:
FY 2026

Award Description

This project consists of ongoing component upgrades and replacements for the OP/NET System to ensure that it reliably and securely obtains water system information and process data to system operators, engineers, and planners. The OP/NET System includes the Security System, Supervisory Control and Data Acquisition (SCADA) system, wi and wireless communication networks, monitoring and control equipment at over 300 facilities, and distributed control systems (DCS) to provide operations staff with the ab control and monitor water production, treatment, distribution, hydroelectric power generation and field facilities. Hardware, software, and components need replacements ai upgrades to ensure reliability and security. In FY 2026 - FY 2027, the core SCADA system will get upgraded with new hardware and software to ensure up-to-date security a features. As cybersecurity concern rises across the country, an up-to-date SCADA system assures the District will receive the latest patches to any vulnerabilities. In additio SCADA display will also get updated to incorporate latest industry standards.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	2,050	650	1,400
Other	-	-	-
Total	2,050	650	1,400



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11143	Supervisory Control and Data Acquisition System Upgrades	Construction	5,472	371	1,549	448	405	417	430	443	456	470	484
11144	Control System Improvements	Recurring	7,203	628	647	667	687	707	728	750	773	796	820
All Projects		All Phases	12,675	999	2,196	1,115	1,092	1,124	1,158	1,193	1,229	1,266	1,304

Award Purpose:
Process & System-Wide Improvements

Award:
7000165-Planned Meter Replacements

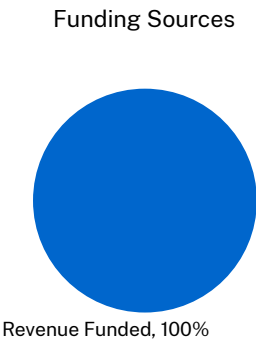
Lead Department:
Maintenance & Construction

Start Year:
FY 2026

Award Description

This ongoing project replaces water meters and meter boxes at the end of their useful lives, and replaces meters believed to be reading inaccurately. Currently, the District has a twenty-year meter replacement cycle plan. In FY 2024, approximately 10,751 residential meters, 869 small commercial meters, 87 large commercial meters and 102 fire service meters replaced.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	6,500	3,000	3,500
Design	-	-	-
Construction	-	-	-
Recurring	1,519	742	777
Other	-	-	-
Total	8,019	3,742	4,277



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11394	Planned Meter Replacements	Construction	69,727	5,580	5,845	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063
	All Projects	All Phases	69,727	5,580	5,845	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063

Award Purpose:
Process & System-Wide Improvements

Award:
7000085-Security Improvements

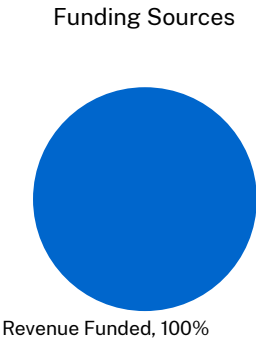
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

Security Improvements addresses physical security improvements to facilities. Major projects include the Adeline Maintenance Center Campus Security Improvements and Administration Building 1st-Floor Ballistics-Resistant Window System and Security Camera Upgrades. FY 2024 - FY 2025 work included the Administration Building Building Floor Ballistics-Resistant Window System and Security Camera Upgrades, as well as on-going operational security improvements, security consultant design support, and America Water Infrastructure Act reporting. FY 2026 - FY 2027 work includes planning improvements for aqueduct facilities, design of the Adeline Maintenance Center Campus Security Improvements Phase II and water treatment plant security improvements, and construction of the Adeline Maintenance Center Campus Security Improvements Phase I, as well as on-going operational security improvements and security consultant design support. FY 2028 - FY 2035 work includes planning and design for the Administration Building Long Term Security Improvements, South Area Service Center Service Center Security Improvements, Casteneda Yard Service Center Security Improvements, Aqueduct Watershed Facilities, Distribution Facilities, Upcountry Facilities, and Water Treatment Plant Facilities, construction of the Adeline Maintenance Center Campus Security Improvements II, as well as on-going operational security improvements, security consultant design support, and America Water Infrastructure Act reporting.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11233	Security	Planning	762	133	71	27	100	77	119	59		87	89
11233	Security	Design	5,915	1,044	1,235	617	682	298	307	400	754	342	235
11233	Security	Construction	20,647	1,801	3,358	5,731	4,448	987	881	98	101	1,320	1,920
All Projects		All Phases	27,323	2,978	4,665	6,375	5,230	1,362	1,307	557	855	1,749	2,244

Award Purpose:

Process & System-Wide Improvements

Award:

7000325-Water Loss Control

Lead Department:

Maintenance & Construction

Start Year:

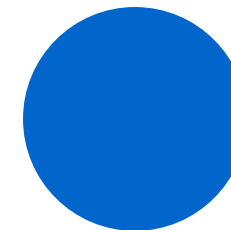
FY 2026

Award Description

This project supports compliance associated with California Senate Bill 555, Water Loss Management. The project is composed of activities to reduce apparent and real water losses through meter replacement, leak detection, and pressure management. Previous accomplishments included doubling the size of the automated acoustic leak detection network, meeting the key performance indicator for the infrastructure leakage index, completion of a Metering Improvements Plan, and commencement of the first water loss master plan. Planned work in FY 2026 - FY 2028 includes completion of the design phases of improvements to flow meters for water treatment plants and large customers, completion of the water loss control master plan, completion of two manual leak detection surveys, and annual verification of water treatment plant flow rates to improve the accuracy of the water audit. Planned work in FY 2029 - FY 2035 includes completion of construction of improvements to flow meters for additional large customers and compliance with the State Water Resources Control Board's regulatory limit for water loss.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	203	100	103
Design	-	-	-
Construction	-	-	-
Recurring	6,400	2,750	3,650
Other	-	-	-
Total	6,603	2,850	3,753

Funding Sources



Revenue Funded, 100%

Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11170	Water Treatment Plant, Effluent Meter, and Rate Control Station Improvements	Planning	929		57		182	690					
11170	Water Treatment Plant, Effluent Meter, and Rate Control Station Improvements	Design	591			591							
11170	Water Treatment Plant, Effluent Meter, and Rate Control Station Improvements	Construction	17,459	3,285	4,830	3,676	707	763	2,068	2,130			
11171	Water Loss Control Project	Planning	1,960	155	159	251	169	174	179	184	291	196	202
11171	Water Loss Control Project	Construction	21,944	766	844	795	3,553	3,660	2,525	2,601	2,679	2,227	2,294
All Projects		All Phases	42,884	4,205	5,891	5,314	4,611	5,286	4,773	4,916	2,970	2,423	2,495

Award Purpose:

Pumping Plants

Award:

7000033-Pumping Plant Rehabilitation

Lead Department:

Engineering & Construction

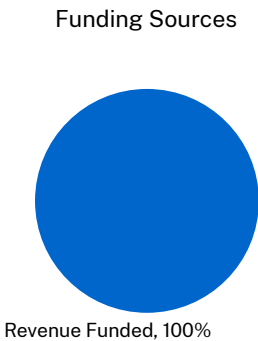
Start Year:

FY 2036

Award Description

The Distribution Pumping Plant Infrastructure Rehabilitation Plan (IRP), updated in 2024, identifies the highest priority pumping plants (PP) for rehabilitation, replacement, or demolition. In FY 2025, construction contracts were awarded for the replacement of Crest, Hill Mutual, Ridgewood and Fay Hill PPs. FY 2026 - FY 2030 work includes planning, design, and/or construction at 27 of the 130 distribution PPs, including: Westside, Encinal, Madrone, Palo Seco, Fay Hill, Ridgewood, Crest, Hill Mutual, Bryant PP Power Reliability, Montclair, Proctor, Dos Osos, Summit West, Aqueduct, Berryman West, Castenada, Welle, Rolph, Fontaine, Larkey, Los Altos, Crockett, Valory, Summit North, Dona Pearl, and Stott PPs. New facilities that include planning, design, and/or construction work in FY 2026 - FY 2030 include Happy Valley, Sunnyside, Wildcat, Tice, and Withers. In FY 2030 - FY 2035 work will begin at the existing Quarry, Bryant No. 1 and 2 Pumping Plants.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	2,422	2,222	201
Design	6,789	4,028	2,761
Construction	14	14	-
Recurring	-	-	-
Other	-	-	-
Total	9,226	6,264	2,962



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11164	Happy Valley and Sunnyside Pumping Plants, and Happy Valley Pipelines Phase 2 Improvements	Construction	24	24									
11094	Welle Reservoir Replacement, Rolph and Welle Pumping Plant and Rolph Reservoir Demo	Planning	825	825									
11094	Welle Reservoir Replacement, Rolph and Welle Pumping Plant and Rolph Reservoir Demo	Design	3,793			1,290	1,233	1,270					
11094	Welle Reservoir Replacement, Rolph and Welle Pumping Plant and Rolph Reservoir Demo	Construction	28,641						4,146	14,233	10,262		
11293	Fontaine Pumping Plant Relocation	Design	4,416		1,516	2,900							
11293	Fontaine Pumping Plant Relocation	Construction	4,042										4,042
11158	Valory Pumping Plant Rehabilitation	Planning	981	240	741								
11158	Valory Pumping Plant Rehabilitation	Design	1,872			643	1,229						
11162	Madrone and Palo Seco Pumping Plants	Construction	2,692	2,575	117								
11166	Westside Pumping Plant Relocation, Encinal Regulator Installation, Encinal Reservoir and Pumping Plant Demolition	Construction	14,114	4,566	4,703	4,844							
11165	Fay Hill, Rheem, and Scenic East Pumping Plants; Fay Hill Reservoir and Pipeline; Ridgewood Regulator, Pumping Plant, and Pressure Tank	Construction	24,225	13,281	10,944								
11157	Pumping Plant Facility Assessment	Planning	727	184		48		207		55		233	
11271	Bryant Pumping Plant Power Reliability/Lafayette Reliability Improvements	Design	2,575	2,575									
11271	Bryant Pumping Plant Power Reliability/Lafayette Reliability Improvements	Construction	48,272			4,778	16,026	17,291	10,177				
11161	Wildcat Pumping Plant	Design	2,730	2,730									
11161	Wildcat Pumping Plant	Construction	23,161				4,470	9,208	9,484				

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11163	Castenada Pumping Plant Standby Generator	Planning	523	523									
11163	Castenada Pumping Plant Standby Generator	Design	1,391	201	691	498							
11163	Castenada Pumping Plant Standby Generator	Construction	10,161			489	4,907	4,765					
11272	Summit West, Berryman West, and Aqueduct Pumping Plant Rehabilitation	Design	2,016	692	1,324								
11272	Summit West, Berryman West, and Aqueduct Pumping Plant Rehabilitation	Construction	17,830						3,482	14,348			
11276	Larkey Pumping Plant	Design	1,706	586	1,120								
11276	Larkey Pumping Plant	Construction	18,199						3,555	14,645			
11278	Summit North Pumping Plant Rehabilitation	Planning	173			173							
11279	Stott Pumping Plant	Planning	85						85				
11279	Stott Pumping Plant	Design	1,154								396	758	
11279	Stott Pumping Plant	Construction	924										924
11280	Pearl Pumping Plant	Planning	85						85				
11281	Quarry Pumping Plant	Planning	88						88				
11281	Quarry Pumping Plant	Design	1,217								418	800	
11281	Quarry Pumping Plant	Construction	1,499										1,499
11282	Tice Pumping Plant	Planning	192						192				
11283	Withers Pumping Plant	Planning	175			175							
11284	Donald Pumping Plant	Planning	45	22	23								
11284	Donald Pumping Plant	Design	2,024				695	1,329					
11284	Donald Pumping Plant	Construction	3,555										3,555
11286	Castle Hill Pumping Plant	Planning	90						90				

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11287	Los Altos Pumping Plant	Planning	379	379									
11287	Los Altos Pumping Plant	Design	2,094			719	1,375						
11292	Crockett Pumping Plant Improvements	Planning	645		318	327							
11292	Crockett Pumping Plant Improvements	Design	1,965				675	1,290					
11294	Joaquin Miller Pumping Plant Landslide Repair and Access Road	Design	41	41									
11294	Joaquin Miller Pumping Plant Landslide Repair and Access Road	Construction	568				568						
11295	Joaquin Miller Pumping Plant	Planning	168	168									
11296	Navallier Pumping Plant Demolition	Design	27		27								
All Projects			232,679	30,093	21,524	16,884	31,179	35,360	31,471	43,280	11,077	1,790	10,021

Award Purpose:

Raw Water System

Award:

7000185-Mokelumne Aqueduct Number 2 & 3 Relining

Lead Department:

Engineering & Construction

Start Year:

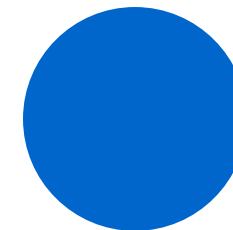
FY 2026

Award Description

The Mokelumne Aqueduct System consists of three large diameter pipelines that convey untreated water to the District's Water Treatment Plants. This project will replace the deteriorated cement mortar lining (CML) in Mokelumne Aqueducts No. 2 (MOK2) and No. 3 (MOK3) to protect the steel pipelines from internal corrosion. Inspections of the Mokelumne Delta reach revealed that 10 miles of the CML in MOK2 and MOK3 need replacement. Inspections of MOK2 indicate that 65 miles of the below ground pipeline reaches also require CML replacement. Prior to relining, it is necessary to design and construct raw water treatment facilities to minimize corrosion. FY 2026 - FY 2027 anticipated work includes construction of 1.5 miles of above ground MOK2 relining, researching new cement mortar lining mix designs, beginning construction of the Pardee Chemical Improvements, and beginning design of the above ground MOK3 relining. FY 2027 - FY 2029 anticipated work includes completing the design of the above ground MOK3 relining and completing construction of the Pardee Chemical Improvements.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	389	210	179
Construction	52,174	52,174	-
Recurring	-	-	-
Other	-	-	-
Total	52,563	52,384	179

Funding Sources



Revenue Funded, 100%

Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11078	Pardee Chemical Improvements	Construction	76,561	7,923	17,536	18,112	22,487	10,503					
11076	Cement Mortar Lining Studies	Design	54	54									
11077	Mokelumne Aqueduct No. 2 Lining Replacement	Construction	7,698	3,792	3,906								
11327	Mokelumne Aqueduct No. 3 Lining Replacement	Design	1,306	255	263	388	400						
11327	Mokelumne Aqueduct No. 3 Lining Replacement	Construction	33,574					2,319	28,796	2,460			
11328	Mokelumne Aqueduct No. 2 Future Lining Replacement	Design	2,317					358	369	380	391	403	415
All Projects			121,510	12,024	21,704	18,500	22,887	13,180	29,165	2,840	391	403	415

Award Purpose:

Raw Water System

Award:

7000155-Mokelumne Aqueducts Recoating

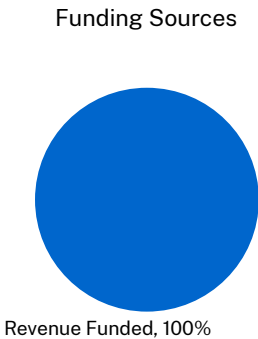
Lead Department: Start Year:

Engineering & Construction FY 2026

Award Description

This project continues the ongoing removal of existing lead-based paint and recoating above-ground sections of the Mokelumne Aqueducts in the Delta. The work typically takes place during the dry summer season and temporarily shuts down during the wet and cooler winter. FY 2024 - 2025 work included completing recoating work at 22 sites for Aqueduct No. 1 - Phase 13 of the Mokelumne Aqueduct Recoating Project. FY 2026 - FY 2028 work will include recoating the remaining 35 sites for Aqueduct No. 1 - Phase 1: the Mokelumne Aqueduct Recoating Project.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11079	Mokelumne Aqueduct No. 1 Recoating Phase 13	Construction	14,989	6,288	6,477	2,224							
	All Projects	All Phases	14,989	6,288	6,477	2,224							

Award Purpose:

Raw Water System

Award:

7000045-Raw Water Aqueduct Improvements

Lead Department:

Water Operations

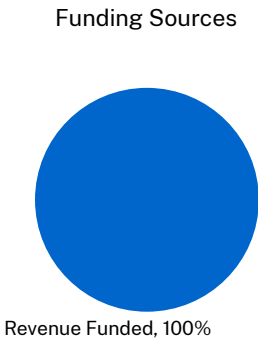
Start Year:

FY 2026

Award Description

This project provides infrastructure improvements to facilitate the safe and reliable operation of the raw water aqueducts and wasteways, pumping plants, terminal reservoir facilities, three service yards and over 100 miles of right of way. In FY 2026 - FY 2032, plans include improvements, repair, and capital replacements of facilities such as pipe pumping plants, and wasteways; service yards; fences, gates, and structures along the right-of-way; outlet towers and associated appurtenances, spillways, drains; and support equipment/materials to extend the useful life of these facilities. This project also provides for improvements to the Delta levees for the protection of the Mokelumne Aqueduct. District works collaboratively with the Reclamation Districts on these projects.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	13,487	13,487	-
Recurring	-	-	-
Other	-	-	-
Total	13,487	13,487	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11126	Mokelumne Aqueduct Secondary Levees	Construction	3,404	258	265	273	281	290	299	400	412	457	470
11127	Freeport Region Water Authority	Construction	8,265	721	743	765	788	811	836	861	887	913	941
11125	Rehabilitation Aqueduct Facilities	Construction	1,818	309	318	328	113	116	119	123	127	130	134
11125	Rehabilitation Aqueduct Facilities	Other	3,468				411	429	436	458	671	534	529
All Projects		All Phases	16,955	1,288	1,326	1,366	1,593	1,647	1,690	1,842	2,096	2,034	2,075

Award Purpose:

Raw Water System

Award:

New-Raw Water Facilities

Lead Department:

Engineering & Construction

Start Year:

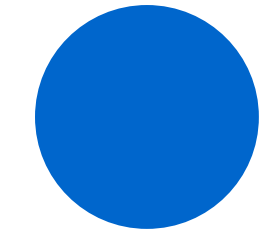
FY 2026

Award Description

Raw Water Facilities includes the rehabilitation of and improvements to non-pipeline facilities in the raw water system, including pumping plants, chemical systems, and various upcountry facilities. This is a new award, created in the current budget cycle by removing non-pipeline projects from the Raw Water Infrastructure award (7000061) and placing them in this award. FY 2024 – FY 2025 work included the planning and design for the Pardee Power Line Upsizing project that will improve the safety of the power system near Pardee Dam and upgrade the system to meet future power demands. FY 2026 - FY 2027 work includes construction of the Pardee Power Line Upsizing project, a planning study to identify recommended improvements to rehabilitate Moraga Raw Water Pumping Plant (RWPP) and Walnut Creek RWPP No. 3, and the planning and start of design of improvements to FSCC chemical facilities. FY 2028 - FY 2035 work includes design and construction of improvements to rehabilitate Moraga RWPP, planning of Walnut Creek RWPP No. 3 improvements, and the planning of Mokelumne Aqueducts Wasteways Rehabilitation and Upgrades.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	4,057	4,057	-
Design	381	103	278
Construction	11,638	11,638	-
Recurring	-	-	-
Other	-	-	-
Total	16,077	15,798	278

Funding Sources



Revenue Funded, 100%

Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11255	Walnut Creek Raw Water Pumping Plant No. 3 Rehabilitation and Upgrades	Planning	3,826	1,015	1,671						1,140		
11255	Walnut Creek Raw Water Pumping Plant No. 3 Rehabilitation and Upgrades	Design	2,446			1,205	1,241						
11255	Walnut Creek Raw Water Pumping Plant No. 3 Rehabilitation and Upgrades	Construction	15,914					3,804	3,918	4,036	4,157		
11256	Pardee Power Line Upsizing	Design	103	103									
11256	Pardee Power Line Upsizing	Construction	11,638	2,789	6,174	2,675							
11138	Folsom South Canal Connection Facility Chemical Improvements	Planning	232	232									
11138	Folsom South Canal Connection Facility Chemical Improvements	Design	565		278	287							
11138	Folsom South Canal Connection Facility Chemical Improvements	Construction	3,024										3,024
11266	Wasteways Rehabilitation and Upgrades	Planning	1,123								545	578	
All Projects		All Phases	38,870	4,139	8,123	4,166	1,241	3,804	3,918	4,036	5,841	578	3,024

Award Purpose:

Raw Water System

Award:

7000061-Raw Water Infrastructure

Lead Department:

Engineering & Construction

Start Year:

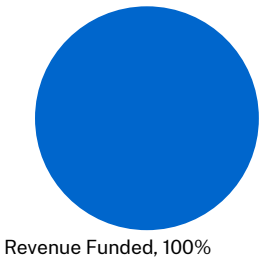
FY 2026

Award Description

This project consists of evaluating and improving the pipeline related projects in the untreated raw water system to reliably meet operational requirements. FY 2026 - FY 2027 includes the following: completing the FY 2026 Mokelumne Aqueduct No. 1 settlement survey, completing the Lafayette Aqueduct No. 1 relining design phase, completing the exposed Mokelumne Aqueduct river crossing planning and design phases, completing the Jones Tract Scour Protection planning and design phases, beginning the Mokelumne Aqueduct No. 4 feasibility analysis, completing the Mokelumne Aqueduct satellite settlement monitoring, complete the Folsom South Canal Connection (FSCC) pipeline inspection planning phase, complete the Mokelumne Aqueduct No. 3 sag inspection, complete the Raw Water Model calibration, and complete the Concord Fault fiber optic monitoring planning and design phases. FY 2028 - FY 2035 work includes the following: completing the FY 2028, FY 2030, FY 2032, and FY 2034 Mokelumne Aqueduct No. 1 settlement survey, completing the Lafayette Aqueduct No. 1 relining construction phase, completing the exposed Mokelumne Aqueduct river crossing construction phase, complete the Tunnel Access Improvement design phase, complete the Mokelumne Aqueduct No. 4 feasibility analysis, complete the Jones Tract Scour Protection construction phase, complete the 2030 Raw Water Master Plan, complete the Mokelumne Aqueduct No. 1 temperature anchor replacement at station 2456 planning, design, and construction phase, and complete the Concord Fault fiber optic monitoring phase.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-

Funding Sources



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11095	Mokelumne Aqueduct No.1 Bi and Annual Survey	Planning	902	160		169		180		191		202	
11096	Lafayette No. 1 Relining	Design	1,030	1,030									
11096	Lafayette No. 1 Relining	Construction	99,015				8,226	35,316	36,376	19,097			
11097	Exposed Aqueduct River Crossing	Planning	206	206									
11097	Exposed Aqueduct River Crossing	Design	206	206									
11097	Exposed Aqueduct River Crossing	Construction	1,919								1,267	652	
11099	Mokelumne Aqueduct Sediment Control at Station 3922	Design	80	26	27	27							
11100	Pardee Tunnel Access Improvements	Design	6,743							2,258	2,724	1,761	
11100	Pardee Tunnel Access Improvements	Construction	6,921										6,921
11101	Jones Tract Scour Protection	Planning	103	103									
11101	Jones Tract Scour Protection	Design	523	258	265								
11101	Jones Tract Scour Protection	Construction	15,839							4,919	5,700	5,219	
11257	Mokelumne Aqueduct No. 4 Feasibility Analysis	Planning	211	77	80	55							
11258	Satellite Monitoring for Mokelumne Aqueduct No. 1 Settlement	Design	523	258	265								
11259	Folsom South Canal Connection Pipeline Inspection	Planning	366	180	186								
11260	2030 Raw Water Master Plan	Planning	880				433	446					
11261	Mokelumne Aqueduct No. 3 Sags Inspection	Planning	521	309	212								
11263	Raw Water Model Calibration	Planning	262	103	159								

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11264	Mokelumne Aqueduct No.1 Temporary Anchor Replacement at Station 2456	Planning	222			109	113						
11264	Mokelumne Aqueduct No.1 Temporary Anchor Replacement at Station 2456	Design	727						358	369			
11264	Mokelumne Aqueduct No.1 Temporary Anchor Replacement at Station 2456	Construction	3,857								1,900	1,957	
11265	Aqueduct 3 Base Isolators	Design	1,655								759	896	
11269	Concord Fault Fiber Optic Monitoring	Planning	21	21									
11269	Concord Fault Fiber Optic Monitoring	Design	77	77									
11269	Concord Fault Fiber Optic Monitoring	Construction	771								380	391	
All Projects		All Phases	143,581	3,013	1,194	361	8,772	35,942	36,734	26,835	12,730	11,080	6,921

Award Purpose:
Recreation Areas & Facilities

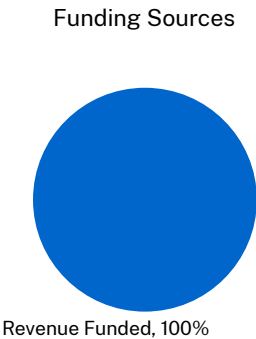
Award:
7100004-Camanche Hills Hunting Preserve

Lead Department:	Start Year:
Natural Resources	FY 2029

Award Description

Recreation Areas are managed to ensure public health and safety, and environmental protection. Typical projects include the capital upgrades and replacements of facilities the Recreation Areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, or fences. In FY 2028 - FY 2030, work includes the abatement of lead in the soil as a result of years of lead shot used for hunting, including California Environmental Quality Act (CEQA) compliance.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11001	Camanche Hills Hunting Preserve Improvements	Construction	1,126				1,126						
	All Projects	All Phases	1,126				1,126						

Award Purpose:
Recreation Areas & Facilities

Award:
7100009-Camanche Recreation Area Improvements

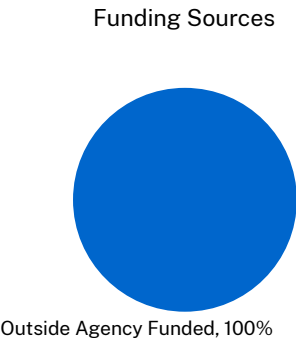
Lead Department:
Natural Resources

Start Year:
FY 2026

Award Description

Recreation Areas are managed to ensure public health and safety, and environmental protection. Typical projects are the capital upgrades and replacements of facilities with Recreation Areas, including marina and dock structures, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and fence. 2024 - FY 2025 work included replacement of the South Shore Maintenance Shop roof and entryway damaged during a storm, and replacement of the North Shore open ber destroyed by a storm. FY 2026 - FY 2035 potential projects include replacements to recreation structures and infrastructure resulting from storm damage, wildfires, regulatory requirements, and end-of-life.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11002	Camanche Recreation Area Projects	Construction	1,666	258	265	273	281	290	299				
	All Projects	All Phases	1,666	258	265	273	281	290	299				

Award Purpose:

Recreation Areas & Facilities

Award:

7000263-Lafayette Recreation Infrastructure

Lead Department:

Natural Resources

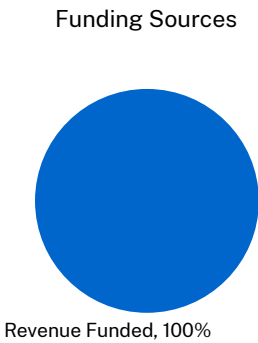
Start Year:

FY 2026

Award Description

Recreation areas are managed to ensure public health and safety, and environmental protection. Typical projects include the capital upgrades and replacements of facilities the recreation areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and FY 2024 - FY 2025 work included completing the designs for replacement of the Lafayette Recreation Area lift station and associated collection and discharge piping (force installed in 1967. The project will allow the system to be added to the District's SCADA network, providing an additional level of oversight. The sewer system prevents recreation area sewage from entering Lafayette Reservoir. Work also included replacement of the recreation area's parking pay stations. FY 2026 - FY 2028 work includes the construction of the entire sewer force main replacement project. Work also includes the replacement of one dilapidated boat dock.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	2,711	2,711	-
Recurring	-	-	-
Other	-	-	-
Total	2,711	2,711	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11221	Lafayette Sewer	Construction	2,711	2,504	207								
	All Projects	All Phases	2,711	2,504	207								

Award Purpose:

Recreation Areas & Facilities

Award:

7000300-Recreation Area Capital Maintenance & Improvements

Lead Department:

Water Operations

Start Year:

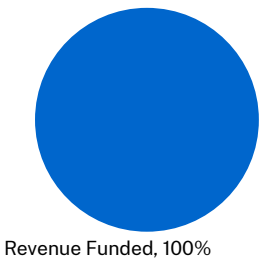
FY 2026

Award Description

This project provides for replacement and improvements to the Water and Wastewater Treatment Plants (WTP), potable water systems, waste collection systems, dams, dike watershed lands at the Pardee and Camanche recreation areas. Work required to meet water and wastewater demands and maintain regulatory compliance. FY 2026 - FY 2027 work includes Camanche South Shore WTP raw water supply improvements, electrical system improvements, performing comprehensive assessments of wastewater collection systems, wastewater pond improvements, rehabilitation or replacement of water distribution tanks, and replacement of and improvements to treated water distribution system pipeline and valves.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	950	475	475
Construction	-	-	-
Recurring	3,700	1,850	1,850
Other	-	-	-
Total	4,650	2,325	2,325

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11136	Pardee Camanche Projects	Recurring	4,768			656	329	470	919	320	842	339	894
11137	Recreation Area Water/WW System Improvements	Design	1,667	646	579	441							
11137	Recreation Area Water/WW System Improvements	Construction	12,114	2,551	2,493	1,974	470	743	613	650	690	936	993
All Projects		All Phases	18,549	3,197	3,072	3,071	799	1,213	1,532	970	1,532	1,276	1,887

Award Purpose:

Recreation Areas & Facilities

Award:

7000289-San Pablo Recreation Infrastructure

Lead Department:

Natural Resources

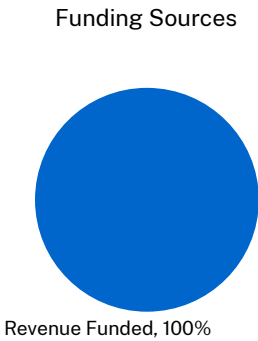
Start Year:

FY 2026

Award Description

Recreation areas are managed to ensure public health and safety, and environmental protection. Typical projects include the capital upgrades and replacements of facilities the recreation areas, including structures, utility infrastructure, launch ramps and docks, recreation halls, parking lots, maintenance facilities, campgrounds, roads, trails, and FY 2024 - FY 2025 work included designs for the replacement of approximately 1,500 feet of asbestos cement sewer force main at the San Pablo Recreation Center, which is the recreation area and keeps sewage from entering San Pablo Reservoir. FY 2026 - FY 2029 work includes completing the designs for the sewer force main replacement project, construction of the sewer force main replacement, and the construction of a new Americans with Disabilities Act (ADA)-accessible boat dock.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	2,894	2,894	-
Recurring	-	-	-
Other	-	-	-
Total	2,894	2,894	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11016	San Pablo Recreation Sewer Force Maintenance Re	Construction	2,913	2,575			338						
	All Projects	All Phases	2,913	2,575			338						

Award Purpose:
Regulators & Rate Control Stations

Award:
7000089-Rate Control Station Rehabilitation

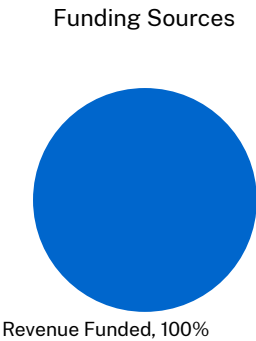
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

The District includes 30 rate control station (RCS) facilities, many of which have been in operation for more than 50 years. This project involves the planning, rehabilitation, and long-term maintenance work needed to support distribution operations. Elements include pressure zone improvement work, such as installing new facilities and demolishing obsolete facilities to improve flow control within and between pressure zones; and rehabilitation improvements such as major repairs and equipment upgrades. FY 2024 - FY 2025 work included planning for 73rd Avenue, Dunsmuir, and Webster RCSs; and design for 82nd Avenue and Almond RCSs. In FY 2026 - FY 2027, work continues with planning and design of 73rd Avenue RCS; design of 82nd Avenue, Almond, and Fontaine RCSs; and planning of Clayton-Fairmount RCS. FY 2028 - FY 2035 work includes construction of 73rd Avenue, 82nd Avenue, and Almond RCSs; planning, design, and construction of Genoa No. 1, Genoa No. 2, and Hollis RCSs; design and construction of Fontaine RCS; and planning of Bryant, San Ramon, and Danville RCSs.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11236	Facility Assessments	Planning	524	155				174				196	
11238	Genoa No. 1, Genoa No. 2, and Hollis Rate Control Stations	Planning	290							71	219		
11238	Genoa No. 1, Genoa No. 2, and Hollis Rate Control Stations	Design	1,274								206	848	219
11238	Genoa No. 1, Genoa No. 2, and Hollis Rate Control Stations	Construction	1,966										1,966
11242	Church St, Golf Links, Victoria, Ney, 73rd Ave and Dunsmuir Rate Control Stations	Design	575	379	196								
11242	Church St, Golf Links, Victoria, Ney, 73rd Ave and Dunsmuir Rate Control Stations	Construction	3,863				622	1,921	1,319				
11243	Clayton, Fairmount and Webster Rate Control Stations; Ascot, Girvin, La Loma, and Kensington Regulators	Planning	83	53	19	10							
11243	Clayton, Fairmount and Webster Rate Control Stations; Ascot, Girvin, La Loma, and Kensington Regulators	Design	468			153	315						
All Projects		All Phases	9,043	587	215	163	937	2,095	1,319	71	426	1,044	2,185

Award Purpose:
Regulators & Rate Control Stations

Award:
7000223-Regulator Rehabilitation

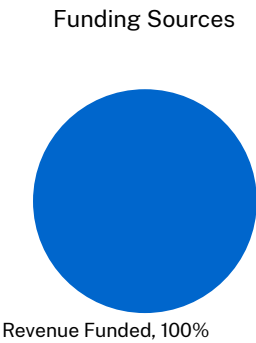
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

Currently, there are 75 regulator facilities in operation with many older than 50 years. This project involves the planning, rehabilitation, and long-term maintenance responsibility for support distribution operations. Elements include pressure zone improvement work, such as installing new facilities and demolishing obsolete facilities to improve flow control and between pressure zones; and rehabilitation improvements, such as major repairs and equipment upgrades. FY 2024 - FY 2025 work included the completion of the Cull Creek Regulator construction, commencement of design and construction of Campus, Keller, Gramercy, and Villareal regulators replacements, as well as construction of Madrone Regulator. Planning studies also began for Columbia, Henry, Knight, Oakmont Memorial Park, and Redwood Regulators; and design for Almond Regulator. FY 2026 - FY 2027 work includes planning of Ascot, Girvin, and La Loma Regulators; design of Almond, Glendale-La Loma, and Redwood Regulators; and construction of Painted Pony, Madrone 1, Castle Hill, Encinal, Ridgewood, Circle, Cull Creek, Campus, Keller, Gramercy, and Villareal regulators. FY 2028 - FY 2035 work includes construction of Almond, Glendale-La Loma, and Redwood Regulators; design and construction of Columbia, Henry, Knight, Oakmont Memorial Park, and Overhill Regulators; demolition of Orion Regulator; and demolition of Ascot, Girvin, La Loma, and Kensington Regulators.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11234	Regulator Rehabilitation Campus Bundle	Construction	5,191	5,191									
11235	Facility Assessments	Planning	348			164				184			
11237	Knight, Oakmont Memorial Park, and Overhill Regulators	Design	674		332	342							
11237	Knight, Oakmont Memorial Park, and Overhill Regulators	Construction	4,132			669	2,015	1,449					
11239	Columbia and Henry Regulators, and John and Castro Valley Rate Control Stations	Planning	275						275				
11239	Columbia and Henry Regulators, and John and Castro Valley Rate Control Stations	Design	1,031										1,031
11246	Pressure Zone Improvements - Circle Orion Regulator Rehabilitation	Construction	869					869					
11247	Pressure Zone Improvements - Painted Pony Regulator Rehabilitation	Construction	155	155									
All Projects		All Phases	12,675	5,346	332	1,175	2,015	2,319	275	184			1,031

Award Purpose:
Reservoirs - Distribution

Award:
7000319-Chloramine Boosting Stations

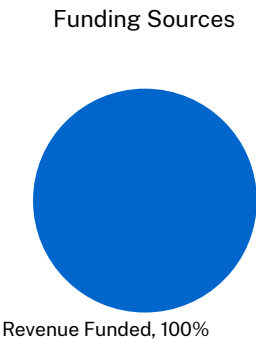
Lead Department:
Water Operations

Start Year:
FY 2026

Award Description

This project funds the purchase and installation of Chloramine Boosting Stations (CBS) or Chloramine Trim Stations at distribution reservoirs that suffer from chronic low chl levels. This work helps protect public health, maintain regulatory levels of the distribution water, and reduces or eliminates the labor-intensive manual treatment of distribution reservoirs.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	500	500	-
Recurring	-	-	-
Other	-	-	-
Total	500	500	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11153	Tice Chloramine Boosting	Construction	814	814									
	All Projects	All Phases	814	814									

Award Purpose:
Reservoirs - Distribution

Award:
7000021-Distribution System Water Quality Improvements

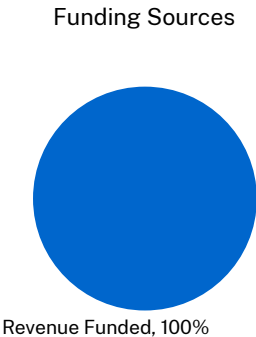
Lead Department:
Water Operations

Start Year:
FY 2028

Award Description

This project provides ongoing improvements related to water quality in the distribution system, which is composed of more than 4,100 miles of pipeline and 165 reservoirs.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11152	Raw Water Autoprofilers	Construction	232				113		119				
11124	Highway 49 WQMS Improvements	Design	55			55							
11124	Highway 49 WQMS Improvements	Construction	348				113	116	119				
All Projects		All Phases	634			55	225	116	239				

Award Purpose:

Reservoirs - Distribution

Award:

7000017-Open-Cut Reservoir Program

Lead Department:

Engineering & Construction

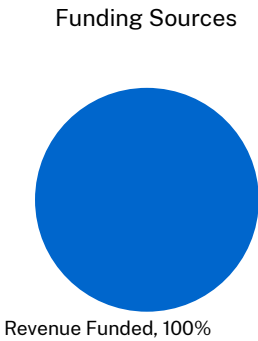
Start Year:

FY 2026

Award Description

Open-Cut Reservoir includes the rehabilitation, replacement, and demolition of aging open-cut reservoirs. FY 2024 - FY 2025 work included the design for the replacement of Central Reservoir in Oakland and Almond Reservoir in Castro Valley, as well as construction for the Danville Odor Control project. FY 2026 - FY 2027 work includes the continuation of the design for the replacement of Central and Almond Reservoirs, the design of the Maloney Valve Replacement Project, as well as the demolition of the existing Central Reservoir. FY 2028 - FY 2035 work includes the design for 39th Avenue Reservoir in Oakland and Selby Reservoir in Rodeo, the construction of the Central Reservoir Almond Reservoir, and Maloney Valve Replacement projects, and the start of construction for Leland Reservoir.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	20,090	19,562	528
Construction	190,038	190,038	-
Recurring	-	-	-
Other	-	-	-
Total	210,128	209,600	528



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11303	Central Reservoir Replacement	Design	17,852	8,240	7,426	2,185							
11303	Central Reservoir Replacement	Construction	190,038	639	19,075	546	20,934	28,750	66,031	30,501	23,562		
11084	Almond Reservoir Replacement, Proctor Pumping Plant Replacement and Cull Creek Demolition	Design	2,491	1,854	637								
11084	Almond Reservoir Replacement, Proctor Pumping Plant Replacement and Cull Creek Demolition	Construction	51,905							9,839	19,255	14,613	8,198
11304	Leland Reservoir Replacement	Design	6,027							861	2,407	2,088	672
11304	Leland Reservoir Replacement	Construction	9,139										9,139
11305	Maloney Reservoir Replacement	Planning	1,675			656	788	232					
11326	Maloney Reservoir Valve Pit Repair	Design	206	206									
11326	Maloney Reservoir Valve Pit Repair	Construction	1,013				1,013						
All Projects		All Phases	280,346	10,939	27,138	3,387	22,735	28,982	66,031	41,201	45,224	16,701	18,008

Award Purpose:
Reservoirs - Distribution

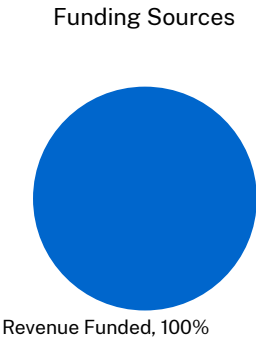
Award:
7000323-Reservoir Mixing System

Lead Department:	Start Year:
Water Operations	FY 2028

Award Description

#Missing

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11149	Central Reservoir Mixing System	Construction	972			109	113	116	119	123	127	130	134
	All Projects	All Phases	972			109	113	116	119	123	127	130	134

Award Purpose:

Reservoirs - Distribution

Award:

7000031-Reservoir Rehabilitation and Maintenance

Lead Department:

Engineering & Construction

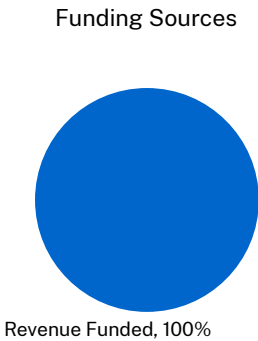
Start Year:

FY 2026

Award Description

This project includes the rehabilitation and replacement of the District’s 166 steel, concrete, and redwood reservoirs and pressure vessels to maintain the existing infrastructure, improve roof safety, improve water quality, and prioritize work through the Infrastructure Rehabilitation Plan (IRP). FY 2024 - FY 2025 work included construction work for Arroyo, Derby, Scenic, Scenic East, Castenada No. 1 and No. 2, Glen, Mulholland No. 1 and No. 2, Encinal, Madrone, Grizzly, Castle Hill, Knife No. 1, Wiedemann No. 1, Crest, Hill Mutual, Ridgewood, Arroyo, and Carter reservoirs, as well as the design for Swainland Reservoir. FY 2026 - FY 2027 work includes the continuation of the design for Swainland Reservoir, the design for Dos Osos and Welle reservoirs, and the continuation of construction for Grizzly, Castle Hill, Knife No. 1, Wiedemann No. 1, Crest, and Hill Mutual reservoirs. FY 2028 - FY 2035 work includes the design of Holly, Woods, Verde, Luzon, Selby, and Ardith Reservoirs, as well as the construction of Swainland and Dos Osos reservoirs and the Maloney Valve Replacement Project.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	22,873	-	22,873
Recurring	-	-	-
Other	-	-	-
Total	22,873	-	22,873



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11316	KPI Luzon and Verde Reservoir Improvements	Design	1,584			470	1,114						
11302	KPI Dos Osos Reservoir Replacement and Dos Osos Pumping Plant Rehabilitation	Design	1,111	793	318								
11302	KPI Dos Osos Reservoir Replacement and Dos Osos Pumping Plant Rehabilitation	Construction	16,889							3,198	6,587	5,089	2,016
11081	East of Hills Facilities Demolition and Improvements	Construction	15,336	8,652	6,684								
11086	Reservoir Planning Studies and Facility Assessment	Planning	3,649	318	328	338	348	358	369	380	391	403	415
11082	Carter Reservoir Rehabilitation, Arroyo Pumping Plant Improvement, and Arroyo Reservoir Replacement	Construction	14,185	6,489	5,729	1,967							
11083	Swainland Reservoir and Montclair Pumping Plant Replacements and 82nd Ave Rate Control Station Rehabilitation	Design	1,030	1,030									
11083	Swainland Reservoir and Montclair Pumping Plant Replacements and 82nd Ave Rate Control Station Rehabilitation	Construction	22,873			3,317	11,175	7,187	1,194				
11085	Reservoirs Safety and Maintenance	Construction	1,902						358	369	380	391	403
11313	KPI Woods Reservoirs and Regulators	Design	494								291	202	
11314	KPI Holly Reservoirs	Design	739								513	226	
11319	Pressure Zone Improvements Ardith Reservoir	Design	1,156				338	580	239				
11320	Pressure Zone Improvements Diablo Reservoir Replacement	Planning	70									70	
11321	Pressure Zone Improvements Redwood Reservoir Demolition	Planning	33						33				
11322	Pressure Zone Improvements Diablo Vista Reservoir Demolition	Planning	33						33				
11323	Pressure Zone Improvements Oak Knoll Reservoir Demolition, and Rilea Reservoir Replacement	Planning	72						72				
11324	Pressure Zone Improvements Stott Reservoir Demolition	Planning	33						33				

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11325	Pressure Zone Improvements Selby Reservoir Replacement	Planning	418	206	212								
11325	Pressure Zone Improvements Selby Reservoir Replacement	Design	1,739				506	696	537				
All Projects			83,345	17,488	13,271	6,091	13,481	8,821	2,868	3,947	8,163	6,382	2,834

Award Purpose:

Reservoirs - Supply

Award:

7000068-Dam Operational Upgrades

Lead Department:

Engineering & Construction

Start Year:

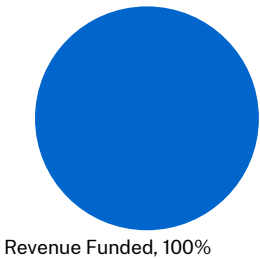
FY 2026

Award Description

This project involves improvements to dams and reservoirs to allow continued safe operation. Notable projects include: (1) Dunsmuir, Moraga, Watson, and Fay Hill liner rehabilitation to reduce dam safety leakage risk and extend the service life of these facilities until their eventual replacement as part of the reservoir rehabilitation program, Terminal Spillway Improvements, (3) Upcountry Spillway Evaluations and Upgrades, (4) Upper San Leandro (USL) Dam Outlet Improvements, (5) Inundation Maps, and (6) Reservoir Risk Studies. FY 2024 - FY 2025 accomplishments included: (1) repairing the liner at Watson Reservoir and the roof at Dunsmuir Reservoir, (2) implementing spillway activities such as crack repairs, spall repairs, and non-destructive testing, and (3) performing tripod-mounted Light Detection and Ranging (LiDAR) point cloud surveys at spillways to assess differential movements, subsurface voids, and distress. FY 2026 - FY 2027 goals include: (1) repairing the liners at Moraga and Fay Hill Reservoirs to reduce dam safety leakage risk and extend the service life of these facilities until their eventual replacement as part of the reservoir rehabilitation program, (2) installing flow deflectors over spillway subdrain systems, (3) developing plans for rehabilitation and upgrades at the USL Dam Blowoff Structure and Chabot Energy Dissipator, and (4) completing new inundation maps for Pardee and Camanche dams and dikes to comply with Federal Energy Regulatory Commission (FERC) and California Division of Dam Safety (DSOD) requirement. FY 2028 - FY 2035 goals include: (1) constructing the rehabilitation and upgrades at the USL Dam Blowoff Structure and Chabot Energy Dissipator (2) inspecting terminal reservoir tunnel outlet conduits, and (3) performing risk evaluation studies, as part of an overall risk assessment of the District's dam facilities.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-

Funding Sources



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11056	Federal Energy Regulatory Commission (FERC) Inundation Maps	Planning	150	103									47
11051	Terminal Spillway Improvements	Planning	1,068	324		344					399		
11051	Terminal Spillway Improvements	Design	766				355					411	
11051	Terminal Spillway Improvements	Construction	1,344									1,344	
11055	Terminal Reservoir Emergency Drain Tunnels	Design	289	289									
11055	Terminal Reservoir Emergency Drain Tunnels	Construction	336						336				
11053	Moraga Creek Flood and Erosion Control	Other	130	84	15	15	16						
11350	Terminal Spillway Future Risk Studies	Planning	5,594	361	690	628	675	87	657	1,230	1,267		
11350	Terminal Spillway Future Risk Studies	Other	1,079			219	225	232					403
11353	Upcountry Spillway Evaluations and Upgrades	Planning	5,477	206	387	710	1,126	290	299	2,460			
11354	Upcountry Spillway Evaluations and Upgrades	Construction	66						66				
11356	Pardee and Camanche Risk Studies	Planning	2,425				580	597	615	633			
11357	Local Reservoir Risk Studies	Planning	3,534		546	563	580	597	615	633			
11358	Upper San Leandro Dam Outlet Improvements	Planning	258	258									
11358	Upper San Leandro Dam Outlet Improvements	Design	515	515									
11358	Upper San Leandro Dam Outlet Improvements	Construction	2,388						2,388				
All Projects		All Phases	25,418	2,140	1,638	2,479	3,555	1,803	4,974	4,956	1,666	1,755	450

Award Purpose:
Reservoirs - Supply

Award:
7000131-Dam Seismic Upgrades

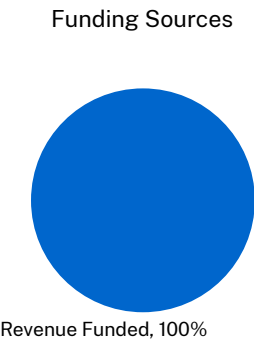
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This project involves the seismic evaluation, design, and retrofit of the District’s dams based on current engineering standards, safety requirements, and to respond to the Federal Energy Regulatory Commission (FERC) and California Division of Dam Safety (DSOD) requirements. Notable projects include: (1) the Camanche and Pardee Seismic Study, (2) the Camanche and Pardee Seismic and Flood Improvements, (3) the San Pablo Dam Environmental Mitigations (4) the San Pablo Dam Seismic Valve, and (5) Local Dam Safety Reviews. FY 2024 - FY 2025 accomplishments included: (1) completing studies of the Camanche spillway and outlet, Pardee Dam, and Pardee South Spillway for seismic and flood-loading conditions, (2) continued environmental mitigation for San Pablo Dam, and (3) starting the current cycle of safety reviews at local reservoirs. FY 2026 - FY 2027 includes (1) planning and design of necessary improvements following the recommendations from the studies of the Camanche spillway and outlet, Pardee Dam, and Pardee Spillway for seismic and flood-loading conditions to comply with safety requirements as regulated by FERC and DSOD, (2) completing the current cycle of safety reviews at local reservoirs based on current engineering standards, and (3) design and installation of the seismic valve at San Pablo Dam to shut off water flow and prevent flooding on the Oroville Aqueduct if it becomes damaged in a seismic event. FY 2028 - FY 2035 goals include: (1) continued environmental mitigation for San Pablo Dam, (2) starting the next cycle of safety reviews at local reservoirs, and (3) construction of the necessary improvements at Camanche spillway and outlet, Pardee Dam, and Pardee South Spillway for seismic and flood-loading conditions.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11058	San Pablo Dam Environmental Mitigations	Other	2,641								32	2,610	
11057	Camanche and Pardee Seismic Study	Planning	77	77									
11057	Camanche and Pardee Seismic Study	Design	858		530	328							
11057	Camanche and Pardee Seismic Study	Construction	10,286								5,067	5,219	
11347	San Pablo Dam Seismic Valve	Planning	103	103									
11347	San Pablo Dam Seismic Valve	Design	530		530								
11347	San Pablo Dam Seismic Valve	Construction	2,424						1,194	1,230			
11348	Local Dam Safety Reviews	Planning	1,063	93	95	98	101	104	107	111	114	117	121
11349	Camanche and Pardee Seismic and Flood Improvements	Planning	1,260				495	765					
11349	Camanche and Pardee Seismic and Flood Improvements	Design	1,324										1,324
All Projects		All Phases	20,567	273	1,156	426	597	869	1,302	1,341	5,213	7,946	1,445

Award Purpose:
Reservoirs - Supply

Award:
7000167-Dam Surveillance Improvements

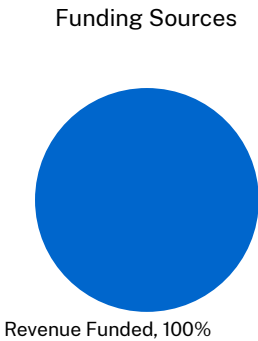
Lead Department:
Engineering & Construction

Start Year:
FY 2026

Award Description

This project aims to improve the District’s dam safety surveillance using over 2,000 instruments. These include piezometers for water levels, seepage weirs for flow measure survey instruments for settlements, load cells for spillway loads, crack meters for concrete monitoring, and seismographs for earthquake motions. Notable projects are: Carr and Pardee Surveillance Improvements; Local Reservoir Surveillance Improvements; Remote Operated Vehicle (ROV) Inspections at Camanche and Pardee. Achievements fo 2024 - FY 2025 included submitting instrumentation plans for FERC and DSOD approval. Goals for FY 2026 - FY 2027 include: Piezometer upgrades and automated data sys at Camanche and Pardee reservoirs; Hydrological improvements at Camanche and Pardee, including seepage collection enhancements; ROV inspections at Camanche Dam outlets and Pardee Dam upstream face; Designing instrumentation improvements at local reservoirs. Goals for FY 2028 - FY 2035 include completing installations at Pardee Camanche, replacing non-functional piezometers at Briones and Lafayette dams, and improving the GPS survey system at Camanche and Pardee.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	92	63	29
Design	36	13	23
Construction	-	-	-
Recurring	243	120	123
Other	-	-	-
Total	371	195	176



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11061	Camanche and Pardee Drone Mapping	Planning	355		164					191			
11060	Camanche and Pardee Surveillance Improvements	Design	104	26	27	16	11	12			13		
11060	Camanche and Pardee Surveillance Improvements	Construction	2,116	670	690	273	169	174			70	72	
11059	Camanche and Pardee Remote Operated Vehicle Inspections	Planning	522	350			84	87					
11059	Camanche and Pardee Remote Operated Vehicle Inspections	Design	198				158	41					
11344	Local Reservoir Surveillance Improvements	Design	294	36	69	71					65	20	34
11344	Local Reservoir Surveillance Improvements	Construction	1,935						358	246	652	470	208
11345	Embankment Dam Seismic Surveillance and Monitoring	Design	96	10	34	28		23					
11346	Dam Camera and Global Positioning System Surveillance	Design	66									46	20
All Projects		All Phases	5,685	1,092	983	389	422	336	358	437	799	607	262

Award Purpose:

Reservoirs - Supply

Award:

7000034-Reservoir Tower Modifications

Lead Department:

Engineering & Construction

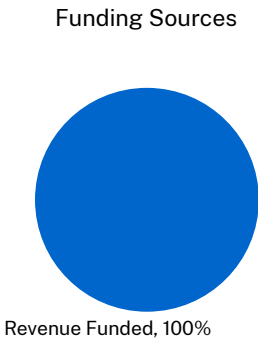
Start Year:

FY 2026

Award Description

This project involves the seismic evaluation, design, and retrofit of six reservoir towers: Pardee Reservoir and the five Terminal Reservoirs. Notable projects include: (1) Lafayette Reservoir Outlet Tower Seismic Retrofit, (2) Briones Reservoir Isolation Valve Relocation, and Reservoir Tower Control Improvements. FY 2024 - FY 2025 accomplishments included: (1) the construction of the Briones Reservoir Tower seismic upgrade, and (2) the design of Lafayette Reservoir Tower safety upgrade. FY 2026 - FY 2027 goals include: (1) construction of the Lafayette Reservoir Tower safety upgrade, and (2) design of the Briones Reservoir isolation valve relocation. FY 2028 - FY 2035 goals include: (1) construction of the Briones Reservoir isolation valve relocation and (2) improvements to the controls for the gates and valves at the reservoir towers to improve safety and re

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	878	878	-
Construction	12,529	12,529	-
Recurring	-	-	-
Other	-	-	-
Total	13,407	13,407	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11102	Lafayette Reservoir Outlet Tower Seismic Retrofit	Construction	17,647	5,871	11,776								
11103	Briones Reservoir Isolation Valve Relocation	Design	1,236	1,236									
11103	Briones Reservoir Isolation Valve Relocation	Construction	5,278								633	1,957	2,688
11254	Reservoir Tower Control Improvements	Planning	1,177				580	597					
All Projects		All Phases	25,338	7,107	11,776		580	597			633	1,957	2,688

Award Purpose:
Reservoirs - Supply

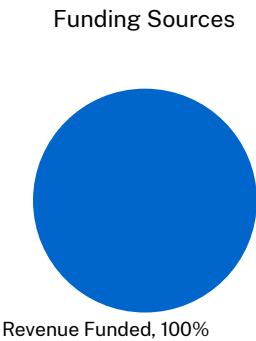
Award:
7000225-Water Supply Monitoring System

Lead Department:	Start Year:
Water Operations	FY 2029

Award Description

This project provides for the development and improvement of a system for monitoring the Mokelumne and East Bay watersheds for precipitation, diversion, water flow, and level. This monitoring system provides near real-time information for operation and forecasting plans. Work includes monitoring on the Upper Mokelumne, Lower Mokelumne, Pardee, Camanche, and East Bay watersheds and reservoirs.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11139	Monitoring Station Upgrades	Construction	4,540				438	1,413	1,458	446	464	156	165
	All Projects	All Phases	4,540				438	1,413	1,458	446	464	156	165

Award Purpose:
Supplemental Supply, Regional Agreements

Award:
7000067-Groundwater Resource Development

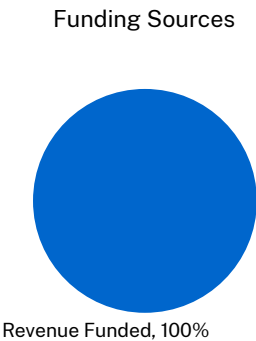
Lead Department:
Water Resources

Start Year:
FY 2027

Award Description

The District is actively investigating and developing groundwater resources through groundwater banking in San Joaquin County (SJC), the Bayside program, and feasibility investigations into groundwater banking in Sacramento County. These groundwater programs and projects support the District’s Strategic Plan goals for Long-Term Water Supply by providing supplemental water supply for droughts and emergencies, increasing adaptability to climate change by allowing storage of water when available. FY 2024 - FY 2025 work included completion of the San Joaquin County Demonstration Recharge, Extraction and Aquifer Management (DREAM) pilot facility. FY 2026 - FY 2030 work for SJC groundwater banking includes the rehabilitation of the existing facilities to make them permanent: the Beckman turnout/well and the DREAM Aqueduct tie-in facility and related components. FY 2030 - FY2035 work includes design and construction to further expand the SJC groundwater banking program.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11196	Future Central Valley Groundwater well Project	Planning	6,743		1,122	1,156	1,191	1,227	386	397	409	421	434
11196	Future Central Valley Groundwater well Project	Design	14,703						128	132	4,455	4,589	5,400
11196	Future Central Valley Groundwater well Project	Construction	2,093								1,031	1,062	
All Projects		All Phases	23,540		1,122	1,156	1,191	1,227	513	529	5,896	6,072	5,834

Award Purpose:
Supplemental Supply, Regional Agreements

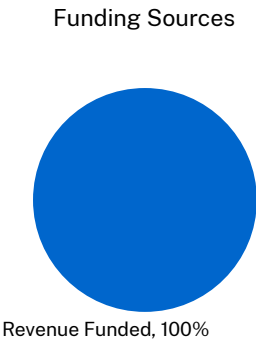
Award:
7000314-SGMA Compliance

Lead Department: Start Year:
Water Resources FY 2026

Award Description

In 2016 under the Sustainable Groundwater Management Act (SGMA), the District and the City of Hayward (Hayward) became the Groundwater Sustainability Agencies (GSA) for the portions of East Bay Plain Subbasin (Subbasin) that underlie their respective service areas. As GSAs, the District and Hayward required to complete a Groundwater Sustainability Plan (GSP) for the Subbasin and implement associated management actions. The work supports the District's Strategic Plan goals for Water Quality and Environmental Protection and Long-Term Water Supply by protecting the Sub-basin and integrating local groundwater into the District's water supplies. Work is partially funded through a cost-sharing and implementation agreement with Hayward. FY 2024 - FY2025 work included GSP biological surveys and installation of monitoring wells. FY 2026 - FY 2027 work includes preparing the 5-year GSP periodic update, and implementing management actions of installing stream gauges and shallow wells near creeks. The next periodic update to the GSP is planned for FY 2031 - FY 2032.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	1,003	1,003	-
Design	-	-	-
Construction	-	-	-
Recurring	305	305	-
Other	-	-	-
Total	1,308	1,308	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11018	Sustainable Groundwater Management Act Compliance Program	Planning	1,775	729	274				653	119			
11018	Sustainable Groundwater Management Act Compliance Program	Construction	305	150	155								
All Projects		All Phases	2,081	880	429				653	119			

Award Purpose:

Supplemental Supply, Regional Agreements

Award:

New-Upper Mokelumne River Watershed Authority - Water Supply Project

Lead Department:

Start Year:

Water Resources

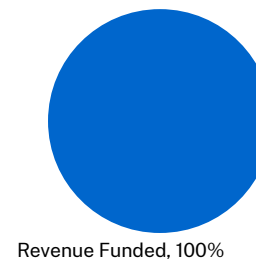
FY 2033

Award Description

The Upper Mokelumne River Watershed Authority (UMRWA) is implementing a phased Forest Projects Plan (FPP) to conduct forest remediation and fuel reduction work in the upper Mokelumne watershed. Accelerating the pace of this work could benefit the District by reducing the risk of extreme fire in the watershed (which could significantly impact water quality), potentially obtaining carbon credits, and increasing the amount of runoff. New water created under such an approach could theoretically be stored for use during drought. UMRWA is partially funding/financing this work through a Forest Resilience Bond (FRB) administered by Blue Forest, a nonprofit. The District is investing in the FRB pilot, with the goals of quantifying the benefits of this work and determining the extent to which its investment can be leveraged to secure additional funding. Benefits include improved forest health in the upper watershed, reduced risk of fire that impacts water quality, and increased water supply reliability, and the potential for obtaining carbon credits. FY 2028- FY 2035 will include a pilot project that, if successful, could demonstrate the creation of "new water" to the State Water Resources Control Board or lead to the development of a new source of carbon credits to help the District meet its climate goals.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11202	Upper Mokelumne River Watershed Authority - Water Supply Project	Construction	1,566								507	522	538
	All Projects	All Phases	1,566								507	522	538

Award Purpose:
Supplemental Supply, Regional Agreements

Award:
7100007-Water Rights, Licenses & Plans

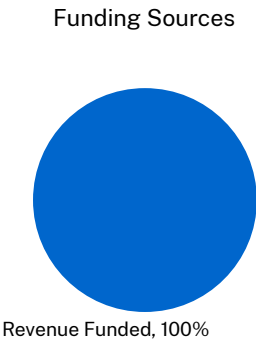
Lead Department:
Water Resources

Start Year:
FY 2026

Award Description

Water Rights, Licenses, and Plans includes programs and projects that meet the criteria of capitalized intangible assets associated with the District’s license to operate its hydropower facilities, long-term water supply planning, and assessments and improvements necessary to protect the District’s water rights. Major projects include renewal District’s license with the Federal Energy Regulatory Commission (FERC), ongoing compliance with the existing FERC license, completing the District’s Urban Water Manage Plan (UWMP) and associated climate change analysis, and water right petitions. FY 2024 - FY 2025 work included initiating the FERC relicensing process and securing a consultant to help support climate change analysis for the 2025 UWMP. FY 2026 - FY 2027 goals include major milestones associated with FERC relicensing (e.g., submittal Application Document and Notice of Intent, initiating supporting studies), conducting major inspections and reviews required from the existing FERC license, completing the UWMP (to be submitted in June 2026), and noticing several water right petitions. FY 2028 - FY 2035 goals include securing a new FERC license, ensuring compliance with th newly issued FERC license, completing the 2030 UWMP (submitted in June 2031), and securing water right orders from the State Board for completed petitions.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	8,864	8,864	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	8,864	8,864	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11031	Federal Energy Regulatory Commission (FERC) - License Relicensing	Planning	9,198	773	3,413	3,918	886	118	87	4			
11031	Federal Energy Regulatory Commission (FERC) - License Relicensing	Other	189			87	101						
11192	Federal Energy Regulatory Commission (FERC) - License Requirements	Planning	3,887	569	817	677	1,013	811					
11193	Water Rights	Planning	4,740	1,818	1,076	208	214	220	227	234	241	248	255
11194	Urban Water Management Plan	Planning	4,695	536	1,273	1,311	402	325	143			261	443
All Projects		All Phases	22,709	3,695	6,579	6,202	2,616	1,474	457	238	241	509	699

Award Purpose:
Sustainable Energy

Award:
7000273-Enhanced Power Revenue

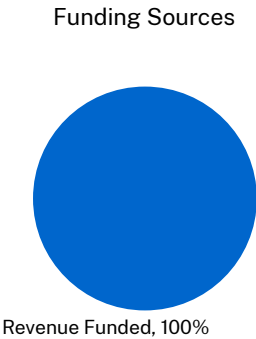
Lead Department:
Water Operations

Start Year:
FY 2026

Award Description

This project provides ongoing funding for the development of renewable generation projects or purchase of renewable energy to support the Energy Policy goal to reduce in greenhouse gas emissions to zero by 2030. The project also supports efforts to fund projects that directly reduce energy consumption and energy expenses.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	50	50	-
Recurring	-	-	-
Other	-	-	-
Total	50	50	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11150	Enhanced Power Revenue	Planning	450				450						
11391	Duffel Photovoltaic Mitigation Measures	Construction	113				113						
11154	Turnkey Photovoltaic Systems (Stockton & Oakland)	Construction	103	103									
All Projects		All Phases	666	103			563						

Award Purpose:
Sustainable Energy

Award:
7000117-Powerhouse Improvements

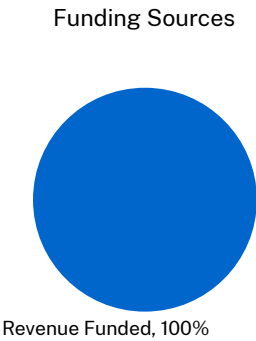
Lead Department:
Water Operations

Start Year:
FY 2026

Award Description

This project provides for replacement and improvements of electrical and mechanical equipment such as turbines, generators, breakers, protective relays, valves, pipeline, a conduits to ensure reliable power production, management of river flows, and remote operation and monitoring of critical systems. FY 2026 - FY 2032 work consists of upgrade powerhouse controls and programmable logic controllers, overhauling turbines, high voltage circuit breaker and transformer replacement, security improvements and access improvements.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	1,500	1,000	500
Other	-	-	-
Total	1,500	1,000	500



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11129	Camanche Powerhouse System Improvements	Recurring	6,465	917		1,410	1,604	667	316	769	253	261	269
11130	Pardee Powerhouse System Improvements	Recurring	9,645	1,416	1,411	1,912	1,204	1,049	484	498	513	613	544
All Projects			16,110	2,333	1,411	3,322	2,808	1,716	800	1,267	766	874	813

Award Purpose:
Vehicles, Equipment & Related Facilities

Award:
7000066-Diesel Engine Retrofit

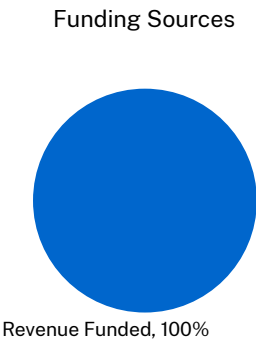
Lead Department:
Water Operations

Start Year:
FY 2033

Award Description

The California Air Resources Board (CARB) establishes and enforces regulations for air emissions. Fines and civil actions can result from noncompliance with established deadlines. These projects are required to comply with CARB. This project will install Best Available Control Technology on off-road, on-road, portable and stationary diesel engines to comply with air quality regulations. All portable diesel engines greater than 50 horsepower must meet regulations for diesel particulate matter.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11148	On Road Diesel Eng Retro	Construction	4,467								975	1,070	2,422
	All Projects	All Phases	4,467								975	1,070	2,422

Award Purpose:
Vehicles, Equipment & Related Facilities

Award:
7000023-Fleet & Equipment Additions

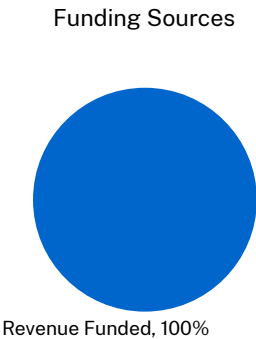
Lead Department:
Maintenance & Construction

Start Year:
FY 2026

Award Description

This ongoing project serves to acquire additions to the fleet resulting from new positions that require a vehicle to perform necessary job responsibilities, or changing demand in the existing workforce and redirection of priorities. Vehicles and equipment includes backhoes, dump trucks, trailers, utility trucks, sedans or SUVs, saw trucks and water trucks. In FY 2026 - FY 2027, necessary equipment will be purchased to outfit additional staff, including new Pipeline Rebuild crews, replace long-term leased vehicles, and decrease the reliance on contracting out.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	862	745	117
Total	862	745	117



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11116	Fleet and Equipment Additions	Construction	862	745	117								
	All Projects	All Phases	862	745	117								

Award Purpose:
Vehicles, Equipment & Related Facilities

Award:
7000022-Fleet & Equipment Replacement & Purchases

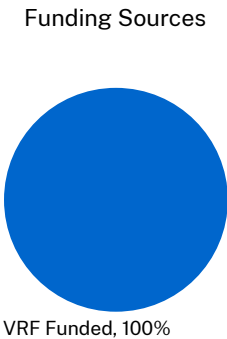
Lead Department:
Maintenance & Construction

Start Year:
FY 2026

Award Description

The District's Vehicle Study indicates that the criteria used for evaluating replacement needs provides the best means of fleet management for replacing vehicles and equipment in a timely and cost effective manner. In FY 2026 Fleet will replace 208 vehicles and equipment and in FY 2027, Fleet will replace 131 vehicles and pieces of equipment. This keeps Fleet on track with replacing vehicles and equipment before they become too costly to maintain and also keeps us in compliance with the California Air Resources Board (CARB) and their Advanced Clean Fleet Rule (ACF) as well as the District's overall goal to reduce greenhouse gas emissions. This award manages the replacement process for vehicle and equipment system-wide.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	35,154	21,362	13,792
Other	-	-	-
Total	35,154	21,362	13,792



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11115	Fleet and Equipment Replacement	Recurring	132,323	21,362	13,792	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439
	All Projects	All Phases	132,323	21,362	13,792	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439

Award Purpose:
Water Recycling & Conservation

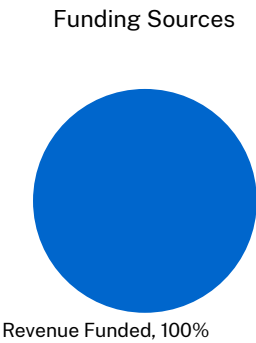
Award:
7000036-DERWA

Lead Department:	Start Year:
Water Resources	FY 2026

Award Description

DSRSD-EBMUD Recycled Water Authority (DERWA) is a joint project with Dublin San Ramon Service District (DSRSD). Recycled water from DSRSD used for landscape irrigation in San Ramon, Danville and Blackhawk. DERWA supports the District’s strategic planning goal of Long-Term Water Supply through water recycling. FY 2024 - FY 2025 work included replacements and upgrades of capital components of the DERWA facility. FY 2026 - FY 2030 includes DERWA capital projects identified in the DERWA capital budget. EBMUD pays a share of costs: securing supplemental supplies including diversion of wastewater from Central Contra Costa Sanitary District, treatment plant and distribution system replacement costs, HVAC replacements, VFD and SCADA improvements, valve rehabilitation, gate replacements, backwash analysis studies, and decommissioning of microfiltration facility. Ongoing treatment plant and distribution system equipment replacement occurs annually.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11019	DERWA EBMUD Share Capital Projects	Planning	266	101	127	15	11	12					
11019	DERWA EBMUD Share Capital Projects	Design	95		95								
11019	DERWA EBMUD Share Capital Projects	Construction	835	262	485	89							
11020	DERWA Capital Replacements	Planning	22	4	4	4	5	5					
11020	DERWA Capital Replacements	Construction	339	64	66	68	70	72					
All Projects		All Phases	1,558	431	778	176	86	88					

Award Purpose:
Water Recycling & Conservation

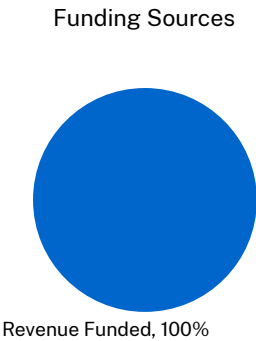
Award:
7000035-East Bayshore

Lead Department: Start Year:
Water Resources FY 2026

Award Description

The East Bayshore Recycled Water Project (EBRWP) currently provides up to 0.2 million gallons per day (MGD) of recycled water to customers in Oakland and Emeryville for irrigation use. EBRWP supports the District’s Strategic Plan goal of Long-Term Water Supply through water recycling. FY 2024 - FY 2025 work included water quality improv evaluation, update of distribution system hydraulic modeling, customer retrofits, and the beginning of a project to create a new Estuary pipeline crossing to Alameda. Treatrn upgrades are planned to be completed in FY 2029 to improve the EBRWP recycled water quality. Phase 2 of EBRWP will expand recycled water service to Alameda. Design o estuary crossing pipeline to Alameda (slip-lining existing pipe) will be completed in FY 2026 and construction will begin in FY 2027. The rest of the facilities required to expa recycled water service to Alameda will phased from FY 2028 to FY 2041 including pipelines and customer retrofits. Phase 2 of EBRWP will also include expansion in Emeryvi Oakland to be completed in FY 2036. When completed, Phase 2 will provide up to an additional 0.68 MGD of recycled water for irrigation use.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11023	Emeryville Distribution	Planning	1,248								323	359	566
11023	Emeryville Distribution	Design	1,192									587	605
11023	Emeryville Distribution	Construction	7,403									3,647	3,756
11023	Emeryville Distribution	Other	8								3	3	3
11024	Customer Retrofits Phase 1A	Planning	428		11	33	56	81	84	61	63	39	
11024	Customer Retrofits Phase 1A	Design	598			78	80	83	85	88	90	93	
11024	Customer Retrofits Phase 1A	Construction	1,604				209	216	222	229	236	243	250
11030	East Bayshore Estuary Pipeline	Planning	41	41									
11030	East Bayshore Estuary Pipeline	Design	144	144									
11030	East Bayshore Estuary Pipeline	Construction	78	46	32								
11197	East Bayshore Alameda Distribution and Customer Retrofits	Planning	3,409		404	416	429	442	455	622	641		
11197	East Bayshore Alameda Distribution and Customer Retrofits	Design	7,554			860	886	912	940	968	1,472	1,516	
11197	East Bayshore Alameda Distribution and Customer Retrofits	Construction	32,261			3,022	3,113	3,207	3,303	3,402	5,246	5,403	5,565
11197	East Bayshore Alameda Distribution and Customer Retrofits	Other	18	2	2	2	2	2	2	2	3		
11200	East Bayshore Upgrades	Planning	155	155									
11200	East Bayshore Upgrades	Design	101				101						
11200	East Bayshore Upgrades	Construction	405				405						
All Projects			56,648	388	449	4,412	5,282	4,942	5,091	5,373	8,076	11,890	10,745

Award Purpose:
Water Recycling & Conservation

Award:
7000315-North Richmond Recycled Water Plant

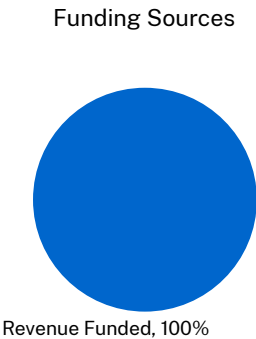
Lead Department:
Water Resources

Start Year:
FY 2028

Award Description

The North Richmond Water Recycling Plant (NRWRP) provides tertiary treatment to wastewater effluent from West County Wastewater District for use in the Chevron refinery cooling towers. NRWRP supports the District’s Strategic Plan goal of Long-Term Water Supply through water recycling. FY 2024 - FY 2025 work included an unplanned replacement of the sand filters. FY 2028 - FY 2035 planned improvements include chemical feed pump replacements, clarifier and thickener drive replacements, thickener rehabilitation, process water pipe replacements, and sand filter baffles replacement.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11026	North Richmond Water Reclamation Plant Improvements Phase 3	Design	1,351			1,351							
11026	North Richmond Water Reclamation Plant Improvements Phase 3	Construction	7,831				7,831						
11028	North Richmond Water Reclamation Plant RCER FY24-25	Recurring	4,890				574	591	609	1,119	646	665	685
11203	North Richmond Water Reclamation Plant Condition Assessment	Planning	86				86						
All Projects		All Phases	14,158			1,351	8,491	591	609	1,119	646	665	685

Award Purpose:

Water Recycling & Conservation

Award:

7000160-RARE - Chevron Funded

Lead Department:

Start Year:

Water Resources

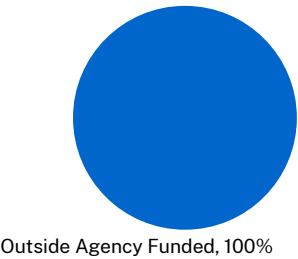
FY 2026

Award Description

The Richmond Advanced Recycled Expansion (RARE) Water Project provides up to 3.5 MGD of recycled water to the Chevron refinery for boiler feedwater applications to cor the use of potable water. RARE supports the District’s Strategic Plan goal of Long-Term Water Supply through water recycling, and improvements are funded by Chevron. FY - FY2025 work included microfiltration module replacement, new Reverse Osmosis (RO) feed pumps and clean-in-place pump replacements, and sodium hypochlorite tank r In FY 2026 - FY2035 equipment will be replaced and upgraded at RARE including RO membranes, instruments and analyzers, and the waste equalization tank and neutraliza system.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	214	-	214
Construction	-	-	-
Recurring	1,901	1,409	492
Other	-	-	-
Total	2,116	1,409	707

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11027	Richmond Advance Recycled Expansion RCER FY24-25	Design	214		214								
11027	Richmond Advance Recycled Expansion RCER FY24-25	Construction	1,690			1,690							
11027	Richmond Advance Recycled Expansion RCER FY24-25	Recurring	13,317	1,409	492	532	2,068	592	610	1,767	647	1,189	4,010
All Projects		All Phases	15,222	1,409	707	2,223	2,068	592	610	1,767	647	1,189	4,010

Award Purpose:
Water Recycling & Conservation

Award:
7000071-San Ramon Valley Recycled Water

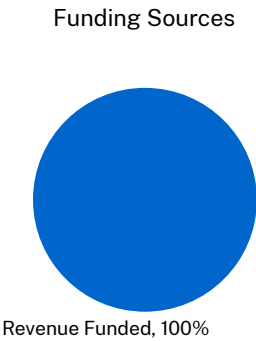
Lead Department:
Water Resources

Start Year:
FY 2026

Award Description

The San Ramon Valley Recycled Water Program provides recycled water to offset drinking water that was previously used for landscape irrigation in the San Ramon Valley. The program meets the District's Strategic Plan goal of Long-Term Water Supply through water recycling. FY2024 and FY 2025 work included automated meter infrastructure installation on the large recycled water irrigation meters and continuation of customer retrofits. Design for Pump Station R3000 anticipated to begin in FY 2026 with construction completion in FY 2028 - FY 2029. Design for Phases 3 pipelines anticipated in FY 2027 - FY 2028 with construction in FY 2029 - FY 2030. Phase 3 site retrofits will complete FY 2031. Phase 5 (Blackhawk West) anticipated to be completed in FY 2033.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11017	EBMUD/SRV Distribution Pipelines	Planning	1,997	299	223	317	428	301	430				
11017	EBMUD/SRV Distribution Pipelines	Design	1,982	1,277	286	87	191	139					
11017	EBMUD/SRV Distribution Pipelines	Construction	27,484			11,353	11,694	591	3,845				
11025	San Ramon Valley Customer Retrofits	Planning	451	41	42	66	68	151	84				
11025	San Ramon Valley Customer Retrofits	Design	497	155			169	174					
11025	San Ramon Valley Customer Retrofits	Construction	2,835	21	1,857	33	68	464	394				
All Projects		All Phases	35,246	1,792	2,408	11,856	12,617	1,820	4,752				

Award Purpose:

Water Treatment

Award:

7000299-Pardee Center Capital Maintenance & Improvements

Lead Department:

Water Operations

Start Year:

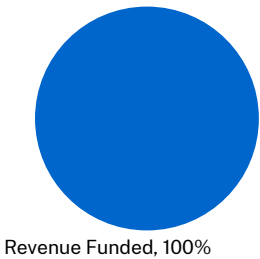
FY 2026

Award Description

This project provides for replacement and improvements to the Pardee Center Wastewater Treatment Plant, office and lodging buildings and grounds, roads, conference cen and power poles to ensure safe and reliable systems that comply with operational and regulatory requirements.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	4,484	2,833	1,651
Other	-	-	-
Total	4,484	2,833	1,651

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11135	FY22 Pardee Center Capital Municipal and Industrial	Recurring	13,535	2,833	1,651	1,918	1,747	1,336	991	749	1,131	647	533
	All Projects	All Phases	13,535	2,833	1,651	1,918	1,747	1,336	991	749	1,131	647	533

Award Purpose:

Water Treatment

Award:

7000090-Treatment Plant Upgrades

Lead Department:

Engineering & Construction

Start Year:

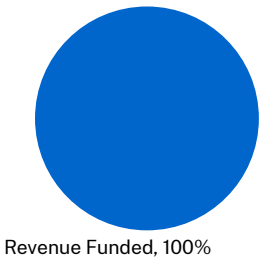
FY 2026

Award Description

This project includes the planning, design, and construction of improvements to the District’s six water treatment plants (WTPs) in order to strengthen the performance, reliability and resiliency of the treatment system. FY 2025 work included construction of Orinda WTP Disinfection and the Chemical Safety System Improvements Project, Upper San Leandro (USL) WTP Maintenance and Reliability and USL and Sobrante Chemical Safety System Improvements Project, Lafayette WTP Control Systems Improvements, and completion of the San Pablo Reservoir Hypolimnetic Oxygenation System (HOS) and the Orinda, Lafayette, and Walnut Creek WTPs Carbonic Acid Storage and Feed Control Systems Projects. FY 2026 - FY 2027 work includes construction of Orinda WTP Disinfection and the Chemical Safety System Improvements Project, USL WTP Maintenance Reliability and USL and Sobrante Chemical Safety System Improvements projects, Lafayette WTP Control Systems Improvements, Walnut Creek WTP and Lafayette WTP Chemical Safety Systems Project; design and start of construction of Walnut Creek WTP Filters Improvements Project, Walnut Creek WTP Control Systems Refresh Project design of Walnut Creek WTP Pretreatment Project, Briones Reservoir HOS and planning for Orinda WTP washwater lift station and residuals and WTP standby power improvements. FY 2028 - 2035 work includes construction of the Orinda WTP Disinfection and the Chemical Safety System Improvements Project, USL WTP Maintenance and Reliability and USL and Sobrante Chemical Safety System Improvements Project, Walnut Creek WTP and Lafayette WTP Chemical Safety Systems Project, Walnut Creek WTP Filters Improvements Project, Walnut Creek WTP Control Systems Refresh, Water Quality Research Facility, and Walnut Creek WTP Pretreatment Project. Design of the Orinda WTP Washwater Lift Station and Residuals Project and WTP Valve Reliability Project will also begin.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	1,078	442	637
Design	11,210	11,142	68
Construction	90,765	62,791	27,974
Recurring	-	-	-
Other	-	-	-
Total	103,053	74,374	28,679

Funding Sources



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
11112	Sobrante Water Treatment Plant Improvements Environmental Impact Report	Design	7,853									2,566	5,287
11106	Upper San Leandro Water Treatment Plant Reliability Improvements	Construction	187,234	60,630	62,450	64,154							
11105	Orinda Water Treatment Plant Disinfection and Chemical Systems Safety Improvements	Construction	122,762	58,746	43,107	20,909							
11109	Walnut Creek Water Treatment Plant Pretreatment Project	Design	9,334	2,661	3,289	2,259	1,126						
11109	Walnut Creek Water Treatment Plant Pretreatment Project	Construction	247,980					22,037	50,274	65,391	73,654	36,624	
11108	Lafayette Water Treatment Plant Control Systems Improvements	Construction	1,431	1,431									
11111	Walnut Creek Water Treatment Plant Filters Improvements	Construction	32,627		518	12,839	12,894	6,376					
11107	Water Treatment Plants Chemical Safety Improvements	Construction	65,747	16,437	19,185	20,842	9,284						
11110	Walnut Creek Water Treatment Plant Control Systems Refresh	Design	670	670									
11110	Walnut Creek Water Treatment Plant Control Systems Refresh	Construction	6,056	1,685	3,729	642							
11113	Water Quality Research Facility	Construction	7,997				3,939	4,057					
11227	Water Treatment Plant Valve Reliability Study	Planning	454				338	116					
11227	Water Treatment Plant Valve Reliability Study	Design	1,180					464	716				
11228	Water Treatment Plant Standby Power Study	Planning	1,067	206	424	437							
11228	Water Treatment Plant Standby Power Study	Design	2,426				506	638			760	522	
11230	Briones Reservoir Water Quality Improvement Study	Design	1,167	227	700	240							
11231	Water Treatment Plant Controls System Cybersecurity	Design	886	77	80	82	84	87	90	92	95	98	101
11232	Orinda Water Treatment Plant Washwater Lift Station and Residuals Study	Planning	627	309	318								
11232	Orinda Water Treatment Plant Washwater Lift Station and Residuals Study	Design	1,929			1,339	591						

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
	All Projects	All Phases	699,428	143,079	133,800	123,742	28,762	33,775	51,080	65,483	74,509	39,810	5,388

Award Purpose:

Contingency

Award:

7000355-Contingency - Water

Lead Department:

Finance

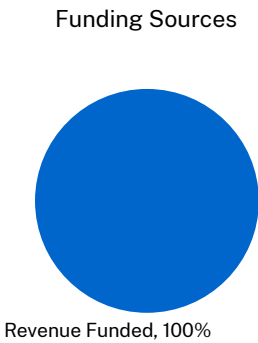
Start Year:

FY 2026

Award Description

The Water and Wastewater systems have independent capital contingency funds to ensure the timely response to unanticipated critical work, and potentially support projects that are contingent upon the receipt of grants or other outside funding. The Contingency Awards are only intended to provide appropriations to existing Awards approved by the Board in the event of material unexpected cost increases or due to unexpected emergencies, without requiring the Board amend the budget, and without each Award incurring its own contingency, which could significantly increase overall capital appropriations. Transfers of contingency appropriations are uncommon and costs that significantly exceed budget expectations are reported to the Board under existing policies. Transfers out of the Capital Contingency Awards are approved by the Director of Finance, and the General Manager and Board of Directors are informed when the amount is greater than \$2.5 million.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	99,541	48,855	50,687
Total	99,541	48,855	50,687



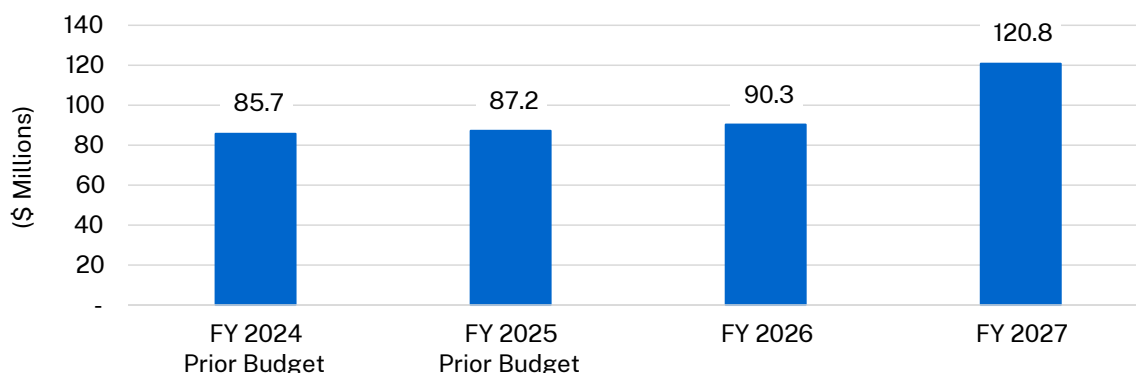
Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
		Planning											
		Design											
		Construction											

Wastewater System

Overview

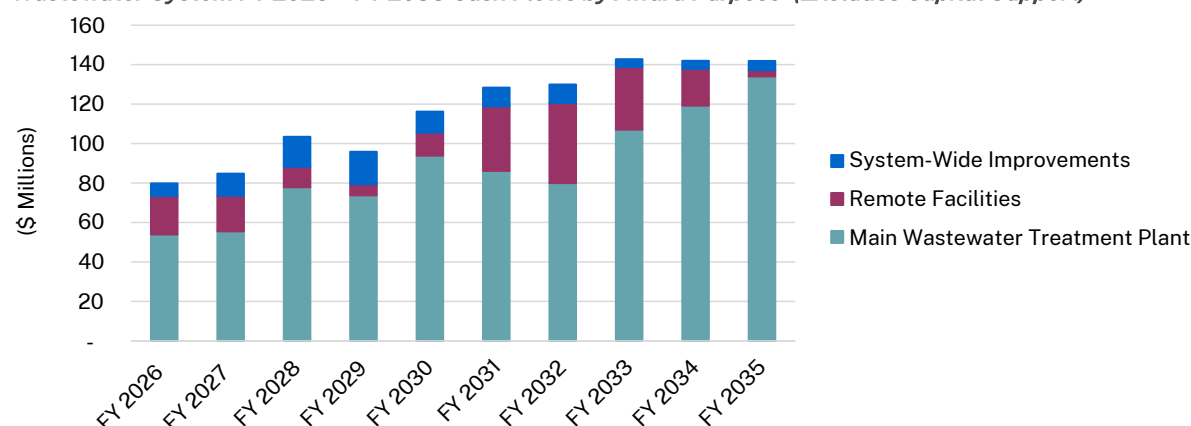
The Wastewater System's FY 2026 capital appropriation will increase by \$3.1 million or 4 percent from FY 2025. In FY 2027, appropriations will increase by \$30.5 million, or 34 percent, from FY 2026. The second year's increase aligns with the CIP's increasing size and scope.

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



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, and then increases by 3 percent annually for the remainder of the CIP.

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



Award Purpose:
Main Wastewater Treatment Plant

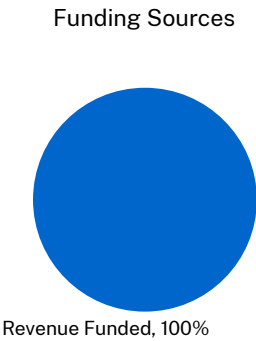
Award:
7000338-Dewatering

Lead Department:	Start Year:
Wastewater	FY 2026

Award Description

The Dewatering award includes capital improvements to renew and replace process equipment and structures to reduce water content of digested sludge to prepare it for b use as biosolids. Major projects include the Dewatering Improvements Project which will replace the existing dewatering process. FY 2024 and FY2025 work included the be of the planning phase of the Dewatering Improvements project. FY 2026 and FY 2027 will include beginning of the design phase of the Dewatering Improvements project. FY through FY 2035 will include the completion of the construction of the Dewatering Improvements project.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21008	Dewatering Improvements Project	Design	12,415	2,740	4,944	4,732							
21008	Dewatering Improvements Project	Construction	102,519			15,036	24,491	36,819	26,174				
All Projects		All Phases	114,934	2,740	4,944	19,767	24,491	36,819	26,174				

Award Purpose:
Main Wastewater Treatment Plant

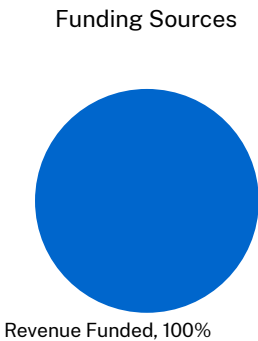
Award:
7000337-Digesters

Lead Department:	Start Year:
Wastewater	FY 2026

Award Description

The Digesters award includes all capital improvements to renew and improve assets directly associated with digestion of solids separated in the liquid treatment process and high strength waste blended with those separated solids via the Blend Tanks. Major projects include the Digester Upgrade Project Phase 3, Digester 2 Dual Membrane Replacement, Digester 7 and 12 Coating Repairs, Digester Roof and Exterior Coating Repairs, and Digester Upgrade Project Phase 4. FY 2024 and FY 2025 work included continued construction of Digester Upgrade Project Phase 3, the beginning of design of the Digester 7 and 12 Coating Repairs project. FY 2026 and FY2027 will include completion of the Digester Upgrade Project Phase 3 construction, design of the Digester 2 Dual Membrane Replacement, and design and construction of the Digester 7 and 12 Coating Repairs project. FY 2028 through FY 2035 includes design and construction of Digester Electrical Upgrades, and Digester Roof and Exterior Coating Repairs.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	318	-	318
Construction	13,224	13,224	-
Recurring	-	-	-
Other	-	-	-
Total	13,542	13,224	318



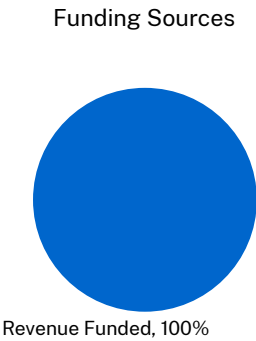
Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21021	Digester Upgrade Project Phase 3	Construction	6,180	6,180									
21051	Digester 2 Dual Membrane Replacement	Design	318		318								
21051	Digester 2 Dual Membrane Replacement	Construction	2,841			2,841							
21052	Digester 7 and 12 Coating Repairs	Construction	13,224	4,429	5,517	3,278							
21053	Digester Electrical Upgrades	Design	1,013				1,013						
21053	Digester Electrical Upgrades	Construction	7,060					3,478	3,582				
21054	Digester Roof and Exterior Coating Repairs	Design	696					696					
21054	Digester Roof and Exterior Coating Repairs	Construction	11,881						5,731	6,149			
21055	Digester Upgrade Project Phase 4	Design	3,167								3,167		
21055	Digester Upgrade Project Phase 4	Construction	20,268									9,786	10,483
All Projects		All Phases	66,648	10,609	5,835	6,119	1,013	4,173	9,314	6,149	3,167	9,786	10,483

Award Purpose:	
Main Wastewater Treatment Plant	
Award:	
7000334-Effluent Discharge	
Lead Department:	Start Year:
Wastewater	FY 2033

Award Description

The Effluent Discharge award includes all capital improvements to renew and replace systems associated with discharge of treated wastewater into San Francisco Bay, inclu the effluent channel downstream of secondary treatment, the Effluent Pump Station (EPS), the outfall pipeline, the Dechlorination Facility, the Transition Structure, and the associated equipment, chemical dosing and storage systems, and other appurtenances. FY 2024 and FY 2025 work included the completion of the Dechlorination Facility Improvements Phase 3. No work is planned in FY 2026 or FY 2027 under this award. FY 2028 to FY 2035 work includes beginning of planning and design for the Dechlorinati Facility Improvements Phase 4, and the EPS Seismic Ground Improvements Project.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Revenue Funded, 100%

Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21032	Dechlorination Facility Improvements Phase 4	Planning	380								380		
21032	Dechlorination Facility Improvements Phase 4	Design	1,267								1,267		
21032	Dechlorination Facility Improvements Phase 4	Construction	6,622									3,262	3,360
21009	Effluent Pump Station - Main Pump Improvements	Planning	285										285
21009	Effluent Pump Station - Main Pump Improvements	Design	1,141										1,141
21059	EPS Seismic Ground Improvements	Planning	253								253		
21059	EPS Seismic Ground Improvements	Design	3,424									2,349	1,075
21059	EPS Seismic Ground Improvements	Construction	8,063										8,063
21013	Navy Water Line Rehabilitation	Planning	67										67
21013	Navy Water Line Rehabilitation	Design	134										134
All Projects		All Phases	21,636								1,900	5,611	14,126

Award Purpose:

Main Wastewater Treatment Plant

Award:

7000339-Electricals and Controls

Lead Department:

Wastewater

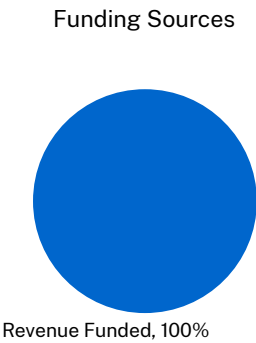
Start Year:

FY 2026

Award Description

The Electricals and Controls award includes all capital improvements to renew and replace electrical and controls infrastructure, such as power distribution, instrumentation and other related assets across the Wastewater system. The award does not include the electrical and controls elements of capital projects under other awards, but rather only the projects that focused on electrical and controls infrastructure. Major projects include the Dedicated 12 kilovolt (kV) Service Connection, Electrical Reliability Improvements, Control Center (MCC) Replacements Project, Power Distribution System Equipment, and the Emergency Generator Project. FY 2024 and FY 2025 work included the Electrical Reliability Master Plan, MCC Replacements, MWWTP Intercom Paging Upgrades, Programmable Logic Controller Replacements Project, and the DCS Console Replacement Project. FY 2026 and FY 2027 work will include beginning the planning phases of the Dedicated 12 kV Service Connection, Electrical Condition Assessment, Electrical Reliability Improvements, and Emergency Generator projects, as well as construction of the Electrical Sub-Metering Data and Power Distribution System Equipment projects. FY 2028 through FY 2035 will include completion of the Electrical Reliability Improvements, Dedicated 12 kV Service Connection, MCC Replacements, MWWTP T20 Transformer Replacement, and Power Distribution System Improvements Phase 2 projects.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	4,371	2,182	2,189
Recurring	-	-	-
Other	-	-	-
Total	4,371	2,182	2,189



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21063	Intercom Paging System Upgrade	Construction	2,189		637	765	788						
21083	Electrical Sub-Metering Data	Design	431	103	106	109	113						
21083	Electrical Sub-Metering Data	Construction	323	77	80	82	84						
21043	Distributed Control System Renewal and Upgrades	Construction	3,855			656	647		2,552				
21050	Dedicated 12kV Service Connection	Planning	362	309	53								
21050	Dedicated 12kV Service Connection	Design	1,209		212	546	450						
21050	Dedicated 12kV Service Connection	Construction	14,954				1,970	6,349	896	5,739			
21057	Electrical Condition Assessment	Planning	309	309									
21058	Electrical Reliability Improvements	Planning	309	309									
21058	Electrical Reliability Improvements	Design	1,077		530	546							
21058	Electrical Reliability Improvements	Construction	23,262			4,699	2,814	3,594	4,776	7,379			
21074	Emergency Generator	Planning	103	103									
21074	Emergency Generator	Design	1,713		1,167	546							
21074	Emergency Generator	Construction	16,787			6,556	6,753	3,478					
21064	Motor Control Center Replacements	Planning	56				56						
21064	Motor Control Center Replacements	Design	1,098				338	522	239				
21064	Motor Control Center Replacements	Construction	22,820						3,582	4,919	5,067	5,219	4,032
21091	Main Wastewater Treatment Plant T20 Replacement	Planning	58					58					
21091	Main Wastewater Treatment Plant T20 Replacement	Design	174					174					
21091	Main Wastewater Treatment Plant T20 Replacement	Construction	2,615						1,194	1,421			

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21102	Power Distribution System Equipment	Design	82	82									
21102	Power Distribution System Equipment	Construction	1,858	793	255	262	270	278					
21075	Power Distribution System Phase 2	Planning	84				84						
21075	Power Distribution System Phase 2	Design	563				563						
21075	Power Distribution System Phase 2	Construction	3,659				1,688	1,971					
All Projects		All Phases	99,950	2,086	3,039	14,768	16,618	16,423	13,239	19,459	5,067	5,219	4,032

Award Purpose:
Main Wastewater Treatment Plant

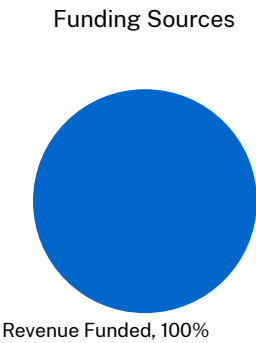
Award:
7000335-Nutrients

Lead Department:	Start Year:
Wastewater	FY 2026

Award Description

The Nutrients award includes all work prompted specifically by future nitrogen load limit stipulated in the Regional Water Quality Control Board Watershed Permit, schedule into effect in October 2034. Complying with this future load limit will require that all secondary treatment infrastructure be renewed and reliable; however, infrastructure rer existing secondary assets would be required whether or not there is a nitrogen load limit, therefore only capital work required in addition to already necessary secondary tre infrastructure renewal is included in this award. The immediate project work that will determine exactly what the new infrastructure requires is the Nutrients Master Plan Up Prior to completion of that work and confirmation of the preferred combination of capital improvements necessary to meet the future nitrogen load limit, the Secondary Rea Redundancy Expansion project was included in the Capital Improvements Plan (CIP) to account for the expected major capital investment necessary to meet the future load FY 2024 and FY 2025 work included investments in minor modifications and testing of the existing secondary infrastructure to operate in a biological nitrogen removal (BNR FY 2026 and FY 2027 work will include the Nutrients Master Plan Update. FY 2028 through FY 2025 work currently includes the Secondary Reactor Deck Redundancy Expa project.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21015	Nutrient Master Plan Update	Planning	1,295	1,030	265								
21026	Secondary Reactor Deck Redundancy Expansion	Planning	2,947						2,197	750			
21026	Secondary Reactor Deck Redundancy Expansion	Design	27,680						8,955	9,224	9,501		
21026	Secondary Reactor Deck Redundancy Expansion	Construction	185,984								60,172	61,977	63,836
21028	Sidestream Treatment	Planning	3,061									1,508	1,553
21028	Sidestream Treatment	Design	4,660										4,660
All Projects		All Phases	225,628	1,030	265				11,152	9,974	69,672	63,485	70,049

Award Purpose:
Main Wastewater Treatment Plant

Award:
7000333-Power Generation and Biogas

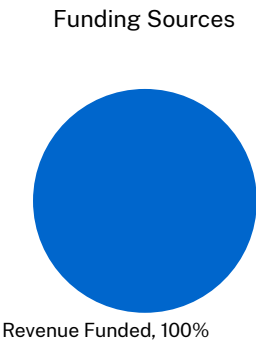
Lead Department:
Wastewater

Start Year:
FY 2026

Award Description

The Power Generation and Biogas award includes all capital improvements to renew and expand the Power Generation Station (PGS) and the conveyance and conditioning systems that deliver biogas to PGS. Major projects include the PGS Engine Overhauls, PGS Master Plan, PGS MIP to Decentralized Control System (DCS) Migration, and PGS Controls Upgrades. In FY 2024 and FY 2025, the PGS Reliability Improvements Phase 3 project completed. FY 2026 and FY 2027 work includes the start of design for the PG Gas Conditioning System Upgrade, completion of the PGS Engine Overhauls work, start of the PGS Master Plan, and continuing upgrades under the PGS MIP to DCS Migrati FY 2028 to FY 2035 work will include completion of construction for the Gas Conditioning System Upgrade, completion of the PGS MIP to DCS Migration work, completion o Controls Upgrades, and the start of design and construction of the PGS Reliability Improvements Phase 4.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	1,077	514	563
Design	1,567	1,426	141
Construction	20,522	9,810	10,712
Recurring	-	-	-
Other	-	-	-
Total	23,166	11,750	11,416



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21060	Gas Conditioning System Upgrade	Design	1,545	1,545									
21060	Gas Conditioning System Upgrade	Construction	12,108		4,244	2,732	2,814	2,319					
21045	Power Generation Station Engine Overhauls	Planning	133	133									
21045	Power Generation Station Engine Overhauls	Construction	8,337	4,107	4,230								
21096	Power Generation Station Master Plan	Planning	1,049	412	637								
21068	Power Generation Station MIP to DCS Migration	Planning	36	36									
21068	Power Generation Station MIP to DCS Migration	Design	503	67	159	164	113						
21068	Power Generation Station MIP to DCS Migration	Construction	1,176	412	265	273	225						
21069	Power Generation Station Reliability Phase 4	Design	811					811					
21069	Power Generation Station Reliability Phase 4	Construction	12,989						4,776	4,919	3,294		
21106	Power Generation Station 1 Controls Upgrades	Construction	546	299	149	98							
21107	Power Generation Station 2 Controls Upgrades	Construction	1,030	1,030									
All Projects		All Phases	40,262	8,041	9,683	3,267	3,151	3,130	4,776	4,919	3,294		

Award Purpose:
Main Wastewater Treatment Plant

Award:
7000330-Preliminary Treatment

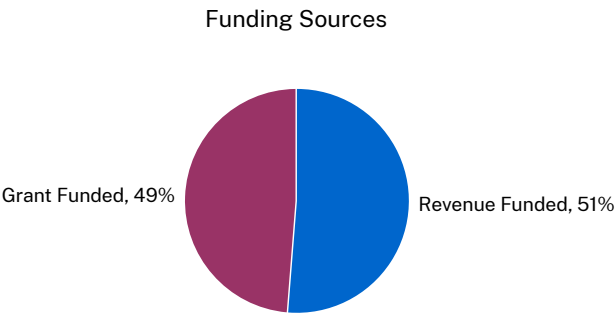
Lead Department:
Wastewater

Start Year:
FY 2036

Award Description

The Preliminary Treatment award includes all capital improvements to the first stage of treatment processes applied to raw sewage flows conveyed to the Main Wastewater Treatment Plant (MWWTP), including coarse screening, pumping, fine screening, and grit removal. Major projects include the Influent Pump Station (IPS) Resiliency Project and the MWWTP Grit Dewatering Equipment Replacement projects. In FY 2024 and FY 2025, the design of the IPS Resiliency Project began and the construction of the MWWTP Grit Dewatering Equipment Replacement Project began. In FY 2026 and FY 2027, the IPS Resiliency Project design will be completed and construction will begin, while the construction of the MWWTP Grit Dewatering Equipment Replacement Project will be completed. In FY 2028 through FY 2035, the second phase of construction of the IPS Resiliency Project will be completed, and the Aerated Grit Tank Concrete, Pipe, and Equipment Improvements Project will begin.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	5,181	4,120	1,061
Construction	18,306	-	18,306
Recurring	-	-	-
Other	-	-	-
Total	23,487	4,120	19,367



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21011	Influent Pump Station Resiliency Project	Design	5,181	4,120	1,061								
21011	Influent Pump Station Resiliency Project	Construction	50,733		9,018	9,288	8,875	9,142	4,712	9,698			
21034	Main Wastewater Treatment Plant Grit Dewatering Equipment Replacement and Reactor Drain Improvements (SD-432)	Construction	12,296	8,409	3,887								
21048	AGT Concrete, Pipe, and Equipment Improvements	Design	1,267								1,267		
21048	AGT Concrete, Pipe, and Equipment Improvements	Construction	19,980									10,438	9,542
All Projects		All Phases	89,457	12,529	13,966	9,288	8,875	9,142	4,712	9,698	1,267	10,438	9,542

Award Purpose:
Main Wastewater Treatment Plant

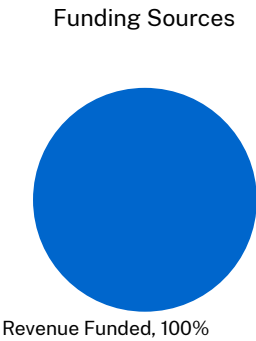
Award:
7000331-Primary Treatment

Lead Department:	Start Year:
Wastewater	FY 2035

Award Description

The Primary Treatment award includes all capital improvements to the Primary Sedimentation Tanks, scum collection system, primary sludge pumping system, and all related equipment and appurtenances. Major projects include the Primary Sedimentation Tank Seismic Retrofit Phases 1 and 2, and the final phase (Phase 6) of the Repair Primary Sedimentation Tanks and Channels project. There were no ongoing projects under this award in FY 2024 and FY 2025 because significant progress completed on the Repair Primary Sedimentation Tanks and Channels projects prior to FY 2024. There are no projects scheduled to begin in FY 2026 through FY 2027. In FY 2028 through FY 2035, we will begin on Repair Primary Sedimentation Tanks and Channels Phase 6.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21020	Repair Primary Sed Tanks and Channels Ph 6	Planning	134										134
21020	Repair Primary Sed Tanks and Channels Ph 6	Design	538										538
All Projects		All Phases	672										672

Award Purpose:
Main Wastewater Treatment Plant

Award:
7000336-Resource Recovery

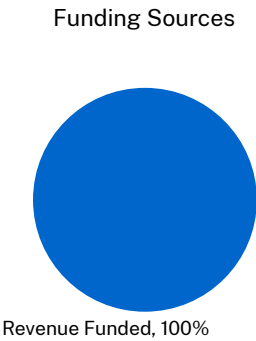
Lead Department:
Wastewater

Start Year:
FY 2030

Award Description

The Resource Recovery award includes all capital improvements necessary to operate the Resource Recovery (R2) program of receiving trucked waste at the low strength and high strength (Blend Tank) receiving stations to generate additional revenue and biogas. Major projects include the Blend Tank Odor and Grit Improvements. FY 2024 and FY 2025 work included completion of design of the Blend Tank Odor and Grit Improvements Project. No work is expected in FY 2026 and FY 2027 under this award, as the Blend Tank and Grit Improvements Project has paused in favor of higher priority projects. FY 2028 through FY 2035 work will include completion of the Blend Tank Odor and Grit Improvements Project.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21005	Blend Tank Odor and Grit Improvements	Construction	6,402					5,507	896				
	All Projects	All Phases	6,402					5,507	896				

Award Purpose:

Main Wastewater Treatment Plant

Award:

7000332-Secondary Treatment

Lead Department:

Wastewater

Start Year:

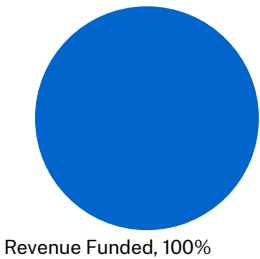
FY 2026

Award Description

The Secondary Treatment award includes all capital improvements to renew existing infrastructure in the secondary treatment process area, which includes the secondary i channels, mid-plant pump station, oxygen production plant, secondary reactor decks, mixed liquor channels, secondary clarifiers, return activated sludge (RAS) and waste a sludge (WAS) pumping systems, and all associated equipment and appurtenances. Capital projects that are specifically required by new nutrient regulations included in the Nutrients award. Major projects include rehabilitation and modernization of the Oxygen Production Plant, rehabilitation of the Secondary Reactor Decks and Secondary Clar and seismic retrofit of the Oxygen Production Plant. In FY 2024 and FY 2025, the Secondary Reactor Rehabilitation Phase 1 completed, the Secondary Clarifier Rehabilitatio Phase 3 completed, the design completed and construction began for the Oxygen Plant Improvements project, design completed and construction began for the Secondary Clarifiers Rehabilitation Phase 4, and the design of Secondary Reactors Rehabilitation Phase 2 began. In FY 2026 and FY 2027, the Oxygen Plant Improvements Project will continue construction, the Secondary Clarifier Rehabilitation Phase 4 will completed, and design of the Secondary Reactors Rehabilitation Phase 2 will continue and constru will begin. In FY 2028 through FY 2035, Secondary Reactors Rehabilitation Phase 2 will completed, Secondary Reactors Rehabilitation Phases 3 and 4 will begin, and Secon Clarifiers Phases 5 and 6 will begin.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	2,061	2,061	-
Construction	27,072	27,072	-
Recurring	-	-	-
Other	-	-	-
Total	29,133	29,133	-

Funding Sources



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21035	Oxygen Plant Improvements	Construction	18,791	6,668	6,382	4,761	979						
21105	Clarifier Rehabilitation Phase 4	Construction	4,120	4,120									
21024	Clarifier Rehabilitation Phase 5	Design	836						836				
21024	Clarifier Rehabilitation Phase 5	Construction	28,207							7,748	13,934	6,524	
21025	Clarifier Rehabilitation Phase 6	Design	522									522	
21025	Clarifier Rehabilitation Phase 6	Construction	5,376										5,376
21065	Oxygen Plant Seismic Improvements	Design	998									326	672
21039	Secondary Reactors Rehabilitation Phase 2	Design	2,123	2,123									
21039	Secondary Reactors Rehabilitation Phase 2	Construction	23,770	408	8,181	8,427	6,753						
21040	Secondary Reactors Rehabilitation Phase 3	Planning	34				34						
21040	Secondary Reactors Rehabilitation Phase 3	Design	2,521				1,749	772					
21040	Secondary Reactors Rehabilitation Phase 3	Construction	24,424					468	11,801	12,155			
21046	Secondary Reactors Rehabilitation Phase 4	Planning	37							37			
21046	Secondary Reactors Rehabilitation Phase 4	Design	2,929							2,032	897		
21046	Secondary Reactors Rehabilitation Phase 4	Construction	26,874								515	12,985	13,375
All Projects		All Phases	141,560	13,319	14,564	13,188	9,515	1,240	12,637	21,972	15,346	20,357	19,422

Award Purpose:
Main Wastewater Treatment Plant

Award:
New-Seismic Retrofit Maintenance Center

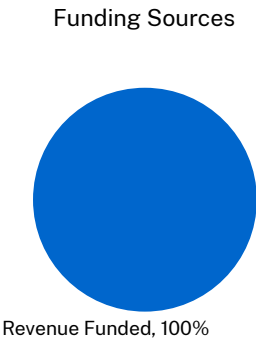
Lead Department:
Wastewater

Start Year:
FY 2028

Award Description

The Maintenance Center is an operational facility that serves as the primary hub at the Main Wastewater Treatment Plant. This project is designed to enhance the safety of the building during a seismic event and ensure functional recovery after. While the probability of a major earthquake occurring within the next 10 years is estimated to be less than 1 percent, proactive measures are being taken to mitigate potential risks. Although not mandated by regulatory authorities, this project is being undertaken voluntarily to enhance the facility’s resilience and safeguard both personnel and critical infrastructure in the event of a seismic event.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	-	-	-
Total	-	-	-



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21041	Seismic Retrofit Maintenance Center	Design	236			109					127		
21041	Seismic Retrofit Maintenance Center	Construction	32,333			10,140	7,833	8,068				3,549	2,742
All Projects		All Phases	32,569			10,250	7,833	8,068			127	3,549	2,742

Award Purpose:

Main Wastewater Treatment Plant

Award:

7000340-Utilities and Sitework

Lead Department:

Wastewater

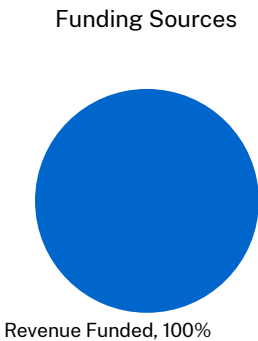
Start Year:

FY 2026

Award Description

The Utilities and Sitework award includes all capital projects to renew and replace plant utilities such as potable water, 3 water (3W), plant drain system, compressed air and as well as chemical systems and piping, paving, fencing, and related assets. Major projects include annual paving projects, the Hypochlorite Pipe Replacement Phase 3 project and the 3W System, Gallery and Vault Drain Improvements project. FY 2024 and FY 2025 projects included beginning of design of the 3W System, Gallery and Vault Drain improvements project and completion of the design of the Hypochlorite Pipe Replacement Phase 3 project. FY 2026 and FY 2027 will include construction of the Hypochlorite Pipe Replacement Phase 3 and the planning phase of the Plant Utility Assessment project. FY 2028 through FY 2035 will include completion of the Hypochlorite Pipe Replacement Phase 3 project, MWWTP paving projects, and completion of the 3W System, Gallery and Vault Drain improvements project.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	996	303	693
Design	-	-	-
Construction	3,900	3,900	-
Recurring	-	-	-
Other	-	-	-
Total	4,896	4,203	693



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21062	Hypo Pipe Replacement Phase 3	Construction	5,971	3,111	2,141	719							
21047	3W System, Gallery and Vault Drain Improvements, and Wet Weather Storage Basin Concrete Rehabilitation (SD-439)	Design	2,141				2,141						
21047	3W System, Gallery and Vault Drain Improvements, and Wet Weather Storage Basin Concrete Rehabilitation (SD-439)	Construction	27,180					9,274	3,125	7,666	7,115		
21056	East Gate Undercrossing	Design	652									652	
21056	East Gate Undercrossing	Construction	2,016										2,016
21089	Main Wastewater Treatment Plant Paving Projects	Planning	2,136	103	1,061	109	113	116	119	123	127	130	134
21071	Plant Drain System Improvements	Planning	181										181
21071	Plant Drain System Improvements	Design	632										632
21073	Plant Gallery Ventilation Improvements	Planning	399			399							
21097	Plant Utility Assessment	Planning	361	361									
All Projects		All Phases	41,669	3,574	3,202	1,227	2,254	9,390	3,244	7,789	7,242	783	2,963

Award Purpose:
Remote Facilities

Award:
7000328-Interceptors and Pump Stations

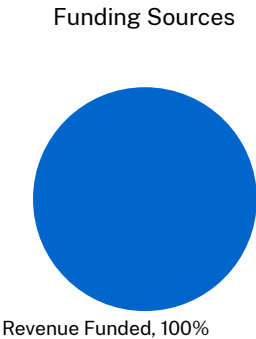
Lead Department:
Wastewater

Start Year:
FY 2026

Award Description

The Interceptors and Pump Stations award includes all capital improvements to rehabilitate aging gravity interceptors, force mains, and pump stations that convey wastewater to the Main Wastewater Treatment Plant (MWWTP). This award includes projects that rehabilitate underground piping, appurtenances, maintenance holes and other buried structures, pumping equipment, electrical and instrumentation infrastructure, and associated buildings. Major projects include the North Interceptor Rehabilitation Emeryville, Alameda Interceptor Rehabilitation Phase 4, and Pump Station H Rehabilitation Phase 2. FY 2024 and FY 2025, the District completed the Special Structures Rehabilitation Phase 1, Pump Station M improvements project, and Interceptor Level Monitoring Station Improvements Project. FY 2026 and FY2027 work includes initiating planning for the Alameda Channel Crossing Improvements project, design of the South Interceptor Rehabilitation Coliseum and Alameda Interceptor Rehabilitation Phase 4 projects, and construction of the North Interceptor Rehabilitation Emeryville and Pump Station H Improvements Phase 2 projects. FY 2028 through FY 2035 work includes construction of the Alameda Channel Crossing Improvements, Pump Stations Facilities Improvements, Pump Station A Improvements, Pump Station L Improvements, South Interceptor Rehabilitation Embarcadero, South Interceptor Rehabilitation Second Street, South Interceptor S24 to S26, and Alameda Interceptor Rehabilitation Phase 5 projects.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	1,498	628	870
Design	4,032	3,077	955
Construction	14,872	523	14,349
Recurring	-	-	-
Other	-	-	-
Total	20,402	4,228	16,174



Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21037	Pump Station L Improvements Project	Planning	229			229							
21037	Pump Station L Improvements Project	Design	584			57	527						
21037	Pump Station L Improvements Project	Construction	3,222				788	2,434					
21085	Force Main Access Manholes and ARVs	Design	672										672
21036	Pump Station H Rehabilitation Phase 2	Construction	11,429	7,544	3,885								
21002	Alameda Interceptor Rehabilitation Phase 4	Design	1,030	1,030									
21002	Alameda Interceptor Rehabilitation Phase 4	Construction	3,183		3,183								
21092	North Interceptor Rehabilitation Emeryville	Construction	6,137	6,137									
21042	South Interceptor Rehabilitation (S8 to S10)	Design	1,035	1,035									
21042	South Interceptor Rehabilitation (S8 to S10)	Construction	11,166		5,207	5,959							
21001	Alameda Channel Crossing Improvements	Planning	685	206	424	55							
21001	Alameda Channel Crossing Improvements	Design	1,410				450	661	299				
21001	Alameda Channel Crossing Improvements	Construction	16,424						5,970	10,454			
21003	Alameda Interceptor Rehabilitation Phase 5	Design	1,230							1,230			
21003	Alameda Interceptor Rehabilitation Phase 5	Construction	10,134								10,134		
21086	Inflow and Infiltration	Planning	8,849	422	446	470	619	788	1,546	1,593	1,640	652	672
21077	Pump Station Ventilation System and Access	Design	228										228
21077	Pump Station Ventilation System and Access	Construction	779										779
21078	Pump Station A Improvements	Planning	123							123			
21078	Pump Station A Improvements	Design	1,080							573	507		
21078	Pump Station A Improvements	Construction	6,254								2,907	3,262	85

Projected Cash Flow (\$ Thousands)

CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21079	Pump Stations Facilities Improvements	Design	1,966	1,011	955								
21079	Pump Stations Facilities Improvements	Construction	13,794						4,911	6,051	2,635	197	
21104	Remote Facilities Communications Control Integration	Construction	523	258	265								
21099	South Interceptor Rehabilitation (S24 to S26)	Design	1,159					1,159					
21099	South Interceptor Rehabilitation (S24 to S26)	Construction	7,757						3,821	3,936			
21030	South Interceptor Rehabilitation (Embarcadero)	Planning	225				225						
21030	South Interceptor Rehabilitation (Embarcadero)	Design	3,935				225	3,710					
21030	South Interceptor Rehabilitation (Embarcadero)	Construction	26,178						12,896	13,283			
21029	South Interceptor Rehabilitation 2nd St	Construction	23,144								11,401	11,743	
21100	Special Structures Sewer Rehabilitation Phase 2	Planning	882									209	673
All Projects		All Phases	165,446	17,643	14,365	6,770	2,834	8,753	29,443	37,242	29,224	16,063	3,109

Award Purpose:
Remote Facilities

Award:
7000329-Wet Weather Facilities

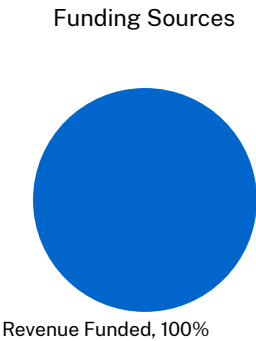
Lead Department:
Wastewater

Start Year:
FY 2026

Award Description

The Wet Weather Facilities award includes all work required for the Inflow and Infiltration (I/I) Program and renewal and maintenance of the Wet Weather Facilities (WWF) for reliable performance during wet weather events. This award includes annual implementation of the regional private sewer lateral (PSL) ordinance, flow monitoring and modeling and reporting, as required from the Consent Decree issued by United States Environmental Protection Agency and Regional Water Quality Control Board. FY 2024 and FY 2025 work included implementation of the I/I Program flow monitoring and modeling, and design and construction of the Oakport Chemical Tank Replacement project. FY 2026 to FY2027 work will include all I/I Program capital work, implementation of a new PSL management software, and design and start of construction of the Remote Wet Weather Facilities Improvements Project. FY 2028 to FY 20235 will include completion of construction of the Remote Wet Weather Facilities Improvements Project, and further implementation of the I/I Program Consent Decree compliance.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	1,935	1,648	287
Construction	24,726	206	24,520
Recurring	-	-	-
Other	-	-	-
Total	26,661	1,854	24,807



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21103	Private Sewer Lateral Software Replacement	Construction	206	206									
21081	Remote Wet Weather Facilities Improvements	Design	1,935	1,648	287								
21081	Remote Wet Weather Facilities Improvements	Construction	24,520		3,448	3,551	2,814	2,898	3,284	3,382	2,534	2,610	
All Projects		All Phases	26,661	1,854	3,735	3,551	2,814	2,898	3,284	3,382	2,534	2,610	

Award Purpose:

System-Wide Improvements

Award:

7000341-General Wastewater

Lead Department:

Wastewater

Start Year:

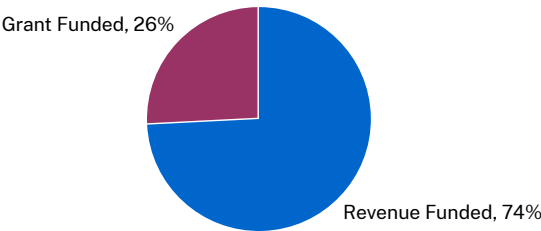
FY 2026

Award Description

The General Wastewater award includes all capital improvements not covered from the other awards and apply to the Wastewater system as a whole, rather than specific projects or areas. Major projects include the Administration and Laboratory Building Seismic Retrofit and Heating, Ventilation, and Air Conditioning (HVAC) Improvements, Laboratory Facility Improvements, Routine Capital Equipment Replacement (RCER) projects, and the Maintenance Center Seismic Retrofit project. FY 2024 and FY 2025 work included design of the Maintenance Center Seismic Retrofit and Administration and Laboratory Building Seismic Retrofit and HVAC Improvements projects, Asset Management Program, and the RCER project. FY 2026 and FY 2027 work will include design and construction of the Administration and Laboratory Building Seismic Retrofit and HVAC Improvements project, Asset Management Program, Laboratory Facility Improvements, planning phase of the MWWTP Space Requirement Planning project, and Optimization Evaluations of Wastewater Facilities projects. FY 2028 through FY 2035 will include completion of the Administration and Laboratory Building Seismic Retrofit and HVAC Improvements project, construction of the Maintenance Center Seismic Retrofit project, RCER implementation, and further Laboratory Facility Improvements implementation.

Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	1,356	773	583
Design	2,060	2,060	-
Construction	33,079	2,362	30,718
Recurring	6,111	3,172	2,939
Other	176	176	-
Total	42,782	8,542	34,240

Funding Sources



Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
21095	Optimization Evaluation of WW Facilities	Planning	2,952	258	265	273	281	290	299	307	317	326	336
21033	Administration and Lab Building Seismic Retrofit and HVAC Improvements	Design	2,060	2,060									
21033	Administration and Lab Building Seismic Retrofit and HVAC Improvements	Construction	45,103		7,426	11,474	11,818	3,478	5,373	5,534			
21087	Laboratory Equipment	Construction	2,647	700	393	372	383	394	406				
21004	Asset Management Program	Planning	3,056	309	318	273	281	290	299	307	317	326	336
21004	Asset Management Program	Other	176	176									
21049	CMU Structures Seismic Retrofit	Planning	38										38
21049	CMU Structures Seismic Retrofit	Design	538										538
21006	Collaboration Space	Planning	124				124						
21006	Collaboration Space	Design	620				620						
21006	Collaboration Space	Construction	3,191					3,191					
21088	Laboratory Facility Improvements	Construction	2,362	206	212	219	225	232	239	246	253	261	269
21090	Main Wastewater Treatment Plant RCER	Construction	28,339	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131	3,225
21012	Main Wastewater Treatment Plant - Space Requirement Planning	Planning	206	206									
All Projects			91,411	6,387	11,161	15,233	16,433	10,657	9,481	9,347	3,927	4,045	4,741

Award Purpose:

Contingency

Award:

7000354-Contingency - Wastewater

Lead Department:

Wastewater

Start Year:

FY 2026

Award Description

The Water and Wastewater systems have independent capital contingency funds to ensure the timely response to unanticipated critical work, and potentially support projects that are contingent upon the receipt of grants or other outside funding. The Contingency Awards are only intended to provide appropriations to existing Awards approved by the Board in the event of material unexpected cost increases or due to unexpected emergencies, without requiring the Board amend the budget, and without each Award incurring its own contingency, which could significantly increase overall capital appropriations. Transfers of contingency appropriations are uncommon and costs that significantly exceed budget expectations are reported to the Board under existing policies. Transfers out of the Capital Contingency Awards are approved by the Director of Finance, and the General Manager and Board of Directors are informed when the amount is greater than \$2.5 million.


Appropriations (\$ Thousands)			
Phase	Total	FY 2026	FY 2027
Planning	-	-	-
Design	-	-	-
Construction	-	-	-
Recurring	-	-	-
Other	16,457	7,981	8,476
Total	16,457	7,981	8,476

Projected Cash Flow (\$ Thousands)													
CIP ID	Project Title	Phase	Total	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
		Planning											
		Design											
		Construction											

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Board of Directors

FROM: Clifford C. Chan, General Manager 

SUBJECT: Fiscal Years 2026 and 2027 Recommended Revisions to the Water and Wastewater Schedules of Rates and Charges Subject to Proposition 218

SUMMARY

The District updates the Water and Wastewater rates and charges biennially in conjunction with the development of its budget. The proposed Fiscal Year (FY) 2026 and FY 2027 rates and charges are designed to cover the expenditures identified in the proposed FY 2026 and FY 2027 Biennial Budget.

To determine the appropriate rates and charges needed to recover its costs, the District engages independent rate consultants to perform cost of service (COS) rate studies for the Water and Wastewater systems. The Water System COS Rate Study is scheduled to be completed in March 2025; the Wastewater System COS Rate Study was completed in May 2019. These studies establish water and wastewater rates and charges to conform to COS principles to allocate operating and capital costs to ratepayers based on the proportional cost of service consistent with California Constitution article XIII D, section 6 (commonly referred to as Proposition 218). The Water System COS Rate Study will be made available on ebmud.com/rates once it is completed.

The proposed FY 2026 and FY 2027 budgets address the operating and capital needs of the District for the next two fiscal years. The recommended rates are necessary to:

- Meet the costs of operating and maintaining the Water and Wastewater systems;
- Address impacts of inflationary cost increases;
- Invest in capital infrastructure improvements;
- Maintain financial stability;
- Comply with state-mandated regulatory requirements; and
- Meet annual debt service requirements and comply with debt covenants.

Staff recommends the proposed water and wastewater rates and charges be adopted by the District's Board of Directors. The proposed FY 2026 rates and charges would take effect for services provided on or after July 1, 2025, and the proposed FY 2027 rates and charges would take effect for services provided on or after July 1, 2026.

The recommended average rate increases for the Water System are 6.5 percent for FY 2026 and 6.5 percent for FY 2027. The recommended average rate increases of the Wastewater System are 8.5 percent for FY 2026 and 8.5 percent for FY 2027. The recommended rates will continue to reflect proportional recovery of cost of service for each parcel served by the Water and Wastewater systems. After implementation of these recommended rate increases, a typical (median) single-family residential (SFR) customer using five units¹ of water per month will see an increase of \$3.79 per month in FY 2026 and an increase of \$4.31 per month in FY 2027 in water charges. A SFR wastewater customer using five units of water per month will see an increase of \$2.31 per month in FY 2026 an increase of \$2.50 per month in FY 2027 in wastewater treatment charges. Wastewater customers also pay a Wet Weather Facilities Charge (WWFC) collected on the property tax bill. Depending on lot size, in FY 2026 the WWFC will increase between \$12.52 and \$44.70 per year and in FY 2027 will increase between \$13.58 and \$48.50 per year.

The recommendations in this memo (Memo) cover FY 2026 and 2027 water and wastewater rates and charges subject to Proposition 218. In compliance with Proposition 218, the District plans to hold a public hearing on June 10, 2025 for the Board to consider adoption of the proposed rates and charges. At least 45 days prior to the scheduled public hearing, notices will be mailed to the owners of record of parcels upon which the proposed charges will be imposed. The owner of record of any parcel upon which the water and wastewater rates are proposed for imposition, or a customer of record who is not the property owner (e.g., a tenant), may submit a written protest to one or more proposed rate changes. On March 25, 2025, a draft copy of the Proposition 218 notice will be presented to the Board for review.

The recommended rates and charges discussed herein as well as fees not subject to Proposition 218 (including capacity charges, recreation fees, installation charges, and other one-time fees and charges) will be presented in a report and recommendation from the General Manager at the May 13, 2025 Board meeting.

RECOMMENDATIONS

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

Water System Rates and Charges

- Implement the rate structure consistent with the 2025 Water System COS Rate Study.
- Increase water rates and charges (meter, volume, elevation surcharge, non-potable/recycled water, and private fire service) by approximately 6.5 percent for FY 2026 and 6.5 percent for FY 2027. These proposed rate changes support the District's

¹ 1 unit of water = 748 gallons = 1 centum cubic foot (CCF). In the Water system service area, 5 units/month represents the *median* water use. In the wastewater service area, 5 units per month represents *mean* water use.

FY 2026 and FY 2027 operating and capital expenses described in the Proposed Biennial Budget and reflect the results of the 2025 Water System COS Rate Study.

- The impact of these changes to the typical (median) SFR customer (5 units/month) is an increase of \$3.79 per month in FY 2026 and an additional increase of \$4.31 per month in FY 2027.

Wastewater System Rates and Charges

- Increase wastewater treatment rates and charges and the WWFC by approximately 8.5 percent overall for FY 2026 and 8.5 percent for FY 2027. These proposed rate changes support the District's proposed FY 2026 and FY 2027 operating and capital expenses described in the Proposed Biennial Budget and reflect the results of the 2019 Wastewater COS rate study.
- For the wastewater treatment charges collected on the bill, the impact to the typical (median) SFR customer (4 units/month) is an increase of \$2.17 per month in FY 2026 and an additional increase of \$2.35 per month in FY 2027.
- For the WWFC collected on the property tax bill, the impact will depend on lot size. In FY 2026 the WWFC will increase between \$12.52 to \$44.70 per year, and in FY 2027 the WWFC will increase between \$13.58 to \$48.50 per year.
- No increase is proposed to the San Francisco Bay Pollution Prevention Fee, which is a fixed monthly charge to fund programs to reduce pollutants in wastewater before it is treated at District facilities and discharged into the San Francisco Bay.

DISCUSSION

Water Rates and Charges

The District's projected growth in water rate revenue is predominantly based on two factors: changes in rates and projected changes in water consumption. The recommended average annual rate increases are 6.5 percent for FY 2026 and 6.5 percent for FY 2027. The District is projecting water consumption of 143.9 million gallons per day (MGD) in FY 2026 and 144.6 MGD in FY 2027, representing a 0.5 percent annual growth in each year. The average rate increases combined with the assumed consumption levels are projected to generate rate revenue sufficient to cover the expenditures identified in the proposed FY 2026 and FY 2027 Biennial Budget.

Water System COS Rate Study

Working with an independent rate consultant, the District has developed a new Water System COS Rate Study. The purpose of a Water System COS Rate Study is to develop a rate structure under which the charges billed to each customer account reflect the cost to serve each parcel and thereby collect the revenue needed by the utility to provide the service. The

Water System COS Rate Study reflects the analysis of conditions during a “Test Year.” FY 2024 was selected as the representative Test Year because it was free from events such as drought, excessive rainfall, pandemic, and other anomalous external factors, and is the most recent complete fiscal year with audited financial information. The Test Year provides a representative set of key factors including operating expenses, capital spending, non-rate revenues, and consumption patterns. The Water System COS Rate Study establishes new rates and charges for the Test Year that, when applied to actual water sales in the Test Year, generate the revenue requirements for that year.

Since the completion of the Test Year (FY 2024), the District increased water rates 8.5 percent beginning on July 1, 2024. The rates established in the 2025 Water System COS Rate Study for the Test Year were increased by the same 8.5 percent to establish a base set of water rates under the Water System COS Rate Study to determine required average rate increases for the following two years, FY 2026 and FY 2027.

Water Rate Revenue Requirements for FY 2026 and FY 2027

The FY 2026 and FY 2027 budget objectives, operating budget, capital expenses, and debt expenses are detailed in the Proposed FY 2026 and FY 2027 Biennial Budget and Capital Project Summaries that will be presented to the Board at the March 25, 2025 Budget Workshop No. 2. The proposed operating and capital budgets contribute to the proposed changes to the FY 2026 and FY 2027 water rates and charges in approximately the following proportions:

- Operating – significant increases in expenses such as chemicals, energy, and computer software and licenses, as well as increases in labor and benefits, and additional funded positions drive approximately \$79.4 million in additional required revenue over the two-year period.
- Capital – increases in capital improvement plan and debt service drive approximately \$88.1 million in additional required revenue over the two-year period.

Table 1 shows the calculation of the average annual rate adjustment required over the two-year period between the end of FY 2025 and FY 2027. The overall spending from FY 2025 to FY 2027 is projected to increase by over 28 percent. The District plans to issue bonds to fund a portion of its capital spending in FY 2026 and FY 2027, which spreads the impact of funding the CIP over future years. Absent any rate increases, the District projects a revenue shortfall of \$46.8 million in FY 2026. An average rate increase of 6.5 percent is required to eliminate the FY 2026 shortfall. Taking into account a 6.5 percent average rate increase in FY 2026, the District projects an additional revenue shortfall of \$51.9 million in FY 2027. An average rate increase of 6.5 percent in FY 2027 is required to eliminate the projected FY 2027 shortfall.

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

Revenue Requirement	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
+ O&M Expenses	399.1	456.4	478.5
+ Debt Service Expense	253.8	266.3	286.6
+ Capital Expense	543.5	579.5	598.8
- Other Sources	(174.1)	(148.4)	(164.9)
- Proceeds from Bond Issues	(275.0)	(355.0)	(345.0)
Revenue requirement	747.3	798.9	854.0
Revenue Adjustment			
+ Revenue Requirement		798.9	854.0
- Revenue from Prior Year Rates		(747.3)	(798.9)
- Revenue from Change in Water Sales		(3.0)	(3.2)
Revenue Shortfall		48.6	51.9
Average Rate Increase Required		6.5%	6.5%

Recommended FY 2026 and FY 2027 Water Rates and Charges

The District's water rates and charges have five customer classes: single-family residential, multi-family residential, and "all other" (non-residential accounts including commercial and industrial accounts), private fire service, and non-potable/recycled water. Together, the rates and charges are structured to proportionately recover the costs of providing water to each parcel. The District's water rates and charges have five components: Water Volumetric Rate, Water Service Charge, Elevation Surcharge, Private Fire Service Charge, and Recycled Water Volumetric Rate. If the Board of Directors declares a drought, the District may assess a temporary Drought Surcharge applied to the Water Volumetric Rate.

A summary of the proposed rates and charges and the resulting customer impacts are as follows:

Table 2 - Proposed Water Volumetric Rates and Elevation Surcharges - (\$/Unit)

Water Volumetric Rates and Elevation Surcharges (\$/unit)	FY 2025	FY 2026	FY 2027
Single-Family Residential			
Tier 1: up to 7 units	\$5.41	\$7.89	\$8.40
Tier 2: over 7, up to 16 units	\$7.44	\$9.15	\$9.74
Tier 3: over 16 units	\$9.83	\$10.79	\$11.49
Multi-Family Residential	\$7.65	\$8.31	\$8.85
All Other Accounts (Commercial/Industrial)	\$7.62	\$8.52	\$9.07
Nonpotable/Recycled Water	\$5.93	\$6.37	\$6.78
Elevation Surcharge (\$/unit)			
Elevation Zone 1	\$0.00	\$0.00	\$0.00
Elevation Zone 2	\$1.10	\$1.25	\$1.33
Elevation Zone 3	\$2.27	\$2.67	\$2.84

Table 3 - Proposed Monthly Water Service Charges (Meter) - (\$/Meter Size)

Monthly Meter Service Charges on Water Bill			
Meter Size (in inches)	FY 2025	FY 2026	FY 2027
5/8 or 3/4	\$35.48	\$26.85	\$28.60
1	\$53.60	\$40.94	\$43.60
1-1/2	\$98.91	\$76.14	\$81.09
2	\$153.23	\$118.37	\$126.06
3	\$298.19	\$252.14	\$268.53
4	\$461.24	\$428.13	\$455.96
6	\$914.09	\$956.12	\$1,018.27
8	\$1,457.58	\$1,132.11	\$1,205.70
10	\$2,091.61	\$1,624.90	\$1,730.52
12	\$2,906.86	\$2,258.49	\$2,405.29
14	\$3,722.02	\$2,892.07	\$3,080.05
16	\$4,718.40	\$3,666.46	\$3,904.78
18	\$5,714.75	\$4,440.84	\$4,729.49

Table 4 - Proposed Monthly Private Fire Service Charges - (\$/Meter Size)

Monthly Private Fire Service Charges on Water Bill			
Meter Size (in inches)	FY 2025	FY 2026	FY 2027
5/8 or 3/4	\$18.88	\$8.52	\$9.07
1	\$25.95	\$14.20	\$15.12
1-1/2	\$43.51	\$28.40	\$30.25
2	\$64.59	\$45.44	\$48.39
3	\$120.91	\$99.41	\$105.87
4	\$184.21	\$170.42	\$181.50
6	\$360.08	\$383.43	\$408.35
8	\$571.13	\$454.44	\$483.98
10	\$817.32	\$653.26	\$695.72
12	\$1,133.86	\$908.88	\$967.96
14	\$1,450.45	\$1,164.50	\$1,240.19
16	\$1,837.38	\$1,476.93	\$1,572.93
18	\$2,224.29	\$1,789.36	\$1,905.67

Table 5 – Example Single-Family Residential Customer Monthly Water Bill Impacts with Proposed Rates and Charges

Single Family Residential Water Charges on EBMUD Bill (5/8" and 3/4" meters)						
	Use (Unit)	FY 2025 Bill	FY 2026 Bill	Change from FY 2025	FY 2027 Bill	Change from FY 2026
25 th Percentile	3 (74 GPD)	\$51.71	\$50.52	(\$1.19)	\$53.80	\$3.28
50 th Percentile (typical/median use)	5 (123 GPD)	\$62.53	\$66.30	\$3.77	\$70.60	\$4.30
75 th Percentile	9 (221 GPD)	\$88.23	\$100.38	\$12.15	\$106.88	\$6.50
95 th Percentile	19 (467 GPD)	\$169.80	\$196.80	\$27.00	\$209.53	\$12.73
Mean Single Family Residential Use	7 (172 GPD)	\$73.35	\$82.08	\$8.73	\$87.40	\$5.32

Table 6 – Other Example Customer Monthly Water Bill Impacts with Volumetric Proposed Rates and Charges

Multi-Family Residential and Non-Residential Water Charges on Water Bill							
	Meter (Inches)	Use (Unit)	FY 2025 Bill	FY 2026 Bill	Change from FY 2025	FY 2027 Bill	Change from FY 2026
Multi-Family Residential 4 dwellings	1	25	\$244.85	\$248.69	\$3.84	\$264.85	\$16.16
Multi-Family Residential 5+ dwellings	1	50	\$436.10	\$456.44	\$20.34	\$486.10	\$29.66
Commercial	1	50	\$434.60	\$466.94	\$32.34	\$497.10	\$30.16
Industrial	2	500	\$3,963.23	\$4,378.37	\$415.14	\$4,661.06	\$282.69

Drought Surcharge

If the Board declares a drought, EBMUD may assess a temporary Drought Surcharge that is applicable to all potable water customer accounts. The Drought Surcharge corresponds to increasingly severe stages of drought from Stage 1 to 4 and is charged on each unit of water used during the billing period. The surcharge is calculated to recover costs of providing supplemental water, losses of revenue, and other drought-related costs. The Drought Surcharge applies to the potable Water Volumetric Rate as follows: Stage 1-up to 5 percent, Stage 2-up to 10 percent, Stage 3-up to 20 percent, and Stage 4-up to 30 percent. Prior to assessing a Drought Surcharge, EBMUD will adopt a drought budget that reflects the most current and updated drought-related costs.

The surcharge will be developed to be consistent with EBMUD’s updated drought budget and Water System COS Rate Study and will not exceed the Drought Surcharge percentages. Under a Stage 4 drought in FY 2027, the typical (median) single-family residential customer using 5 units of water per month would pay a Drought Surcharge of no more than \$12.60 per month (about \$0.41 a day). The actual surcharge in any drought stage may be less than the maximum rates indicated above, depending on the costs of the drought. The District’s Proposition 218 notice for FY 2026 and FY 2027 includes information regarding these Drought Surcharges.

Wastewater Rates and Charges

The District’s projected growth in wastewater rate revenue is predominantly based on planned average rate increases. The recommended average annual rate increases of 8.5 percent in FY 2026 and 8.5 percent in FY 2027 are projected to generate rate revenue sufficient to cover the expenditures identified in the proposed FY 2026 and FY 2027 Biennial Budget.

Wastewater System COS Rate Study

Working with an independent rate consultant, the District developed a Wastewater System COS Rate Study in 2019. The structure of the proposed wastewater rates and charges are based on the Wastewater System COS Rate Study.

Wastewater Rate Revenue Requirements for FY 2026 and FY 2027

The details of the FY 2026 and FY 2027 budget objectives, operating budget, capital expenses, and debt expenses are contained in the Proposed FY 2026 and FY 2027 Biennial Budget and Capital Project Summaries and will be presented to the Board at the March 25, 2025 Budget Workshop No. 2. The proposed operating and capital budgets contribute to the proposed changes to the FY 2026 and FY 2027 wastewater rates and charges as follows:

- Operating – significant increases in expenses such as chemicals, energy as well as increases in labor and benefits, and additional funded positions, drive approximately \$12.7 million in additional required revenue over the two-year period.
- Capital – increases in capital improvement plan and debt service drive approximately \$31.5 million in additional required revenue over the two-year period.

Table 7 shows the calculation of the average annual rate adjustment required over the two-year period between FY 2025 and FY 2027. The overall spending from FY 2025 to FY 2027 is projected to increase by almost 18 percent. The District plans to issue bonds to fund a portion of its planned capital spending in FY 2026 and FY 2027, which spreads the impact of funding the CIP over future years. Absent any rate increases, the District projects a revenue shortfall of \$11.6 million in FY 2026. An average rate increase of 8.5 percent is required to eliminate this shortfall. Taking into account an 8.5 percent average rate increase in FY 2026, the District projects an additional revenue shortfall of \$11.6 million in FY 2027. An average rate increase of 8.5 percent in FY 2027 is required to eliminate the projected FY 2027 shortfall.

Table 7 – Revenue Shortfalls (In Million \$) Addressed Through Proposed Rate Increases

Revenue Requirement	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
+ O&M Expenses	111.0	118.9	123.7
+ Debt Service Expense	32.8	35.7	35.5
+ Capital Expense	59.1	82.9	87.9
- Other Sources	(36.9)	(50.0)	(52.0)
- Proceeds from Bond Issues	(30.0)	(40.0)	(35.0)
Revenue Requirement	136.0	147.5	160.1
Revenue Adjustment			
+ Revenue Requirement		147.5	160.1
- Revenue from Prior Year Rates		(136.0)	(147.5)
Revenue Shortfall		11.6	12.5
Average Rate Increase Required		8.5%	8.5%

Recommended FY 2026 and FY 2027 Wastewater Rates and Charges

Wastewater rates and charges have three customer classes in the Wastewater System COS Rate Study: single-family residential, multi-family residential, and non-residential. Non-residential customers are further classified based on the type of business operated. Together, the recommended rates and charges are structured to proportionately recover the costs of providing wastewater to each parcel served by the wastewater system. The rates for the wastewater fees have five components: Treatment Service Charge, Treatment Flow Charge, Treatment Strength Charge, Pollution Prevention Fee, and Wet Weather Facilities Charge.

Wastewater Treatment Rates and Charges

Table 8 shows the proposed wastewater treatment unit rates that are used to calculate the total wastewater flow and strength charges based on the wastewater discharge characteristics.

Table 8 - Proposed Wastewater Treatment Unit Rates

Wastewater Treatment Unit Rates			
Unit Rates	FY 2025	FY 2026	FY 2027
Service Charge (\$ per account, per month)	\$9.29	\$10.08	\$10.94
Flow (\$ per unit - Up to 9 units max., 1 unit = 748 gallons)	\$1.677	\$1.820	\$1.975
Strength – COD (\$/pound)	\$0.170	\$0.184	\$0.200
Strength – Total Suspended Solids (\$/pound)	\$0.702	\$0.762	\$0.827

Table 9 shows the proposed wastewater treatment charges for residential customers based on the unit rates in Table 8 and the number of dwellings and monthly flow. Table 10 and Table 11 show the proposed wastewater combined flow and strength charge per unit for non-residential customers listed by business classification code (BCC) that is calculated from the unit rates in Table 8. Wastewater customers who have been issued strength permits for unique wastewater strength and flow are charged based on the unit rates in Table 8. Included in the monthly wastewater bill is the San Francisco Bay Pollution Prevention Fee that fund programs to reduce pollutants in wastewater before it is treated at District facilities and discharged into the San Francisco Bay. The San Francisco Bay Pollution Prevention Fee will remain \$0.20 per month per dwelling for residential customers; \$5.48 per month per account for non-residential customers; and \$1.00 per month for multi-family residential customers with five or more units as shown in Table 12. Table 13 shows example resulting customer impacts for the proposed increases for the wastewater treatment bill.

Table 9 - Proposed Wastewater Service, Flow and Strength Charges for Single-Family Residential and Multi-Family Residential with 2–4 Dwellings

Wastewater Treatment Rates & Charges			
Rate Components	FY 2025	FY 2026	FY 2027
Service Charge (\$ per account, per month)	\$9.29	\$10.08	\$10.94
Flow (\$ per unit – up to 9 units maximum, 1 unit = 748 gallons)	\$1.68	\$1.82	\$1.97
Strength – (\$ per dwelling, per month)	\$9.67	\$10.49	\$11.38

Table 10 -Proposed Combined Flow and Strength Rates for Non-Residential and Apartment Buildings with 5+ Dwellings

Business Classification Code	FY 2025 Current Rate per Unit	FY 2026 Proposed Rate per Unit	FY 2027 Proposed Rate per Unit
2010 Meat Products	\$11.74	\$12.74	\$13.82
2011 Slaughterhouses	11.24	12.20	13.24
2020 Dairy Product Processing	9.21	9.99	10.84
2030 Fruit and Vegetable Canning	7.41	8.04	8.72
2040 Grain Mills	7.38	8.01	8.69
2050 Bakeries (including Pastries)	12.76	13.84	15.02
2060 Sugar Processing	7.29	7.91	8.58
2077 Rendering Tallow	22.15	24.03	26.07
2080 Beverage Manufacturing & Bottling	5.54	6.01	6.52
2090 Specialty Foods Manufacturing	23.82	25.84	28.04
2600 Pulp and Paper Products	6.33	6.87	7.45
2810 Inorganic Chemicals Mfgr.	8.15	8.84	9.59
2820 Synthetic Material Manufacturing	1.91	2.07	2.25
2830 Drug Manufacturing	4.11	4.46	4.84
2840 Cleaning and Sanitation Products	8.31	9.02	9.79
2850 Paint Manufacturing	16.03	17.39	18.87
2893 Ink and Pigment Manufacturing	5.80	6.29	6.82
3110 Leather Tanning and Finishing	22.14	24.02	26.06
3200 Earthenware Manufacturing	4.50	4.88	5.29
3300 Primary Metals Manufacturing	3.56	3.86	4.19
3400 Metal Products Fabricating	2.08	2.26	2.45
3410 Drum and Barrel Manufacturing	22.54	24.46	26.54
3470 Metal Coating	2.26	2.45	2.66
4500 Air Transportation	2.97	3.22	3.49
4951 Groundwater Remediation	1.74	1.89	2.05
5812 Food Service Establishments	7.71	8.37	9.08
6513 Apartment Buildings (5 or more units)	3.75	4.07	4.42
7000 Hotels, Motels with Food Service	5.55	6.02	6.53
7210 Commercial Laundries	4.99	5.41	5.87
7215 Coin Operated Laundromats	3.74	4.06	4.41
7218 Industrial Laundries	14.17	15.37	16.68
7300 Laboratories	2.68	2.91	3.16
7542 Automobile Washing and Polishing	3.55	3.85	4.18
8060 Hospitals	3.41	3.70	4.01
8200 Schools	2.51	2.72	2.95
All Other BCC (includes dischargers of only segregated domestic wastes from sanitary conveniences)	3.75	4.07	4.42

Table 11 - Proposed Maximum Blended Flow and Strength Rates for Multi-Use Accounts

Business Classification Code		FY 2025 Current Rate per Unit	FY 2026 Proposed Rate per Unit	FY 2027 Proposed Rate per Unit
A	0-9% Food/91-100% Domestic	\$3.75	\$4.07	\$4.42
B	10-19% Food/81-90% Domestic	4.15	4.50	4.89
C	20-29% Food/71-80% Domestic	4.55	4.93	5.35
D	30-39% Food/61-70% Domestic	4.94	5.36	5.82
E	40-49% Food/51-60% Domestic	5.34	5.79	6.29
F	50-59% Food/41-50% Domestic	5.73	6.22	6.75
G	60-69% Food/31-40% Domestic	6.13	6.65	7.22
H	70-79% Food/21-30% Domestic	6.53	7.08	7.68
I	80-89% Food/11-20% Domestic	6.92	7.51	8.15
J	90-99% Food/1-10% Domestic	7.32	7.94	8.62
K	0-9% Bakery/91-100% Domestic	3.75	4.07	4.42
L	10-19% Bakery/81-90% Domestic	4.66	5.05	5.48
M	20-29% Bakery/71-80% Domestic	5.56	6.02	6.54
N	30-39% Bakery/61-70% Domestic	6.46	7.00	7.60
O	40-49% Bakery/51-60% Domestic	7.36	7.98	8.66
P	50-59% Bakery/41-50% Domestic	8.26	8.96	9.73
Q	60-69% Bakery/31-40% Domestic	9.16	9.93	10.78
R	70-79% Bakery/21-30% Domestic	10.06	10.91	11.84
S	80-89% Bakery/11-20% Domestic	10.96	11.89	12.90
T	90-99% Bakery/1-10% Domestic	11.86	12.86	13.96

Table 12 – Monthly San Francisco Bay Pollution Prevention Fee

Monthly San Francisco Bay Pollution Prevention Fee			
	FY 2025	FY 2026	FY 2027
Residential (\$ per dwelling)*	\$0.20	\$0.20	\$0.20
Non-residential (\$ per account)	\$5.48	\$5.48	\$5.48

*SF Bay Pollution Prevention Fee for apartments (5 or more dwellings) will remain \$1.00 per month for both FY 2026 and FY 2027.

Table 13 - Example Customer Monthly Wastewater Treatment Bill Impacts with Proposed Rates, Charges and Fees

Wastewater Charges on EBMUD Bill							
	Meter (Inches)	Use (Units)	FY 2025 Bill	FY 2026 Bill	Change from FY 2025	FY 2027 Bill	Change from FY 2026
Typical (median_ Single-Family Residential	5/8	4	\$25.88	\$28.05	\$2.17	\$30.40	\$2.35
Single-Family Residential (maximum)	5/8	9	\$34.28	\$37.15	\$2.87	\$40.25	\$3.10
Multi-Family Residential 4 dwellings	1	25	\$90.77	\$98.34	\$7.57	\$106.51	\$8.17
Multi-Family Residential 5+dwellings	1	50	\$197.79	\$214.58	\$16.79	\$232.94	\$18.36
Commercial*	1	50	\$202.27	\$219.06	\$16.79	\$237.42	\$18.36
Industrial**	2	500	\$2,784.77	\$3,020.56	\$235.76	\$3,276.42	\$255.86

*Calculation conducted using the combined strength and flow charge for “All Other Business Classifications”

**Calculation conducted using the combined strength and flow charge for BCC 2080 “Beverage Manufacturing & Bottling”

Wet Weather Facilities Charge (WWFC)

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

Since the WWFC is based on the property’s propensity to contribute peak wet weather flows and is unrelated to the amount of water used at the property, the District collects the WWFC

on the property tax bill for all parcels that have connections to the local wastewater collection systems within the District's wastewater service area. The WWFC for public agencies that are exempt from property taxes is collected through the District's billing process. As shown in Table 14, the proposed WWFC will increase 8.5 percent in FY 2026 and 8.5 percent in FY 2027.

Table 14 - Proposed Annual Wet Weather Facilities Charge - (\$/Lot Size)

Proposed Wet Weather Facilities Charge on Property Tax Bill (\$/Lot Size)					
	FY 2025 Bill	FY 2026 Bill	Change from FY 2025	FY 2027 Bill	Change from FY 2026
Small Lot 0 - 5,000 sq. ft.	\$147.38	\$159.90	\$12.52	\$173.48	\$13.58
Medium Lot 5,001 – 10,000 sq. ft.	\$230.16	\$249.72	\$19.56	\$270.94	\$21.22
Large Lot >10,000 sq. ft.	\$526.00	\$570.70	\$44.70	\$619.20	\$48.50

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